



Biodiversity and climate change: Integrating REDD+ into BioTrade strategies





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Report of the
**II BIOTRADE
CONGRESS**

11-13 DECEMBER 2013 - GENEVA



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

<http://www.unctad.org/biotrade>

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Guillermo Valles

Director

Division on International Trade in Goods
and Services, and Commodities (DITC)

PREVIOUS CONGRESS



Biodiversity:
The Life of the Green Economy



II BIOTRADE CONGRESS
 BIODIVERSITY AND CLIMATE CHANGE: INTEGRATING REDD+ INTO BIOTRADE STRATEGIES
 11-13 DECEMBER 2013 - GENEVA

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The conservation and responsible management of biodiversity is essential to meeting the needs of humankind, today and tomorrow, and to sustaining our common planet. Biodiversity, ecosystems, species and genetic resources are a source of food, medicines, fresh water, productive soils and clean air. According to the Convention on Biological Diversity (CBD) Secretariat, some 70 per cent of the world's poor in rural areas directly depend on such resources to cover 90 per cent of their needs. Indeed, around 1.6 billion people depend on forest and non-timber forest products (NTFPs) for their livelihoods, and more than 3 billion people depend on coastal and marine biodiversity. Beyond its direct role in livelihoods, biodiversity is also valued and used by societies for cultural, spiritual and religious purposes.

Furthermore, the sustainable transformation of biodiversity resources into tradable goods and services can prove a valuable platform for economic development. For example, global demand for natural and organic cosmetic and personal care products is growing significantly, particularly for sustainably sourced natural ingredients. The Indonesian Cosmetic Association has estimated that the major markets for these products have grown by over 11 per cent between 2009 and 2010, and are expected to reach US\$ 6.7 billion in the United States; US\$ 5.6 billion in Brazil; US\$ 8.2 billion in Europe; and US\$ 16.2 billion in Asia in 2015.

Of course, great care needs to be taken to ensure that our usage does not deplete biodiversity, so as to ensure that its benefits can be enjoyed across generations. Today, biodiversity is greatly threatened

by human activity due to over exploitation and habitat loss, such as from hunting, deforestation, fishing and pollution, as well as the negative effects of climate change. Thus, biodiversity loss must be addressed and prevented, and the use of biodiversity-based resources must be managed in a sustainable, equitable and inclusive manner. This must also be a key concern in the formulation of the Post-2015 UN Development Agenda and Sustainable Development Goals (SDGs).

Against this background, UNCTAD launched and implemented its BioTrade Initiative in 1996. This programme aims to help developing countries achieve the dual objectives of biodiversity conservation and improved economic and social welfare. It does so by linking the conservation and sustainable use of biodiversity on the one hand, and the trade of its derived products and services on the other. Through close cooperation with national, regional and international partners, BioTrade has generated benefits in 21 countries in Asia, Africa and Latin America. For example:

- BioTrade activities have benefited approximately 30 000 collectors, breeders, hunters and producers, creating jobs and generating additional income opportunities for rural and marginal communities as well as other actors in the value chain.
- More than 19 million hectares of land are sustainably managed by beneficiary organizations working in BioTrade, promoting the conservation and sustainable use of biodiversity.
- Sales revenues of BioTrade beneficiary organizations, working with small and medium sized



enterprises (SMEs) and multinational companies, amounted to US\$ 4.1 billion in 2011, showing a 76 per cent growth rate from 2010.

With the help of the BioTrade Initiative, beneficiary countries can capture trade and investment opportunities arising from sustainably produced biodiversity-based products and services, and diversify their economies and exports into a wide variety of sectors such as food, personal care, pharmaceutical/traditional medicine and fashion industries, sustainable agriculture, flowers and foliage, fibres and handicrafts, and sustainable tourism. Indeed, the report of the United Nations Secretary-General to the 68th Session of the General Assembly on “Mainstreaming of the three dimensions of sustainable development throughout the United Nations system” recognized the important contribution of the BioTrade Initiative.

The II BioTrade Congress entitled “Biodiversity and Climate Change: Integrating REDD+ into BioTrade Strategies” focused on how best to integrate climate change mitigation measures into BioTrade activities. It is clear that our efforts to conserve biodiversity and promote its sustainable use for economic development must also take into account the need to mitigate climate change.

In particular, the UN Framework Convention on Climate Change (UNFCCC) introduced targeted measures such as Reducing Emissions from Deforestation and Forest Degradation (REDD), which now includes “conservation, sustainable management of forests and enhancement of forest carbon stocks” (REDD+). These measures offer financial incentives for developing countries to reduce emissions from forested lands and invest in low-carbon paths to foster sustainable development. Furthermore, the United Nations Climate Change Conference held in 2013 in Warsaw agreed on the Warsaw Framework for REDD+, which provides a package of measures designed to contribute both to climate change mitigation and biodiversity conservation. In addition, US\$ 280 million was

pledged by Norway, the United Kingdom and the United States of America to support REDD+ activities.

With the introduction of such REDD+ measures and funding, developing countries have an opportunity to integrate biodiversity conservation activities into climate-friendly policies, thereby strengthening local sustainable economic activities in forest areas. Combining REDD+ and BioTrade promises the dual benefit of carbon sequestration and biodiversity conservation. Indeed, it can create two significant revenue streams for local communities that commercialize carbon credits and BioTrade products and services. According to Forest Trends, in 2012, buyers committed more than US\$ 523 million to offset 101 million metric tons of greenhouse gas (GHG).

To assist developing countries in taking advantage of such opportunities, UNCTAD, together with Forests Alive and international experts, is now developing a step-by-step training manual that provides guidance for accessing REDD+ and BioTrade projects. We are also engaged in discussions on how to coordinate joint efforts to seize emerging opportunities.

The II BioTrade Congress provided a platform for a significant number of stakeholders to share their experiences of BioTrade and related efforts to integrate climate change mitigation. Among others, these included the Ministries of Environment of Colombia and Peru, the BioTrade programmes in the Andean Region and Viet Nam, PhytoTrade Africa, Forests Alive, the Union for Ethical BioTrade (UEBT), the CITES Secretariat and CITES Management Authority of Switzerland, various transnational corporations as well as experts from Brazil, Ecuador and Pacific islands including Papua New Guinea and Vanuatu.

UNCTAD would like to express its deep appreciation for the continued support of its BioTrade Initiative by Switzerland through the Swiss State Secretariat for Economic Affairs (SECO).



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I.

SECOND BIOTRADE CONGRESS BIODIVERSITY AND CLIMATE CHANGE: INTEGRATING REDD+ INTO BIOTRADE STRATEGIES



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Climate change has taken its toll on biodiversity and, as a development challenge, it requires an integrated and strategic approach including the integration of biodiversity-based strategies in climate change mitigation. The UNFCCC has introduced targeted measures such as Reducing Emissions from Deforestation and Forest Degradation (REDD), which now includes “conservation, sustainable management of forests and enhancement of forest carbon stocks” (REDD+). These measures offer financial incentives for developing countries to reduce emissions from forested lands, by conserving forests, and to invest in low-carbon emission paths to sustainable development. With the introduction of these measures, there exists an opportunity for developing countries to integrate BioTrade activities into climate-friendly policies, thereby strengthening local

economic activities in forest areas and benefitting local communities while conserving both forests and biodiversity. They can also offer sustainable development opportunities for developing countries within biodiversity-based and carbon markets.

To address this opportunity, under the 7th tranche of the United Nations Development Account, UNCTAD implemented the project “Strengthening the capacity of policymakers and business leaders in three BioTrade beneficiary countries in integrating REDD+ projects into BioTrade strategies”. This project strengthened the capacities of three developing countries (Brazil, Colombia and Ecuador) in formulating and implementing mutually supportive trade, environment and sustainable development strategies in line with BioTrade and REDD+ practices.

In order to disseminate the experiences and lessons generated in this project as well as other partners' related activities, the II BioTrade Congress was organized in Geneva from 11 to 13 December 2013. This Congress focused on how climate change issues and mechanisms, such as REDD+, can be leveraged to preserve biodiversity, including forests, and also provide a platform for cooperation and additional business opportunities to be captured by BioTrade partners and practitioners. BioTrade projects and companies are already providing a framework that can form the basis for developing carbon sequestration projects in that:

- BioTrade aims to contribute to increasing the value of existing forests *vis-à-vis* other unsustainable practices that convert forests to other uses (e.g. illegal deforestation and/or degradation);
- BioTrade practitioners have been fostering the conservation and sustainable management of existing forests through the sustainable harvesting of non-timber forest products, and sustainable tourism initiatives; and
- BioTrade actors have strong linkages with local communities, as they are not only involved in

business but also have experience in implementing BioTrade.

The Congress was convened by UNCTAD, with the support of BioTrade partners and practitioners in Africa, Asia and Latin America, as well as experts working on REDD+ and climate change and SECO. Utilizing the expertise of BioTrade partners and experts, the event was organized in five sessions where government, private sector and civil society representatives covered a variety of important topics.

The present report compiles the deliberations, issues and recommendations arising from the Congress. The report will be made available to relevant multilateral processes and channels, including in UNCTAD, multilateral environmental agreements (MEAs) and UN processes related to the Sustainable Development Goals, among others, in order to continue mainstreaming BioTrade into relevant policy frameworks and processes at the multilateral, regional and national levels.



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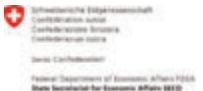

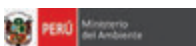
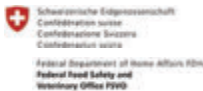

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II BioTrade Congress

Biodiversity and climate change: Integrating REDD+ into BioTrade strategies

TIME	SESSIONS	MODERATOR
11 December 2013		
09:00-10:30	Welcoming remarks and the Post-2015 Development Agenda	UNCTAD 
10:45-13:00	Emerging issue: Climate change and BioTrade – opportunities and challenges	UNCTAD 
14:30-16:30	Session 1: Policy frameworks: Biodiversity Strategic Plan and Aichi Targets	Ministry of Environment and Sustainable Development in Colombia 
16:30-18:30	Session 2: Benefit sharing in biodiversity and ecosystems services	Union for Ethical BioTrade 
12 December 2013		
10:00-13:00	Session 3: Accessing and developing markets for biodiversity products and services	SECO 
14:30-17:30	Session 4: Value chain enhancement	PhytoTrade Africa 
13 December 2013		
10:00-13:00	Session 5a: South-South and cross-industry cooperation – sharing of experiences and best practices	Ministry of Environment in Peru 
14:30-16:30	Session 5b: Importance of traceability systems – sharing of experiences and knowledge	CITES Management Authority/ Federal Veterinary Office in Switzerland 
17:00-18:30	Closing remarks	UNCTAD 





THE POST-2015 DEVELOPMENT AGENDA

Moderator



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UNCTAD

Speakers Welcoming remarks



MR. MUKHISA KITUYI

Secretary-General
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Keynote speakers



MR. JOHN SCANLON

Secretary-General, CITES



MR. HANS-PETER EGLER

Head of the Division
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MR. BRAULIO DIAS

Executive Secretary, CBD



PHOTO CREDIT: UNCTAD

Background

The session highlighted the importance of an inclusive and environmentally responsible development path in order to promote prosperity for all countries. It emphasized the role of trade

as an enabler and the importance of sustainable trade in biodiversity based products and services in order to achieve sustainable development.

Summary of the panel

During this first session of the Congress high-level speakers acknowledged the significant contribution of biodiversity and ecosystems services. These constitute key inputs to a wide variety of goods and services, as well as to climate change mitigation and poverty eradication in rural areas.

The trade value of biodiversity-derived products in key industries illustrates the importance of biodiversity for the emergence of a greener economy with tangible benefits for actors involved in the value chain. Estimations by the CBD Secretariat indicate that the natural ingredient driven cosmetic industry alone is worth US\$ 26 billion. Similarly, the natural beverage industry represents around US\$ 23 billion, the seed and crop industry US\$ 43 billion and

botanicals sales approximately US\$ 85 billion. This expansion has been driven mostly by rising consumer awareness, interest and choices that take on board ethical, biodiversity-friendly and sustainability considerations when purchasing goods and services.

However, underlying causes of biodiversity loss such as over exploitation and habitat loss, deforestation and pollution remain mostly unaltered. "Biodiversity loss must be addressed and prevented, and the use of biodiversity-based resources must be managed in a sustainable, equitable and inclusive manner. This must also be a key concern in the formulation of the Post-2015 UN Development Agenda and Sustainable Development Goals", expressed Mukhisa Kituyi, UNCTAD's Secretary-General.

In this context, UNCTAD's BioTrade programme has emerged over the last 20 years as an approach that uses trade in biodiversity based goods and services to promote income generation at the local level while contributing to biodiversity conservation. UNCTAD's Secretary-General, Mukhisa Kituyi, indicated that "Sales revenues of BioTrade beneficiary organizations, working with SMEs and multinational companies, amounted to US\$ 4.1 billion in 2011, showing a 76 per cent growth rate from 2010". These figures show a significant increase in the commercial value of sustainable produced biodiversity-based products in both developed and developing country markets, with consequential impact on incomes of actors involved.

More recently, "BioTrade is also becoming an instrument that contributes to climate change mitigation", indicated Hans-Peter Egler, Head of the Division for Trade Promotion at the State Secretariat for Economic Affairs (SECO), Switzerland. At the beginning there were no climate change mechanisms that were very coherent with biodiversity. With the emergence of the REDD+ programmes and exploratory work moving toward the convergence of BioTrade and climate change mitigation approaches, there are opportunities for dual benefits to the international community.

Hans-Peter Egler expressed further that Peru has been one of the leading examples on the evolution



PHOTO CREDIT: UNCTAD.



PHOTO CREDIT: THE BODY SHOP.



of BioTrade programmes where coherent regulations, support and capacity building programmes and stakeholder participation has generated practical results and the emergence of successful products.

Creating synergies between multiple layers of incentives may allow the conservation and restoration of ecosystems diversity while ensuring the services they provide, such as carbon stocks, are maintained said Braulio Dias, Executive Secretary of the CBD. This is becoming more evident with the introduction of REDD+ projects in secondary markets.

BioTrade has also become a vehicle to complement the implementation of global regulations regarding trade of endangered or potentially endangered animal and plant species covered by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

“CITES does not promote or discourage trade, CITES is about the regulation of trade in listed species. Legal and sustainable collection, processing and trade of listed species such as vicuna, snakes, crocodile and the African cherry are supporting the livelihoods of local communities”, stated John

Scanlon, Secretary-General of CITES. Current joint efforts by UNCTAD and CITES to seek options for effective traceability systems for python skins are very practical and can have real effects in promoting legal, verifiable and sustainable trade and in ensuring the livelihoods of those closer to such natural resources.

Biodiversity is by nature multi-dimensional and hence necessitates a multi-stakeholder approach. Working with different stakeholders has transaction costs when building incentives, but if regulations and efforts are properly aligned there will be sustainable outcomes.

The imminent entry into force of the Nagoya Protocol will have a significant impact over access, benefit sharing and flows of biological and genetic resources and on the preservation of traditional knowledge held by local and indigenous communities. The Protocol provides a clearer regulatory framework and enabling environment on Access and Benefit Sharing (ABS) and its proper implementation can generate new businesses based on sustainable sourcing and respect of the rights of stakeholders.



Key conclusions

The main conclusions of the session were:

- The significance of the contribution of biodiversity and ecosystems services as key inputs to a wide variety of goods and services, including climate change mitigation and poverty eradication in rural areas.
- Recent efforts in creating synergies between climate change mechanisms such as REDD+ and BioTrade provide a unique and unprecedented opportunity to generate convergence between climate change mitigation and biodiversity conservation goals.
- Developing REDD+ and BioTrade projects will need a very pragmatic approach as well as technical efforts by the climate change and biodiversity communities. Practical experiences in this regard should be encouraged and supported.
- Sustainable sourcing in CITES-listed species can strengthen BioTrade in relevant sectors such as fashion design, textiles, cosmetics and medicinal

plants which support livelihoods among those at the lower part of the value chain. The continuation and expansion of CITES-UNCTAD work on traceability of python species and possibly to other animal and plant species will provide a platform for safer sourcing and increase cooperation from the private sector in the fulfilment of the CITES convention.

- Sustainable trade, biodiversity conservation and climate mitigation are key concerns that need to be addressed coherently in the formulation of the Post-2015 Development Agenda and the development of the Sustainable Development Goals.



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EMERGING ISSUE: CLIMATE CHANGE AND BIOTRADE – OPPORTUNITIES AND CHALLENGES

Moderator



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PHOTO CREDIT: UNCTAD.

Background

BioTrade and REDD+ activities are strongly linked and have the potential to generate complementary revenues for local communities. The session focused on discussing the potential opportunities and challenges in working on joint BioTrade and REDD+ initiatives. It included an update on the UNFCCC discussions on REDD+ and voluntary

carbon markets, as well as a presentation of the UNCTAD-Forests Alive e-course and methodology to support the design and implementation of innovative REDD+ and BioTrade projects complying with BioTrade principles. Finally, the session provided insights in the development of the REDD+ and BioTrade project in Ecuador.



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Summary of the panel

Standing forests, aside from their ecological value, have long been the main source of livelihoods for rural poor and indigenous communities in developing countries. Climate change, including from cutting forests, is a real risk to society and biodiversity. To counter climate change mitigation solutions have been developed – one of which is the REDD+.

REDD+ projects can be a cost-effective way to stabilize emissions by enhancing carbon stocks through conservation and sustainable use of forests. BioTrade can complement REDD+ through its principles, approaches and methodologies. Together they can provide incentives for forest and biodiversity conservation. Successful projects should take into account decisions taken at the Conference of the Parties to the UNFCCC and CBD, as well as other national and international initiatives and approaches in this field.

To date BioTrade projects have been running longer and generated more concrete benefits than REDD+

projects. If REDD+ and BioTrade activities are synchronized, implementation costs can be reduced while maximizing the value of ecosystems services and carbon sequestration, strengthening value chains, stimulating job creation, and alleviating poverty in rural areas. The Ecuadorian cocoa experience showed that higher economic benefits are achieved with monocrops than with agroforestry systems with higher carbon dioxide sequestration. Consequently, combining BioTrade and REDD+ approaches may increase the value of activities that not only conserve forests (and carbon stocks) but also provide higher economic benefits to communities due to the two revenue streams (sale of carbon credits and of biodiversity products and services).

During this session, the first step-by-step methodology to design and implement combined REDD+ and BioTrade projects was discussed (Figure 1). This methodology also underpinned the development of the UNCTAD e-learning course “Developing joint BioTrade and REDD+ projects”. The first e-learning course was conducted in early 2014 (www.biotrade.org/eLearnREDDplus.htm).



PHOTO CREDIT UNCTAD

FIGURE 1



SOURCE: Presentation made by Forests Alive during the II BioTrade Congress, 11 December 2013.

Key conclusions

There is potential to link REDD+ and BioTrade, particularly as both are positive incentives to conserve and sustainably use existing forests. Finding synergies between REDD+ and BioTrade implies a coordinated effort to ensure:

- An enabling policy environment;
- Private sector investment in carbon sequestration and BioTrade products and services; and
- Local communities participate in the management of carbon stocks, in sustainable value-added activities and in benefit sharing.

In REDD+ the benefits are not immediately visible and entail a rather more medium or long-term endeavour. In the case of BioTrade, bringing products to market and receiving payment is more direct, tangible and immediate. Therefore, BioTrade could motivate investors and stakeholders to start activities with a longer term aim of implementing REDD+.

Linking REDD+ and BioTrade activities is a new area for both climate change and biodiversity communities. There are challenges associated with this integration that are related to forest conservation, land ownership and management



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issues, as well as complex methodologies and legal frameworks. The different standards and methodologies available for REDD+ and for biodiversity-based products and services may also confuse companies and project developers.

Consequently, bringing these two concepts together needs to be further assessed and clearly explained in order not to overwhelm potential practitioners. A pragmatic exercise between REDD+ and BioTrade concepts is essential. It implies capacity building, awareness raising and field testing exercises considering the specific needs of the different stakeholders and ecosystems. The UNCTAD e-learning course on REDD+ and BioTrade (www.biotrade.org/eLearnREDDplus.htm) seeks to provide a platform for understanding the

basics of REDD+ and BioTrade. The guidelines and methodology offer a starting point to formulate and develop joint REDD+ and BioTrade initiatives and identify opportunities and challenges for integrating both incentives and ensuring effective implementation.



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IV.

POLICY FRAMEWORKS: BIODIVERSITY STRATEGIC PLAN AND THE AICHI TARGETS

Moderator



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Background

The restoration of ecosystems and the diversity of life on earth, and the eradication of poverty all follow from having a healthy environment with services to ensure human welfare. Hence the need to take the urgent and effective measures necessary to halt the loss of biodiversity. It requires that all actors involved need to cooperate and remain steadfast in implementing the 2011–2020 Biodiversity Strategic Plan and fulfilling the Aichi Targets. This

is a huge task where all efforts need to be aligned to build on synergies, optimize the use of resources and enhance the impacts and outcomes achieved. A truly sustainable and inclusive approach is required. The session provided a space where speakers and participants shared practical experiences that are contributing to specific Aichi Targets. Specific targets that BioTrade partners are already working towards were identified and also targets where they could make a potential contribution.



PHOTO CREDIT: UNCTAD

Summary of the panel

The Strategic Plan for Biodiversity 2011–2020 provides a coherent vision, mission and a set of five strategic goals and 25 Aichi Targets. It seeks to ensure that “biodiversity is valued, conserved, restored and wisely used, maintaining ecosystems services, sustaining a healthy planet and delivering benefits essential for all people”. A series of tools, including national reports, an impact indicator framework and the Global Biodiversity Outlook which enable monitoring and ensure effective implementation and achievement of the Aichi Targets, were discussed. The implementation of BioTrade related projects

and activities contribute to the advancement of the Aichi Targets. The most relevant targets for BioTrade activities include: T1 (awareness raising), T3 (incentives), T4 (business engagement), T7 (sustainable agriculture practices), T12 (species based focus), T14 (improved livelihoods), T15 (resilient ecosystems) and T16 (Nagoya Protocol implementation).

The UEBT Biodiversity Barometer is already being used as indicator for Aichi targets 1 and 4 as it provides a clear understanding of the level consumer

awareness on business engagement. The Barometer shows an increasing level of awareness on biodiversity since 2009. The UEBT has also developed a set of guidelines and an access and benefit sharing (ABS) training tool to incorporate the benefit sharing component in private sector policies, especially in the cosmetic sector.

The CITES/UNCTAD partnership has allowed an enhanced understanding of the use of certain species in biodiversity-based products and of traceability options within value chains. This has been illustrated in the trade and sustainable use of *Caiman yacare* skin and meat, candelilla wax, python snake skin and vicuna wool. Specifically this work contributes to Aichi targets 12 and 19.

The emergence of national BioTrade programmes has promoted the creation of a more enabling

environment. Peru has been able to integrate Aichi targets 3, 4, 7 and 14 with its BioTrade framework through carefully choosing and promoting relevant value chains via support programmes (e.g. UNCTAD BioTrade, BioCAN, PeruBiodiverso, and Prodern). Today Peru has created a National BioTrade Commission and will be adopting a specific BioTrade strategy and action plan.

Corporación Biocomercio Sostenible's GHG mitigation and BioTrade joint initiative is contributing to Aichi targets 14 and 15. It does so by diversifying options for land use and improving value chains that benefit local communities in the same area. This joint initiative has developed incentives to avoid deforestation through the payment of ecosystems services while engaging in local production with low or no impact on forests.



Key conclusions

The following conclusions and recommendations emerged:

- There is a need to improve regulatory coherence and coordinated implementation of trade and environmental policies and the formalization of tools and processes for BioTrade promotion. This type of action would support Aichi targets 3, 4 and 7.
- Regional and national strategic planning, product priority setting, demarcation of conservation zones and capacity building are tools that have proven

effective and have facilitated successful cases in Andean countries.

- The development of national regulatory and institutional capacity in biodiversity, including incentive measures such as BioTrade and supporting governments to implement the Aichi Targets and empower communities, would support targets 3, 4, 7, 14 and 16.
- The introduction of tools that support well regulated commercial trade of CITES-listed species



such as the exploratory work on value chain enhancement, traceability and responsible private engagement, can open new business opportunities and sourcing models that would contribute to Aichi targets 12, 14 and 19.

- The creation and strengthening of links between REDD+ and BioTrade by introducing BioTrade principles and criteria in the design of REDD+ projects while exploring sustainable non-timber forest activities can generate positive impacts over Aichi targets 14 and 15. A more effective use of forest and landscape management tools and better understanding of land planning regulations can provide a platform for deeper convergence.

- Policies and actions to achieve the Aichi Targets must be sustained, supported and articulated via a multi-stakeholder platform, especially with those whose livelihoods depends on BioTrade activities.

- There is a need to make use of the Aichi Targets framework for planning, implementing and measuring the impact for BioTrade activities and projects, as it is being done through the BioTrade Impact Assessment System (BTIAS).



PHOTO CREDIT: UNCTAD.



PHOTO CREDIT: LORENA JARAMILLO.

V.

BENEFIT SHARING IN BIODIVERSITY AND ECOSYSTEMS SERVICES

Moderator



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Background

This session focused on one of the core principles of BioTrade namely the fair and equitable sharing of benefits derived from the use of biodiversity. BioTrade provisions on equitable benefit sharing advance fair trade practices, recognition of rights over biodiversity and associated traditional knowledge, and respect for the social, cultural and economic concerns of

local actors. This session looked at experiences and perspectives in implementing equitable benefit sharing arrangements in various contexts. It also considered the possible implications of the upcoming entry into force and implementation of the Nagoya Protocol on access and benefit sharing.

Summary of the session

The session began with a brief introduction by María Julia Oliva on the concept and importance of equitable sharing of benefits in the context of BioTrade, drawing on the experience of UEBT – a non-profit organization promoting ethical sourcing of biodiversity.

The need for additional guidance for specific situations, for example, change in use and access through *ex-situ* collections, including through a legal restoration mechanism and model clauses, was noted.

The Nagoya Protocol on ABS, adopted in 2010, is expected to enter into force in late 2014. David Vivas-Eugui, UNCTAD discussed the main and innovative provisions in the Nagoya Protocol, including scope, obligations, genetic resources, traditional knowledge and compliance. These points were further elaborated by Beatriz Gómez-Castro from the CBD Secretariat. UNCTAD then explored the implications of the Protocol for BioTrade activities, emphasizing the value of further legal

The experience of Ecoflora Cares, an innovative Colombian company working with natural ingredients, was presented by Juan Fernando Botero. Ecoflora has built solid relationships with supplier communities through approaches aimed at sustainably improving their income and livelihoods. The ongoing ABS process for a new natural colourant derived from the *Genipa americana*, which is following the requirements of national and international law, as well as the Ethical BioTrade Standard, was explained.

Three case studies of fair and equitable benefit sharing in activities applicable to biological resources undertaken by the Programme of Biodiversity for the Amazon Region of the Andean Countries (BioCAN) (2010–2013) were presented by Maria Helena Cendales, General Secretariat of the Andean Community. The studies covered the interaction between associations of hunters of *Caiman yacare* and tanneries (the Plurinational State of Bolivia); the work of wild collectors and NGOs on *Oenocarpus bataua* (Ecuador); and the partnership between wild collectors of *Myrciaria dubia*, a research institute and a trader (Colombia).

Benefit sharing in the work of PhytoTrade Africa, which supports benefit sharing in all biodiversity-based activities not only in the utilization of genetic resources, was explored by Katie Beckett

using the examples of marula (Namibia) and baobab (southern Africa). Best practices on benefit sharing, including on ABS, are developed from the grassroots and have become one of the value propositions for members.

The “avoided harvest” projects (in Australia) of Forests Alive were presented by Lawrence Rimmer. Work on these projects, validated under the Verified Carbon Standard (VCS), began in 2010. Objectives include confronting climate change, helping local communities and conserving biodiversity. Although there are no inhabitants in the project area, over 40 000 people living at close distance are benefiting from it. Benefits contemplated in the project include the management of indigenous heritage, employment, education and institutional collaboration.



PHOTO CREDIT: © FOTOLIA: BENSHPOT.

Key conclusions

Discussions highlighted the wealth of experiences and opportunities in fair and equitable benefit sharing in the BioTrade context. Participants highlighted the importance of continuing work on these topics, in order to address remaining uncertainties, support capacity building and involve all stakeholders.

To advance fair and equitable sharing of benefits in cases of access to genetic resources for their utilization, participants stressed the following:

- Importance of clear and practical rules on ABS, particularly for SMEs;
- Need to clearly define scope of ABS requirements;
- Key to understand the different costs and benefits of various ABS regulatory and implementation approaches;



-
- ABS is a learning process, so ABS laws and regulations should include processes for regularizing activities;
 - All stakeholders must be involved in ABS policy discussions; and
 - ABS rules are applicable to some BioTrade activities, if they involve research and development.
- To advance fair and equitable sharing of benefits more generally, key issues highlighted included:
- Importance of capacity building, particularly at the local level;
 - Creating platforms for dialogue is fundamental – coming together to define what is a benefit, what is fair and how sharing should take place;
 - Critical role for community-based organizations and support associations; and
 - Benefit sharing requires profitable and sustainable businesses.



PHOTO CREDIT: UNCTAD.

VI.

ACCESSING AND DEVELOPING MARKETS FOR BIODIVERSITY PRODUCTS AND SERVICES

Moderator



**MR. HANS PETER
EGLER**

Head of the Division for
Trade Promotion
SECO

Background

This session focused on key elements and lessons learned in accessing niche markets for sustainably produced products derived from biodiversity. Through real life experiences in the personal care and food industries, and service providers in forest carbon markets, industry leaders and stakeholders shared their strategy in positioning their products focusing on “sustainability”, “biodiversity”

and “social, inclusive and fair trade” concepts. These views were complemented by those from a mega-diverse country that exemplifies how sustainability practices, such as BioTrade, are being used to enhance and develop international markets. The main opportunities and challenges faced were highlighted, as well as the need to capture growing market trends.

Speakers



MS. ROSIE AKESTER

Community Fair Trade Senior
Buyer, The Body Shop



**MS. NYARAI
KUREBGASEKA**

Managing Director
Speciality Foods of Africa



**MR. LAWRENCE
RIMMER**

Research Coordinator
& Technical Specialist
Forests Alive



MS. VANESSA INGAR

Specialist on BioTrade
Ministry of Environment, Peru



PHOTO CREDIT: UNCTAD

Summary of the session

Success in achieving market access depends to a great extent in knowing who your buyer is. Information on the regulations, consumer preferences and distribution channels is also essential. While in the past, certification logos offered a clear advantage, today there is great deal of consumer confusion. Today, several businesses do not allow space for these certification logos in their packaging but rather link them to their overall corporate image. Businesses today are more interested in the type of ingredients, sustainable

sourcing practices, benefits to communities and the story behind them.

Small BioTrade producers are finding success in local and regional markets. Experience in these markets is good training for later venturing into global markets. BioTrade products offer opportunities for indigenous natural ingredients (e.g. marula or baobab). Exporting to foreign markets is complex and expensive. It needs a great deal of preparedness, access to credit, technical support and knowledge

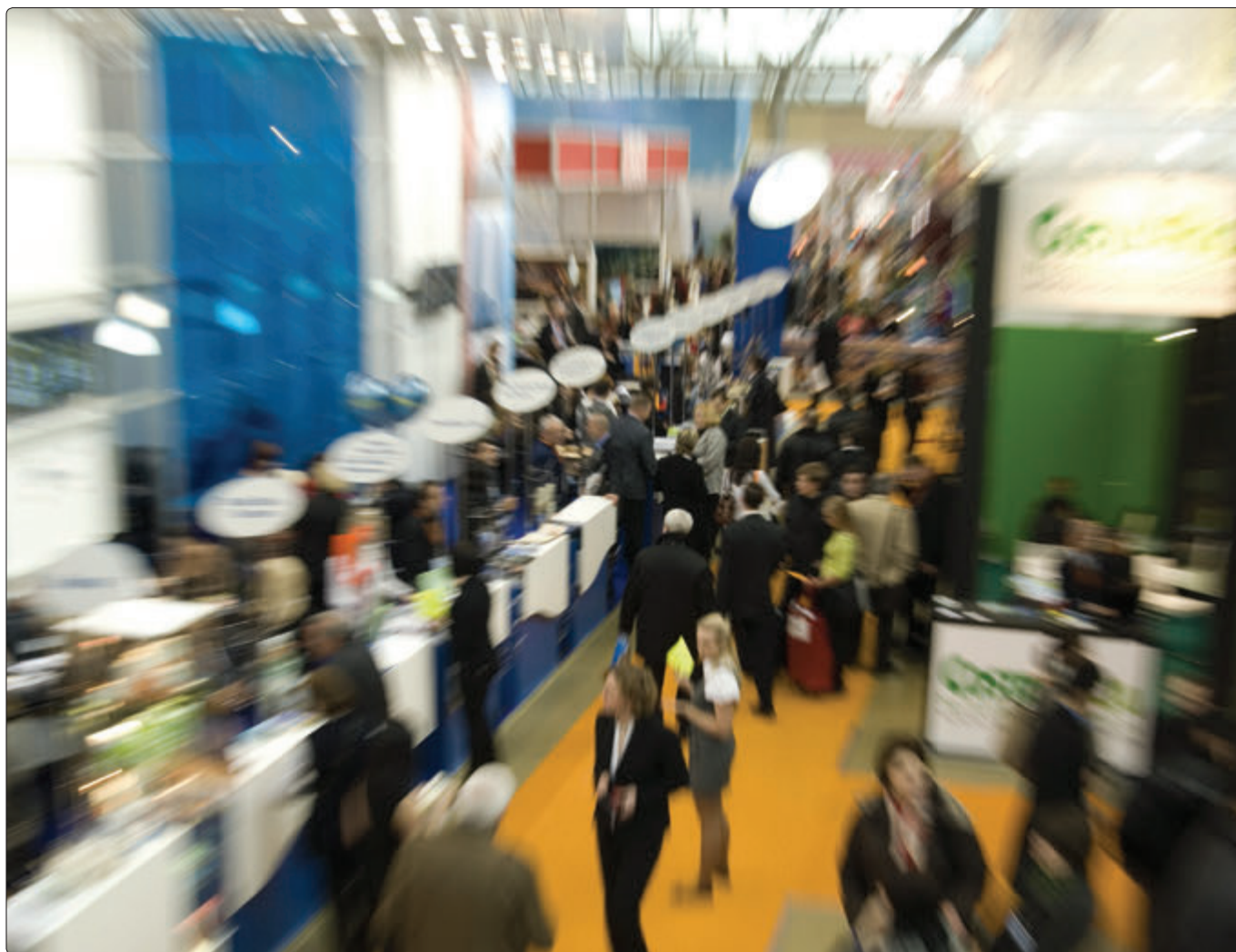


PHOTO CREDIT: © FOTOLIA: DIMITRIY DANILENKO

about regulations (e.g. novel foods). It is important to understand all regulations and standards that govern a specific product, and to be proactive in ensuring quality and adding value.

Marketing of BioTrade is an important factor necessary to upscale sales. Export promotion activities by Promperu, with the assistance of the Swiss Import Promotion Programme (SIPPO) under the umbrella of the PeruBiodiverso Project, have provided Peru a platform for the entering into niche markets and in obtaining certifications which support product differentiation. Today, export of biodiversity products by Peru has reached US\$ 255 million (2012). But this is not enough. There still is a need to keep strengthening value chains through collaborative models and to start investing in innovation.

Getting into the carbon market through REDD+ is a process that takes time and benefits might be lower than expected. The potential rules and benefits also vary depending on whether carbon

credits are going to be sold in compliant or voluntary markets. For example, the investment capital needed by a landowner to attain carbon credits through a REDD+ project in a country such as Australia could be approximately US\$ 150 000.

In developing countries where technological capacity, resources and know how are lower, the cost could be much higher and could approach US\$ 1 million. Preparing projects for selling credits needs patience, financial support, legal and administrative work and a multi-stakeholder approach.

Biodiversity and community benefits can be demonstrated through combining REDD+ projects with the Climate, Community and Biodiversity Alliance standards. The Qantas purchasing of carbon credits from Tasmanian forests (Australia) shows that some companies might be interested in purchasing complete projects to offset their emissions and improve their image while preserving forests.



Key conclusions

Accessing and developing markets for biodiversity products and services is a complex and complicated issue that is at the heart of developing profitable, long-term commercial businesses using these products sustainably and ensuring increased economic well-being of the sourcing communities. The following recommendations were emphasized:

- A successful supplier/buyer relationship should be developed based on mutual respect and transparency, with each partner giving and receiving from the other.

- New products, whether a new carbon credit project or a new product from biodiversity, can take time to bring to market. There is need to explore different options for accelerating this such as partnership (e.g. in research and development, and addressing market access barriers). One can also seek supplier/buyer partnerships for product innovations and value addition, so that the knowledge and experience of both actors is used.

- New products can be costly to launch. SMEs should research options for funding and advice



from government, the private sector and NGOs on the ground to help them bring products to market readiness.

- BioTrade entrepreneurs need to know their product and ensure that it fulfils buyers' requirements.

- Product promotion, especially for new products, needs to be developed at the final customer level. A good story behind the product – whether it is for a new face cream or the “community and biodiversity” element of a new carbon credit – can have a positive effect on commercial success.

- Government rules and regulations, especially for biodiversity-based products, are changing on a regular basis. Whether this is due to ABS or health security issues for example, domestic and international regulations should be monitored regularly to avoid costly mistakes.

- Benefit sharing agreements with supplier associations cement commercial relationships. Investment in the local communities by the buyer can ensure long-term stable commercial relationships and increased security in supply chains.



PHOTO CREDIT: IM EDITORES.

VII.

VALUE CHAIN ENHANCEMENT

Moderator



Ms. KATIE BECKETT

Research and Innovation
Manager, PhytoTrade Africa

Speakers



Ms. ROSIE AKESTER

Community Fair Trade Senior
Buyer, The Body Shop



Mr. TA MINH SON

BioTrade Programme in Viet
Nam (HELVETAS Viet Nam)



Ms. AABAN BUTT

Consultant
International Trade Centre (ITC)



Mr. CHRISTOPH INAUEN

Head of Cocoa Purchasing
and Sustainability, Member
of the Executive Board
Chocolats Halba



Mr. FILIPPO NISHINO

Supply Chain & Operations
Project Manager, Gucci



**Mr. RENÉ GÓMEZ-
GARCÍA PALAO**

Head of the Environmental
Business Unit, Development
Bank of Latin America (CAF)



PHOTO CREDIT: UNCTAD.

Background

The session focused on sharing the lessons learned and best practices in developing BioTrade and biodiversity-based value chains in Africa, Asia and Latin America working with flora species, as well as in the interphase between flora and climate change.

Finally, the session also highlighted the importance of credit lines and funding to support initiatives in enhancing their value chains.



PHOTO CREDIT: UNCTAD.

Summary of the panel

The panel comprised of a mix of industry representatives, funding initiatives and development organizations. The Body Shop is a pioneering nature-inspired cosmetic brand which established a community fair trade programme to support communities in supplying specific ingredients such as marula oil and cocoa butter. The focus of The Body Shop presentation was on personal care ingredients from Africa, the transparency the company promotes in the value chains it works with, and the importance of organized producer groups.

Chocolats Halba presented cocoa value chains and the importance of certification to their brand via Fairtrade and carbon neutral labelling. The approach of Chocolats Halba is firmly focused on long-term supply, valorization of ecosystem services and ensuring sustainable practices are an integral component of company practices. HELVETAS Swiss Intercooperation presented five different phytomedicine product value chains in Viet Nam where key constraints were identified and the need for BioTrade awareness raising was highlighted among local producers.

Gucci focused on python skins from Asia and the value chain into the fashion industry. Gucci has three key pillars: fashion, craftsmanship and responsibility. They integrate deeply with the value chain with the aim of promoting sustainable growth. One of the key issues faced in python skin supply chains is ensuring traceability, which Gucci's which Gucci addresses in its sustainable sourcing practices.

The International Trade Centre (ITC) presented a case study from its carbon footprints programme and spoke of the complexities when assessing particular value chains. ITC has also been involved with projects with industry partners including Gucci and python skins, highlighting the inclusive nature of value chain development projects. Climate change reporting and carbon emission footprints are requested by consumers in some product sectors such as tea. This adds a non-tariff barrier for farmers and places additional requirements on actors in the associated value chain. In this regard, the support work of ITC was presented such as adaptation training and education programmes.

The Development Bank of Latin America (CAF) explained how it has integrated sustainable development in its core principles. BioTrade is an important focus area where CAF strives to include all stakeholders and relies on the commitment of local agencies to execute successful projects. The combined focus on biodiversity and stakeholder development is successfully married through BioTrade projects, and is regarded as a bridge to a green economy. CAF supports every actor along the supply chain and gives particular attention to the weakest part of the chain.



PHOTO CREDIT: UNCTAD.



PHOTO CREDIT: UNCTAD.

Key conclusions

Several key conclusions and recommendations emerged:

- In order to access customers, producer groups must be organized. A certain level of organization in structure and processes enables access to a larger and more diverse customer base. Organizational capacity also applies to the certification process which is out of reach for those producers who have not met the minimum level of organization required. When

implementing REDD+ projects within existing value chains, there is a need to ensure that capacity building and funding are available.

- There is a need to move producer groups up the value chain so there are higher and more secure returns. However, it became clear during the course of discussions that in some cases this is not an objective of the producing groups. Based on this observation it was concluded that all stakeholders



work closely together in defining the targeted point in the value chain that actors collectively agree to. As such, the approach should be grassroots up, and demand driven.

- Industry partners and suppliers alike agreed that relationships within a value chain should be based on long-term commercial agreements, strong linkages and transparency. Gucci gave a specific recommendation based on their model, where the industry partner is integrated throughout the value chain, and not just towards the end of the product lifecycle.

- At the consumer and market end of the value chain, it was recommended that further work be done to increase the understanding of certification and the impact that it has. It is clear that different strategies are adopted by different companies. For example, The Body Shop does not use any labels on their products even if certified, whereas Chocolats Halba uses labels as a major marketing tool. By what degree is the market driven by certification, and what is the impact of consumer demand?



PHOTO CREDIT: FUNDACION CHANKUAP - "RECURSOS PARA EL FUTURO".

VIII.

SOUTH-SOUTH AND CROSS-INDUSTRY COOPERATION – SHARING OF EXPERIENCES AND BEST PRACTICES

Moderator



Ms. VANESSA INGAR

Specialist on BioTrade
Ministry of Environment, Peru

Speakers



Mr. ITAI CHIBAYA

Responsible for coordinating
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PhytoTrade Africa



Mr. PEDRO SOARES

Researcher
Institute for Conservation
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ment of Amazonas (IDESAM)



Mr. ANTHONY PARAK

Curator and Conservator
of Collections, J K McCarthy
Museum, Papua New Guinea.



Mr. CLAUDE FROMAGEOT

Director of Sustainable
Development, Yves Rocher
Group
Director, Yves Rocher
Foundation



DAVID VIVAS-EUGUI

Legal Officer, UNCTAD

Background

The session presented concrete case studies that promote the sharing of experiences and knowledge in view of a multi-disciplinary and sector-wide collaboration on a variety of sectors and geographical

distribution. It also highlighted the importance of capacity-building programmes in order to further disseminate and expand the knowledge on BioTrade and biodiversity-based businesses.



PHOTO CREDIT: LORENA JARAMILLO



PHOTO CREDIT: UNCTAD



PHOTO CREDIT: PROYECTO PERU BIODIVERSO (SECO/GIZA).

Summary of the panel

The emergence of South-South cooperation and cross-industry mechanisms are starting to complement the traditional North-South model for a better understanding of most suitable solutions and they have a significant impact in sustainable development.

PhytoTrade Africa presented its strategic approach focusing on strengthening the supply chain by:

- Local and regional networks of producers and distribution channels;
- Diversifying products and improving quality;
- Promoting competitiveness; and
- Enabling industry consumer awareness.

Partnerships with UNCTAD and UEBT have been essential to bolster impacts and ensure sustainability. It is now seeking to go further by creating a solid financial environment and promoting value addition, sustainable investment and new product formulation.

The Surui Forest Carbon Project (Brazilian Amazon) provides an example of an emissions reduction and forest conservation project that directly involves and benefits indigenous communities. Free, prior and informed consent and voluntary participation of the Surui indigenous community were the basis of the project's success. Strong outreach skills, transparency, and the integration community's traditional resource

management and decision-making frameworks into the project design were key ingredients for success. Since late 2013, Natura is supporting this REDD+ project.

When the first REDD+ projects in Papua New Guinea were implemented, regulations and institutions were weak – unfavourable land deals were signed off and logging practices were not adequately managed which led to tensions and uncertain carbon deals. This has changed with the creation of a new office to deal with adaptation, mitigation and REDD+, as well as the development of strategic plans and introduction of well-managed pilot projects.

Yves Rocher, through its corporate principle, “Three pillars of sustainability: culture, development and environment”, managed to commit everyone in its value chain to move to sustainability and ABS practice. Through the creation of a circular economic framework model, Yves Rocher has been:

- Increasingly using wind energy in their factories;
- Ensuring recyclable materials are used; and
- Practising natural capital restoration through the planting of 50 million trees.

This session allowed participants to acknowledge the importance of capacity building tools, which make provision for the uniqueness and similarity of each

country/industry experience. These instruments should be flexible, demand-driven, easily transferable, multi-stakeholder and be available at low cost through the utilization of technological advances (e.g. UNCTAD's BioTrade e-learning

courses). This approach has been evidenced by governmental and academic action in Ecuador and Peru to train public servants on the importance of BioTrade, and to create a master's degree on BioTrade in Peru.



Key conclusions

From the experiences and discussions, the following conclusions arose:

- Sustainability approaches such as BioTrade, are being implemented in different industries and countries, as well as schemes from individual companies and regional associations.
- Strengthening value chains is critical for achieving BioTrade principles in a sustainable development framework, and the commitment of every involved party should be the driver of successful arrangements.
- REDD+ project implementation needs transparency and integration of the community's traditional resource management, social hierarchy and decision-making frameworks, as well as government support. Regarding these issues, REDD+ pilot projects are a feasible way to best conserve Amazon forests.
- Instruments for capacity building and empowerment of stakeholders of BioTrade initiatives should be flexible, demand-driven, and easily transferable, as well as be available low cost.



PHOTO CREDIT: UNCTAD.

IX.

IMPORTANCE OF TRACEABILITY SYSTEMS – SHARING OF EXPERIENCES AND KNOWLEDGE

Moderator



MR. MATHIAS LÖRTSCHER

CITES Management Authority of Switzerland & Head of Section for the Protection of Species, Federal Food Safety and Veterinary Office FSVO

Speakers



MR. TOM DE MEULENAER

Scientific Support Officer
CITES Secretariat



MS. ROSSELLA RAVAGLI

Corporate Social and Environmental Responsibility Manager, Gucci



MR. FILIPPO NISHINO

Supply Chain & Operations Project Manager, Gucci



MR. LUCA BOLTRI

Head, Economic Department
Italian Tanners' Association (UNIC)



MR. BONAPAS ONGUGLO

OIC, Trade, Environment, Climate Change and Sustainable Development Branch, UNCTAD



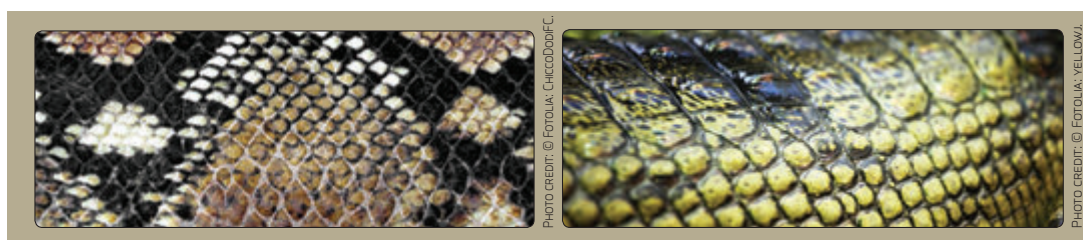
MS. VANESSA INGAR

Specialist on BioTrade
Ministry of Environment, Peru

Background

This session discussed the importance of traceability systems to the sustainable sourcing of flora and fauna species, which is legal, sustainable and provides livelihoods to rural communities. Traceability plays a major role in implementing CITES' mandate to

regulate the international trade in listed flora and fauna species in order not to threaten their existence. Traceability is also essential for the private sector, as consumers become increasingly concerned about the origins of the products they buy.



Summary of the panel

CITES – the international convention which, for the last 40 years, has provided a framework to guarantee that international trade in endangered species of wild fauna and flora is legal, sustainable and traceable – was introduced by Tom de Meulenaer. This is achieved by a system of permits and certificates which must accompany each shipment that crosses international borders. The Convention has been signed by 178 States, guaranteeing virtually worldwide coverage. It was noted that there are special cases in which the permit system is not sufficient to assert the legality and sustainability of the trade and where additional systems of traceability have had to be enforced, for instance, trade in caviar, crocodilian skins and the queen conch.

Rossella Ravagli and Filippo Nishino from Gucci presented the views from the private sector. For luxury brands like Gucci, the sustainability and legality as well as the social compatibility of their products is of prime importance. In recent years much effort has been put into assuring that these factors are assured throughout the whole chain of production. An example of a product line which incorporates all these aspects was presented. Tanneries play a crucial role in the chain of custody of the production of reptile leather for the fashion

industry. As a result of the low number of tanneries for reptile leathers worldwide they form a bottleneck in the trade flow. Controls at this level and traceability up to that level are therefore crucial elements in this trade. The challenges this situation presents were discussed by the Italian Tanners' Association (UNIC), looking at how tanneries can contribute to sustainability and traceability.

Bonapas Onguglo, UNCTAD, introduced the findings of a joint UNCTAD/CITES study on traceability in Asian python skins. The study showed the need for the introduction of an enhanced traceability system as well as various challenges ahead. It proposed different mechanisms for marking and stages of the introduction of such a system. Finally, a practical case of the implementation and positive consequences of a traceability system in the trade of a tropical timber species, the cocoba (*Swietenia macrophylla*), was detailed by Vanessa Ingar from the Ministry of Environment of Peru. In particular, the usefulness of a traceability system for implementing sustainability in the trade, the need for adaptable practical systems to make it work and exchange of information to adapt the system was emphasized.

Key conclusions

The following conclusions emerged:

- Private sector and consumers want to be informed about the origins of the products they sell or buy. Industries and brands are moving towards more socially and environmentally compatible practices in order to fulfil their consumers' wishes.

- Consequently, traceability is becoming a major issue especially when it relates to trade of particularly endangered wildlife products. It allows for the assertion that trade in a given commodity, for instance wildlife products, can be:

- sustainable;
- legal; and
- socially compatible (e.g. makes a contribution to livelihood and animal welfare).

- In developing a suitable traceability system, it is important to involve all the stakeholders in the value chain.

- Making this system work also requires dedicated funding from the whole trade chain. It is important to agree and define issues such as who pays and how much, as well as how the funding is distributed.

The various examples discussed during the Congress have shown that enhanced traceability can lead to a more sustainable trade and benefits for the livelihood of local people. Certain commodities need more than “paper traceability” and the work developed for CITES-listed species demonstrated the proactive approach being undertaken.



PHOTO CREDIT: UNCTAD.



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ABS	access and benefit sharing
BioCAN	Programme of Biodiversity for the Amazon Region of the Andean Countries
BTIAS	BioTrade Impact Assessment System
CAF	Development Bank of Latin America
CBD	Convention on Biological Diversity
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
DESA	Department of Economic and Social Affairs (UN)
ECA	Economic Commission for Africa
ECE	Economic Commission for Europe
ECLAC	Economic Commission for Latin America and the Caribbean
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
GHG	greenhouse gas
IADG	internationally agreed development goal
IDESAM	Institute for Conservation and Sustainable Development of Amazonas
ITC	International Trade Centre
NTFP	non-timber forest product
MEA	multilateral environmental agreement
REDD	Reducing Emissions from Deforestation and Forest Degradation
REDD+	REDD with sustainable management of forests, conservation of forest carbon stocks and enhancement of forest carbon stocks
SDG	Sustainable Development Goal
SECO	Swiss State Secretariat for Economic Affairs
SGCAN	General Secretariat of the Andean Community
SIPPO	Swiss Import Promotion Programme
SME	small and medium-sized enterprise
UEBT	Union for Ethical BioTrade
UNCTAD	United Nations Conference on Trade and Development
UNDOC	UN Office on Drugs and Crime
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNIC	Italian Tanners' Association
VCS	Verified Carbon Standard



II BIOTRADE CONGRESS



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together for
a better
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BioTrade Initiative, UNCTAD