United Nations Development Programme
Government of South Africa

Project title: Development of Value Chains for Products derived from Genetic Resources in Compliance with the Nagoya Protocol on Access and Benefit Sharing and the National Biodiversity Economy Strategy		
Country: South Africa	**Implementing Partner:** Department of Environmental Affairs (DEA) **Responsible Parties:** Agricultural Research Council (ARC), Council for Scientific and Industrial Research (CSIR) and Department of Science and Technology (DST)	**Management Arrangements:** National Implementation Modality (NIM)
UNDAF/Country Program Outcome: *Increase in the number of sustainable 'green jobs' created in the economy; Stabilisation and reduction of carbon emissions and climate change mitigation and adaptation strategies fully operational.* ***Programme Component II:*** *Climate Change and Greening South Africa's Economy*		
UNDP Strategic Plan Output: Output 1.3: Solutions developed at national and sub-national levels for sustainable management of natural resources, ecosystem services, chemicals and waste		
UNDP Social and Environmental Screening Category: Medium risk	**UNDP Gender Marker:** GEN2 *(It is designed to contribute significantly to gender equality. The different needs of women/girls and men/boys have been analysed and integrated well in the activities and outcomes.*	
Atlas Project ID/Award ID number: 00106197	**Atlas Output ID/Project ID number:** 00107047	
UNDP-GEF PIMS ID number: 5686	**GEF ID number:** 9255	
Planned start date: October 2019	**Planned end date:** April 2024	
LPAC date: December 12, 2018		

Brief project description:

South Africa is a megadiverse country and this diversity is expressed in terms of both species richness and endemism. The conservation and sustainable use of South Africa's biological diversity is of strategic importance for the country. So is the maintenance of ecosystem services – now and in the future. This species richness and associated genetic diversity provides an important basis for economic growth and development which underpins the well-being of society.

Under leadership of the Department of Environmental Affairs, South Africa launched in 2015 its National Biodiversity Economy Strategy (NBES). The Strategy is concerned with supporting the development of businesses and economic activities that are either directly dependent on biodiversity for their core business or that contribute to conserving biodiversity through their activities. An important segment of the NBES is **'bioprospecting'**, and under it **'biotrade'**.

The project will specifically support the implementation of the NBES by focusing on the **use of indigenous plants' genetic resources and their current and potential applications, either in pharmaceuticals, personal care products, cosmetics, enzymes or similar non-food uses.** It will address both conservation and Access and Benefit Sharing (ABS) issues linked to the development of different bioprospecting value chains, while also helping key players overcome related barriers and challenges.
The project will approach its core problem both through ABS pilots and ABS systemic measures that are relevant for the ABS-conservation nexus of the bioprospecting segment. More specifically, the project will focus on bioprocessing and product development, and on removing barriers through R&D and stakeholder collaboration. Overall, the project will foster innovation, equitable sharing of benefits from genetic resources,

while contributing to both species and habitat conservation. Furthermore, the project will enhance South Africa's systemic capacity development for Nagoya Protocol compliance through gender-sensitive approaches.

The proposed project Objective is **to strengthen the value chains for products derived from indigenous plants' genetic resources with a view to contributing to the equitable sharing of benefits and conservation of biodiversity.**

The realization of the project Objective will eventually lead to the following changes (**project's mid-term impact**): (i) bioprospecting R&D focused on indigenous plants will make a more significant contribution to the national bioeconomy owing to at least 1 (one) new patent being registered and at least 4 (four) new market niches explored through sustainable and ABS-compliant value chains in the Northern Cape's Bioprospecting economy; (ii) the approach to ways of working, management conditions and techniques will change within 5 (five) strategic value chains, to the extent that they become examples of how conservation results (in particular through sustainable supplies of plant raw materials) and ABS-compliance can simultaneously be achieved through cooperation among bioeconomic players; and (iii) national capacity for the protection of traditional knowledge within the bioprospecting segment, as well as the general mainstreaming of both conservation and ABS compliance, will be gradually improved (as independently assessed). The project Objective will be achieved via three technical project Outcomes:

Outcome 1*: 'Bioprospecting R&D that focuses on indigenous plants contributes to the national Bioprospecting economy'* – this outcome aims at supporting the completion of critical steps in many R&D processes and overcoming context-specific barriers. One important output under the first Outcome will focus on the Northern Cape Province, where a support hub will be established. It will accelerate the registration – and transition to cultivation -- of the critically endangered *Siphonochilus aethiopicus* (African Ginger) as a medicinal product for asthma and allergies, whilst considering what would be needed for conserving the diversity of the plant's gene pool in the wild. Under this Outcome an ABS monetary agreement will be negotiated between CSIR and the Traditional Healers Association for this medicinal product.

Outcome 2*: 'The ways of working, management conditions and techniques change within 5 (five) strategic value chains, and demonstrate how conservation and ABS-compliance can be simultaneously achieved through cooperation among Bioprospecting economy players'* – this outcome is focused on value-chain development. Both biotrade and landscape-level management are prominently featured among key activities under this outcome, where the goal is to ensure ABS compliance and the sustainability of supplies. Targeted species include *Pelargonium sidoides, Aloe ferox,* Honeybush (including at least three species of Cyclopia spp. used in the industry) and Rooibos (*Aspalathus linearis*). The government will specifically support extension services for the successful transition to cultivation for African ginger. Outcome will also facilitate the negotiation of a second ABS monetary agreement for a product derived from Rooibos.

Outcome 3: *'National capacity for the protection of traditional knowledge within the bioprospecting segment, as well as the general mainstreaming of both conservation and ABS compliance within them, is improved (as independently assessed)'* – this outcome is aimed at building the national stakeholders' capacity for understanding ABS issues, compliance with national and international legislation and for better handling the inherently complex relationships between providers and users of genetic resources, as well as the implications of their economic activity for conservation. More specifically, the national recordal system for documenting and protecting traditional knowledge will be strengthened. Additionally, a biotrade certification system will be developed, safeguarding the biodiversity within bioprospecting value chains.

In addition to the three technical outcomes, the dissemination of project lessons – along with the application of appropriate M&E framework – will contribute to institutional, community and corporate learning through the active participation of all stakeholder groups in project implementation (**Outcome 4 -** *Lessons learned and the application of a participatory and gender sensitive M&E framework effectively contribute to institutional, community and corporate learning on ABS*).

FINANCING PLAN	
GEF Trust Fund	USD 6,210,046
UNDP TRAC resources	USD 0
Government cost-sharing	USD 0

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(1) Total Budget administered by UNDP	**USD 6,210,046**		
PARTNER MANAGED CO-FINANCING			
Department of Environmental Affairs (DEA)	USD 30,387,060.53		
Department of Science and Technology (DST)	USD 769,230.76		
Council for Scientific and Industrial Research (CSIR)	USD 2,783,777		
Agricultural Research Council (ARC)	USD 1,415,110.96		
South African National Biodiversity Institute (SANBI)	USD 515,384.61		
(2) Total co-financing	**USD 35,870,563.86**		
(3)Grand-Total Project Financing (1) + (2)	**USD 42,080,609.86**		
SIGNATURES			
Signature:		**Agreed by Implementing Partner – DEA**	**Date:** 24/10/2019
Signature: Yahya BA		**Agreed by UNDP**	**Date:** 18/10/2019

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