

## EDITORIAL

As the world strives for sustainable development, countries are coming up with innovative approaches to strike a balance between three key aspects: economic growth, environmental protection, and social inclusion. These aspects are often said to contradict each other – economic development takes its toll on the environment, while environmental protection may harm economic growth and exclude certain social groups. Nevertheless, since the Rio Convention in 1992, the triple bottom line of sustainability – people, planet, profit – has become increasingly accepted in the business community.

In 2018, the parties to the Convention on Biological Diversity (CBD) recognized the important role of the private sector in the conservation of natural resources. They stressed that mainstreaming biodiversity in the business sector will significantly contribute to efforts against biodiversity degradation. More than ever, it is vital to understand and appreciate the value of biodiversity – especially for its role in balancing economic development and environmental conservation.

From its very beginnings, GFA has taken on biodiversity conservation in natural resource management. We were among the first companies to learn that our expertise works best when complemented by economic and political considerations. In economic thinking today, biodiversity has a use value and a price so that the global community has to think about innovative ways how to tap into nature's rich potentials. This is where biodiversity-based products and value chains come in. This newsletter highlights how GFA has been putting the mainstreaming of biodiversity in the business sector into practice in a recently concluded project in the ASEAN region.



Christoph Schaefer-Kehnert  
Managing Director

## PROMOTING BIODIVERSITY-BASED PRODUCTS FOR THE IMPROVEMENT OF LIVELIHOODS AND THE PROTECTION OF BIOLOGICAL DIVERSITY

**The member states of the Association of Southeast Asian Nations (ASEAN) accommodate about 18% of the species on Earth, three of the 18 mega biodiversity countries, about 35% of the mangrove forests and 30% of the coral reefs worldwide. This wealth of biological resources does not only represent the diversity of life, it also poses immense opportunities for economic development of countries and regions.**

The ASEAN Member States (AMS) – Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam – intend to use this economic potential by further developing trade relations for bio-products nationally, regionally and possibly globally. However, the prospects of organic trade and biodiversity-based products (BBPs) are not yet sufficiently analyzed and their market potential often remains unknown. This particularly concerns the local population in buffer zones of protected ar-

reas where economic development options are limited. To support the AMS in the development and promotion of BBPs, the ASEAN-German cooperation project Biodiversity-based Products as an Economic Source for the Improvement of Livelihoods and Biodiversity Protection was implemented by GFA Consulting Group between March 2015 and June 2019. The ASEAN Centre for Biodiversity (ACB), an intergovernmental organization based in the Philippines, was the key partner for this regional project that piloted selected biodiversity-based value chains around national parks in Cambodia, Laos and Vietnam. Funded by the German Ministry of Economic Cooperation and Development (BMZ) through the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), the BBP project was one of three modules of the German-ACB Cooperation Program entitled Protection of Biological Diversity in the ASEAN Member States in Cooperation with the ASEAN Centre for Biodiversity.



Local bamboo producer group in Nam Ha AHP in Laos

## BIODIVERSITY-BASED VALUE CHAINS



Bee keeper in Ba Be AHP in Vietnam

In this context, the specific BBP project objective was that ACB supports the AMS in the promotion of BBPs for the improvement of livelihoods and biodiversity protection according to their needs. The main intended project outputs were the implementation of a strategy to support BBP value chains as well as policies for AMS/ASEAN, and information provision on the development of BBP value chains for the public, private, and civil sector in the AMS through the central information platform of the ACB, the Biodiversity Information Management (BIM). In addition, selected BBP value chains were to contribute to the improvement of livelihoods and the protection of biodiversity, and competencies in the development of BBP value chains in the private sector of AMS were to be improved.

The project supported the development of BBPs in Cambodia, Laos and Vietnam along the value chain approach and the GIZ ValueLinks methodology. Biodiversity-based value chains aim at adding value to biodiversity and comprise three major elements. Raw materials as inputs are sourced sustainably according to certain environmental, social, and economic criteria. The sequence of related business activities for consumption range from production to transformation and marketing. These activities are carried out by a range of enterprises such as producers, processors, and traders. Unless benefits arise from the commodification of biodiversity, all value chain actors – from local communities and the private sector to governments – will have little motivation to engage in the sustainable conservation of biodiversity.

The biodiversity-based value chain approach is geared towards economic growth and, at the same time, prioritizes the protection and conservation of the environment as it recognizes the latter as the primary source of raw materials for livelihood and business. A functioning ecosystem is key to exploring the opportunities of natural resources and biodiversity for the economy. Uncontrolled processes of economic growth inevitably cause environmental damages. Therefore, sustainable biodiversity-based value chain development includes controlling negative effects of business activities on ecosystems at the production locations and on global resources. Hence, the processes and activities in these value chains are results-oriented, both for economic and environmental goals. The participation and cooperation of related stakeholders such as cross-sectoral government entities, the private sector, and local communities are crucial to the success of biodiversity-based value chains. These green value chains encompass various products and services such as cosmetics, furniture, carbon credits or ecotourism. The latter is particularly interesting for economic development in remote areas around national parks that otherwise have limited economic potential.

### THE BBP PILOTS IN CAMBODIA, LAOS, AND VIETNAM

The project chose three countries to lead the development of selected biodiversity value chains as models for further upscaling in other AMS – Cambodia, Laos and Vietnam (CLV). In North-western Laos, the project involved communities in the buffer zone of Nam Ha ASEAN Heritage

Fully harnessing the benefits and potentials of natural resources through sustainable means is key to achieving the global goal of sustainable development, which encompasses an environmental, economic, and social dimension. It is vital to acknowledge the role and potential of biodiversity for the socio-economic development of a country and to convince the public and private sectors that biodiversity can be conserved on a commercial basis if managed in a joint and sustainable way.



Bok choy vegetable in Ba Be AHP – Giao co lam model farm and medicinal bath herb farmer in Hoang Lien AHP in Vietnam



New bamboo products in Laos



Park (AHP) for the development of a bamboo value chain with furniture and handicraft production. In Northern Vietnam, value chains around medicinal bath herbs and *giao co lam* or *jiaogulan* medicinal tea were piloted with households in five communes in Hoang Lien National Park. Vietnam also piloted honey and the popular *bo khai* vegetable with households in six communes around Ba Be National Park. The partners in Laos and Vietnam, the park management and local households, started their field-based activities in April and May 2017 after lengthy negotiations of a Memorandum of Cooperation with the respective countries, and the detailed development of Strategic Action and Financial Plans for each country. In Cambodia, the value chain development began in June 2018 only after long negotiations with Cambodian partners. But even in the short period ever since, villagers have been able to place their BBPs in the market as their associations or clubs have been strengthened through business plans and capacity building related to new or enhanced production lines and sustainable resource management. Partially, the villagers have been the producers and marketers of the final products, while in other cases, premium sales-purchase agreements have been made with the villagers as raw material suppliers and custodians of the natural resource inputs, and the respective processing companies. Among other activities, the ongoing planting measures with seedlings from newly established nurseries further contribute to the sustainable management and conservation of biodiversity.

In situ and ex situ planting measures have supported biodiversity conservation and sustainable use in home gardens and at the periphery of the forests. Organizational strengthening of the households into clubs or associations has been supported, including the development of respective organizational by-laws and regulations, and various capacity building measures, e.g. in business planning and sustainable management of natural resources. In Laos, bamboo furniture and handicraft items have been produced and sold by villagers around Nam Ha AHP. The One District One Product (ODOP) certification for the bamboo products was awarded in early 2019 as a recognition of the continuous efforts to upgrade the production following sustainable sourcing and production methods. In Vietnam, the range of biodiversity value chains have included honey, *giao co lam* tea, *bo khai* vegetable and medicinal bath herbs. Sales-purchase agreements with private sector partners in Ba Be AHP and Hoang Lien AHP have provided a premium price to households that is 10% higher than the local market price. In Cambodia, black ginger medicinal tea and vine handicraft products have been developed with local producer groups from Phnom Kulen National Park in Siem Reap and private sector business partners, and have been marketed between Siem Reap and Phnom Penh. The pilot measures in Cambodia, Laos, and Vietnam have taken remarkable steps along biodiversity value chains from enterprise development at the village level to consumer product development. This required high-quality production including compliance to market standards and certification processes, as well as establishing or

strengthening market linkages for the BBPs. Diverse capacity-building measures were conducted to promote knowledge and understanding of biodiversity value chains among ACB and CLV project stakeholders and partners, e.g. through training of facilitators, workshops, and learning visits. A regularly updated information platform with a help desk, video documentation of BBP pilot measures and promotion material is online at <http://bbp.aseanbiodiversity.org>.

### MAINSTREAMING OF BIODIVERSITY ACROSS SECTORS

At the policy level, biodiversity-based value chains are certainly interesting for national governments since they help addressing Sustainable Development Goals (SDGs), e.g. end poverty (SDG 1), gender equality (5), decent work and economic growth (8), responsible consumption and production (12), or life on land (15). The approach also supports various strategic goals of the CBD Aichi Targets. BBP efforts support the mainstreaming of biodiversity across sectors and will be important for the emerging post-2020 Global Biodiversity Framework and the 2050 Vision for Biodiversity.

Multi-sectoral development of biodiversity-based products balances the otherwise often contradictory trends in economic development and environmental protection. In a biodiversity-based value chain, different sectors such as environment, forestry, agriculture, trade, health, or science and technology work together and take over mutually supporting roles. For example, certification plays an important role in health, food safety or other

quality assurance schemes issued by industry and commerce offices, while science often plays a cross-cutting role. As rural development is often associated with agricultural line agencies while protected area management is mostly managed by forestry and environmental ones, these sectors also need bridging in a biodiversity framework.

The BBP project through the ACB has enhanced such a policy dialogue by submitting a policy draft for mainstreaming biodiversity across sectors through the promotion of biodiversity value chains to the ASEAN Working Group on Nature Conservation and Biodiversity (AWGNCB). The project also supported policy dialogues and contributed to the revision of forestry or biodiversity laws in the pilot countries in favor of the inclusion of BBPs and respective value chains. An ASEAN statement on mainstreaming biodiversity through the promotion of BBP value chains was read by Cambodia during the Second Meeting of the Subsidiary Body on Implementation to the CBD, held in Montreal, Canada in 2018.

## LESSONS LEARNED

While the project made considerable progress within a short time, it should not be underestimated that some processes require more time. Efforts such as certification or compliance with certain standards may go beyond project duration as they are time-consuming and expensive. For example, the project had to abandon the idea of VietGAP certification since it would have exceeded the project lifespan and the available budget. The alternative was to follow national food safety regulations and certification schemes in order to be able to sell the products on the market.

Another particularly difficult aspect with biodiversity as input material is the time required to raise seedlings for local communities, e.g. for trees as raw material for herbal bath liquids. This should be carefully considered when planning value chain interventions that aim at quick results as often requested by donors or local communities who tend to lose interest if they do not see benefits fast. Therefore, it is important to select biodiversity value chain interventions that are feasible within a

given timeframe and with the resources available. The BBP pilots in the three ASEAN countries have demonstrated that biodiversity, if managed well, not only means ecological life support but is an important source of people's livelihood and a basis for economic activities. The development of BBPs along the value chain approach has proven to be an effective tool to promote the sustainable use of biodiversity as an important element of economic development. It provides incentives for all stakeholders to better manage natural resources along a value chain since these resources constitute the basis of their businesses.

The BBP project and its value chain approach is considered as one of ASEAN's important interventions in mainstreaming biodiversity in the business sector. It provides a solid foundation for related policy formulations, lessons learned from the pilot projects, and knowledge products as references for similar initiatives in the future.

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Black ginger farmer in Phnom Kulen National Park in Cambodia – Harvested black ginger – Community workshop with a vine handicraft producer

## IMPRINT

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