

Pilot Projects

Testing & Implementing Finance Solutions

Biodiversity Management Agreement Tax Incentive Pilot Project

WFA's Innovative Finance Unit, in partnership with the Coalition, will test the BMA tax incentive, section 37C(1), for the first time since its inclusion in the Income Tax Act. The project aims to unlock much needed sustainable finance for the conservation management of important species such as rhino and lion, with the possibility of transferring the intervention for vultures and cycads. This pilot was made possible by the BMA Tax Incentive Incubator and is evidence of the effectiveness of the Coalition's Finance Solution Approach[©]. This incentive is estimated to introduce additional finance that would increase gradually from approximately \$100 000 pa (R1.4 million) in 2022 to \$193 000 pa (R2.7 million) in 2030 and \$265 000 pa (R3.7 million) in 2040.



Municipal Property Rates Application By Wilderness Foundation Africa (WFA)

One biodiversity finance mechanism which can contribute significantly to protected area financial sustainability is section 17(1)(e) of the Local Government: Municipal Property Rates Act, 6 of 2004 (the MPRA).

The WFA team assists private and communal landowners across the country to access these much needed municipal property rates rebates, reductions or exclusions and which afford savings that assist in covering the costs of managing these critical areas. This incentive is estimated to generate net benefits up to \$4 100 000 pa (R58 million) by 2026 and stabilise at approximately \$10 500 000 pa (R147 million) from 2028 onwards.

Section 37D For National Parks With SANPARKS

To date, section 37D has been extensively applied for nature reserves but has not yet been utilised for contract national parks. This project is serving to facilitate this process and ensure that all qualifying national parks have a clearly defined process to access this unique financial benefit going forward. This will extend the impact of this finance innovation to all qualifying protected areas.





Section 37D For Verification And Validation Of Private Nature Reserves With Grootbos Nature Reserve

The Verification and Validation Project (V&V Project) aims to make qualifying historically proclaimed provincial protected areas in the Western Cape compliant in terms of the National Environmental Management: Protected Areas Act (NEMPAA). Once compliant, these verified and validated protected areas may become eligible for the section 37D tax benefit. WFA's Environmental Tax & Training Services is assisting Grootbos Nature Reserve to potentially access section 37D of the ITA after having successfully completed the V&V process. The successful completion of this project will unlock additional finance for other qualifying private nature reserves across the country and further extend the impact of section 37D.

Biodiversity Offset Corporate Finance Mechanism

Financial provisioning for offset receiving sites that are declared as protected areas is critical for their long-term security as well as their ongoing and effective management. This pilot is developing a unique and innovative corporate finance model to facilitate this. The model determines the best financial management and appropriate structure for ongoing governance and financial sustainability. It boasts a 'One-Solution' for biodiversity offsets. The total overall land purchase and management cost of the offsets are estimated to increase gradually from approximately \$786 000 (R11 million) in 2025 to \$1 143 000 (R16 million) in 2030 and \$1 930 000 (R27 million) in 2040.

