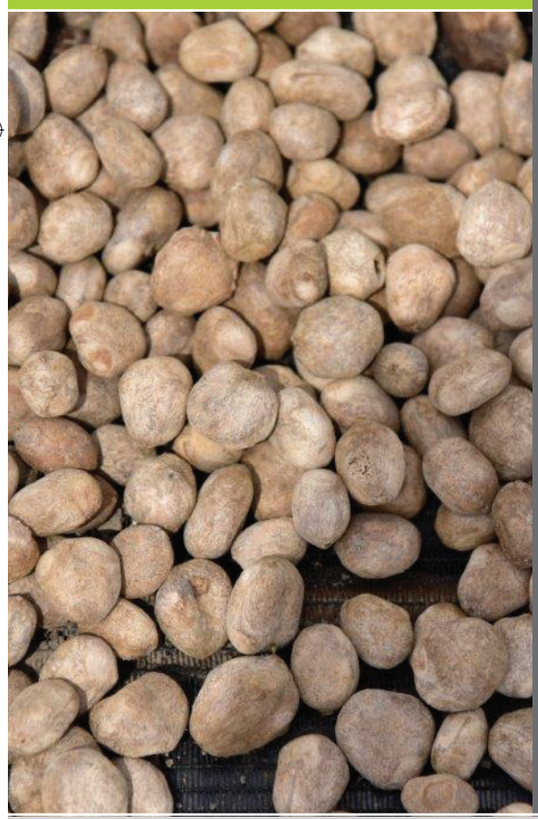
ABS COMPLIANT BIOTRADE IN SOUTH(ERN) AFRICA

Building a high-growth innovative biotrade sector that creates jobs and contributes to sustainable use of biodiversity in South Africa and the region



PROJECT SUMMARY

Name: *ABS Compliant Biotrade in South(ern) Africa*

Timeframe: *3.5 years commencing Q1 2018*

Funding Amount: *Three million Swiss Francs (ZAR 36m)*

Country focus: *South Africa (70%) and southern Africa (30%)*

Funded by: *Swiss State Secretariat for Economic Affairs (SECO)*

Management: *Access and Benefit-sharing Capacity Development Initiative (ABS Initiative)*

Governance: *Project steering & investment committees*

2018 to 2021

THE ABS CAPACITY DEVELOPMENT INITIATIVE

environmental affairs
Department:
Environmental Affairs
REPUBLIC OF SOUTH AFRICA

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

State Secretariat for Economic Affairs SECO

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BIOTRADE AND ABS

Biotrade is understood as the harvesting, cultivation, processing and trade of products from indigenous plant species for the development of novel food, cosmetic and phytopharmaceutical products for local and international markets.

Biotrade is emerging as a significant industry which sustainably uses wild or cultivated natural resources for social and economic development. It is a high-potential sector which can enhance and conserve biodiversity, build rural economies, empower women and stimulate skills and technology development.

Biotrade combines the traditional knowledge of indigenous people with modern manufacturing and emerging market demands of consumer economies. This creates the conditions for a robust sector. Southern Africa already has many small biotrade companies and representative trade bodies.

The international Nagoya Protocol on ABS requires the fair and equitable sharing of benefits arising from the utilisation of genetic resources.

Current regulations in South Africa define ABS very widely and include many parts of the biotrade.

They require all users along the biotrade value chain to obtain permits, and to reach agreement on benefit sharing with those who harvest and supply the plant ingredients, and who hold relevant traditional knowledge about indigenous species.

South Africa is the third most biologically diverse country in the world, with more than 21,000 plant species, many of them endemic. It has emerging biotrade value chains of economic importance, some endemic and others stretching across regional borders.

BIOTRADE CHALLENGES IN SOUTH(ERN) AFRICA	
Complex ABS regulations are regarded as a disincentive to investment and participation in the sector	Building a strong biotrade economy depends on a balance between practical legislation and the ability of communities and businesses to understand and comply with the rules.
No dedicated technical or financial assistance for biotrade	Communities on the supply side of biotrade value chains are often poorly resourced and can't effectively engage with industry. Small and medium enterprises (SME) in the sector lack financial management and business planning skills. This limits their investment potential. Current incentives don't match SME needs and are poorly coordinated across departments.
Key consumer markets have regulatory hurdles	These non-tariff barriers are designed to ensure food and product safety and protect consumers. But addressing them is too complex and expensive for SMEs to tackle on their own. There is a need for a coordinated approach that benefits many participants in biotrade value chains.

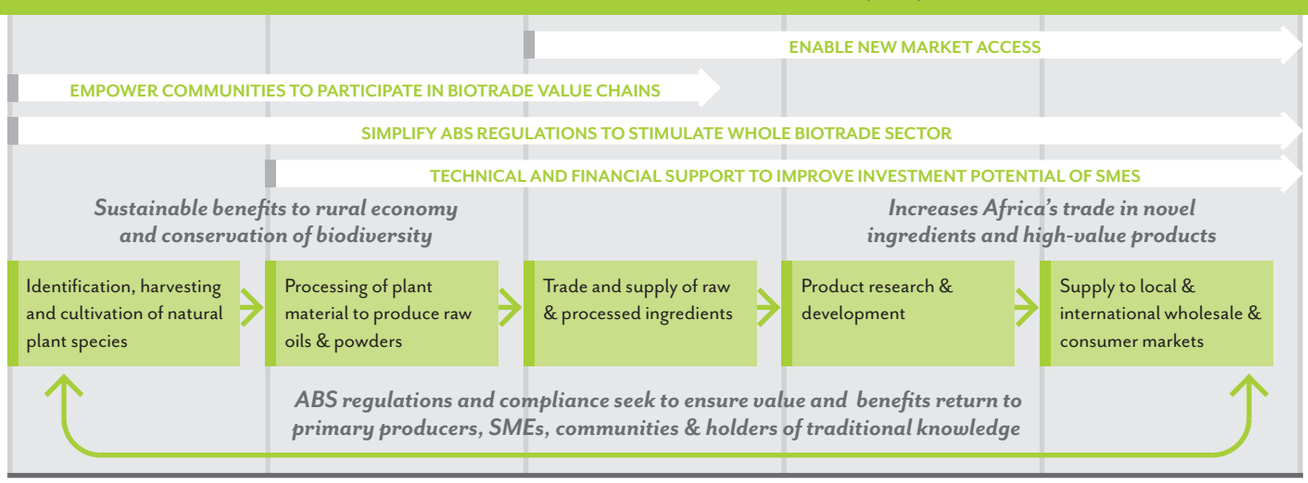
WHAT THE PROJECT WILL DO

The project aims to create a high-growth jobs-rich and innovative biotrade sector that complies with international and domestic ABS regulations. It will support sustainable development goals and contribute to the livelihoods of rural people and the productive use of South(ern) Africa's plant biodiversity. It aims to create permanent and seasonal jobs in biotrade value chains, while substantially boosting the value generated from biotrade products from the region.

PROJECT COMPONENTS

Component 1: Technical assistance	• Overcome regulatory hurdles enabling access to new markets • Empower community businesses and holders of traditional knowledge to participate effectively in biotrade value chains • Improve the investment readiness of small businesses through financial and business planning support
Component 2: Financial assistance	• Support innovation and growth of biotrade SMEs through a dedicated grant funding facility complementing government incentives
Component 3: Supporting an enabling regulatory environment	• Make ABS policy and regulations more practical and accessible through policy advice and technical support • Enable industry best practices to contribute to ABS objectives and development goals • Share and learn from regional and global experiences

ENHANCING BIOTRADE VALUE CHAINS IN SOUTH(ERN) AFRICA

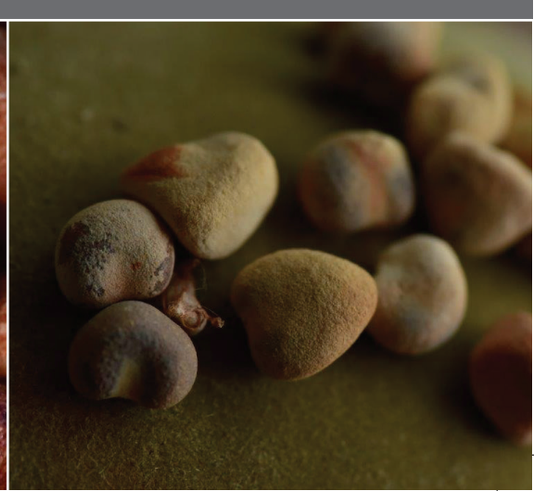


WORKING WITH GOVERNMENT

The project will work closely with the Department of Environmental Affairs, which leads the SA government's approach to biotrade. This collaboration takes account of existing policy and legislation, such as the National Environmental Management: Biodiversity Act (NEMBA); and the Bioprospecting Access and Benefit Sharing (BABS) regulations which govern access to SA's plant resources and ensure communities benefit from their use.

South Africa's National Biodiversity Economy Strategy is a good platform for the development and growth of the biotrade sector.

The project supports transformation and key government targets including job creation, empowerment of women and rural development - in South Africa and the region.



PARTNERS AND COLLABORATORS

Strategic partners	South African government departments
Collaborators	Development finance institutions and biotrade export or trade organisations
Implementers	Selected organisations, experts and consultants

GETTING STARTED

The project started in February 2018 and its inception phase will run to July 2018. A project coordinator will be appointed and an office established in Pretoria. South(ern) African government and business stakeholders will be consulted on mechanisms for technical assistance and financial support.

The project will work with specific biotrade value chains and plant species, including some which straddle national borders. These will be identified based on criteria including traditional knowledge, ecological sustainability, market demand, potential for value-adding and job creation, and the participation of communities and small businesses.

The project welcomes inputs from communities and biotrade businesses.
Please email ABS-biotrade-SA@giz.de

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