



A BIOTRADE Initiative • UNCTAD/ITC

SECTOR STRATEGY

OCTOBER 2003

Development of the Natural Ingredients for Cosmetics and Pharmaceutical Sector in Ecuador

Draft – for internal use only



1. INTRODUCTION

This sector strategy is based on the assessment of the NICP sector carried out by the BIOTRADE programme in Ecuador with support of the BioTrade Facilitation Programme (BTFP) of the UNCTAD BIOTRADE Initiative and the International Trade Centre ITC (UNCTAD/WTO). It complements and builds on ongoing activities that seek to promote the sector, principally those carried out by BIOTRADE Ecuador and the Dutch Centre for the Promotion of Imports from developing countries (CBI).

This strategy has been developed in close cooperation with the main sector actors, particularly private sector, producers and service providers.

The sector assessment identified two main strategic lines of action. The first line seeks to enhance the potential of existing companies and their product lines. Most of these companies already have limited export experience but need support to:

- ▶ Improve product positioning;
- ▶ Increase export volumes;
- ▶ Add value to their products; and
- ▶ Diversify their markets.

This line of action is above all of *export promotion*.

The second line of action focuses on *export development*. The assessment showed that the growth of the sector must be based on the development of new, innovative and value-added products derived from Ecuadorian biodiversity. Activities conducted under this line of action support sector differentiation, so that the country does not compete with products from other developing countries that may have advantages in terms of logistics or cost structures.

As the sustainable use and conservation of biodiversity is the main objective of BIOTRADE Ecuador and the BTFP, support will only be given to those beneficiaries that adhere to the sustainability criteria of BIOTRADE Ecuador (for these criteria, see: Annex 2 To this end, BIOTRADE Ecuador will sign agreements with BTFP beneficiaries, assuring their commitment to work actively towards environmental, social and economical sustainability and to take into consideration all relevant criteria defined by the Initiative. In some cases, beneficiaries will be asked to co-finance activities, and a close monitoring system will be implemented to assure proper environmental and project management.

This strategy covers a period of 5 years. It will be regularly up-dated to take into account new developments and findings.

2. VISIONS AND MISSION

Vision: Ecuador has positioned itself as a reliable supplier of products and services derived from the country's biodiversity, delivered under sustainable use criteria and environmental management plans. These products and services are provided through sustainable supply chains, organised around networks of medium and small enterprises that include local communities as direct or indirect beneficiaries, complying with international quality standards and rules and regulations.

Mission: To develop the NICP sector in Ecuador, increasing the number of companies and relevant actors that participate in the sector, and increasing the volume and quality of products and services exported and delivered under sustainable use criteria and practices.

3. GENERAL AND SPECIFIC OBJECTIVES

General objective: Facilitate and increase sustainable trade in products derived from biodiversity within the Natural Ingredients for Cosmetics and Pharmaceutical sector (NICP). It will be achieved through innovative identification of products and markets based in supply chains organised around small businesses and community supported networks, and collaborative arrangements among multiple actors of the sector's cluster. Hence, it will enhance sustainable bio-resources management, product development, value-added processing and marketing.

4. STRATEGIC OBJECTIVES

A. - Promote and achieve integration, cooperation and coordination among relevant NICP sector actors, in order to develop the sector, increase understanding and define roles, responsibilities and services among participants. It will also strengthen the sector in order to provide feedback to government policies, regulations, priorities, etc.

B. - Create, organise and coordinate a basic (funded) infrastructure that will provide business support, marketing, commercial, technical, environmental and information services, in order to assist sector companies and projects to enhance/augment quality and volume of the products and services being traded.

C. - Obtain funding to support and assist companies at the operational and investment levels.

D. - Identify at least 10 new products that have export potential to target markets and that will contribute to the development of the NICP sector.

E. - Provide specialised services to help produce, process and export the newly identified products to target markets.

5. EXPECTED RESULTS AND ACTIVITIES

The results that are expected under the 5 above-mentioned strategic objectives are elaborated below.

Expected Results Strategic Objective A:

A strong national sector association and other forms of cooperation among actors to effectively build a NICP cluster in Ecuador.

In other countries of the regions such as Colombia and Peru there are sector associations. In the case of Colombia the organisation is called USENAT, in Peru this is IPPN (National Institute of Natural Products). In Ecuador no such sector organisation exists to date. In the past a failed attempt was made to initiate one. One regional organisation called Asonatura-Guayas exists, but it is focused on commercialisation only, and active in just one province. Interviews with the main actors active in the sector show that interest exists to initiate such association, provided that it has appropriate rules and statutes. It would be useful to benefit from Peruvian, Colombian and other similar experiences when starting the Ecuadorian association.

Activities

The sections regarding activities lists are the key activities that will have to be undertaken to realise this strategy. An elaborate list of activities is presented in the annex to this document, which contains a preliminary logical framework.

Activity A.1.

Organise meetings with the actors that have shown most interest in sector development in order to agree on statutory issues and organisational design previous to the legal establishment of the sector association.

Time reference: Monthly meetings from July 2003 until December of 2003.

Relevant actors: companies identified in the assessment document, as well as relevant NGOs and Universities. The founding members of the sector association must coincide and be selected from the list of 20 actors that have demonstrated interest and shown participation so far:

- Agroalegre
- Agrotrading
- Arcolands
- Renase
- CESA

Community-based enterprises / initiatives (baseline-growers, producers & local commercialisation):

- Jambi Kiwa
- Fundación Chankuap
- Huertos Edén - CEDEIN
- Fundación Familia Salesiana
- La Florida
- ERPE
- Fundación Turujta
- Nunkui
- ALLPACAMAK
- Promoción Humana Diocesana Guaranda
- Fundatierra

Other possible initial members could be members of AsoNatural, UTPL, Universidad San Francisco de Quito and RENESA.

Activity A.2.

Establish a legal structure and constitute a formal sector association with initial founding members, using experiences from the region.

The organisational work may include the formation of different levels of organisations. The final goal is to have a sector organisation for the whole NICP sector. However, in order to achieve this, it may be necessary to promote lower level organisations that will be part of a larger, more comprehensive NICP sector organisation. For example, today we are working to establish an organisation at the medicinal plant producer level. These associates will be later represented at the NICP sector organisation, once it is established.

Time reference: By July 2004

Actors: Depends on the results of the programmed meetings, but in general: baseline growers, CORPEI, CECI, processors and exporters.

Activity A.3.

Review with sector actors the most limiting factors related to Government regulations and carry out lobbying activities.

Actors: Initiatives participating in sector meetings, CORPEI, BIOTRADE Initiative Ecuador, TRAFFIC, and relevant Government agencies such as the Ministry of Environment (official focal point of the BIOTRADE Initiative in the country).

Timeframe: ongoing.

Activity A.4

Obtain information and training from regional experiences, such as the ongoing efforts in Colombia and Peru to establish sector organisations, in order to minimise initiation mistakes.

Actors: CORPEI, BIOTRADE Initiative Ecuador, UNCTAD, CBI, regional sector organisations such as the IPPN, USENAT, ACOPI, etc.

Timeframe: July 2004.

Note: As recommended by regional experiences and based on local experience, the permanent presence of an impartial or neutral coordinator is crucial for the sector organisation's survival. Individual members would need to see a neutral agent as a coordinator, promoter and referee in case of disagreements or any other discrepancies among members, not to mention the need for ensuring follow-up and mentoring. This neutral agent should be trustworthy and transparent. In this scenario, CORPEI should maintain a longer presence in the organisational work, providing that

financial resources and capacity-building assistance (e.g. training on management associations) are secured to be able to implement this role.

Expected Results Strategic Objective B:

A network of service providers, both at the local and international level, that is able to satisfy the sector's needs for technical, environmental and business support services.

The assessment shows that a need exists for following services:

- Business plan evaluations, export audits and commercial plans for companies. Most companies require immediate action in this sense, but need co-financing of these services.
- Technical support services: Companies require specific technical services. Some require help with quality issues and certification, others with the selection of equipment, or advise on extractions and improved plant processes, among others. For example, three companies require support for the extraction of ambrette seed oil. Several community-based producers require a more efficient plant dryer in order to increase their productive capacity.
- Environmental services: As a pre-condition to participate in the programme, every participating company must review its environmental practices and impact, using biodiversity criteria according to the guidelines of BIOTRADE Ecuador. However, support is required from BIOTRADE Ecuador to integrate these sustainability criteria in productive processes, through, for example, environmental management plans and impact studies. This is crucial for native species, where reliable available information (or systematised experiences) is needed.
- General business support services: Companies require general managerial services since many projects and companies lack managerial and commercial capacities, especially in the case of community-based enterprises where other skills are needed such as leadership.
- Sustainable supply chain management: Most companies need to improve the quality and efficiency of their sourcing of raw materials. In many cases, projects do not have access to their own raw material sources, and therefore depend on third party suppliers. In many cases these suppliers are informal farmers or collectors, and the company needs to enforce strict quality and quantity procedures, and if needed provide co-financing for more efficient and environmentally friendly equipment.
- Logistics and quality management: Given the high fuel and labour costs in Ecuador, logistics are becoming increasing important issue. However, most companies ignore basic logistic principles and require services and consulting in this area.
- Certification and best practices: Many companies are willing to enter quality certification processes or other types of certification such as organic or fair trade. However they require financial support not only for the cost of certification but also for the cost or preparation, consulting, monitoring and evaluation. In many cases, companies are demanding services for Good Manufacturing and Good Agricultural Practices, and co-financing for organic certification. General services regarding certification will be important to implement.
- Market access and market information: Market access services (e.g. market information, requirements and contacts; trade fair participation, match-making,

partnership/joint-venture development, sanitary registration) are very necessary, not only for the introduction of new products, but also for the introduction of current product lines into new markets, or to expand sales in existing markets.

- Improvement and/or adjust processing technology to local circumstances and needs, through technical assistance, information on available technology, and co-financing.

It is important to mention that services mentioned under this second result will be provided by service providers identified in the sector assessment, in coordination with BIOTRADE Ecuador and with support of the BTFFP.

Activities

Activity B.1

To further detail and address the needs of private sector as identified in the assessment.

a. Provide technical support by an international expert to develop ambrette seed oil extraction in Ecuador.

Actors: Arcolands, RENESA and Agroalegre.

Possible service providers or Donors: CBI, SIPPO, GTZ or UNCTAD's BTFFP.

Time reference: before July 2004.

b. Provide support in obtaining certification like GMP

Actors: Agroalegre, Agrotrading, Arcolands and JambiKiwa.

Possible arrangements by BTFFP, ITC, project with the Embassy of the Netherlands in Ecuador, or GTZ.

Time reference: before October 2004.

c. Obtain sanitary registration / organic certification

Actors: Jambi Kiwa, Promoción Humana, Fundatierra, Chankuap, ERPE, Allpacamak, Fund. Salesiana, Huertos Eden - CEDEIN.

Possible service providers or Donors: OAS, CORPEI, arrangements UNCTAD or ITC, project with the Embassy of the Netherlands in Ecuador, or GTZ.

Time reference: Two groups, being the first for July 2004, the second for December 2004. Final issue of organic certificate could take up to three years.

d. Provide assistance in formulation of business plans, strategic planning and export audits.

Actors: Agroalegre and CESA.

Possible service suppliers: RECEX consultants, but services must be co-financed by donors.

Time reference: before July 2004.

e. Provide support to product development, market studies and formulation of market-access strategies, especially to enter the EU. Several consultants and interest parties have reported the need for information on new plants with market

potential. Many local growers are willing to convert their activity in order to introduce these new plants.

Actors: Arcolands wishes to develop “palo santo” products. All community-based enterprises mentioned above, will aim to develop endemic products.

CBI, ITC and SIPPO could help with market access information and analysis but technical issues regarding sourcing and product development must also be resolved.

Time reference: Before December 2004.

f. Provide specialised services related to quality standards and testing. Most of this work has been done today by external/foreign labs and it is important to develop local capacity. The most active companies must coordinate, within the sector meetings, the specific requirements and costs of services.

Actors: Asoprofit, UPS, Universities and companies, with support of CBI's consult.

Time reference: By December 2004.

g. Support the compilation of standard technical data sheets for their products.

Actors: relevant companies, local Universities, CBI's consultant; co-funding for this services is required.

Time reference: For initial companies by December 2003.

h. Support the participation in trade fairs, buyers-sellers meetings and similar events.

Actors: CBI, UNCTAD, SIPPO, beneficiaries, CORPEI, BIOTRADE Ecuador and Organisation of American States (OAS).

Time frame: ongoing.

i . Provide services to companies in order to allow them to implement environmental management plans and biodiversity guidelines.

Actors: all sector companies and EcoCiencia. A donor is required to co-finance these costs.

Time reference: The first sector companies by the end of 2003 and the second group by the end of 2004.

j. Provide assistance for the development of an information system that gathers, systematise and disseminate information regarding the NICP sector¹.

Actors: All beneficiaries, UNCTAD, ITC, CBI, SIPPO, CORPEI, BIOTRADE Ecuador, EcoCiencia, TRAFFIC, CECI, Universities, among others.

Time reference: October 2004.

k. Support the adaptation and improvement of equipment to make them more efficient, environmentally friendly and allow producing bigger volumes of the products.

Actors: baseline-growers, producers and selected enterprises, OAS and other donors are required to co-finance this activity. Jambi Kiwa, ERPE, La Florida, NUNKUI, FUNDATIERRA wish to increase the capacity of their dryers in order dehydrate plants.

¹ This activity was highlighted as priority on the First National meeting of baseline growers, producers and traders of aromatic, medicinal and seasoning herbs held on July 2003. Particularly, this information system could include commercial information, experiences, and lessons learned and relevant technology regarding production, transformation and commercialization.

Timeframe: ongoing, depending on resources available.

I.-Match-making services: support companies to find matches with buyers or other commercial alliances at target markets.

Actors: BTFP, CORPEI, BIOTRADE Ecuador, ITC, among others.

Time frame: ongoing.

Activity B.2.

Promote and build sustainable supply chains around networks of small local producers, building alliances and backward linkages in order to ensure the sustainable supply of quality raw materials, support local communities and demonstrate the effect of benefit sharing. At least one chain per year should be created.

It is important to mention that CORPEI, together with GTZ, have already done some previous work related to the organisation of growers/producers in the NICP sector. The results of this work are an important ingredient for the development of supply chains. For instance, as a result of the *First National meeting of baseline growers, producers and traders of aromatic, medicinal and seasoning herbs*, held on July 2003, participants define three priority lines of action in order to strengthen the sector:

- I. Establishment of a coordination entity of the producers of aromatic, medicinal and seasoning herbs (AMSH). It will coordinate among its members, implement activities needed as well as lobby/networking with external actors. It will involve workshops to socialise the objectives of the entity among producers nation-wide, formalise it, develop and implement its action plan, which will be defined on the next section.
- II. Elaboration of a Strategic Plan for production, transformation and trade of AMSH as well as involve fundraising activities to implement it.
- III. Structure and implement a market, production and technology information system for AMSH².
- IV. Integrate the producer association with the processors and other NICP sector organisation members.

[See Annex 3 of the Sector Assessment for the meeting proceedings]

Actors: The first chain of AMSH could be created around a coordination entity composed of selected actors nation wide, initially being defined in five regions: Northern Mountain Range, Center Mountain Range, South Mountain Range, Amazon and Coast. Currently the responsible members for activity I are Jambi Kiwa, UCODEP, Chuquiribamba, Fundación Wong and NUNKUI. Other supporting organisations are CECI, GTZ, CORPEI, EcoCiencia, TRAFFIC, Universities, UNCTAD, CBI, SIPPO, ITC, FAO, and other international allies to be identified.

² This activity was mentioned in the above-section, bullet j.

Time frame: By the end of 2003 or early 2004 for activity I; by May 2004 activity II; and by early 2004 activity III.

Expected Results Strategic Objective C:

Local funds available for the long-term development of the supported sector projects and companies.

Requirements for grant and commercial funding are significant for companies in this sector. Although currently available resources can cover part of the requirements mentioned in previous objectives, companies do require financing to implement suggested changes and improve the quality or quantity of products or for general product development.

Activities

Activity C.1

Promote the establishment of a specialised funding source either as capital or debt for the proper financing of the sector's needs.

Actors: CORPEI, BIOTRADE Ecuador, CFN, CAF, UNCTAD, other financial partners such as IFC, IDB, etc.

Timeframe: July 2005

Expected Results Strategic Objective D:

Ten new promising products derived from local biodiversity.

This result is important for the future of the sector since it will be key for the development of a strong competitive position. It is important to note that although Ecuador has a history of exports within the NICP sector, with some cases related to biodiversity products such as Cinchona bark, bixine or castor oil, there is no current "star product" that is giving Ecuador a product identity based in a denomination of origin strategy such as the case of Maca for Peru.

Activities

Activity D.1.

Collect, analyse and systematise existing information related to promising products from biodiversity with export potential.

Actors: TRAFFIC, EcoCiencia, CORPEI, CBI, SIPPO, ITC, Fundacyt, private and academic sectors, and other actors to be identified.

Time frame: By July 2004

Expected Results Strategic Objective E:

A shortlist of products is being traded to target markets. It is important to note that there is a huge gap between this result and the previous ones, since many activities are required to place products in target markets once they are identified. This is clearly a more long-term goal.

Activities

Activity E.1.

From the results of the previous Strategic objective D, define a list of no more than 10 promising products, based on the following activities:

- a. -Research technical production and environmental aspects of the initial principal list in order to define current potential.
- b. -Review and research technical information regarding selected promissory products.
- c. -Review market requirements, access barriers, customer trends and guidelines.
- d. -Establish criteria for selection based on technical, market, economic and environmental aspects, using BTFP matrix.
- e. -Produce final list and validate in several workshops.

Actors: EcoCiencia, CORPEI, CBI, SIPPO, ITC, UNCTAD, local and foreign Universities and research bodies, and Fundacyt, among others.

Time reference: By end of 2004.

Activity E.2.

Establish markets access activities and supply chain establishment/formation, based on the final list so that at least one new product is introduced per year.

Actors: interested companies, CORPEI, SIPPO, CBI, ITC, UNCTAD and international alliances.

Time reference: First product by December 2005

6. INDICATORS FOR SECTOR STRATEGY

The following indicators will be used to measure the success of the implementation of the sector strategy. These indicators have been matched with the indicators used by the BTFFP.

a. Institutional support and favourable environment to promote the sector:

- Positive development in relevant legislation, policies and strategies.
Current situation: no clear legislation for access of biological resources, no enforcement of proper extraction and sustainability criteria. Most companies do not have an environmental management plan (for instance according to internationally acceptable 'codes of conduct'). An important regulatory restriction as indicated by the main actors, is the one related to the sanitary permit process, which is taking an average of 2 years for pharmaceutical products; hence reduced timeframes will be an important indicator.
- There is a generally accepted national strategy for development of the sector in Ecuador.
Current situation: The sector is not well known or defined within the country, including local authorities. The importance and potential of the sector is not recognised.
- Priority given by the Government, semi-governmental organisations, academia, and donors.
Current situation: same as above, the main result should be the incorporation of this sector within the priority list of the Ministry of Commerce, the Ministry of the Environment and the National Council for Competitiveness.
- There is participation of NGOs and Universities willing to support the sector's development.
Current situation: Although there are many initiatives and institutions working in projects related to the sector, most have not been integrated as part of a sector strategy. Therefore this indicator must be measured by the means of a growing list of participants as compared to the initial list indicated in Annex 3 of the Sector Assessment.
- There is a general link and understanding among companies of the work that international institutions are doing in the field of sustainable use and development.
Current situation: Limited knowledge by the initial three participating companies in CBI's EDP programme and the BTFFP. Most companies do not know details of UNCTAD's or ITC's actions, nor of any other institution.

b. Number of companies trading natural products and taking into account sustainability criteria:

- Increased number of companies exporting (i.e. new companies).
Current situation: The current list of companies regularly working with the Export Development Programme is:

Name	Contact	E-mail
Agroalegre C.A.	Raúl Bermeo Izurieta	raul.bermeo@extractosandinos.com
Agrotrading Cía. Ltda.	Marco Cabrera	Agrotrading@hotmail.com
CESA Castor Ecuatoriana S.A.	Boris Jervis Scott	Cesa@cesa-ec.com

Classification	Name	Contact	E-mail
B	Biolcom	Peter Bachman/Marcela Hidalgo	info@biolcom.com
B	Chankuap	Adriana Sosa	Chankuap@mo.pro.ec
B	Neemsa	Carlos Cordero	Carloscordero99@hotmail.com
B	Renesa	Diana Navarro	dianan9@telconet.net renesa@gye.satnet.net
B	Renase	Marco Antonio Dehesa Ma. Elena Maldonado	Marcoad16@yahoo.com m.m.elena@lycos.com
B	Arcoiris	Dario Eguiguren	Arcoiris1@easynet.net.ec
B	Jambi Kiwa	Thomas J. Walsh	twalsh@ch.pro.ec
B	Palriosa	Otto Suárez Rodríguez	Osuarez@grupowong.com

Objective: There are at least five new companies that enter the sector as a result of the project implementation.

- Number of companies that adopted a sustainability approach (i.e. 'old' companies operating under sustainable practices).

Current situation: None of the companies that are currently involved in CBI's EDP programme, or that have been contacted at sometime during the sector organisation activities, have shown proper environmental management or use of sustainability criteria in their operations.

Objective: At least 50% of the initial actors have accepted a sustainability approach or some form of certification.

- c. Increased volume and quality of traded natural products (using sustainability criteria) to target countries:

- There is at least a 10% growth shown in exports statistics related to the sector in 2 years, and at least 10% per year thereafter.

Current situation: Variable growth depending in HS Code. Average calculations indicate that the sector must increase at least at 10% per year as indicated before.

- Quality of the traded products has improved, as verifiable through technical data [and safety] sheets, and higher compliance with technical standards & regulations (GHCP, GAP, GMP) and certification schemes.

Current situation: companies not yet complying with international standards.

- d. Increased number of companies or projects trading of natural products and working with sustainable criteria and good environmental practices.

- There is a list of at least five members of the supply chain working to improve their sustainability indicators and management plans by the end of the first year and at least three per year thereafter, providing there is the appropriate funding for the implementation of environmental management guidelines.

Current situation: There is no report of a company registered by CORPEI that is working with sustainability criteria.

e. Raw materials from areas rich in biodiversity are sourced under sustainable supply chain organisational structures, incorporating local communities as network suppliers and creating alliances with more structured businesses as backward linkages.

- There are at least two new supply chains started with links to areas rich in biodiversity, such as the Amazon basin or other important eco-regions, within the next two years and at least one thereafter. These chains must include local communities as direct or indirect actors (backward linkages), and should promote alliances with commercially advanced local or foreign partners (forward linkages).

Current situation: CORPEI does not have a complete inventory of supply networks working in rich biodiversity areas. Nevertheless, there are projects such as Bolsa Amazonia and Fundación Chankuap that have reported supply chain management at an initial or intermediate level. There are no reports of advanced sustainable supply chains in this sector, nor related to biodiversity rich areas.

- There is a list of 10 promising products from Ecuadorian biodiversity, based on extensive study and analysis using the BTFP methodology.

Current situation: There is scattered information and work done by multiple institutions and companies. There are tentative products but further research and analysis is necessary before the list is defined.

- There is a specialised service structure to identify and provide services and funding to implement the development of at least 5 of the products in the list.

Current situation: Some of the services implemented from the network of organisations will help, but more concrete, specialised services are required to enter international markets, such as the EU, with new products, and to build strategic alliances.

f. Level of organisation of the sector:

- There is a sector association under formation, with regular monthly meetings and minutes.

Current situation: No formal association exists yet, only a preliminary committee that is meeting on a monthly basis, with three meetings organised to date.

- There are at least 10 regular members that act as a temporary board for the organisation under formation/establishment?

Current situation: No formal board exists yet; the current participants are reported in Annex 3 of the Sector Assessment.

- There are at least 5 companies that are active in the sector association formation/establishment?

Current situation: Inconsistent participation of companies. To date, the more dedicated participants among companies are Agroalegre, Agrotrading and Jambi Kiwa.

- There are at least 5 NGOs or Universities that actively support the association formation/establishment? And the preliminary meetings.
Current situation: A list of NGOs and Universities that have participated in the meetings are listed in Annex 3 of the Sector Assessment, but there is no formal nor continuous participation or definition of role up to date.
- There are at least 9 community-based producers, 7 NGOs, 4 Cooperation agencies and 2 others that actively participate in the agreements achieved during the July 2003 meeting at AMSH.
- There is a sufficient level of integration, cooperation, coordination and participation among the sector members that will enable the sector's development.
Current situation: The companies mentioned as active in CBI's EDP have a positive attitude towards cooperation, and have understood the importance and need of development activities. However, there is no formal sector association or organisation as is the case in neighbouring countries. In addition, more actors need to be involved, including Government actors such as those related to sanitary permits and accreditation.

7. PROGRAMMES AND FUNDING TO DATE SECURED FOR IMPLEMENTATION OF THE SECTOR STRATEGY

- CBI's Export Development Programme has offered to the NICP sector companies a wide range of services that include:
 - Technical support through an assigned sector expert that comes to the country at least two times per year and is under continuous (e-mail) contact with the companies. In addition, technical support is offered for the development of a sector plan and strategies.
 - Training in the form of personal participation in one of the EXPRO seminars in Rotterdam sponsored and organised by CBI. This event provides practical and theoretical training to participants, on how to reach the EU market, including knowledge of market information, distribution channels, regulatory issues, etc. In addition, training is provided with respect to the development of sector plans and strategies.
 - Training for and participation in selected trade fairs under the CBI support and stand.
- Organisation of American States (OAS): will contribute to strengthen community-based enterprises/initiatives such as Jambi Kiwa, Nunkui, etc. through training on management of native species; promotion activities (brochures and three fair trade participation), sanitary registration (9) and organic certification. Advance negotiations are taking place for this three-year project with a total budget of US\$ 209,799.
- NL Embassy project: will foster the development of the Natural Ingredients: Medicinal, Aromatic and Seasoning Herbs cluster, and another sector to be identified in the second year. Activities involved are technical assistance, contribution to the organisation of workshops, specific assistance to 3 initiatives. The budget for this three-year project amounts to US\$ 150,000.

- CORPEI: will provide its general services to support the sector, as has been the case for the past months:
 - Assignment of a sector coordinator.
 - Matching grants program when available, to finance activities such as certification, trade fair participation, technical assistance, packaging designs, etc.
 - Information services from the different information resources at CORPEI.
 - Links to investment programs.
 - Support for lobbying activities.
 - Infrastructure: offices, communications, logistics, etc.

- SME/IFC: The Small and Medium Enterprise fund within the IFC has contacted BIOTRADE Ecuador, in order to be part of a network of institutions working to establishing a funding system for small and medium projects related with the sustainable use of biodiversity. This funding system is expected to open in Ecuador in early 2004, and will provide funding to SMEs in this field.

- GTZ has been in close contact with BIOTRADE Ecuador, and with CORPEI in general, through many of their programmes. They are providers of technical expertise, and in cases such as the GTZ/IICA project, through the FOMRENA Project, they could provide up to USD 20,000 of funding per project, depending on their own criteria and fund availability. Currently, FOMRENA is contributing with its experience in supporting projects in the NICP sector, as well as through its project database and contacts.