MAINSTREAMING BIODIVERSITY CONSERVATION INTO TRADE IN ASEAN – HOW TO TURN THE TIDE?

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Case study on the countries of Indonesia, the Philippines, and Viet Nam
Objective of the study

- What is the role of biodiversity-based products for the national economies in the ASEAN?
- How do public policies support biodiversity conservation within trade?
- What are the impacts of voluntary sustainability standards (VSS) for biodiversity conservation in trade?
- What are the opportunities and challenges to mainstream biodiversity conservation in trade in the ASEAN region?
Methodology

• Case study of Indonesia, the Philippines, and Viet Nam
• Desktop study
• Literature review: UNCTAD Trabio database, national reports on NBSAP, VSS standards, webpages from certification organizations, scientific papers
• Interviews and written consultations of key stakeholders: ACB, ASEAN (ASEC Environmental division), Naturland, UEBT, UNCTAD, Helvetas, GIZ
Relevance of biodiversity in the ASEAN

AMS are of high relevance for global biodiversity conservation:

• 3% of the earth’s surface, but > 20% of all plant and animal species and a high rate of endemism
• home to wild relatives of the world’s most important crops

• overlap with 4 biodiversity hotspots: Indo-Burma, Sundaland, Philippines and Wallacea

Endemism rates in the four biodiversity hotspots of the ASEAN. Source: Sodi et al. 2004.
Trade of agriculture and forest products
Risk of deforestation: main driver in AMS is agriculture, shifting cultivation
Deforestation is decreasing, but still a challenge:

From 2001 – 2020, 7 of 10 AMS were part of the top 30 of 212 countries worldwide in tree cover loss (source: Global Forest Watch)

Trade of aquatic resources
Risk of overfishing:

All AMS with fisheries, with exception of Viet Nam, were ranked among the 50 out of 152 countries with the worst illegal, unreported and unregulated (IUU) fishing record (Macfadyen & Hosch, 2021)
Value of agriculture exports from ASEAN to EU-market in million EUR

2021, imported agriculture products from the ASEAN to the EU achieved 12.425 million EUR.

Export market is dominated by oils, fatty acids and waxes. Source: EU statistical factsheets, 2021.
Policies & incentives for biodiversity conservation in trade
Indonesia: Sustainability standards, traceability, landscape approach

**Policies**

Global no. 1 producer in palm oil: Very advanced in sustainability standards and certification schemes:

- **Public mandatory**: Indonesian Sustainable Palm Oil Certification System (ISPO)
- **voluntary market-based**: e.g., Roundtable on Sustainable Palm Oil (RSPO)
- **jurisdictional approach** for deforestation-free production piloted by ISPO and RSPO, based on the concept of High Conservation Value (HCV).

1st country worldwide issuing FLEG-Timber licenses for the EU-market

**Sustainable fisheries management** is mandatory, Efforts to eradicate IUU fishing

Support of organic agriculture and for increasing per unit productivity

**Incentives**

Study on identification of harmful taxes in fisheries

Payments for Ecosystem Services (PES) with a focus on watershed and marine areas including the tourism sector

Ecological fiscal transfers (EFT) to redistribute tax revenues to protected natural areas
National policies & incentives for biodiversity conservation

Viet Nam: ascribing a value to the natural resources

<table>
<thead>
<tr>
<th>Policies</th>
<th>Incentives</th>
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<tbody>
<tr>
<td>Partner of the SECO supported projects <strong>UNCTAD BioTrade Initiative</strong> since 2003 and REDD+ pioneer country as well as country of the <strong>Regional BioTrade project</strong></td>
<td>Several fees for the use of natural resources</td>
</tr>
<tr>
<td>Progressive policy and legal framework for biodiversity conservation and for ascribing a value to the natural resources</td>
<td>Environmental protection tax for products with negative impacts, incentives for environmental –friendly products.</td>
</tr>
<tr>
<td>Piloting <strong>Green GDP</strong></td>
<td>Part of the funds: <strong>EFT for BC</strong></td>
</tr>
<tr>
<td>Most advanced AMS in <strong>Access to Benefits Sharing (ABS)</strong></td>
<td><strong>National labelling programs</strong> for environment-friendly products and support in certification</td>
</tr>
<tr>
<td>Part of <strong>global top 10</strong> countries in reforestation (forest quality and biodiversity remain challenge)</td>
<td><strong>Reduced income tax and land rent for certified entities</strong></td>
</tr>
<tr>
<td>National action plan on IUU fishing. <strong>Aquaculture</strong> for reducing pressure of natural fishing.</td>
<td><strong>PES schemes</strong> schemes for BC, forest and water supply.</td>
</tr>
<tr>
<td>Promotion of <strong>modern, sustainable, and organic agriculture</strong> in compliance with safety standards</td>
<td></td>
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</table>
Policies & incentives for biodiversity conservation

The Philippines: Green jobs act, ecotourism, marine resources

**Policies**

Strong efforts on marine biodiversity conservation: National action plan **against IUU fishing**.

Master Plan for climate-resilient Forestry: rehabilitation of **mangrove forests and watersheds**.

**Philippine Green Jobs Act** for employment that contributes to conserve nature

Part of the global initiative on the **Conservation of Globally Important Agricultural Heritage** (*traditional agriculture, food security, local livelihoods and agrobiodiversity*).

**Organic agriculture** and biodiversity-friendly agricultural are promoted for voluntary adoption.

**Incentives**

Establishment of **ecosystem areas for community development and natural conservation**, including ecotourism at key natural heritage sites

Public database of > 320 people’s organizations with **biodiversity-friendly enterprises** across the country, but public support is limited

**PES** are implemented in different forms
Voluntary sustainability standards (VSS) and biodiversity conservation
## Assessed certification schemes

<table>
<thead>
<tr>
<th></th>
<th>Organic</th>
<th>fair trade</th>
<th>Corporate Social Responsibility &amp; solid partnerships</th>
<th>Management of wild harvested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ecocert / European organic standard (EOS)</td>
<td>x</td>
<td></td>
<td></td>
<td>(x)</td>
</tr>
<tr>
<td>Naturland production</td>
<td>x</td>
<td></td>
<td></td>
<td>(x)</td>
</tr>
<tr>
<td>Fair for Life</td>
<td></td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Naturland fair</td>
<td></td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>For Life</td>
<td></td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>For Wild</td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>FSC/NTFP</td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>UEBT/Rainforest Alliance</td>
<td></td>
<td></td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>
Share of issued certificates in Indonesia, Viet Nam and the Philippines for the assessed VSS

- Indonesia: 30 certificates, 5 VSS
- The Philippines: 38 certificates, 4 VSS
- Viet Nam: 22 certificates, 6 VSS

Around 75% of issued certificates for biodiversity-based products are for organic production!

Most VSS are for organic certification of annual crops, coconut and further cultivated trees or shrubs.
*certified under standards of Ecocert, Naturland, Fair for Life, UEBT and NTFP-FSC in Indonesia, the Philippines and Viet Nam (09/2022).
### Criteria of VSS for biodiversity conservation

In the most frequent VSS of the 3 AMS the criteria for biodiversity conservation are rather limited.

Source: Own research based on the standards of the assessed VSS.

<table>
<thead>
<tr>
<th>Key criteria for biodiversity</th>
<th>EOS Ecocert</th>
<th>Naturland production</th>
<th>Fair for Life</th>
<th>FairWild</th>
<th>FSC/NTFP</th>
<th>UEBT/RA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Prohibition of high toxic agrochemicals</td>
<td>yes, plus further agrochemicals</td>
<td>yes, plus further agrochemicals</td>
<td>yes</td>
<td>recommended</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>2. Safeguard for deforestation free production</td>
<td>--</td>
<td>--</td>
<td>yes</td>
<td>--</td>
<td>--</td>
<td>yes</td>
</tr>
<tr>
<td>3. Identification of HCV areas</td>
<td>--</td>
<td>under discussion</td>
<td>diagnostic of valuable species &amp; habitats, no HCV</td>
<td>--</td>
<td>Yes. FSC has developed the HCV concept</td>
<td>yes</td>
</tr>
<tr>
<td>4. Biodiversity action plan (BAP)</td>
<td>-</td>
<td>under discussion</td>
<td>measures for BC are foreseen but no BAP</td>
<td>-</td>
<td>measures for BC foreseen as part of the forest management</td>
<td>yes</td>
</tr>
<tr>
<td>5. Management of the used species (wild harvest)</td>
<td>--</td>
<td>--</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>yes, part of the BAP</td>
</tr>
</tbody>
</table>
Actions to turn the tide
7 actions to turn the tide

1. Systematization of best practices and LL and dissemination across ASEAN

✓ Make use of the richness of experiences among the AMS in policies and incentives for BC in trade. Info is still "hidden" in individual reports and statistical dashboards;
✓ Review the use of the terms “biotrade”, “BioTrade” and biodiversity-based products to consolidate the nomenclature along the AMS and presentation of statistical data

2. Fostering the economic valorization of biodiversity

• Lessons learned from Viet Nam’s efforts to introduce a green GDP;
• System of Environmental-Economic Accounting (SEEA EA) by the UN Statistical Commission to express the contributions of ecosystems to society in monetary terms;
• various experiences with PES among the AMS and its impacts for biodiversity on the ground, biodiversity paybacks and ecological fiscal transfers;
• Check: development of the global market for biodiversity credits (WRI, 2020).
3. Adaptation and monitoring of taxes (target of GBF!)

- **Country studies for detecting harmful taxes and subsidies** for biodiversity conservation – e.g. Indonesia for the fishery sector;
- Identifying of **options for the use of taxes** (reduction) as incentives, e.g. Viet Nam´s incentive system and tax reductions for certification holders;
- Define indicators and **monitor the impact** of taxes for biodiversity and on social dimensions.

4. Biodiversity-inclusive environmental impact assessments (EIA)

Target of CBD since COP 8 (2002) to avoid negative impacts from the very beginning

- **Review of applied concepts** in AMS and criteria for biodiversity conservation
- Check options to **include biodiversity conservation safeguard**, considering concept of **High conservation value areas** (see experiences from Indonesia)
- Check **procedures** in order to promote **cross-sectorial cooperation** in conducting the assessments for a better use of resources and knowledge management.
5. Sharpening ASEAN ESG frameworks

- The ASEAN Taxonomy for Sustainable Finance (2021, base for ASEAN ESG) focuses on the conservation of natural resources, carbon sinks, but criteria for biodiversity conservation in trade are missing.
- Shape the do’s and don’ts for BC of economic activities and investment.

6. VSS with biodiversity minimum criteria and meaningful actions supported by national policy frameworks

- Momentum to adapt VSS to new GBF. Promote the inclusion of these concepts as minimum criteria for all environmental VSS: deforestation-free, HCV, biodiversity action plans, prohibition of highly toxic pesticides, and management for wild harvest species.
- Improving the enabling conditions for meeting VSS: awareness raising activities, guidelines, capacity-building, trade promotion for certified products, financial incentive (see Viet Nam) and financing for certified units,
- Knowledge exchange for best management practices of lesser-known species with smaller trading volumes (niche products).
7. Increasing consumer awareness and visibility of biodiversity in trade with consumers (countries)

- **Coordination at the international level** with actions in the consumption countries
- Establish national or **ASEAN-wide platforms to promote lesser-known biodiversity-based products**: challenges & their positive impacts on livelihoods, nature and to the consumers´ health/wellbeing.
- Encourage national companies to align with BioTrade, check the “**BioTrade self assessment tool**” developed by UNCTAD and the International Trade Center (ITC)
- Support to national companies to participate in **platforms for “ethical shopping guide”** and for “business to business (B2B)” of green business
- Celebration of **biodiversity action days or initiatives** (e.g. World Wildlife Day, Biodiversity Day, or UN Decade on Ecosystem Restoration).
Thank You!

...there are so many opportunities - so let’s get going!