Fifth BioTrade Congress: Linking trade and biodiversity

12-13 September 2019
Palais des Nations, Geneva
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Session 5: Post-2020 GBF - Driving transformation towards biodiversity-friendly societies and businesses
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Chair: Ms. Ana Maria Hernández, Chair, IPBES

Opening Video: Dr. Cristiana Pașca-Palmer, Executive Secretary, CBD

Speakers:
- Ms. Akanksha Khatri, Head, Nature and Biodiversity Initiative, World Economic Forum (WEF)
- Ms. Diane Holdorf, Managing Director, Food and Nature, World Business Council for Sustainable Development (WBCSD)
- Mr. Andrew Kingman, Managing Director, Eco-MICAIA Ltd, Mozambique
- Mr. João Teixeira, Senior Sustainability Coordinator, Natura Cosmetics, Brazil
- Ms. Maria del Pilar Alarcón, Coordinator, Sustainable Trade Department, PromPerú
- Mr. Frederic Perron-Welch, Consultant, UNCTAD

Video: Mr. Basile van Havre, Canada; Co-Chair, Open Ended Working Group on the Post-2020 Global Biodiversity Framework
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BioTrade’s Contribution to the Post-2020 Global Biodiversity Framework

Frederic Perron-Welch, UNCTAD
Trade and Biodiversity

BioTrade Initiative launched in 1996 to promote trade and investment in biodiversity derived products and services to further sustainable development and poverty alleviation in line with CBD objectives.


UNCTAD BioTrade Initiative steers, collaborates and works with partners and other organizations to advance BioTrade, P&C implementation, and support mainstreaming into development and biodiversity processes.

The Accra Accord (2008) and Nairobi Maafikiano (2016), mandate UNCTAD to promote sustainable trade in biodiversity products and services to strengthen the sustainability of biodiversity and foster sustainable growth.

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Translating Decisions to Action

UNCTAD’s BioTrade Strategy is to steer, coordinate and facilitate actions of key stakeholders at the national, regional and international levels, in addressing key policy and market concerns limiting the trade flows of biodiversity-based products and services.

Our objective is to help link biodiversity & sustainable development, to advance the implementation of SDGs, Aichi Targets and any future post-2020 global biodiversity framework.

Consistent engagement in the process will be critical to incorporating the role of sustainable trade in biodiversity-based goods and services in achieving the objectives of the CBD and post-2020 framework.
Coordination and Engaging with BioTrade Partners to Contribute to the Post-2020 GBF

Coordinated action to provide substantive inputs in relation to lessons learned, experiences and information related to: 1) BioTrade/sustainable trade; 2) private sector engagement; 3) sustainable use; and 4) incentive measures

Activities planned to October 2020

- Consultations with partners and other organizations/stakeholders (online discussions, webinars, briefs at key events of MEAs and GBF) and outreach
- Informal briefs and exchanges with UNCTAD Member States (Geneva or capital-based), dissemination and outreach
- Develop technical/policy notes, compilation studies, and joint submissions

2019
- OEWG 1 Information Note & Inputs (August 30)
- V BT Congress (12-13 Sept under UN Trade Forum)
- SBSTTA 23 inputs

2020
- OEWG 2 inputs
- Spring 3 SSC mtg
- UEBT annual conf
- SBSTTA 24/ SBI 3 inputs
- OEWG 3 inputs
- CBD COP 15
- VI BT Congress (UNCTAD XV)

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Different opportunities for incorporating sustainable trade/BioTrade in post-2020 GBF

• Sustainable use of biodiversity (basis for sustainable trade)
• Private sector engagement (actors engaged in sustainable use and trade)
• Mainstreaming into sectors (mainstreaming BD in trade sector)
• Resource mobilization (trade as mobilizer of financial resources)
• Incentive measure (market creation)
• Partnerships for implementation (e.g. BioTrade Initiative)

New target or sub-target on sustainable trade?
Proposals from other consultations

- X% of trade in biological resources is based on sustainable use
- All direct exploitation of wild species is at sustainable levels and without impacts on non-target species
- By 2030 all wild harvested species are managed and harvested sustainably, legally and applying ecosystem-based approaches, so that overexploitation is avoided, and the impacts of harvesting is within safe ecological limits
- By 2030, the components of biological diversity are used in a way and at a rate that does not lead to the long-term decline of biological diversity
Thank you

frederic.perron-welch@unctad.org

www.biotrade.org • biotrade@un.org
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Session 6: From storytelling to story proving: BioTrade in Lao PDR and Viet Nam
12-13 September 2019
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Session 6: From storytelling to story proving: BioTrade in Lao PDR and Viet Nam

Chair:
• Mr. Rudolf Lüthi, Head of Sustainable and Inclusive Economies, Helvetas Swiss Intercooperation

Speakers:
• Ms. Giap Thi Hoai Thanh, Sales Manager, Duc Phu Agriculture Forestry Joint Stock Company, Viet Nam
• Mr. Luc Carrière, Head, Environment and CSR program, MANE, France
• Ms. Anousone Phimmachanh, Co-founder, Dakdae Social enterprise, Lao People’s Democratic Republic
• Mr. ThAVISITH BOUNYASOUK, Deputy, Standard Division, Ministry of Agriculture and Forestry, Lao PDR
Real case on BioTrade development in the Mekong Region:

How SMEs from Lao PDR and Viet Nam source BioTrade products and connect to regional and global value chains
The wider context

Natural Ingredients as a Resource for the region

South-East Asia: one of the Biological Hotspots of the world

• SECO decided to launch BioTrade I VN 2012-15 followed by
• Regional Scale up: 2016 – 2020
• As a contribution to UNCTAD BioTrade Initiative
• Helvetas selected as project implementer

Vietnam, Lao PDR, Myanmar amongst the most biologically diverse countries in the world

Many plants can be used for commercial purposes as natural ingredients and have considerable market value.
Who we are and what we do at HELVETAS

- Founded in 1955 as first private Swiss development organization – 2011 merger with Intercooperation
- Politically and denominationally neutral association supported by 100,000 members and private donors in Switzerland
- Projects and advisory services in about 30 partner countries in Africa, Asia, Latin America and Eastern Europe
- 1’151 staff members worldwide, of whom 969 are national staff

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The Regional BioTrade Project – Objectives

**OVERALL OBJECTIVE**

Conservation of biodiversity through sustainable trade of natural ingredients

...in a manner that increases the competitiveness of local exporters/producers and

...the livelihood benefits (income and jobs) of rural population

...while taking into account all relevant ethical BioTrade principles and criteria.

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**OUTCOME 1:**

Competitive BioTrade companies on regional and international markets

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**OUTCOME 2:**

Value Chains operating along ethical BioTrade principles are developed

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**OUTCOME 3:**

Creation of a BioTrade-friendly policy and supportive environment

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**OUTCOME 4:**

Effective & efficient knowledge management, communication, and sharing of expertise
The Regional BioTrade Project – Key Targets

**20 companies** will be exporting BioTrade products according to BioTrade principles by 2020, including:
- 10-12 companies from Vietnam
- 4-6 companies from Lao PDR and Myanmar

**16 products** sourced from native species will start being exported as BioTrade products, including:
- 10 products from Vietnam
- 6 products from Lao PDR and Myanmar
- At least 1 product that is sourced regionally

**At least 9** service providers from the public sector, private sector or sector associations, including:
- 2 public or private service providers and 1 sector association in Lao PDR
- Specifically target export promotion, but also expected for standards and certification
Case Study I – Benzoin – Vietnam – Duc Phu
Case Study II – Indian Prickly Ash (*Zanthoxylum rhetsa*) – Lao PDR
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Business goes hand in hand with Biodiversity

NOT AN EASY TASK
DUC PHU AGRICULTURE FORESTRY., JSC

• **Establishment:** 2015

• **Vision:** We aim to become an ethical and responsible natural ingredient production and exporting company in Vietnam

• **Mission:** Leading in implementation of innovative ideas to foster sustainable use of natural ingredients for biodiversity conservation and wellness of local communities.

• **Business principles:** Ethical – Fair – Biodiversity

• **Products:** Siam Benzoin Gum, Shellac, Essential Oils
DUC PHU AGRICULTURE FORESTRY., JSC

DUC PHU’S SIAM BENZOIN BUSINESS:

• Siam benzoin gum is a resin that is extracted from *Styrax tonkinensis* trees usually a few months after farmers pierce in matchbox shape onto the bark of the trees. This gum is commonly used in aromatherapy and cosmetics industries.

• Since 2017, DUC PHU AAF., JSC has been cooperating with households to extract and collect benzoin gum following the BioTrade principles:
  
  ➢ Number of households: 1,120 households in 6 Northern provinces of Vietnam
  
  ➢ Income per household: 250-400 EUR
<table>
<thead>
<tr>
<th>Challenges</th>
<th>Advantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. A large number of farmers have been accustomed to clearing forests for cultivation, seriously harming biodiversity.</td>
<td>1. DUC PHU AAF., JSC is highly aware of how the biodiversity conservation mission is closely intertwined with our business. We have constantly researched sustainable production of benzoin and promoted communication to households.</td>
</tr>
<tr>
<td>2. Weak linkages between households and companies create difficulties in production activities that comply with BioTrade standards and in management of raw material areas.</td>
<td>2. DUC PHU AAF., JSC has received support from Helvetas Vietnam in the process of understanding, building production chains and linkages with households and local authorities.</td>
</tr>
<tr>
<td>3. The local governments used to not be active in making biodiversity conservation an indispensable requirement in forest plantation and protection.</td>
<td>3. Local governments are willing to support the company and advocated communication to households about biodiversity conservation, not only in the production area but also around the areas where they live.</td>
</tr>
<tr>
<td>4. Companies are not yet competitive in international markets.</td>
<td>4. The Vietnam National Strategy on Biodiversity until 2020 with a vision to 2030, which includes biodiversity conservation in national, sectoral and local policies, strategies, planning and development plans, has been approved.</td>
</tr>
</tbody>
</table>
Sustainable production based on biodiversity is a way for DUC PHU AAF., JSC to contribute to the global efforts of biodiversity conservation, while at the same time bringing about benefits and value to the community.

BioTrade is in line with the development trend in international markets. Production and trading based on biodiversity conservation improves the trust of customers and their willingness to share and support DUC PHU in production, generating economic value for the company.

A successful BioTrade production chain model will motivate local governments to recognize the model and replicate it to other areas.
LESSONS LEARNED

- Biodiversity conservation requires the contribution and participation of many stakeholders in all nations.
- Building a benzoin production chain based on the BioTrade principles must be linked to increasing household income in order to reduce the economic pressure on forests.
- We must rely on the awareness of actors in the value chain to promote sustainable development. Households need to be better aware of biodiversity conservation, and businesses need to be better aware of sustainable production and trade.
- The more natural ingredient producers participating in BioTrade, the greater the magnitude of biodiversity conservation.
- Collaboration between businesses, households, local governments, NGOs in building natural ingredient chains is important.
- Expected outcomes: Improving household incomes; Promoting business and market expansion; Biodiversity conservation.
THANK YOU!

DUC PHU AGRICULTURE FORESTRY „JSC
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Hotline: (+84) 987638880
Email: hoadthanh@benzoivietnam.com
Website: www.benzoivietnam.com
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Sourcing benzoin from Duc Phu Company in Vietnam

Luc CARRIERE
NTFPs VALUE CHAIN
SEEN FROM THE FLAVOR AND FRAGRANCE INDUSTRY

1st transformation
Collectors & Exporters
Importers & Traders
Ingredient Manufacturer
F & F Industry
Marketer & Distributor

1. Wild Harvested
   - Palo Santo
   - Eucalyptus
   - Clove

2. Harvesting seeds, fruits, flowers, weeds, buds, bark, roots, wood + Distillation
   - 450 distillers
     - In Anjouan
     - Thousands of Small Farmers in Paraguay

3. Collection of EO, Assembling Filtration, QC Bulking
   - AGK (Comores)
   - Alpacasa (Paraguay)
   - Beten (Ukraine)

4. Importation + Storage Conditioning + Distribution
   - Berjé (USA)
   - Bernardi (FRA)
   - Kaders (GER)
   - Lluch (ESP)
   - Quimdis (FRA)
   - Treatt (GB)
   - Ventos (ESP)

5. Vacuum distillation + Chemical Reactions (Hemisynthesis)
   - IFF
   - Biolandes
   - Charabot
   - SGP
   - Mane

6. F&M Design and Manufacturing for the Food and Cosmetic Industries
   - Givaudan
   - Firmenich
   - IFF
   - Symrise
   - Takasago
   - Mane

Collectors & Exporters
- AGK (Comores)
- Alpacasa (Paraguay)
- Beten (Ukraine)

Importer & Traders
- Berjé (USA)
- Bernardi (FRA)
- Kaders (GER)
- Lluch (ESP)
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Ingredient Manufacturer
- IFF
- Biolandes
- Charabot
- SGP
- Mane

F & F Industry
- Givaudan
- Firmenich
- IFF
- Symrise
- Takasago
- Mane

Marketer & Distributor
- Chanel
- Coca-Cola
- Estée Lauder
- Henkel
- LVMH
- L’Oréal

Wild Harvested
- Palo Santo
- Eucalyptus
- Clove

Cultivated
- Ylang Ylang
- Petitgrain
- Lavender
- Patchouli
- Vetiver
- Vanilla

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BENEFIT SHARING IN THE BIOTRADE WORLD

PROVIDER COUNTRY

USER COUNTRY

Added Value

Benefits

IPLCs Intermediates Exporters

Importers End Users Marketers

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BioTrade sourcing for MANE

- MANE & UNCTAD have **aligned principles**
- MANE has a **responsible sourcing approach**

**Tab. 3: Assignment of BioTrade principles in specific principles for Siam Benzoin Gum in Vietnam.**

<table>
<thead>
<tr>
<th>MANE Principles for Siam Benzoin</th>
</tr>
</thead>
<tbody>
<tr>
<td>P 1: Fair payment and prices (P 3, 4)</td>
</tr>
<tr>
<td>P 2: Legal access and clear forest use rights (P 5, 7)</td>
</tr>
<tr>
<td>P 3: Labor security (P 5, 6)</td>
</tr>
<tr>
<td>P 4: Sustainable use of <em>styrax tonkinensis</em> trees and forests (P 1, 2)</td>
</tr>
<tr>
<td>P 5: Improved quality and productivity (P 3)</td>
</tr>
<tr>
<td>P 6: Full traceability of product (P 2, 6)</td>
</tr>
</tbody>
</table>

- P 1: Conservation of biodiversity
- P 2: Sustainable use of biodiversity
- P 3: Fair and equitable sharing of benefits derived from the use of biodiversity
- P 4: Socio-economic sustainability (productive, financial and market management)
- P 5: Compliance with national and international regulations
- P 6: Respect for the rights of actors involved in BioTrade activities
- P 7: Clarity about land tenure, use and access to natural resources and knowledge
Sourcing Benzoin from Duc Phu Company in Vietnam

- Benzoin extracts are strategic **fragrance ingredients** for Mane

- Vietnam: renewing with the past (Siam region is a **historical provider** of benzoin tears)

- Customers request more **traceability** (who benefits and where)

- Customers expect us to generate **net positive impact** to support their CSR agenda throughout the value chain

**Key benefits**

- **Secure** the quality and quantity of our sourcing
- Partnership (SDG 17): creation and fair distribution of value

**Lessons learned**

- **Gaps & uncertainties** in existing supply chain
- **Importance** of local partnership, commitment and expertise
Scaling potential in the region for natural ingredients

1 potential through local resources and biodiversity

Accelerate process through:

• Capacity building
• Value chain
• Good practices
• Business ethics
• Working conditions
• Health and safety at work
• Compliance with regulations
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Southeast Asia (Viet Nam, Lao PDR, Myanmar)
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