



environmental affairs

Department:
Environmental Affairs
REPUBLIC OF SOUTH AFRICA

THE ABS
CAPACITY
DEVELOPMENT
INITIATIVE



L'INITIATIVE DE
RENFORCEMENT
DES CAPACITES
POUR L'APA



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs,
Education and Research EAER
State Secretariat for Economic Affairs SECO

Contracting Authority: GIZ

Access and Benefit Sharing (ABS) Compliant Biotrade in South(ern) Africa

Innovation Fund

Grant funding for SMEs¹ and their support organisations in the
biotrade sector to support innovation and growth
in coherence with other incentive schemes

Calls for Grant Applications

Deadline for submission 31 October 2018

Invitation

South Africa, being the 3rd most biologically diverse country in the world, with other SADC countries is host to emerging biotrade value chains of economic importance. Various regional and country policies were accepted to support the biotrade sector. SADC has a Biodiversity Strategy and Biodiversity Action Plan in place. In South Africa, DEA has established a National Biodiversity Economy Strategy, and along with other government policies and strategies, establishes a good policy platform for the development and growth of the biotrade sector. The biotrade sector is also impacted by the policies and strategies of DST, in particular its Bio-economy Strategy and its bill for the “Protection, Development and Management of Indigenous Knowledge Systems”. The dti has an impact on the biotrade sector through its current Industry Policy Action Plan.

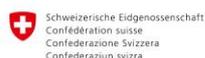
Job creation, poverty alleviation and BEE are key targets in these policies and strategies, not only in South Africa, but also in the region. In addition, SMEs who want to export their products are having difficulty to grow their enterprises as they struggle to comply with international and national regulatory requirements, including Access and Benefit Sharing (ABS) regulations.

The project “ABS Compliant Biotrade in South(ern) Africa” (ABioSA) is funded by the Swiss State Secretariat for Economic Affairs (SECO) and implemented by the ABS Capacity Development Initiative (www.abs-initiative.info) under the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, to provide technical and financial support to small, medium and micro-sized enterprises (SMEs) in the biotrade sector.

The project aims to build a high-growth innovative biotrade sector that complies with international and domestic ABS regulations, creates jobs and contributes to productive, sustainable use of the plant biodiversity in South Africa and the region (localisation of value-addition). The awarded grants

¹¹ SMEs as used in this document comprise SMMEs and cooperatives

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and implemented by





of the ABioSA Innovation Fund should result in grantees meeting these objectives, including growth in their turnover and an increase in sustainable practices.

The current call for grant application is targeted at SMEs in Southern Africa (70% South Africa, 30% other Southern African countries) with already existing capacities and skills who are either already ABS compliant or on target to become ABS compliant within the project lifetime (i.e. by June 2021). The call is also open to sector organisations (BSOs) such as associations, councils, incubators and laboratories servicing ABS compliant SMEs in the sector or SMEs in the process of becoming ABS compliant. These BSOs must proof that the grant allocated to them will have a wide-scale impact on their membership.

Grant applications should focus on the high-impact value chains which have been preselected by the project:

- Marula fruit
- *Aloe ferox*
- Essential oil cluster
- Seed oil cluster

However, such focus does not exclude grant funding for convincing innovative proposals for other value chains shortlisted by BioPANZA as well as moringa. See the end of the document for the list of species.

The project works closely with South Africa's Department of Environmental Affairs, which leads the SA Government's approach to biotrade. The project supports transformation and key government targets including job creation, empowerment of women and rural development – in South Africa and the region.

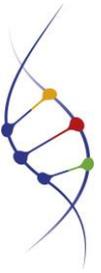
Note: direct monetary support of enterprises is not provided for in this call. Purchasing of equipment will only be considered if Project Management considers that it could not to be funded by other institutions or that its co-funding is required to result in the release/approval of funding from other institutions.

Confidentiality

SMEs must clearly mark which information should be treated as confidential. In connection with information provided in the application, the applicant may make available to GIZ certain confidential and sensitive information for the purpose of the grant application. "Confidential Information" means any data or information, disclosed from the applicant to GIZ, marked with the word "Confidential" at the time of submission of the application. GIZ undertakes to use Confidential Information exclusively for the selection process of the Grant unless otherwise expressly agreed to in writing by the Disclosing Party. The selection process encompasses the shortlisted candidates' information being distributed to the Investment Committee's members who are responsible for the final selection of approved candidates. The Investment Committee members will all have signed NDAs in place with the GIZ, to not disclose Confidential Information to other parties.

However, Confidential Information may be disclosed without any limitation to German government authorities. It may also be disclosed to a limited number of directors, officers, employees of GIZ or of its Affiliates who need to know such information in order to conduct the selection process. Furthermore, where GIZ is obligated to make statements in response to enquiries from government bodies or private individuals or entities pursuant to mandatory federal or state laws intending to create maximum transparency regarding official information, Confidential Information may be disclosed.

In the event GIZ is requested to disclose Confidential Information under the circumstances set out above, GIZ will provide the applicant with prompt notice of such request or requirement in order to



enable the applicant to mark in writing in the Confidential Information such aspects that have to be classified as business and trade secrets as well as intellectual property. If the applicant elects not to answer GIZ's request to mark such aspects in writing within 10 business days after receiving the request, GIZ will furnish that portion of the Confidential Information as it deems to be legally compelled to disclose; disclosure of such Confidential Information may be made without liability.

Submission requirements

Only complete applications meeting the application criteria will be considered!

Application forms, including all the required documents, must be sent to:

GIZ Office Pretoria

Procurement Department

Hatfield Gardens, Block C, Ground Floor

333 Grosvenor Street Hatfield

Pretoria, RSA

Tel: +27 12 423 5900

Reference no:**83302555**.

All copies for the call must be submitted by courier/per hand in letter form in a sealed envelope.

Applicants:

- Must be either already ABS legal compliant or on target to become ABS legal compliant by the end of the project lifetime (June 2021), or in the case of sector BSOs such as associations, councils, incubators and laboratories be servicing ABS compliant SMEs in the sector or SMEs who have already commenced the process to become compliant;
- SMEs must be working with indigenous plants of Southern Africa²;
- SMEs must have had a turnover between ZAR 3 million and ZAR 100 million in 2017;
- SMEs must already be exporting or be in a position where the grant funding will result in them becoming export compliant, or in the case of sector BSOs such as associations, councils, incubators and laboratories servicing SMEs in the sector who are already exporting or would be able to become export compliant with the proposed assistance/service by these BSOs;
- BSOs must have at least 10 members in the sector (related to indigenous plants) paying membership fees;
- Laboratories must provide more than one type of service and service at least 6 paying SMEs in the sector (related to indigenous plants);
- Must be a citizen of / resident / registered entity in a Southern African country;
- Must be solvent, have been operating for more than two years and have complete annual financial statements for the previous two financial years (**to be included in the application**);
- Must have administrative systems in place that support good governance (i.e. legal transactions which are declared in its financials and to its national revenue services, systems, even if manual, that capture all transactions accurately to trace the history, capturing of information in a format that it could provide strategic information to the management, management meetings that are minuted to capture decisions, etc.) and able to support robust monitoring and evaluation;

² Moringa, considered as a naturalised plant in Southern Africa, is included in the term "indigenous plants of Southern Africa"



- Must be in full compliance with statutory and administrative requirements in the relevant country, including a valid tax clearance certificate or, if expired, expiry must not be older than 6 months and proof must be submitted that a new tax certificate was applied for;
- Must match the grant funding with substantial own funding (min. of 10%, excl. in-kind) and/or with substantial co-financing (could be a grant/sponsorship/repayable grant/soft loan from another incentive scheme or a loan). Total combined co-funding (own funding, exc. in-kind, and co-financing) of 50% would be required. For more information on what would be considered as in-kind, see the end of the document, before the application form;
- Sector BSOs such as associations, councils, incubators and laboratories need to provide a list of SMEs, ABS compliant or commenced the process to become ABS compliant, who are members and/or assisted by them and permission that the contracting agent may contact these SMEs for verification purposes. These SMEs must be working with indigenous plants or ingredients/products produced from indigenous plants.
- Laboratories must be accredited with an internationally recognised accreditation body (recognised by ILAC and/or IAF where applicable) with the accreditation certificate to be included in the application and participate in a recognised proficiency testing scheme. Laboratories must have a proven record of working with seed oils and/or essential oils.

Examples of the types of activities / projects the facility could support, but not limited to, include:

- Studies exploring the biological activity of a biotrade product (or a group of products) to add value to the marketing proposition of a selected value chain, and bring effect to aTK (traditional knowledge associated with the utilisation of genetic resources);
- Studies to understand national and regional variation in key phytochemical compounds in selected biotrade ingredients in a way that supports SMEs to define their product specifications, and to innovate in product development;
- Development and commercialisation of more competitive processing technologies for key biotrade ingredients, and supporting SMEs to adopt the technologies, including IPR such as trademarks and patents, setting up and implementing the required operating procedures, and establish the required product documentation;
- Identifying and solving key quality control and assurance issues for actors along selected value chains, and supporting the implementation of higher quality practices and traceability (could comprise organic and/or HACCP and/or GMP certification; other certification to access certain markets, e.g. Halaal/Kosher certification; implementation of a Quality Management System (QMS) to comply with GMP certification;
- Laboratory tests to do claim tests, sample testing, obtain quality data sheets of raw materials and finished goods, safety and efficacy data, etc.;
- Aspects to reduce business risk and to facilitate access to finance, such as registration of IP; improvement of cybersecurity; establishment/improvement of Business Intelligence system; development of a business plan;
- Preparation of marketing and promotional materials to support market development, industry awareness and consumer uptake, including market differentiation through promotion of industry best practices such as UNCTAD's BioTrade Principles or UEBT Ethical BioTrade Standards;
- Support to the launch of products to new markets and territories including product testing, packaging and labelling requirements, Product Information Files (PIFs) and customer/agent/distributor identification and acquisition; and
- Equipment (in exceptional cases, please motivate why not funded by other financial institutions).

The average grant size for SMEs will be ZAR 500,000. In exceptional cases and only for highly innovative, high-impact projects grants up to ZAR 675,000 will be considered. For BSOs such as associations, councils, incubators and laboratories an upper limited of ZAR 1,350,000 is seen as appropriate if the funding is matched, outcomes will benefit multiple SMEs, and the project facility can support its minimum number of grants targeted.



Exclusionary Criteria:

Applications will **NOT** be considered if:

- Applications are incomplete;
- Applicants are not compliant with the criteria;
- Grant applications exceed the maximum grant size;
- They do not provide results, such as job creation and real turnover growth, within the short terms (within 6-12 months of grant payment to the applicant);
- They relate to new medicines, treatments or cures for diseases (as these have huge regulatory barriers to overcome and would not deliver results within the short term);
- Applicants' entities are not registered with the relevant authorities, such as the CIPC (proof of registration must be provided with the application);
- Submitted after the closing date for applications: **15h00 South African time, Wednesday, 31 October 2018.**

The ability to co-fund this application and commitment to transformation will be an advantage. Applications must demonstrate a clear development outcome and be both environmentally and socially compatible. Applicants will be required to demonstrate how their proposals to invest the funds from the facility are synergistic with their use of other incentive schemes – and potentially, how these funds constitute co-funding to the Innovation Fund resources. In return, where these incentives require co-funding, applicants could use the grants of the Innovation Fund to match these obligations. Additionally, applicants will also be required to demonstrate how they have committed their own resources towards achieving the objectives of other proposals and thereby demonstrate financial, technical and human resources engagement. Implementation, and disbursements, must take place within a year from signing the agreement.

Reporting requirements

Successful applicants will be expected to report on any jobs created, increase in turnover, new products developed and new markets accessed because of the grant funding. Evidence of all these aspects will be required, the format of which will be established during contracting.

Selection process

Applicants will be scored against a scorecard. Additional telephone interviews might be required.

If you do not receive further correspondence in this regard from us by 14.12.2018 please consider your application as unsuccessful.

Shortlisted applicants will be required to attend a two-day capacity building event and interviews during 3-5 December 2018. They will be required to deliver a 10-minute pitch of the project for which they require grant funding. Applicants will be organised into two groups, one group to attend individual capacity building and interviews on 3 December and the other group to attend individual capacity building and interviews on 5 December, while both groups will be required on 4 December for group training. Capacity building will address key issues raised by SMEs and will be communicated by the time that shortlisted applicants are informed that they have been shortlisted.

The applications with the assessment and recommendation will be presented by Project Management to the ABioSA Investment Committee who will ensure that the agreed principles and objectives of the facility are being complied with, that the selection criteria and scoring of applicants were carried out objectively, and that the allocation of grants properly furthers the objectives of the project. **The Investment Committee will select the successful candidates during January 2019, who will then be informed in writing by Project Management.**



Successful applicants will enter into grant agreements with the GIZ. Grant agreements will stipulate milestones for payments and required reporting. Once grant agreements have been signed by both parties, disbursements of grants will commence against the agreed project milestones.

For more information please contact: Joretha Després

E-mail: joretha.despres@giz.de, Tel.: +27 (12) 423 7955

Completion of application forms:

Sections to be completed by SMEs AND sector BSOs (associations, councils, incubators and laboratories)	SECTIONS TO BE COMPLETED ONLY BY sector BSOs (associations, councils, incubators and laboratories)
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Definition of in-kind

Sub-category	Description	Calculation guidance
Staff time	Time dedicated towards the partnership (scoping, development and implementation) including: technical staff, management staff, administrative staff, communications staff within the organization for the partnership	Cost of the employee per day or hour worked for the project Days/hours worked for the project: Costs:
Office and communication costs	Cost of office space and communications dedicated to the project	Cost of office, phone, office materials (paper, etc.) and computer for each individual involved in project Costs:
Equipment or services	Cost of equipment (e.g. donated laptops, or training equipment) or in-house services contributed to the partnership	Cost of equipment depreciated value (Price ÷ years of use x years of partnership): Estimated equivalent cost of services (if done commercially):



Species list

<i>Adansonia digitata</i> / baobab
<i>Agathosma betulina</i> / buchu
<i>Agathosma crenulata</i> / buchu
<i>Aloe ferox</i> / African aloe
<i>Aspalathus linearis</i> / rooibos
<i>Bulbine frutescens</i> / bulbine / burn jelly
<i>Citrullus lanatus</i> / Kalahari melon
<i>Cyclopia genestoides</i> / honeybush
<i>Cyclopia intermedia</i> / honeybush
<i>Eriocephalus punctulatus</i> / Cape camomile
<i>Erisema kraussianum</i> / bangalala
<i>Harpagophytum procumbens</i> / devil's claw
<i>Helichrysum odoratissimum</i> / Imphepho / golden everlasting / kooigoed
<i>Hoodia gordonii</i> / hoodia
<i>Hypoxis hemerocallidea</i> / African potato
<i>Kigelia africana</i> / sausage tree
<i>Lippia javanica</i> / Lippia / fever bush / koorsbossie
<i>Lobostermon fruticosus</i> / pyjama bush
<i>Moringa olifeira</i> / moringa
<i>Myrothamnus flabellifolia</i> / resurrection bush
<i>Pelargonium graveolens</i> / rose geranium
<i>Pelargonium reniforme</i> / kidney leaved pelargomiun
<i>Pelargonium sidoides</i> / kalwerbossie
<i>Sceletium tortuosum</i> / kanna
<i>Schinziophyton rautanenii</i> / mongongo / manketti
<i>Sclerocarya birrea</i> / marula
<i>Siphonochilus aethiopicus</i> / wild ginger
<i>Sutherlandia frutescens</i> / cancer bush
<i>Trichillia emetic</i> / mafura
<i>Tylosema esculentum</i> / marama bean
<i>Warburgia salutaris</i> / pepperbark tree
<i>Ximenia americana</i> / sour plum
<i>Ximenia caffra</i> / sour plum



Application No	
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(for official use only)

Type of institution	Cooperative	
	Trust	
	Sole proprietorship	
	Partnership	
	Private company (Pty) Ltd	
	Personal liability company	
	Non-Profit organisations	
Company/Entity name		
Company/Entity registration no.		
Year established		
No. of years operational		
Location of head office: Town, Province and Country		
Other provinces and countries where you have offices		
Region from where plant material/ingredient used is sourced		
Entity's BEE status (if known, for South African entities only , please attach certificate)	Level:	

Physical address of business	
Postal address of business	
Website address (if you have one)	

Any change in the addresses, phone numbers or email must be notified in writing to the Contracting Authority. The Contracting Authority will not be held responsible in the event that it cannot contact an applicant.



Contact person information:

Select the appropriate:

Male / Female

Title:

Mr / Mrs / Ms / Dr

Age:

Please complete below, in print/type:

First Name

Surname

Landline nr

Cell nr

E-mail address

Tell us about your business/organisation, including your vision, mission and growth strategy (no more than 250 words):

Large empty text area for providing business/organisation details.

How much grant funding are you applying for? Please use South African Rand as currency. Do not exceed the max grant size as indicated in the criteria, as this will result in immediate disqualification.

Empty text area for providing grant funding amount.



Tell us about the project that you require the grant funding for. Describe the impacts that you foresee and how you will achieve these.:

The project:

IMPACTS FORESEEN

Jobs to be created as a result of the project (distinguish between seasonal and permanent jobs, indicate time duration of seasonal jobs, indicate no. of jobs to be created within the first 6-12 months of receiving the grant, as well as the no. of jobs at full project implementation and the expected date of the latter):

Export turnover as a result of the project (indicate currency used, indicate additional export turnover within the first 6-12 months of receiving the grant, as well as the additional export turnover at full project implementation and the expected date of the latter):

Environmental impact (including conservation and sustainability) as a result of the project:

Social impact as a result of the project, including consumer awareness centred on your ABS compliant natural products (e.g. on social media platforms):



Other -mention impact such as how many new products in which markets, how many products compliant to enter export markets, increased profitability due to improved technology (quantify), etc.:

Impact on the industry as a result of the project:

Motivate why we should provide grant funding for this project. Please indicate whether you would be able to still do the project without the grant and if so, to the same extent (same coverage/scope) or a downscaled version of the project.

Motivate why you would be a successful implementer of your project. Please mention past successes and expertise (e.g. if you want to cultivate some plants, what projects did you do in the past that demonstrate your expertise to be able to do this successfully, etc.)



How much funding are you requesting (in Rand) for which purpose? Provide a detailed description. Please refer to the application criteria to see what could be funded.

Purpose (what funding will be used for, item per item)	Full cost of your project (excl. own in-kind contribution)	Grant required from this programme	Contribution from another funder/institution/ Government (and add in brackets who this would be)	Own cash contribution	Own in-kind contribution

What role does your organisation play in the growth of SMEs in the biotrade sector? Please provide at least 5 examples of assistance that you have provided to SMEs in the past that had a positive, sustainable impact on them.

What are the main growth impediments for your business/organisation?



What is your company's/organisation's unique selling point or competitive advantage?

BSOs/labs, please note the nr of paying members/SMEs in the two tables below refer only to those who are involved with indigenous plants (including moringa)

Please state which currency you use	2016 Calendar year (actuals)	2017 calendar year (actuals)	2018: Jan. – 31 Aug. (actuals)	2018 calendar year (anticipated)
Total turnover				
BSOs: no. of paying members; labs: no. of paying SMEs serviced				
Turnover local sales (BSOs: membership fees)				
Turnover exports (BSOs: subsidies received)				

Please state which currency you use	Targeted turnover 2019	Targeted turnover 2020	Targeted turnover 2021
Total turnover			
BSOs: no. of paying members; labs: no. of paying SMEs serviced			
Turnover local sales (BSOs: membership fees)			
Turnover exports (BSOs: subsidies received)			

How do you intend to reach the 2019-2021 targets?



Would it be possible to achieve this targeted growth without the grant? If not, explain why.

Please complete below. If you do not know, please state that you do not know. **Only for SMEs.**

Products	2017 calendar year (actuals)	2018 calendar year (anticipated)
How many type of products did you sell?		
Of these, how many types in the local market?		
How many types in the export market?		
How many product units did you sell?		
Of these, how many did you sell in the local market?		
How many did you sell in the export market?		

Anticipated nr of products to introduce by	2019	2020
SMEs: In the local market. BSOs: nr anticipated that members could introduce thanks to assistance by BSO.		
SMEs: In the export market. BSOs: nr anticipated that members could introduce thanks to assistance by BSO.		

SMEs: What technical hurdles do you experience in your process? **BSOs:** what technical hurdles are your members experiencing, according to you? And what hurdles do you experience as a BSO?



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SMEs to complete both tables below, BSOs the first 4 rows only (and with reference to their own employees) of both tables below.

Nr of jobs	2017 (actuals)			2018 (anticipated)		
	Total	Women	Age<35	Total	Women	Age<35
Total						
Permanent						
Seasonal						
Employment equity: no. black (total) only SA SMEs						
If applicable, please complete below:						
No. of harvesters purchased from						
Volume purchased from harvesters						
Amount paid to harvesters (show currency)						

Nr of jobs	2019 (anticipated)			2020 (anticipated)		
	Total	Women	Age<35	Total	Women	Age<35
Total						
Permanent						
Seasonal						
Employment equity: nr black (total) only SA SMEs						
If applicable, please complete below:						
Nr of harvesters purchased from						
Volume purchased from harvesters						
Amount paid to harvesters (show currency)						



If a cooperative or a community trust, please complete the above if people from the community and/or external people are employed. Otherwise, please explain your benefit distribution model below:

Legal and ethical considerations (i.e. relevant national and international legislation incl. Benefit Sharing Agreements)

Please complete the table on the next page for the plants, or plants from which the natural ingredients derive from, that you/your members are working with. Permits refer to permits you/your members have from your country's ABS competent National Authority and Permit Issuing Authority.

Please bold those related to your grant application.

In cases where you have more than one permit, e.g. a provincial and a national permit, for the same species, please repeat the species in order to reflect the status of each permit (as only one permit could be reflected per row). So you need to show all the species' information in the one row with information of the first permit, say a national permit, then in the next row you need to repeat the name of the species and then all the information related to the second permit, say a provincial permit, continuing the process until all the permits are reflected for that species.



List all the programmes that you received assistance from before, e.g. CECOSA, CBI export programme, BioFISA, CSIR BIDC, IDC, PhytoTrade Africa, Innovation Hub, SAEOPA, SEOBI, SAOSO, the dti, SEDA, TIA, etc. This assistance could have been financial, training, market linkages, technical assistance, mentoring, etc. Please detail the assistance that you have received, including funding amounts, and when.

I, the undersigned, hereby consent that our records might be checked with any credit reference agency and that fraud prevention checks might be carried out.

I, the undersigned, hereby declare all the information given above and submitted are complete and correct.

I hereby warrants that I am duly authorised and have the legal capacity to sign this application for grant funding on behalf of _____ (the entity).

Signed by:

For:

Date: