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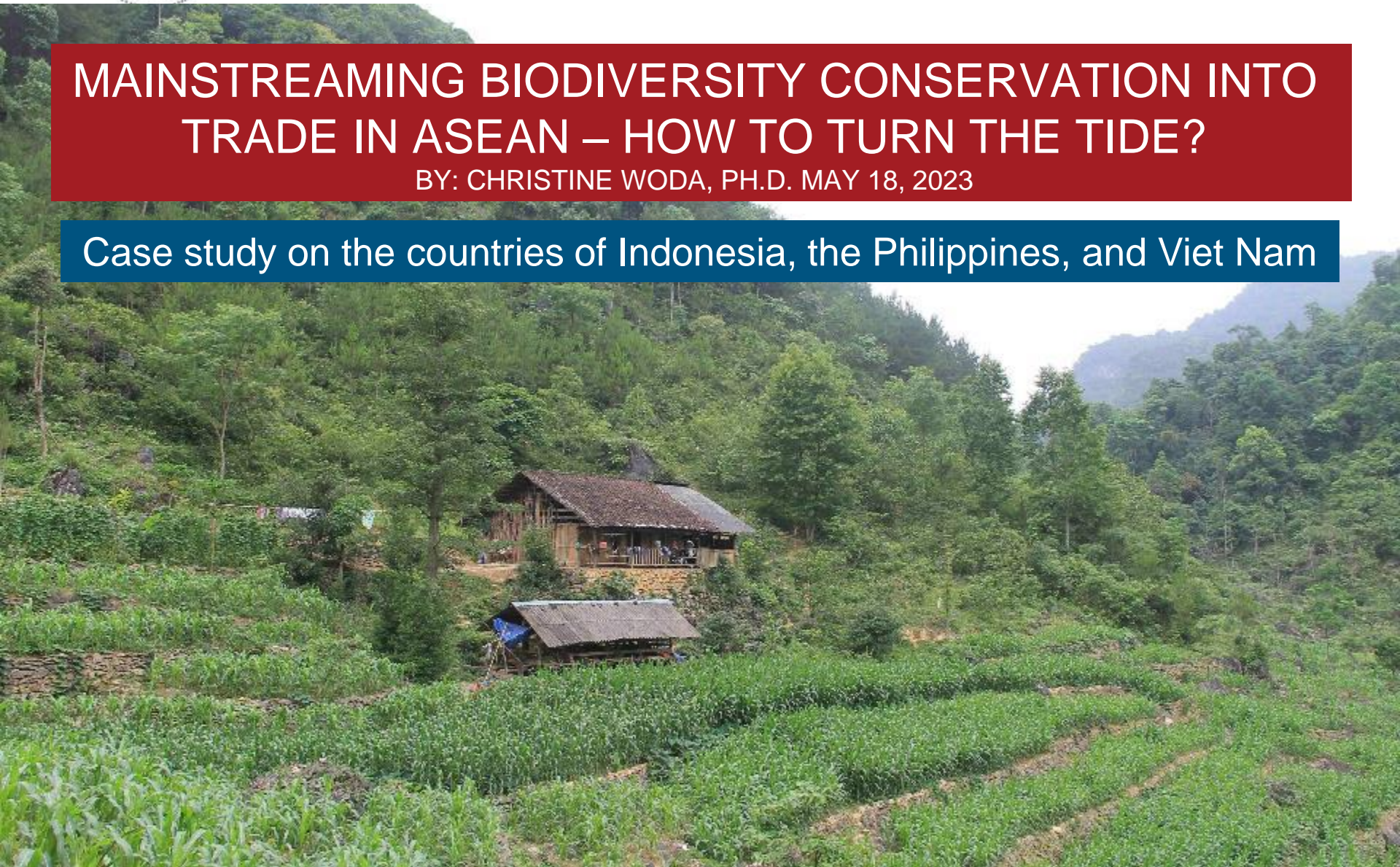
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# MAINSTREAMING BIODIVERSITY CONSERVATION INTO TRADE IN ASEAN – HOW TO TURN THE TIDE?

BY: CHRISTINE WODA, PH.D. MAY 18, 2023

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





- 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?

- 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

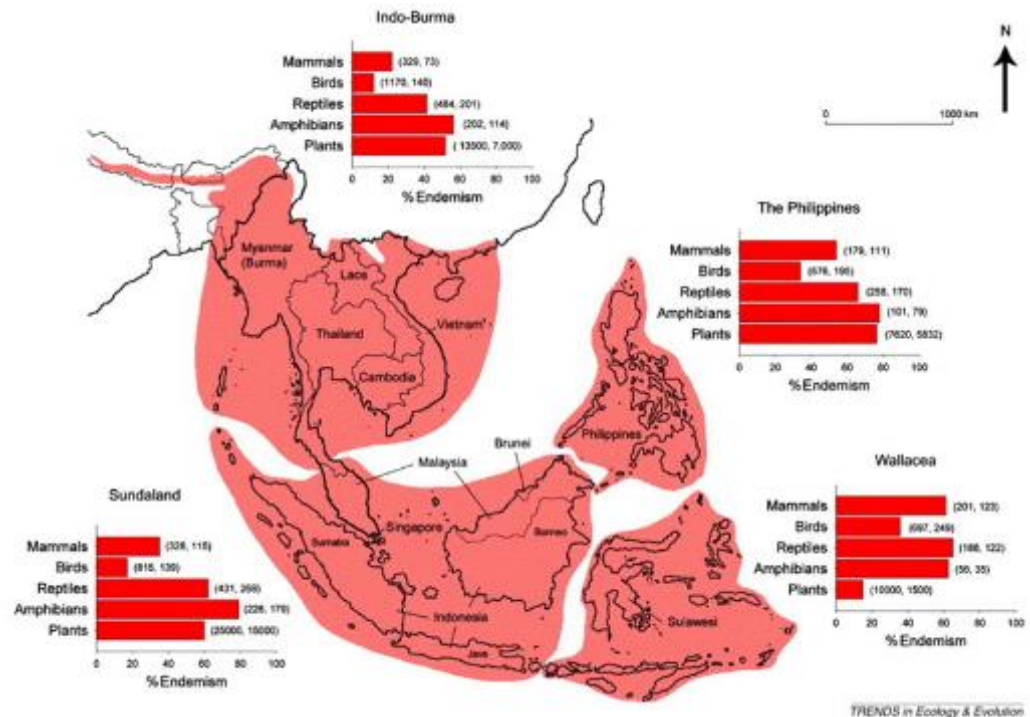


AMS are of high relevance for global biodiversity conservation:

- 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:

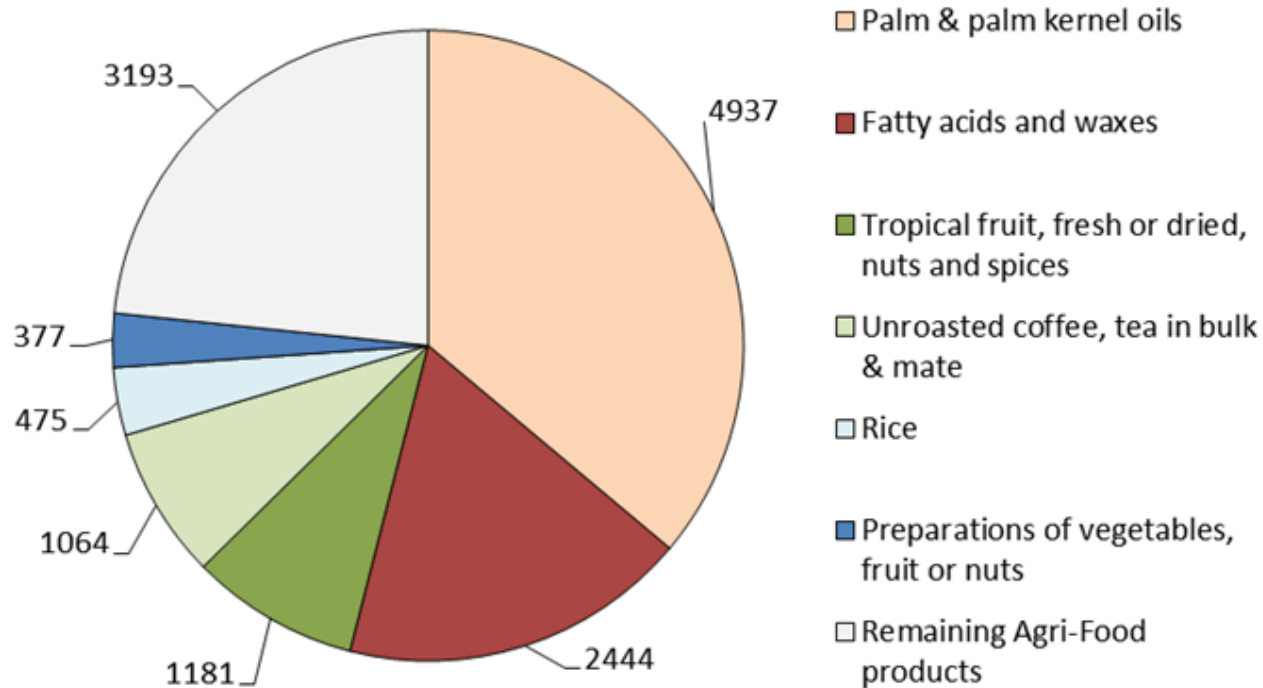
*All AMS with fisheries, with exception of Viet Nam, were ranked among the 50 out of 152 countries with the worst illegal, unreported and unregulated (IUU) fishing record (Macfadyen & Hosch, 2021)*

# Value of agriculture exports from ASEAN to EU-market in million EUR



**HELVETAS**

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)**.

1<sup>st</sup> country worldwide issuing **FLEGT-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



## Viet Nam: ascribing a value to the natural resources

### *Policies*

Partner of the **SECO supported projects** UNCTAD *BioTrade Initiative* since 2003 and **REDD+ pioneer** country as well as country of the ***Regional BioTrade project***

**Progressive policy and legal framework** for biodiversity conservation and for **ascribing a value to the natural resources**

Piloting **Green GDP**

Most advanced AMS in **Access to Benefits Sharing (ABS)**

Part of **global top 10** countries in **reforestation** (forest quality and biodiversity remain challenge)

National action plan on IUU fishing. **Aquaculture** for reducing pressure of natural fishing.

Promotion of **modern, sustainable, and organic agriculture** in compliance with safety standards

### *Incentives*

Several **fees for the use of natural resources**

**Environmental protection tax** for products with negative impacts, **incentives for environmental –friendly products.**

Part of the funds: **EFT for BC**

**National labelling programs** for environment-friendly products and **support in certification**

**Reduced income tax and land rent for certified entities**

**PES** schemes for BC, forest and water supply.

## 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



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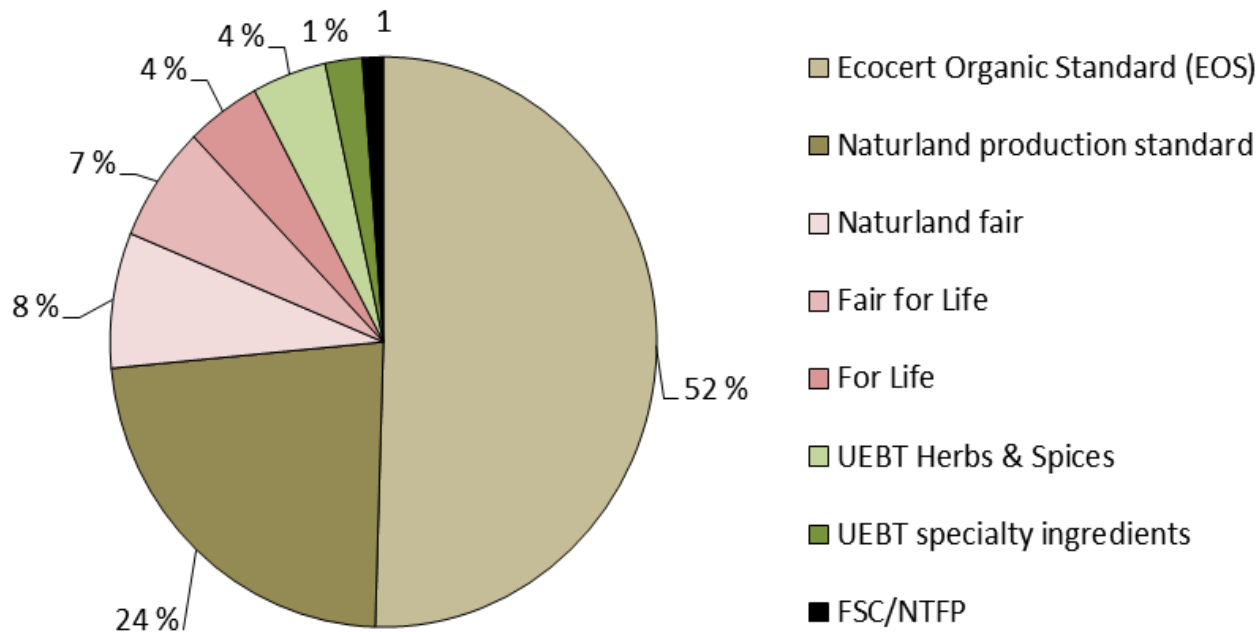
# Assessed certification schemes



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	Organic	fair trade	Corporate Social Responsibility & solid partnerships	Management of wild harvested
<b>Ecocert / European organic standard (EOS)</b>	x			(x)
<b>Naturland production</b>	x			(x)
<b>Fair for Life</b>		x		
<b>Naturland fair</b>		x		
<b>For Life</b>			x	
<b>For Wild</b>				x
<b>FSC/NTFP</b>				x
<b>UEBT/Rainforest Alliance</b>			x	x

# 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

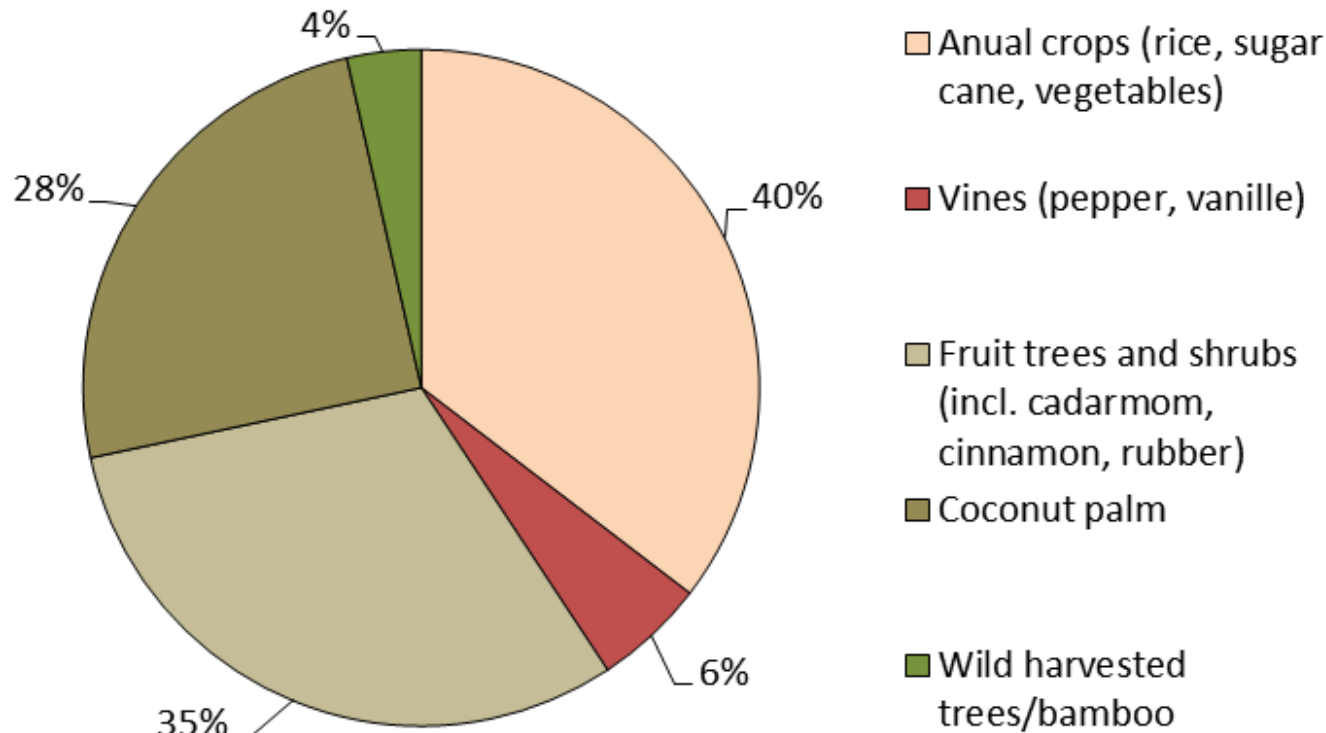
Viet Nam: 22 certificates, 6 VSS

Around 75% of issued certificates for biodiversity-based products are for organic production!  
Source: Websites of Ecocert, Fair for Life, FSC, Naturland and UEBT, 09/2022.

# Plant groups and species certified according to VSS\* in the 3 AMS



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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, UEFT and NTFP-FSC in Indonesia, the Philippines and Viet Nam (09/2022).

# Criteria of VSS for biodiversity conservation



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

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.

# 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).

# 7 actions to turn the tide



## 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.

# 7 actions to turn the tide



## 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 actions to turn the tide



## 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!

