



## IICA-COLEACP Caribbean Agrifood Business Series

### Session N°2 Promoting Bioeconomy and Green Businesses in the Caribbean: opportunities for SMEs

9<sup>th</sup> June 2021 – 10:00-12:00 (EST)

#### Summary

IICA and COLEACP, with international and regional partners, support a more resilient and greener agriculture and a strong agrifood business sector in the Caribbean providing technical assistance, training, business development and linkages to finance to entrepreneurs. Every two months, the two organisations hold Caribbean Agrifood Business Sessions centered on inspiring stories from successful local entrepreneurs in a wide range of value chains, markets and sectors. Views from experts in finance, technology, policy and research are also featured.

The second session held on 25th August 2021 focused on examples of businesses that contribute to the bioeconomy and green growth, developing new markets, creating employment and positioning themselves successfully in the sustainability agenda.

#### Key drivers of success: Lessons learned

Despite numerous barriers that can hamper the implementation of circular and green economy practices, such as lack of incentives, weak policy enabling environment, lack of technical skills and finance, several local SMEs and businesses are leading the way in supporting bioeconomy and applying practical solutions to develop the circular economy.

Successes from businesses which contribute to transforming the Caribbean region towards transitioning to a green economy, show various common trends:

- Applying holistic and inclusive approaches enhance the business and the impact on local communities, critical for sustainable development. Young entrepreneurs are driving the process.



- Acquiring new technical capacities is critical to thrive innovation and reduce environmental impacts while remaining competitive.
- Certifications, compliance on food safety requirements generate trust from consumers and raise incomes while contributing to preserve the environment.
- There is a growing demand for more environmentally friendly products and SMEs are well positioned to seize market shares.
- Innovation across the value chain is critical for SMEs from packaging using recycled content, to organic production, sustainable resource management, minimising food losses and transforming those into by-products.

## Promoting green growth in the Caribbean and contributing to sustainable food systems

Through the use of new sciences and technologies, the bioeconomy allows for more productive and sustainable use of biological resources, generating plant and animal materials that are more productive, disease-resistant and environmentally friendly. It facilitates the use of biomass (including residue and waste) to produce new high value-added bioproducts, such as food, bioenergy and other biomaterials for the cosmetic, pharmaceutical and chemical industries, among others. It also spawns a range of new services (applied in the fields of human, plant and animal health, environmental bioremediation and in various pre-existing activities) and increases the value of biodiversity.<sup>1</sup>

The transition to a circular economy has the potential to be a driver of job creation, value addition and economic growth, when supported by appropriate policies, legislation and incentives.<sup>2</sup>

The circular economy<sup>3</sup> concept concerns the creation of sustainable growth by maximising the efficiency of resource allocation and ultimately, producing more outputs from fewer inputs. With an increasing need to reduce waste, find new value streams and use limited resources efficiently to feed an ever-growing world population, the need for a more sustainable approach is critical.

The bioeconomy is related to the sustainable production of healthy foods and the sustainable intensification of agricultural production. In agriculture, there are opportunities to reuse outputs, such as waste, at all stages of the production process, and use them as inputs for other production chains. Energy efficiency, waste prevention, and nutrient management are good for the environment but can also offer economic returns to farmers and businesses.

1 The bioeconomy is the intensive and knowledge-based use of biological resources, processes, technologies, and principles, for the sustainable provision of goods and services in all sectors of the economy (IICA 2018). IICA. [Bioeconomy and Production Development Program](#)

2 McCarthy, A., Dellink, R. and Bibas, R. (2018), [The Macroeconomics of the Circular Economy Transition: A Critical Review of Modelling Approaches](#), OECD Environment Working Papers, No. 130, Paris: OECD Publishing.

3 The circular economy entails moving away from the current linear economic model of 'take-make-throw away', in which resources are extracted, turned into products, consumed and finally discarded. In a circular world, by contrast, products and materials are kept in circulation for as long as possible by designing them to be more durable, reusable, repairable and recyclable. The circular economy concept applies life cycle thinking and 'cradle to cradle' approaches, considering residues as the 'food' for new products and processes, and is underpinned by the shift to using renewable energy sources. Ellen MacArthur Foundation (2019), [Completing the Picture: How the Circular Economy Tackles Climate Change](#).

## Meet our five entrepreneurs and their inspiring stories

### Algas Organics, St Lucia



Algas Organics, is a family-owned company, founded in 2014 to sustainably solve the Caribbean’s Sargassum issue. The business contributes to keep coastal areas clean, by sustainably harvesting millions of pounds of sargassum seaweed for processing, rather than disposal. Piles of seaweed accumulating along the coast cause problems for environment as its large size and dense ramifications obstruct light penetration and capture the nutrients needed by other species. It also hampers the fishing industry by clogging boat engines and obstructing general vessel traffic. The dead seaweed also negatively affect tourism as

it generates a strong odour that discourages tourists from visiting the beaches. **Johan Dujon is the founder and CEO of Algas Organics** and was named one of *Forbes 30 Under 30 2020* in the Manufacturing and Industry category.

He shared his business model based on bioeconomy as he believed that bioeconomy is the way to sustainability.

Algas Organics is the Caribbean’s first indigenous agriculture biotechnology company. It converts Sargassum seaweed which is invading the coast of Saint Lucia into world class, organic, crop nutrition and crop protection products for export to Europe, North America, Latin America and the Caribbean and so contributes to keeping coastal areas clean. Over one million pounds of Sargassum has been processed into fertilizer and exported. Plants have a wider root span, go deeper into the soil and absorb nutrients more easily, enhancing crop yield and plant health.



The patented process is certified by independent third party ISO9000 certified laboratories, to produce bio-stimulants well within the acceptable limits of the EU and USA and provides an effective sustainable alternative to current fertilizers using less arsenic. The business development is coupled with a social approach of employing marginalized women and youth and provide alternative livelihood opportunities for fishermen affected by Sargassum.

### Banelino, Dominican Republic



Banelino (Bananos Ecológicos de la Línea Noroeste) is the small producers’ association of ecological bananas of the Northwest Line of the Dominican Republic, located in the Western Valley of the island. The association exists for over 22 years and represents 336 small producers, of whom 31% are women, producers who manage an average of 5.0 hectares. Banelino fosters bioecology: from the weekly sold 35,000 boxes of bananas, 95% are organic and 90% is sold with the Fair Trade certification as it is an organisation certified by FLO International. The

production is also GLOBALG.A.P certified.

**Gustavo Gandini is Banelino's Organic Agricultural, Biodiversity and Environment Coordinator** presented how protection and preservation of natural resources constitutes one of Banelino's growth pillars. The organisation produces its own bioferments and analyses the soil to determine which are its needs and provide optimised organic support. The use of cover and services plants which provide nutrients to the soil, protect the soil from erosion and provide habitats to insects. Its biodiversity approach results in the growth of bananas, coconut and cocoa on the same sport, as well as the farming of animals (chicken, cows, goats, bees etc).



Banelino contributes to the producers' and workers' development and growth, through programs and projects aimed to enhance the producers' competitiveness, education, health, nutrition and care for the environment. Banelino also provides trainings about environmental conservation to small producers, workers, youth, woman and communities. The positive achievements of the organisation include, among others, environmental education, collection and final disposal of banana plastics, installation of biodiversity farms, implementation of climate change mitigation measures, installation of meteorological stations, monitoring of pests and diseases.

## Twigs Naturals, Trinidad and Tobago



Twigs Naturals is the first Caribbean tea brand to be recognised internationally by winning two awards at the 2017 Global Tea Championship, an annual independent competition, judged by tea professionals, to distinguish the highest quality & best tasting teas commercially available globally.

**Nigel Jordan, co-founder and CEO of Twigs Natural** shared information on the company's offer.

Twigs Naturals makes locally grown convenient tea bags and seasonings sold in resalable packaging made from recyclable material. The products are sourced from farmers and are prepared, blended and packaged by hand in the factory. They have a shelf life of 2 years.

The product range of Caribbean flavored teas includes mint, lemongrass, garlic, ginger, orange peel, citrine (artisanal blend of lemongrass and orange peel), bamboo, green, moringa and the Caribbean Christmas tea (a blend of wild hibiscus and anise seeds). The seasonings include dried thyme, pimento flakes, garlic flakes, dried ginger, dried rosemary and dried lemongrass. Twigs Naturals also produces blended oils for aromatherapy.

Twigs Naturals engaged into export markets by participating in business and product development trainings specific for SMEs provided by organisations such as IICA and CARIRI. The products now meet global international agricultural standards and requirements, for example the GLOBALG.A.P. and the Good Manufacturing Practice certifications. The products are certified by US FDA PCQI. Twigs Naturals exports to the USA and the UK, and is planning to export to Canada, Switzerland and West Africa.



## A supportive ecosystem for entrepreneurship development

Operators need to be aware of the opportunities and benefits of the bioeconomy and be incentivised to develop new products and production processes, as well as new businesses and value chains to meet a growing demand for more environmentally friendly products.

MSMES need to be informed about policies and regulations, develop strong links with research and development to develop innovative and sustainable products which support the transition to bioeconomy.

In this context, experts representing policy-makers, research and finance shared their insights on how their institution supports the entrepreneurs.

### **Ricardo M. James, Senior Technical Specialist, Business Environment and Export Development, OECS**

Protecting the environment is a key strategic priority of the Organisation of Eastern Caribbean States (OECS), an intergovernmental organisation for deepening the Caribbean regional integration among 11 Caribbean States. The OECS aims (i) to ensure that the natural systems are healthy, productive and a leverage for socio-economic development; (ii) to secure the long-term benefits of environmental and natural resources; (iii) to increase the citizens' knowledge about environmental opportunities and practices.

The OECS Competitive Business unit focuses on contributing to supporting the environmental priority by reinventing the economy initially based on agriculture, tourism and service to make it globally competitive. This is achieved through enhancing the competitiveness of the private producing and manufacturing sector, entrepreneurs and MSMEs, fostering entrepreneurship and strengthening capacity building. The OECS implements with the Global Green Growth Institute the three year- Eastern [Caribbean Green Entrepreneurship Initiative](#) funded by the Qatar Fund for Development (QFFD) to support the development of green businesses in the Eastern Caribbean and create inclusive green jobs. This initiative will provide virtual trainings, mentorship and networking opportunities and funding to existing SMEs in six OECS Member States.

### **Guy Faure, Senior Policy Officer, INTPA F3 Sustainable Agri-Food systems and Fisheries, European Commission**

The Green Deal European policy, aims to achieve carbon-neutrality in Europe by 2050, to reduce the use of plastic and chemicals, as well as to protect and grow natural ecosystems. Its food strategy, the Farm to Fork Strategy, includes the reduction of the use of pesticides and chemical fertilizers, the promotion of organic agriculture and more environmentally friendly practices in- and outside of the European Union (EU). The European Commission develops support, mechanisms and devices to ensure the adaptation of agrifood production systems to the objectives of the Farm to Fork Strategy. In this context, the European Commission and African, Caribbean and Pacific (ACP) countries work together to promote

economic, environmental and social responsible value chains. The European Commission supports agroecology and organic agriculture notably through the [DeSIRA](#) initiative (Development Smart Innovation through Research in Agriculture), a funding programme for multi-stakeholders research and innovations activities to generate new knowledge and technologies in the agroecological sector. The European Commission also supports capacity development for agricultural innovation systems to strengthen the capacities of SMEs and provides funding facilities financed by private and public organisations (so called blending instruments) to entrepreneurs to further develop their activities.

### **Guillaume Simões, Investment Officer, EDFI AgriFI**

[AgriFI](#) is one of the EU development blending instruments aiming to invest in sustainable agriculture projects with high impact on smallholders. AgriFI aims to build partnership and to unlock, accelerate and catalyze sustainable and profitable investments in agriculture in developing countries. AgriFI acts as a market developer as it invests in agri-SMEs with high risk, low maturity but high potential reinforcing the agricultural value chain (such as productive, processing or distribution companies) which work with smallholders and improve their livelihood. These investments are made on the medium-long term (5-10+ years) and intended to enable the SMEs to grow at appropriate stage for co-investors to join in the following 3-5 years. AgriFI has a catalyst role as it incentivizes co-investments with subordinated instruments to de-risk investors' positioning in sustainable agriculture and also provides ad hoc technical assistance support to investees.

AgriFI is interested to invest in strong private companies active in the agricultural and/or forestry value chain with economic, social and/or environmental impact with a track record of at least 2-3 years

### **Insights from Escipión J. Oliveira Gómez, Assistant Secretary General, Structural Economic Transformation and Trade, OACPS**

The Organisation of African, Caribbean and Pacific States (OACPS) coordinates several (EU-funded) programmes supporting sustainable development in its Member States to an inclusive process and empowering MSMEs. Escipión J. Oliveira Gómez warmly welcomed the presented innovations to be expanded and developed in neighboring countries, such as the processing of sargassum seaweed in the Martinique, an island which also faces serious issues due to the invasion of Sargassum. Escipión J. Oliveira Gómez also stresses how important it is to coordinate the contribution to international standards required by international markets with (smallholder) producers. The OACPS actively works with the EU to coordinate and include the producers in the definition of these standards. The OACPS is also developing an early-warning system to be informed about planned EU rules and requirements in order to discuss them together between the EU and the ACP Member States.

Escipión J. Oliveira Gómez encourages the Caribbean Agrifood Business Sessions to continue to promote public-private exchanges, sharing of best practices and enhanced cooperation across regions.

*The Caribbean Agrifood Business Sessions are organised and facilitated by Isolina Boto, Head of Networks and Alliances, COLEACP; Ena Harvey, IICA Representative, Barbados and Hemispheric Agrotourism Specialist; and Axelle Rupert, Project Officer, COLEACP.*