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Capacity Building for Bio Trade (CBBT) Project

Project progress Nepal

October 2010

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The UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF) in partnership with GTZ Headquarters (GTZ HQ) and GTZ Country Programmes (GTZ CPs) is implementing the "Capacity Building for Bio Trade" initiative in Namibia, Nepal and Peru through a set of interrelated and mutually supportive activities at national and international levels.

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What is Bio trade?

"Bio trade refers to the collection, production, transformation, and commercialization of goods and services derived from native biodiversity (species and ecosystems) under criteria of environmental, social and economic sustainability"

Bio trade Facilitation Programme

CBTF and GTZ agree to leave it to countries to decide what, under their economic, ecological and sociopolitical conditions, should be included in bio trade.

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7 Principles of Biotrade (UNCTAD)

1. Conservation of Biodiversity
2. Sustainable Use of Biodiversity
3. Fair and equitable sharing of benefits derived from the use of biodiversity
4. Socio-economic sustainability
5. Compliance with national and international regulations
6. Respect for the rights of actors involved in biotrade activities
7. Clarity about land tenure, use and access to natural resources and knowledge

CBTF and GTZ agree to leave it to countries to decide what, under their economic, ecological and sociopolitical conditions, should be included in bio trade.

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Peru Biotrade Week, September 2010

THE MOST Important Commercial platform in SOUTH AMERICA

This mega event to be held in September 2010, is conceptualized as a meeting point for more than 800 South American export companies and significant number of selected buyers from the 5 continents.

It will have more than 10 000 visitors, including food manufacturers, retailers, exporters, distributors and food processing machinery suppliers.

PERU: Privileged geographical location in LATIN AMERICA for international business

EXHIBITION sectors

AGRI-BUSINESS

- Fresh fruits and vegetables
- Processed food and dietary
- Food and processed food
- Development of organic and bioactive
- Development of plant oils, essential oils, perfumes
- Herbs, Honey, Bakery products, Wine and alcoholic beverages, Vitamins

SEAFOOD

- Marine seafood products
- Aquaculture and aquaculture products
- Seafood processing machinery and equipment

BIO COMMERCIAL PRODUCTS

- Energy products, organic and natural cosmetics
- Natural products for pharmaceutical industry
- Functional food and nutraceuticals

SUPPLIES for the food industry

CONTAINERS, PACKAGING AND SERVICES for the food industry & food service areas

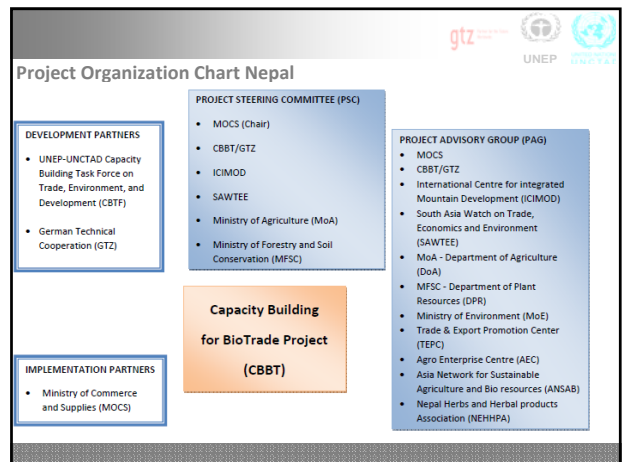
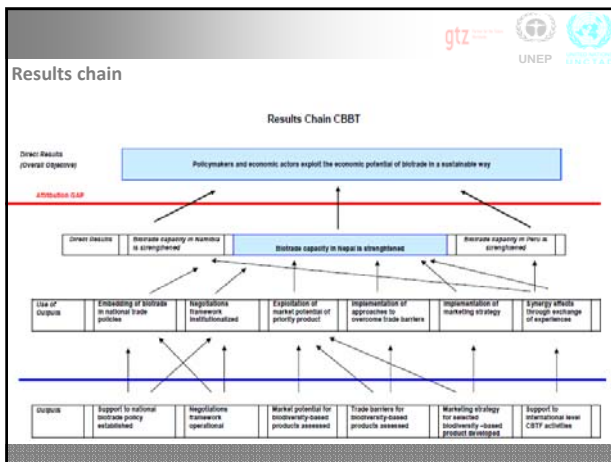
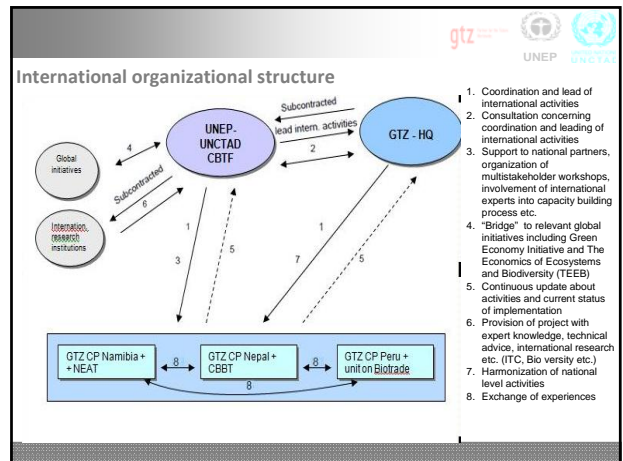
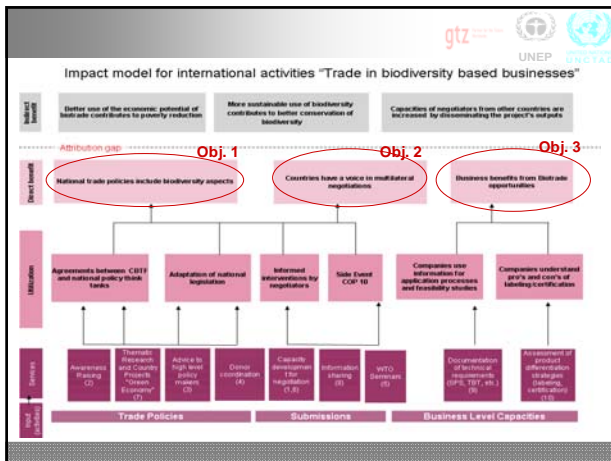
FOOD PROCESSING MACHINERY

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CBBT Project : OBJECTIVES




- Operationalise coordination framework on national bio trade policy and negotiations
- Strengthening of the institutional capacity to enhance negotiation and implementation for SPS/TBT, GI and ABS as well as to include biodiversity aspects into national trade related policies and strategies
- Assessment of market potential and trade barriers for biodiversity - based products
- Develop and implement marketing strategies for the selected bio product (Essential Oils – Wintergreen, Anthopogon and Juniper)

The above objectives are aimed to achieved through a set of interrelated and mutually supportive activities on the national and international level



- CBBT Results at the National Level**
- R1** Support to national bio trade policy established
 - R2** Negotiations framework operational
 - R3** Market potential for biodiversity-based products assessed
 - R4** Trade barriers for biodiversity-based products assessed
 - R5** Marketing strategy for selected biodiversity-based product developed
 - R6** Support to international level CBBT activities
- Slide 11




- R1** Support to national bio trade policy established
- Completed activities**
- Identified relevant stakeholders
 - Formed Project Steering Committee (PSC) and Project Advisory Group (PAG)
 - PAG -1/2/3: Carried out (2010 March, June, and September)
 - MOCS launched Nepal Trade Integration Strategy (NTIS)
 - Sector study on Essential Oil (Wintergreen, Anthopogon and Juniper)
 - Success story for Training Manual on Biotrade prepared
 - Inception Workshop for Green Economy Study held (Introduction, Economic analysis and investment opportunities)
- Ongoing activities**
- Alignment with Nepal Trade Integration Strategy (NTIS)

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R1 Continued

Planned activities

- Further integration with the NTIS
- Four recommendations concerning integration of bio trade in trade strategies
- Training on negotiation skills and support in policy formulation
- Training on WTO procedures
- Collaboration and coordination with international activities (CBD COP-10, etc.)

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R2 Negotiations framework operational

Completed activities




- Formation of Project Advisory Group (PAG)
- 3 PAG-Meetings

Planned activities

- PAG 4 planned for 1 October 2010
- National workshop jointly organized by GTZ and MoCS

International activity




- Support to Nepal WTO negotiations structures (CBTF)

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R3 Market potential for biodiversity-based products assessed

Completed activities

- Preparation of market study/demand side study
- Identification/prioritization of priority products
- Identification of essential oil as #1 priority product
- Preparation of product check lists
- Assessment of available quantities/volume (SEO)
- Assessment of supply potential (SEO)
- Mapping of producers (SEO)
- Assessment of obstacles products are facing in natl. and international markets (SEO)
- Compilation of current and potential producers

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R4 Trade barriers for biodiversity-based products assessed

Completed activities




- Identification of generic and specific trade barriers
- Identification of product specific trade barriers (SEO)

Planned activities

- Preparation of Technical Data Sheets and Material Safety Data Sheets for prioritized product (SEO)

International activities




- Reference manual on regulations and negotiations on SPS/TBT, GI/TRIPS, ABS
Support to negotiations of free trade export permission for WTO

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R5 Marketing strategy for selected biodiversity-based product developed

Completed activities

- Selection of prioritized producers and formation of group
- Analyze possibility of adding value through the application of existing standards/labels, trademarks and GIs (SEO)
- Identification of potential markets, quality of products etc. (SEO)
- Preparation of informative materials on product standards and technical information (SEO)

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R5 Continued

Planned activities

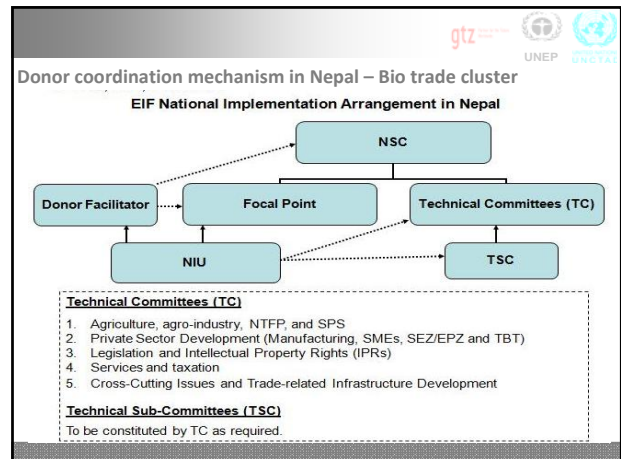
- Support to founding of producer's association (District and National)
- Support marketing and quality assurance/certification of available products
- Initiation of selected Public Private Partnerships (PPP) projects, e.g. quality improvement, new product development, technical advisory services
- Creation of direct links to European importers/producers
- Participation of producers in Bio-Fach 2011

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R6 Support to international level CBTF activities

Planned activities

- Nomination and briefing to Nepal participants in COP-10
- Nomination of Nepali participants for multistakeholder inter-regional workshops in Peru and Namibia
- Organize Inter-regional multistakeholder workshop in Nepal



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Success story - Bio trade sector in Nepal

HBTL Ltd.

Himalayan Bio Trade Private Limited (HBTL) was founded in 2000, is a natural products processing and marketing company, owned by a consortium of community enterprises whose shareholders are the community members who sustainably manage the forests. HBTL products can be traced back to the forests that produced them and the communities who responsibly harvested and processed the natural products. HBTL and its community enterprises have received FSC, Organic and Wildlife Friendly certifications. HBTL offers a vast range of certified organic and fair-trade natural products, of the highest quality, including Nepali handmade paper products, essential oils, Himalayan nettle products, raw herbs and vegetable oils from wild species.

Challenge 1: National and International barriers to access international market

- Wild crafted item – new in the market
- Difficult to enter the market
- Weak communication
- Documentation
- Finance
- Environmental challenges
- Labor problems

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Solution:

- Wild crafted item – new in the market: Samples were sent to different buyers for testing
- Difficult to enter the market – Buyers were identified through personal contact, correspondence, supporting agencies and reference marketing.
- Weak communication – use of internet for correspondence, expert's ideas and past experience. Improved communication materials.
- Documentation – Attended trainings and with information help from Department of Plant and Resources, Herbs Production and Processing Co. Ltd, DHL and exporters of other products like handicraft exporters.
- Finance – Individual initiative, Project support, Partnering with buyers.
- Environmental problem – dealt with jointly with the government in the context of conservation areas, etc.
- Labor problems – managers and workers as joint shareholders, formation of cooperative and employment in the rural communities, focus on the poor and disadvantaged.

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Certifications are one of the most important instruments and crucial for gaining valuable contacts in international markets. It supports trust-building process between producer and buyer. This is an important tool for international marketing purposes

Chain of Custody (CoC) certification

Challenge 2: Entering into certification schemes

Solution:

Getting partners together to use certification schemes: Asia Network for Sustainable Agriculture and Bioreserches (ANSAB), Community Forest Users Groups (CFUGs), local forest products companies, the Rainforest Alliance (RA) and AVEDA worked together with a help of a certification & marketing project

Investment for certification : The initial costs and first yearly audits were covered by the alliance. Later, paid by HBTL Ltd.

Role of the government in getting certification: Ministry of Forest and department of Forest cooperated as part of the policies.

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One-Cert (Organic certification)

Solution:

Getting partners together to use certification schemes: HBTL partnered with S&D Aroma a British company and developed a model of cost-sharing for the award of HBTL Ltd. with One Cert

Investment for certification : Till today both companies are sharing all related costs equally.

Role of the government in getting certification: Recommendations received from District Forest Officer on their product being grown organically for the certificate audit.

Wildlife Friendly™

Solution:

Getting partners together to use certification schemes: Enterprise works vita (EWW) – US based company assisted HBTL in eligibility review.

Investment for certification : No cost involved till date. Only fee for the form paid by HBTL.

Role of the government in getting certification: Not required.

Thank You.