

## **Terms of Reference**

### **Biodiversity Finance Initiative (BIOFIN)**

**Preparing a business case for the development of a voluntary market-based certification scheme for South Africa's wildlife economy sector.**

**Location:** South Africa. Home-based with meetings on site as needed.

**Application Deadline:** 10 August 2022

**Category:** Energy and Environment

**Type of Contract:** Individual Contract

**Language Required:** English

**Starting Date:** Immediately

**Duration of Assignment:** 6 months

#### **1. Background Summary:**

##### **The Biodiversity Finance Initiative**

The Biodiversity Finance Initiative (BIOFIN) is implemented by the United Nations Development Programme, with financial support from the European Commission and the Governments of Germany, Switzerland, Norway and Flanders. This global initiative is envisioned to transform the way in which biodiversity finance is mobilized allowing for greater resources to be enacted as required within the Aichi Targets defined in the Convention on Biological Diversity Strategic Plan (2011 – 2020). Over the past nine years, the UNDP Global BIOFIN team together with 39 countries have been involved in developing and piloting the BIOFIN methodology which is continuously refined through national, regional and global learning.

In South Africa, the BIOFIN project is implemented at a national level by the UNDP in partnership with the Department of Forestry, Fisheries and the Environment (DFFE). South Africa initiated its BIOFIN programme in 2015 and has met several envisioned goals including the undertaking of a Policy and Institutional Review (PIR), Financial Needs Assessment (FNA), Biodiversity Expenditure Review (BER) and Biodiversity Financial Plan (BFP). Within the Biodiversity Finance Plan, 16 financial solutions were identified as being instruments that could be developed or refined to increase financial flows earmarked for biodiversity protection.

As part of Phase II implementation, eight priority finance solutions have been identified for implementation. One of the priority financial solutions that has been identified is on the development and implementation of a voluntary market-based certification scheme in South Africa's wildlife economy sector. Priority activities that



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have been identified under this financial solution are the development of a spatial database of game ranches in South Africa; undertaking an assessment of the biodiversity contribution of the ranching sector; undertaking a consumer demand study and preparing a development and business case for the wildlife economy certification scheme; ongoing stakeholder consultation; the development of sustainability standards at the game ranch and the activity level; the development and implementation of the scheme in line with the findings of the business case; and support for the development of Biodiversity Economy brand for certified enterprises.

These activities build on outputs in the Phase I BIOFIN implementation in South Africa, which included a literature review and feasibility study on the development of such a scheme. The literature review outlined the extent, activities, and economic contribution of the private wildlife sector in South Africa; identified industry stakeholders and provided an overview of wildlife industry legislation and best practice guidelines; and unpacked conservation and welfare issues prevalent in the sector. A chapter on international and national experiences of certification provided an introductory overview of certification; steps in developing a certification scheme; global growth in certification schemes; and lessons learned from relevant schemes. This review provided insight into the strengths and weaknesses, and costs of various existing certification schemes. An initial investigation, by means of a choice experiment, into what level of reward would need to be realized in order to induce producers in the sector (ie wildlife ranchers) to sign up for the scheme was undertaken. The assignment outlined in this Terms of Reference is based on some of the recommended next steps as identified in the study.

### **The Wildlife Economy in South Africa**

The Wildlife Economy in South Africa is a complex and multi-faceted commercial sector that includes a combination of agriculture, ecotourism and conservation activities. The primary objective of the wildlife ranching sector is to run profitable enterprises that encompass four broad types of activities, these being the animal husbandry of game animals (breeding and live sales), hunting, game products (including game meat production) and ecotourism. Wildlife ranches are managed along a continuum from intensive to extensive systems, providing different environmental benefits depending on their management objectives.

South Africa's Wildlife Economy sector has been growing consistently faster than the general economy for several years, contributing R3 billion to GDP in 2014 – almost double the contribution made by the sector in 2008. The Wildlife Economy aspiration articulated under the Biodiversity Economy Phakisa in 2016 aims to create an inclusive, sustainable and responsive wildlife economy that grows at 10% p.a. until at least 2030 while providing a foundation for social well-being and maintaining the ecological resource base. The National Biodiversity Economy Strategy, which aligns to the sustainable use of biodiversity resources, estimates that the sector's GDP contribution could be R14 billion by 2030.

Wildlife-based land use has the potential to comprise nearly 40% of South Africa's area, thereby limiting land-use change which has been recognized as one of the key drivers of global biodiversity loss. It is estimated that between 9,000-10,000 privately-owned wildlife ranches cover 17 million hectares (14%) of South Africa. South Africa's legislation governing property rights and user rights to wildlife on their land has led to various business models being deployed by the private sector engaged in the Wildlife Economy. Formally declared Protected



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Areas, such as National and Provincial Parks, Biodiversity Stewardship Sites and Protected Environments cover 10,8 million hectares (8,9%) and a further 8,4 million hectares (6,9%) are classified as Conservation Areas (this category includes Biosphere Reserves and World Heritage Sites). Significant tracts of land under the custodianship of communities, land reform beneficiaries and new entrants to the sector will potentially make a further substantial contribution if sustainable land management is practiced. Identifying and prioritizing 10 million hectares (8,2%) for transformation of the wildlife economy is one of the initiatives developed during the Biodiversity Economy Phakisa in 2016. This combined wildlife-based land-use estate has the potential to yield substantial inclusive rural economic growth through the creation of new biodiversity-related jobs and enterprises.

Article 2 of the Convention of Biological Diversity defines sustainable use as ‘the use of components of biological diversity in a way and at a rate that does not lead to the long-term decline of biological diversity, thereby maintaining its potential to meet the needs and aspirations of present and future generations.’ In determining whether game ranching is biologically sustainable, it is important to consider how game animals (species) are managed on private lands in addition to the management of ecosystems within biologically sustainable limits. A pilot Wildlife Economy survey undertaken in the Eastern Cape at the beginning of 2021 gathered information on sustainable land management contributions, agroecological farming practices, and socio-economic contributions and captured various challenges and solutions that were shared by game ranchers. The results of this survey of 105 game ranches will provide a better understanding of prevailing management practices, thereby shedding light on the ecological, social, and economic benefits of the sector.

Loss of natural habitat, degradation, and alien invasive species have been identified as major threats to biodiversity in South Africa. Sustainable land stewardship practices including management of species and habitat on the private game ranching estate make an important contribution to biodiversity conservation. Most game ranches occur on marginal lands with low rainfall, with these lands historically being susceptible to degradation due to poor stewardship practices. Well managed game ranches are considered to be important climate change adaptation practices.

### **Ongoing Wildlife Economy sector stakeholder engagements**

The development of sustainability standards and a voluntary, market-driven certification scheme for the Wildlife Economy sector were identified as key initiatives in the Biodiversity Economy Phakisa in 2016. A stakeholder workshop was held in November 2017 to provide an overview on current and relevant certification schemes and to establish a multi-sector working group to drive the development of the voluntary market-based certification scheme. A Certification Scheme Working Group has been established and progress reports are presented at Wildlife Forum meetings.

There is broad consensus amongst stakeholders that the certification scheme should be informed by a base sustainability standard comprising environmental, economic and social indicators in addition to specific activity standards. Some of the principles to guide the development of this voluntary market-driven Wildlife Economy certification scheme are outlined below.



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- The BIOFIN Phase I literature review and feasibility report is a starting point for further engagements;
- The ownership of the certification scheme will need to be determined in the next phase of its development;
- The certification scheme should aim to support and enhance the sustainability of wildlife ranching operations and not be a barrier to entry for new entrants into the sector;
- The base standard of the certification scheme should be based at the level of the game ranch, with a focus on custodianship practices of both land and species. Separate activity standards, such as for hunting, game meat harvesting, and other value chain activities in the wildlife industry would be developed to complement the base standard;
- The scheme should focus on market-related incentives to encourage increased uptake of sustainable practices;
- The scheme should be voluntary, market-driven
- The views of consumer groups should also be taken into account in the further development of the scheme.

### **Developing sustainability standards and a voluntary, market-driven certification scheme for the Wildlife Economy sector**

International best practice in the development of sustainable tourism certification and sustainable certification of agriculturally produced goods indicate that such schemes are often structured as market-driven, voluntary approaches to incentivize environmentally sustainable practices, adequately mitigate risk or environmental impacts of production and optimize business operations and practices.

Certification is a mechanism which indicates that certain agreed-upon standards have been met in all production processes on the game ranch and related supply chains. Wildlife Economy base standards across three pillars have been identified to be developed: sustainable land management (as indicated by rangeland condition); sustainable species management (as indicated by population wildness); and sustainable livelihoods (as indicated by social equity and community development). This could be further complemented by standards for the broad types of activities across the wildlife sector. The proposed Wildlife Economy Certification Scheme could support the re-positioning and strengthening of the principle of sustainable use of natural resources as a critical driver of inclusive rural economic development and biodiversity conservation in South Africa.

The certification scheme aims to be a cost-effective way to create an enabling environment for a thriving Wildlife Economy sector with a verifiable contribution to biodiversity conservation and inclusive rural economic development. The certification scheme is envisaged to help improve the resilience of the sector while at the same time helping to secure biodiversity and ecosystem services as a global public good. It is envisaged to support the creation of a more efficient enabling environment that includes a sector-level consideration of the full range of provincial and national regulations governing and impacting the wildlife economy sector. This could lead to potential cost savings or operational efficiencies made possible through a fundamentally more cooperative approach between key parties.

Harnessing adaptive management, and continually improving practices and industry-wide advocacy could lead to significantly increased outcomes for natural capital stocks on privately held land. Tailored extension services and mentorship programs could be designed to ensure emerging wildlife ranchers are supported to access the opportunities in the sector. Investment in restoring and maintaining ecological infrastructure is approached as a long-term endeavor by game ranch owners and could be an opportunity to create long-term employment and labor-intensive activities in South Africa's marginalized rural districts.

## **2. Objectives of the work:**

BIOFIN seeks to appoint an individual consultant to develop a business case for the certification scheme in support of the implementation of this finance solution. Such a business case should clearly articulate the needs of the primary stakeholders and what value is added to the sector through the development of the certification scheme. In the absence of a strong business case, there will be no basis for private sector stakeholders in the wildlife economy sector to embrace the certification scheme.

The business case is to be informed by a **consumer demand study** (comprising surveys of international and domestic hunters, live sales customers and game meat consumers), **sustainability standards**, and **structure and governance mechanism** of the certification body and other sources to be decided at the inception stage. The business case will highlight how the certification scheme will support the growth, development, and transformation of the Biodiversity Economy, with a positive social well-being outcome whilst maintaining the ecological resource base underpinning the Wildlife Economy sector. National and global frameworks and trends with respect to Biodiversity Conservation and Sustainable Use are to be taken into account.

The appointed service provider will work with the BIOFIN core team and the Certification Scheme Working Group comprising officials of DFFE, the South African National Biodiversity Institute (SANBI), and sector stakeholders to produce a business case report for the development of a wildlife certification scheme.

In this regard, the objectives of this assignment are to:

### **1) Prepare a Business Case for the certification scheme, taking into account, but not limited to, the following:**

- Determine a comprehensive range of financial, non-financial, and other market related benefits/incentives that could result from the implementation of the certification scheme by different types of wildlife economy enterprises. Direct financial costs and compliance related time investments for scheme participants are also to be identified.
- Develop different scenarios indicating varying levels of uptake, and what the impacts of the adoption of the certification scheme would be for the sector under each of the scenarios. These scenarios to include an assessment showing the extent to which benefits will be accrued (qualitative and quantitative) and costs to be incurred (qualitative and quantitative) from investment in the wildlife economy in general and specifically the development and management of a certification scheme.



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These scenarios are to take into account domestic and international reputation and market development opportunities.

- An assessment of the gap between demand and capacity/competency to participate in such a scheme for the various industry players (including both communal and private game ranches) as well as recommendations on how to address these gaps.
- Develop draft criteria/ standards for wildlife ranching for the continuum of the sector in consultation with the sector
- Develop a costing and benefits framework based on the sustainability standards developed by the task team and SANBI
- Recommend an appropriate operating mechanism and governance structure for the management of the Certification Scheme, and identify the roles and responsibilities of each relevant stakeholder.

### **3. Methodology and scope of work:**

In undertaking the work, it is critical that stakeholders must be engaged including DFFE, SANBI, SANParks, Provincial Authorities, relevant wildlife ranching role players and other institutions and organizations which may be identified at the project inception stage. The firm will be required to participate in an inception meeting with the task team and prepare an inception report on how the assignment will be undertaken.

It is required that an analysis be undertaken which should include a review of literature in consultation with relevant organizations and institutions to collect additional data and to fill data gaps in the existing information.

In developing a business case document the firm is required to demonstrate quantitative and qualitative benefits using lessons from other certification schemes and voluntary standards to shape the report. The draft document will be reviewed by the task team and UNDP.

All analysis should ensure that both qualitative and quantitative data is presented in a clear and concise way that enables informed policy decisions to be undertaken. Data collection methodologies should be co-designed with SANBI who are currently implementing a survey project with the wildlife ranching industry.

The firm will be required to administer and coordinate all consultancy related meetings and prepare monthly progress plans and reports and present in project meetings. A handover meeting will be required at the end of the assignment.

At a minimum, in addition to the BIOFIN team, the appointed firm will be required to report to the Certification Scheme Working Group, DFFE Working Group 1 and the Wildlife Forum at required intervals - this will be arranged by the DFFE. The firm will be provided with relevant national and provincial documentation compiled to date, by DFFE.

### **4. Deliverables:**

The total duration of the review will be approximately six (6) months starting from the date of contracting, with three (3) payment terms that are aligned to deliverables described in the table below. The tentative timeframe is as follows:

<b>Deliverables</b>	<b>Duration</b>	<b>Payment</b>
1. Participate in an inception meeting with the BIOFIN core team and the Certification Scheme Working Group and produce an inception report and refined high-level work plan	Within 4 weeks of contract commencement	<b>5%</b>
2. Prepare the draft business case for the certification scheme (dependency with the development of standards should be taken into account) 3. Host a workshop with industry stakeholders to get inputs into a draft framework of the business case	4 months after project commencement	<b>45%</b>
4. Final business case	6 months after project commencement	<b>50%</b>

## **5. Duty Station:**

The consultancy assignment will be home-based with travel to sites and for meetings (where possible, and to be determined in light of possible future COVID-19 restrictions) in Pretoria.

Foreseeable travel costs should be included in the Financial Proposal as part of the application submission documents. Unforeseeable travel, payment of travel costs including tickets, lodging, and terminal expenses should be agreed upon, between the BIOFIN Project Management Specialist, BIOFIN Programme Manager and the service provider, prior to travel and will be covered and paid by UNDP from the BIOFIN Project. In a case where there is need for travel, the costs including transport, lodging, and terminal expenses will be covered and paid by UNDP on the basis of UNDP rates. The fare will always be “most direct, most economical” and any difference in price with the preferred route will be paid for by the service provider. UNDP will not cover any costs associated with moving to the Duty Station (Pretoria). There is no anticipated travel outside the country for this assignment.

## **6. Implementation, Reporting, and Administration:**

The service provider will be appointed through UNDP processes.

Following the contracting process of the service provider, the service provider is expected to engage closely with the BIOFIN Project management specialist and assigned contact within DFFE and to participate in person during inception and stakeholder meeting.

Whilst the contract is held with UNDP, coordination and implementation modalities will be jointly shared with DFFE. UNDP and DFFE will have the overall responsibility for supervising the technical quality of the deliverables, calling and convening all meetings with the service provider, making logistical arrangements, and seeing to the overall day-to-day interaction directly with the service provider. UNDP is responsible for making payments and administration associated with contract management. To this end, UNDP will authorise payments upon written approval by both the BIOFIN Programme Manager in South Africa and BIOFIN Project Management Specialist. It is expected that there will be a minimum of a monthly meeting with UNDP and DFFE and this may be arranged in frequency as needed during the implementation to present Monthly progress reporting. Any proposed deviations from the original project implementation plan shall be explained to UNDP and DFFE in writing.

The firm is expected to present monthly progress reports detailing:

- Progress against the project plan
- Risks/current challenges identified
- Items needing attention and decision making.
- Any proposed deviations from the original project implementation plan shall be explained to the BIOFIN National Project Manager, BIOFIN task team leader, and UNDP in writing.

The project report (s) must be submitted in electronic format in English.

## **7. Required Skills and Experience:**

A single consultant is required for this exercise. The consultant must possess experience in business strategy and business case development, a Masters degree in resource economics, or similar qualification. The inclusion of an intern(s) to work with the individual consultant to facilitate skills transfer to the youth is encouraged but not mandatory.

The below table is the set of skills necessary to undertake the work:

<b>Expert 1: Resource Economist and Wildlife Economy Expert</b>	<p><b>Academic qualifications:</b> Candidate must be in possession of a Masters degree in Economics and/or Resource Economics and/or Agricultural Economics or similar</p> <p><b>Minimum experience required:</b></p> <ul style="list-style-type: none"> <li>• Minimum 8 years of professional experience, in one of the following areas: wildlife economy sector, environmental management,</li> <li>• Experience and understanding of environmental issues or biodiversity, with a focus on conservation and Biodiversity Economy related topics. An understanding of South Africa's National Biodiversity Economy Strategy and the Wildlife sector is vital.</li> <li>• Experience in conducting surveys and stakeholder engagement,</li> <li>• Demonstrable experience in technical and/or professional support to the Wildlife Economy sector.</li> </ul>
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	<ul style="list-style-type: none"> <li>• Prior experience with UNDP projects is an asset.</li> <li>• Demonstrable experience in business strategy and business case development</li> </ul>
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The following additional functional competencies of the consultants will also be advantageous.

- Documented experience in written content development, communication and writing skills in English.
- Ability to work as part of a team.
- An understanding of certification schemes
- Efficient, partner- and client-focused working methods.
- Excellent communication skills both orally and in writing.
- Excellent interpersonal skills.

#### **EVALUATION CRITERIA:**

The evaluation of proposals will be conducted according to UNDP's procurement rules. A two-stage procedure is utilized in evaluating the proposals. The first step is the evaluation of the technical proposals, which must be completed prior to moving on to the next step which is the opening and comparing of the costing/budget/financial proposals. Only the costing/budget/financial proposals for submissions that passed the minimum technical score of 70% and above of the obtainable score of 100 points in the evaluation of the technical proposal will be opened.

The technical proposal is evaluated based on its responsiveness to the Terms of Reference (TOR).

In the second stage, the costing/budget/financial proposal of all contractors, who have attained the minimum 70% score in the technical evaluation will be compared. The contract will be awarded to the lowest priced technically qualified proposal.

Foreseeable travel costs should be included in the costing/budget/financial proposal as part of the application submission documents.

<b>Evaluation criteria</b>	<b>Max score</b>
	(100)
Proposed Methodology: A clear methodology must be described, and the methodology must outline how the Scope of Work will be carried out according to deliver each deliverable	30
Proposed Work Plan and management of the project: Detailed work plan with intermediate and final outputs and identified timeframes / milestones and resources must be indicated in the proposal for achieving of the deliverables.	10



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Documented qualifications and experience: demonstration of necessary resources and technical expertise to undertake and successfully complete the project. Documented relevant academic qualifications must be showcased, as well as experience, knowledge, proven track record and evidence of undertaking similar projects.	20
Technical Capability/ expertise and track record of previous work done that relates to the deliverables of this assignment and knowledge in the respective fields outlined above, i.e. wildlife economy, wildlife ranching, business strategy and economics (environment and conservation sector experience preferable) and <u>may</u> also have, planning/management practices, project management, certification, and finance mechanisms experience. Previous experience in engaging with international and national experts and institutions as well as with community stakeholders.	30
The company's experience, track record and knowledge in developing business strategies and business cases. The bidder should submit full details of at least three reliable contactable signed references for projects of a similar scope that were successfully completed previously.	10

*Technical proposals are encouraged to reflect gender equity. UNDP is committed to achieving workforce diversity in terms of gender, nationality and culture. Individuals from minority groups, indigenous groups and persons with disabilities are equally encouraged to apply. All applications will be treated with the strictest confidence.*

### **13. RESPONSE FORMAT:**

To facilitate the analysis of responses, all interested parties are required to prepare their response in accordance with the instructions outlined in this section. All proposals should be electronically generated.

Applicants are required to submit the following:

- A technical proposal outlining a methodology on the approach and implementation of the assignment.
- Personal CV of consultant highlighting qualifications and experience in similar projects.
- Evidence and examples of similar projects that have been successfully completed.
- Minimum of 3 contactable work references – organization for whom you have conducted/undertaken similar assignments (email addresses).
- All-inclusive financial proposal (fixed cost bid) indicating consultancy fee (South African Rand) and a breakdown of expenses (unit price together with any other expenses) related to the assignment. The proposal must incorporate all the costs including travel etc. for the service provider to achieve the required deliverables.



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Proposals should be submitted no later than 1 August 2022, 1600 CAT through the UNDP e-tendering system (<https://etendering.partneragencies.org>)