

TRADE AND BIODIVERSITY

for a positive future



United
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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

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for a positive future



**United
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For further information on UNCTAD's BioTrade Initiative please consult the following website:

<http://unctad.org/biotrade> or contact us at: biotrade@un.org.

ACRONYMS AND ABBREVIATIONS

ABS	Access and Benefit-Sharing
BAP	Biodiversity Action Plan
CAF	development bank of Latin America
CBD	Convention on Biological Diversity
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
COP	Conference of the Parties
CRFM	Caribbean Regional Fisheries Mechanism
DFFE	Department of Forestry, Fisheries, and the Environment of South Africa
FAO	Food and Agriculture Organization of the United Nations
GBF	Global biodiversity framework
GDP	Gross Domestic Product
IPBES	Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services
ITC	International Trade Centre
MEAs	Multilateral Environmental Agreements
OECS	Organisation of Eastern Caribbean States
P&C	(BioTrade) Principles and Criteria
SDGs	Sustainable Development Goals
SMEs	Small and Medium-sized Enterprises
UEBT	Union for Ethical BioTrade
UNCTAD	United Nations Conference on Trade and Development
UNFCCC	United Nations Framework Convention on Climate Change
WTO	World Trade Organization



6 BIOTRADE CONGRESS

Trade and biodiversity for a positive future
9 December 2021 – Online

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INTRODUCTION

Biodiversity supports the livelihoods of nearly half of the human population and provides products and services that contribute to human well-being and their economic activities. However, faced with the current biodiversity crisis, nearly one million species are being threatened with extinction and poses a severe risk to human life. In these challenging times, environmental sustainability is crucial, and a stark transformational change is required, especially if the vision of “living in harmony with nature” is to be met. The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) identified trade as one of the indirect drivers of biodiversity loss.¹ Trade is also said to be linked to the causes of deforestation, unsustainable agriculture, poaching of wild species, among others. The overdrive of business activities, proliferation of illegal/illicit wildlife trade and unsustainable consumer demand have all contributed to the degradation of nature and ecosystems and is ultimately putting biodiversity and human life at risk.

Nevertheless, trade is an indispensable component of national economies involving businesses, societies, and biodiversity. Biodiversity resources are also widely traded, with close to half of the world's gross domestic product (GDP) moderately or highly dependent on biodiversity, ecosystems, and their services.

When trade of nature-based resources is done in a sustainable, traceable, and legal way, it can be a positive incentive for the conservation and sustainable use of biodiversity and promote benefit sharing among all actors along the supply chain. The World Economic Forum reports that implementing actions for a green and nature-positive recovery could generate 395 million jobs and US\$10.1 trillion in annual business value by 2030.²

The United Nations Conference on Trade and Development's (UNCTAD) BioTrade Initiative and its partners have been promoting and implementing legal, traceable, and sustainable trade of biodiversity products – an ethos which supports the recently adopted Bridgetown Covenant, particularly in “supporting developing countries to identify relevant trade and investment policies that contribute to the climate and environmental goals of the 2030 Agenda”. The Initiative has also been identified as one of the 50+ ways within the United Nations system that can pursue a joint approach on biodiversity and nature-based solutions.³ Furthermore, UNCTAD and its partners have been providing inputs to the post-2020 global biodiversity framework (GBF), which is expected to be adopted in 2022 during the 15th Conference of the Parties to the Convention on Biological Diversity.

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- 1 IPBES, 2019. *Global assessment report on biodiversity and ecosystem services – Summary for policymakers*. https://ipbes.net/sites/default/files/2020-02/ipbes_global_assessment_report_summary_for_policymakers_en.pdf
 - 2 WEF, 2020. *The Future of Nature and Business*. New Nature Economy Report II. https://www3.weforum.org/docs/WEF_The_Future_Of_Nature_And_Business_2020.pdf
 - 3 United Nations, 2021. *50+ ways to integrate biodiversity and nature-based solutions – a UN system commitment to collective action for people and planet*. https://unsceb.org/sites/default/files/2022-01/Biodiversity_Common_Approach_50%2B_ways_to_integrate_biodiversity_and_nature-based_solutions.pdf

The VI BioTrade Congress: Trade and biodiversity for a positive future

Biodiversity is nature's contribution to people. The livelihood of millions of people around the globe is highly reliant on biodiversity. The alarming rate of biodiversity loss, exacerbated by the grave threat of climate change, environmental degradation, and the extinction of plant and animal varieties and species could result in the devastation of the entire ecosystems.

The VI BioTrade Congress, organized as a virtual event, brought together 36 speakers and over 200 participants from nearly 60 countries. It provided a strategic platform for experts and specialists to discuss ways in which trade and biodiversity can decrease biodiversity loss and build resilient livelihoods and economies, ensuring a positive future, especially in developing countries. The transformation to more sustainable and resilient livelihoods and economies is attainable with the cooperation of all partners from government, business, and civil society.

The congress had various sessions with interactive discussions. The high-level panel discussed how trade and biodiversity can contribute to a more sustainable future. This was followed by five

parallel sessions in which participants joined a session of their choice. The sessions, organized by BioTrade partners, addressed the challenges and opportunities in tackling socio-environmental challenges through trade which conserves, restores and enhances nature's contribution to people. The event concluded with a plenary with discussions on the results of the parallel sessions, bringing it back to the main theme of trade and nature's contribution to people.

This report discusses the challenges in the value chains and experiences in traceability, evolving tools and approaches related to biodiversity and BioTrade, oceans economy and Blue BioTrade, circular bioeconomy, and BioTrade sustainability through standards and certification schemes. Recommendations from the Congress will contribute to the different development processes such as the post-2020 GBF and the United Nations Sustainable Development Goals (SDGs). Our commitment to deliver on the United Nations 2030 Agenda for Sustainable Development requires greater effort from the international community in ensuring prosperity for all, leaving no one behind.

Box 1 - BioTrade Initiative

UNCTAD launched the BioTrade Initiative in 1996 with the objective to promote trade and investment in biodiversity to achieve sustainable development. Its activities support the objectives of several multilateral environmental agreements (MEAs), including those of the Convention on Biological Diversity (CBD) and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). UNCTAD works with national and international organizations to foster the development of biodiversity-based sectors.

BioTrade refers to the collection, production, transformation and commercialization of goods and services derived from biodiversity in a way that respects people and nature. The BioTrade Principles and Criteria (P&C), developed by UNCTAD, is a set of guidelines for businesses, governments and civil society wishing to support the conservation and sustainable use of biodiversity, as well as the fair and equitable sharing of benefits through trade.

The BioTrade P&C are now being implemented in nearly 100 countries in Asia, Africa, Latin America and the Caribbean and Europe. Information available at www.biotrade.org

Box 2 - BioTrade Congress

Over the last quarter of a century, UNCTAD has become the knowledge hub on trade and biodiversity issues through the BioTrade Initiative, convening key stakeholders and providing substantive inputs to national and international development agendas. The BioTrade Congress is a biennial event which started in 2012 as a platform for dialogue on various policies and issues on BioTrade. Today the BioTrade Congress has evolved from a gathering of BioTrade practitioners to a unique global forum for policy dialogue and exchange of experiences on sustainable trade and biodiversity. It brings together the trade, business, and biodiversity communities to put trade and business at the service of biodiversity and sustainable development. Five Congresses have already been organized, focusing on different themes including topics related to the green economy, biodiversity, and climate change, promoting sustainable use through business engagement, and trade and biodiversity conservation.

AGENDA

VI BIOTRADE CONGRESS: TRADE AND BIODIVERSITY FOR A POSITIVE FUTURE
9 DECEMBER 2021, 12–3 P.M. (CET), ONLINE

12–12.30 P.M.

OPENING REMARKS:

Ms. Isabelle Durant, Deputy Secretary-General, UNCTAD

Mr. Martin Peter, Deputy Head of Trade Promotion, State Secretariat for Economic Affairs SECO, Switzerland

Mr. Markus Lehmann, Acting Director, Science, Society and Sustainable Futures Division, Secretariat of the Convention on Biological Diversity

12.30–1.30 P.M.

HIGH LEVEL PANEL:

TRADE AND NATURE'S CONTRIBUTION TO PEOPLE

Speakers: **Ms. Mohalgo Flora Mokgohloa**, Deputy Director General of Biodiversity and Conservation, Department of Forestry, Fisheries and the Environment, South Africa

Ms. Ivonne Higuero, Secretary-General, Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)

Mr. Simon Zadek, Chair, Finance for Biodiversity Initiative, Senior Advisor, Task Force on Nature related Financial Disclosures

Mr. José Luis Naula, Director of International Cooperation, Ministry of Environment, Water and Ecological Transition, Ecuador

Moderator: **Ms. Nisha Pillai**, Journalist

Interactive discussions

1.30–2.15 P.M.

PARALLEL SESSION 1:

UNPICKING THE VALUE CHAIN: CHALLENGES AND EXPERIENCES IN TRACEABILITY

Speakers: **Mr. Peter Schmidt**, Senior Adviser in Sustainable Agriculture and Value Chains, Helvetas Swiss Intercooperation

Mr. Harol Gutierrez, CITES Flora Specialist, Ministry of Environment, Peru

Mr. Michiel Hendriksz, Executive Director, FarmStrong Foundation and member of the Swiss Platform for Sustainable Cocoa

Moderator: **Ms. Jane Carter**, Senior Advisor, Helvetas Swiss Intercooperation

PARALLEL SESSION 2:

BIODIVERSITY AND BIOTRADE: EVOLVING TOOLS AND APPROACHES

Speakers: **Mr. Rik Kutsch Lojenga**, Executive Director, Union for Ethical BioTrade (UEBT)

Ms. Simona D'Amico, Monitoring and Evaluation and Biodiversity Expert, Union for Ethical BioTrade (UEBT)

Ms. Annette Piperidis, Manager Sustainable Sourcing, Weleda

Mr. Gastón Vizcarra Kennedy, Co-Founder and President, Candela Peru

Moderator: **Ms. María Julia Oliva**, Deputy Director and Senior Coordinator for ABS and Policy, Union for Ethical BioTrade (UEBT)

PARALLEL SESSION 3: OCEANS ECONOMY AND BLUE BIOTRADE

- Speakers:**
- H.E. Mr. Colin Murdoch**, Ambassador and Permanent Observer, Permanent Delegation of the Organisation of Eastern Caribbean States (OECS) to the United Nations Office in Geneva
 - Ms. Claudia Contreras**, Economic Affairs Officer, DITC, UNCTAD
 - Mr. Milton Haughton**, Executive Director, Caribbean Regional Fisheries Mechanism (CRFM)
 - Ms. Ximena Velez**, PhD, Managing Director of Peru programs, Smithsonian's National Zoo and Conservation Biology Institute
- Moderator:** **Mr. René Gómez-García**, Senior Executive and Head of Green Business Unit, development bank of Latin America (CAF)

PARALLEL SESSION 4: CIRCULAR BIOECONOMY

- Speakers:**
- Mr. Kari Herlevi**, Project Director, Circular economy for biodiversity, The Finnish Innovation Fund Sitra
 - Ms. Apoorva Arya**, Chief Executive Officer and Founder, Circular Innovation Lab, and former Ellen MacArthur Foundation India Coordinator
 - Ms. Marta Gomez San Juan**, Lead Expert on Bioeconomy, Food and Agriculture Organization of the United Nations (FAO)
- Moderator:** **Mr. Henrique Pacini**, Economic Affairs Officer, DITC, UNCTAD

PARALLEL SESSION 5: BIOTRADE SUSTAINABILITY THROUGH STANDARDS AND CERTIFICATION SCHEMES

- Speakers:**
- Mr. Khorommbi Matibe**, Chief Director: Biodiversity Economy and Sustainable Use
 - Ms. Lactitia Tshitwamulomoni**, ABS Focal Point, Department of Forestry, Fisheries, and the Environment (DFFE), South Africa
 - Mr. Mathieu Lamolle**, Senior Advisor, International Trade Centre
 - Ms. Emily King**, Business Engagement Officer, FairWild Foundation
 - Mr. Neil Crouch**, South African National Biodiversity Institute, South Africa
 - Mr. Soundrapandi Jeyaram**, National Biodiversity Authority, India
 - Mr. Suhel al-Janabi**, ABS Capacity Development Initiative/BioInnovation Africa
- Moderator:** **Ms. Preshanthie Naicker**, Department of Forestry, Fisheries, and the Environment (DFFE), South Africa

2.15–2.45 P.M.

Plenary and interactive discussions on the parallel sessions in the context of trade and nature's contribution to people

- Moderator:** **Ms. Nisha Pillai**, Journalist

2.45–3 P.M.

CLOSING REMARKS

- Ms. Lorena Jaramillo**, Economic Affairs Officer, DITC, UNCTAD

HIGH-LEVEL SESSION

Speakers: **Ms. Mohalgo Flora Mokgohloa**, Deputy Director General of Biodiversity and Conservation, Department of Forestry, Fisheries and the Environment, South Africa

Ms. Ivonne Higuero, Secretary-General, Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)

Mr. Simon Zadek, Chair, Finance for Biodiversity Initiative, Senior Advisor, Task Force on Nature related Financial Disclosures

Mr. José Luis Naula, Director of International Cooperation, Ministry of Environment, Water and Ecological Transition, Ecuador

Moderator: **Ms. Nisha Pillai**, Journalist

Background

The High-Level Panel discussion focused on the theme 'Trade and biodiversity for a positive future' to provide a platform to exchange views and propose policy recommendations to governments, business, and civil society organisations and to provide policy inputs to the post-2020 GBF. Biodiversity and ecosystem services are essential resources for life on Earth. However, biodiversity is decreasing at accelerating rates, reducing ecosystems' capacities to provide their essential services to humans. One million plant and animal species are facing extinction and biodiversity loss is projected to accelerate through 2050, as estimated by the Global Assessment of IPBES.⁴ In fact, IPBES mentions trade as one of the indirect drivers of biodiversity loss. However, trade plays an essential part in our society including through its key role in contributing to addressing our socio-environmental challenges. This includes not only biodiversity loss, but also climate change, pollution, and the reduction of the risk of zoonotic diseases.

Summary of discussions

The current COVID-19 pandemic underscores the interconnectedness of human health and our economies with the health of our planet. Biodiversity has a direct impact on the world economy, making biodiversity loss not only an environmental issue, but also social and economic as well. For this, transformational change is needed at all levels and sectors, in particular, by having an enabling policy

environment. Trade policies that are specifically related to biodiversity-based goods and services can play an important role in shaping the global patterns towards sustainable consumption and production.

To build resilient livelihoods and economies, there must be greater emphasis on decoupling economic growth from environmental degradation, in line with relevant conventions and international agreements. Similarly, diversifying a country's economy by developing and trading new goods based on its biodiversity to become resilient to economic and environmental shocks.

Benefit sharing of genetic resources is crucial to ensure that biodiversity can contribute to development and human wellbeing. For this reason, it is crucial that the post-2020 GBF needs to incorporate a transformational roadmap with milestones and actions to realize the vision of 'prosperity for all'. Moreover, the mainstreaming of biodiversity into policies and strategies should be a key priority for the new framework.

It is also important to underscore that the benefits of resilient livelihoods and the creation of jobs and increased income cannot come at the cost of environmental degradation. Communities who depend on resources for livelihoods especially need to be made aware that conserving biodiversity and using resources in a sustainable manner will allow them to continue to depend on them. Moreover, this approach motivates people to take ownership of the resources and serve as custodians of conservation. However, the focus needs to be on how to bring participants without

4 IPBES, 2019. *Global assessment report on biodiversity and ecosystem services – Summary for policymakers*. https://ipbes.net/sites/default/files/2020-02/ipbes_global_assessment_report_summary_for_policymakers_en.pdf

previous work in biodiversity to partner with those who are traditional participants.

Governments have the responsibility to provide resources such as seed capital and support the development of BioTrade industries and provide an enabling policy environment. Governments also have a responsibility to coordinate the engagement between government and local communities.

Linkages between trade policy and the conservation or loss of biological resources proliferate in an increasingly global marketplace. International trade policies have a significant impact on the earth's biodiversity and biological resources. Regulation of international trade of animals and plants through multilateral environmental agreements, such as CITES, ensures that biodiversity in the wild is not threatened. Enforcement of the rules and regulations for trade and biodiversity, such as limits on fishing, is crucial for biodiversity levels to be maintained and enhanced.

Financing biodiversity by considering nature in financial decision-making processes is

an important factor for the new GBF. New technological mechanisms such as blockchains for biodiversity could also be an innovative platform for biodiversity conservation. Trading tangible financial or biodiversity assets using the blockchain ledger system can validate transactions securely. Blockchains can also facilitate the process of recording transactions and sharing data in a business network and promote responsible practices throughout the value chain, allowing full traceability. This in turn allows companies to obtain precise information about the origin of inputs, supplier sourcing practices, and conversion processes.

Trade is not a panacea that can address all the challenges threatening biodiversity. However, it can be part of the solution in halting biodiversity loss. For this reason, trade needs to be sustainable, legal and contribute to building livelihoods, particularly in rural communities, while promoting sustainable business practices.

Key recommendations

- The post-2020 GBF needs to incorporate a transformational roadmap with milestones and actions to realize the vision of 'prosperity for all'.
- Focus on mainstreaming biodiversity into national policies and strategies. The implementation of Nagoya Protocol, through national access and benefit-sharing (ABS) measures can ensure fair and equitable incentives to conserve and sustainably use biodiversity which can contribute to development and human well-being.
- Incorporate indigenous and traditional knowledge into community BioTrade programmes as well as foster knowledge and information on how conservation and the sustainable use of nature can increase livelihoods and job creation to ensure community support.
- Technology, such as the blockchain mechanism which can increase efficiency and traceability, should be effectively utilized.

UNPICKING THE VALUE CHAIN: CHALLENGES AND EXPERIENCES IN TRACEABILITY (ORGANIZED BY HELVETAS SWISS INTERCOOPERATION)

Speakers: **Mr. Peter Schmidt**, Senior Adviser in Sustainable Agriculture and Value Chains, Helvetas Swiss Intercooperation

Mr. Harol Gutierrez, CITES Flora Specialist, Ministry of Environment, Peru

Mr. Michiel Hendriksz, Executive Director, FarmStrong Foundation and member of the Swiss Platform for Sustainable Cocoa

Moderator: **Ms. Jane Carter**, Senior Advisor, Helvetas Swiss Intercooperation

Background

This session examined the practical challenges and lessons of field experience of establishing traceability systems, taking three very different value chains as examples: ornamental orchids cultivated *in vitro* to meet CITES requirements, and fair trade, sustainably produced rice, and cocoa. The examples illustrated in this session have varied geographic provenance, stemming from Madagascar, India, Thailand, and Peru, and other countries.

Summary of discussions

Increasing consumer demand for biological products or natural ingredients that are sourced in a sustainable manner necessitates a system of traceability. For BioTrade, this is particularly challenging given the need to demonstrate the link to biodiversity conservation. If the product is sold under a BioTrade label, it should give the consumer confidence that its purchase ultimately contributes to biodiversity conservation and sustainable resource use (BioTrade principles 1 and 2). Yet traceability should also work in the opposite direction - ensuring that the producers, generally collectors and/or small farmers, receive a fair income (BioTrade principle 3: an equitable sharing of benefits). Companies are only just beginning to put adequate provisions in place in this regard (a matter discussed in Session 2: Biodiversity and BioTrade: Evolving tools and approaches, organized by UEFT). Similarly, traceability is needed for Organic or Fair-Trade certification, and when elaborating Nature-based Solutions.

The collaboration of CITES requirements and BioTrade guidelines have resulted in strengthening the sustainable management and traceability of orchids. Peru is home to a rich diversity of wild orchids – especially in Amazonian Forest areas. Under a scheme supported by the Ministry of Environment, collectors are paid for orchid specimens that are then propagated *in vitro*, raised in a nursery, and sold using bar-code labelling that permits international identification. High national and international demand for the orchids can be met through this scheme without eroding wild orchid populations. Local collectors also benefit, being paid double the price they would receive from illegal orchid traders.

While traceability allows for better verification systems, it does not always translate to fair prices. In India and Thailand, Helvetas is supporting the production of organic, fair trade speciality rice that is sold in the large Swiss supermarket chain, Coop. The system of traceability allows for each farmer to be identified, and production recorded, by digital means. The unprocessed paddy is then exported for milling and packaging in Switzerland. However, follow-up has shown that farmers are often unclear about what additional payment they receive for organic cultivation practices. In addition, the remuneration that they receive, though fair in terms of local prices, does not represent a living wage – they also need to engage in other activities. Activities are now focusing on how to ensure that participating farmers gain a living wage.

Similarly, in the Ivory Coast, FarmStrong Foundation is working with cocoa producers to ensure that they benefit from fair trade opportunities. This is a highly challenging task.

Analysis of satellite data shows that plots claimed to be under certified cocoa are sometimes under very different land uses – including having been clear-felled and/or used as construction sites. Ensuring that certification schemes are *bona fide* is especially difficult given that they are expensive and paid for by the value chain actor - who has an

obvious vested interest. Nevertheless, there are ways of enhancing reliability through combining satellite data with ground truthing by local people. Eventually systems based on satellite data can be “taught” (using algorithms) to recognise abnormalities in vegetative cover, reducing the need for ground-truthing.

Key conclusions

- BioTrade and similar certification schemes should **prioritise the producer** (small farmer or collector), ensuring that they not only benefit, but do so in a manner that corresponds to a living wage. Making this a priority is crucial, as otherwise producers will almost always lose as they have the weakest voice in the value chain.
- Focusing BioTrade interventions on single products has significant limitations and represents an intrinsic contradiction unless verification includes monitoring of the health of the ecosystem overall. It is more helpful to take a **landscape approach**, under which a wide variety of products (potentially originating from both flora and fauna) are produced in a sustainable system – contributing to fair incomes for local people and reducing the risk of dependency on a single product. Diversity is key.

BIODIVERSITY AND BIOTRADE: EVOLVING TOOLS AND APPROACHES (ORGANIZED BY THE UNION FOR ETHICAL BIOTRADE)

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- Speakers:** **Mr. Rik Kutsch Lojenga**, Executive Director, Union for Ethical BioTrade (UEBT)
Ms. Simona D'Amico, Monitoring and Evaluation and Biodiversity Expert, Union for Ethical BioTrade (UEBT)
Ms. Annette Piperidis, Manager Sustainable Sourcing, Weleda
Mr. Gastón Vizcarra Kennedy, Co-Founder and President, Candela Peru
- Moderator:** **Ms. María Julia Oliva**, Deputy Director and Senior Coordinator for ABS and Policy, Union for Ethical BioTrade (UEBT)
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Background

This session brought together experts and practitioners to discuss how approaches and tools on biodiversity along BioTrade supply chains have evolved and continue to move towards promoting a positive impact. Understanding challenges, paradigm changes, new methodologies as well as needs and experiences on the ground is important as the international community moves to adopt the post-2020 GBF, with its ambitious targets and calls for transformative action across society.

Summary of discussions

Panellists highlighted the global biodiversity crisis and the need to take meaningful steps to address challenges and opportunities in BioTrade activities. For instance, at its inception, UEBT was launched predominantly to bring the private sector on board and engage with sustainability along biodiversity-based supply chains. The UEBT standard – a standard defining practices that respect people and biodiversity in the way ingredients from biodiversity are grown, collected, researched, processed, and commercialised – was first developed in 2007. It was then revised in 2012 and subsequently in 2020 to take into consideration evolving challenges and practices. On the social side, for example, prices paid to suppliers do not always match a living wage. On the biodiversity side, there are also challenges and companies working with biodiversity must commit to and verify practices to mitigate risks such as land conversion or inappropriate use of agrochemicals and to promote positive impact

through regenerative approaches and other tools. Tools, such as the UEBT standard, need to periodically take stock and be strengthened to consider these challenges.

Brands that are committed to sourcing with respect, such as Weleda, often find that their suppliers have high levels of interest and commitment to good practices, but don't necessarily know how to address issues such as conservation and regeneration of biodiversity. Additionally, increasing requirements become relevant in terms of sustainability, such as the carbon footprint of products or due diligence. Aligning with sustainability requirements is difficult for producers because these higher requirements include more time and financial investments, namely in providing documentation to be certified. Tools put in place should address the issues of how to face the increasing burden linked to good practices, both from a financial as well as from a logistical and organizational perspective.

Tools such as the UEBT Biodiversity Action Plans (BAPs), which provide guidance in designing and implementing concrete practices on sustainable use and conservation of biodiversity when growing and sourcing natural raw materials, aim to providing valuable answers to these challenges. Panellists noted BAPs have been developed with a range of partners which is a bottom-up, flexible approach that firstly identifies the challenges with which suppliers are faced and piloted in different types of supply chains in countries around the globe. A good example is UEBT's hibiscus case in Nigeria, where issues – such as desertification and soil degradation – were firstly identified with farmers before jointly

developing solutions to these issues, such as reintroducing native species and thus restoring the soil.

Looking ahead, tools such as the BAPs and good practices on botanical ingredients and their supply chains become even more important, given many other initiatives focus on commodities

and land use levels as ways of addressing biodiversity concerns. It is through tools like BAPs that BioTrade can make a difference, delivering on its objectives of promoting dialogue, building trust, and consolidating partnerships along the supply chains, in order to have meaningful impact on people and nature.

Key conclusions

- Engaging in biodiversity-based supply chains doesn't necessarily equal good practices. Several biodiversity-based supply chains still contain challenges from a social as well as conservationist side and tools should constantly evolve to take these into account and progressively eliminate them.
- Suppliers are often interested and willing to improve practices; however, challenges also exist on how to put that into practice. Tools such as the UEFT BAPs are aimed to providing valuable answers to these challenges, and in guiding and monitoring good practices on biodiversity.
- It is crucial to understand the concept of supply chain as a holistic entity where each link of the chain equally contributes to the health and sustainability of the supply chain as a whole.

OCEANS ECONOMY AND BLUE BIOTRADE (ORGANIZED BY THE DEVELOPMENT BANK OF LATIN AMERICA – CAF)

Speakers: **H.E. Mr. Colin Murdoch**, Ambassador and Permanent Observer, Permanent Delegation of the Organisation of Eastern Caribbean States (OECS) to the United Nations Office in Geneva

Ms. Claudia Contreras, Economic Affairs Officer, DITC, UNCTAD

Mr. Milton Haughton, Executive Director, Caribbean Regional Fisheries Mechanism (CRFM)

Ms. Ximena Velez, PhD, Managing Director of Peru programs, Smithsonian's National Zoo and Conservation Biology Institute

Moderator: **Mr. René Gómez-García**, Senior Executive and Head of Green Business Unit, development bank of Latin America (CAF)

Background

The impact of COVID-19 has had direct effects on the fishing and tourism sectors, reducing productivity, value chains integration and consequently, the capacity of these industries to stimulate jobs and generate income, particularly in Latin America and the Caribbean countries. However, it is important to recognize that, even before the pandemic, the economic activity associated with oceans was already showing signs of decline, with a notable reduction in fish stocks and fishing fleets. This session discussed opportunities and challenges for introducing Blue BioTrade best practices in the oceans economy, seeking to shift the current paradigm of exploitation of the oceans to a sustainable pathway of exploration, regeneration and sustainable use, and thus contribute to a positive future.

Summary of discussions

Marine biodiversity loss is accelerating and is now a major problem. When biodiversity is diminished, it undermines the health and productivity of fish stocks and the entire marine ecosystem and by extension, food security, jobs, income, trade, and the overall economic development derived from the natural resource base. Strengthening the governance and management of fisheries as well as the entire marine environment and ecosystem is an imperative in obtaining long-term sustainable societal benefits from the biological resources in our waters.

The ocean's economy is essential to the socio-economic well-being of every country. With the growing population and the increased demand for fish and fish products as well as other marine resources, there is a potential to develop and grow marine sectors both for domestic consumption and exports leading to a more diversified economy. UNCTAD's work on the trends in ocean-based trade in goods and services may complement the decision-making process.

Blue BioTrade promotes trade and investment in marine biological resources in line with certain social, economic, and environmental sustainability criteria. Integrating the BioTrade P&C into fisheries and marine environmental management and practice ensures the sustainable use of the scarce and vital living marine resources and reduces the negative impacts of human and economic activities on the ecosystems, productivity, and marine biodiversity.

The port and marine transportation sectors are also at the core of Blue BioTrade. The continued demand for products and services from the oceans drives the increased development of marine infrastructure. The port sector can promote biodiversity restoration by adopting a sustainable marine infrastructure framework incorporating technology and innovation, controlling the introduction of non-indigenous species and long-term monitoring of biodiversity and coastal conditions.

Weakened ecosystems and global warming can be addressed by investing in sustainable

ecotourism managed from an integrated marine coastal territorial approach, seeking clean and renewable energy through technology development, managing water and geothermal resources, and leveraging climate financing

opportunities by applying blue bonds and blue carbon principles. These measures could also promote a new generation of services and productive clusters associated with the blue economy.

Key conclusions

- Oceans present significant opportunities for sustainably generating and extracting higher levels of economic activity and capturing economic value. It is therefore crucial to work closely with international development partners, community-based organizations, and the private sector in recovering from the pandemic and building back towards the path of improved resilience and sustainable growth.
- Recognizing that taking care of the oceans' health will guarantee long-term economic competitiveness and prosperity for all, it is fundamental to fully reconcile and truly connect economic growth with the regeneration of marine coastal ecosystems and marine migration pathways conservation.
- The port and marine transportation sectors are key components of global commercialization and will continue to be critical for Blue BioTrade. As such, a joint and integrated effort is needed in restoring and conserving marine biodiversity. Port authorities could take the lead role in sharing, promoting, supporting, and escalating the adoption of best practices locally and internationally.

PARALLEL SESSION 4: CIRCULAR BIOECONOMY (ORGANIZED BY UNCTAD)

- Speakers:** **Mr. Kari Herlevi**, Project Director, Circular economy for biodiversity, The Finnish Innovation Fund Sitra
- Ms. Apoorva Arya**, Chief Executive Officer and Founder, Circular Innovation Lab, and former Ellen MacArthur Foundation India Coordinator
- Ms. Marta Gomez San Juan**, Lead Expert on Bioeconomy, Food and Agriculture Organization of the United Nations (FAO)
- Moderator:** **Mr. Henrique Pacini**, Economic Affairs Officer, DITC, UNCTAD

Background

Biodiversity is our natural circular economy engine and perhaps our greatest teacher in what it takes to make a balanced economic system. The economy of the natural world is mostly free of negative externalities, but this balance is threatened by unsustainable, linear economic patterns⁵ which are leading to a decrease in biodiversity. Exploring the linkages between the circular economy and biodiversity may reduce biodiversity loss by safeguarding essential space for nature – and its ecosystem services essential for our economy - positively impacting our future. Data and metrics on the economic contribution of biodiversity play an important role in building investment cases and bringing in the private sector onboard. The session highlighted the importance of understanding and accounting for trade dynamics when addressing global biodiversity loss. This session explored how circular economy strategies can help conserve and add value to the bioeconomy and further contribute to the discussions on how trade enhances nature's contribution to people.

Summary of discussions

Circularity is often promoted in the food and agriculture sector to improve efficiency and value addition while reducing pollution and biodiversity loss. Biodiversity contributes to the production of food, feeds, paper, textiles, bioenergy, and bio-based processes such as fermentation and

enzymes. Countries are already developing green and bioeconomy strategies, mainly targeting agricultural production and the food and beverage sector, where they harness the use of biological resources and natural habitats to improve efficiency and value addition, as well as the reduction of pollution and biodiversity loss.

Beyond a theme for conservation, biodiversity is a value enhancer. Safeguarding biodiversity by creating innovative products and changing business models can be value enhancers for businesses and consumers as well as the economy. The fashion industry has several marketplaces that have unique business models for second-hand products. They increase the utilization rates and decrease the demand for natural resources and virgin materials. In the food system, a company producing cheese using silvopasture farming⁶ raise walnuts and feedstocks symbiotically on the same land. This helps mitigate climate change and conserve biodiversity.

Competitiveness is inherently linked to cost reductions and neglecting biodiversity leads to cost increases. Biodiversity loss and ecosystem's decline will have higher material costs and a backlash from both consumers and investors. Consumers are demanding for sustainable products and solutions, and businesses must come at par with these changes.

5 UNEP, 2021. *The Role of Business in Moving from Linear to Circular Economies*. <https://wedocs.unep.org/bitstream/handle/20.500.11822/36830/RBMLCE.pdf?sequence=3>

6 Gabriel, S., 2018. *Six Key Principles for a Successful Silvopasture*. Cornell CALS. <https://smallfarms.cornell.edu/2018/06/six-key-principles-for-a-successful-silvopasture/>

Key Conclusions:

- Understanding how trade rules contribute to the process and production methods and how they can deliver on the biodiversity and circular economy nexus are important.
- The demand for bioeconomy-based products already exists. In strengthening market access for small and medium-sized enterprises (SMEs), governments could provide policy support and mechanisms such as tax incentives, grants and subsidies to circularity-enhancing, biodiversity-conscious trade. In addition, the creation of incentives for SMEs to enter this space would also help as bioeconomy-based products, due to scale, are more costly than products using virgin raw materials.
- Replacing fossil-based or unsustainable pollution materials with bio-based could also be considered as an important means of increasing demand for bioeconomy-based products.

PARALLEL SESSION 5: BIOTRADE SUSTAINABILITY THROUGH STANDARDS AND CERTIFICATION SCHEMES (ORGANIZED BY THE DEPARTMENT OF FORESTRY, FISHERIES AND THE ENVIRONMENT, SOUTH AFRICA)

Background

This session was organised by the South African Department of Forestry, Fisheries and the Environment (DFFE) bringing together experts and practitioners from various sectors to discuss voluntary standards and certifications. The discussions revolved around how non-regulatory approaches through standards and certification schemes along biodiversity-based value chains complement and/or strengthen implementation of national ABS Legislations and contribute towards the headline indicators for ABS in the draft post-2020 GBF. The conversation delved into implementation scenarios and lessons learnt from global value chains based on African biodiversity.

Summary of discussions

The post-2020 GBF and its monitoring framework present a great opportunity for incorporating biotrade-related standards and certification schemes. Target 5 of the draft framework identified unsustainable extraction and production practices as well as sourcing and supply chains as one of the drivers of biodiversity loss. In encouraging sustainable business practices, the promotion of standards and certification schemes could play a role. The inclusion of conservation and the sustainable use in trade contracts, policies and ABS agreements and the development and implementation of national, regional, and global action plans for productive sectors and associated supply chains could also be considered.

The Standards Map Database of the International Trade Centre (ITC) shows a proliferation of emerging new standards. Current trends show that market outreach and the demand for sustainable products will expand, and a smart mix of approach in standards, certifications and regulatory public sector frameworks will be needed. The smart mix could include establishing resource assessment in supply chains, sector

development plans and biodiversity management plans. Monitoring and evaluation, technical capacity and financial support will also be crucial. The mix should also consider traditional knowledge and indigenous knowledge that will look into assets such as the liberal property scheme and geographical indicators.

Baobab harvesting brings social benefits and trade for rural communities. However, as trade scales up, potential risks such as child labour, health and safety issues and potential discrimination over access rights in wild plant supply chains occur. B'Ayoba is a leading producer of baobab products in Zimbabwe and has been certified as a collection operation by Fairwild, an international standard for sustainable harvest and fair trade of wild plant ingredients since 2016. The company has demonstrated environmental stewardship that benefited thousands of workers and collectors. It cares for the trees and the people who depend on them by carrying out tree population surveys, creating sustainable harvest and management plans, planting seedlings, and paying minimum prices for the fruit. It supports thousands of collectors, communities, families, and the local trees through programs such as the Baobab Foundation and Baobab Guardians, among others.

India fulfils its obligations and commitments under the Nagoya Protocol by having both regulations and administrative mechanisms. Certification plays a major role in incentivizing companies and users of biological resources. The voluntary certification scheme developed jointly with the Quality Council of India, gives companies a logo once they have complied with the regulatory mechanisms. Having gone through a third-party evaluation process gives them a market edge over the non-compliant, especially in the international market where there is increased consumer awareness on sustainability.

Key conclusions

- Standards and certification schemes are important tools in the conservation and sustainable use of biological resources as they safeguard and guarantee that sustainability issues were considered in the supply chains.
- A sustainable model for BioTrade would need to integrate bioprospecting with standards and certification schemes from both bottom-up and top-down approaches. The smart mix should encompass ABS and the potentials for BioTrade at the resource, ingredient, and final product levels.
- In consolidating the approaches between different companies and countries addressing biodiversity in international trade, the self-assessment tool jointly developed by ITC and UNCTAD is a practical tool for companies to run a diagnostic of their current practices when it comes to BioTrade.

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CONCLUSION

Legal, sustainable, and traceable trade can help overcome the biodiversity crisis we are currently facing. Common themes and issues that have been underscored throughout the sessions include:

- Trade supports local and national economies and therefore the achievement of the SDGs. For this, mainstreaming of biodiversity into policies and strategies should be a key priority for the new post-2020 GBF.
- While traceability can ensure that our supply chains are sustainable, they can be complex, expensive and challenging in ensuring fair benefits to producers.
- Providing tools and promoting certification schemes enable the private sector to sustainably manage and measure biodiversity.
- It is important to sustainably use and conserve not only terrestrial ecosystems but also marine and other aquatic ecosystems. Our oceans, with its abundance of biological resources, need to be protected and restored to ensure a sustainable future.
- While biodiversity conservation can be perceived as difficult to measure, the value of biodiversity could be measured by looking at other drivers such as land-use change and pollution.
- Governments can play a bigger role in biodiversity conservation by providing policy support and implementing mechanisms, including adapting concepts of the biocircular economy.

UNCTAD through its BioTrade Initiative will be building on these discussions going forward and will continue to provide tools, information, and spaces such as the congress where we can promote and highlight the importance of biodiversity and trade and linking these to nature's contribution to people. These discussions will also feed into ongoing processes including the negotiations of the post-2020 GBF, the CITES nineteenth Conference of the Parties (COP 19), the 2022 United Nations Ocean Conference and UNCTAD's 4th Oceans Forum, 27th Conference of the Parties of the UNFCCC (COP 27), WTO's 12th Ministerial Conference (MC12) discussions, and

the implementation of the SDGs and the outcome document of UNCTAD15, the Bridgetown Covenant.

Biodiversity has been providing a multitude of essential services crucial to our society and planet. In giving back to nature, it is an imperative for our generation to respect, protect and sustainably use these resources to ensure that future generations can benefit from the same. Sustainable trade is part of the solution and may play a key role.



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