UMFOLOZI-EMHAKHOSINI-OPHATHE BIODIVERSITY ECONOMY INITIATIVE

Land Reform and Biodiversity Stewardship Initiative Learning Exchange
9-12 February 2015

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Manager Conservation
South African Hunters and Game Conservation Association
CONSERVATION TARGETS + ECOSYSTEM SERVICES
BIODIVERSITY ECONOMY

EXTENSIVE WILDLIFE AREAS
Ecosystem Services – R73 Bil or 3% GDP

PRIVATE LAND – WILDLIFE PRODUCTION

COMMUNAL AREAS

PROTECTED AREAS

SELECTIVE BREEDING

LAND CLAIMS

SETTLEMENTS

MINING

FORESTRY
CONSERVATION TARGETS + ECOSYSTEM SERVICES
BIODIVERSITY ECONOMY

ROI – DIFFERENT VALUES

PRIVATE LAND (game and cattle)

1. Financial
2. Conservation
3. Social: Labour + Communities

COMMUNAL AREAS

1. Social/cultural
2. Financial
3. Conservation

PROTECTED AREAS

1. Conservation

PARTNERSHIPS – FINANCIALLY Viable LANDUSE MODELS

SELECTIVE BREEDING

LAND CLAIMS

SETTLEMENTS

MINING

FORESTRY

1. Social/cultural
• MET 4%
• Funding
2. Financial
3. Conservation

1. Financial

1. Social: Labour + Communities
CONSERVATION REALITIES

CONSERVATION AGENCIES’ MANDATE

- Resources
- Capacity
- Competition
- Socio-economic

NATURAL RESOURCES

Ecosystem Services R73 Bil

UNLOCK THE BIODIVERSITY ECONOMY

Private Sector + Communities

Wildlife Industry R9 Bil

2013: Biltong Hunting R6.3 Bil

USA: 80% of conservation funding from use/hunting

Principle purpose to promote the interests of the general public in conservation and development of our natural resources
CONSERVATION BUSINESS DEVELOPMENT OPP

• R return for 28 land uses, 4 threats
• Biodiversity economy - competitive land use > $60 mil/year
• Socio-economic + conservation goals
• Decreased conflicts between biological diversity, agricultural use, forestry & mining

Di Minin et al. 2013

• USA 80% of conservation budget from resource use
<table>
<thead>
<tr>
<th>EKZN WILDLIFE</th>
<th>SAHGCA</th>
<th>KWASANGUYE</th>
<th>VRIENDSCHAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trustee</td>
<td>Promote extensive wildlife system</td>
<td>Contribute land + resources</td>
<td></td>
</tr>
<tr>
<td>Environmental integrity</td>
<td>Develop viable models for economic growth + conservation</td>
<td>Business + technical expertise</td>
<td></td>
</tr>
<tr>
<td>Social equity + responsibility</td>
<td>Technical expertise</td>
<td>Operational efficiency</td>
<td></td>
</tr>
<tr>
<td>Economic efficiency</td>
<td>Transformation</td>
<td>Social Stability</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Green certification</td>
<td>Vehicle - biodiversity economy</td>
<td>DELIVERY VEHICLE FOR NDP &amp; EKZNW MANDATE</td>
</tr>
</tbody>
</table>
KWASANGUYE ASSOCIATION

LAND RESTITUTED: 6,700 People from rural community
- 900 Beneficiaries
- 17 Trustees (4 Trusts) from Homestead clusters
- Association
- Mngt Committee / Board
  - 3 EO members: Nkosi + Attorney + General Manager (Commercial farmer)

S-CANE + FORESTRY + CATTLE + GAME

SUSTAINABLE BUSINESS MODEL

- RENTAL
- MANAGEMENT AGREEMENTS
- PROFIT SHARING

CAPACITY THROUGH PARTNERSHIPS
5 AGREEMENTS - 4 Trusts – 1 Association

1. S-Cane: rental 10% turnover
2. Forestry: fixed rent (7% land value) + % turnover
3. Cattle: Rental + Mngt contract + % offspring
4. Game: Partners 30% Com & 70% Landowner
5. Preferential Job Employment & empowerment programs

R300 k - 1 Million /annum
PARTNERSHIP OUTCOMES

- Improve business viability, individual and cluster – competing landuse
  - Economies of scale - business opportunities
# AVERAGE SPENDING - HUNTING TRIP

**NWU, 2013**

<table>
<thead>
<tr>
<th>Item</th>
<th>2005</th>
<th>2007</th>
<th>2009</th>
<th>2010</th>
<th>2013</th>
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<tbody>
<tr>
<td>Accommodation</td>
<td>R869.00</td>
<td>R1 967.10</td>
<td>R27 98.01</td>
<td>R2 948.08</td>
<td>R3 019.73</td>
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<tr>
<td>Transport</td>
<td>R734.00</td>
<td>R1 769.07</td>
<td>R2 259.71</td>
<td>R2 251.92</td>
<td>R3 511.20</td>
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<tr>
<td>Food</td>
<td>R452.00</td>
<td>R1 070.58</td>
<td>R1 466.69</td>
<td>R1 467.56</td>
<td>R1 568.86</td>
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<tr>
<td>Beverages</td>
<td>R245.00</td>
<td>R582.22</td>
<td>R838.10</td>
<td>R692.70</td>
<td>R877.47</td>
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<tr>
<td>Ammunition</td>
<td>R279.00</td>
<td>R772.80</td>
<td>R1 276.44</td>
<td>R971.61</td>
<td>R1 218.57</td>
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<tr>
<td>Clothing</td>
<td>R139.00</td>
<td>R359.29</td>
<td>R533.67</td>
<td>R526.58</td>
<td>R611.01</td>
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<tr>
<td>Butchery facilities</td>
<td>R229.00</td>
<td>R435.38</td>
<td>R585.35</td>
<td>R454.43</td>
<td>R1 232.17</td>
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<tr>
<td>Meat processing</td>
<td>R417.00</td>
<td>R928.52</td>
<td>R1 202.88</td>
<td>R1 388.47</td>
<td>R1 140.32</td>
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<tr>
<td>Hunting gear, excluding ammunition</td>
<td>R278.00</td>
<td>R659.30</td>
<td>R700.51</td>
<td>R983.91</td>
<td>R1 994.60</td>
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<tr>
<td>Daily fees</td>
<td>R260.00</td>
<td>R556.90</td>
<td>R806.72</td>
<td>R927.58</td>
<td>R1 051.59</td>
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<tr>
<td>Other expenses</td>
<td>R102.00</td>
<td>R443.62</td>
<td>R498.27</td>
<td>R333.28</td>
<td>R340.43</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>R4 130.00</strong></td>
<td><strong>R9 544.78</strong></td>
<td><strong>R13 631.34</strong></td>
<td><strong>R12 946.12</strong></td>
<td><strong>R16 565.95</strong></td>
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</table>
PARTNERSHIP OUTCOMES

- Improve business viability, individual and cluster
  - Economies of scale – Tourism – improve competitiveness: local, regional, national, international - diverse product offering
  - Pilot – responsible wildlife/resource use branding
    (Hunting - SAHGCA Green Flag Status/Master hunters)

- Improve operational efficiency + profitability
- Improved delivery - conservation + development targets
- Focused interventions - “work for” + govt programs in job drivers
- Successful land reform – business partnership with mentors + regulator
- Transformation - viable business opportunities - value chain SMME’s opp
- Sustainability – triple bottom line profits
Expand the conservation estate - Ophathe (8825ha) + Kwasanguyye (2200 +1800ha) + Vriendschap (840ha)

Include threatened species & habitat – wild dog, cycads, rhino, etc..

Bigger areas, less management interventions

People and parks – neighbouring communities vested interest

Consolidate ecosystems

Improved infrastructure networks e.g. water reticulation + fences

Unlock access to resource availability – e.g. helicopter for anti-poaching, fire management, etc.

Improved emergency response – reduced red tape

Improved METT scores (and scoring)
Shared Risk between Parties

Sound agreement - five year development period before long-term agreement - clear deliverables

Landowner partnership – track record + cant go anywhere

Mutual benefits

SAHGCA – strategic partner with track record, capacity, demand

SAHGCA – pilot in developing standards, certification, auditing (METT)

Annual financial and conservation audit

Dedicated Strategic Steering Committee

Bigger Umfolozi Biodiversity Economy Initiative – strategic focus

No party to be prejudiced
CHALLENGES

- Government programs not adaptable for “new” approaches
  - JF (not developed for wildlife economy), VISION 2020 (specific ownership model), “Work For programs (process + strategic focus)....

- Incentives for contributing to conservation targets + development objectives

- Early delivery of benefits to generate trust

- No strategic focus resulting in diminished negotiating power
UMFOLOZI BIODIVERSITY ECONOMY INITIATIVE
Government programs not adaptable for “new” approaches

- JF (not developed for wildlife economy), VISION 2020 (specific ownership model), WORK FOR programs (process + strategic focus)....

Incentives for contributing to conservation targets + development objectives

- Early delivery of benefits to generate trust
- No strategic focus resulting in diminished negotiating power
- Advised by people not in the business of making money
CONCLUSION

- True BUSINESS Partnership – customer focussed – not policy driven
- Harnessing strength of the various partners S + E + R
- Limited & equally shared risk – landowner based - stable
- Developing competitive advantages - Green Flag
- Different + integrated landuse options (Cattle etc.)
- Strategic positioning + economies of scale
- Better product offering – investors
- Funding - Sound business model
- Financial and other support - fast track profitability
THANK YOU

South African Hunters and Game Conservation Association