

INTRODUCTION NOTES TO THE BIOTRADE KICK OFF WORKSHOP

THE CONTEXT



Biodiversity is the source of many products and services utilized by the society. Millions of rural and urban people depend on biodiversity for food, medicines, income, ecosystem services and cultural and spiritual needs. In Vietnam, biodiversity currently provides essential inputs for diverse industries like pharmaceuticals, cosmetics and food processing to mention a few.

However, ecological problems are increasing not only in Vietnam, but also all over the world, and countries that are rich in natural resources and biological diversity are witnessing high natural forest deforestation or conversion rates, which affect biological diversity. This fact, for a large part, relates to the poverty rates of local populations.

At the same time, world market for products and services derived from biodiversity are fast expanding not only due to new scientific discoveries, but also because of renewed consumers' interest for natural products as they gradually become more and more sensitive on how the products are produced. They even are ready to pay more for environmentally and socially friendly products.

For instance, in Vietnam, natural products derived from biodiversity are becoming increasingly popular, especially among middle-aged and elderly segments of the population. Statistics available for 2010 indicate a sale value growth of nearly 25 percent for the period 2005-2010 (i.e. reaching VND 1,915 billion), with natural cosmetic, OTC pharmaceutical products, vitamins and dietary supplements leading the growth. And this growth is expected to continue for the next 5 years at a rate not less than 9 percent. As a result, new actors are becoming active in the sustainable use and trade of biodiversity.

By responding to the increased global demand for sustainable, healthy and environmentally and socially conscious products, BioTrade is a means for the private sector to contribute to biodiversity conservation while remaining competitive and promoting socially responsible business practices. Through its inclusive approach working with value chains, BioTrade also supports social cohesion and sharing of benefits amongst a variety of stakeholders, thereby contributing to the poverty reduction of forest-dependant communities, biodiversity and forest conservation, and increased resilience against the impacts of climate change.

THE BIOTRADE PROJECT

After an open tendering process initiated by the Swiss Secretariat for Economic Affairs (SECO) in 2011, Helvetas Swiss Intercooperation has been selected to support the National Institute of Materia Medica (NIMM) for the development of a BioTrade project that would contribute to Vietnam becoming a



recognized supplier of natural ingredient products traded through supply chains that conform to the principles of BioTrade and the objectives of the Convention of Biological Diversity (CBD).

To achieve this overall objective, NIMM and HELVETAS Swiss Intercooperation will jointly be working together to enhance the capacity of Vietnam to produce value-added products from biodiversity for both domestic and export markets. In particular, it will: (a) help establishing an enabling policy and regulatory environment for the development of BioTrade compliant initiatives; (b) extending natural ingredient sustainable collection and production systems, which should provide strong benefits to communities for collecting and trading natural ingredients, thereby providing incentives to actively preserve the existing genetic resource base; (c) improving efficiency of production processes and international competitiveness of selected industries involved in natural ingredients value-chains meeting BioTrade principles and international standards (GMP, GACP, HACCP, etc.); and (d) help identifying markets and facilitate the trade and market access for selected BioTrade-compliant natural ingredients' products in those markets.

The project will be implemented over a period of three years (2012 – 2014) with an initial funding from SECO of US\$1 million. During the first eight months' project inception phase a detailed assessment will be made of the capacities and constraints in the Vietnam's natural ingredients sector, the factors that impede growth of the sector, and the trading opportunities at national and international levels. Based on these assessments, an export development strategy will be developed and detailed intervention plans build up to increase the efficiency of trade within the Vietnam's natural ingredients sector.

THE BIOTRADE KICK OFF WORKSHOP

At the onset of this new project for Vietnam, the main objective of this workshop would be to introduce the project and start responding to some of the major questions raised about BioTrade all over the world:



- What is BioTrade?
 - Why BioTrade should matter you?
 - How BioTrade works in a multiple stakeholders' structure?
 - Does a BioTrade network exist at international level?
 - Why can BioTrade be interesting for your company?
 - Are there specific business opportunities for BioTrade-compliant products?
- How many consumers have already heard of BioTrade and how do consumers view the importance of BioTrade?
 - Would certification help marketing BioTrade-compliant products?
 - Would BioTrade provide new income opportunities for producers of natural ingredients, and thereby improve the living conditions of poor forest-dependant communities?

- What international market prospects for BioTrade-compliant natural products from Vietnam?

A group of international and national BioTrade experts, with experience in many part of the world, has been invited to answer these questions and provide the audience of this kick-off workshop with sufficient evidence that working with BioTrade will improve linkages between different actors along the value-chains, increase benefits of poor farmers involved in the sustainable collection of natural ingredients, enhance the efficiency of production processes and international competitiveness of traditional pharmaceutical and natural cosmetic industries as well as improve international market access for BioTrade-compliant natural products from Vietnam. It includes:

- Ms. Lorena Jaramillo, Economic Affairs Officer, Biodiversity and Climate Change Section, DITC/UNCTAD – Geneva, Switzerland;
- Mr. Martin Dietz, Senior Advisor, Value-Chain, Marketing and Business Development, Helvetas Swiss Intercooperation – Zurich, Switzerland;
- Ms Naomi Doak, Resident Representative, TRAFFIC Southeast Asia – Hanoi, Vietnam;
- Mr. Rik Director Union for Ethical BioTrade (UEBT) – Amsterdam, The Netherlands (to be confirmed);
- Dr. Nguyen Thi Ngoc Tram, President and Founder of Thien Duoc Company – Ho Chi Minh, Vietnam;
and
- Mr. Claude René Heimo, Senior International Advisor, Helvetas Swiss Intercooperation – Hanoi, Vietnam.

Presentation and discussions during the Kick-off workshop will be animated by Mr. Ta Minh Son, National Project Manager and Claude René Heimo, Senior International Advisor.