

ANNUAL REPORT 2011-12-31

Member organisation's name:	PhytoTrade Africa
Main address:	Botswana
Webpage:	www.phytotradeafrica.com



COMPANY DESCRIPTION

During 2011 PhytoTrade went through a strategic transition from being a development-orientated organisation to a commercially focused association that maintains its development objective of reducing poverty through commercialisation of BioTrade. The Mission of PhytoTrade Africa is to develop sustainable business for SMEs in the BioTrade sector thereby enabling poor rural communities in southern Africa to generate supplementary incomes through the sustainable and ethical exploitation use of natural products (NPs), whilst encouraging the growth of new skills and technology capacities. PhytoTrade Africa's new strategy falls under Five Key Pillars. The Pillars are PhytoServices – services provided by PhytoTrade to its members; PhytoTech – a technology platform to commercialise innovative phyto ingredients; PhytoBranding – developing the brands, trademarks and logos of PhytoTrade; PhytoProducts – an incubation facility to develop finished products for members and others; PhytoInvest – an evergreen revolving Venture Capital type fund to secure capital for members.

UEBT MEMBERSHIP OBLIGATIONS

Steps	Dates <i>Historical/expected</i>
Membership status granted	2007-05-08
Annual report 1	2010-12-31
Annual report 2	2011-12-31
Annual report 3	
Annual report 4	

Documents annexed for public use?

Yes

No

If so, number of annexes: N/A

Description of the annexed documents:

PROGRESS IN ACTIVITIES UNDERTAKEN TO PROMOTE UEBT

Through the UEBT membership PhytoTrade Africa is committed to the Ethical BioTrade Principles and Criteria.

Implementation of the commitment to the Ethical BioTrade Principles and Criteria

The services provided by PhytoTrade Africa to members are founded upon the same principles of UEBT which are conservation of biodiversity, sustainable use of biodiversity, equitable sharing of benefits, socio-economic sustainability, compliance with national and international legislation and agreement, respect of rights of actors involved in Biotrade, Activities, and clarity about land tenure, use and access to natural resources and knowledge. All our services contribute and reinforce the UEBT goals.

Activities undertaken to promote UEBT and Ethical BioTrade

PhytoTrade continues to establish a robust regional supply chain for fairly traded, environmentally-sound Natural Products. Supply chain development involves member support through provision of technical assistance, financing mechanisms and fostering commercial linkages. PhytoTrade Africa develops commercial linkages and enhance the ability of members to produce to international quality specifications. During the year the Pre-Qualified Supplier (PQS) system was developed further. In 2011 the importance of Hazard Analysis Critical Control Points (HACCP) and Good Manufacturing Practice (GMP) was emphasized to members. Members exporting to larger companies in Europe and the United States of America (USA) increasingly experienced pressure from their markets to put GMP in place. Assistance given to members in the form of manuals on reaching the required standards, setting up of required documentation and implementing general hygiene principles were the main thrust of activities. Training was given to members and their workers as well as formal and informal (electronically) assistance. Attention was paid to outlay of processing facilities and the finishes used in the buildings. Fair Trade and environmental sustainability area fundamental pre-requisite as the market increasingly requires evidence of ethical and sustainable trade practices. PhytoTrade Africa continued assisting members to demonstrate and quantify this commitment to the market through relevant certification. Various certification measures for 2011 included: Union for Ethical Biotrade (UEBT) verification, Membership Verification Matrix- A membership matrix was introduced in conjunction with the membership charter. The verification matrix has to be completed on an annual basis to track members' compliance with the PhytoTrade Africa Charter focusing on sustainability and environmental principles. Organic certification: Ecocert remains the organic certifier of choice for PhytoTrade members. Although most members' practices are sustainable enough to gain certification, the cost and cost benefit of organic certification remains a barrier to them. Accredited Partner certification: After the 2010 revision of the Accredited Partner Charter and introduction of the self-assessment matrix this program has bloomed in 2011. Accredited partners are increasingly involved and interested in members' activities and products and some even attended the AGM. FLO standards for Baobab and Marula fruit and oil were published in 2010 and some members have applied to FLO for certification. Their supply chain received training on the FLO standards for Small Producer Organisations. During 2011 a workshop was held with representatives of the group on drafting a constitution for the groups. Devil's Claw is eligible for FLO certification under the current flower and bulb

standard. Currently the Association has 52 members and 8 Accredited Partners of which 41 are trading members. PhytoTrade Africa also offers grants to its members, through these grants, five of its members were UEBT certified by the end of 2011.

Funds invested in Ethical BioTrade Projects

+US\$4.5 million

SERVICES OF UEBT AFFILIATE MEMBERS

One of the objectives of UEBT is that Affiliate Members provide support, technical guidance and advice to UEBT Trading Members in their particular area of expertise.

The Association supports its members through a team of business and technical advisors. Skills are available in the fields of quality control, production and processing technologies, business development, freight logistics and documentation and organic and Fair Trade certification. Since rigid adherence to quality standards is fundamental to the success of PhytoTrade Africa members in developing export businesses, the Association plays an active role in supporting quality standards and in assisting members to attain Fair Trade and organic certification. The costs associated with certification are high, and the Internal Control Systems associated with large numbers of small-scale producers can be complex. However, given PhytoTrade Africa's strong orientation towards Fair Trade and environmental sustainability, many members see certification as an essential step in the commercial development process. PhytoTrade Africa has in-house knowledge and skills in these areas, and is able to provide regular back-up and support to members seeking certification.

Delivery mechanism

Members can call on support at any time by phone or e-mail, through formal and informal interactions such as meetings, workshops, trade fares and even over meals! The advisors pay regular visits to each member to provide one-on-one assistance and back-up. Likewise the Association sends out calls for grants to its members via email and through announcements during its AGMs. Where specific technical inputs are required that exceed the Association's in-house capabilities, skills are outsourced from other service-providers through our network base.