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GLOBAL QUALITY AND STANDARDS PROGRAMME SOUTH AFRICA - PHASE II

*Unlocking the export potential
of essential and vegetable oils*

20 June 2023





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GQSP-SA Phase I

18 September 2018 – 31 May 2023

[https://hub.unido.org/sites/default/files/publications/
GQSP%20brochure%2024%20page%20final.pdf](https://hub.unido.org/sites/default/files/publications/GQSP%20brochure%2024%20page%20final.pdf)



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Context





The world is changing

- **High export potential:** South African essential and vegetable oils are demanded by major economies such as France, Germany, Netherlands, the UK and the USA and expanding to Japan, Kenya, Spain, Switzerland and Tanzania.
- **Growing global demand:** The global essential oils market was valued at \$10,88 billion in 2020 and is projected to reach \$24.7 billion by 2030, growing by 8% annually.
- **Low exports:** Despite South Africa's advantage in meeting the growing global demand for essential and vegetable oils, only a fraction of South Africa's potential is being exported to regional and international markets.
- **Global challenges:** The outbreak of the COVID-19 pandemic, the fast-changing global environment, increased consumer awareness, due diligence and related policies.
- **Digital transformation:** embrace innovation and consideration of sustainability through the application of technology and the production of quality goods.



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Unlocking the export potential of essential and vegetable oils



Building on Phase 1 success

Value Chain Focus	To unlock the export potential of essential and vegetable oils
Indigenous essential oils	<ul style="list-style-type: none"> • Buchu • Cape chamomile • Helichrysum • Lippia • Rose geranium
Indigenous vegetable oils	<ul style="list-style-type: none"> • Baobab • Kalahari melon • Manketti/Mongongo • Marula • Ximenia

Capacity
Building

Cost of
Compliance

Culture for
Quality

Marketing



GQSP South Africa 2

DURATION



2023-2027

BUDGET



EUR 1,469,000

DONOR



Swiss Confederation through the Swiss State
Secretariat for Economic Affairs (SECO)

VALUE CHAIN



Essential and vegetable oils

Due to the success of the first phase of the GQSP in South Africa, UNIDO and SECO agreed to continue their constructive efforts for a **second four-year programme** phase, starting in June 2023.

ADVANCE

CONTINUE



Ultimate Objective

The overall objective (impact) of the global GQSP - Phase II is to improve framework conditions, contribute to greater international competitiveness and increase exports for SMEs, stimulating trade, and thereby contributing to improved livelihoods and job creation and ultimately the Sustainable Development Goals (SDGs).

In line with this overall aim, the objective of GQSP-SA Phase II is unlocking the export potential for producers of essential and vegetable oils. To achieve this long-term objective, there are several key environmental conditions, requiring action from key institutions and the SMEs, some of which can be catered for by the different complementary SECO interventions in the country.

STRAKEHOLDER ENGAGEMENT IS KEY

For any change process to be sustainable, it requires willingness, capacity and corporate social responsibility of each of the stakeholders to engage in the process.



Key Conditions

To achieve this long-term objective, there are several key environmental conditions, requiring action from key institutions and the SMEs, some of which can be catered for by the different complementary SECO interventions in the country.

Conducive policy
environment and culture
for quality

Efficient and effective
quality infrastructure
system

Availability of affordable
conformity assessment
services

SMEs aware of market
requirements

SMEs have manpower
available

Willingness of SMEs to
adopt new technologies

Promotion of reputation
of the quality of oils
Produced in SA

A supportive and
sustainable industry
association

Availability of
investment/finance for
producers

Access to markets and
partnerships for export

Unique selling
proposition



Continue & Advance

Strengthening QI (standards development, legal metrology, accreditation, conformity assessment)

Enhancing the compliance capacity of producers of essential and vegetable oils

Promote a sustainable culture for quality

Quality Policy
development
with the **dtic**

Application of
new
technologies

Smart
Farming

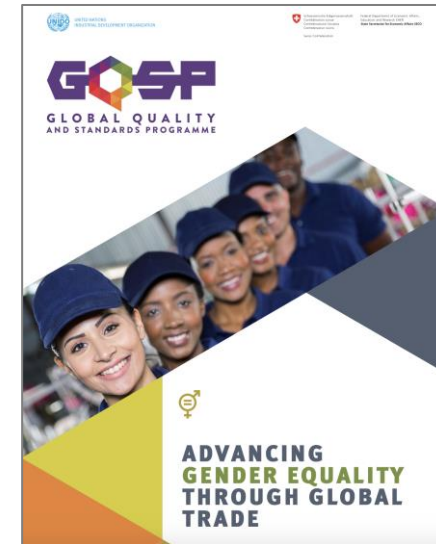
Access to
finance

Environmental
sustainability



New focus: women empowerment

- **Women are driving the natural products industry** all the way from policy making, planting and harvesting, to processing, value add, sales and marketing.
- **78% of companies** in the industry are owned by women who make up **68% of the total natural products workforce**. The number is as high as 80% in rural areas.
- Support the development of **gender-responsive standards**
- Help **address gender barriers** to accessing, using/employing and benefitting from smart technologies
- Take active steps to **promote gender equality**
- Developing **gender-responsive training materials** and maximize women's participation in trainings
- A study on the contribution of women to the essential and vegetable value chains – including identification of gaps and recommendations on how to narrow the gaps will be conducted
- The available finance schemes will be screened for gender-responsiveness and environmental and social sustainability, in making financing available to women-owned enterprises



UNIDO
Gender
Marker 2A
**Significant
contribution
to GEEW**



OUTCOME 1: Technical competence and sustainability of the National Quality Infrastructure System is enhanced

- Output 1.1. Technical competence and sustainability of the National Quality Infrastructure System at the institutional level and CABs is enhanced.
- Output 1.2. Coordination of Quality Infrastructure Institutions functions is enhanced



OUTCOME 2: SME compliance with international standards and technical regulations strengthened

- Output 2.1. The capacity of producers and SMEs along the value chain is strengthened to improve compliance with standards and technical regulation and the export market's requirements through collective efficiencies
- Output 2.2. Introduce new technologies to SMEs and new services from the industry association for the sustainability of the industry



OUTCOME 3: A conducive policy environment and culture for quality is strengthened

- Output 3.1. Key actors along the value chain understand, promote and instil quality principles and systems
- Output 3.2. Key regulators and funding agencies understand, promote and instil quality principles and systems



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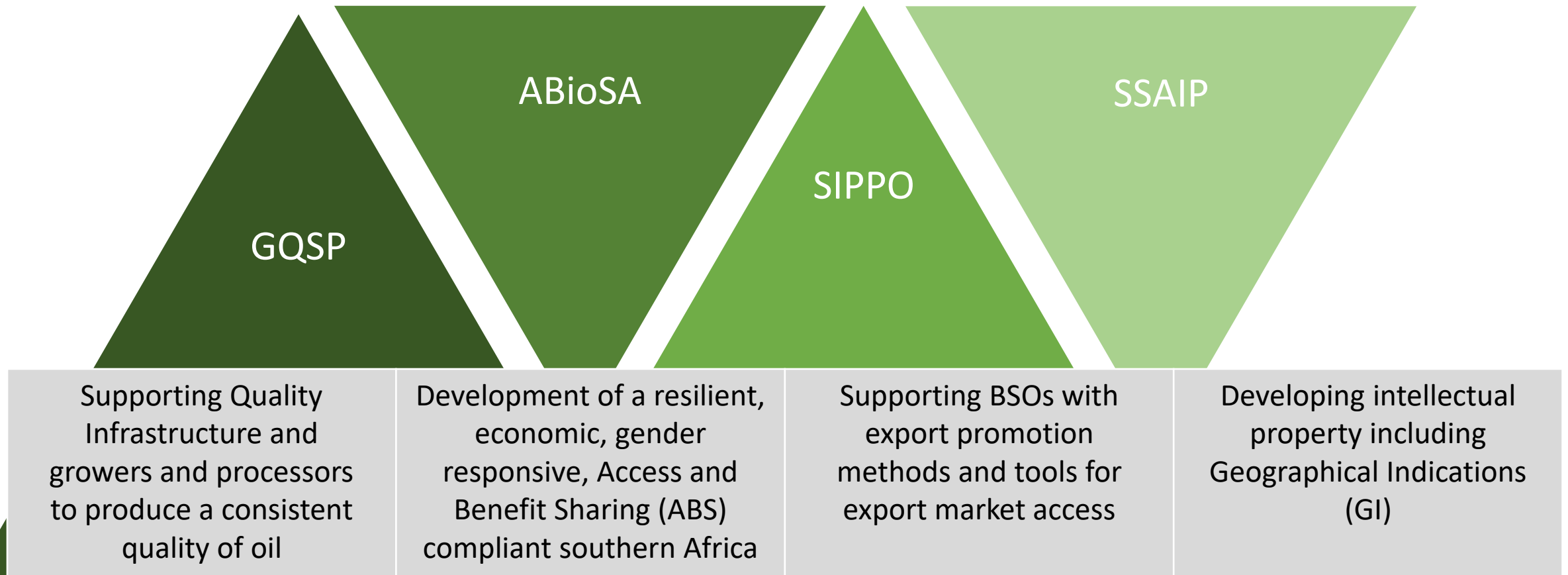
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Link to other initiatives



4 (SECO-funded) Sister Projects





Complementarities & Synergies with other UNIDO projects

GQSP Global	GQSP country projects	GEF
<p>Global tools:</p> <ul style="list-style-type: none">■ Standards Compliance Analytics■ QI4SD index■ C4Q	<ul style="list-style-type: none">■ Albania: Medicinal and aromatic plants■ Colombia: Medicinal plants	<p>Biogas South Africa: feasibility study on alternative sources of energy for the essential and vegetable oils industry</p>



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Conclusion





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The Key to Success





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A large, colorful hexagonal graphic composed of various triangles in shades of purple, blue, green, yellow, orange, and red, arranged in a complex geometric pattern.

THANK YOU

Elsie Meintjies (Dr)
Chief Technical Advisor
GQSP-SA Phase II

A large, abstract graphic on the right side of the slide, featuring a large orange triangle pointing upwards and to the right, with a smaller purple triangle pointing downwards and to the right, and a green triangle pointing upwards and to the right.