



澜沧江-湄公河环境合作中心
Lancang-Mekong Environmental Cooperation Center

Newsletter

Issue 9, 2023

June 25 2023

Green Value Chain Partnership: Sustainable Trade and Climate Finance for Typical Products in Lancang-Mekong Countries Expert Views

On April 26, 2023, as one of the events of “Green Lancang-Mekong Initiative: Roundtable Dialogue on Knowledge Sharing of Green, Low Carbon and Sustainable Infrastructure”, a seminar focusing on Green Value Chain Partnership: Sustainable Trade and Climate Finance for Typical Products in Lancang-Mekong Countries was held in Beijing. This seminar was guided by the Ministry of Ecology and Environment of China (MEE), hosted by the Lancang-Mekong Environmental Cooperation Center (LMEC) / Foreign Environmental Cooperation Center (FECO), and co-sponsored by China-UK Collaboration on International Forest Investment and Trade (InFIT) programme and Conservation International (CI). Representatives from the MEE and local ecological and environmental departments, climate and environment authorities of Mekong countries, United Nations agencies in China, relevant international organizations, and think tanks, attended the meeting. Expert Views are summarized as follows:



Orlahanh BOUNGNAPHALOM
Deputy Director-General, Department of
Environment, Ministry of Natural Resources and
Environment, Lao DPR

Laos has taken many actions to address climate change, in which agriculture and forestry were the key areas for cutting carbon emissions. Taking into account production and consumption patterns, we've implemented policies and programs concerning emission reduction from the central to the local, aiming at the vulnerable's higher awareness of low-carbon development and greener agricultural production through enhanced capacity building. Meanwhile, the private sector is encouraged to reduce its negative impact on climate change by intensifying resource efficiency through the circular economy. We hope to continuously improve the capacity of Laos' public sector with more demonstration projects, to build a partnership between climate finance and green value chain to better meet the challenges.



ZHOU Jun
**Director of Department of International
Cooperation, Ministry of Ecology and
Environment, China**

To promote economic growth with green development and sustainable value chain as the core, is an important measure for the world's green recovery. LMEC has carried out a series of research and practices with partners to build a regional green value chain partner network, laying a solid foundation. With the Lancang-Mekong Environmental Cooperation Strategy and Action Framework 2023-2027 as the guideline, in the future, we hope to take green value chain cooperation as an opportunity, to facilitate relevant demonstration projects based on the carbon footprint of agricultural products and ecological footprints, striving to build regional green value chain partnerships, accelerate the regional implementation of the United Nations 2030 Agenda for Sustainable Development, and deliver actual results of the Global Development Initiative (GDI).



HOU Fang
**Deputy Director of Department of
Climate Change, Ministry of Ecology and
Environment, China**

Stressing on its response to climate change, China has adopted a series of policy measures and made sound progress in implementing the goal of carbon peak and carbon neutrality. We balanced our measures in both climate change mitigation and adaptation, putting the national strategy into effect. The establishment of a partnership on green trade and sustainable value chain under the LMC framework is of great practical significance to drive regional sustainable development. We hope that regional research and cooperation on green trade and sustainable value chain will continue to play its role, to boost knowledge sharing on South-South cooperation on climate change, and advance high-quality and just transformation of the region.



HU Jiangyun
**Deputy Director-General / Research
Fellow of Development Research
Center of the State Council**

China has provided substantial support for the sustainable development of the Lancang-Mekong region through establishing a special fund for the region's cooperation, standing by small and medium-sized cooperation projects of regional countries, and building up economic and trade cooperation zones. It will continue to follow the concept of innovative, green, coordinated, open and shared development, to gear up green technology innovation, green development of value chain and supply chain, and the low-carbon economic and social development of the Lancang-Mekong region.



LI Xia
**Director and Professor of Lancang-Mekong
Environmental Cooperation Center / Foreign
Environmental Cooperation Center, Ministry of
Ecology and Environment, China**

The essence of the green value chain is the harmonious symbiosis between man and nature and economy. Its core lies in “man”, which needs to consider the relationship between people and ecosystems, climate environment and economic structure. With the continuous improvement of infrastructure, the Lancang-Mekong region, with manufacturing and agriculture as its pillar industries, has witnessed more frequent people-to-people exchanges and trade connectivity, giving impetus to the development of regional supply chains and trade chains. Therefore, to address climate change, the Lancang-Mekong Environmental Cooperation should focus on regional practices and demonstration cooperation in the value chain, fully considering the characteristics of industries. A regional value chain path based on climate equity will help build up a green value chain partnership, and advance regional green and low-carbon transformation.



Phallis Eang
**Vice Chief of the Office of Department
of Freshwater Wetlands Conservation,
Ministry of Environment, Cambodia**

Cambodia has continued to promote climate change and natural resource conservation through the introduction of national strategies and plans, the development of voluntary carbon markets, and the development of the REDD+ framework (i.e. reducing emissions from deforestation and forest degradation in developing countries, and additional forest-related activities that protect the climate). With support for small-scale infrastructure, micro and small loans, community eco-tourism, and environmental education and training, the country protected natural resources and safeguarded the well-being of local communities while enhancing the resilience of Cambodian communities to cope with climate change. Our Ministry of Environment is also working with international organizations to support communities to develop sustainable agriculture by selecting rice varieties that are more suitable for local climate, limiting the use of pesticides, fertilizers and insecticides, and achieving improvement in biodiversity conservation, community climate adaptation and people’s livelihood.



Thaw Thaw Han
**Director of the Natural Resources Division,
Environmental Conservation Department,
Ministry of Natural Resources and
Environmental Conservation, Myanmar**

Agriculture matters to Myanmar’s national economy and employment, but floods, droughts and hot weather brought about by climate change exerted serious damage to the country’s agricultural production, people’s livelihood and food security. Therefore, Myanmar is committed to developing climate-smart, low-carbon and sustainable agriculture through measures like issuing national climate strategy policies, formulating climate adaptation and mitigation plans for agriculture and livestock, and improving climate-resilient crop cultivation management. In addition, we also drew up a green economy policy framework and fiscal guidance to promote the efficient use of natural resources and responsible agricultural investment, so as to effectively advance the climate resilience and green development level of local agriculture.



WANG Jie
Director of the Environment and Ecology
Bureau, Pu'er City, Yunan Province

The coffee primary processing industry is an important part of Pu'er City's agricultural industrial system, which has developed rapidly in recent years, but it has also generated environmental challenges. As the only national trial demonstration zone of the green economy in China, Pu'er has firmly upheld the belief that lucid waters and lush mountains are invaluable assets. Prioritizing eco-environmental conservation and green development, it has introduced advanced technologies for environmental treatment, promoted comprehensive pollution control in the coffee industry, and achieved the coordinated development of eco-environment and economy. In the context of the global climate challenge, Pu'er looks forward to joining hands with Lancang-Mekong countries to share advanced technologies and successful experience of sustainable development of the coffee industry, to boost sustainable trade and green supply chain construction.



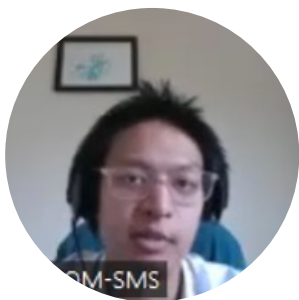
YU Xin
Priority Project Coordinator,
Sustainable Food Consumption and
Supply Chain of WWF Beijing Office

The green value chain runs through sustainable production and trade, covering all links from manufacturing to consumption. Key elements of building a green value chain include reducing carbon footprint, decreasing waste, improving resource efficiency, and advancing sustainable and responsible trade. Among them, sustainable and responsible trade is an important means to forward sustainable business practices and mitigate the negative impact of economic development. It is also the core of building a global green value chain, including promoting sustainable production, encouraging trade agreements to develop in favor of sustainable manufacturing and consumption, supporting eco-labeling and certification, green procurement, sustainable technology investment and development, and promoting clean and efficient logistics and cold chain systems.



Mark Respinger
Chairman of Sucafina China

As a global trading group for green coffee bean trading and instant coffee production, Sucafina practices sustainable development in global markets and production areas, actively promoting regenerative agriculture, reducing deforestation, increasing the income of farming communities and cutting down carbon emissions. By calculating the carbon emissions of the supply chain, identifying the optimizing areas, and jointly designing, implementing and optimizing, Sucafina took emission reduction as an important part of responsible procurement of enterprises, facilitating the green and sustainable development of the coffee supply chain.



Thuan
Sustainable Management Service
Manager, ECOM, Vietnam

ECOM Group pledged to achieve carbon neutrality by 2050, to reduce the carbon footprint of the coffee supply chain by eliminating deforestation, encouraging less fertilizers, selecting carbon-sequestering fruit tree nurseries, and promoting better varieties. With great potential for coffee planting and rapid development of the coffee industry chain, it is recommended to enhance the climate resilience and sustainability of China's coffee-producing areas in terms of protecting biodiversity, improving the working conditions of farmers, and enhancing the economic benefits of communities. ECOM looks forward to working with the Lancang-Mekong governments and relevant NGOs to promote the green and sustainable development of the coffee value chain.



WAN Jian
Research Fellow of the China Food and
Natural Resources Department, World
Resources Institute (WRI)

Currently, the paths and means of building regional and global green value chains mainly include regional joint statements and national policies and regulations, market methods based on certification, data detection and traceability tools, NGO initiatives and alliances, green finance and others. The overall level of support for green value chain development in Lancang-Mekong countries through green finance now is still low, which expects more capacity building activities to be conducted with multilateral banks and enterprises, to improve sustainable investment in regional value chains.



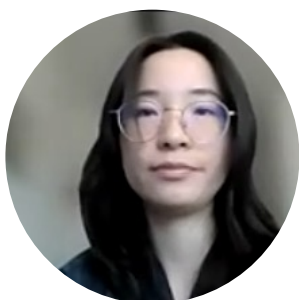
WANG Zhifeng
Deputy Director of the Guangxi Zhuang
Autonomous Region Climate Change Center

Guangxi, a key province of China's sugar industry, covers a planting area of more than 11 million mu, an output of more than 6 million tons of cane, and rural sugarcane planting income was recorded more than 25 billion yuan. However, in recent years, Guangxi has been affected by the increase in drought and pests brought about by climate change, which left a shock on its sugar industry. To this end, Guangxi has enhanced its capacity to predict, warn and defend drought and other meteorological disasters, assessing the climate vulnerability of sugar crops. We carried out research on the climate adaptation zoning of sugarcane planting varieties in Guangxi under the background of climate change, strengthened the scientific promotion of climate change, and actively explored the development path of climate adaptation of the sugarcane industry.



MENG Yongchang
Senior Manager of the China Pacific Property Insurance Co., Ltd.

China's catastrophe insurance is undertaken by a co-insurance system consisting of 40 insurers, which emphasizes risk management services throughout the whole process. By leveraging the role of the government, we effectively improved the efficiency of disaster risk emergency response and relief, to elevate the overall ability of society. However, climate insurance as a whole still needs to overcome many challenges. Technically, more accurate climate risk assessment models and parameters are needed. At the market level, it is necessary to further improve residents' risk awareness and insurance coverage. At the institutional level, we are in need of long-term and systematic planning to better advance climate resilience.



WANG Yani
Trase Program Coordinator of Stockholm Environment Institute (SEI)

Transparency for Sustainable Economies (Trase) is a supply chain data-driven transparency initiative jointly launched by the Stockholm Environment Institute (SEI) and the Global Canopy Programme, which employs scientific modelling to monitor deforestation and carbon emissions in the international investment and trade of agricultural products. We linked up consumer markets to activities in producer countries, filling the data gaps in supply chains. Today, Trase has mapped more than 60% of global trade and provided free online data on deforestation of agricultural products such as palm oil, soybeans and cocoa, wildlife habitat losses, and climate change risks, to support the sustainable development of international trade and investment in agricultural products.



ZHANG Junzuo
Team Leader of the International Forestry Investment and Trade Program

By improving policies and optimizing trade and investments of Chinese enterprises in sustainable forestry products or related commodities overseas, the China-UK International Forestry Investment and Trade Programme (InFIT) supported the construction of a global green and sustainable commodity supply chain and value chain due diligence management system. The Policy Study on Promoting Climate-Sustainable Trade under Environmental and Climate Issues in Regional Trade Agreements, jointly publicized by InFIT and LMEC, proposed many constructive policy suggestions for different stakeholders, which will play a vital role in encouraging the high-quality coordinated development of regional sustainable trade and environmental governance.



ZHOU Ying
Associate Research Fellow of Lancang-Mekong Environmental Cooperation Center / Foreign Environmental Cooperation Center, Ministry of Ecology and Environment, China

The close link between the environment and trade has become a broad consensus at present. According to the report of Policy Study on Promoting Climate-Sustainable Trade under Environmental and Climate Issues in Regional Trade Agreements, in recent years, countries have formulated relevant policies and regulations to achieve their nationally determined contributions (NDCs) and strengthen climate governance, many of which would influence market demand and carbon-intensive products, and indirectly affect international trade. By sorting out the role of climate issues in multilateral trade agreements played in stepping up regional environmental governance and green and sustainable trade, this project puts forward pragmatic suggestions for central and local governments, market entities, international multi-stakeholders, community organizations and the public, so as to accelerate the high-quality coordinated development of regional sustainable trade and environmental governance and promote the green and sustainable recovery of the global economy.

Contact Us

**Lancang-Mekong Environmental Cooperation Center
Foreign Environmental Cooperation Center, Ministry
of Environment and Ecology, China**
Address: No. 5 Houyingfang Hutong,
Xicheng District, Beijing
100035, P.R. China
Tel: +86-10-82268242/8221
Fax: +86-10-82200579
Email: qian.zhaohui@fecomee.org.cn
li.xia@fecomee.org.cn
Web: <http://en.lmec.org.cn/>
WeChat ID: lancang-mekongcec



About LMEC: Lancang-Mekong Environmental Cooperation Center (LMEC), established in 2017 in Beijing, China, aims to boost the capacity of environmental governance of each country and achieve regional sustainable development through the promotion of environmental cooperation among the Lancang-Mekong Countries.