



**Forest Policy and Environment Group
Overseas Development Institute**

Project Title: Appropriate ownership models for natural product-based small and medium-sized enterprises in Namibia

Year: 2003
Country: Namibia
No of Staff: 1 (5 week consultancy)
Client: IAK Agrar Consulting Gmbh.

Objectives:

- To present a critical review of options of ownership models for natural product-based SMEs based on an assessment of the situation in Namibia and with reference to relevant international experiences.
- From consultations with local stakeholders in the promotion of natural product-based SMEs, to recommend the most appropriate options for the Namibian context and document the best way forward for promotion by public-led and/or private-led interventions.

Results:

A consultancy report was written which recommended that Namibia should have the confidence to build on its growing body of expertise, its unique set of plant resources, and an effective national coordinating (the Indigenous Fruit Task Team, IFTT), to move ahead rapidly and develop a thriving natural product-based sector. Given the small size of the domestic market for niche products, the strategy should focus on attracting high-level investment into innovative technology to produce products for the much larger international market. Benefits to rural producers would come through guaranteed markets, better prices and employment. Knock-on impacts on agriculture would lead to the creation of a diversified and profitable resource base including plants such as marula, wild melon, manketti and others specifically adapted to the Namibian environment.

To coordinate the necessary coherent and sustained strategy, the remit of the IFTT should be broadened to deal with all indigenous plants. A priority should be to encourage more active participation from the Ministry of Trade and Industry, civil society and the private sector, if necessary through thematic sub-groups.

Of the activities needed to develop new product value chains, the area of international marketing is particularly weak. The report suggested a number of options from sticking with the current situation in which the NGO, CRIAA SA-DC, coordinates all product R&D activities, to establishing a for-profit marketing organisation that provides services specific to the natural products sector, or setting up a business incubation unit that can deal with all elements of product R&D.

Recommendations at the policy and legal level included high-level government endorsement of the sector by, for example, creating a national logo; ensuring that processes underway to set up a standards office and a certification agency should take into account the specific certification needs of the natural product sector; passing draft legislation on intellectual property rights issues to clarify the framework within which plants (or their components) can be developed for commercial use; and funding of strategic research and capacity-building to train people in the multidisciplinary approaches needed to market new products successfully.



Policy Relevance:

The report will be used by the Indigenous Fruit Task Team (or its successor) to determine the strategy they will take in promoting natural product-based enterprises in Namibia. It is hoped that the report responds to some of the confusion about how private and public sector participants can work together to create new natural product value chains. Given Namibia's close involvement in the Southern African natural products trade association, the direction taken by Namibia may have knock-on effects in other southern African countries.

Output: Consultancy report