bio watch
SOUTH AFRICA biodiversity | food sovereignty | biosafety | social justice

# Annual Report

## January 2012 to February 2013

bio watch
SOUTH AFRICA biodiversity | food sovereignty | biosafety | social justice

In the context of multiple global crises (including food, energy and climate change) we envision a country and a world in which people have control over their food, agricultural resources and practices, and other natural resources within a biodiverse, agro-ecological and sustainable system.

Established in 1997, **Biowatch South Africa** strives for social and ecological justice through challenging industrial agriculture and demonstrating ecologically sustainable alternatives by:

- supporting small-scale farmers to make informed choices; have control over their agricultural resources (including land, water, seed, infrastructure); and secure their farmers' rights.
- contributing to building platforms for civil society to develop joint understanding and action in the interests of Biowatch's vision.
- challenging and supporting government to implement policies and practices that promote, facilitate, and actively support agro-ecology, and that safeguard people and land.
- resisting corporate appropriation of natural resources.

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**Staff** Rose Williams (Director), Lawrence Mkhaliphi (Agro-Ecology Manager), Allison Myeza (Office Administrator), Samu Sithole (Agro-Ecology Administrator)

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*Cover photograph: Ntombizethu Ntuli, Zimele Rural Women's Empowerment Organisation, in her KwaHhohho garden.*

# Contents


5 Chairperson's Report

7 Director's Report

11 Activities

Advocacy, Monitoring and Research

Promoting Agro-Ecology in Rural South Africa

International Experience Sharing

25 Financial Statements

“Agro-ecology can feed the nation.”

# Chairperson's Report

David Fig

In these pages of this Annual Report, you will gauge Biowatch's many accomplishments between January 2012 and February 2013.

We remain in place despite efforts to impede this. The victory gained in the Constitutional Court, where we challenged a costs order against us in favour of Monsanto (despite effectively winning the original case in the High Court), resulted in the costs order being reversed, and our unexpectedly being granted our costs from the state.

This small windfall has enabled us to begin a fund dedicated to Biowatch's sustainability as an organisation. Our key ambition is to save for a permanent "home", to avoid long term rental costs.

## The landmark Biowatch case

Biowatch has commissioned a number of analyses of the case, and saw the first published by legal practitioner Josie Eastwood. Rachel Wynberg and I, both founder-trustees of Biowatch, have been given the task of telling the "inside story" of the case from the organisation's point of view. Given the legal interest in the case, leading to a number of publications in academic journals, we felt these analyses were leaving out the experiences that Biowatch went through as it took on the state and Monsanto.

We will report on the final product in the next annual report.

## A surprising indicator of effectiveness

How does one measure an organisation's effectiveness? One way is through the science or art of "monitoring and evaluation". During the period under review, Biowatch was not only subjected to such methods, but also helped impart monitoring techniques more broadly to some of its stakeholders.

Aside from this more systematic approach, a further indicator of effectiveness is finding proof of the organisation having been scrutinised by foreign powers. Knowledge of this came about through the releases by Wikileaks, which showed evidence that, since 2005, the US embassy in Pretoria has been transmitting reports on Biowatch to Washington. We advocate more transparency and the rights of whistle blowers. Given local attempts to

promote the "secrecy bill", aimed at restricting both, we strongly support the efforts of the Right 2 Know campaign.

### Biowatch's Board of Trustees

Boards are dynamic entities and Biowatch had to say goodbye to Dot Keet, a founding trustee, who has relocated to London. Her highly appreciated contribution to the organisation involved sharpening Board thinking and perspectives on many important issues. Dot's profound links with the whole Southern African region made us more aware of the importance of internationalism in our work. Dot's wit and wisdom will be missed by all of us.

We are fortunate, however, in welcoming two new Board members, Beni Williams and Loretta Feris. Beni has been working with social movements in the Ingwavuma and Mtubatuba areas of KwaZulu-Natal and brings with her many years of hands-on development experience.

Loretta is a professor of environmental law, specialising in environmental rights and the links between trade and environment. She holds office in the Environmental Law Association of South Africa and is an IUCN-World Conservation Union law commissioner. Professional recognition has not, however, deterred her from making an important contribution to social movements, and we are privileged to be able to benefit from that. We trust that Beni and Loretta will enjoy their time on the Board, and their creative talents are highly welcome.

We hope that you will gain interesting insights from reading this annual report.

**David Fig, Chairperson**
**Biowatch Trust**

# Director's Report

## Rose Williams

For millions of South Africans, traditional farming systems (including seed selection, saving and exchange) form the foundation of their livelihoods and the conservation of agricultural biodiversity. This foundation is under threat from corporate and government-supported industrial agriculture that promotes monocultures, genetically modified seeds, synthetic fertilisers and pesticides.

It is this that we challenge while we advocate for agro-ecology as the dominant model of agriculture in the country – a model that supports livelihoods, has a low carbon footprint, and can feed the nation.

Our approach is two-fold – we work simultaneously at a policy level and directly with projects on the ground involving small-holder or family farmers. This means that any policy interventions are grounded in the experiences of rural people working the land, rather than in a think-tank

vacuum; and through our policy work, farmers get a fuller understanding of their context, of what needs changing in our society, of their collective power, and of the need to ensure the accountability of decision makers in a democracy.

The activities that underpinned this work in 2012/2103 are wide ranging – from supporting community work, to research and policy, to video making and building solidarity with partners (national and international).

Details of this work follow in the "Activities" section of the report. The significant change in our work at community level is detailed below under "Monitoring and Evaluation".

## Monitoring and Evaluation

Following on from a baseline study in 2011, two formal M&E processes took place in 2012. These took place in community projects in Ingwavuma, Tshaneni, KwaHhohho, Pongola and KwaNgwanase.

Features that were measured included agro-ecological compliance (eight criteria), selling of surplus production, and number of traditional seed varieties stored in the household seed bank (an indirect indicator for food sovereignty).

In a similar approach to the baseline, these features were mapped by each project member for their household, and together they produced community maps for each of the project sites. The 2012 maps were then compared with the 2011 maps to visually see the change that had occurred. Plans were then made to work towards the change they wanted to see in 2013.

Qualitative data was also obtained, including information on what project members are able to achieve with the income generated from the sales of their produce.

Since the baseline, there has been a remarkable change in key indicators with community farmers moving from 55% to 84% selling/having increased income; from 29% to 76% having eight or more traditional seed varieties; and from 51% to 68% using Biowatch agro-ecological standards.

In addition to this formal M&E process, there has been on-going monitoring and evaluation at a staff level, including a two-day reflection on the M&E 2012 results, and a year-end annual staff reflection and planning meeting – a most important process in the Biowatch calendar.

## Financial and administrative arrangements

As from 2013, our financial year end has changed from end December to end February. This is now a requirement for Trusts to bring the financial year end into alignment with the South African Revenue Services (SARS) year end. As such, this annual report and annual financial statements will cover a 14 month period instead of the usual 12 month period.

We also received Section 18A exemption under the Income Tax Act. This enables tax payers who make a donation to Biowatch for public benefit activity to make a deduction from their taxable income.

## Organisational Development

Towards the end of 2012, staff and Board members participated in a strategic planning process which focused on our advocacy and research strategy. Our "advocating with evidence" approach was affirmed and we look forward to taking the strategy forward.

On a Human Resources policy level, our existing job evaluation and salary policy was reviewed. This was done by an external consultant, using a participative and process-orientated methodology. It focused on reaching agreement, firstly, on the values underlying the salary policy; then on the criteria

for differentiation and the relative grading of each job; and, finally, on setting realistic figures in the salary policy. These were benchmarked against similar organisations to Biowatch.

We also worked on the revamping of the Biowatch website so that it reflects accurately the work of the organisation. The site's new structure will easily enable us to make changes and updates. The time-consuming process of creating an off-line archive has been completed, the strategy around the revamp has been agreed to, and implementation will occur in 2013/2014.

## Sustainability Drive

In last year's annual report, we highlighted the importance of Biowatch being a financially sustainable organisation. This is to ensure that we can provide on-going support to rural communities as well as contributions at a policy level to effect broader change. To this end, we were able to take a big step forward and put down a deposit for a half share in a property for our new Durban office. This deposit was made up of the money received from the successful Biowatch case (see "*A Landmark Victory for Justice: Biowatch's Battle with the South African State and Monsanto*") and a donation from the Albert and Molly Baumann Trust. We look forward to building on this support in the future and look forward to moving to our new office in April 2013.

## Thanks

Our thanks go to our donors who have supported and engaged with our work – we thank the Albert and Molly Baumann Trust, Comic Relief, DG Murray Trust; Ford Foundation, IDEX, the Guiseppe and Rita Raimondo Charitable Trust, Oxfam Australia, Slow Food Italy and United Support of Artists for Africa.

Thank you to all the community project members, to all our partners, and to all those who have supported and facilitated our work during the year.

Thanks also to the Board who willingly give their time and support. Their warmth and strategic approach has been greatly appreciated. A particular thank you to the Biowatch staff who always keep the beneficiaries of our work in mind, work long hard days, and energetically multitask!

**Rose Williams, Director**

# Activities

Our activities fall into three main focus areas – advocacy, monitoring and research work; promoting agro-ecology; and international experience sharing. There is overlap between these areas with the work in the one informing and supporting the work in the other, but they also do form distinct areas of focus within the organisation.

## Advocacy, Monitoring and Research

Our approach has been to target specific areas of concern, including: submissions on legislation impacting on farmers' rights and biodiversity; monitoring of GMOs; presentations and hosting events; developing and distributing information and educational materials; research focused on securing farmers' rights and seed security; critiquing industrial agriculture, and promoting agro-ecology as an alternative.

This approach has linked us with many partners and this collaborative work is either described further in this section or in the section under "International Experience Sharing".

### Presentations

Part of our work is giving presentations on request. Presentations at key events included:

- In August, with partner organisations PACSA and Enaleni Farm, we made presentations at the Association of South African Agricultural Educators (ASAAE) KZN provincial conference. The Biowatch presentations were "Agro-ecology in practice" and "What are GMOs … and why you should be concerned".

- Lawrence Mkhaliphi, Biowatch Agro-Ecology Manager, attended the National Heirloom Exposition and World Pure Food Fair event and gave a presentation on "Household Seed Banks, Traditional Seed and Farmers' Rights in South Africa".

- We participated in the Oxfam South Africa Advocacy Workshop, where we made two presentations: "It's none of my business" (on the Biowatch court case), and "Lobbying success on the ground".

### Agro-ecology workshop

A public agro-ecology workshop was held in May at the Diakonia Centre in Durban to explore and demonstrate agro-ecology as a viable agricultural practice. There were

**“A national agro-ecology policy and strategy must replace the dominant industrial agriculture model.”**

80 participants representing 26 organisations including local and national NGOs, municipalities, government departments (local and national), farmers' organisations, and university departments. This was followed by an agro-ecology training day for communities at Enaleni, an agro-ecological farm near Pietermaritizburg.

### National agro-ecology strategy

Biowatch welcomed the development of a draft national agro-ecology strategy by the Department of Agriculture, Forestry and Fisheries. A detailed submission was made and Biowatch, together with 15 other organisations, signed onto a civil society statement to the Department.

The statement called for:

1. The development of an agro-ecology policy that can then inform a strategy on agro-ecology.
2. An agro-ecology policy and strategy for South Africa, which as its main objective aims to replace the current dominant industrial agriculture system with agro-ecology.
3. An open and transparent participatory process that puts small-holder farmers at the centre. This process should be conducted at district level throughout each province to enable meaningful participation. The Department should make the resources available to conduct such a process and to ensure that relevant stakeholders are able to participate.

This draft strategy could really support small–holder farmers, unlike the Plant Breeders' Rights Amendment Bill, described below.

### Plant Breeders' Rights Amendment Bill

Government held workshops on a section in the Plant Breeders' Rights Amendment Bill termed "Farmers' Privilege". This is a term developed in the UPOV (Union for the Protection of Varieties) 1991 text as a means of broadening plant breeders' rights, and correspondingly narrowing the scope of farmers' rights, in response to industry concerns.

Biowatch attended the workshops and made a detailed submission which concluded that the Bill does not include any significant recognition of any aspects of Farmers' Rights.

Our recommendations were:

- That in the absence of any specific recognition of any aspects of Farmers' Rights in the PBR Amendment Bill, the Department should spearhead a process to develop a coherent and supportive national policy for farmers'

rights and agricultural biodiversity that involves small-holder farmers and includes the voices of the poor and marginalised.
- That the Department should work towards giving farmers the legal space to freely save, use, exchange and sell farm-saved seed.
- That South Africa should sign and ratify the International Treaty for Plant Genetic Resources and Agriculture.

### Farmers' rights and seed sovereignty

In April, Biowatch and the Environmental Evaluation Unit (EEU) at the University of Cape Town hosted a national seed sovereignty and farmers' rights workshop in Cape Town, which brought together 30 representatives of NGOs, Parliament, the Department of Agriculture, Forestry and Fisheries, the Department of Science and Technology, academic researchers, and small-holder farmers from KwaZulu-Natal. The main objective of the workshop was to help inform policy debate and enable small-holder farmers to have greater control over their food production and security, and the way their seed is used by others.

Presentations included: "Agro-ecology and farmers' rights in practice"; "Saving and exchanging traditional seed in KZN"; "Farmers' rights from an international and African perspective"; "Farmers' privilege and the Plant Breeders' Rights Amendment Bill"; and "Policy approaches for protecting farmers' rights and enhancing seed security".

The publication "*Policy Brief: Securing Farmers' Rights and Seed Security in South Africa*" was launched at the workshop and informed much of the discussion and debate. The Policy Brief was a collaborative effort between Biowatch and the EEU, and drew on recent research and fieldwork with small-holder farmers in Ingwavuma and KwaHhohho. Focusing on small-holder farmers, the Policy Brief reviews farmers' rights in South Africa and the extent to which policies, laws and practices support seed sovereignty and the conservation of agricultural biodiversity. It hopes to inform policy debate and so enable small-holder farmers to freely use, exchange and sell their seeds and have greater control over their food production and security.

### Engaging with government

We have appreciated the articulated support of national government for small-holder farmers and agro-ecology. However, this support has not turned into action on the ground for the communities we work with. The disjunct between local, provincial and national is real and impacts on delivery. There is also an entrenched agricultural system in the country with supporting legislation (such as the Plant Breeders' Rights Act and the GMO Act) that favours an

industrial model of agriculture. There is a need to have an over-arching agricultural policy for the country that supports a model of agriculture that is small scale (small-holder/family farmers), supports high employment, and is environmentally and socially sound.

### Labelling of GM foods

As of October 2011, all food containing 5% or more of GM crop substances must carry a label clearly stating "contains Genetically Modified Organisms". In 2012, Biowatch tested three brands of mielie meal and all showed more than 50% GM content, but only one of these was labelled in accordance with the regulations under the Consumer Protection Act.

Our position is that South Africa has laws and regulations in place to ensure that consumers know whether or not they are consuming GMOs and the food industry must comply with these regulations. It is particularly important that the labelling requirements are complied with as most of the staple food in the country (maize) is genetically modified.

### A landmark victory for justice

A book detailing Biowatch's inside story of how a reasonable request for access to GMO permit applications catapulted Biowatch into almost a decade of litigation against the South African state and biotechnology multinational Monsanto – a battle which was finally won in the Constitutional Court – was completed.

“Without seed security, there is no food sovereignty.”

"*A Landmark Victory for Justice: Biowatch's Battle with the South African State and Monsanto*" was written by founder trustees, Rachel Wynberg and David Fig. It is a book about access to information, the right to know, and action in the public's interest. It will be launched in March 2013.

### Video production

Staff participated in a video training course, developing a story-board and script, filming and then providing footage to an editor who developed it into a 4 minute cameo titled "No Seeds, No Future". It is filmed in KwaHhohho, one of six Biowatch project sites, and tells the story of the Zimele Rural Women's Empowerment Organisation (ZRWEO) – the saving of their seed, their views on GM maize seed, their market garden, and their selling of produce. It is an inspiring story.

### Materials and reports

In 2012/13, the following materials or reports were produced:

- Two Biowatch Bulletin newsletters.
- "M&E Post-Baseline Report 1: Securing the rights of small-scale farmers to GM-free seeds and access to markets".
- "M & E Post-Baseline Report 2: Securing the rights of small-scale farmers to GM-free seeds and access to markets".
- "Community Research: Securing Farmers' Rights and Seed Sovereignty in South Africa" (in English and isiZulu).
- "Ukuqonda kahle iziMakhethe" ("Understanding markets"): an Environmental Monitoring Group (EMG) and Biowatch publication.
- "Marketing: Steps and processes for getting value from surplus production", a Biowatch national workshop report.
- "Marketing and PGS", a workshop report.

### Publications

In 2012/13 we produced two publications:

- "*The Biowatch case: A victory for access to information and a landmark decision on costs awards in public interest litigation*", a research paper by Josie Eastwood.
- "Policy Brief: Securing Farmers' Rights and Seed Sovereignty in South Africa", by Rachel Wynberg, Jaci van Niekerk, Rose Williams and Lawrence Mkhaliphi (a University of Cape Town and Biowatch publication).

## Promoting Agro-Ecology in Rural South Africa

Our advocacy work on agro-ecology at a national level is detailed above, what follows is our work in promoting agro-ecology in six project sites, with scaling-up through work with partner organisations, farmer exchanges and new

groups linked to the existing project sites. The project sites are in Pongola, Ingwavuma, KwaNgwanase, Tshaneni, KwaHhohho and Bizana – all in the eastern region of the country.

There are links with many partners in this work, including NGOs, farmers' organisations, women's clubs, faith-based organisations and municipalities. Several learning exchanges with other NPO partners have been important in deepening our understanding of agro-ecology, as well as our understanding of effective markets for small-holder/family farmers.

Our work in this project has been multi-pronged – on-going support and training at community level; targeted workshops with outside expertise brought in; on-site workshops; and then a market survey of potential buyers to help "unlock" opportunities. There is much to be done at the community level, but in the next phase of this project the successes and lessons learnt at the local level need to be brought strongly and clearly to a policy level.

### Agro-ecological training

The emphasis of the training in the six project sites has primarily been on agro-ecological farming practice. The training also included awareness-raising around the use of toxic synthetic pesticides, herbicides and GM (genetically modified) crops. The agro-ecological training has focused on implementing *in situ* conservation of agricultural biodiversity, soil erosion reclamation, water harvesting approaches, integrated pest management, soil improvement, vermiculture, water treatment and recycling, resource mapping, and most importantly, the promotion of seed diversity and seed saving.

During the period under review, a total of 40 meetings, with associated trainings, were held at six project sites. This training forms a major part of the work of the Biowatch Mtubatuba office. This training and support was amplified through the work of community facilitators (described on page 21).

Further support to communities included leadership training workshops at two of the project sites. The workshops included leadership role play and training on assertiveness, decision making and conflict management.

### Marketing: targeted training and support

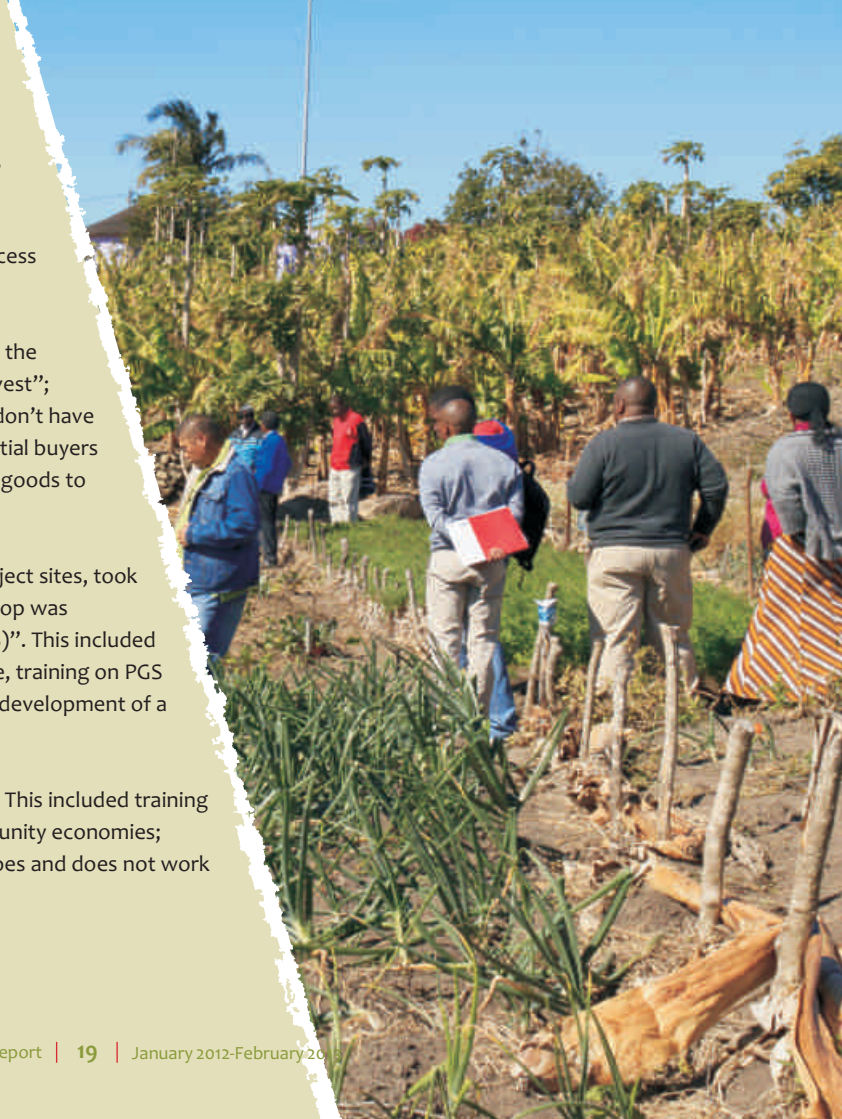
There has also been a great focus on the marketing of surplus produce – this produce is over and above that which is needed for household food security. This "organic" produce is of high ethical and nutritional value, but there are many

barriers to accessing markets for small-holder farmers, including language, literacy, record-keeping, ensuring consistent production, difficulty to contract with small business, business ethics and formal registration to access state support.

Challenges recorded by community members included the following: "Livestock are eating our plants before harvest"; "Our household gardens have no piped water"; "We don't have a packing facility for marketing"; "Previously no potential buyers but now overcoming this"; "Transport problem to get goods to the market – arrives late or doesn't arrive at all".

Three key workshops with participants from all six project sites, took place during the period under review. The first workshop was "Marketing and Participatory Guarantee Systems (PGS)". This included a reflection on the communities' marketing experience, training on PGS (an alternative to expensive organic certification) and development of a label for the produce.

The second workshop was "Understanding Markets". This included training on "What is an economy?"; an exercise on local/community economies; different types of markets; and discussions on what does and does not work for the community.



"Small-holder farmers are facing many barriers to access markets."

The third workshop was "Strengthening Marketing Committees and Value Adding". This workshop not only covered aspects of strengthening marketing committees, but also strengthening production committees. Through a wonderful chutney-making exercise, farmers learnt in an experiential way costing, record keeping, labelling, value chain mapping and value chain empowerment.

These workshops were then followed up by a market and supply chain analysis which was done by a technical market supply consultant and a Biowatch staff member, accompanied by community representatives. This included a market survey of potential buyers (such as Spar, Pick n Pay, OK and Junk Superstore). All of the retailers approached expressed a preference to source from and support local small-holder growers. However, it is clear that much training and support is needed to plan and increase productivity to provide a reliable supply to retailers, and to deal with the many barriers to market access (as previously described).

A short study was completed that compared the experience of one project that had registered as a co-operative (Zimele Rural Women's Empowerment Organisation at KwaHhohho) with that of a group at Tshaneni that had registered as a non-profit organisation (NPO). The experiences of the two communities and the costs involved were detailed. This will be built on in the future to help support other communities to understand the benefits or draw-backs of these two legal registration options.

### Community facilitators

Biowatch worked with seven community facilitators during the period under review – one in each of six project sites, with two in Ingwavuma where there are many more project members.

The facilitators continue to make a significant contribution by providing communities with direct access to on-the-ground support, by linking communities to government, and by hosting World Food Day events in Ingwavuma, Pongola, Tshaneni and KwaHhohho. In Pongola, the community facilitator was instrumental in a public agro-ecology training event which was attended by more than 100 people.

Two key workshops for community facilitators took place during the period under review. The first was on deepening agro-ecological practice; the second was a reflection, learning and planning workshop, where a vision was developed for 2016, plans for the year ahead were made, and support required from Biowatch was detailed.

### Pilot seedling nursery

One of the barriers for farmers is the high costs of seedlings from the commercial sector. We have started a pilot project that seeks to provide communities with low cost, good quality seedlings. The process will be carefully documented, so that not only will community members get cheaper seedlings, but others can benefit from the lessons learnt.

### Infra-structural support

Biowatch has facilitated the provision of agricultural tools to communities. Through SPP and Slow Food Italy, farmers were assisted to secure household gardens through the provision of fencing and other protective measures. They were also given indigenous plants and fruit trees.

This support was given through Slow Food Italy's "1000 Gardens in Africa Project". It is hoped that these small measures will act as a catalyst for government support to other communities.

### Farmers' exchanges and seed rituals

Farmers' exchanges and annual seed rituals took place in KwaNgwanase, KwaHhohho, Ingwavuma and Pongola. These were inspiring, community-building and learning events that were also opportunities to show-case the work and needs of community farmers to local government.

The events are annual highlights as they practically demonstrate a model of agriculture that supports real food security, is resilient in the face of climate change, affirms traditional practices, and where seed remains in the hands of the farmers.

### National workshop

In August, Biowatch ran a very successful four-day workshop on "Marketing: Steps and processes for getting value from surplus production" where the 34 participants explored ways to better support the efforts of small-holder farmers to market their surplus produce.

Presentations covered topics including: the potential value of establishing community-based production and distribution co-operatives; labelling produce grown using agro-ecology principles; the potential contribution of savings clubs; and the value of alternative markets for produce grown by small-holder farmers.

Key issues debated and analysed included alternative markets, farmers' rights to develop and save seeds, savings schemes and labelling. These learnings are being consolidated to take forward to a national policy level.

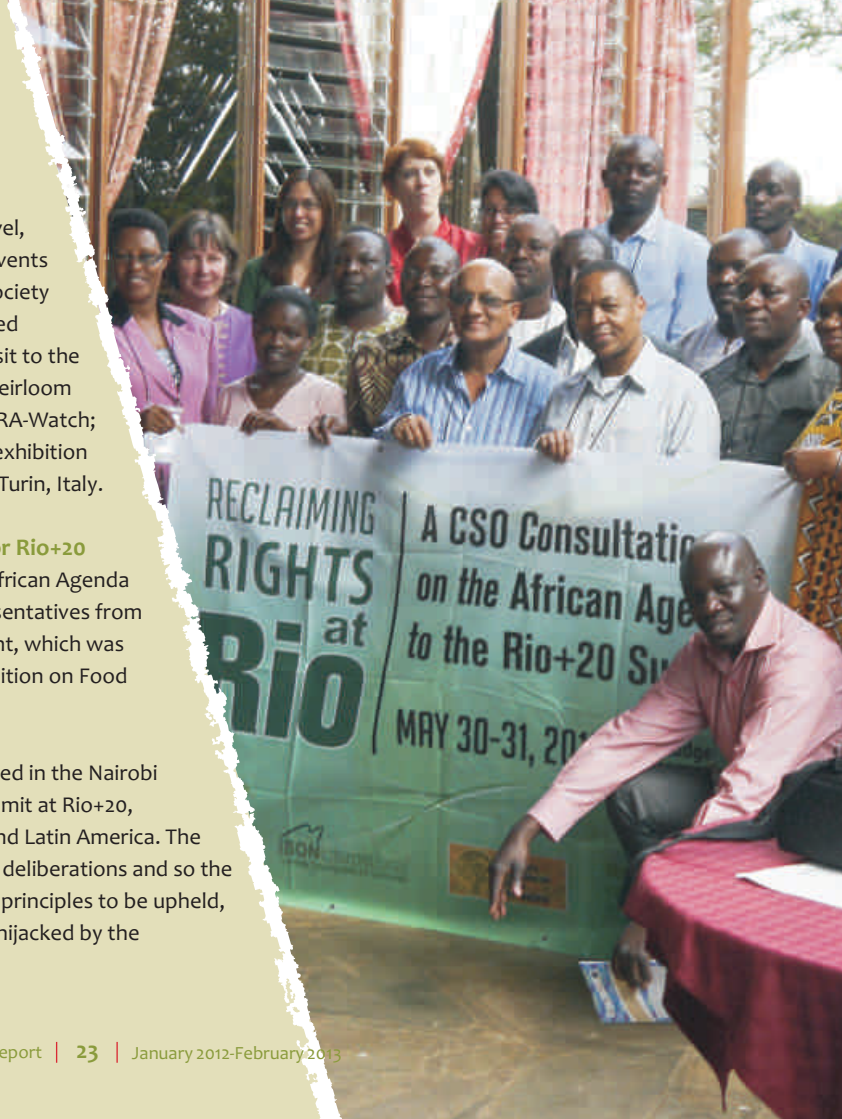
## International Experience Sharing

Biowatch positions our work at a local and national level, but also where we can, at an international level. Key events that we have been part of have been an African civil society meeting preceding the Rio+20 Earth Summit; the United Nations Conference on Sustainable Development; a visit to the United States where we participated in the National Heirloom Exposition and World Pure Food Fair and met with AGRA-Watch; and then participation in the international Slow Food exhibition and conference, Salone del Gusto and Terra Madre, in Turin, Italy.

### Civil society consultation for the African agenda for Rio+20

We participated in a civil society consultation on the African Agenda for the Rio+20 Earth Summit, in Nairobi in May. Representatives from more than 15 African countries participated in the event, which was organised by IBON International and the People's Coalition on Food Sovereignty.

The discussions were intense and fruitful and culminated in the Nairobi Declaration, which was presented at the People's Summit at Rio+20, together with corresponding declarations from Asia and Latin America. The African voice is often missing from these international deliberations and so the Nairobi Declaration was timeous – pushing for the Rio principles to be upheld, and warning about the Green Economy agenda being hijacked by the multinational corporate "greed economy" agenda.



### Heirloom Festival and AGRA-Watch

In September, Biowatch was invited to the United States for a partner visit organised by IDEX (International Development Exchange). This included participation and speaking at the National Heirloom Exposition and World Pure Food Fair – a not-for-profit event centered around the pure food movement, heirloom vegetables and anti-GMO activism. The annual event took place in Santa Rosa, California, and was attended by over 14 000 people from all over the world. Biowatch's presentation on "Household Seed Banks, Traditional Seed and Farmers' Rights in South Africa" was well-received.

We also had an exchange with AGRA-Watch, a US-based organisation that is doing much-needed work challenging AGRA (the Alliance for a Green Revolution in Africa). AGRA, which has its origins in the United States, can with its massive funding and use of inappropriate technologies derail small-holder farmers in Africa.

### Salone del Gusto and Terra Madre

A Biowatch team of staff and community members attended the international Slow Food exhibition and conference, Salone del Gusto and Terra Madre, in Turin, Italy at the end of October. Our trip was organised by Slow Food Italy and local partner, Surplus People Project (SPP).

The theme of the 2012 fair was "Foods that change the world".

Over 16 000 delegates and members of the public attended the fair, including responsible food producers, small-holder farmers, food community representatives and youth from all over the world. Biowatch's participation included an event centred around the preparation and sharing of a traditional meal for delegates which included traditional chicken, peanut soup, Jugo beans and dumplings.

It was a privilege for the Biowatch team to be part of Salone del Gusto and Terra Madre and to be among inspiring and responsible farmers and producers.

# Financial Statements

**Biowatch Trust**
for the 14 months ended 28 February 2013
(extract)

CA(SA)

C&S

CHARTERED ACCOUNTANTS
Registered Auditors
Bringing you peace of mind

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MEMBER OF SAICA

## Independent Auditor's Report

To the members of Biowatch Trust

We have audited the financial statements of Biowatch Trust, which comprise the statement of financial position as at 28 February 2013, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the 14 months then ended, and a summary of significant accounting policies and other explanatory notes, and the Trustees' report, as set out on pages 6 to 12.

**Trustees' Responsibility for the Financial Statements**

The trustees are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act of South Africa, 2008. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

**Basis for Qualified Opinion**

[illegible] auditor's report, it is not possible for the organisation to satisfactorily account for the losses [illegible] the records of the organisation. Accordingly we have been unable to determine whether any adjustments were necessary to [illegible] as recorded in the accounting records.

**Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Biowatch Trust as at 28 February 2013, and its financial performance and cash flows for the 14 months then ended in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities, and in the manner required by the Companies Act of South Africa 2008.

**Other matter**

Without qualifying our opinion, we draw attention to the fact that the supplementary information set out on page [illegible] to [illegible] does not form part of the financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

C & S Chartered Accountants (SA)
Registered Auditors

13 September 2013

## Biowatch Trust

(Registration number IT4212/99)
Financial Statements for the 14 months ended 28 February 2013

## Statement of Financial Position

| Figures in Rand | Note(s) | 28 February 2013 | 31 December 2011 |
|---|---|---|---|
| **Assets** | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 2 | 297 515 | 8 246 |
| Current Assets | | | |
| Trade and other receivables | | - | 4 191 |
| Cash and cash equivalents | 3 | 879 807 | 605 675 |
| | | **879 807** | **609 866** |
| **Total Assets** | | **1 177 322** | **618 112** |
| **Equity and Liabilities** | | | |
| **Equity** | | | |
| Trust Capital | | 100 | 100 |
| Accumulated surplus | | 1 161 887 | 499 683 |
| | | **1 161 987** | **499 783** |
| **Liabilities** | | | |
| Non-Current Liabilities | | | |
| Biowatch Association | | - | 99 861 |
| Current Liabilities | | | |
| Trade and other payables | | 15 335 | 18 468 |
| **Total Liabilities** | | **15 335** | **118 329** |
| **Total Equity and Liabilities** | | **1 177 322** | **618 112** |

## Biowatch Trust

(Registration number IT4212/99)
Financial Statements for the 14 months ended 28 February 2013

## Statement of Financial Performance

| Figures in Rand | Note(s) | 14 month 2013 | 12 month 2011 |
|---|---|---|---|
| **Revenue - Grants** | | | |
| Albert and Molly Baumann Trust | | 50 000 | |
| Centre for International Governance Innovation | | 30 760 | 45 099 |
| Comic Relief | | 2 566 413 | 1 036 582 |
| DG Murray Trust | | 511 000 | - |
| IDEX | | 22 129 | 123 062 |
| Institute of International Education | | 43 310 | - |
| Other donations | | 84 237 | 2 584 |
| Oxfam Australia | | 540 701 | 438 465 |
| Slow Food Italy | | 81 425 | - |
| The Guiseppe & Rita Raimondo Charitable Trust | | 40 000 | 50 000 |
| The Joseph Rowntree Charitable Trust | | - | 332 739 |
| United Support of Artists for Africa | | 15 775 | 33 245 |
| | | **3 985 750** | **2 061 776** |
| **Other income** | | | |
| Donation from Non profit organisation-closed down | | 130 912 | - |
| Interest received | 4 | 44 154 | 24 789 |
| Refunds | | 7 824 | - |
| | | **182 890** | **24 789** |
| **Expenses (Refer to page 14)** | | **(3 506 436)** | **(2 428 132)** |
| **Surplus (deficit for the 14 months)** | | **662 204** | **(341 567)** |

## Biowatch Trust

(Registration number IT4212/99)
Financial Statements for the 14 months ended 28 February 2013

## Statement of Financial Performance

| Figures in Rand | Note(s) | 14 month 2013 | 12 month 2011 |
|---|---|---|---|
| **Operating expenses** | | | |
| Accounting fees | | (71 024) | (141 102) |
| Advertising | | - | (139) |
| Auditors remuneration | 5 | (34 282) | (24 678) |
| Bank charges | | (35 745) | (19 922) |
| Computer expenses | | (30 265) | (43 644) |
| Consulting fees | | (82 145) | ( 71 681) |
| Depreciation, amortisation and impairments | | (6 725) | (3 437) |
| Employee costs | | (860 183) | (776 522) |
| Insurance | | (7 805) | (4 139) |
| Photocopying and printing | | (60 927) | (38 001) |
| Postage | | (7 397) | (3 925) |
| Project costs | | (2 127 325) | (1 205 430) |
| Rental | | (103 135) | (54 005) |
| Stationery and office supplies | | (20 997) | - |
| Telephone and fax | | (58 481) | (41 507) |
| | | **(3 506 436)** | **(2 428 132)** |

biowatch SOUTH AFRICA

biodiversity | food sovereignty | biosafety | social justice


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