



Biodiversity and Conservation

BioProducts Advancement Network South Africa (BioPANZA)



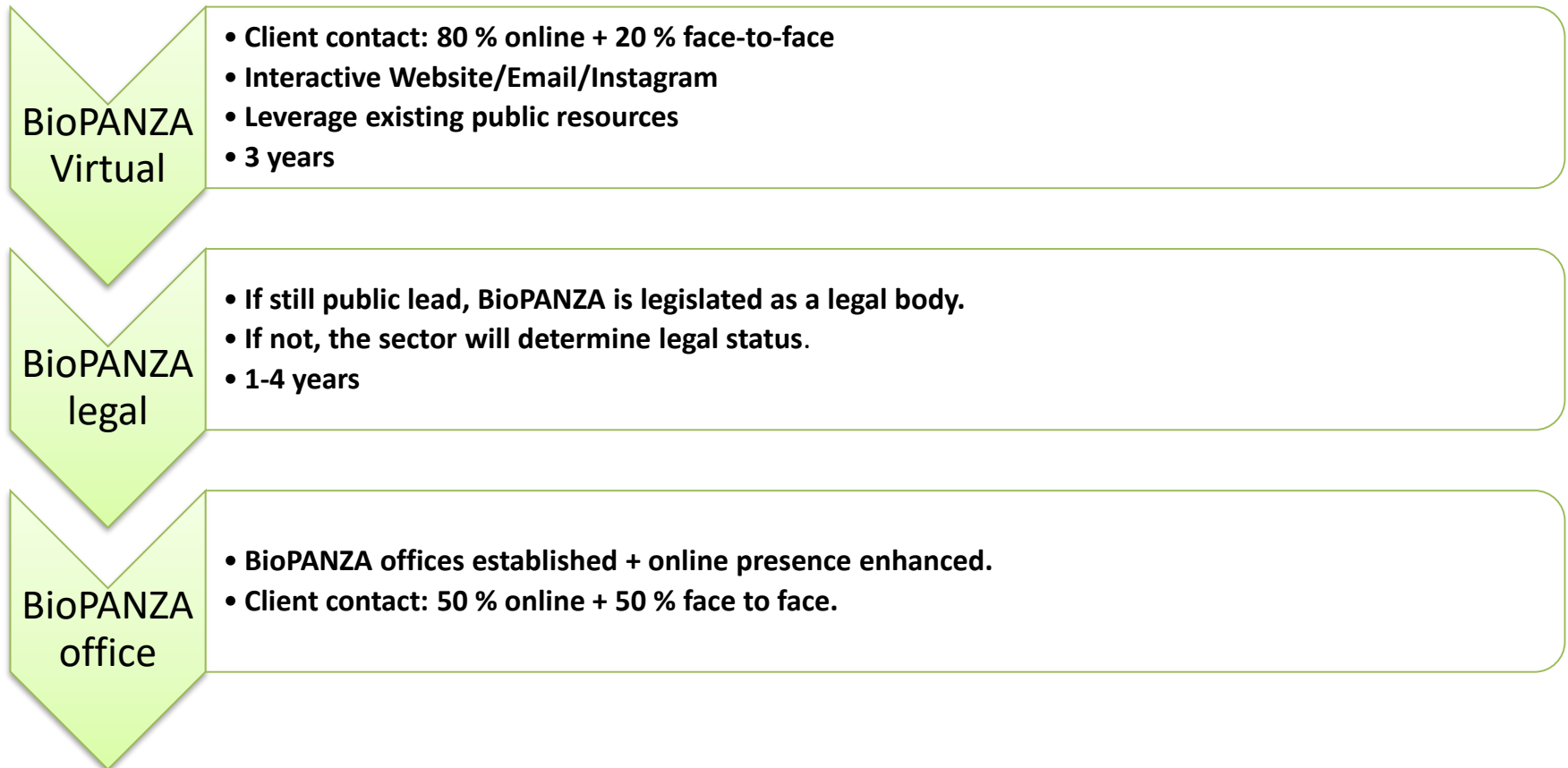
environmental affairs

Department:
Environmental Affairs
REPUBLIC OF SOUTH AFRICA



BioPANZA

BioPANZA is a coordinating network which blends partnerships to optimise development and enhance growth in the biotrade and bioprospecting sector.



BioPANZA

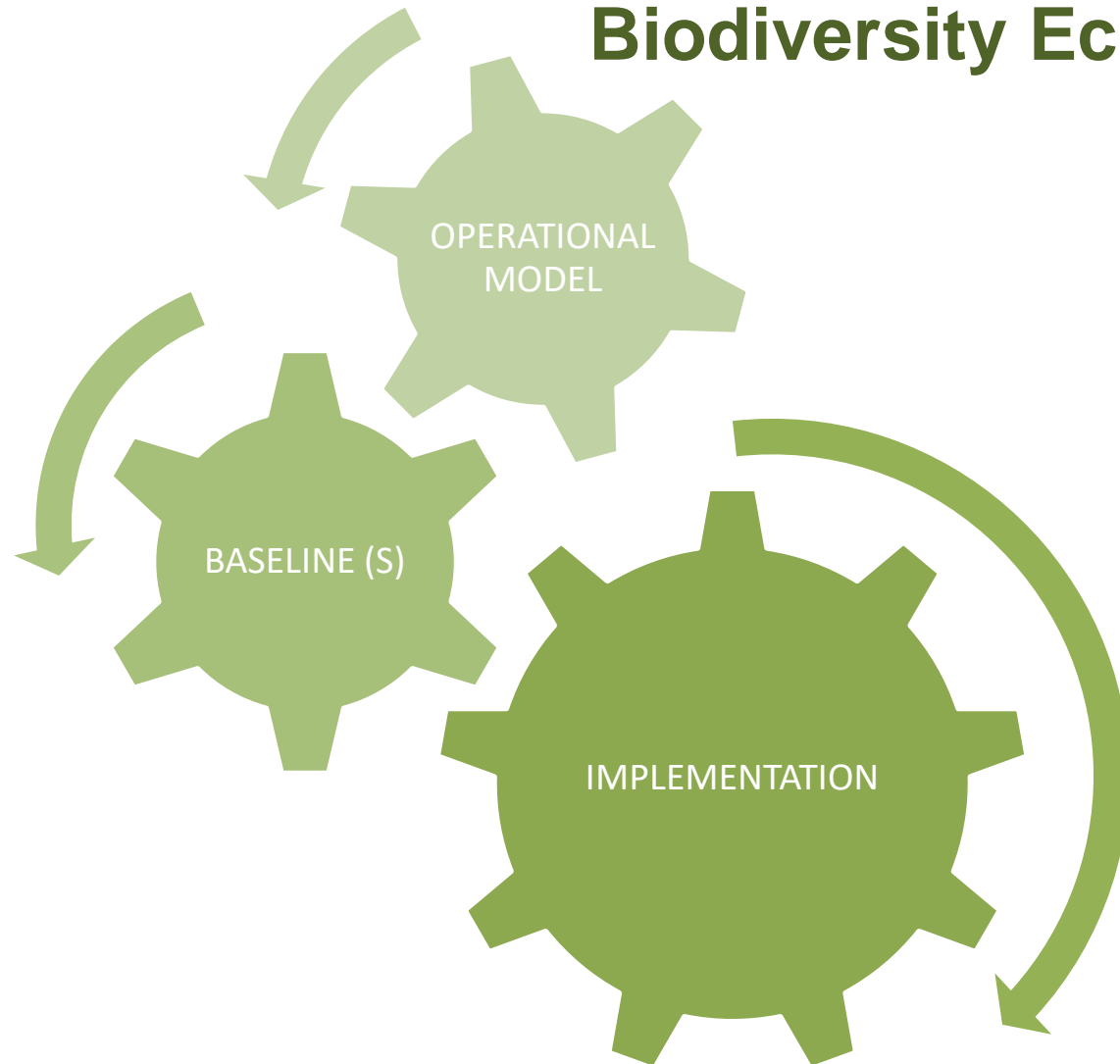
BioPANZA is a coordinating network which blends partnerships to optimise development and enhance growth in the biotrade and bioprospecting sector.

3 INITIATIVES – BioPANZA- BIO PRODUCTS ADVANCEMENT NETWORK SOUTH AFRICA
BioPANZA will close these gaps and coordinate the sector to address the innovation chasm



1. **Link** and officiate existing players in the sector.
2. Collaboratively **create change**.
3. Collaboratively **identify** and **resolve gaps** in the sector.

BioPANZA Virtual – linked to Operation Phakisa Biodiversity Economy



1. Operational Model

- Develop and Approve a network Operational Model.
- Bring potential members on board.

2. Baseline

- Conduct baseline studies on the sector.
- Develop a status quo-through gap analysis.

3. Implementation

- Facilitate/ drive the implementation of the 3-ft-plan.
- Monitoring and Evaluation.

BioPANZA
OPERATIONAL MODEL: PUBLIC-PRIVATE SECTOR COLLABORATION

**Leadership/
Executive**

**DEA/ DST co-chair
with DEA in the
lead**

**Sector
representative
advisory council**

**Network
manager**

**Implementing
Group (s)**

**Central program
manager**

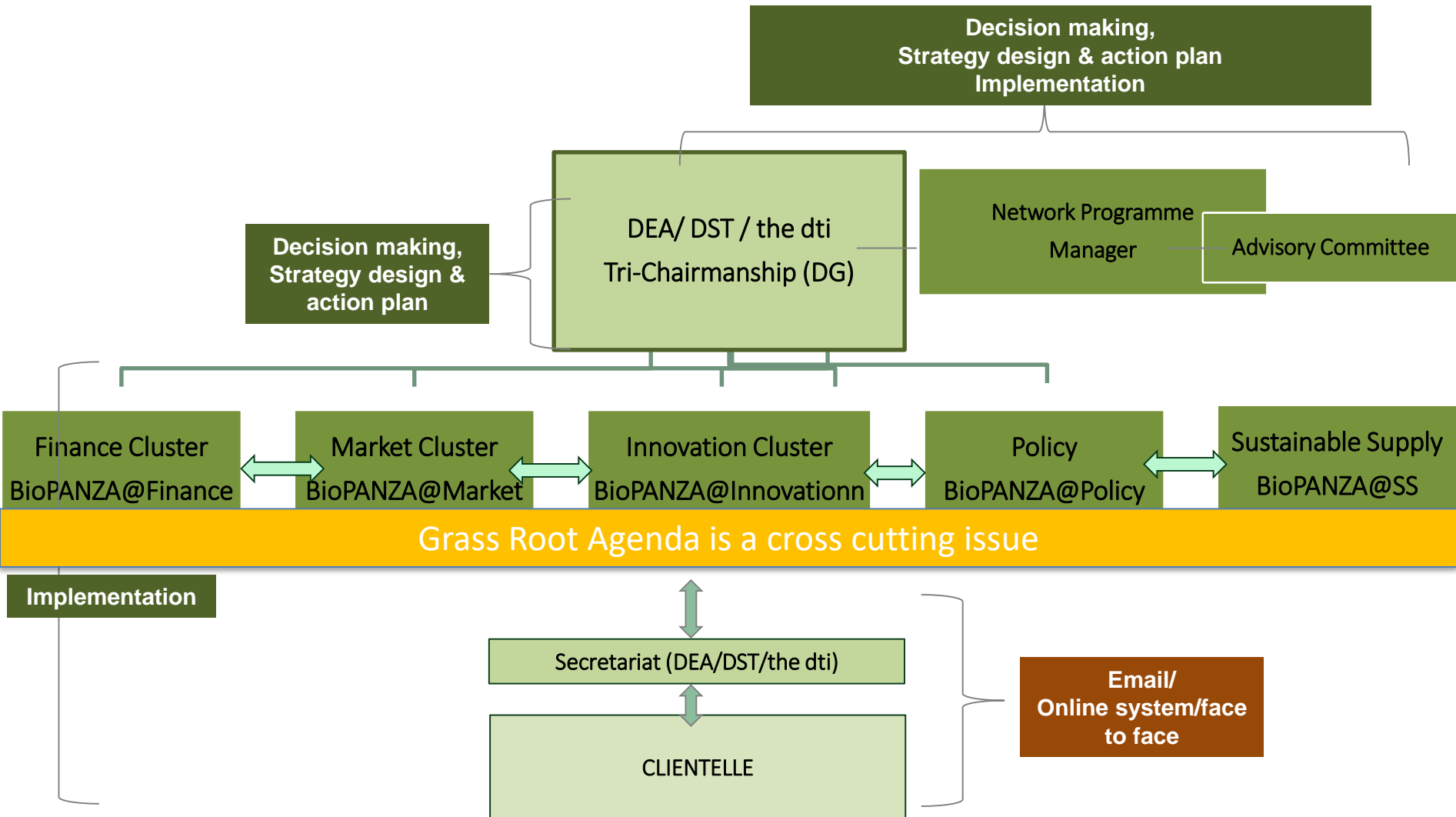
**National
departments
program managers**

**Provincial
departments
program managers**

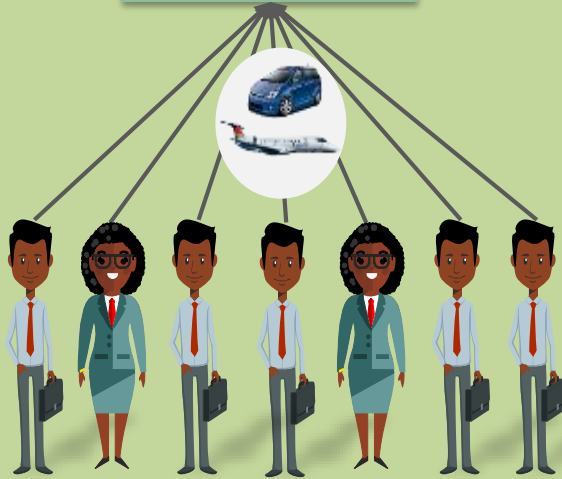
**SOEs
program managers**

**Industry
program managers**

BioPANZA PUBLIC-PRIVATE SECTOR COORDINATION AND COLLABORATION Proposed Operational Model



Action Group



Chairman
Secretariat

Action Group Members

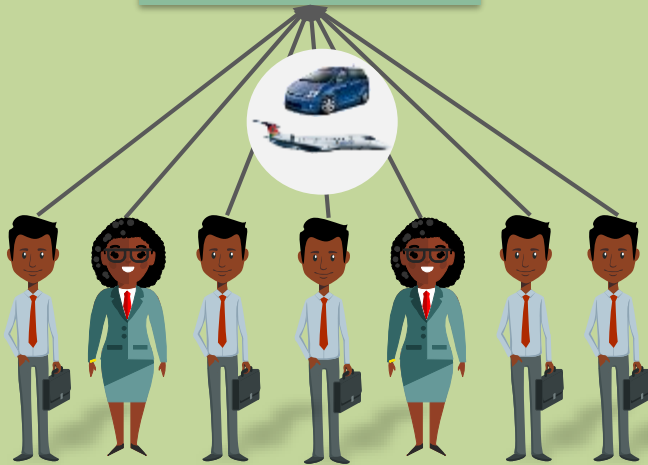
- Industry Representative
- Public Sector
- SOE

BioPANZA Implementation

Clusters

- BioPANZA @ Finance
- BioPANZA @ Market
- BioPANZA @ Innovation
- BioPANZA @ Policy
- BioPANZA @ Supply
- BioPANZA @ Network

Clientele



- **Entrepreneurs**
- **Communities/ CPAs/ Cooperatives/ community based-organisation**
- **Incubators**
- **Councils/ Associations**

Clientele

- Approaches the network through the Secretariat.
- Clients may also be identified by members of the network.
- Selection/ approval Criteria to be developed and approved.
- Short turn time for responses to requests.



Biodiversity and Conservation

BioPANZA@Finance

#BioPANZAFinance



environmental affairs

Department:
Environmental Affairs
REPUBLIC OF SOUTH AFRICA



Finance Cluster Concept

Objectives:

- Blend resources from various organisations to unlock and enhance local value addition in the biotrade/bioprospecting sector.
- Conceptualise and establish a Bioprospecting/Biotrade Sector Fund targeted to address the needs of Southern African SMMEs

Finance Cluster Concept

Objective:

- Blend resources from various organisations to unlock and enhance local value addition in the biotrade/bioprospecting sector.

Finance Cluster Concept

Blend resources from various organisations to unlock and enhance local value addition in the biotrade/bioprospecting sector:

Mechanism offerings:

- For new entrants/start-up/up-scaling in the sector.
- Quick method to identify funders and deals with or without diverse funding needs;
- Quick method to link funders with deals.
- Funder is accountable for area of funding in deal.
- Zero cash exchanged in cluster, instead, linking agreements finalised within the cluster.
- Deal does not lose equity.
- No legal implications to cluster

Finance Cluster Concept

Cluster Functions:

Blended Finance

Blended finance implies the mixing of funds (private and public) through a common investment deal, with each party using their expertise in a complementary way.

Crowd Funding

Crowdfunding is the practice of funding a project or venture by raising small amounts of money from a large number of people, typically via the Internet.

<https://www.thundafund.com/>

Is simply a platform for the linking of funder(s) and deal owners which may or may not have diverse funding needs as a start-up or upscaling enterprise.

Finance Cluster Concept

Process (Pilot):

1) **Identify the deal** (4 per annum)

Call for deals conducted at the start of a quarter on BioPANZA website. Finance cluster evaluate deals and selects 1 deal per quarter to identify funding.

Action: Criteria to select deal must be developed.

2) **Identify funders**

Secure funding depending on the mechanism to blend complimentary funding for the deal (if the deal has various funding needs).

(Funding network-Public and Private (CSI))

Action: Funding network needs to be established and officiated

3) **Finalise the Agreement** (4 per annum)

Cluster to finalise the agreement between deal owner and funder(s).

Due diligence to be completed between the funder(s) and deal owner.

Action: Agreement needs to be drafted

Finance Cluster Concept

Objective:

- Conceptualise and establish a Bioprospecting/Biotrade Sector Fund targeted to address the needs of Southern African SMMEs

Proposed Fund



Your partner in development finance

Proposed Percentage of Fund

Component

Purpose

Commercialisation funding

- Financial assistance to purchase plant machinery and equipment required for commercialisation or for outsourced production
- Funding of hubs or shared processing facilities to support the natural products
- Provision for capital expenditure, working capital and operational costs
- The latter could include the cost of setting up a distribution hub in the export market, to reduce costs and be more competitive, costs to overcome regulatory and market access/growth hurdles, such as PIFs and efficacy tests. It should also cover salary cost to appoint new staff, to improve systems and procedures and the cost to develop marketing material/social platforms/online sales, as well as training.

▪ 70% of Funding

Product and Process Development and Business Support

- Technical assistance for natural product crop development and/or bioprospecting
- Development and commercialization of competitive pre-processes technologies. and quality assurance e.g. setting up HACCP/GMP/GlobalGap certification and other certification to address other markets such as kosher/Halal.
- Laboratory tests to do claim tests, sample testing, obtain quality data sheets of raw materials and finished goods, safety and efficacy data, etc.
- Purchase of equipment in support of pre-commercial product and process development (lab equipment, pilot plants)
- Support to test and launch products into new markets
- Support to reduce business risk and to facilitate access to finance, such as registration of IP and Trademarks or the development of a business plan,
- Assistance to SME's to address ABS compliance issues and regulatory challenges and barriers and obtain the necessary permits
- Provision of specific business support to SME's whether financial, technical or marketing, including training
- Acquiring/improving systems: (cybersecurity, IT, certification, CRM – customer relationship management, financial, etc.)

▪ 30% of the funding

The fund will be made up of blended finance such that concessionary pricing can apply

Thank You



environmental affairs

Department:
Environmental Affairs
REPUBLIC OF SOUTH AFRICA

