

# Benefit sharing in Practice:

Advancing equitable benefit sharing in Africa



## Box 1. Why do consumers choose natural ingredients from Africa?

In 2011, the UEBT Biodiversity Barometer – an annual survey on consumer awareness and company reporting on biodiversity – included questions on African biodiversity. For example, among consumers surveyed in Brazil, France, Germany, the UK and the United States, over 50% said improving livelihoods of African producers and protecting African biodiversity would motivate them to buy products made with African natural ingredients.

More recent results of the UEBT Biodiversity Barometer confirm that biodiversity is a global concept. In 2013, an average of 67% of 11,000 consumers in 11 countries had heard about biodiversity. Over 80% wanted to know more about how companies source natural ingredients. Biodiversity awareness is particularly high in emerging economies like Brazil and China, highlighting the growing importance of biodiversity for business.

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## Benefit sharing as a strategic opportunity

Biodiversity represents a unique opportunity, particularly in Africa. The wealth of African biodiversity constitutes a potentially significant source of innovation for companies working with natural ingredients in the food, cosmetics and pharmaceutical sectors. Ethical sourcing of biodiversity provides a strategy to advance sustainable development and improve human well-being, as recognized by the Convention on Biological Diversity (CBD). This is critical in the African context, characterized by strong links between biodiversity, local communities and social and cultural traditions. There is also a business case for the ethical sourcing of biodiversity in Africa, as shown by the results of the UEBT Biodiversity Barometer (see Box 1).



Fair and equitable benefit sharing is essential to realizing the potential of biodiversity for sustainable development, as well as for innovation and business growth. Equitable benefit sharing entails dialogue, information exchange, and support for local development. As a result, it is a crosscutting concept in the CBD, applying to topics such as sustainable use and protected areas. In addition, the CBD establishes specific rules and principles on access and benefit sharing – for the utilization of genetic resources, which refers to cases of research and development over the genetic and biochemical composition of plants, animals and microorganisms.

Rules and principles on access to biodiversity for the utilization of genetic resources and the sharing of resulting benefits – often called ‘access and benefit sharing’ or ‘ABS’ – seek to safeguard the rights of countries and communities over their genetic resources and associated traditional knowledge. ABS requires prior informed consent from provider countries and communities. These countries and communities also need to agree to the conditions in which research, development and commercialization take place, as well as share the resulting benefits. In practice, ABS has proved difficult to apply, with broad recognition that additional information and tools are required for companies to engage in ABS processes and comply with ABS requirements.

In this context, the upcoming entry into force of the Nagoya Protocol on ABS, an international agreement under the aegis of the CBD, is a critical juncture. African countries are leading the way in the signature and ratification of the Nagoya Protocol, as well as making progress in the development and revision of their national ABS laws and regulations. Companies working in Africa have been generally unaware of ABS. With a growing number of laws and regulations in both user and provider countries, private sector awareness on ABS is increasing, as are questions on how to engage and what to do to comply. Moreover, pioneering companies are already adopting benefit sharing policies and practices and developing useful insights and approaches.



## A partnership for improved benefit sharing policies and practices

In 2011, the Union for Ethical BioTrade (UEBT), PhytoTrade Africa, GIZ and the ABS Capacity Development Initiative launched a joint project to provide companies with the information and tools to advance equitable benefit sharing practices, especially in Africa (see Box 2). Through putting together their expertise and experiences, these organizations sought to support improved benefit sharing practices in African natural ingredient supply chains, as well as to promote private sector engagement in national and regional discussions on ABS. This work aimed to contribute to translating ABS principles into concrete actions and to advance practical and effective approaches to ABS laws and regulations.

### Box 2. Project partners

The Union for Ethical BioTrade (UEBT) ([www.ethicalbio-trade.org](http://www.ethicalbio-trade.org)) is a non-profit association promoting the ‘Sourcing with Respect’ of natural ingredients. Companies joining UEBT commit to the Ethical BioTrade Standard and gradually implement requirements linked to the conservation and sustainable use of biodiversity, as well as the equitable sharing of benefits resulting from its use.

PhytoTrade Africa ([www.phytotradeafrica.com](http://www.phytotradeafrica.com)) is a non-profit membership-based natural product trade association. Its objective is to help grow Southern Africa’s natural product industry – through product, market, and supply chain development – while ensuring its long term sustainability and social equity.

GIZ ([www.giz.de](http://www.giz.de)) supports the German government in achieving its objectives in the field of international cooperation for sustainable development, working in 130 countries around the world on issues including economic development, food security, environmental protection and resource conservation.

The ABS Capacity Development Initiative ([www.abs-initiative.info](http://www.abs-initiative.info)) is a multi-donor initiative that supports countries in Africa, the Caribbean and the Pacific in developing and implementing national ABS regulations, as well as in establishing ABS compliance in value chains.

Over a two-year period, the project – led by UEBT and PhytoTrade Africa – conducted activities to raise awareness, develop capacities, provide technical support and promote dialogue on ABS. These activities were conducted in close collaboration with selected UEBT and PhytoTrade Africa members working in Southern Africa, as well as the relevant producers, communities, and local and national authorities. The following sections describe some of these activities, focusing on resulting tools, experiences and lessons learnt.

## Assessing and advancing equitable benefit sharing

UEBT members work to gradually implement the requirements in the Ethical BioTrade Standard in their operations and supply chains, including in relation to equitable sharing of benefits. Equitable benefit sharing requirements entail working towards dialogue and partnerships with producers and their communities, as well as ensuring that sourcing activities respect and contribute to local sustainable development goals. In addition, UEBT members must understand and take measures to comply with ABS rules and principles in their biodiversity-based research and development activities. Progress is independently assessed through audits conducted by accredited verification bodies.

Through this project, a manual on equitable benefit sharing now supports UEBT members and partners in applying and evaluating these requirements. The manual describes the origin, aims and main concepts of equitable benefit sharing, including ABS, and outlines a process for assessing the policies and practices along natural ingredient supply chains. Benefit sharing assessments determine whether the company understands benefit-sharing requirements, whether these requirements are considered in its policies, and whether they are put into practice in its operations and supply chains.

The manual on equitable benefit sharing was tested and adapted to supply chains in Africa. In Madagascar, a benefit-sharing assessment was conducted during the UEBT membership process for Sotramex, a local company sourcing plant material for cosmetic and pharmaceutical products. It considered policies along the supply chain, as well as challenges and opportunities in engaging with local communities, authorities and other partners. This experience also provided the basis for developing a checklist that provides concise and specific guidance for verification bodies on the types of measures and objective evidence on equitable benefit sharing to consider during audits.

In Zimbabwe, the project worked with KAITE ([www.kaite.biz](http://www.kaite.biz)), a UEBT and PhytoTrade Africa member and local company working with small-scale farmers to produce, harvest, and process essential oils, herbs, and spices. The benefit sharing assessment focused on defining applicable legal requirements for potential research and development by partner organizations. Informal discussions were held with authorities at national and local levels, as well as various other stakeholders. This exchange of information

was useful in clarifying the specific steps that would be required to request access to genetic resources in Zimbabwe. It was also an opportunity to share ideas on how benefit sharing could improve local livelihoods.

The manual on equitable benefit sharing is available on the UEBT website. Training on how to use the manual is provided to UEBT members and partners through workshops and e-learning tools.



## Tools for companies

The project developed several tools to facilitate compliance with ABS along supply chains. This is because one of the challenges for equitable benefit sharing is ensuring that rights and contributions are respected in the various exchanges among actors. In particular, African companies providing biological material need an approach to secure information on how their clients and other commercial partners use the plant material provided, as well as to ensure that the activities foreseen comply with ABS requirements. For example, selling a fruit powder sourced from Southern Africa as a commodity or well-known ingredient generally does not fall under ABS legislation. However, if the buyer or actors along the value chain were to conduct any research on the properties and potential use of the fruit powder for other types of products, it would be necessary to secure ABS permits and agreements.

### UEBT Undertaking

One of these tools is the UEBT Undertaking. It is a template for a legal document establishing the conditions that companies agree to when purchasing plant material. Its objective is to guide companies in communicating ABS issues to potential customers of raw materials for natural ingredients. The document describes the material to be transferred, outlines the permitted uses and requires prior notification and authorization in cases of research and development and intellectual property protection. The UEBT Undertaking also contains an explanation of the background and importance of ABS and a glossary of terms.

## Guidelines on material transfer agreements

Another tool is a set of guidelines on material transfer agreements. Sending samples of biological material for research and development on its genetic or biochemical composition falls within ABS requirements in many laws and regulations, as well as the Ethical BioTrade Standard. Through a material transfer agreement, companies can ensure compliance with ABS requirements, through clauses that define the rights of the provider and the recipient to these samples, as well as to potentially commercially valuable information, compounds or products resulting from research and development. This tool was elaborated taking into account the draft African Union guidelines on implementation of the Nagoya Protocol, which will also provide guidance on ABS authorizations and contracts.

Several UEBT members involved in the project have already successfully introduced some of these tools in their policies and procedures. TreeCrops ([www.treecropsmw.com](http://www.treecropsmw.com)), a local company in Malawi, is specialized in sourcing and processing wild plant materials for the food, cosmetic and pharmaceutical industry for industrial application and research purposes. Blue Sky Botanics ([www.blueskybotanics.com](http://www.blueskybotanics.com)), in the UK, manufactures botanical extracts for the health, beauty, and food and beverages industries, sourcing plant material from around the world. Novel Development Tanzania Ltd ([www.noveltz.org](http://www.noveltz.org)) is sourcing Allanblackia tree seeds for potential use as oil in the food sector. Broader training on these tools was provided during the 2012 UEBT General Assembly.



## Training and capacity development

Throughout the project, activities were conducted to provide training and technical support on ABS to participating African companies, as well as their European partners. For example, workshops on equitable benefit sharing were organized for UEBT members Weleda and Serdex, both sourcing natural ingredients from Africa. Serdex ([www.serdex-plantextracts.com](http://www.serdex-plantextracts.com)), based in France, is a division of Bayer Santé Familiale that specializes in the development of natural active ingredients for the pharmaceutical and cosmetic industries. The Weleda Group ([www.weleda.com](http://www.weleda.com)), which has its headquarters in Switzerland, is a leading manufacturer of natural cosmetics and pharmaceuticals for anthroposophical therapy. Additional capacity development on ABS for companies working with natural ingredients took place during annual UEBT conferences, entitled the 'Beauty of Sourcing with Respect' (see Box 3).

## Box 3. ABS in the 'Beauty of Sourcing with Respect' conference

This annual conference organized by UEBT brings together around 150 participants, including representatives from leading companies in the cosmetics sector, to discuss the latest developments and trends in ethical sourcing of biodiversity. The conference also convenes international experts, press and other stakeholders and is a unique opportunity for information exchange. Discussions are widely reported in the industry press. During the project, ABS issues were consistently featured in presentations and workshops. For example, in 2013, a session on evolving legislation on ABS included presentations by the Secretary of Biodiversity of Brazil, Mr. Roberto Cavalcanti, and by the Co-Manager of the ABS Capacity Development Initiative, Mr. Suhel al-Janabi. Another session during the 2013 conference addressed practical cases of ABS, with presentations from companies around the world. The reports of the 'Beauty of Sourcing with Respect' conferences are available on the UEBT website.





## Looking forward

Through awareness raising, capacity development and technical support, the public private partnership formed by UEBT, PhytoTrade Africa, GIZ and the ABS Capacity Development Initiative has already improved benefit sharing policies and practices in supply chains of African natural ingredients. The commitment and efforts of companies involved in the project, which included UEBT and PhytoTrade Africa members, have certainly been critical to these achievements. Partner organizations are also using and disseminating the tools and training material developed in the project in the context of their broader activities.

Looking forward, partner organizations are already building on lessons learnt. UEBT provides an internationally recognized framework for companies to address equitable benefit sharing in their sourcing, research and development of natural ingredients. In this context, it continues to work on approaches to guide the practical application of benefit sharing. PhytoTrade Africa is developing 'PhytoTech,' a platform for novel and innovative natural ingredients from Southern Africa, characterized by the expertise and networks to facilitate compliance with ABS requirements. The ABS Capacity Development Initiative works with stakeholders in African, Caribbean and Pacific countries on the implementation of the Nagoya Protocol, including supporting ABS in research and development, as well as supply chains.

Through these activities and their continued collaboration, the project partners aim to promote and support benefit-sharing policies and practices that lead to innovation, economic opportunities, equity, improved livelihoods and the conservation and sustainable use of biodiversity.

## Dialogue and information exchange

With the upcoming entry into force of the Nagoya Protocol, African countries are moving forth with elaborating and revising laws and regulations on ABS. This provides a critical opportunity to engage with a range of stakeholders and advance ABS mechanisms that are practical and effective. Engaging the private sector in these discussions provides regulators and policy makers with an understanding of the research, development, sourcing and commercialization processes linked to ABS, as well as existing experiences with equitable benefit sharing and the types of challenges faced in putting ABS in practice. For companies, it is fundamental to understand the aims and underlying concerns of existing or proposed rules, as well as the practical implications for their activities.

All activities within this project aimed to facilitate such dialogue and information exchange. In addition, as part of this project, PhytoTrade Africa hosted a dialogue between policy makers, particularly national focal points on ABS in Southern Africa, and PhytoTrade Africa members, accredited partners and clients. This dialogue took place in Maputo, Mozambique, in 2012, in conjunction with the PhytoTrade Africa Annual General Meeting. Discussions provided a starting point for further collaboration, including through more systematic exchanges of information and the establishment of a 'help desk' or comparable facility for information exchange on ABS requirements and research and development activities in Southern Africa.



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