Contribution of BioTrade Partners to the post-2020 global biodiversity framework

Comments sent by: UNCTAD, CITES Secretariat, UNU-IAS, ITC, PromPerú, CAF, UEBT, ABS Capacity Development Initiative and FLEDGE

UNCTAD BioTrade, CITES Secretariat, UNU-IAS, ITC, PromPerú, CAF, UEBT. ABS Capacity Development Initiative and FLEDGE have prepared this information note in response to **CBD Notification 2019-108**[1] that seeks **views on possible targets, indicators and baselines for the post-2020 global biodiversity framework** and requests the peer review of a document on indicators.[1] This submission also considers the OEWG-2 documentation, the IPBES Global Assessment[2] and information provided by the OEWG co-chairs during their informal briefing on the 24 November 2019.[3]

Based on the experience of UNCTAD BioTrade and its partners working on the sustainable use of biodiversity and the sustainable trade of its derived products, this note provides information on the potential contribution of sustainable trade to the post-2020 global biodiversity framework. In particular, the note analyzes and addresses the indirect drivers of biodiversity loss (trade, production and consumption and institutions and governance systems), and provides recommendations on potential tools and solutions, on potential means of implementation and enabling conditions, and on measures relating to responsibility and transparency.

Key messages

The key messages from this joint submission are the following:

- The sustainable and legal trade of biodiversity-based products and services can make a positive contribution to biodiversity conservation and sustainable use objectives through (a) creating positive economic incentives and engaging actors, including IPLCs and businesses, for the sustainable use of biodiversity, (b) supporting cross-sectoral cooperation with the trade and finance communities, and (c) tackling unsustainable consumption and production patterns.
- Trade conducted in accordance with sustainability principles and criteria such as the BioTrade Principles and Criteria, and CITES requirements where relevant, can support the implementation of the second objective of the CBD, which refers to sustainable use, and help provide the basis for long-term development.
- BioTrade and its partners can provide data, experiences and other types of information which can help in the design of the post-2020 global biodiversity framework, including indicators (see section 6).

UNCTAD, the United Nations trade agency, launched the BioTrade Initiative in 1996, to promote sustainable trade in biological resources for development in support of the objectives of the CBD[4]. UNCTAD BioTrade and its partners have been contributing to the achievement of the Aichi Biodiversity Targets and with that accumulated experiences, will continue to engage actively in the development of the post-2020 global biodiversity framework and subsequently in its implementation.

[1] More information on the work of UNCTAD, BioTrade and its partners related to the development of the post-2020 global biodiversity framework can be found on the dedicated website: https://unctad.org/en/Pages/DITC/Trade-and-Environment/BioTrade/BT-Post2020.aspx.

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1. Introduction

Sustainable trade is understood as the legal and traceable commercial exchange of goods and services which generates social, economic and environmental benefits and thereby contributes to the Sustainable Development Goals (SDGs) and biodiversity objectives. Sustainable trade may also mean that the trade is in compliance with CITES requirements[5] and/or the provisions of the Nagoya Protocol.[6] These requirements and provisions are already considered in BioTrade, which refers to the collection, production, transformation and commercialisation of goods and services derived from native biodiversity[7] under environmental, social and economic sustainability criteria known as the BioTrade Principles and Criteria (P&C).[8] Furthermore, the BioTrade P&C provide a framework and guidelines for sustainable practices that support the conservation and sustainable use[9] of biodiversity, and the fair and equitable sharing of benefits. They are implemented and fostered by government organizations, business associations, NGOs, and companies in over 60 countries. The P&C offer a harmonized approach to transforming the provision of, and trade in, products and services based on biodiversity and ecosystem services.

Trade was identified by the IPBES Global Assessment as one of the drivers for biodiversity loss.[10] Shifting to sustainable trade is therefore essential to achieve the transformative change identified by the IPBES Global Assessment, and to achieve global biodiversity objectives[11] and the SDGs. The post-2020 global biodiversity framework should thus include sustainable trade principles and practices, such as the BioTrade P&C, which supports not only the conservation and sustainable use of biodiversity, but also the sharing of its benefits and the maintenance of biocultural diversity.[12] Experiences on sustainable trade have been gained by CITES and other BioTrade partners (see Annex 1), and tools and sustainable practices developed, including the landscape approach,[13] UEBT Biodiversity Action Plans,[14] resource assessments[15], and management plans.

Based on the experience of BioTrade partners and practitioners, this submission focuses on providing inputs on several indirect drivers of biodiversity identified in the IPBES Global Assessment: 1) trade; 2) production and consumption; and, 3) institutions and governance systems. It also focuses on the importance of sustainable trade and provides recommendations of how these indirect drivers need to be addressed by the post-2020 global biodiversity framework. In tandem, inputs will also be provided on the tools and solutions, the means of implementation and enabling conditions, and on responsibility and transparency.

2. Overview of indirect drivers of biodiversity loss

To achieve the transformative changes called for by the IPBES Global Assessment, the post-2020 global biodiversity framework must address the indirect drivers of biodiversity loss.[16] BioTrade partners, including UNCTAD BioTrade, CITES Secretariat, UNU-IAS, ITC, PromPerú, CAF, UEBT, ABS Capacity Development Initiative and FLEDGE, analyzed the indirect drivers from a sustainable trade perspective as presented below.

The private sector is one of the main actors in production and trade, and in influencing consumption patterns. Therefore, measures relating to the private sector are further addressed in *section 3 on Tools and solutions.*

A. Consumption and production

Consumption patterns have evolved in the last decades, from traditional and local consumption and production to global value chains. This has supported the development of countries, businesses and livelihoods, "but also impacts on nature and its contributions to people."[17]

Unsustainable consumption and production patterns underpin the direct drivers of biodiversity loss, including changes in land and sea use, and direct exploitation of organisms.[18] Some consumption patterns incentivize overexploitation and the use of unsustainable practices, such as the unequal distribution and sharing of benefits, responsibilities on the conservation and use of the resources, and costs.[19] These patterns are undermining nature's ability to regenerate, to remain resilient to external pressures including climate change, and to meet people's economic, spiritual and cultural needs. Indigenous peoples and local communities (IPLCs) are particularly affected as they have a strong relationship and dependence on nature and its contribution to subsistence, livelihoods and health.[20]

Sustainable and legal trade of biodiversity-based products and services can help address this indirect driver by providing options for sustainable consumption and production patterns. Therefore, sustainable practices should not only be promoted and mainstreamed, but also be incentivized and supported by legal provisions.

On the consumer side, awareness needs to be raised on the power to change throughout the value chain. Moreover, greater awareness is needed of the impacts of purchasing behaviors and the benefits of sustainable use and trade of biodiversity. The Union for Ethical BioTrade (UEBT), through its work, raises awareness about challenges and opportunities in ethical sourcing of biodiversity. Its main tools include the UEBT Biodiversity Barometer, the UEBT annual conference, and its publications.

B. Trade

The IPBES Summary for Policy Makers (SPM) states that the "Unsustainable use of the Earth's resources is underpinned by a set of demographic and economic indirect drivers that have increased and, further, interact in complex ways, including through trade."[21] Moreover, "distant areas of the world are increasingly connected as consumption, production, and governance decisions increasingly influence materials, waste, energy, and information flows in other countries, generating aggregate economic gains while shifting economic and environmental costs."[22] There are examples of the negative impacts of trade on the environment, including transport, packaging and product waste, and the spread of invasive alien species.[23] Examples of trade leading to or incentivizing other forms of unsustainable use are illegal trade in species, or trade in goods such as illegally harvested timber.[24]

However, it is important to recognize the positive role that trade can play when conducted under environmental, social and economic sustainability criteria as envisaged in the BioTrade P&C and compliant with CITES and other international requirements. Sustainable trade, including BioTrade, can be an effective way to raise the awareness of producers, SMEs and transnational corporations of the importance to maintain biodiversity and ecosystem services, and the benefits in applying biodiversity-friendly production practices. These can also contribute to "Embrace diverse visions of a good life"[25], the most challenging but most effective leverage point for the transformative change suggested by IPBES. Other benefits include improved traceability and transparency, among others. Sustainable use is a prerequisite for sustainable trade and needs to be mainstreamed in order to achieve the transformational change required to reach global biodiversity goals.

C. Institutions and governance systems

Certain institutional structures and economic policies, including harmful subsidies,[26] are driving unsustainable consumption and production, and unsustainable trade. Economic incentives generally have favored expanding economic activity, and often environmental harm, rather than conservation or restoration.[27] IPBES lists a number of measures which can be taken to improve institutions and governance systems. For instance, it suggests introducing incentives which recognize and maintain nature's contribution to people,[28] increasing sustainable land/sea-use management, and enforcing regulations.[29]

IPBES identifies 5 main interventions ("levers") that can generate transformative change by tackling indirect drivers: 1) incentives and capacity-building; 2) cross-sectoral cooperation; 3) pre-emptive action; 4) decision-making in the context of resilience and uncertainty; and, 5) strengthening environmental law and its implementation[30]. These levers may be facilitated by approaches such as integrative, inclusive, informed and adaptive governance.[31] For example, inclusive governance, through stakeholder engagement and the inclusion of IPLCs, can lead to sustainable outcomes.[32] Moreover, integrative approaches such as mainstreaming biodiversity across government sectors,[33] including trade and export strategies, intellectual property, can support ensuring coherent policy frameworks that sustainably use biodiversity and ensure benefit sharing.

3. Tools and solutions for implementation and mainstreaming

A. Economics and incentives

Achieving a sustainable global economy will require making fundamental reforms to economic and financial systems and tackling poverty and inequality as vital parts of sustainability.[34] IPBES has identified a range of options and tools for decision-makers to improve the sustainability of economic and financial systems.[35]

Options include reducing the opportunity cost of biodiversity-sensitive production methods, and reduced incentives for unsustainable practices. Article 11 of the CBD on incentive measures requires Parties, as far as possible and as appropriate, to develop socially and economically sound incentive measures for conservation and sustainable use.[36] This article is reflected in Aichi Target 3 which calls for the removal, phasing out or reform of perverse incentives,[37] including subsidies, and the development and application of positive incentives for the conservation and sustainable use of biodiversity.[38] Positive incentives can be both monetary and non-monetary, direct and indirect.[39]

Through trade, communities and small and medium enterprises (SMEs) that depend on the use of biodiversity can obtain revenue from sustainably sourcing and selling their products or services. This adds value to existing resources which creates a motivation for applying sustainable use and conservation practices. Thus, trade done sustainably can provide several benefits. These include 1) providing economic incentives to communities, smallholder producers and SMEs for the conservation and sustainable use of biodiversity; 2) generating income, jobs and new businesses; and, 3) helping countries wisely use and transform their biodiversity into economic opportunities. For governments, establishing provisions for and promoting the fair and equitable sharing of the benefits arising out of the utilization of biological resources can provide the context for incentives for sustainable use and conservation.

Efforts are needed to continue enabling and incentivizing business models and practices that foster biodiversity-friendly activities that generate livelihoods such as BioTrade or access and benefit-sharing requirements, as well as voluntary standards informed by international best practices.

B. <u>Governance (laws, regulations, policies)</u>

Enabling legal and policy frameworks for promoting sustainable trade, including those in line with BioTrade P&C,[40] and trade that is compliant with CITES requirements, is proven to support the conservation and sustainable use of biodiversity. Transformative change is facilitated by innovative governance approaches that incorporate existing approaches.[41] Sustainable trade, including BioTrade, is such an approach. It can enable transformative change through participatory and inclusive approaches and platforms that engage governments, the private sector, IPLCs, and academia, in designing policies, developing sustainable supply chains, and ensuring benefit sharing mechanisms. Real participation of practitioners, particularly IPLCs, may also lead to a better implementation of plans and regulations.

Incentives can also be provided by governments implementing the Nagoya Protocol on access and benefit sharing. ABS requirements can lead companies working with biodiversity-based ingredients to more sustainably source and design supply chains and business practices in general. In particular, the successful implementation of the Nagoya Protocol on access and benefit-sharing relies on transparency, the consent of providers and benefit-sharing. BioTrade partners are contributing to compliance with ABS requirements by supporting the development of ABS due diligence systems and good practices, the establishment of Biocultural Community Protocols, guidelines for community dialogues, providing technical inputs in the development of national ABS regulations and model clauses in developing countries, among others. Successful local governance supported by recognition of local rights has often incorporated knowledge of how nature contributes to human wellbeing to motivate such behavior[42].

Promoting sustainable trade can help cross-sector collaboration and mainstream biodiversity into other economic sectors, as shown by BioTrade partners' experiences. In the BioTrade context, biodiversity has been included into development plans, trade strategies, and key productive sectors, such as trade, agriculture, forestry, fisheries, tourism, wild harvested plants and animal products (e.g. non-timber forest products, medicinal and aromatic plants, vicuña fiber). Collaboration and mainstreaming has been more effective when multi-stakeholder platforms and working groups that include the public and private sectors, academia, civil society groups and international development cooperation actors are used to raise awareness, sensitize and coordinate actions, and develop coherent policies and legislation at the local, national and sectoral levels, as well as tools for the dissemination of activities. This has been seen, for instance, in the creation of Peru's 'National Commission for the Promotion of BioTrade', which is an official[43] multi-stakeholder platform that steers national stakeholders to implement the BioTrade P&C, promoting programmes and allocating budgets for activities that conserve and make sustainable use of biodiversity. The National Commission has successfully

mainstreamed biodiversity into different economic sectors, as well as in the work with the private sector, IPLCs, academia and development cooperation. Its activities are based and support the National Strategy for the Promotion of BioTrade and its Action Plan until 2025[44].

C. Behavior change

The shift of societies to sustainable production and consumption is central to sustainable development and to reducing inequalities.[45] Businesses play a central role in transforming consumer behavior. This shift can be triggered by incentives and regulations which can lead to positive changes at both the production and consumption ends of supply chains.[46]

Sustainable trade, including BioTrade and trade which is compliant with CITES requirements, can foster sustainable consumption and production by mainstreaming biodiversity into the economy at local, national and international levels. BioTrade partners are increasing sustainability in production through collaboration with SMEs, micro-SMEs, IPLCs and transnational corporations to implement best practices for sustainable sourcing, developing and implementing traceability systems, implementing good agriculture and collection practices, and enhancing the portfolio of sustainably sourced products and services. Transparent information is a very important element of behavior change, as well-informed consumers can take responsibility in their consumption choices. On the consumer side, BioTrade is supporting awareness raising in order to create new markets, empower consumers to change the marketplace, and to increase the offer of sustainably produced products and services.

Raising awareness among consumers and producers of traded goods of the importance of sustainable trade, combined with incentives to foster it, will lead to behavior change can contribute to achieving proposed targets in the zero draft for the post-2020 global biodiversity framework, in particular target 20, "Foster diverse visions of good quality of life and unleash values of responsibility, to effect by 2030 new social norms for sustainability", and target 17, "People everywhere take measurable steps towards sustainable consumption and lifestyles, taking into account individual and national cultural and socioeconomic conditions, achieving by 2030 and sustainable consumption levels.". The UEBT Biodiversity Barometer[47] has been a useful tool to monitor change of awareness and understanding of biodiversity among consumers, and how this affects purchasing decisions.

4. Means of implementation and enabling conditions

A. Resource mobilization

Sustainable trade, including BioTrade, is a way to attract and mobilize investments from the private sector, financial institutions, and trade-related organizations for the sustainable use of biodiversity and related conservation measures. Also, promotion of sustainable trade that enhances financial and livelihood benefits to IPLCs could provide additional means of implementation. Finally, making trade more sustainable also reduces the resources needed to mitigate the impacts on biodiversity of unsustainable cultivation or harvesting practices.

The production, transformation and commercialization of products and services derived from biodiversity under social, environmental and economic sustainability criteria, as fostered by UNCTAD BioTrade and its partners, is a way to create and support the scaling-up of markets for sustainably produced biodiversity-based goods and services and promote benefit sharing. Resources from private and trade related organizations may be mobilized in developing biodiversity-friendly supply chains, as well as through strategies which respect biodiversity locally and promote sustainable livelihoods of sourcing communities. Establishing good ABS regulations with low transaction costs for both users and providers can contribute to resource mobilization by generating and securing benefits from the use of genetic resources and associated traditional knowledge for biodiversity conservation and sustainable use.

Engaging with financial and private institutions has also been fostered by BioTrade partners, including the development bank of Latin America (CAF). They have developed guidelines for commercial bank officers and entrepreneurs which are used to mainstream and channel funds to biodiversity-friendly businesses, including those that comply with the BioTrade P&C. During 2019, CAF has increased the credits placed in biodiversity-based businesses in CAF member countries[48] to US$440 million. This shows that scaling up and replicating

BioTrade approaches allows for channeling additional resources in support of the implementation of the post-2020 global biodiversity framework.

B. Capacity-building

Sustainable trade initiatives including BioTrade are enhancing the capacities of public, private actors, IPLCs and civil society to support the sustainable use of biodiversity, trade of its derived products, and define and implement benefit sharing.

Examples of this type of capacity-building include: formulating and implementing capacity-building programmes and university curricula; developing guidelines and documentation on regulations; sustainable sourcing; implementing environmental and social practices; and, compiling and disseminating best practices and lessons learned.[49] Similarly, the creation of platforms and knowledge sharing mechanisms, and holding events, has played an important role in building capacity among value chain stakeholders. These include events such as the BioTrade Congresses[50] and the UEBT annual conference "The Beauty of Sourcing with Respect"[51], among others.

In the context of ABS, capacity-building and technology transfer, including technical training programmes, have also contributed to a better understanding of the links between ABS, sustainable use and sustainable trade.

C. Traditional knowledge, innovations and practices

Sustainable trade, including BioTrade, can be based on products developed using traditional knowledge, innovations and practices. When it also addresses inequalities, especially regarding income and gender, and ensures inclusive decision-making and the fair and equitable sharing of benefits, sustainable trade can support the transformational change called for by IPBES[52].

Intellectual property instruments, such as geographical indications, plant variety protection, trademarks and patents, can add value to products and ingredients which in turn can contribute to biodiversity goals, when carried out in line with the provisions of the CBD and other multilateral environmental agreements.

D. Private sector engagement

Additionally, to implement the post-2020 global biodiversity framework it is crucial to enhance the implementation support mechanisms, particularly for valuing the positive role and contribution of sustainable trade and private actors including SMEs, Micro-SMEs and community-based enterprises. This relates not only in terms of resource mobilization, but also capacity building, technology and scientific cooperation, technology transfer and mainstreaming. Furthermore, Article 10(e) of the CBD calls for Parties to encourage cooperation between its governmental authorities and its private sector in developing methods for sustainable use of biological resources. The post-2020 global biodiversity framework may include explicit mentions of how private sector organizations can contribute further to the post-2020 global biodiversity framework. Governments and the private sector need to work together as well as to exchange information, best practices and experiences to promote and increase the contribution from the private sector to conservation and sustainable use. Wording to that regard could be added to enabling conditions or included under targets (c) 'Tools and solutions for implementation and mainstreaming', for example.

5. Responsibility and transparency

Monitoring the implementation of the post-2020 global biodiversity framework

A. BioTrade partners can provide the following ***baseline data*** to support the monitoring of the post-2020 global biodiversity framework:
   - Baseline information on the implementation of BioTrade P&C that are publicly available with BioTrade partners, including UEBT, national and regional BioTrade Programmes and UNCTAD;
   - Wildlife trade data from the CITES trade database (http://trade.cites.org);
   - Cases of CITES review of significant trade process, which reviews the sustainability of selected CITES-related trade (https://cites.org/eng/imp/sigtradereview);
   - Trade statistics related to legal trade of biodiversity-based products (forthcoming in 2020), and will be available at UNCTADStats: (https://unctadstat.unctad.org/EN/)

- Sustainability Map of the International Trade Centre (ITC) which offers users access to wide ranging information related to sustainability initiatives, allowing businesses to gain a better understanding of sustainability standards that are relevant to their export markets and to connect with business partners (https://www.sustainabilitymap.org)

B. UNCTAD and its partners propose a number of ***indicators*** which could inform progress towards to implementation of the post-2020 global biodiversity framework:
   a. Number of recommendations (or number of countries with recommendations) to suspend trade from the CITES review of significant trade process;
   b. Trends in legal trade of plant and animal species (including derivatives and extracts) listed under Annex II and III of CITES;
   c. Number of UEBT-certified ingredients sourced by UEBT member companies;
   d. Volumes of UEBT-certified ingredients sourced by UEBT member companies;
   e. UNCTAD is currently working with partners to provide the evidence base needed to develop objective monitoring indicator(s) which could be used to track progress on trade flows of biodiversity-based products (sources: UNCTADStat, Comtrade and others). This includes the following two indicators:
      i. Value and trends of exports/imports in biodiversity-based products (based on an agreed list of HS codes at the 6-digit (subheading) level, correlated to the different HS nomenclatures);
      ii. Share and trends of trade in biodiversity-based products that is sustainable (e.g., in line with BioTrade P&C and CITES requirements, which are consistent with CBD objectives). This could be complemented with specific information available for species prioritized by BioTrade partners and considering National Tariff Lines;
   f. In relation to targets and indicators for the post-2020 global biodiversity framework related to ABS, it is recommended that these be oriented on outcome or impact rather than output (e.g. number of ratifications, number of regulations in place, number of internationally recognized certificates of compliance issued). However, the question of confidentiality in ABS agreements/contracts may make monitoring difficult, and approaches to balance confidentiality and transparency need to be developed. Similarly, it will be important to create a platform or similar to compile benefits listed in ABS contracts, and effectively delivered benefit sharing, as well as the rechanneling or re-investment of resources in conservation and sustainable use of biodiversity. Examples of indicators could be:
      i. Volume and quality of benefits shared and directed to biodiversity goals and/or sustainable development objectives (i.e. SDGs). As there is no baseline, only "new" benefits shared after 2020 would be counted;
   g. Number of Countries supporting Business Support Organizations (governmental Trade Promotion Organizations but also private sector association) in exporting products produced under sustainable criteria, such as BioTrade P&C; and
   h. Number and trends of countries that have trade, export or other related strategies that foster the sustainable trade of biodiversity-based products and services, such as BioTrade.

C. In relation to **reporting**, BioTrade partners encourage the inclusion of questions related to trade in future national reporting frameworks.

6. Organizations supporting this submission

The **United Nations Conference on Trade and Development (UNCTAD)** is the main United Nations body dealing with trade, investment and development issues. Its 195 member States have regularly affirmed that trade in sustainably sourced biodiversity products can play an important role in enhancing development.[53] The BioTrade Initiative's engagement in the process leading to the post-2020 global biodiversity framework builds on its 2016 mandate from UNCTAD XIV, and the recognition that it has received in various international forums and MEAs that focus on biodiversity—including the CBD—with references being made in numerous COP decisions over the years. UNCTAD, jointly with WTO and ITC, is custodian for the trade-related SDGs, and publishes the UNCTAD SDG Pulse, an annual statistical publication reporting on SDG developments.[54]

The **Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)** is a legally binding treaty among 182 states and the EU that has regulated trade in species of wild animals and plants since 1975 - it is one of the eight biodiversity-related conventions that includes CBD. The objective of CITES is to ensure that international trade in specimens of wild animals and plants is legal, sustainable, and traceable**.** The long-standing partnership between CITES and UNCTAD aims to ensuring the conservation of species, enhancing the livelihoods of the poor in remote and marginal areas, and promoting business opportunities for entrepreneurs that comply with CITES requirements and national legislation.

The **United Nations University Institute for the Advanced Study of Sustainability (UNU-IAS)** is a leading research and teaching institute based in Tokyo, Japan. It is one of 13 institutes and programmes, located in 12 different countries, which together comprise the United Nations University (UNU)—a global think tank and postgraduate teaching organization. UNU-IAS mission is to advance efforts towards a more sustainable future, through policy-oriented research and capacity development focused on sustainability and its social, economic and environmental dimensions. It serves the international community through innovative contributions to high-level policymaking and debates, addressing priority issues for the UN system. The activities of the institute are in three thematic areas: sustainable societies, natural capital and biodiversity, and global change and resilience.

The **International Trade Centre (ITC)** is the joint development agency of the United Nations and the World Trade Organization dedicated to supporting the internationalization and competitiveness of SMEs, and a key partner for BioTrade. ITC is developing the Assessment Tool of the BioTrade Principles and Criteria (BT P&C) to enhance understanding of the BioTrade concept among companies and producers and scale up the use of the BT P&C in biodiversity-based value chains.

PromPerú is an agency attached to the Ministry of Foreign Trade and Tourism of Peru which seeks to promote the use of environmental, social and economic sustainability criteria within the productive processes of exporting companies, thus increasing the competitiveness of the goods and services that are offered in international markets. The institution seeks to strengthen national capacities by contributing to the development of programmes in regions that promote BioTrade, building on the National BioTrade Strategy and Action Plan to 2025 and working in collaboration with other institutions.

The **development bank of Latin America (CAF)** is also a key partner under BioTrade and has implemented the CAF-GEF-UNEP regional BioTrade Project. Jointly with CITES Secretariat, UNCTAD and the International Oceans Institute, CAF is also fostering the development of Blue BioTrade to promote sustainable and equitable economic sectors and value chains based on marine and coastal resources[55].

The **Union for Ethical BioTrade (UEBT)** is a non-profit association that promotes the "sourcing with respect" of ingredients from biodiversity. UEBT supports and verifies companies' commitments to Ethical BioTrade - innovation and sourcing practices that contribute to a world in which people and biodiversity thrive. Working with UEBT is a way for businesses to demonstrate impact to consumers, governments and other supply chain actors. A key initiative of the UEBT is the Biodiversity Barometer, which is used as an indicator under Aichi Target 1 to measure how people are aware of the values of biodiversity and the steps they can take to conserve and use it sustainably. In 2019, UEBT launched a certification label for members who hold UEBT certification for either their ethical sourcing system, or for specific natural ingredients.

The **ABS Capacity Development Initiative** contributes to achieving the SDGs by supporting the implementation of the Nagoya Protocol on ABS. Through targeted support services the ABS Initiative facilitates three core processes: developing ABS regulatory and institutional frameworks, negotiating fair and equitable ABS agreements, and integrating indigenous peoples and local communities in play an important role in enhancing development. respective procedures. Established in 2006, the multi-donor Initiative is implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and currently funded by the German Federal Ministry for Economic Cooperation and Development (BMZ, host of the Initiative), the Organisation Internationale de la Francophonie/Institut de la Francophonie pour le développement durable (OIF/IFDD), the Norwegian Ministry of Foreign Affairs, the 11th European Development Fund (through the ACP-EU Partnership Agreement) and the Swiss State Secretariat for Economic Cooperation (SECO). The secretariat of the ABS Initiative is located at GIZ headquarters in Germany.

FLEDGE is a not-for-profit international think tank working on issues of environment and development with an aim to focus on future developments in diplomacy and governance. With its partnerships spanning NGOs to the United Nations, FLEDGE is actively involved in the discussions related to development of post-2020 global biodiversity framework at different levels.

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Annex 1: Experiences of sustainable trade including CITES and BioTrade

A. Experiences with CITES- listed species

Legal, sustainable and traceable international wildlife trade embraced by CITES supports biodiversity conservation. Of the 36,000 species listed under CITES, 97% are traded through over one million CITES permits issued per year, making it a multibillion-dollar legal trade. CITES also contributes to human wellbeing, livelihoods and the achievement of the SDGs. Additionally, their recently adopted CITES Strategic Vision for 2021–2030 will contribute to the post-2020 global biodiversity framework.

Enhancing livelihoods is essential for biodiversity conservation when considering trade in biodiversity, particularly from the rural communities that can sustainably use, trade and conserve biodiversity. Many interesting CITES case studies illustrate the connection between biodiversity, legal trade and livelihoods in the leather and luxury goods, pharmaceutical, cosmetics, fashion, medicinal plants, construction, furniture and music instruments. For example, the population of the once endangered vicuñas in Peru and Bolivia recovered from 5,000 to around 500,000. The trade estimates for Queen Conch in the Caribbean are US$60 million per year.

> ***Source**: Intervention made by Juan Carlos Vásquez, CITES Secretariat, at the 5th BioTrade Congress, 12 September 2019.*

B. Experiences of BioTrade companies in Asia, Africa and Latin America

UNCTAD BioTrade Initiative and its partners through its BioTrade P&C are supporting SMEs and communities to develop and market value-added products derived from the sustainable use of their biodiversity. Sales of BioTrade products reached US$ 4.8 billion in 2017 and provided income and livelihoods to rural communities. Below are some examples:

Businesses are key to generating the change needed to address the biodiversity crisis and mainstream biodiversity friendly practices such as BioTrade. **Natura Cosmetics** –a UEBT member and leading cosmetics company – has developed an Innovation Platform Strategy by partnering with traditional communities to generate high value-added products, produce economic results, share benefits, initiate local development projects and implement the SDGs. This strategy has thus far benefited over 37 communities (21,000 inhabitants), covering an area of 1.8 million hectares, based on 22 native species, and leading to over 80 ABS contracts.

SMEs are in the frontline of fighting biodiversity loss and can be multipliers of the change needed to address the biodiversity crisis. **Eco-MICAIA Ltd.**, a BioTrade SME working in Mozambique on honey and bee products and baobab, aims to enable people living in biodiversity-rich but threatened areas to have access to a basket of livelihood opportunities that are based on creating value out of existing biodiversity. Through its honey value chain in the

buffer zone of the Chimanimani National Reserve, a critically important area for biodiversity struggling with increased deforestation. Eco-Micaia has made a significant impact on both local livelihoods and biodiversity conservation. From buying 2.4 tons of honey in 2014, the company bought 27 tons in 2018. The Reserve authorities, monitoring annual fires, have now confirmed that there has been a distinct reduction in frequency and scale of uncontrolled fires in the beekeeping areas.

In **Namibia, the Eudafano Women's Co-operative** has been successful in commercializing indigenous plant resources such as the fruit of the marula tree. The marula value chain is rooted in the real world of production and focuses on a practical approach that supports specific target groups. By aiming attention on increasing commercial profits, improving the competitiveness of communities and reducing poverty, their work has uplifted the lives of rural communities. "BioTrade is not just a theory, it's being implemented by companies, governments, and organizations in over 50 countries. Eudafano Women's Co-operative in Namibia produces marula oil under BioTrade Principles and Criteria for companies such as The Body Shop, benefitting over 4,000 women..." stated by Martha Negumbo, Factory Manager, Eudafano Women's Co-operative.

To mainstream private sector practices in the natural ingredients, **UEBT Biodiversity Action Plans**[56] were developed to support companies implement practices on the sustainable use and conservation on biodiversity and support the compliance with the UEBT Standard, which is based on UNCTAD BioTrade P&C. The **World Spice Organization in India,** through the implementation of UEBT Biodiversity Action Plans, is supporting biodiversity conservation and livelihoods at the local level through sustainable spices cultivation, standardization and collective marketing. Sustainable biodiversity management practices in the spice sector are being applied for the first time in India, mobilizing businesses to improve soil, health, water management, enhance species diversity and reduce ecological impact.

The sustainable use and trade of its derived products also contributes significantly to building sustainable livelihoods. For example, the **Vietnamese SME Duc Phu Agriculture Forestry Joint Stock Company** cooperates with over 1,100 households in 6 Northern provinces **of Viet Nam** to extract and collect benzoin gum following the BioTrade Principles and Criteria. Benzoin gum is a resin that is extracted from Styrax tonkinensis trees and commonly used in aromatherapy and cosmetics industries. By exporting these products to international buyers, the company has provided an additional income of €250-400 per household per season – much higher than the minimum monthly wage in rural areas of US$110.

In **Burkina Faso**, **SME Agrifaso**, a UEBT member, is working on the supply chain of shea butter and hibiscus, directly benefitting 4,000 women from 21 villages. BioTrade practitioner, **Kalahari Natural Oils in Zambia**, is developing and trading value added products such as oils derived from Mongongo and Ximenia which has benefited over 200 suppliers grouped into 7 associations. These value-added products are sold in Europe, USA and Asia.

> ***Source**: Interventions made by Venugopal K.J. Menon (World Spice Organization, India), João Teixeira (Natura Cosmetics) and Andrew Kingman (Eco-MICAIA Ltd.), Giap Thi Hoai Thanh (Duc Phu Agriculture Forestry Joint Stock Company)**,** Monica Rydsmo Robson (Kalahari Natural Oils)**,** Martha Negumbo (Eudafano Women's Co-operative), 12 and 13 September 2019 at the 5th BioTrade Congress. Personal communication with Rudolf Lüthi and Andrew Wilson (Helvetas Swiss Intercooperation), Kalahari Natural Oils and https://www.ethicalbiotrade.org/*

[1] https://www.cbd.int/doc/notifications/2019/ntf-2019-108-post2020-en.pdf
[2] https://ipbes.net/global-assessment-report-biodiversity-ecosystem-services

[3] Link to the video recording of the informal briefing: https://youtu.be/H9KMP0__Yt8
[4] UNCTAD, *20 years of BioTrade: Connecting people, the planet and markets* (UNCTAD/DITC/TED/2016/4).
[5] Refer to the CITES website for more information: https://www.cites.org/eng/disc/how.php
[6] Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity https://www.cbd.int/abs/
[7] Native species refers to species, subspecies, or lower taxon, occurring within its natural range (past or present) and dispersal potential (e.g. within the range it occupies naturally or could occupy without direct or indirect introduction or care by humans) as defined by the IUCN Guidelines for the prevention of biodiversity loss caused by alien invasive species. Source UEBT Standard: https://static1.squarespace.com/static/58bfcaf22994ca36885f063e/t/5c6e8cbb9b747a469b09d32e/1550748860577/std01+-+ethical+biotrade+standard+-+2012-04-11_ENG_new+logo.pdf
[8] [8] The BioTrade Principles and Criteria are built on the *Addis Ababa Principles and Guidelines for the Sustainable Use of Biodiversity* adopted by the CBD COP in 2004 (*Decision VII/12, Annex II*), and provide an important framework for guiding governments, the private sector, and civil society practices on the conservation and sustainable use of biodiversity, in line with Articles 10 and 11 of the CBD.(*BioTrade Initiative: Inputs for its Strategic Direction 2020, UN Doc UNCTAD/DITC/TED/2012/7, p. 12.). More information available at* https://unctad.org/en/Pages/DITC/Trade-and-Environment/BioTrade/BT-Principles-Criteria.aspx
[9] CBD Parties define sustainable use as *the use of components of biological diversity in a way and at a rate that does not lead to the long-term decline of biological diversity, thereby maintaining its potential to meet the needs and aspirations of present and future generations.*
[10] IPBES Global Assessment report SPM Section B (https://ipbes.net/sites/default/files/ipbes_7_10_add.1_en_1.pdf)
[11] IPBES Global Assessment report SPM D3
[12] IPBES Global Assessment report defines in its Glossary biocultural diversity as the diversity exhibited by interacting natural systems and human cultures
[13] https://www.globallandscapesforum.org/about/what-is-the-landscape-approach/
[14] These guidelines were developed by the Union for Ethical BioTrade with the support of several organizations, including Global Fund for Nature, UNCTAD under the SECO funded the Global BioTrade Programme: Linking trade, biodiversity and sustainable development. Further information available at: https://static1.squarespace.com/static/58bfcaf22994ca36885f063e/t/5c90b5b2eb39312d6e36eb2d/1552987572298/BAP+factsheet+final-March+2019.pdf
[15] For example, see UNCTAD publications: *Guidelines for the development and implementation of management plans for wild collected plant species used by organizations working with BioTrade* (http://www.biotrade.org/ResourcesPublications/unctad_ditc_ted_2007_8_Eng.pdf) and *Guidelines for the Sustainable Management of BioTrade products: resource assessment* (http://unctad.org/en/PublicationsLibrary/ditcted2012d1_en.pdf)
[16] The IPBES Global Assessment states in paragraph B of its Summary for Policy Makers (SPM) that "Direct and indirect drivers of change have accelerated during the past 50 years. The rate of global change in nature during the past 50 years is unprecedented in human history. The direct drivers of change in nature with the largest global impact have been (starting with those with most impact): changes in land and sea use; direct exploitation of organisms; climate change; pollution; and invasion of alien species. Those five direct drivers result from an array of underlying causes – the indirect drivers of change – which are in turn underpinned by societal values and behaviors that include **production and consumption patterns**, human population dynamics and trends, **trade**, technological innovations and local through **global governance**. The rate of change in the direct and indirect drivers differs among regions and countries."
[17] IPBES Global Assessment report SPM B4
[18] IPBES Global Assessment report SPM B4
[19] IPBES Global Assessment report SPM A2 and B4
[20] IPBES Global Assessment report SPM C3
[21] Direct quote of IPBES Global Assessment report SPM para 15
[22] Direct quote of IPBES Global Assessment report SPM para 18
[23] IPBES Global Assessment report SPM para 17
[24] IPBES Global Assessment report SPM para 11
[25] IPBES Global Assessment report SPM para D3
[26] Subsidies with harmful effects on nature persist (IPBES the global assessment report SPM para 19 of key messages15).
[27] IPBES Global Assessment report SPM para B5
[28] The concept of nature's contribution to people has been developed by IPBES: https://ipbes.net/news/natures-contributions-people-ncp-article-ipbes-experts-science
[29] IPBES Global Assessment report SPM para B5
[30] IPBES Global Assessment report SPM para D3 and Figure 9
[31] IPBES Global Assessment report SPM para 31
[32] IPBES Global Assessment report Table SPM.1
[33] IPBES Global Assessment report SPM para 31
[34] IPBES Global Assessment report SPM para 40
[35] IPBES Global Assessment report SPM para 40
[36] "as far as possible and as appropriate, adopt economically and socially sound measures that act as incentives for the conservation and sustainable use of biological diversity."
[37] "laws/policies or practices that induce unsustainable behavior that destroys biodiversity, often as unanticipated side-effects of policies designed to attain other objectives"

[38] "A positive incentive measure is an economic, legal or institutional measure designed to encourage beneficial activities" For further information, see https://www.cbd.int/incentives/positive.shtml. Noteworthy in that regard is CBD COP decision XII/3 which includes in its annex milestones for the full implementation of Aichi Biodiversity Target 3: https://www.cbd.int/doc/decisions/cop-12/cop-12-dec-03-en.pdf.
[39] *Incentive measures for the conservation and sustainable use of biological diversity: Case studies and lessons learned*, CBD Technical Series 56, online: https://www.cbd.int/doc/publications/cbd-ts-56-en.pdf
[40] https://unctad.org/en/Pages/DITC/Trade-and-Environment/BioTrade.aspx.]
[41] IPBES Global Assessment report SPM para 31
[42] IPBES SPM para 19
[43] The National Commission for the Promotion of BioTrade was created under Ministerial Decree Nº 009-2010-MINCETUR. http://repositorio.promperu.gob.pe/handle/123456789/1400
[44] To access the Strategy and Action Plan (*Spanish only*), please visit: https://unctad.org/meetings/en/Contribution/ditc-ted-21092016-peru-PLAN_ACCION_2025.pdf
[45] IPBES Global Assessment report SPM para 33
[46] IPBES Global Assessment report SPM para 36
[47] http://www.biodiversitybarometer.org
[48] The Credit lines for biodiversity-friendly businesses in the CAF´s members countries during 2019, was in financial institutions in Bolivia, Colombia, Ecuador, Mexico, Panama, Paraguay and Peru.
[49] 20 Years of BioTrade: Connecting People, the Planet and Markets (UNCTAD/DITC/TED/2016/4), available at: https://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=1765
[50] For example, the 5th BioTrade Congress focused on how to involve governments, businesses and trade actors in generating the transformational change needed to bend the curve on biodiversity loss and provide inputs for the Post-2020 global biodiversity framework from the BioTrade and trade and biodiversity community, including public, private and academic sectors and civil society (See https://unctad.org/en/pages/MeetingDetails.aspx?meetingid=2093). Further information available on the BioTrade Congress, visit: https://unctad.org/en/Pages/DITC/Trade-and-Environment/BioTrade/BT-Congresses.aspx
[51] This annual conference targets private actors in the natural ingredients sector. The 2020 Conference will take place on 18 – 19 May 2020 in Paris. Further information available at: https://www.ethicalbiotrade.org/conference-2020
[52] IPBES Global Assessment report SPM D3
[53] Accra Accord and the Accra Declaration, *supra* n xxi, para 102; Nairobi Maafikiano and Nairobi Azimio, *supra* n xxii, para 76(q).
[54] For further information see "UNCTAD and SDGs" at: https://unctad.org/en/Pages/DITC/Trade-Analysis/TAB-Trade-and-SDGs.aspx; and "UNCTAD SDG Pulse" at: https://sdgpulse.unctad.org/introduction/
[55] Available at: https://unctad.org/en/PublicationsLibrary/ditcted2018d11_en.pdf
[56] See endnote 13 above.