

## THE POTENTIAL ASSESSMENT OF BIOTRADE NATIVE PRODUCTS & SERVICES IN INDONESIA



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## GENERAL OVERVIEW

- Indonesia has several native natural products and services that have a good potential value in local and global market
- Despite the importance of these biological resources, Indonesia is facing serious problems such as illegal logging, chaotic urbanization and unsustainable agriculture practices that are converting forests.
- Now Indonesia faces the great challenge of combining poverty alleviation and economic growth with sustainable use and conservation of biodiversity.
- Indonesia needs to find solutions for the sustainable use of biodiversity in the long-term that will generate welfare for local communities.
- Sustainable trade of products and services derived from biodiversity could contribute to solving this problem. Research shows that market interest and demand for biodiversity products and services is growing significantly.



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## POTENTIAL FOR A BIOTRADE PROGRAMME

Efforts are needed to gain a positive BioTrade promotion considering ecological and social issues, such as:

- Creating an enabling policy environment at the national, regional and international levels that promotes sustainable trade in biodiversity products and services;
- Increasing the developing countries' supply capacity of goods and services derived from biodiversity. This requires: increasing the levels of productivity, strengthening technical skills, improving technology, facilitating access to finance, and promoting alliances among actors;
- Improving market access and fostering market creation for biodiversity goods and services by enhancing the understanding of these markets; facilitating commercial contacts between exporters and importers; improving market access; and raising awareness among consumers.



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## GENERAL OBJECTIVES

Under the framework of the BioTrade Initiative of UNCTAD, the general guidelines of the Indonesian BioTrade initiative are:

- to increase the income of local producers,
- to promote the conservation and sustainable use of biodiversity assets,
- to preserve social and culture integrity of local communities, and exhibit promising cases of BioTrade - enterprises.

Furthermore, the initiative hopes to reduce the pressure of conversion of the remaining natural ecosystem and its subsequent impacts on the lives of local communities.



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## TARGET GROUP

- For the past two decades, the government, conservation groups and non government organizations have been vigorously pushing the marketing and selling of biodiversity-derived products and services, as a mean to increase the income of poor communities living in and around forest areas, and support forest conservation.
- This assessment focuses primarily on products and services which are produced by local producers. This will contribute to increase the understanding of how local communities in Indonesia use, produce and market biodiversity-derived products and services to improve their livelihoods.
- In addition, market based biodiversity products and services developed by the private sector are also assessed. This helps understand the potential and assessed the opportunities of BioTrade.
- Finally, supporting actors and organizations, such as local and national government agencies, research institutions and individuals are also considered in the analysis.



## BIOTRADE STRATEGY

Timeline for the implementation of steps to support a value chain

BIOTRADE STRATEGIES		1	2	3	4	5	6
Identification of sectors with potential	List of products and services	■					
	Product groups	■					
Selection of value chains	Storing general information about		■				
	Matrix selection workshop		■				
Participatory assessment of the value chain	Gathering of information			■			
	Value-chain analysis workshop			■			
Formulation of the sector strategy	Strategic lines of work				■		
	Strategy validation workshop				■		
Implementation	Start implementing the strategy work plan					■	■

2-3 years



## ACTIVITIES DEVELOPED

- The starting point to assess Indonesia's BioTrade potential is to gather the information for product and service selection matrixes.
- Select the most promising sectors considering Indonesia's potential. For them, an action plan will be developed based on the value chain analysis.
- In particular, the work that is undertaken involves:
  - Developing a rapid-national assessment of the BioTrade potential for Indonesia and identify potential sectors or value chains to be further analyzed.
  - Developing an assessment and strategy of prioritized sectors or value chains that are consulted with and validated by key public and private actors, as well as with potential donors and cooperation agencies.
  - Supporting the establishment of the BioTrade programme in Indonesia



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## RAPID NATIONAL ASSESSMENT

The assessment of Indonesia's BioTrade potential is based on desk studies and key informants interviews.

The assessment method is as follows:

- The desk study started by collecting and identifying superior products which had been chosen by related Ministries, trade data and local government as priority potential ones. For tourism, the desk study analyzed data of the national parks and the wildlife conservation areas in Indonesia.
- The second step was to engage in focus group discussions to define the best products sectors/sub-sectors and the best tourism locations, based on the highest score from the product and the tourism selection matrix, respectively.
- Finally, from these product and tourism selection matrixes, the two best sub-sector products and the two best tourism locations were selected. These selections will be recommended as the BioTrade focus products and tourism sites in Indonesia.



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## PRODUCT SELECTION MATRIX

Product selection matrix based on

- The UNCTAD BioTrade Value chain methodology, that consist of the following aspects:
  - Trading and marketing
  - Ecological
  - Socio economy
  - Socio technological
- The additional criteria :
  - No. of communities involved
  - Degree of stakeholders involvement
  - Product values (gender, quality and uniqueness)

Identification of promising sectors



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## RESULT OF SECTOR SELECTION

Sector	Sub Sector	SCORES	
		Total Sub Sector Scores	Total Sector Scores
Natural Ingredient	Anti Insect	48.86	2182.95
	Handicraft producers	125.74	
	Cosmetic producers	56.84	
	Food & pharmaceutical producers	55.38	
	Herbal product producers	67.77	
	Incense and herbal producers	59.78	
	Incense producers	71.29	
	Perfumery and cosmetic producers	141.61	
	Perfumery and incense producers	63.66	
	Pharmaceutical and cosmetic producers	288.30	
	Pharmaceutical and herbal producers	132.48	
	Pharmaceutical producers	175.62	
	Pharmaceutical, cosmetic & herbal producer	895.40	



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## RESULT OF SUB-SECTOR SELECTION

No	Parameter criteria for product selection	WEIGHT of each criteria	Final score				
			Final score (High class)	Final score per farmer	Pharmaceutical and herbal producers	Farmers producers	Handicraft producers
1	Multi-criteria	10	21	22	53	18	89
2	No. of communities involved	10	200	1000	200	800	800
3	Stakeholders involvement	7	375	500	375	500	500
4	CEO	3	150	300	150	300	300
5	Private sectors	4	400	800	400	800	800
6	Local/central government	7	375	500	375	500	500
7	Research Institute/University	2	100	200	100	200	200
8	Product Value	1	200	200	200	200	200
9	Gender Inequal	7	500	375	300	375	375
10	Quality	10	1000	1000	1000	1000	1000
<b>GRAND TOTAL</b>			<b>660</b>	<b>7620</b>	<b>6667</b>	<b>6668</b>	<b>7667</b>
<b>RAHH</b>					<b>3648</b>		



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## RATTAN & DRAGON BLOOD MAP



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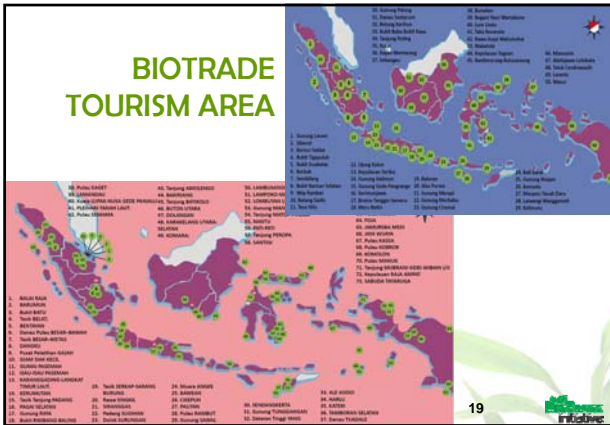
- ### STAR SPECIES IDENTIFIED
- Rattan cane and resin
  - Nutmeg
  - Vertiver
  - Patchouli
  - Candlenut
  - Agarwood



- ### SERVICE SELECTION MATRIX
- The selection matrix of tourism can be divided by 5 criteria:
- Ecological aspect
  - Cultural aspect
  - Location aspect
  - Market demand aspect
  - Sustainability aspect
- Note:
- Potential location also based on the uniqueness of culture, flora, fauna and nature
  - First choices are in the Indonesia National Parks and Indonesian Wild Life Reservations.

### RESULT OF SERVICES SELECTION

NO	CRITERIA	Jambi	South Sulawesi	North Sulawesi	West Papua	Papua
1	<b>Ecological Aspect</b>					
a	Plantains	3	2	2	3	3
b	Flora diversity	3	1	1	3	3
c	Fauna diversity	3	3	3	3	3
d	REDD scheme potential	3	2	2	3	3
2	<b>Cultural Aspect</b>					
a	Ethnic ceremony	3	3	2	3	3
b	Culinary	3	3	3	2	2
c	Traditional clothing and craft	3	2	2	2	1
3	<b>Location Aspect</b>					
a	Geographical accessibility	2	3	3	1	1
b	Infrastructure	2	2	2	1	1
4	<b>Market Aspect</b>					
a	Market demand	3	3	3	3	3
b	Evaluation of financial feasibility	3	3	3	3	3
c	Quality and quantity of information	3	3	3	3	3
d	Tourist experience	2	2	2	2	2
5	<b>Sustainability Aspect</b>					
a	Potential to restore the ecological and cultural balance of host communities	1	1	1	1	1
b	Harmony between visitors, place and communities	2	2	2	2	2
c	Stakeholders participation	2	2	2	1	1
	<b>TOTAL SCORES</b>	<b>36</b>	<b>32</b>	<b>31</b>	<b>32</b>	<b>31</b>



Thank you very much

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