

# CEPF FINAL PROJECT COMPLETION REPORT

## I. BASIC DATA

**Organization Legal Name:** The South African Wine & Brandy Company

**Project Title (as stated in the grant agreement):** The Biodiversity & Wine Initiative (BWI)

**Implementation Partners for this Project:** Main partners: SA Wine Industry Council (new name for SA Wine & Brandy Company) and the Botanical Society of SA.

Our other project partners (although not by means of formal written MOU's) include:

- Centre for Agricultural Biodiversity
- Cape Action Plan for People and the Environment (CAPE)
- Provincial Department of Agriculture
- South African National Biodiversity Institute
- SA Wine Industry Council
- CapeNature
- Integrated Production of Wine (IPW)
- Winetech
- Wines of South Africa
- IUCN
- WWF Green Trust
- SKEP

**Project Dates (as stated in the grant agreement):** October 1, 2004 - December 31, 2006  
(3 month grant extension obtained to extend grant beyond 30 Sep, 2006).

**Date of Report (month/year):** December 2006.

Report written by: Sue Winter

Reviewed by: Mark Botha (Botanical Society)

## II. OPENING REMARKS

*Provide any opening remarks that may assist in the review of this report.*

There have been a number of staff changes that have taken place over the 2 years of the project as follows:

- **Tony Hansen** was the project initiator and Project Co-ordinator from October 2004. He structured the project proposal so that he could phase out of the project and so reduced his inputs systematically over time from 100% of this time, to 3 days a week, to 1 day a week, and finally terminated his inputs in August 2006.
- **Sue Winter** was employed as the BWI Extension Officer from October 2004, responsible for all contact with wine producers and farm visits. However, her actual responsibilities extended far further than just project extension and gave inputs into many other aspects such as project communication & public relations, devising strategy, workshop & event logistics, stakeholder liaison, numerous project presentations, website updates, developing project tools etc. After visiting 70 farms in the first year of the project, it soon became evident that her work load was too demanding for 1 person. For this reason application was made to CEPF to fund another extension officer who would focus mainly on wine producers in succulent karoo areas and so expand BWI's influence to another biodiversity hotspot.
- **Joan Isham** was employed as the 2<sup>nd</sup> BWI Extension Officer from February 2005.
- **Sue** began to take on increasing project co-ordination responsibilities during 2006 as Tony phased out and was formally appointed as BWI Project Co-ordinator in September 2006. Sue therefore cut back on farm visits but still had some extension officer responsibilities due to farms that she had previously engaged with.
- **Tony** has remained involved with BWI by being retained in a consulting capacity for 10hrs of this time per month since Aug 06. His involvement in 2007 is still to be finalized.

- **Sue** resigned from her role as Project Co-ordinator in December 2006 in order to travel & work overseas in 2007. Joan Isham indicated that she would not like to take over the Project Co-ordinator position and therefore the post was advertised & recruitment commenced.
- **Inge Kotze** has now been appointed as the new Project Co-ordinator and started on 8 January 2006 to fill Sue's place. Sue, Inge and Mark met a few times in Dec in order to hand-over project knowledge & give Inge guidance.

### III. ACHIEVEMENT OF PROJECT PURPOSE

**Project Purpose:** The South African wine industry embraces conservation stewardship in priority sites through the implementation of biodiversity guidelines for conserving biodiversity in the vineyard and surrounding landscape.

#### Planned vs. Actual Performance

Indicator	Actual at Completion
<b>Purpose-level:</b>	
The South African wine industry embraces conservation stewardship in priority sites through the implementation of biodiversity guidelines for conserving biodiversity in the vineyard and surrounding landscape.	73 wine producers have embraced conservation stewardship by voluntarily becoming either members or champions of BWI. Many of these farms do lie in priority sites where endangered ecosystems are being conserved. The total amount of land being conserved currently between the 72 producers is 40,000 which is equivalent to 40 percent of the vineyard footprint in the Cape winelands.
BWI strategy incorporated into the main implementing partners' (Dept. Agriculture & WCNCB) long term strategy by the completion of the project.	Dept of Agriculture and CapeNature remain committed partners and have fully recognize and endorse the work of BWI in the wine industry, and the ongoing need for stewardship within the winelands. In many cases officials of these two organizations have referred wine farmers to BWI staff. CapeNature see the member & champion categories introduced by BWI as a way of implementing a level of stewardship that is not onerous on the landowner or require a lengthy legal process to declare. Furthermore, the tangible incentive of marketing advantages and increased exposure offered by BWI is seen by CapeNature as a vitally necessary "sweetner" to getting farmers more positive towards conservation. Therefore, while neither Dept of Agriculture nor CapeNature are likely to take on the function of BWI extension officers in the actual enlisting of producers, they stand fully behind the strategy.

**Describe the success of the project in terms of achieving its intended impact objective and performance indicators.**

The Biodiversity & Wine Initiative has more than exceeded expectations. The BWI has been cemented into the SA wine industry structures through the inclusion of the biodiversity guidelines in the existing industry IPW guidelines. Furthermore "biodiversity" is the new core positioning for marketing SA wines, which is being driven by Wines of South Africa (WOSA). Therefore, biodiversity is now an integral part of the SA wine industry and has become the new "buzz word" for wine! This is succinctly summed up in the new WOSA slogan, "**Variety is in our Nature**". Branding biodiversity and building an awareness and pride for the biodiversity of the winelands will hopefully remain within the industry after the initial 2004 to 2006 pilot phase.

BWI has now built up sufficient momentum and recognition to take the next step of developing a wine bottle sticker/identifier to enable consumers to be able identify which farms are "nature friendly" in their wine farming practices and accredited by BWI as members or champions. The final choice for the sticker design is shown below and will be printed in the next few months (metallic gold and silver foil backgrounds will be used to distinguish members & champions). Administration of the sticker will also enable BWI to regain some funds as members will have to pay for use of the sticker.



**Were there any unexpected impacts (positive or negative)?**

The project was not as successful in handing over the financial responsibility of the project to SAWB (now called the SA Wine Industry Council) as was originally discussed. There are a number of reasons for this including the unexpected impact of the restructuring process that the Council underwent and the current difficult stage that the wine industry is in, in terms of global competitiveness. Securing ongoing funds for phase 2 of BWI and a new institutional home has proved challenging, but is currently being resolved.

**IV. PROJECT OUTPUTS**

**Project Outputs:** Enter the project outputs from the Logical Framework for the project

**Planned vs. Actual Performance**

Indicator	Actual at Completion
<b>Output 1:</b> Establish an enabling environment incorporating key players from the wine industry, conservation sector, private sector and government.	
<b>1.1.</b> Formalise strategic partnerships with the 11 listed partners & co-ordinate their involvement in the implementation of the BWI.	Partner's roles haven't been reassessed since they all became partners in 2004. However, there is ongoing communication with partners and stakeholders through the Steering committee meetings (most recent meeting held on 17 Nov 06) and regular progress reports (the last progress report produced was Nov 06 and this is attached to this report).
<b>1.2.</b> BWI office set-up at SAWB, implementing the core objectives of the BWI.	An office was set up at SAWB in October 2004, where the BWI staff have remain and will continue to do so in 2007, until the BWI's new institutional home has been finalized.
<b>Output 2:</b> Implement and refine the biodiversity guidelines into the Integrated Production of Wine (IPW) Scheme.	
<b>2.1.</b> Biodiversity guidelines incorporated into the IPW guidelines by September 2004 and continuously updated as the BWI evolves.	Biodiversity guidelines were successfully incorporated into the IPW guidelines by Sep 2004 and again updated in April 2006 with a longer, improved version. Furthermore, the weighting of the biodiversity section within IPW was increased from 3 percent to 12.5 percent of the total IPW score for farms and a new biodiversity evaluation table has been included into the IPW evaluation forms.
<b>2.2.</b> Technical working group continues to develop and test the effectiveness of the biodiversity guidelines.	The Technical Working Group met 7 times during 2004 and 2005. Once the biodiversity guidelines had been established and refined, the necessity for the working group diminished, until Sue Winter decided to terminate the working group. Instead the BWI staff met regularly with the 3 main IPW personnel which proved far more effective.

<b>Output 3: Extend conservation stewardship to the wine industry.</b>	
<b>3.1.</b> 20 stewardship agreements in priority sites have been completed by project completion date.	65 wine producers became Members of BWI over the 2 years. BWI Membership is not the same thing as a CapeNature legal stewardship agreement, but because the stewardship legal process proved exceptionally slow, it was decided to devise another voluntary category that wine producers could fairly easily and quickly enter into so as not to deter landowner interest. To become a member, producers must sign an agreement to conserve an area of natural habitat >2ha which is indicated on a map of the property. Furthermore, they must agree to implement the biodiversity guidelines and be in possession of an IPW certificate.
<b>3.2.</b> 10 champions in the wine industry promote biodiversity through conservancies on their farms.	Four wine producers became champions during the pilot phase. The champion category remained an exclusive category not easily entered into, so as to retain the value of champion status. The champion criteria were fairly stringent so as to ensure the producers' absolute commitment to conservation. The first champion Vergelegen are already active members of the Lourensford River Protected Nature Environment and the local Fire Protection Association. The second champion Graham Beck Wines have since obtaining champion status initiated the formation of a conservancy with neighbouring landowners, and the inaugural meeting has been held in 2006.
<b>3.3.</b> Lessons learned workshop held to capture the process of integrating biodiversity considerations into the wine industry, and produce a plan for sharing this with other agricultural sectors in priority lowlands.	A lessons learnt workshop has been scheduled for 15 February at Kirstenbosch to which a number of other industry biodiversity initiatives have been invited. Sue Winter has compiled a detailed lessons learnt document which will be made widely available to those interested.
<b>Output 4: Integrate biodiversity into Brand South Africa - unifying brand for wines of South Africa.</b>	
<b>4.1.</b> Biodiversity incorporated in Wines of South Africa's (WOSA) global marketing strategy.	WOSA did adopt biodiversity of the Cape Floral Kingdom as Brand South Africa's new positioning in 2004. This is summarized in their new slogan "Variety is in our nature". Biodiversity was the central theme at the Cape Wines 2006 wine trade show and all their new marketing material now includes images of South Africa's indigenous flora. A series of adverts was run in the London underground tube stations and a new website has been launched by WOSA called <a href="http://www.varietyisinournature.com">www.varietyisinournature.com</a> in order to make biodiversity come alive to the consumer and producer.
<b>Output 5.</b> 5. Develop a biodiversity wine route.	
<b>5.1.</b> Biodiversity wine route with 50 producers established by project completion date.	BWI helped establish the Green Mountain Eco Route, the world's first biodiversity wine route. It currently has 27 members in total, of which 15 are wine producers.
<b>Output 6.</b> <b>Raise funding for extension officer?</b>	This is ongoing with private funders

***Describe the success of the project in terms of delivering the intended outputs.***

BWI has surpassed all expectations in terms of mainstreaming biodiversity as a new concept and selling point within the wine industry. Producer buy-in & support has also been better than expected. The BWI has been cemented into the SA wine industry through the inclusion of the biodiversity guidelines compiled by BWI in the existing industry IPW guidelines. Furthermore "biodiversity" is the new core positioning for marketing SA wines, which is being driven by Wines of South Africa (WOSA). Therefore, biodiversity is now an integral part of the SA

wine industry and has literally become the new “buzz word” for marketing wine, particularly in SA’s international markets! This is succinctly summed up in the new WOSA consumer campaign slogan, “**Variety is in our Nature**”.

**Were any outputs unrealized? If so, how has this affected the overall impact of the project?**

As described in output indicator 3.1 above, getting many stewardship agreements signed was not realized due to the slowness and red tape within legal process for declaring stewardship contract reserves. For this reason the categories of BWI “Member” and “Champion” were introduced as a better alternative to implementing stewardship in the wine industry. Three CapeNature stewardship agreements on wine farms are however, in the process of being negotiated and finalized.

## V. SAFEGUARD POLICY ASSESSMENTS

**Provide a summary of the implementation of any required action toward the environmental and social safeguard policies within the project.**

This was not necessary during the project.

## VI. LESSONS LEARNED FROM THE PROJECT

**Describe any lessons learned during the various phases of the project. Consider lessons both for future projects, as well as for CEPF’s future performance.**

A separate and detailed 8 page document has been compiled outlining all the lessons learnt in the Project Design Process and Project Execution. Please refer to the separate document attached.

## VII. ADDITIONAL FUNDING

**Provide details of any additional donors who supported this project and any funding secured for the project as a result of the CEPF grant or success of the project.**

Donor	Type of Funding*	Amount	Notes
Botanical Society of SA	A	R 184,500	Although this amount was budgeted, BotSoc have carried many other costs mainly related to the staff expenses such as medical aid, UIF etc which were not originally budgeted for in the CEPF budget.
SA Wine Industry Council (previously SAWB)	A	R 50,000	This was to cover the office costs and telephone calls of the BWI extension officer. This amount was budgeted, but actual expenditure was not specifically measured by the Council as BWI’s contribution to office running costs was not separated.
Winetech	A	R 108,000	This was to cover workshop and special events and in year 2 also included travel and incidental expenses.
Wines of South Africa (WOSA)	A	R 200,000	This amount was budgeted, but actual expenditure was not specifically measured by WOSA. WOSA paid for a number of BWI marketing materials such as banners, posters and brochures.
Green Trust	A	R 300,000	This was split to cover a number of budget items including project coordinator salary, media and printing costs.

**\*Additional funding should be reported using the following categories:**

- A** *Project co-financing (Other donors contribute to the direct costs of this CEPF project)*
- B** *Complementary funding (Other donors contribute to partner organizations that are working on a project linked with this CEPF funded project)*
- C** *Grantee and Partner leveraging (Other donors contribute to your organization or a partner organization as a direct result of successes with this CEPF funded project.)*
- D** *Regional/Portfolio leveraging (Other donors make large investments in a region because of CEPF investment or successes related to this project.)*

**Provide details of whether this project will continue in the future and if so, how any additional funding already secured or fundraising plans will help ensure its sustainability.**

Tony Hansen drafted a Business Plan in September 2006 for Phase 2 of BWI (commencing in 2007) which worked on the assumption that the target would be met of incorporating IPW certification into the Wine of Origin scheme by the end of 2009, and that BWI would be completely incorporated into the amended wine certification system by then. However, this target does not currently seem feasible any more, and therefore the business plan needs to be re-worked.

#### **2007 Funding**

A three-year allocation of R150,000/year from the Green Trust has been granted for 2007-2009, which is conditional upon co-funding from the wine industry. Winetech & WOSA have committed R100,000 and R140,000 respectively to fund the BWI until December 2007. However additional funding is still needed to cover the shortfall for all of BWI's operational costs in 2007, with an estimated shortfall of between R200 – R240,000. One of the reasons for the shortfall is that it was originally envisaged that 1 extension officer would be sufficient for phase 2 of BWI. However it has become clear over the last 3 months, that a dedicated project co-ordinator is also vitally necessary in addition to a minimum of 1 extension officer (but preferably 2). Winetech have further indicated that they will not be able to fund BWI after 2007. The SA Wine Industry Council and WWF offered to assist BWI by approaching potential philanthropists to sponsor BWI. Outcome pending.

#### **Institutional home**

The institutional home for BWI is currently the SA Wine Council. Future institutional arrangements are still in the negotiation process. Two letters were written to the Wine & Spirit Board by Johan Van Rooyen (SA Wine Industry Council) and Sue Winter (BWI) respectively propose that The Integrated Production of Wine (IPW) Scheme becomes BWI's new institutional home. A working group has been appointed by the Wine & Spirit Board to provide clarity on which of the many current standards and codes within the wine industry add real value and should be applicable to environmental sustainability within the industry. BWI made a presentation to this working group on 6 November, proposing IPW becomes BWI's future institutional home. Working group decision pending.

## **VIII. ADDITIONAL COMMENTS AND RECOMMENDATIONS**

Please consult the BWI website for more detail on the project as well as the most recent detailed project progress report which outlines other aspects such as media coverage, workshops and presentations and other project achievements. One of the notable media coverage successes was the filming of BWI for an insert on the well respected national environmental TV programme called "50/50". An electronic copy of this insert has been copied to a CD for CEPF's viewing in .mpeg format.

It was surprising that the Centre of Environmental Leadership in Business (CELB) was not able to assist BWI in any real way. The reasons for this were not clear to us.

At least 1 month should be set-aside by the project executant after the CEPF project delivery time frame has ended where he/she can be based out of the office without normal job responsibilities, just to be able to

uninterruptedly write up lessons learnt, final project reports and document much of the institutional memory that was developed.

## VIII. INFORMATION SHARING

CEPF aims to increase sharing of experiences, lessons learned and results among our grant recipients and the wider conservation and donor communities. One way we do this is by making the text of final project completion reports available on our Web site, [www.cepf.net](http://www.cepf.net), and by marketing these reports in our newsletter and other communications. Please indicate whether you would agree to publicly sharing your final project report with others in this way.

Yes

No

If yes, please also complete the following:

**For more information about this project, please contact:**

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