

POLICY BRIEF:

UPTAKE OF SUSTAINABILITY STANDARDS TOWARDS BIODIVERSITY GOALS



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INTRODUCTION

Biodiversity loss constitutes a major global threat, as reported by the World Economic Forum (WEF). Unsustainable trade and consumption of products and services derived from biodiversity represent a contributing factor to this decline of diversity.

The 2030 Agenda for Sustainable Development identifies international trade as a means of achieving inclusive economic growth and reducing poverty. Voluntary Sustainability Standards (VSS) are increasingly being included in trade agreements to promote sustainable development and good governance. VSS are norms and standards used to ensure that products are harvested, produced, processed, or transported in accordance with specific sustainability metrics. These metrics include environmental impact, basic human rights, labour standards, and gender equality. Currently, there are over 500 VSS that apply to key exports of many countries, such as coffee, tea, bananas, cocoa, palm oil, timber, cotton, and organic agri-foods.

To support the scale-up of VSS, and facilitate the transactions of biodiversity-based products and services, the concept of Biotrade was first coined by UNCTAD in 1996. Since then it has been introduced and developed in Vietnam since the 2010s and has become the core transaction of the ecosystem where Vietnamese exporters can develop sustainable supply chains and reach potential markets through efficient trade promotion and value chain services. Up to now, both VSS and Biotrade have proved to be effective tools to encourage governments and companies to adopt practices that align with environmental, social, and economic objectives.

This policy paper aims to raise awareness of the importance of Voluntary Sustainability Standards (VSS) in supporting the development of sustainable supply chains, facilitating international trade in biodiversity-based products, and promoting the adoption of these standards in Vietnam's agricultural sector.



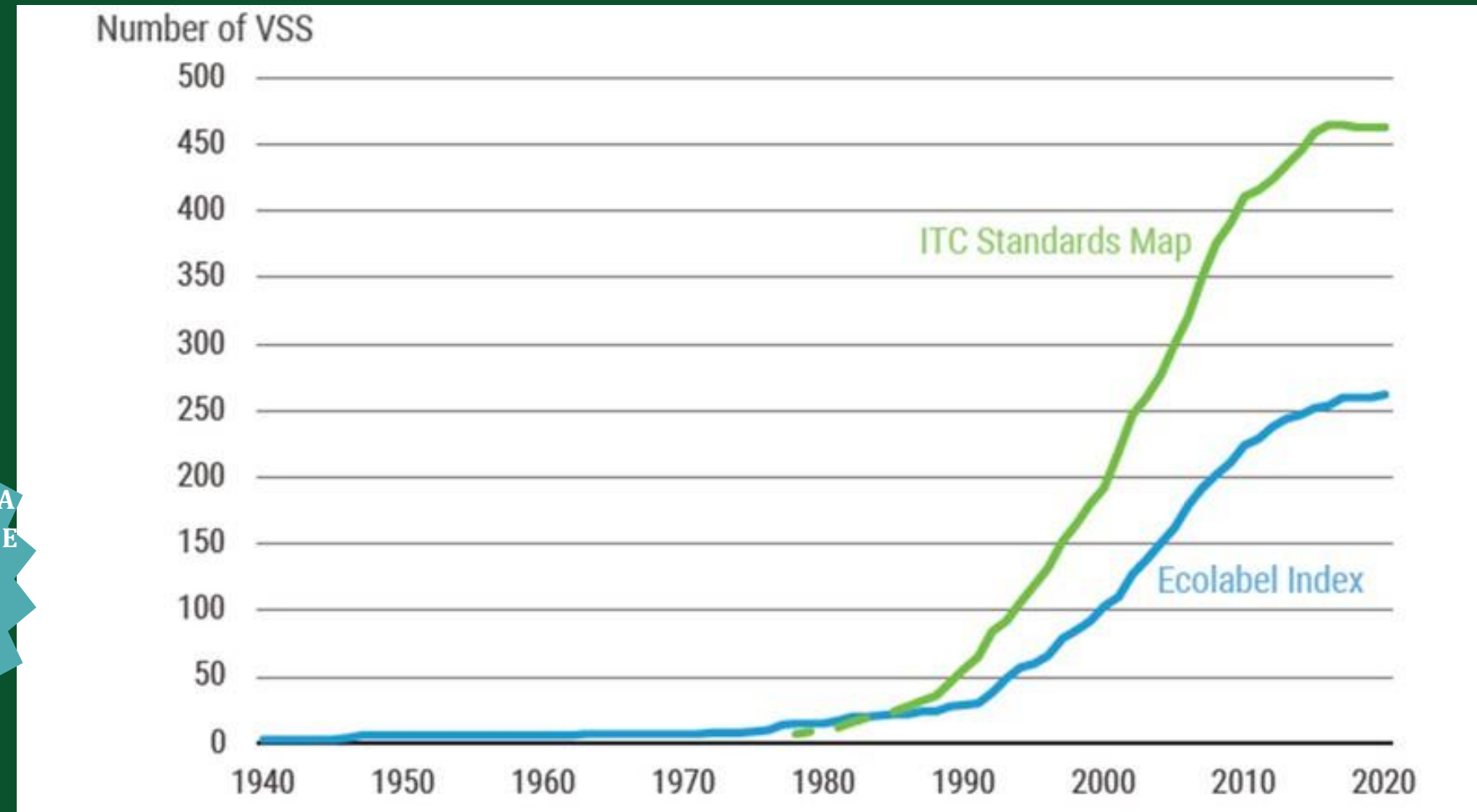
Motivation

Results from Biotrade transactions show that Voluntary Sustainability Standards have the potential to directly and concretely contribute to achieving the strategic goals within the Convention of Biological Diversity's Strategic Plan.

Systematization of experiences and dissemination of best practices and lessons learned to recommend mainstreaming biodiversity into national and regional frameworks and policies, and incentivizing biodiversity conservation through trade.

"THE MARKET DISTRIBUTION OF COMPLIANT PRODUCTION PLAYS A KEY FACTOR IN DETERMINING THE ROLE OF VOLUNTARY SUSTAINABILITY STANDARDS IN REDUCING BIODIVERSITY LOSS"

INCREASE OF NUMBER OF VSS



SOURCE: UNFSS 5TH FLAGSHIP REPORT

RESULTS FROM BIOTRADE TRANSACTIONS

- From Jan 2021 to June 2023, 16,000 women and men in Vietnam have either new or additional income from producing or collecting and selling Biotrade products, and have new jobs or improved working conditions at Biotrade companies;
- Increase in trade turnover for Biotrade products exported from Vietnam is up to USD 66 million;
- 25 exporting companies sell Biotrade products to new clients due to compliance with VSS;
- 4 successful collaborations between biodiversity NGOs and Biotrade companies to take action on biodiversity conservation

SOURCE: Regional Biotrade Project in South East Asia



POLICY IMPLICATIONS

Results from the Workshop '**Applying Sustainability Standards in Achieving Biodiversity Goals**' raise the importance of promoting Voluntary Sustainability Standards in supporting the development of sustainable supply chains, facilitating international trade in biodiversity-based products, and promoting the adoption of these standards in Vietnam's agricultural sector.

This advocacy paper outlines how VSS and BioTrade can contribute to solving the problem of Unsustainable trade and biodiversity loss. It suggests how the Government and policy-makers could contribute to promoting the uptake of VSS more widely.

VSS and Biotrade Principles and Criteria as complementary tools that can be mutually supportive for advancing sustainable trade of biodiversity-based products to achieve objectives like biodiversity conservation and protection. Both tools can provide diversification opportunities, support the transfer of knowledge and technology as well as empower consumers and incentivize practitioners to make informed, responsible and sustainable choices towards the achievement of the Sustainable Development Goals (SDGs).



Conservation of biodiversity

Respect for biodiversity



Sustainable use of biodiversity



Compliance with legislation



Fair and equitable sharing of benefits

Respect for people



Socio-economic sustainability



Clarity about land tenure



Respect for rights of actors

Policy Option 1

Policy Option 2

Policy Option 3

POLICY OPTION 1

It is recommended on **promoting farmer partnerships at the regional level** to develop sustainable sourcing areas for industrial processing for export to create fair competition in prices, creating a benefit-sharing for all actors in the supply chain. To enable this partnership, engaging lead enterprises in each sector is crucial as it will encourage the investment from the private sector in partnering with farmers to drive sustainable practices and take concrete actions that contribute to biodiversity conservation.

On the one hand, this recommended policy enables to promote the adoption of sustainability standards at a large scale, helping to save up certification costs. On the other hand, this policy opportunity requires efforts of building capacity and provision of compliance knowledge for a larger number of farmers at inter-provincial level.

This policy option also needs local authorities to facilitate and provide initiatives for adoption in areas where they will have maximum impact. Setting national targets and/or requirements for levels of standard-compliant production could support the achievement of SDG2, SDG12 and SDG15 simultaneously.

This offers an opportunity to reduce the impact of agriculture and to promote best practices, which can also improve yields and help to feed a growing population.

TARGET 15-1



CONSERVE AND RESTORE TERRESTRIAL AND FRESHWATER ECOSYSTEMS

TARGET 15-4



ENSURE CONSERVATION OF MOUNTAIN ECOSYSTEMS

TARGET 15-5



PROTECT BIODIVERSITY AND NATURAL HABITATS

POLICY OPTION 2

It is suggested offering the leading role in **developing integrated data systems for environmental impact assessment (EIA)**. It is essential to establish the national, regional and international data collection and sharing systems that enable VSS and other stakeholders to share data with the general public and policy-makers along harmonized parameters so that their role as data collectors can be leveraged to support effective biodiversity management at the national and regional levels.

This policy opportunity will enable having uniformity in data and evidence not only for biodiversity impact but also for trade impacts. This policy option helps policy-makers to integrate the aspect of biodiversity conservation into the VSS schemes. Voluntary sustainability standards have made significant progress in developing conformity assessment processes for supply chains, and third-party certification is now the dominant form of assurance provided by most initiatives. Third-party certification ensures independence of the data collection, verification and attestation stages of making a claim to compliance. Data collected by voluntary standards entities can also help policy-makers determine the sustainability status of a given sector (coffee, cocoa, palm oil, tea, cotton etc.).

This option establishes an increasingly sophisticated infrastructure for identifying, enforcing and measuring levels of compliance with best practices that can assist policy-makers in their efforts to implement and regulate biodiversity conservation.

POLICY OPTION 3

It is recommended on supporting **Impact research and analysis of VSS on biodiversity**. Policy-makers can provide financing to researchers to determine the biodiversity impacts of VSS operating in key sectors as a basis for continual improvement and for determining the strategic application of policy support to such initiatives. Impact data and analysis at the field level as well as data on market distribution and trends should be prioritized, allowing for farmers and other stakeholders to make real-time course corrections toward sustainability and biodiversity protection.

It also provides a strong rationale for policy supporting the design and rollout of standards explicitly targeting areas of greatest need for biodiversity protection.

Facilitating learning and exchange processes helps stakeholders overcome initial hurdles in production, processing, conservation and institutional growth – the public and private sectors may provide such opportunities of technology transfer and capacity building as part of benefit-sharing

Anchoring the origins of a product with impact stories of its source, its environment and the culture attached to it provides a strong identity, advocacy for conservation, and a marketing promotion that will not lead to exploitation.



Conclusion

POLICY MESSAGES

- Policy on promoting the uptake of VSS
- Policy on mainstreaming biodiversity conservation into sustainability schemes
- VSS and Biotrade become policy tools