

## Biodiversity Management Agreement Tax Incentive Pilot Project

Fiscal benefits for the management of threatened species

1 July 2021

### UNLOCKING SUSTAINABLE FINANCE FOR THE CONSERVATION OF THREATENED SPECIES: BIODIVERSITY MANAGEMENT AGREEMENT TAX INCENTIVE PILOT PROJECT



The financing and resourcing of South Africa's sustainable landscapes, including the conservation of threatened species, requires specific attention. If actions to safeguard our iconic species are to reach their full potential environmentally, socially and economically, they require long-term financial sustainability.

Wilderness Foundation Africa is pleased to announce the launch of a new finance solution pilot project dedicated to threatened species management: **The Biodiversity Management Agreement (BMA) Tax Incentive Pilot Project**. WFA's Innovative Finance Unit will test the BMA tax incentive, section 37C(1), for the first time since its inclusion in the Income Tax Act No. 58 of 1962 (ITA).

The project aims at unlocking much needed sustainable finance for the conservation management of important species such as rhino and lion. This unique tax incentive is dedicated to conservation and maintenance costs enacted by the National Environment Management: Biodiversity Act No. 10 of 2004 (NEMBA).

The development of sustainable green finance is no small feat but is critical to achieving the NDP 2030 targets and the Sustainable Development Goals. **The Sustainable Landscape Finance Coalition** (Coalition), established as a strategic partnership between Wilderness Foundation Africa and WWF SA, aims to drive green finance innovation through the development of new finance mechanisms and by enabling a cohesive conservation finance sector. The Coalition hosts Finance Solution Incubators (incubators) to strategically unlock these new and

innovative finance mechanisms, such as the BMA tax incentive, as part of its four-stage Finance Solution Approach.

The pilot project would also not have been possible without the Coalition's successful finance solution incubator process, focussed on the BMA tax incentive concluded in 2020. It is believed that the incubator findings will facilitate the testing of this incentive's viability in providing new finance for threatened species management. It also shows the tangible results of the four-staged Finance Solution Approach where the Coalition has taken an innovative concept to strategic viability and now to practical testing.

The pilot project will be focused on rhino and lion management costs with engagement and collaboration with key communities of practice as well as management experts. The pilot project officially commences on 1 July 2021 and will be led by Ellané van Wyk, Tax Extension Lead for WFA, with oversight provided by Candice Stevens, Head of Innovative Finance for WFA and Chair of the Coalition. Both Ms Van Wyk and Ms Stevens are registered tax practitioners and have been at the forefront of biodiversity tax incentives since 2015, notably the implementation of section 37D of the ITA.

A successful completion of this project will potentially unlock an estimated R1.4million to R2.7million per year until 2030, providing much needed additional financial sustainability for the conservation of threatened species in South Africa.



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**For more  
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### Flow Diagram Requirements of Section 37C(1)

The following shows the individual requirements of section 37C(1). Each requirement must be met to access the incentive

