

# Southern African Natural Products Trade Association (SANProTA) Information Update Newsletter

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## Stop press... stop press...

We have buyers for the following products: **baobab oil, marula oil, marula soap and Kalahari melon seed and oil**. If you have any of these products please send samples to us here at the SANProTA office. **We are also expecting new markets for baobab fruit pulp, mongongo oil and Kigelia fruit pulp**.

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## In this month's issue: focus on bio-prospecting

### What is bio-prospecting?

Bio-prospecting is the process by which biological resources are systematically screened for potential commercial applications. Of particular relevance to us is the exploration of plant resources from our region by international pharmaceutical and other research institutions. Any company who asks you for a sample of a particular plant species is likely to be a bio-prospector.

### Why is bio-prospecting important to SANProTA?

For two reasons:

1. It is already happening in our region, and SANProTA members are obvious potential partners for international bio-prospectors. So we need to understand it.
2. It provides important new opportunities for commercialising plant species produced and harvested by rural communities.

However, we also have to be careful that we do not, unwittingly, undersell either our biological resources or the traditional knowledge we may have about their uses.

## Building partnerships, negotiating contracts

Because none of us have the technological capacity to undertake bio-prospecting ourselves, we are more likely to be involved as partners to others who do have that capacity. In principle, SANProTA would encourage its members to enter into bio-prospecting partnerships, but we also have to be careful. This is where we can find ourselves being ripped off.

Any bio-prospecting partnership needs sound contractual arrangements. These contracts define the roles, rights and responsibilities of providers (such as SANProTA members, governments, local communities, research organisations and other partners) and recipients (such as international research and development organisations). These factors are crucial to business success in an increasingly sophisticated and competitive global marketplace. In particular, it is important that we do not sell or give any plant material to any external research institutions involved in bio-prospecting without first developing a Material Transfer Agreement.

A Material Transfer Agreement (MTA) is a legal agreement that guarantees your rights to benefit from whatever commercial opportunities the bio-prospector may identify from the plant material. Without an MTA, you have **no legal rights** at all to any of the money they may subsequently make.

## Obtaining approval and consent

The Convention on Biological Diversity (CBD) gives governments in SANProTA countries authority over plant resources. But there aren't any laws and regulations in place in SANProTA countries about bio-prospecting yet. So it is a good idea to make contact with the relevant government authorities in your

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*SANProTA is a trade association whose objective is to build a viable and enduring natural products industry in the region based on resources accessible to poor rural people.*

*It is currently operational in Botswana, Malawi, Namibia, Zambia and Zimbabwe.*

country and share information with them about your proposed bio-prospecting partnership.

## **Complying with government regulations**

In all SANProTA countries, a variety of laws and regulations control the collection and export of plant materials. These include plant collection and research permits, phytosanitary permits, seed export certificates and export permits. The kinds of permits that are required and who issues them varies from country to country.

## **What are the right kinds of local biological resources?**

SANProTA members can focus their attention on plant genetic resources that occur locally in sufficient quantities, can be cultivated, or harvested sustainably, and require a steady re-supply, rather than a one-off delivery.

## **What is Prior Informed Consent?**

According to the CBD, organisations who wish to apply local knowledge, innovations and practices should seek Prior Informed Consent from communities that are the custodians of these resources. Of course it is very important to make sure that communities can benefit from bio-prospecting, but in practice, it's quite difficult to organise. A good starting point would be to

- hold a series of meetings with local leaders and authorities,
- consult key local people such as traditional healers and elders,
- examine local systems of rights and ownership over plant resources,
- sign a formal agreement with the community.

## **Sharing the benefits**

Bio-prospecting partnerships offer the chance to earn hard cash from successful products, or get royalties from patented and licensed products. Partnerships may also bring development benefits to local communities. But we need to be careful about

the way we distribute benefits. This is because plant resources and local knowledge are hardly ever found in one particular community or area. So we need to look at each partnership on a case-by-case basis in association with national-level authorities. SANProTA members could also decide whether they just want to be a supplier of raw materials, or whether they want to encourage local producers to add value to their resources. For example, this could be done by additional processing at the local level. So when it comes to sharing the benefits from bio-prospecting partnerships, we think it's a good idea to take into account the needs of our local partners, as well as being clear about our own priorities.

## **How will SANProTA help?**

Bio-prospecting is new territory for all of us and presents a greater challenge than any of our other natural product business activities. SANProTA can help by:

- Organising bio-prospecting training;
- Developing research and development partnerships between SANProTA members and regional organisations;
- Building awareness among governments and other actors in SANProTA countries;
- Lobbying for complementary regional bio-prospecting policies, so that national efforts are consistent. This may reduce the possibility of international bio-prospectors playing countries off against each other;
- Entering into bio-prospecting partnerships on behalf of members;
- Providing members with updated information on national policies, legislation and regulations on bio-prospecting.
- **Most importantly of all**, SANProTA is here to help you, our members, with any bio-prospecting processes on which you may now, or in the future, be engaged. So, if somebody approaches you and asks for plant material, ask us for assistance, and we will help you get the most you can out of the partnership.

# Market News

As part of SANProTA's strategy to identify and create export markets for natural products, we are undertaking a number of research and development initiatives in Europe and in the southern African region. With food technologists, we are looking at the potential for baobab pulp. In the region, baobab products have great potential as an ingredient in food supplements for under fives and because of its high carbohydrate content. Baobab products have also attracted the attention of overseas consumers. One long-distance runner has enthused about its properties as a "superfood" and its benefits for athletes.

In the UK, we've been talking to potential customers in the food and cosmetics industry and we're looking into the potential of Kalahari melon seed oil, baobab seed oil, and mongongo nut oil. In London, we are working with a phyto-pharmaceutical expert to advise us on our options for Kigelia fruit products and extracts, and a French cosmetic company has shown interest in a sample of our Kigelia. We will keep you posted on progress at our AGM in April.

## Trade news

Through our office in London, we are negotiating partnerships and contracts with food processing, pharmaceutical and cosmetics companies. This year, SANProTA will be representing you at the following trade shows:

- ?? In-Cosmetics, 1-3 April 2003, Paris
- ?? Natural Products Europe, 6-7 April 2003, London
- ?? Vitafoods International, 13-15 May 2003, Geneva

## Information for members

☞ We will soon be launching an exclusive "members only" section of our website that will provide you with useful information about potential buyers and markets.

☞ All you need to know about natural products... We will be distributing our *Natural Products Primer* to all members in April.

☞ What are the potentials and pitfalls of bio-prospecting? You've read our introduction to bio-prospecting in this edition; keep your eyes open for the

SANProTA *Bio-prospecting Policy* that aims to comprehensively answer all your questions on this complex issue.

☞ We will soon be launching our step-by-step "how to..." series that includes "how to deal with import and export regulations" - practical tips and advice about how to navigate your organisation through the rules, regulations and logistical hurdles that precede the export of your product. Also included in the series are "how to negotiate with buyers" and "how to make your trade fair".

☞ Finally... Some of you may be sorry to see it go, others may cheer at the flying departure of our SANProTA "propeller" logo. We hope to replace it with an image that is faithful to our southern African roots, while reflecting our dynamic and professional involvement in the global marketplace. Watch this space...

## New Faces

SANProTA has recruited three new staff members that we would like to introduce to you. **Cyril Lombard** "our man in London" is the Research and Development Marketing Officer, and will now be working full time on co-ordinating product research and development, as well as creating linkages with research institutions, commercial companies and buyers in Europe and elsewhere. Cyril has been working part-time for SANProTA since 2001, and previously he had been working on the commercialisation natural products in southern Africa. **Nyarai Kurebgaseka**, the new Natural Products Technical Development Advisor. With a Master's degree in bio-chemistry, she joins us from SAFIRE (Southern Alliance for Indigenous Resources) so she is no stranger to natural products. **Lucy Welford**, the Liaison and Information Officer, has been working in communications and marketing for several years and has just completed her PhD examining various aspects of community-based natural resource management in Zimbabwe. Together with our Management Board, Gus Le Breton our CEO,

and our excellent administrative staff Rose Musimwa and Sekayi Mujati and support staff Thomas Chapera, Edson Kawodza and Virginia Masarirevhu, we look forward to working with you and continuing to build an efficient and effective association for our members.

## Membership

**New members...** We'd like to welcome the **Binga Trees Trust** in Zimbabwe and the **Nyae-Nyae Conservancy** in Namibia as new members of SANProTA. We approved their applications at the Management Board meeting in September 2002.

At the SANProTA Board meeting held in January at Pangolin Lodge in Harare, the Board agreed to streamline membership recruitment procedures to include a broader base of prospective members including those from the private sector. We feel certain that SANProTA has not strayed from its goal of enhancing community development through the development of a natural products industry in the region, but we also believe that we need to provide an improved fee structure and recruitment procedure for members.

## News from your board

In contrast to previous years, there has been much greater continuity within the Management Board, with no changes in the members since the last AGM. This makes it much easier for us to have an effective decision-making body, and we are grateful to all Board members for their valuable service!

## Forthcoming AGM

*We are happy to announce that Malawi will be hosting the SANProTA Annual General meeting to be held from **7<sup>th</sup> to 11<sup>th</sup> April 2003** at the Shire Highlands Hotel in Blantyre. We will be in contact with you nearer the time with documentation and logistical information. During the AGM, we are also looking forward to seeing natural product processing in action when we visit the Kam'mwamba Baobab project in Mwanza-Neno District.*

## Interest groups update

We look forward to meeting with our four focal species Interest Groups during the AGM. We hope these meetings will provide us all with the opportunity to design action-oriented strategies for the production, processing and marketing of natural products. Lucy, our LIO and Nyarai, our NPTDA will soon be in contact with group representatives to fix dates, times and agendas.

## TGI Friday!

We know that for most members in the region it's a long way to come, but we hope that some of you will not be able to pass by the chance of a refreshing drink, and will be able to join us at the SANProTA office in Harare on the first Friday of every month for an informal drinks and networking get-together after work. Our first gathering in February was a great success and provided an opportunity to meet colleagues and "talk shop" in an informal setting.

## Don't forget...

We wanted to remind you that the four SANProTA focal species (baobab, Kigelia, Kalahari melon and mongongo) will be extended to include a further six species at the AGM in April. Together with your national focal points at your pre-AGM meetings, this is your chance to finalise your national priority list. We suggest you use the Market Analysis and Development matrix developed by SANProTA in 2001.

We would also like to remind you that Cyril, our RMDO in London will be shortly be circulating a "long list" of SANProTA focal species to you by email. This list will be useful for matching our production potential with the needs of prospective overseas research companies and buyers. We would really appreciate it if you could look at the list and tell us if we have missed any key species that you think may have potential.