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South African Taxpayers Can Now Deduct Conservation Expenses from Their Tax Bill, the Tool Targets Threatened Species

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November 28, 2023*

A new policy in South Africa is expected to save conservationists a combined \$80,000 annually for protecting threatened species, such as rhinos, lions, and vultures, as well as certain ecosystems, through Biodiversity Management Plans (BMPs). Section 37C(1) of South Africa's Income Tax Act reduces the tax burden of eligible taxpayers by deducting qualified conservation and maintenance expenses from an individual's taxable income.

The tool is the nation's first tax incentive for protecting threatened species and was established through a collaboration among the Sustainable Finance Coalition; the Department of Forestry, Fisheries and the Environment; and Wilderness Foundation Africa.

To take advantage of the deduction, a taxpayer must sign a Biodiversity Management Agreement (BMA) that is binding for at least five years and agrees with terms set by a nationally published BMP and Section 44 of the National Environmental Management: Biodiversity Act.

Landowners in Limpopo Province were the first to capitalize on Section 37C(1). They signed BMAs with the Minister of the Environment, which, in turn, created Other Effective Area-Based Conservation Measures (OECMs)

The tax incentive comes at a critical time for conservation, globally, as nations across the world are making a collaborative push to conserve 30 percent of land and sea area by the end of the decade. Candice Stevens, CEO and Chairperson for The Sustainable Finance Coalition says it catalyzes South Africa's progress toward these goals both by providing a finance solution for conservation and establishing a Candidate OECM.

"Our ability as South Africans to innovate around finance for nature, particularly with tax incentives is already world-renowned, and this novel incentive gives us one more finance tool for our biodiversity rich country," said Stevens.

To learn more about the tax incentive access SFC's user guide [here](#).

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