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The World Conservation Union

**PhytoTrade**  
AFRICA 

# Role of Certification in Developing the Natural Products Sector

## Making Markets Work for the Poor

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**natural futures**  
natural products = natural profits



## The Southern African Natural Products Sector

- 115 million people live in Southern Africa
- 60% of these are in rural areas characterised by:
  - Arid and semi-arid environments
  - Limited agricultural productivity
  - Population growth rate higher than staple food production
  - Natural resource accessibility



## Natural Products Defined

NPs in a southern African context

- Wild harvested
- Local ownership
- Few inputs; Ecologically adapted to local conditions
- Traditional knowledge and use
- Competitive production
- Plant-based



## Competitive Advantages of NPs

- Multiple products + properties, marketable values
- 4 main categories:
  - Food - consumed by people (food) or animals (feed) inc. functional foods + nutraceuticals
  - Cosmetic - for personal beautification and hygiene inc. cosmeceuticals
  - Industrial - used as raw materials in manufacture, for construction, for chemical application or for making non-consumable finished products.
  - Pharmaceutical - conferring real or perceived medicinal advantages for people and/or animals



## Driving Forces

- Long term market opportunities
- Rural economic development
- Sustainability of resource
- Traditional knowledge
- Support to social systems

*“The global market for NPs is estimated at US\$40-60 billion with a 3-5% annual growth”*



## Why This Can Work

- There is great demand in the cosmetic industry for plant oils with ***anti-ageing properties*** – many of which occur naturally in Southern Africa (e.g. Marula oil)
- The trend in European and North American markets for “conscious consumption” – social, ecological and health implications of their consumption patterns
- Selling the story of rural development, traditional use and exotic settings
- Innovation: interest in new products



## Why this Can Work (cont'd)

- Quality: sustainability is becoming integrated part of quality e.g. GMP & good collection practices WHO
- Corporate social responsibility: sustainable sourcing and fairer trade practices
- Trade in many NPs already exists at an informal level throughout Southern Africa
- Sustainable use of local natural capital is an important livelihood strategy for

# Why This Can Work – recent estimates



Product	Trade (US\$/yr)		Households employed (gathering)	
	Current	Potential	Current	Potential
Baobab	11,203,928	961,358,568	1,165,965	2,640,333
Kigelia	375,563	1,588,050,000	441,125	1,764,500
Marula	425,000	263,001,008	3,475,250	2,436,667
Ximenia	58,500	37,566,884	303,933	1,514,667
Trichilia	-	501,665,967	1,144,833	2,289,667
Kalahari Melon	58,500	21,126,226	745,083	1,483,167
Manketti	-	19,677,684	197,208	42,597
Parinari	-	36,516,431	1,774,250	2,365,667
<b>TOTAL</b>	<b>12,121,491</b>	<b>3,428,962,767</b>	<b>9,247,649</b>	<b>14,537,264</b>



## Certification

- Certification of NPs offers potential niche market opportunities as well as recognition of socio-economic and ecological benefits of NP trade
- **Challenges:**
  - In-accessibility and -appropriateness of existing certification schemes in regional NP context
  - A lack of knowledge regarding certification in the region and sector
  - Market and sector development



## Certification

- Niche market access limited by barriers at different levels
  - Product level
    - Informal organisation, geographic spread, market awareness, capacity
  - Market level
    - Product specifications, quality standards, processing timelines, volume requirements
  - System level
    - Lack of standards, wild harvesting knowledge, tenure arrangements, financial resources



## Certification – Opportunities Regional NP Sector?

- Forest Stewardship Council (FSC)
  - Sustainable Forest Management, Non-timber forest product within timber production setting, limited application in region
- Rainforest Alliance/Sustainable Agriculture Network
  - Agriculture/Forestry, examples in S.America, not Africa
- Organic
  - Presence in region, successful certification of NP producers, wild harvesting opportunity, indicators needed
- Fair Trade Labelling Organisation (FLO)
  - Fair Trade South Africa Trust, new environmental standards, limited product standards
- BioTrade
  - Focus on south, CBD, IP & tenure



## Natural Futures & Certification

- Increase market access through certification
- Two points of intervention
  - System and producer level

### System level interventions

- Research on feasibility for southern African natural product system
- Engagement with certification authorities; standards and system development
- Regional legal reviews
- Partnership with UNCTAD as part of Biotrade Initiative



## Natural Futures & Certification (cont'd)

- Certification support grants
  - PhytoTrade members
  - Inspection visits, advice on preparation, training, M&E,
  - Three rounds
  - Result in certification by existing schemes (organic, fair trade, forest)
- Additional round to pilot BioTrade Verification Framework
  - Biodiversity verification



## Certification – One Example

### Edufano Woman's Cooperative (Namibia)

- Pilot project for organic certification with one of EWC's (14) member associations (5500 pax) started early 2006
- Set up ICS, adapted EU regulations to local conditions, and conducted training (inspectors, communities and association leaders)
- Processing facilities ready for certification as well
- Combination of wild harvesting and growers groups
- Certificate obtained and oil stock successfully sold
- Guidelines and extension of project across EWC and others



### MARVELLOUS MARULA

We were the first company ever to use marula oil in make-up, and now it's an important ingredient in virtually all of our cosmetics.

Happily, the 300 women of the Eudafano Women's Co-operative in Namibia have been able to supply all of our needs. By paying a fair price for their marula oil, we're helping to empower these women, increase local livelihoods, and send their children to school.

So while you're applying your eye shadow in the morning, pat yourself on the back for your efforts in Namibia, too.



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## Certification - Snapshot

- At present the certification field (organic, natural, fair trade, Biotrade) is extremely dynamic
- While some develop new product standards (e.g. FLO) schemes such as 'EcoCert Fair Trade' are popping up
- Industry is always moving, but there is a definite recognition that with natural products, certification is essential: the market demands it
- Different schemes will give different market opportunities
- Partnerships
- Harmonization critical for southern producers
- Market knowledge critical



## Development Impact

- Increased average incomes in the region
- Increased health, nutrition and food security
- Improved local skills and knowledge
- The empowerment of women
- Increased social and financial capital
- Returns improve incentives for “sustainable use” and environmental restoration towards increased yields
- Maintenance of traditional knowledge