Regional Biotrade Project
South-East Asia (Vietnam, Lao PDR, Myanmar)
# Regional Biotrade Project

<table>
<thead>
<tr>
<th><strong>Funded by:</strong></th>
<th>Swiss State Secretariat for Economic Affairs (SECO)</th>
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<tbody>
<tr>
<td><strong>Project Duration:</strong></td>
<td>2016 – 2020</td>
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<td><strong>Project Budget:</strong></td>
<td>USD 4,951,906</td>
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<td><strong>Project areas:</strong></td>
<td>In the areas that provide input supply for participating companies</td>
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</tbody>
</table>
| **Implementation agencies:** | HELVETAS Vietnam  
HELVETAS Myanmar  
HELVETAS Laos |
What is BioTrade?

Collection, production, transformation, and commercialisation of goods and services derived from native biodiversity under the criteria of environmental, social and economic sustainability.

Initiated by United Nations Conference on Trade and Development (UNCTAD), to support the implementation of the Convention on Biological Diversity.
Biotrade Principles

Conservation

Sustainable Use

Socio-economic sustainability

Compliance with regulations

Sharing of Benefits

Clarity about land tenure, use and access to resources and knowledge

Respect for rights of all actors
Focus of Regional Biotrade Project

• Natural ingredients and products for cosmetics, food, fashion and pharmaceuticals industries

• Flowers and foliage

• Fish products

• Handicrafts

• Sustainable tourism

Source: Biotrade Initiative
Potential of BioTrade in Southeast Asia

Natural Ingredients as a Resource for the region

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

Vietnam, Laos, 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
Potential of BioTrade

Increased demand and trade

World demand for Natural Ingredients is growing rapidly (10 - 15 % per annum)

New applications, new trends

- diversifying the use of natural ingredients beyond traditional medicine, cosmetics, or perfume

- alternative to chemically-based ingredients in a large number of products (e.g. eco-friendly dyes, food ingredients and supplements, organic pesticides, household products, etc.)
Current Risks and Challenges

Threat for biodiversity and economic development of rural population, especially minorities

- Unsustainable exploitation can lead to loss of biodiversity and economic resource
- Risk that traditional owners of resources are not benefitting but lose their resource

Weak market linkages

- Within the countries
- With importers in countries of high demand
HELVETAS’ Experience in Vietnam

SECO financed Biotrade Vietnam Project (2012-2015), objective: To promote the conservation of biodiversity through sustainable trade of natural ingredients along ethical Biotrade principles

• built up five value chains of natural health ingredients with four Vietnamese pharmaceutical companies

• Evaluation confirmed relevance of project and recommended up-scaling to Lao and Myanmar, as well as to expand to other products than medicinal plants

Up-scaling within Vietnam in European Commission-financed project (2016-2020)
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 by taking into account all relevant ethical Biotrade principles and criteria.

OUTCOME 1:
Competitive Biotrade companies on regional and international markets

OUTCOME 2:
Value Chains operating along ethical Biotrade principles are developed

OUTCOME 3:
Creation of a Biotrade-friendly policy and supportive environment

OUTCOME 4:
Effective & efficient knowledge management, communication, and sharing of expertise
Project Approach

1. Identify Natural Ingredients, assess export potential, opportunities and constraints
2. Identify Potential Processing/Exporting Companies
3. Select Value Chains and define Intervention Strategies
4. Support Companies to establish export oriented value chains together with farmers/collector, following Ethnical Biotrade Principles

+ Support Government to establish a conducive Enabling Environment for the Natural Ingredients Sector
Project Inception Phase 09/16 – 03/17

- Identify Natural Ingredients, assess export potential, opportunities and constraints
- Identify Potential Processing/Exporting Companies
- Select Value Chains and define Intervention Strategies

Support Companies to establish export oriented value chains together with farmers/collector, following Ethnical Biotrade Principles

Support Government to establish a conducive Enabling Environment for the Natural Ingredients Sector

(Implementation Phase)
Project Structure

Country Consultative Committee

Project Steering Committee

Representative of SECO at country level

HELVETAS representatives

Implementing Partners

Representatives of
- relevant Ministries (to be identified)
- Enterprises
- Associations
- Producer Groups
Project Structure

Country Consultative Committee

Project Steering Committee

Representative of SECO at country level

HELVETAS representatives

Representatives of
- relevant Ministries (to be identified) from Vietnam, Lao PRD, Myanmar
- Professional Associations
- Others to be identified
Biotrade Benefits for Companies

**RESOURCE MANAGEMENT**
- Production system by international standards
- Secured sustainable supply of natural ingredient inputs
- Opportunities for optional financial funding

**SALES & MARKET ACCESS**
- Enhanced brand value
- Enhanced Business Competitiveness
- Export Opportunity
- Participate in global BioTrade network

**SECTOR PERFORMANCE**
- Policies better enable the business operation
Expected Company Contributions

• Improve their operation standards: physical, environmental, human resources management: fair, equitable, sustainable, sound

• Facilitate access to services and inputs including training to smallholder collectors and farmers/producers

• Support research related to relevant topics e.g. access and benefit sharing,

• Participate in Country Consultative Committee and Project Steering Committee
Biotrade Benefits for the Government

- Conserve and sustainably commercialize natural resources
- Additional income for population and companies
- Contribute to the socio-economic stabilisation
- Improved trade balance through export
- Improved competitiveness
- Improved legal framework
- Improved brand as a country supplier of natural resources
Expected Government Contributions

- Improve policy framework

- Facilitate access to secondary data and market information and cooperation of private sector,

- Mobilise research related to relevant topics e.g. access and benefit sharing,

- Participate in Country Consultative Committee and Project Steering Committee
Biotrade Benefits for Farmers

• Improved capacities in cultivating, harvesting, and processing natural ingredients (medicinal, spices, etc.)

• Increased income for farmers as a result of participating in the certified production value chains

• Potentially other income as traditional resource owner from Access and Benefit Sharing (ABS) schemes, if possible
Biotrade Benefits for Consumers

- Healthy and safe products
- Assured Quality of products
- Provision of choices of products