



environmental affairs

Department:
Environmental Affairs
REPUBLIC OF SOUTH AFRICA

THE ABS
CAPACITY
DEVELOPMENT
INITIATIVE



L'INITIATIVE DE
RENFORCEMENT
DES CAPACITES
POUR L'APA



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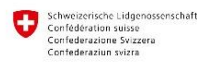
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Education and Research EAER
State Secretariat for Economic Affairs SECO

Stakeholder meeting

22 October 2018, CSIR Baobab Room, Pretoria

Objectives of the meeting: Stakeholders have a clear understanding of everyone's projects Areas of collaboration are clearly identified The formulation of an action plan for future collaboration		
Participants Present	Organisation	Position
Joretha Després	ABS Capacity Development Initiative (GIZ)	Senior Technical Advisor
Cyril Lombard	ABS Capacity Development Initiative (consultant)	Project Advisor
Lara Kotzé	CSIR B IDC	Sr Bioprocess engineer and project manager
Phatheka Mbambiso	CSIR: B IDC	Sr Researcher: Agro-processing
Ebrahim Wadiwala	CSIR: Enterprise Creation for Development	Senior Enterprise Development Specialist
Preshanthie Naicker-Manick	DEA	Deputy Director: Biodiversity Economy
Phindile Langazane	DEA	Biodiversity Officer
Thelma Dlamini	DSBD	Assistant Director: Market Access Support
Shumi Pango	DST: IKS Policy & Legislation	Deputy Director: Advocacy & Policy Development
Zanele Nyandeni	DST	
Sinah Mosehla	the dti	Director: Cosmetics
Solly Molepo	the dti	Deputy Director: Agro-processing
Anja Janse van Rensburg	FNB	Solution Strategist in SME Transactional Banking
Andrew Bam	SEDA	Sr Manager: PAD & Learning
Malembe Mtsweni	SEDA	Manager: Conformity Assessment & Training
Ronell Staphorst	SEDA	Project Manager: B ESD
Kgaladi Thema	SEDA	
Horst Weinert	SEDA	Sr Manager Quality Systems
Kristin Klose	TIA	Business Development Manager: International Partnerships
Obakeng Maema	TIA	Portfolio manager: Agriculture
Dr Elsie Meintjies	UNIDO: GQSP	Project Advisor
Apologies	Organisation	Position
Bernadette Brown	CSIR: Enterprise Creation for Development	Sr Enterprise Development Specialist

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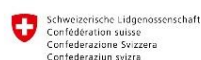
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Nomvula Makgotlho	DSBD	Chief Director: Supplier Development and Market Access
Carol van Wyk	DST	Director: Knowledge Management System
Mlungisi Mthimunye	the dti	Director: Product and Financial Incentives Development
Judy Abrahams	IDC: Developmental Impact Support	Sr Local Economic Development Manager
Nonhlanhla Halimana	SECO	Programme Manager
Don Mashele	sera	Head of Business Development Impact Support
Anna Reyneke	SIPPO	Country Representative South Africa
Senisha Moonsany	TIA	Head: Innovation Skills Development
Lucy Moteka	TIA	Programme Manager: Innovation Skills Development
Tandokazi Nquma	TIA	Business Development Manager: Strategic Engagements and Corporate Relations
David Mavukani	FNB	

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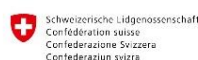
Purpose of meeting

- Where are we going as partners;
- What do we want to achieve with the programme;
- How can we collaborate and optimise the limited resources to assist the SMMEs;
- Create some synergies between different departments;
- How can we become more efficient and effective; and
- For all the partners to know who is doing what.

Introduction of UNIDO Global Quality Standard Project

- Ms Meintjies, the Project Advisor of the Global Quality Standards Project, by United Nations Industrial Development Organisation, introduced the project entitled: Strengthening the Quality of Essential Oil Export from South Africa.
- Ms Meintjies highlighted the following about the project:
 - The project was launched in September 2018, where the project document was signed. The project is currently in the inception phase for the next 6 months. The project will run for 42 months.
 - The project is funded by the Swiss State Secretariat for Economic Affairs (SECO). The project is quite ambitious with a limited time framework and tiny budget.
 - The project will focus on five indigenous essential and five vegetable oils, i.e. Essential Oils: Rose geranium, Cape chamomile, *Buchu*, *Helichrysum* and *Lippia javanica*, and Vegetable Oil: Baobab, Marula, Kalahari melon, *Ximenia*, Mongongo.
 - The project progress needs to be presented to the National Steering Committee in February 2019.
 - Aim of the project is to:
 - Strengthen the technical infrastructure capability and institutions within the country,
 - Support SMMEs to comply with international requirements in order to access markets (quality requirements such as the standards and regulations), and
 - Promote the culture of quality (engage the need for quality to be part of the industry culture).
 - Main Activities:
 - Development of National Standards: Currently, there are no national standards for the selected products, hence the project will be working closely with the South African Bureau of Standards (SABS) to develop the national standard. The

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application document is currently with the SABS. The main purpose of this activity is not to develop the standard but how the standard is going to guide quality South Africa and drive the industry to be compliant and competitive. A strategy is going to be developed to leverage on the standard that will be developed.

-Metrology Requirement: In order to ensure that the testing laboratories meet the international requirements. The activities will include looking at the test laboratory's needs and gaps and see what can be done, through other projects, to enable them to be competitive and accredited to be accepted internationally. The outcome of this is to ensure the increased number of accredited laboratories in the country to better support the industry.

-Furthermore, this activity will also comprise of legal metrology requirements in terms of packaging and labelling.

-SMME compliant through strengthening associations: Support SAEOPA to build a strong association in order to optimise service offering.

-Online platform/ directory that will provide holistic information on the vegetable and essential oils industry, such as potential markets, information, who are the buyers, and regulations, research. Hence, UNIDO will be working with SAEOPA to create a project document around this activity.

-There is an element of training, the project will offer training at different stages of the value chain. To work with the relevant CETAs and SEDA. There will be train-the-trainer approach.

-There will also be work done on the ground, the growers and processors, the selection criteria around this will be done with SAEOPA.

-Put together an inventory of research and capacity development training to promote synergies to the existing training activities to avoid double supporting. As well as data base of experts, who are they where and how to contact them. Database of experts. Where can they be found and the contact details. To avoid double support.

-Quality awareness activities include knowledge hub to put information on the industry to ease accessibility (methods of best of practice) to markets, this will include the methodologies, guidelines and best practices can be found on this hub.

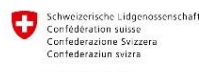
-Culture of Quality in the value chain: A tool is being developed to see how to measure the culture of quality in the selected value chains and how the culture of quality can be promoted in industry.

-The project also aims to develop cultural quality materials for schools and university, in ensuring the quality in agriculture and agro-processing associated with the value chains.

-The Department of Trade and Industry, Technical Infrastructure Unit, has requested technical support in establishing a quality forum comprising of various stakeholders in the industry.

-Ms Meintjies indicated that inputs around the table are accepted with regards to how we can work together as stakeholders and on these projects.

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Brief introduction of ABS Compliant Biotrade in Southern Africa (ABioSA)

Ms Després introduced the ABS Compliant Biotrade in South (ern) Africa which is funded by SECO, with a budget of CHF 3 million. She highlighted the following:

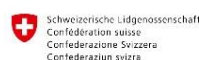
- The ABioSA project is a three and half year project, which started in February 2018.
- The Project Steering Committee met in September 2018, where the budget and project work plan were approved.
- The aim of the project is to plug the gaps faced by SMMES and the sector, hence the meeting will help to identify the gaps.
- The project comprises of three components:
 - Component 1: Technical Assistance
 - Component 2: Financial Assistance
 - Component 3: Policy Dialogue and Enabling Environment. This component links into the efforts of the DEA on the permit system, which is currently under way.
- There is a huge potential for the sector to address the current socio-economic challenges that the country is facing and grow the sector. Furthermore, the sector depends on the efforts of the stakeholders around the table and those that couldn't make it in the meeting, as well as the current ABS regulations.

ABioSA Components 1.1 and 1.2

Mr Cyril Lombard provided background on Component 1.1. of the project:

- The focus of component 1.1 is addressing global market regulations that brings hurdles for SMMEs in South Africa (SA) to access those markets. This is aimed to ensure that the SA products meet the requirements in various markets, such as EU, China, USA, Asia, which were put in place to protect their consumers.
- The focus of the project is the same as the UNIDO project, i.e. 5 Essential Oil and 5 Vegetable Oils, plus *Aloe ferox* and Marula fruit.
- The commitment of the project is that at least 15 SMME will have access markets and at least 6 new products categories would be introduced to export markets. The team is current looking at the available budget and the specific activity design for this component.

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- To commission three specific market reports on the products of the exact value chains that are relevant to the sector to get insight on the market opportunities and the conditions and trends in export markets, such as China and USA.
- Two areas of focus, the first focus is seed/ vegetable oils: the aim on the sector is to open market opportunities for these species as food oils or food ingredients in global markets. Whilst these have been used in SA, in the global markets these are not accepted. Hence, the project will need to address the regulatory barriers, as one SMME cannot be able to address this on their own due to complexity and expense associated with the process. Hence, a collective opening up of the market in South (ern) Africa. The relevant regulations and the information on species were mapped out for the stakeholders at the meeting to refer to.
- The approach is to get several SMMEs to get a dossier for the sector. The SMMEs can get a licence to use the dossier. Also provide skills capacity and technical assistance to comply with the markets.
- It was highlighted that dossiers are very important for the SMME to enter and own various markets. Hence, the aim of the project is to ensure that the SMMEs own the dossiers to control the markets.
- The second focus is the Cosmetics Desk: look at compliance of SMMEs in SA in terms of labelling and packaging. The activity will then determine a baseline on what is happening on the selected products and how the SMME are complying with these requirements.
- The partners in the meeting were requested to look at their links to the project and see how they can best collaborate.

Component 1.2

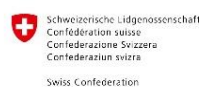
- To support at least 3 Indigenous People and Local Communities (IPLCs) to help them assert their rights in the value chain, based on their TK and ownership of the indigenous resources that they live with. Also capacitate them in order to for them to negotiate strong benefit sharing agreements with industry. This will be done in partnership with DEA and DST, as well as other institutions that have a strong link to this component.
- Furthermore, the additional activities of the project will look at determining the capacity of supply of the selected value chains and determine a health resource base for the species that will be collected in the wild. We need to understand this in order to ensure the sustainability of the industry.

Component 1.3 and 2

Ms Després presented the component of market access and Innovation Facility. She highlighted the following:

- The project first determines what the requirements of the SMMEs are and what other institutions are doing in order to ensure that the project does not re-invent the wheel or duplicate.

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- The call has been issued for applications for capacity development. Of the applications that will be received, 60 SMMEs will be selected and the programme will determine what needs they have selected. It is also important for the partners to see the needs and look at where each partner can come in to assist in ensuring that the project addresses the gaps.
- It is important to understand how we can best collaborate to ensure sustainability of the SMMEs. Furthermore, partners to share also their SMMEs project proposals with the team so that all partners can see how to best assist them even outside the ABS project. It was indicated that the call closes on the 12 December 2018. This will prepare the group for the second call for applications for financial assistance, to be launched in October 2019. The call will also be open to other applicants.
- The call has been issued for applications for financial assistance. Twenty applications will be shortlisted; however, the project will only provide a maximum of 10 Grants in the first round in the Innovation Facility. The shortlisted candidates will be taken through a two-day capacity building, where various challenges can be addressed with various partners. The capacity building will also serve as a second round of evaluation. An independent investment committee will select the successful candidates.
- The project will also assist in Business Plan Development for the SMMEs, hence, they will assist in developing strong and investable business plans.
- A project, Sekhukhune, was shared with the partners on the table. It was indicated that this is an inspiring and very promising project which is led by the community. It was requested that the partners look at the project and see how the project could be supported.

Discussion

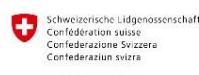
- Clarity was requested on the following:
 - Why Moringa, as it is not indigenous to the country, will be supported. It was indicated that a survey that was done on SMMEs a while back and feedback from industry revealed that everyone was planting Moringa. The plant is the most represented in current species and to expand to in potential future projects. The programme could manage the development more if getting involved. If the people apply for the species outside the selected value chains, there should be a good case presented.
 - The selection of SMMEs: It was indicated that the first call focuses on the SMMEs who are exporting or in the process of exporting, and those who are ABS compliant or in the process of getting compliant.

Department of Science and Technology

Ms Pango presented the efforts that the DST is undergoing in the sector. She highlighted the following:

- Indigenous Knowledge Systems Bill

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- Currently, the Indigenous Knowledge Systems Bill is sitting with the President.
- The IKS talks to the National Recordal System, i.e. the register and the registration process. This will address the current fragmentation of information that is found in pockets all over the country. Hence, this system is aimed at creating a database of the claims and the communities that are making the claims.
- 3 tiers of National Recordal System: First layer of Access: Open access (general information), Second Layer of Access: semi-confidential information (claims indicated and which communities), Third layer of Access: technical and legal processes which includes benefit-sharing.
- This will be rolled-out as a pilot on IKS Documentation Centres in some parts in the country, such as Kwa-Zulu Natal.
- The DST has done Bio-cultural protocols with communities in the Northern Cape with the information such as the Chiefs in the areas, how many traditional healers and what the communities are doing with the species.
- There are 16 identified disciplines under indigenous knowledge, however at the moment there are 2 that will be focused on, i.e. medicinal plants and traditional foods.
- The department, in partnership with the DEA have identified 20 species through the Phakisa Initiative. Hence, the recordings have been narrowed down around these species.
- Currently, the department is doing recordings on these species. The information will then be synchronised and will be hosted in the Indigenous Knowledge Systems Office. The IKS will be an arms length of the DST and operate under the Semi-autonomous on IKS issues.
- The DST also sees the links with the project on regulatory scope. It is foreseen that the Office will also have a leg of commercialisation.

Question and Discussion

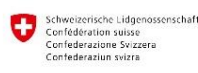
- It was indicated that the efforts of DST above link well with 1.2, where the partnership can work on identifying IPLC on Marula TK and work with them to develop bio-cultural protocols on community, provincial and regional levels.
- It was suggested that the information that is generated in the National Recordal System can also be used as proof of the stately of consumption of the selected value chains, in the international markets.

CSIR Enterprise Creation for Development

Mr Wadiwala presented on the projects that the CSIR has worked on in the past. He highlighted the following:

- The CSIR has worked on essential oil crops, including Rose geranium and *Lippia Javanica*.

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- The funding for the projects were from the DST, other benefits of the projects has number of achievements such as transfer of skills, transfer of technologies and product development, as well as markets.
- Produced guidelines for standard operation procedures on agronomy and processing procedures on producing the essential oils crops.
- Indigenous plants Sutherlandia frutescens, Moringa, and Pelargonium sedoides. These were small projects ran by communities.
- Another project is Lippia javanica on producing mosquito repellent. The project is not continuing at the moment because of the shortage of funds.
- The CSIR was managing the implementation of the project
- The CSIR is currently implementing a project by Department of Rural Development and Land Reform on Moringa. The support to the project includes infrastructure and irrigation infrastructure and manufactured distillation units.

The CSIR Biomanufacturing Industry Development Centre

Ms Kotzé provided a presentation on various support under the BIDC programme. She highlighted the following:

- Biotech products, Cosmetics, Foods, speciality chemicals.
- A call for Expression of Interest to the SMME is issued for them to comprise the programme.
- There is an External Advisory and Steering Committee that seats on the evaluation and selection of the projects.
- The selection criteria include the number of jobs to be created, expected revenue and the management of the company.
- The programme also looks at export replacement in the country.
- The CSIR provides technical and technological assistance to the SMMEs. The relevant testing requirements, the CSIR outsource those to competent institutions.
- The SCIR is also working on three species, i.e. Marula oil and Aloe forex, and Rose geranium.
- The call of Expression of Interest is available once a year due to limited funds.
- The outcome of the programme also leads to job creation, access to market and assist with producing products for exports.

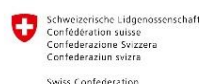
The Department of Trade and Industry

Cosmetics Desk and Agro-processing

Ms Mosehla provided a talk on what the dti is doing in the sector. She highlighted the following:

- The dti focuses on the Natural Ingredients Sector Aloe ferox, essential and indigenous oils to align with the DEA initiative, i.e. BioPANZA.

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- A new incentive on Agro-processing has been established by the dti.
- The Agro-processing incentive focuses on foods and beverages and furniture. However, now the incentive will be including other plants.
- The Cosmetics Desk is working with the Agro-processing Unit to include natural ingredient and plant processing.
- One of the criteria of the incentive is that the company should be looking for an investment of at least one million.
- It was also mentioned that the dti agro-processing unit is currently working on supporting the Sekhukhune Project.

Discussion

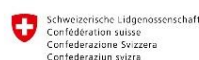
- It was indicated that there is a huge gap in terms of financial support on company that falling between R 100 000 to R 1 million. Hence, this needs to be addressed as most companies in the sector falls within this category.
- FNB indicated that they are trying to address that through capacity building and providing support the companies between R 0 to R 1 million.
- The Department of Small Business Development also indicated that they are trying to address this gap, especially in cooperatives. They indicated that they have revised their guidelines on the cooperatives incentive scheme and this incentive will be effective from the new financial year. The amount that can be applied for by cooperatives is between R40 000 – R1.5 million. Secondary coops could apply for higher amounts.
- Agro-processing also assist in the export market - **where they identify trade shows, the size of the product doesn't matter.** They will do a call indicating which expo that they are targeting. Publish every year on the opportunities to form part of the tradeshow mission.

Technology Innovation Agency

The TIA provided a presentation on the kind of support provided by the institution. They highlighted the following:

- TIA provides support in innovation skills development, creating awareness on the opportunities of the programme, in partnership with the DST. The programme provides focused and targeted training interventions to strengthen entrepreneurial capacity.
- TIA manages an agriculture portfolio on investment and developing/ verification of certain technologies for agriculture portfolio.
- TIA also provides tech-based expertise through its technology platforms to facilitate access to key infrastructure and expertise for technology innovation in targeted technology areas.
- The Technology stations programme provides access to world-class infrastructure and expertise in agro-processing for SMME and start-ups.

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- Also support with Innovation funding - to fund project base or initiative base.
- TIA works in a number of focus areas, i.e. plant health and nutrition, animal health, ICT, energy and technology.

Discussion

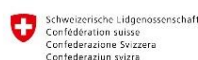
- An enquiry was made whether there is an open window for applications. It was indicated that the applications can come through anytime.

Small Enterprise Development Agency

SEDA provided a presentation on their area of work. They highlighted the following:

- SEDA works in survivalist that are below the R 3 million revenue mark.
- SEDA support these businesses through their networks.
- The institution also provides support pitching competitions and creating pipeline for SMMEs.
- Other support include:
 - Technology Transfer Programme: agro-processing might be relevant to these areas. Previously the institution has helped a business with Marula seed pressing machine.
 - Quality Standards: products tested through the Agricultural Research Council- under medicinal plant division and other institutions such as the SABS labs. Also assist in quality management to enable the product to be compliant.
 - Match-making: SMME and the relevant institutions that can assist them.
 - Capacity building through the network with various incubation programmes.
 - Skills Development: Mentorship and coaching programme (Informal business).
- SEDA, in partnership with GIZ and National Skills Fund, developed a Basic Entrepreneurship Skills Development Programme, which provides mentorship and one-on-one coaching for small informal businesses in rural and townships.
- The project has managed to create more jobs, growth in informal businesses, skilling of graduates and small business owners.
- The project is not sector based. The project will be working in Kimberley, Soweto and Bloemfontein areas in the coming year.
- SEDA also provides non-financial support in SMME, such as awareness on entrepreneurship, grow SMME and promote sustainability, export development programme, accelerated programmes, incubators, such as SEOBI, general training and training on standards.

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Department of Environmental Affairs and First National Bank

- The legislative Tier: The DEA is custodians of the National Environmental Biodiversity Management Act (Act No. 10 of 2004). The Act regulates the use of indigenous biological resources and talks to the Access and Benefit- Sharing and the use of Traditional Knowledge. In relation to this is the Access and Benefit-Sharing Regulations which provides for the relevant permits for the sector.
- Biodiversity Economy Development Tier: These tier talks to the bioprospecting/ biotrade and wildlife sub-sectors which are promoted under the NBES.
- The DEA indicated that the institution is custodian to the National Biodiversity Economy Strategy (NBES) and the initiative that emanated from the Operation Phakisa Biodiversity Economy, i.e. BioProducts Advancement Network South Africa.
- The DEA indicated that the BioPANZA is aimed at bringing all the partners in the table and tackling the challenges in the sector, on access to finance, access to markets, compliance, research and development.
- Environmental Protection and Infrastructure Programmes – fund infrastructure needs for the bioprospecting economy. The DEA will be implementing the projects that were successful in the recent call for the next five years.
- FNB indicated that the institution is working on addressing the gaps in small businesses. Hence, the FNB is working with DEA on providing training to SMME.
- FNB is also working on creating a network with partners to request funding support

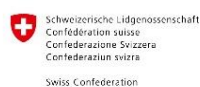
Closure and Way forward

- There is a need for a follow-up meeting where partners can come with specific projects and these can be discussed around the table.
- The SECO Grant closes on the 31 October 2018.
- UNIDO in the process of compiling a list of on-going projects, in agro-processing. Hence, the request for partners to bring project where they can indicate the current challenges and project needs in the next meeting.
- The proposed next date for the meeting 19 November 2018.

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