**WWF-UK Request for Proposal for the ‘Fallow Years’ Analysis**

**SUMMARY**

WWF are looking for an agricultural economist/consultant(s) to test and make detailed recommendations for food system actors seeking to invest into regenerative dairy farming. Particularly, we are wanting to explore how private financiers can work with other supply chain actors, such as food retailers and manufacturers, to support farmers in the initial phases of the transition to regenerative agriculture.

This analysis should outline a vision for how any private financial investment can be de-risked by public funding support for agriculture. The aim is to set out a vision for how collaborative public / private approaches to stimulating the transition to regenerative agriculture could look.

**INTRODUCTION AND CONTEXT**

The global food system is responsible for around a third of global GHG emissions from production to transportation, consumption, and waste. It also is the key driver for the loss of biodiversity worldwide, for example in deforestation and land conversion for animal feed, and it has been the primary driver for the loss of UK nature.

Agriculture continues to be the last main sector of the economy where public subsidy has a dominant role, and in the UK our departure from the EU means we are shifting to replacement schemes that will reward farmers for positive environmental outcomes rather than the land they own. Yet globally, 87% of the $540billion public subsidy for agriculture is thought to be harmful to nature, while in the UK there is a £56billion funding gap to meet our climate and nature goals by 2030, of which much relates to the future of agriculture.

To effectively accelerate the transition to regenerative agriculture, private finance has a crucial role to play. By actively scaling information and providing access to green finance tailored specifically to farmers and food producers, private finance can drive the necessary changes. This is not only vital for farmers but also critical for businesses seeking to align their operations with net-zero emissions and nature recovery. The widespread adoption of regenerative farming practices is essential in achieving these goals practically.

Many farmers are eager to embrace the changes required to secure their future in farming by transitioning to more regenerative practices. However, the lack of sufficient financial support often prevents them from doing so. It is imperative that we unlock the potential of the private sector, but this cannot be achieved without a clear vision, support, and leadership from the government, backed by strong public funding where needed, and clear outcome-based goals.

In their transition to regenerative agriculture, farmers will likely experience a temporary dip in income due to the adjustments and investments required. In addition, farmers may lack access to capital, or lack adequate certainty of the return on investment. However, we know that regenerative practices improve soil health, increase productivity, reduce input costs, and have the potential to provide access to premium markets. But getting farmers through that initial period or ‘Fallow years’ will require support from across the food system in order to navigate the transition and establish long-term profitability.

**NATWEST AND WWF-UK Background**

To address some of these challenges, WWF and NatWest are working together to support and accelerate a sustainable and just transition for the UK food and agricultural system, including calling for ambitious action from governments across the nations of the UK. Specifically, we are working on creating a shared roadmap for financing a regenerative agricultural transition, by convening stakeholders from across the food system to produce a joint vision for how to leverage finance for a regenerative agricultural transition.

WWF’s vision for UK farming, as set out in its Land of Plenty report, is for a net-zero world bursting with life, where the connections between the food people eat and how it has been produced are re-established, where growers and producers get a fairer share of the market, where nature thrives within and outside farmland and where shifts in diets support high quality food from circular, regenerative systems.

NatWest group is one of the UK’s biggest banks for business with 40,000 agriculture customers and is already making commitments to help UK farmers including a £1.25 billion lending package for farmers announced last year, the support of which is helping farmers fund their transition to more sustainable practices.

Together, our expertise and reach create a unique partnership to support the transformation of our food system.

**MAIN PURPOSE AND SCOPE**

WWF are looking for an agricultural economist/consultant(s) to test and make detailed and practical recommendations for different food system actors seeking to invest into regenerative dairy farming. Particularly, we are wanting to explore how private financiers can work with other value chain actors such as insurers, food retailers, processors, manufacturers, and producers, to support dairy farmers in the initial phases of the transition to regenerative agriculture.

This analysis should explore their likely financing needs, the availability or lack of existing financing mechanisms for dairy farming, the extent to which private financing mechanisms are likely to provide a solution vs. the need for public funding or for blended finance mechanisms, or for combinations of both public and private mechanisms to make investments commercially viable and an attractive prospect.

The methodology is likely to include:

* A review of existing literature and scientific evidence on the transition plans for different dairy systems to determine the types of interventions that would be done, the capital and operational costs, and the length of time of this transition period
* A review of existing private finance interventions available to farmers
* A review of the policy landscape in England, Scotland and Wales
* Undertaking and incorporating findings from ongoing WWF-UK consultations with farmers, financial institutions, food retailers, manufacturers, as well as other relevant stakeholders and experts.
* Quantitative modelling to determine the optimal distribution of costs and investment needs across different stakeholders in the supply chain. The model should be based on the potential rate of return of investments, financing costs, financial risks, and repayment period as well as other financial metrics. .

In answering this main research question, we are also interested in how the consultant weaves in the following:

* Overcoming issues around additionality, stacking, and bundling of agri-environment schemes
* How the costs and risks of the transition could be distributed across the supply chain
* Existing case studies of successful blended finance initiatives that support the findings of the analysis
* How targeted investment could help overcome barriers to investing into regenerative agriculture
* What the ‘near reaches’ for investment are, and what investment should be phased over time

Although important, this paper should not seek to identify a single monetary figure for the total cost of the transition, as that research is being undertaken elsewhere. This work should provide the case for banks, retailers, farmers, and government, to invest in the transition to regenerative agriculture. Work on demonstrating the financial, environmental, and social benefits of transitioning to regenerative agriculture or agroecological practices is already happening elsewhere, so this need not be addressed in this report.

The scope of the work is UK-wide in the context of the questions set out above. Any solutions or models must be applicable across the UK’s nations and diverse landscapes.

**DELIVERABLES:**

1. A comprehensive report (ideally no more than 40 pages) in word and pdf format. Any additional information beyond the 40 pages can be included in separate appendices or documents. The proposal should identify if the report can be designed in house and the associated cost.
2. A shorter public report (no more than 10 pages) sharing general findings, that can be integrated into our Roadmap for Financing a Regenerative Agricultural Transition.
3. Recommendations for banks, retailers, farmers, and government as to where and when investment is required (no more than one page per sector)
4. A presentation of the findings internally to the WWF/NatWest partnership team.
5. A spreadsheet containing any modelling results that WWF can use and build on itself if necessary.

**TIMELINE**

**Deadline for proposals: 24th September**

**Review bids: No later than 29th September**

**Kick off meeting:** **No later than 4th October**

**Project deadline\*: 22nd December**

*\*Note this is a hard deadline that must be met to comply with funding requirements. Proposals must be realistic in terms of the timelines and work that can be completed by December.*

**BUDGET**

Between £50k-£70k incl. VAT. Please specify reasoning for budget allocation in proposal.

**SUBMITTING PROPOSALS**

We welcome proposals from individual organisations or a consortium. Proposals will be assessed on:

* Background / experience of the consultant / team
* Fit to brief
* Credible methodology
* Value for money

Proposals and questions should be sent to Sophie Bauer, Senior Policy Advisor for Food and Finance, sbauer@wwf.org.uk

The scope of the work is UK-wide in the context of the questions set out above. Any solutions or models must be applicable across the UK’s nations and diverse landscapes.

We recommend that proposals are limited to eight sides in length. In your proposal, please include the following:

* A method statement to explain your proposed approach to carrying out the work.
* A brief project plan, showing key milestones and any interdependencies.
* Details about similar projects you have undertaken or your relevant experience in this field, including the experience of individuals on the project team.
* A fee proposal including resource allocations and charging rates for all individuals, and any anticipated expenses including travel.
* Completion of the WWF sustainable procurement questionnaire.
* Contracting with WWF-UK:

It is our requirement that an appointed external partner adopts our standards terms and conditions for engaging with us*.  These are included within the tender documents.*  *Please confirm you are willing to accept these terms. Should you have any amends you need to make, these will need to be put in a word document and submitted for approval by the WWF-UK legal team.*

WWF-UK asks all suppliers to comply with the Supplier Code of Conduct and WWF-UK 3rd Party Expenses Policy. *Both documents are enclosed within the tender pack. Please confirm your acceptance of both.*

All contracted suppliers are required to register on Panda Purchasing (WWF-UK’s PO and invoice system). *Should you be successful in your bid, please confirm you will be willing to register on the system.*

--------------------------------------

Thank you for expressing an interest in working with and supporting WWF-UK with this important piece of work. We look forward to receiving your response.