



Mr. Dinh Van Trang's family is growing cinnamon in Yen Bai Province, Viet Nam for generations. He planted this mother tree that is kept to produce seeds when he was 15 years old. Today, his cinnamon production is holding a certificate of the Union for Ethical Biotrade.

## CULTIVATING A GREENER FUTURE: THE MEKONG BIOTRADE STORY

### Eight years Swiss support to Biotrade

Over eight years, the Swiss State Secretariat for Economic Affairs supported Biotrade initiatives in Vietnam, Myanmar, Laos, and Cambodia to conserve biodiversity through sustainable trade in biodiversity-based products. This effort benefited over fifty thousand people, predominantly women from ethnic groups in remote rural areas, by improving incomes, creating new jobs, and enhancing working conditions. Case studies demonstrate significant biodiversity protection and restoration. Capitalizing these experiences provides valuable insights into the success factors of this pioneering development project.

## REGIONAL BIOTRADE (RBT) PROJECT

**Project title:** Regional Biotrade project in South East Asia (RBT)

**Development Goal:** Conservation of biodiversity through sustainable trade of biodiversity products in a manner that integrates local exporters/producers into global value chains and increases income for the rural population of women and men that depend on biodiversity resources for their livelihoods in the Mekong region.

**Duration:** September 2016 to August 2024 in two, four-years phases

**Countries:** Vietnam, Laos, Myanmar and from Phase II onwards Cambodia

**Finances:** 8.5 Mio CHF

**Donor:** Swiss State Secretariate for Economic Affairs (SECO)

**Implementing Agencies:** Helvetas Swiss Intercooperation and in Vietnam with Center for Rural Economy Development

Biotrade is an economic model leveraging the power of ethical international trade, ethical consumption trends and inclusiveness to encourage equitable economic growth that reduces poverty while valuing and preserving biodiversity. The key approach of the Regional Biotrade project (RBT) was to connect local exporters of biodiversity-based products to global market chains. The choice of these products evolved during the project duration from 2016 to 2024. Initially it comprised plants endemic to the region such as Shan tea, which is plucked from ancient tea trees or Thanaka trees, whose bark is traditionally used in Myanmar culture as an ingredient for cosmetics. Later it was enlarged to other non-timber forest products, spices, and agricultural products that are typical for local agro-ecosystems.

The RBT project applied an inclusive systems approach. This means that the project carefully avoided to become a market actor itself but facilitated interactions between market actors, supported the emergence of business development services in the Biotrade sector and engaged for a favorable policy environment.

Entry points were initially partnerships with local exporting companies. Later the collaboration with Business Support Organizations that in turn collaborated with the exporting companies moved to the center of RBT project's interventions. In view of the participating companies the two single most important interventions were to make them fit to comply with Voluntary Sustainability Standards such as the one of the Union for Ethical Biotrade on ethical sourcing and the facilitation of their participation in international trade fairs.

## MORE THAN 50 EXPORT COMPANIES ENGAGED IN BIOTRADE

With the facilitation of the RBT project the status of Biotrade evolved significantly in the four countries. Overall, the number of ethically sourced value chains reached 32, including tea, cinnamon, cashew, benzoin and other biodiversity-based products. The accumulated trade



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volume reached 161 million USD and the number of involved companies grew to 53. The liveliest status of Biotrade can be found in Vietnam, where also a diverse universe of Business Support Organizations developed. From the export of responsibly sourced Biotrade products benefitted an accumulated number of 46'000 primary stakeholders. 55% of them are women, an estimated 75% belong to ethnic groups, many of them living in remote areas. More than 30'000 people benefitted from new employment opportunities and/or improved work conditions. Ten out of eleven case studies conducted during the RBT project report that the export promotion of Biotrade products had a positive impact on biodiversity. The awareness of the importance to work on biodiversity increased over time. Recently, to address most critical situations the project initiated actions such as analog forestry in tea eco-systems and biodiversity friendly models in cinnamon monocultures. In Yen Bai Province in Vietnam, the center of cinnamon production in the country, provincial authorities introduced a subsidy, namely a direct payment to companies, to push the conversion from conventional to organic cinnamon production. Policy dialogues initiated by the RBT project have been among the stimuli for this subsidy.



## SUSTAINABLE BUSINESS RELATIONSHIPS

There is a high probability that the results of the RBT project are sustainable. The most important sustainability mechanism is the created business relationships. To this end the facilitated participation in trade fairs and the establishment of direct business contacts were most effective. The chosen Market System Development approach helped to build a Biotrade market system including certification, export readiness, e-commerce, branding etc. All stakeholders expect markets (domestic, regional, global) for responsibly sourced products to grow. The intended sustainability mechanism of working through Business Support Organizations (BSO) worked partially only for three main reasons: First, there was an insufficient business-oriented vision and capacity of BSOs in these countries. Second, the market for business services in Laos, Myanmar and Cambodia is still in a nascent stage only and third donor subsidies distort the market for business services.

The donor, the implementing agencies Helvetas and Center for Rural Economy Development in Vietnam, showed high adaptivity to the changing contexts, which included the pandemic COVID 19, the military's power seizure in Myanmar and drastic devaluations of the currencies in Laos and Myanmar. Involved companies report that the chosen Market System Development approach strengthened their resilience to external shocks.



"The taste of Biodiversity" booth prominently presented Biotrade products at the THAIFEX Trade Fair in 2024.

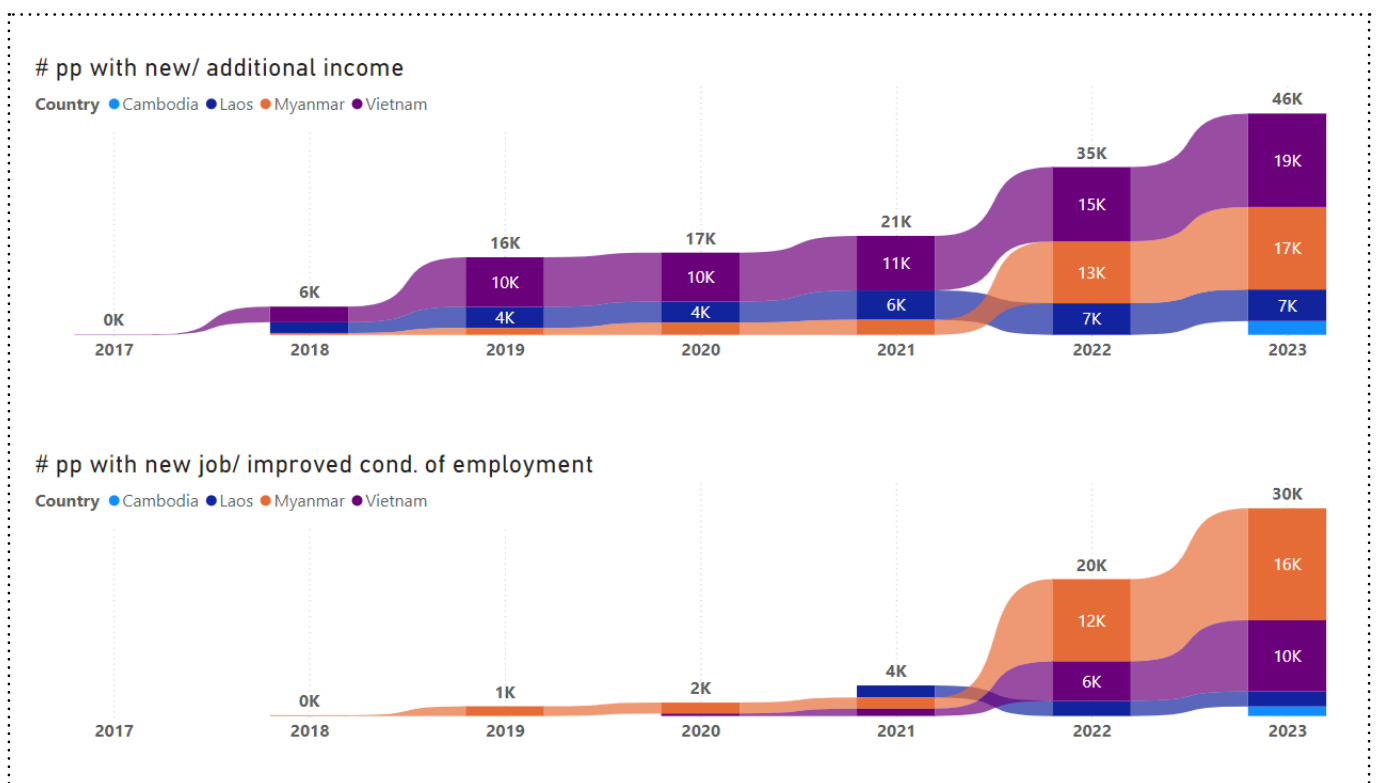


Figure 1: Upper graph – people with additional income; Lower graph – people with new jobs and/or improved employment conditions (double counting possible).

## MOST SIGNIFICANT CHANGES

1. Awareness was created on Biotrade particularly among participating companies
2. Export volumes of Biotrade products increased
3. Investments made by Biotrade companies doubled project investments
4. Willingness to pay for business services by companies increased.

## TOWARDS A GREENER FUTURE

Looking ahead, a couple of gradual shifts may even enlarge the above-described impact: In view of growing local and regional markets for responsibly sourced agricultural and forestry products a primary export orientation to the Western world should be left behind. While the approach to work through Business Support Organizations has a strong rationale for sustainability reasons, experience has shown that working with lead companies and champions with intrinsic motivation is promising, too. Since global warming, caused by climate change, and the loss of biodiversity are two closely interrelated issues, in future it would be wise to consider adaptation to climate change **and** the preservation and restoration of biodiversity simultaneously. Finally, carbon finance and biodiversity credits may offer new funding opportunities.

Considering these gradual shifts, four ideas emerged on how to promote ethical sourcing of biodiversity-based products (and other agricultural products) from the Mekong area and beyond in the future: First, on a global level, a more stringent anchoring of **biodiversity in Voluntary Sustainability Standards** based on concrete examples from the field would provide a boost to the promotion of biodiversity. Second, in view of recent policy commitments towards green growth in Mekong countries, ethical sourcing of high value agricultural prod-



Harvesting Shan tea from ancient trees in Vietnam

ucts from Laos, Myanmar and Cambodia still has a great potential to combine economic, social and ecological goals. Third, initial experiences show that the promotion of analog forestry in tea landscapes in four Mekong countries would enhance the ecological sustainability of the tea gardens. And fourth, the transformation of the current cinnamon monocultures towards a sustainable cinnamon landscape in Yen Bai Province, Vietnam could serve as a showpiece of a landscape approach.

The RBT project has been a pioneer in promoting ethical sourcing from the Mekong area. Overall, it is a remarkable successful example of Swiss development cooperation responding to all dimensions of impact and sustainability.

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