

# **1. SCOPE OF WORK**

## **1.1. BACKGROUND**

The South African National Biodiversity Institute (SANBI) is currently implementing the five-year Global Environmental Facility (GEF) funded Ecological Infrastructure for Water Security (EI4WS) Project, in partnership with the Department of Environment, Forestry and Fisheries and the Development Bank of Southern Africa. The project aims to develop policy and capacity incentives for mainstreaming biodiversity and ecosystems values into national, regional, and local development policy and finance and is working in two demonstration water catchments. One of these demonstration catchments is the Greater uMngeni catchment. SANBI has entered into a collaboration agreement with Umgeni Water (UW) to implement some of the work of the project in the Greater uMngeni catchment.

The use of biodiversity offsets within the context of the mitigation hierarchy has rapidly increased in recent years, with many countries exploring offsets as a potential mechanism to mitigate the residual impacts of development on biodiversity. It is widely acknowledged that biodiversity offsets face technical and methodological challenges and have under-achieved on their conservation objectives, despite the development of good practice guidelines and debates on their conceptual base. Biodiversity offsets were first considered in South Africa more than a decade ago to mitigate the residual adverse effects of project development. Since then, South Africa has gained considerable experience in the development of offsetting policies, guidelines, and plans, which can be applied elsewhere to develop robust biodiversity offsets.

The mitigation hierarchy requires offsets to be considered during the Environmental Impact Assessment (EIA) process. The Ecological Infrastructure for Water Security has identified the need assist stakeholders to review offsets as part of the mitigation hierarchy, compensation and value add examples to develop guidance, that may be used in EIAs, Environmental Management Plans (EMPs), licenses, pricing structures, tariffs, and safeguards of financial institutions.

## **1.2. PURPOSE OF THE APPOINTMENT**

The purpose of this document is the appointment of a competent professional service provider (PSP) to assist stakeholders to review and consider biodiversity offsets as part of EIAs, EMPs, licences, tariffs, pricing structures, and safeguards of financial institutions.

### **1.3. DURATION OF THE PROJECT**

The PSP will be required to conclude this project within 12 months. There will be no extensions granted for these 12 months.

### **1.4. PROJECT OUTCOMES**

The PSP will be required to demonstrate innovative and creative ways to execute the project scope (building on existing information), build capacity (UW, SANBI, and stakeholders), and promote learning and building strategic relationships. The scope outline below should be treated as a guideline, while showing creativity, innovation, and action learning.

### **1.5. PROJECT SCOPE**

The appointed service provider will be responsible for the execution of the following scope of work:

- A review of existing knowledge (internationally, nationally, and locally) and key stakeholder engagement, data sourcing and spatial analysis.
- Convene and facilitate stakeholder workshops to establish the existing understandings of biodiversity offsets; identify key issues in biodiversity offset considerations and implementation; and consider best practice in the review and consideration of biodiversity offsets.
- Contextualise the legal framework for biodiversity offsets as part of the mitigation hierarchy.
- Formulate strategies and best practice guides aimed at optimising the outcomes for biodiversity and ecological infrastructure especially in respect of hydrological performance of catchments.
- Identify areas of alignment with key sector departments, policies, frameworks, and governance structures.
- Use examples such as Spring Grove dam and Smithfield dam and other relevant examples to develop best practice guidance that can be used where

biodiversity offsets are considered in EIAs, EMPs, licences, tariffs, pricing structures, and safeguards of financial institutions.

- Convene and facilitate stakeholder workshops to investigate where best to locate capital and maintenance costs for ecological infrastructure; and appropriate governance structures to implement biodiversity offsets and ecological infrastructure obligations.
- Document lessons and learnings from previous studies of biodiversity offsets and make recommendations to improve future offset planning, development, and implementation with particular focus on offsets associated with water service provision within KwaZulu-Natal.
- Develop best practice guidelines for implementation of biodiversity offsets that can be used to inform EIAs, EMPs, water use licences, tariffs, pricing structures, and safeguards for financial institutions.

The project will tap into the existing knowledge base and feeds into other components of the Ecological Infrastructure for Water Security Project. Hence the PSP is required to be cognisant of the work taking place in other areas of the EI4WS Project.

#### **1.6. DELIVERABLES**

The following deliverables are expected as part of the services that will be provided by the appointed service provider:

- An inception report which must include a detailed work plan indicating the phases of work, timing, key deliverables and milestones and the budget breakdown.
- A report of the reviewed existing knowledge (internationally, nationally, and locally) and key stakeholder engagement, data sourcing and spatial analysis.
- A framework for the review of relevant biodiversity offsets.
- A draft report of the reviewed biodiversity offsets as part of the mitigation hierarchy; contextualized legal framework; and the recommended strategies and best practice guides aimed at optimizing the outcomes for biodiversity and ecological infrastructure especially in respect of hydrological performance of catchments.
- An analysis of areas of alignment in policies and framework of key sector departments' policies, frameworks, and governance structures.
- Recommendations on where best to locate capital and maintenance costs for ecological infrastructure and, appropriate governance structures to implement offset and ecological infrastructure obligations.

- A draft final report including:
  - Documented lessons and learnings from previous studies of biodiversity offsets and make recommendations to improve future offset planning, development, and implementation.
- Best practice guidelines for implementation of biodiversity offsets that can be used to inform EIAs, EMPs, water use licenses, tariffs, pricing structures, and safeguards for financial institutions. A final report.

### **1.7. SKILLS AND COMPETENCIES REQUIRED:**

i)

To fulfill the requirements for the development of guidelines for biodiversity offsets that can be used in EIAs, EMPs, licenses, tariffs, pricing structures, and safeguards of financial institutions, the service provider should demonstrate the following experience, skills, and competencies:

- Excellent knowledge in biodiversity offsets.
- Excellent knowledge of environmental, biodiversity, and natural resources management policy and legislation.
- Good understanding of financial mechanisms in the water sector.
- Excellent research, creativeness, and innovative skills. An ability to incorporate action learning and information transfer.
- Excellent analytical, conceptual, and report-writing skills.
- Excellent stakeholder engagement and social learning process skills.

### **1.8. EXPERIENCE AND QUALIFICATION OF PSP:**

ii)

The key personnel that will be assigned for undertaking the study should have expertise in Natural Sciences with 5 years' experience in processes relating to:

- Biodiversity offsets as part of the mitigation hierarchy
- Water and environmental legislation, including the associated regulatory framework.
- Proven knowledge and understanding of the Greater uMngeni catchment.

### **1.9. REPORTING REQUIREMENTS**

Following confirmation of the selection and appointment of the professional service provider, an inception meeting shall be held between the PSP and the Umgeni Water and SANBI project team. The purpose of the meeting will be to:

- Confirm the scope of work and any information requirements.
- Obtain additional project background information from Umgeni Water and SANBI; and
- Confirm the project approach, project scope and design, reporting requirements, and schedule.
- The successful service provider will be required to provide monthly progress reports and monthly progress meetings will be held between the PSP and the Umgeni Water project team.

### **1.10. EVALUATION OF PROPOSAL**

The potential service provider will be required to submit, at its own cost, a proposal/method statement in which it will show its ability to perform the tasks described in these Terms of Reference.

The proposal or method statement, including a work programme schedule and a detailed schedule of resources with costs, should be concise and to the point.

Proposals shall include the following:

- CV of proposed key personnel indicating the project manager and showing relevant qualifications and experience.
- Demonstration of an understanding of the scope of work required.
- Method statement indicating the methodology that will be followed to undertake the assessment and develop the rehabilitation plan.
- Work or preliminary program indicating timeframe for deliverables.
- A clear understanding of what is required as deliverables to this project must be presented.
- A cost estimate for all tasks of work is required. The hourly rate of personnel must be stated. The costing should indicate costs per task as well as overall costs.
- Travel and disbursements must be incorporated into the budget.
- Administration costs including project management fees must also be included where applicable.