



Biodiversity and Trade: Promoting Sustainable Use Through Business Engagement



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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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ACKNOWLEDGEMENTS

The BioTrade Congress provides a platform for BioTrade and biodiversity stakeholders from the private sector, governments and civil society to share experiences and lessons learned on "greening" trade, and establish further cooperation in implementing sustainable practices and businesses based on biodiversity-based sectors. It is also an opportunity to discuss emerging issues and key trends with potential implications for the sustainable production and trade of biodiversity-based products and services.

The III BioTrade Congress on "Biodiversity and Trade: Promoting Sustainable Use through Business Engagement" was organized and serviced jointly by UNCTAD (the Division on International Trade in Goods and Services, and Commodities and the Division on Investment and Enterprises) and the Secretariat of the Convention on Biological Diversity (CBD) during the 12th meeting of the Conference of Parties (COP) to the CBD. The Congress was an official event of the Business and Biodiversity Forum held in parallel with the COP meeting.

This report of the III BioTrade Congress was prepared at the UNCTAD Secretariat by Mariona Cusi and David Vivas Eugui under the supervision of Bonapas Onguglo. Inputs to the report were also provided by Lalen Lleander, Ivonne Paredes, Kyoshi Adachi, Tamara Romero, Rafe Dent and Malick Kane as well as David Prosser (UNCTAD consultant) and Maria Durleva (University of Law, London). Special thanks go to Lorena Jaramillo (UNCTAD) who was instrumental in conceptualizing and operationalizing the third Congress as well as the previous two.

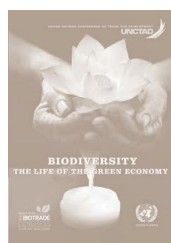
The report is a summary of the discussions, issues and recommendations arising from the Congress. It can serve as a useful tool for relevant multilateral processes and channels, including in UNCTAD, multilateral environmental agreements (MEAs) and UN processes related to the Sustainable Development Goals (SDGs), among others, in order to continue mainstreaming BioTrade into relevant policy frameworks and processes at the international, regional and national levels, as well as to encourage future business engagements in sustainable use of biodiversity and related benefit sharing between users and providers.

We gratefully acknowledge the support of the Swiss State Secretariat for Economic Affairs (SECO), and the Latin America Development Bank (CAF) for supporting the III BioTrade Congress. Also appreciated is the active participation of BioTrade partners from Europe, Latin America, Africa and Asia, with panellists sharing experiences and lessons learned, which enriched the deliberations of the Congress.

Guillermo Valles

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

PREVIOUS CONGRESSES



Biodiversity: The Life of the Green Economy



Biodiversity and Climate Change: Integrating REDD+ into BioTrade Strategies



III BIOTRADE CONGRESS
 BIODIVERSITY AND TRADE: PROMOTING SUSTAINABLE USE THROUGH BUSINESS ENGAGEMENT
 12 October 2014 - Pyeongchang, Republic of Korea

2 FOREWORD

Mukhisa Kituyi, Secretary-General, United Nations Conference on Trade and Development (UNCTAD)
 Bráulio Ferreira de Souza Dias, Executive Secretary, Convention on Biological Diversity (CBD)

I.

4 III BIOTRADE CONGRESS: PROMOTING SUSTAINABLE USE THROUGH BUSINESS ENGAGEMENT

II.

8 ENGAGING BUSINESS IN THE ACHIEVEMENT OF THE STRATEGIC PLAN FOR BIODIVERSITY 2011-2020 AND THE FUTURE SUSTAINABLE DEVELOPMENT GOALS

III.

10 EMERGING ISSUES: THE IMPLICATIONS OF THE NAGOYA PROTOCOL IMPLEMENTATION FOR BIOTRADE/BIODIVERSITY BUSINESSES

IV.

14 INTELLECTUAL PROPERTY IMPLICATIONS OF THE CBD AND THE NAGOYA PROTOCOL

V.

18 GEF CAF ANDEAN BIOTRADE: 15 SUCCESSFUL STORIES

VI.

20 PRACTICAL TOOLS FOR SUSTAINABLE SOURCING OF BIODIVERSITY

VII.

24 BUSINESS-TO-BUSINESS ROUNDTABLE: SUSTAINABLE SUPPLY AND ETHICAL DEMAND

VIII.

26 CBD COP OUTCOMES IN RELATION TO BIOTRADE

28 PARTNERS
30 ACRONYMS



MUKHISA KITUYI

Secretary-General, United Nations Conference on Trade and Development (UNCTAD)



The 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 entered into force on the day the III BioTrade Congress took place. This is a landmark agreement, not only for the Convention on Biological Diversity, but also for multilateralism. It demonstrates that countries can overcome their differences when advancing common global goals.

The Protocol will have far reaching consequences for the sustainable use of biodiversity and private sector engagement. This Congress is a unique opportunity for the public and private sectors, civil society and international organizations to share experiences and explore avenues on how to foster business engagement in BioTrade activities. The private sector has the potential to become the engine of growth of BioTrade activities and the Nagoya Protocol opens a number of opportunities for this to happen.

As global population expands, there will be increasing pressure on the planet's natural capital, including its biodiversity base. Conservation and sustainable use of natural resources through business engagement is crucial. However, governments, businesses, local communities and international organizations need to work together to ensure sustainability and fairness in BioTrade activities. Many businesses are already doing so, and I am sure some of these experiences will be shared today.

In addition, to ensure that the Protocol is correctly implemented, industries that rely on biodiversity to source ingredients will need to collaborate closely with local, regional and international authorities

– particularly those with complex supply chains. Governments and international agencies must also be careful to avoid red tape that could stifle business opportunities. Dialogue and cooperation between policymakers, regulators and the private sector are important to ensure a legislative and regulatory framework that is mutually beneficial to all parties.

UNCTAD has for several years been engaged in the BioTrade Initiative in a wide variety of sectors such as food, personal care, pharmaceuticals, traditional medicines, the fashion industry and sustainable tourism. The challenge ahead for BioTrade-based business is to scale up and expand its reach into new countries and sectors. The private sector will be a primary force in this expansion, and the Nagoya Protocol provides the right market incentives for businesses to invest in the BioTrade sector.

UNCTAD would like to express its deep appreciation to the CBD Secretariat for co-sponsoring this Congress and to the Republic of Korea for hosting it. We would also like to thank the Swiss State Secretariat for Economic Affairs and other partners to UNCTAD's BioTrade Initiative for their sustained support. UNCTAD is grateful to the Latin American Development Bank (CAF) for its contribution to the III BioTrade Congress and its support for the BioTrade Initiative.





BRAULIO FERREIRA DE SOUZA DIAS

Executive Secretary, Convention on Biological Diversity (CBD)



I would like to express my appreciation to UNCTAD for organizing this important event, which came at such an opportune time: the day of entry into force of the Nagoya Protocol. I am proud to have shared this moment with you.

The Nagoya Protocol is central to driving biodiversity for sustainable development. Its entry into force will create incentives for preserving genetic diversity, biodiversity in general and associated traditional knowledge. It will provide the conditions for continuous research and development on genetic resources. But most importantly, the Protocol will give us the opportunity to develop an economy that is more sustainable and where the value of natural resources will be truly acknowledged.

Being at this Congress and the Business Forum makes it clear to me that the role of businesses is increasingly recognized. And here, I mean specifically businesses involved in BioTrade – because they are businesses which rely directly on our natural resources. Only if we are able to use these resources sustainably, we will be able to move towards an overall more sustainable economy. Moreover, in moving towards a more sustainable economy, the Strategic Plan for Biodiversity and the Aichi Biodiversity Targets are very crucial. I believe that businesses have a key role to play in this process.

As you may recall, one of the main outcomes of the Rio+20 Conference was the agreement by Member States to launch a process to develop a set of Sustainable Development Goals. In July this year, the Open Working Group on Sustainable Development Goals adopted proposals for these goals, many

of which explicitly highlight biological diversity and ecosystems. This is extremely positive from the perspective of the CBD and bodes well for the implementation of the Strategic Plan for Biodiversity 2011–2020 and the Aichi Biodiversity Targets. The results also demonstrate the growing recognition that biodiversity is essential for sustainable development and that businesses play a key role in this process.

Much depends, however, on the ways in which we manage and use biodiversity. The conservation and sustainable use of biodiversity must be integrated into economic policies. The mainstreaming of biodiversity will also be a critical component of effective policy responses. The post-2015 development agenda and the Sustainable Development Goals represent a unique opportunity to address many of the current challenges, including biodiversity degradation and loss, in a proactive and consistent way. We have to ensure that biodiversity remains strongly represented in the final outcomes for the post-2015 development agenda and that the final goals are implemented effectively. I therefore would like to encourage all of you to engage in this process and to help to make the post-2015 development agenda, as well as the implementation of the Nagoya Protocol and the Convention, a success.

The BioTrade Initiative of UNCTAD is an excellent programme and I am satisfied to see that it is raising so much interest. We at the Secretariat are ready and willing to support your efforts and I am looking forward to a fruitful collaboration in the future. I am hopeful that more countries will benefit from the approaches and initiatives developed by UNCTAD under the BioTrade Initiative.



PHOTO CREDIT: UNCTAD

I.

III BIOTRADE CONGRESS: PROMOTING SUSTAINABLE USE THROUGH BUSINESS ENGAGEMENT

Sustained economic growth is at the forefront of priorities for developing countries in expanding, transforming their economies and attaining development benefits. However, growth, if left unchecked, can have a damaging impact on the environment and natural resources, thus acting as a negative externality for the achievement of long-term objectives. As world population and, consequently, production continue to increase, tremendous pressure is being placed on the Earth and its living and non-living resources, endangering the livelihood prospects of current and future generations. Sustained economic growth thus must become “sustainable” if it is to be environmentally as well as people friendly.

A sustained pace of economic growth that is also sustainable is the key to the future prosperity of the global community. Sustainability at the interface of trade, environment and development is a central pillar of this enlightened approach. International trade can be an enabler for achieving environmental goals, in addition to social and economic goals. International trade and investment in biodiversity-based products and services are becoming increasingly valuable incentives to reduce the over-exploitation of biodiversity while enabling the creation of more sustainable economic sectors that contribute to inclusive growth and sustainable production, trade and consumption patterns.

When properly harnessed, the opportunities brought by trade in goods and services derived from biodiversity can be a powerful force for creating jobs, enabling efficient use of resources, providing incentives to entrepreneurs and, ultimately, improving living standards. The engagement of

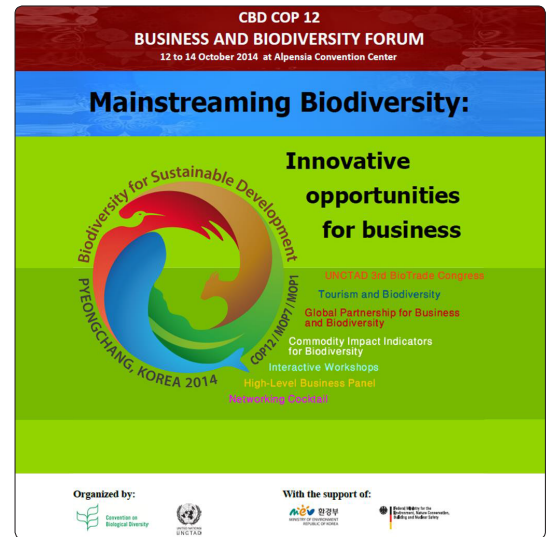


PHOTO CREDIT: CBD

local and indigenous communities in the sustainable production and commercialization of biodiversity-based products also ensures that those living close to biodiversity-rich areas and also threatened areas can become responsible users and custodians of biodiversity and related traditional knowledge.

As developing countries seek to better balance economic growth and poverty reduction with the conservation of the planet's biodiversity and environment, the sustainable harvest and production of biodiversity-based products and their trade can play a prominent role. Trade in sustainably derived biodiversity products promotes the creation of businesses and employment, generates export revenues by capturing emerging opportunities and markets and, in parallel, promotes the sustainable management of natural resources.



PHOTO CREDIT: UNCTAD

Increasingly forward-looking ethically driven companies are taking issues related to sustainability into account and including them into their corporate social and environmental responsibility programmes. This is not only a strong message of serious engagement with the issues to the general public, but also a positive reaction by companies to consumers' increasing demand for such goods and services.

BioTrade can contribute to the promotion of constructive and long-term access and benefit sharing (ABS) agreements that fulfil the expectations of providers and users. BioTrade simultaneously generates business opportunities, economic growth and sustainable livelihoods for rural populations while ensuring the conservation and sustainability of biodiversity. Under this approach, the value of biodiversity can be enhanced, and risks associated with unsustainable practices, such as stresses on biological resources, can be reduced. The recent entry into force of the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization is a key instrument in this regard.

BioTrade is a growing commercial sector, with sales amounting to US\$ 5.2 billion. Nevertheless, it still remains a niche sector within the global economy. Increasing consumer demand together with a private sector very much at the forefront in the fight for

conservation and sustainability of biodiversity could eventually change this. In this constantly evolving business environment, where new international agreements are also pushing for further clarity and transparency in the processes of ABS of biological resources, BioTrade and similar initiatives could be part of the solution in promoting sustainable sourcing and use of resources and in achieving sustainable development.

The III BioTrade Congress aimed to foster discussions and stimulate debate on new approaches and schemes to promote the sustainable use and trade of biodiversity, legal access and benefit sharing when engaging in BioTrade activities. It provided an important and useful platform for business engagement and multi-stakeholder dialogue on issues related to sustainability and biological diversity. Different views and perspectives on the new challenges and opportunities ahead in the BioTrade area were shared, such as the Nagoya Protocol's entry into force. For the effective implementation of the Nagoya Protocol, there is a need for tailor-made technical assistance to governments, businesses and other relevant stakeholders.

Different practices and tools applicable to sustainable sourcing and corporate social (and environmental) responsibility in the cosmetic, traditional medicine, fashion design and tourism sectors exist. The



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importance and value of openness and transparency along the value chains and the need for inclusive processes were stressed. Some reflections were shared on the importance given by consumers to sustainability and its impact to business branding strategies. Many tools were identified such as assessments, guidelines, codes of conduct, standards, traceability systems,

certification, public-private partnerships (PPPs) and accountability practices. The Congress recognized the value of partnerships and cooperation by all participants and organizations involved, as well as with relevant stakeholders in the field. The agenda of the III BioTrade Congress is provided opposite.



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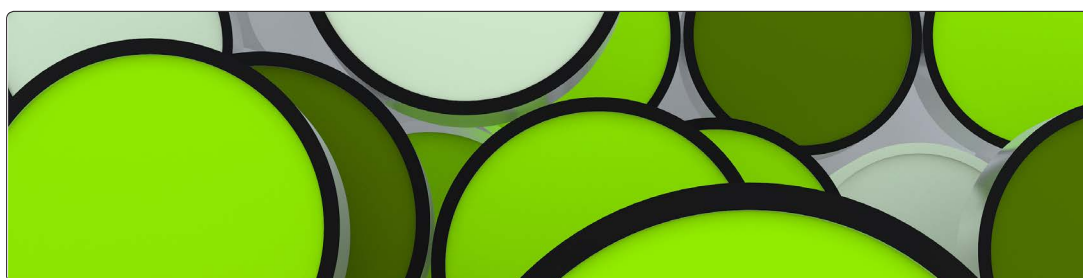


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III BioTrade Congress

Biodiversity and Trade: Promoting Sustainable Use Through Business Engagement

TIME	SESSIONS	MODERATOR
12 October 2014		
09:00	Registration	
10:20 – 11:00	<p>Welcome session: Engaging businesses in the achievement of the Strategic Plan for Biodiversity 2011–2020 and the future Sustainable Development Goals.</p> <ul style="list-style-type: none"> • Dr Mukhisa Kituyi, Secretary-General of UNCTAD (by video) • Dr Braulio Dias, Executive Secretary, Convention on Biological Diversity • Ms Pia Bucella, Director, Natural Capital Directorate, DG-Environment, European Commission • Mr Rik Kutsch Lojenga, Executive Director, Union for Ethical BioTrade (UEBT) 	<p>Mr Miroslav Delaporte, Country Director, State Secretariat for Economic Affairs, Swiss Cooperation Office for Viet Nam</p> 
11:00 – 13:00	<p>Emerging issues: The implications of the Nagoya Protocol implementation for BioTrade/biodiversity businesses.</p> <ul style="list-style-type: none"> • Ms Amy Fraenkel, Principal Officer, Mainstreaming, Partnerships, and Outreach, CBD Secretariat • Mr Rik Kutsch Lojenga, Executive Director, UEBT • Mr Carlos Manuel Rodriguez, Vice President for Conservation Policy, Conservation International • Ms Anais Blain, Sustainability Project Leader, Yves Rocher Group • Mr Pierre du Plessis, Senior Consultant, Centre for Research Information Action in Africa Southern Africa Development and Consulting (CRIA SA-DC) 	<p>Mr David Vivas, Legal Officer, UNCTAD</p> 
13:00	Lunch sponsored by UNCTAD and CAF	
13:45 – 14:15	<p>Launching of the UNCTAD publication, <i>A Handbook on the Interface between Global Access and Benefit Sharing Rules and Intellectual Property</i> (implications of the CBD and the Nagoya Protocol), and GEF CAF Andean BioTrade: 15 successful stories.</p> <ul style="list-style-type: none"> • Mr Hartmut Meyer, Advisor, ABS Capacity Development Initiative, GIZ • Mr David Vivas, Legal Officer, UNCTAD • Ms Thamara Romero, Legal Officer, UNCTAD • Mr René Gómez-García Palao, Head, Environmental Business Unit, Development Bank of Latin America (CAF) 	<p>Ms Mariona Cusi, UNCTAD</p> 
15:00 – 16:45	<p>Practical tools for sustainable sourcing of biodiversity</p> <ul style="list-style-type: none"> • Mr René Gómez-García Palao, Head, Environmental Business Unit, Development Bank of Latin America (CAF) • Mr Filippo Nishino/Ms Rossella Ravagli, Python Conservation Partnership • Ms Giulia Carbone, Deputy Director, Global Business and Biodiversity Programme, International Union for Conservation of Nature (IUCN) • Ms Anais Blain, on behalf of Natural Resources Stewardship Circle (NRSC) • Ms Anastasiya Timoshyna, Biodiversity and Community Health Initiative (BaCH), United Nations University/TRAFFIC 	<p>Mr David Steuerman, Programme Officer, CBD Secretariat</p> 
16:45 – 17:45	<p>Business-to-business roundtable: Sustainable supply and ethical demand</p> <ul style="list-style-type: none"> • Mr Michel Mane, President, MANE Americas • Mr Filippo Nishino, Industrial Operations Director/Ms Rossella Ravagli, Head, Corporate Sustainability and Responsibility, Gucci • Mr Cyril Lombard, Chief Executive, Head of R&D and PhytoTech, PhytoTrade Africa 	<p>Mr Claude Fromageot, Director of Sustainable Development, Yves Rocher Group and Director, Yves Rocher Foundation</p> 
17:45 – 18:00	Concluding remarks	



ENGAGING BUSINESS IN THE ACHIEVEMENT OF THE STRATEGIC PLAN FOR BIODIVERSITY 2011-2020 AND THE FUTURE SUSTAINABLE DEVELOPMENT GOALS

Moderator



MR. MIROSLAV DELAPORTE,

Country Director, SECO,
Swiss Cooperation Office
for Viet Nam

Welcoming remarks



MR. MUKHISA KITUYI

Secretary-General
of UNCTAD

Keynote speakers



MR. BRAULIO DIAS

Executive Secretary, CBD



MS. PIA BUCELLA

Director, Natural Capital
Directorate, DG-
Environment, European
Commission (EC)



**MR. RIK KUTSCH
LOJENGA**

Executive Director, UEBT



Focus

Smart, sustainable and inclusive growth: The importance of business engagement in the achievement of the CBD Strategic Plan for

Biodiversity 2011–2020, the future SDGs, National Biodiversity Strategies and Action Plans (NBSAPs) and green economy strategies.

Summary of discussions

There is increasing pressure on the planet's natural capital due in part to the continued expansion of the world population and the need for increased levels of production to meet the needs of the vast and growing population. It is imperative to have an agenda for change that takes this into account and promotes sustainable development. This is not only at the core of the SDGs negotiations and their future implementation, but also a vital part of the objectives of the CBD, going hand in hand with the conservation of biodiversity. More specifically, the conservation and sustainable use of biodiversity

must be integrated into economic policies. The mainstreaming of biodiversity will also be a critical component of effective policy responses.

Governments need to adopt agendas and strategies for change that build a more sustainable future, including in terms of biodiversity conservation and use. This is important but it will not be sufficient unless the private sector is involved in smart, sustainable and inclusive growth. Businesses play an important role in the three dimensions of sustainable development: economic, social and environmental.

This government-private sector partnership is at the core of biodiversity-based growth strategies of some developed countries/regions such as Switzerland and the European Union (EU).

The Swiss Government supports the promotion of BioTrade activities, engaging both the public and the private sectors in their partner countries. This is the case, for instance, with their work in Peru and Viet Nam, where they seek to promote sustainable trade that does not negatively impact on the conservation of biodiversity and contributes to the improvement of the livelihoods of local stakeholders, including in local and indigenous communities.

The EU countries are also mainstreaming biodiversity into their business activities and consider this a crucial step towards achieving progress in the biodiversity sector. This is part of their “Europe 2020 Strategy”, which has two objectives:

- An industrial policy for the globalization era; and
- A resource efficient Europe.

The EU’s biodiversity strategy is focused on six sectors: agricultural, extractive industries, financial, food supply, forestry and tourism. The EU’s response to biodiversity challenges is encapsulated in its “Biodiversity for Life” (B4Life)¹ initiative, which is expected to catalyse private sector development in the conservation and sustainable use of biodiversity.

There is widening understanding of biodiversity as a global concept generated by expectations from consumers and increasing demands for respect for nature. This makes it crucial that businesses around the world understand the positive effects and potential benefits of mainstreaming the values of biodiversity and ecosystem functions and services into their business models and supply chains.² Business engagement is crucial for the conservation and sustainable use of natural resources. BioTrade companies have anticipated these needs and are proactively incorporating respect of biodiversity into their practices. They are making important contributions towards a more sustainable use of biodiversity.

Aichi Target 16 on the operationalization of the Nagoya Protocol was fulfilled with its recent entry into force. This paves the way towards enhancing the benefits from biodiversity and ecosystem services. The Protocol opens a number of opportunities for the private sector and governments alike in

accessing biodiversity-based resources. In ensuring its proper implementation, industries that rely on biodiversity for sourcing ingredients will need to collaborate closely with local, regional and international authorities, particularly those with complex supply chains.

Several countries are experiencing difficulties in implementing domestic legislation related to the Nagoya Protocol due to a lack of clarity that generates low levels of trust among interested parties, which ultimately creates an environment where promoting partnerships becomes difficult. The confusion of fair trade, BioTrade, ABS and the use of the Nagoya Protocol further adds to this challenge. It is vital to have a clear understanding of the rules and implementation practices in order to achieve an enabling environment that will promote the conservation and sustainable use of biodiversity, and bring benefits to local communities.

Key conclusions

The private sector, working in collaboration with governments and communities located in biodiversity areas, is a key driver in the development and implementation of BioTrade activities. Thus, engaging this sector is crucial in the achievement of the Strategic Plan for Biodiversity 2011–2020 and the future SDGs. The post-2015 development agenda and the SDGs represent a unique opportunity to address many of the current challenges, including biodiversity degradation and loss, in a proactive and consistent way.

Market incentives and capacity building should be made accessible to businesses to engage them in smart, sustainable and inclusive growth as well as help them meet consumer expectations and the increasing demands for respecting nature.

The global community requires responsible production and consumption of products and related procurement. Consequently there is an urgent need to involve more countries and companies committed to BioTrade.

The Nagoya Protocol, despite implementation challenges, opens a number of opportunities for the private sector, governments and resource owners. Dialogue and cooperation between policymakers, regulators and the private sector is important to ensure a legislative and regulatory framework for the Protocol that is beneficial to all parties.

¹ https://ec.europa.eu/europeaid/eu-biodiversity-life-b4life-flagship-initiative-brochure_en

² UNEP/CBD/COP/12/L.25



EMERGING ISSUES: THE IMPLICATIONS OF THE NAGOYA PROTOCOL IMPLEMENTATION FOR BIOTRADE/ BIODIVERSITY BUSINESSES

Moderator



MR. DAVID VIVAS EUGUI

Legal Officer, UNCTAD

Speakers



MS. AMY FRAENKEL

Principal Officer, Mainstreaming, Partnerships, and Outreach, CBD



MR. RIK KUTSCH LOJENGA

Executive Director, UEET



MR. CARLOS MANUEL RODRIGUEZ

Vice President for Conservation Policy, Conservation International



MS. ANAÏS BLAIN

Sustainability Project Leader, Yves Rocher Group



MR. PIERRE DU PLESSIS

Senior Consultant, CRIAA SA-DC



PHOTO CREDIT: © FOTOLIA/ LILY

Focus

Implementing the Nagoya Protocol is necessary for building trust: ABS experiences of BioTrade businesses in different value chains in the cosmetics, food and

medicines/phytomedicine sectors in order to:

- Evaluate differences in the treatment and;
- Identify challenges and recommendations for future implementation of the Nagoya Protocol.

Summary of discussions

The recent entry into force of the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization is a key instrument in the drive towards more sustainable use of biodiversity and the sharing of associated benefits. Providing the private sector and scientific communities with access to genetic resources for use in research and development (R&D) and ensuring the equitable sharing of benefits derived from the commercial use of these resources with resource owners can significantly improve social and economic development in the sourcing countries. There is a need for companies and industries that rely on biodiversity for sourcing ingredients to collaborate closely with local, regional and international authorities to ensure that the terms of the Nagoya

Protocol are correctly and fairly implemented. Public authorities need to avoid bureaucracy, which could stifle new business opportunities.

Much still needs to be done in order to achieve the goal of the Nagoya Protocol of creating a new enabling environment for ABS on genetic resources including from biodiversity. During the Nagoya Protocol COP 1, Parties discussed new bodies and operations, how to address issues of non-compliance and cooperation with other organizations and capacity building. As a legally binding international instrument, the Nagoya Protocol needs to be enacted into national legislation. The Nagoya Protocol encourages partnerships for R&D and, in order to facilitate them, countries have to elaborate their domestic legislation and register

Bioprospecting agreements are private contracts by which one party agrees to give access and removal of genetic resources and their utilization provided that the benefits perceived are shared. Through this system, biodiversity-rich countries may capitalize part of their natural wealth (genetic resources and associated traditional knowledge (TK) to be used as R&D).

their resources. The development of partnerships between providers and users can facilitate such implementation and build trust.

Therefore, it is important that governments, jointly with other stakeholders, design practical legal frameworks and invest in the operationalization of the Nagoya Protocol. ABS structures and procedures are the most important mechanisms in the process of creating opportunities. Costa Rica, for example, signed its biodiversity law in 1998 and since then has defined legal rights in terms of ownership of the biological and genetic resources. Having established a clear framework, Costa Rica relies on the model of bioprospecting projects.

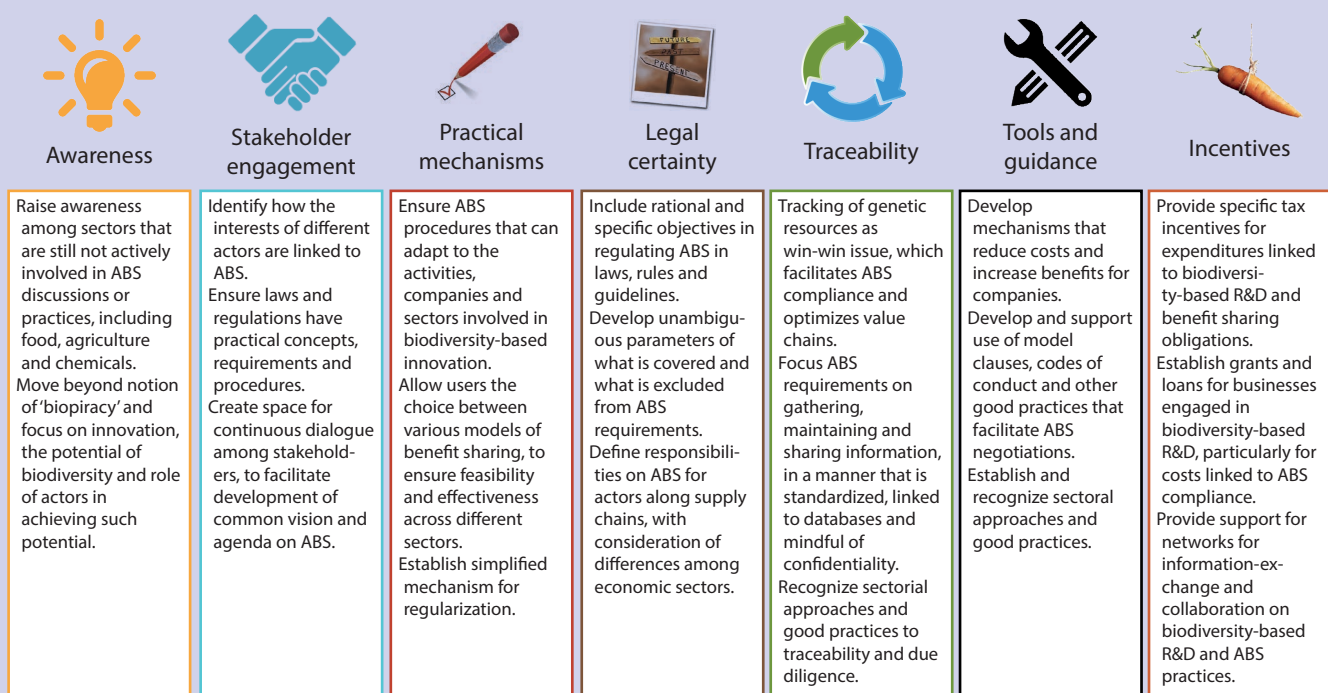
Some countries see ABS practices as a tool to secure supply chains and advance ethical practices to access biodiversity for innovation. If this is not harnessed, there is a potential loss of momentum. Some ABS aspects that businesses have to look at include: awareness raising; stakeholder

engagement; practical mechanisms to regularize ABS; legal certainty through the creation of specific objectives, clear rationale and the establishment of responsibilities; traceability; sectoral tools and guidelines and; incentives.

The Nagoya Protocol opens a number of opportunities for the private sector despite the challenges it still faces, including for countries engaged in BioTrade. BioTrade involves mostly biological resources, but as these are processed and move upwards in the value chain in the development of new products, the probability of using genetic resources and their biochemical within multiplies. Nowadays, it is almost impossible not to have any R&D activities when developing a new product. When this happens, the Nagoya Protocol provisions will be triggered.

For example, the development of cosmetics is a very complex process and takes between five to seven years. Therefore, generating higher levels of understanding

FIGURE 1. Building an ABS framework: Issues and considerations



SOURCE: RIK KUTSCH LOJENGA, UEBT (2014).

about sectoral particularities and the potential of R&D partnerships are part of the challenges and opportunities being brought by the Nagoya Protocol. Yves Rocher, as a company with great experience in biodiversity management, sees ABS as an additional economic, environmental and social consideration integrated in the product cost accounting frame. Having been one of the pioneering companies in implementing the Bonn Guidelines,³ it is now looking into the implementation of the Nagoya Protocol. To achieve such implementation, Yves Rocher involves the entire organization, including their R&D, purchasing, marketing, legal and sustainability departments.

However, if not properly implemented, the Nagoya Protocol can be a potential disincentive for investment. Profitability, linked to scale and scope, is one of the key problems of investing in ABS. It is necessary to build momentum in the implementation process so that the Nagoya Protocol can respond to present-day problems such as huge flows of genetic information. The development of the Global Multilateral Benefit Sharing Mechanism, under Article 10 of the Nagoya Protocol, could be a solution.

Key conclusions

The Nagoya Protocol's entry into force is a welcome development. Its implementation will certainly have significant implications on BioTrade and biodiversity-based businesses. The Nagoya Protocol provides a clearer regulatory framework and enabling environment on ABS, thus reducing gaps in trust. There needs to be further development both at the multilateral and national levels, including

legal and institutional developments to provide more legal certainty.

If properly implemented, ABS can generate new businesses based on sustainable sourcing and respect of the rights of stakeholders, including of indigenous and local communities. There are successful country experiences on ABS cases that

³ The Bonn Guidelines were adopted during COP VI, in 2002. They were a first step in the process towards the implementation of relevant provisions of the CBD related to ABS. See <https://www.cbd.int/abs/bonn/>



PHOTO CREDIT: CAF



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have led to conservation and actual benefit sharing, as well as generation of practical applications, which could be built upon to promote multiplier effects.

There is a need for:

- Enhanced awareness-raising efforts within the private sector and among consumers;
- Enhanced understanding of the particularities of the sectors involved, R&D activities, subject matter used, business model, nature of products and interests of business partners by government officials; and
- Effective incentives to encourage ABS.



PHOTO CREDIT: © FOTOLIA/ LCUJUG

IV.

INTELLECTUAL PROPERTY IMPLICATIONS OF THE CBD AND THE NAGOYA PROTOCOL

Moderator



Ms. MARIONA CUSI
UNCTAD

Focus

Balanced intellectual property (IP) considerations are important for ABS rule implementation: The most successful R&D outcomes tend to be good candidates for IP protection and many inventions are the result of genetic resource utilization as defined by the Nagoya Protocol.

Speakers



MR. HARTMUT MEYER
Advisor, ABS Capacity Development Initiative, GIZ

Summary of the discussions

Balanced IP considerations are important for ABS rule implementation. This is underlined in UNCTAD's *Handbook on the Interface between Global Access and Benefit Sharing Rules and Intellectual Property*. The handbook addresses the implications that the different Nagoya Protocol provisions may have for IP issues. The handbook is complemented by an e-learning platform, which is at the disposal of countries and stakeholders interested in building up their capacity in preparation for the imminent application of the provisions of this new international agreement.

Balanced IP considerations are, however, very important for ABS rule implementation. The most successful R&D outcomes tend to be good candidates for IP protection and many inventions are the result of genetic resource utilization as defined by the Nagoya Protocol.

This blended learning course has been delivered in South-East Asia (2012–2013) and in South Asia (2013–2014). A two-day national multi-stakeholder face-to-face workshop was also delivered in Cambodia (2014). The distance learning modules that go with the handbook are housed on GIZ's distance learning platform.

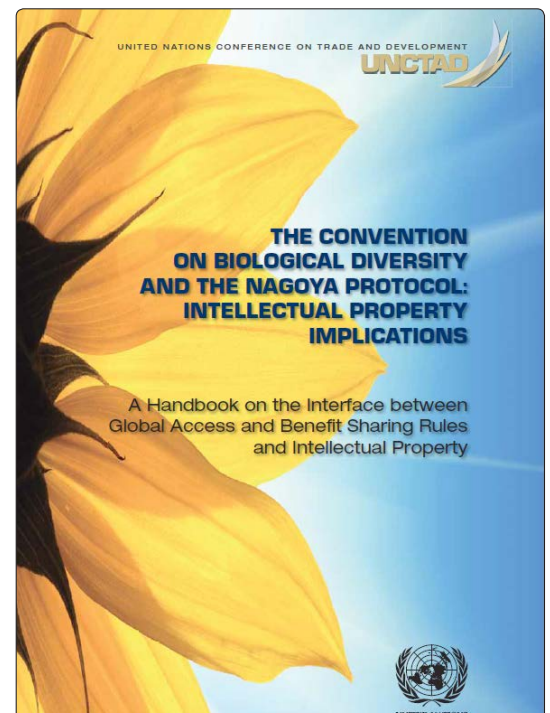
One important lesson from the handbook is that international agreements on IP such as the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS Agreement) and the World Intellectual Property Organization (WIPO) conventions provide leverage for the introduction of measures that support CBD and Nagoya Protocol objectives. For example, countries may decide to implement disclosure of origin, legal sources and



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The handbook is also currently being used in GIZ blended learning workshops for countries in the Amazon region. It is delivered in English, Spanish and Portuguese with an audience of indigenous representatives, government officials, civil society, NGOs and patent officers. As with the courses in South-East and South Asia, this blended learning course uses a methodology based on online self-study, group online training, e-tutoring, self-tests, assignments, chat rooms, study visits and expert inputs. The course lasts from 8 to 12 weeks for its online phase and six days for its face-to-face period.

The courses to date have been well received by beneficiaries, who stressed the importance of being aware of the IP implications of the Nagoya Protocol as they move to implementation. The Nagoya Protocol stays largely silent regarding IP



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evidence of prior informed consent and mutually agree terms in a way that is compatible with international IP agreements.

Many inventions also directly use or are inspired by TK when related to genetic resources. When looking at these issues, the international framework under the UN Declaration on the Rights of Indigenous Peoples (UNDRIP, 2007) also needs to be taken into account. The IP system has the potential to reinforce biodiversity objectives by supporting the introduction of measures to ensure legal access and use of genetic resources and associated TK, as well

as by allowing the branding and commercialization of biodiversity-based products and services.

The handbook's treatment of this subject discusses issues such as the right to control IP over TK (UNDRIP, Art. 31), the necessity of the Nagoya Protocol Parties to take measures to ensure prior informed consent (PIC) and mutually agreed terms (MAT) when TK is accessed (Nagoya Protocol Art. 7) and the urgent need for national implementation of TK laws. The handbook also analyses seven examples of regulations about *sui generis* IP protection for TK and about ABS. This analysis

Examples of national *sui generis* legislations and regulations on TK protection:

- Andean Community (2002): Decision 391 Common Regime on Access to Genetic Resources
- Pacific Islands Forum (2008): Traditional Biological Knowledge, Innovations and Practices Act
- African Regional Intellectual Property Organization (2010): Swakopmund Protocol on the Protection of TK and Expressions of Folklore
- Thailand (1999): Act on Protection and Promotion of Traditional Thai Medicinal Intelligence, H.E. 2542
- Portuguese law on autochthonous plant material (2002): Decree-Law No. 118/2002
- South Africa (2004): National Environmental Management: Biodiversity Act; and South Africa (2008): Regulations on Bio-Propecting, Access and Benefit Sharing
- Guyana (2006): Act to provide for the recognition and protection of the collective rights of Amerindian villages and communities, the granting of land to Amerindian villages and communities and the promotion of good governance within Amerindian villages and communities

reveals common aspects on defensive protection (with the objective of fighting misappropriation) and the lack of comprehensive approaches to link IP and ABS.

All these *sui generis* legislations and regulations contain eclectic features of existing or new protection mechanisms such as recognition of human rights over TK, elements of ABS systems, unfair competition and avoidance of misappropriation, defensive and positive IP protection and pay-and-use. They tend to define i) what TK is and the subject matter of protection in an illustrative manner or through definitions [TK resource to be protected in an illustrative or general manner]; ii) who are the holders of the rights; iii) the scope of these rights and; iv) what happens with publically available TK. This comparative analysis allows countries to identify what is the right policy mix in relation to TK protection in light of local conditions.

Distinctive signs on biodiversity-based products and geographical indications (GIs) received special consideration in the handbook. If properly addressed, these two IP tools can make a significant contribution to the conservation of biological

resources and to sustainable use. GIs have proven useful in distinguishing products and producers with direct ties with the environment and traditional practices. There are increasing examples of this in developing countries. Examples of this include Café de Colombia, Jinxiang Da Suan garlic (China), Cacao de Chuao (Venezuela) and Chanderi Saris (India). GIs are voluntary schemes that allow the introduction of sustainable practices through establishing technical requirements, enhancing the value and reputation of biodiversity-based inputs, and contributing to TK preservation. They can also have a defensive value against non-authorized use of genetic material and TK in patent applications.

The handbook further addresses the role of biodiversity-related disclosure requirements (BRDRs). Whereas disclosure is a typical function of patent applications, the disclosure of origin and/or the source and proof of legal provenance have often been used to verify compliance with ABS. Appropriate disclosure requirements can help IP offices function as a checkpoint. The handbook provides different modalities to introduce BRDRs in a way that is TRIPS compliant. Other policies that support efforts to prevent misappropriation include exceptions to patentability and title holders' rights.



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PHOTO CREDIT: CAF

Key conclusions

There is policy space within the IP system to introduce measures that support biodiversity conservation (genetic resources and associated TK). Mechanisms such as biodiversity-related disclosure requirements in patent applications can support patent quality examination and, at the same time, fulfil national ABS regulations.

Protection under the Nagoya Protocol is not automatic. There is need for a national legal framework in order to obtain international protection. There is already a wide pool of national ABS and TK laws that could assist in the definition of the right policy mix when implementing the Nagoya provisions at national level.

Distinctive signs, such as GIs, may provide, if properly designed, a certain level of protection against misappropriation and bio-piracy of genetic resources and TK. They can also promote the revalorization and protection of the reputation of biodiversity and TK-derived products, as well as allow the introduction of sustainable agricultural practices that contribute to conservation and sustainable use.



PHOTO CREDIT: CAF

V.

GEF CAF ANDEAN BIOTRADE: 15 SUCCESSFUL STORIES

Moderator



Ms. MARIONA CUSI
UNCTAD

Speakers



**Mr. RENÉ GÓMEZ-
GARCÍA PALAO**
Head, Environmental
Business Unit, CAF

Focus

Showcasing of successful stories where BioTrade has been instrumental in promoting the sustainable use and trade of biodiversity. Through them,

stakeholders in all sectors can learn from practical experiences on the ground.

Summary of the discussions

This session showcased successful stories where BioTrade has been instrumental in promoting the sustainable use and trade of biodiversity and from which stakeholders in all sectors can learn from practical experiences on the ground. This is the case of the GEF CAF Andean BioTrade publication titled *Andean BioTrade: fifteen success stories in Colombia, Ecuador and Peru*.⁴

to make financial tools more accessible to local communities. Some of these cases are illustrated in Table 1.

Additionally, the publication showcases more than 150 BioTrade pilot initiatives of communities in mountains, rainforests and rural areas, as well as of indigenous people. Each pilot case referenced to in the book tells a successful story of working with biodiversity conservation and use.

This new publication introduces the results of the Andean BioTrade project's CAF-GEF-UNEP cumulative experience from 2010 to date. The publication focuses on 15 selected BioTrade success stories and shows the impact made by the BioTrade business model in three key areas: inclusive economic development, biodiversity conservation and business competitiveness.

The use of BioTrade tools and the support by CAF over the last five years have led to an overall impact and transformation, most notably in the realm of biodiversity conservation, with 117 000 hectares protected and improved livelihoods for 155 000 beneficiaries.

The cases reflect the realities, opportunities and challenges experienced in different degrees by BioTrade ventures throughout the Andean region. Through the application of BioTrade practices on native product value chains, these cases have addressed the sustainability of the activities from economic, social and environmental perspectives.

The case studies in the publication illustrate how to be more effective and efficient in supporting local production initiatives. They also offer lessons learned on how

Key conclusions

The application of BioTrade practices at the local level improves business competitiveness through the creation of value, sustainability and improved performance.

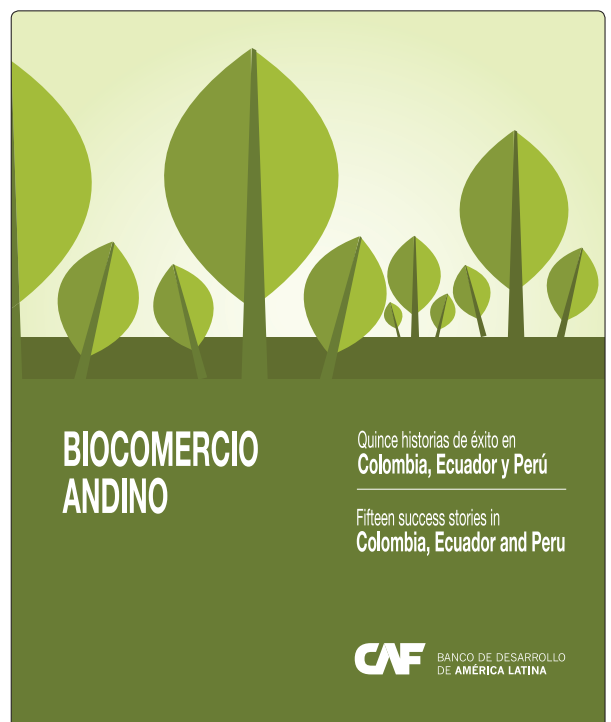


PHOTO CREDIT: CAF

TABLE 1. ILLUSTRATIVE BIOTRADE CASES IN THE ANDEAN REGION

Case	Short description	Impact
Bird watching tourism, Colombia	The project supported ecotourism firms that apply BioTrade Principles (bird watching) in order to build socio-organizational, commercial, environmental management and supply capabilities.	<ul style="list-style-type: none"> • More than 30 firms supported • 30 600 hectares used for ecotourism managed according to BioTrade Principles • 59% increase in nature trips between 2012 and 2013
Native cacao, Ecuador	The project brought together three local producers' associations engaged in the production of "cacao fino de aroma" to build organizational, business management, technical and marketing capacities.	<ul style="list-style-type: none"> • 1 129 producers from 7 associations trained in organic practices and sustainable management • 4 157 hectares brought under the Biotrade Principles • Organic certification completed for 812 producers • Sales increased by 25% between 2013 and 2014
Strengthening organic production of Andean grains, Peru	The project promoted the cultivation of native crops, such as quinoa, amaranth, kaniwa and purple corn, in order to ensure household food security and market surplus through the inclusion of smallholder organizations.	<ul style="list-style-type: none"> • More than 400 farmers supported • More than 300 hectares obtained organic certification • More than 200 tonnes of native Andean grains produced per year • 66% increase in annual sales

SOURCE: EXTRACTED FROM CAF (2014): ANDEAN BIOTRADE: FIFTEEN SUCCESS STORIES IN COLOMBIA, ECUADOR AND PERU.

The 15 case studies presented provide evidence of the relevant of BioTrade Principles and Criteria for promoting biodiversity conservation and economic sustainability. The cases showcase lessons on what has worked and what has not worked in practice, especially when linked to inclusive value chain development.

BioTrade is having a strong impact on poverty reduction and in pursuing innovative solutions for the conservation of biodiversity through the creation of shared values in the Andean region. It is not just a business management model, but also a movement of comprehensive social transformation.



PHOTO CREDIT: VHERA LUCCI - FRANCISCO NIETO

⁴ Available: <http://biocomercioandino.org/wp-content/uploads/2014/10/15-Success-stories-in-Colombia-Ecuador-and-Peru.pdf>

VI.

PRACTICAL TOOLS FOR SUSTAINABLE SOURCING OF BIODIVERSITY

Moderator



MR. DAVID STEUERMAN

Programme Officer, CBD

Speakers



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MR. FILIPPO NISHINO

Python Conservation Partnership



MS. ROSSELLA RAVAGLI

Python Conservation Partnership



MS. GIULIA CARBONE

Deputy Director, Global Business and Biodiversity Programme, IUCN



MS. ANAÏS BLAIN

Natural Resources Stewardship Circle (NRSC)



MS. ANASTASIYA TIMOSHYNA

BaCH, United Nations University/TRAFFIC

Focus

Practical experiences and incentives needed for promoting business engagement: Explore new modalities and practical tools seeking to ensure sustainable sourcing to capture business opportunities while fulfilling market requirements.

In particular, identifying practical experiences and incentives needed for promoting business engagement such as public-private partnerships, business associations, and development bank and government programmes.



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Summary of discussions

As in all other areas where the ultimate goal is sustainable development, all stakeholders must work together in a coherent manner. The role of the private sector is, therefore, a key element in the achievement of goals. How can the different actors actually implement practices that have a beneficial impact on the conservation of biodiversity and ecosystems? Many sectors in the economy rely on biodiversity-based products and ecosystem services. The path towards the sustainable use of these products and services starts with the sustainable sourcing of the raw materials.

With increased consumer awareness about the need to protect the environment and their own health, sustainable practices in the sourcing of raw materials used in products are increasingly valued. The private sector has already started reacting to these market trends and is increasingly internalizing sustainable practices in their strategic decision-making processes. For these companies, such strategies are usually integrated along the different stages of the value chain.

Companies such as Gucci employ practical tools like corporate social responsibility (CSR) strategies based



PHOTO CREDIT: WALTER H. WURST

on sustainability principles that are strictly integrated into their businesses. Gucci has been implementing such a strategy for more than 10 years. Some of the key elements that have made this strategy a success include:

- Engaging as many actors as possible in projects and ensuring their close collaboration;
- Ensuring good communication and interaction between the company's CSR and operations teams;
- Understanding the impact of the strategy, so that there is not more damage than good done in the process;
- Having a sustainable roadmap with many targets in place (with the possibility of having more than one project for each target) and;
- Ensuring that targets are transferable and achievable.

Moreover, there is a trend for companies to develop partnerships in order to have a greater impact in their goals towards sustainability. An example of this trend is the Natural Resources Stewardship Circle (NRSC), an organization founded in 2008 with members from several companies representing the beauty, fragrance and flavour industries. NRSC gives these businesses a common voice, supply chains located worldwide to experiment and a frame of guidelines and best practices for sustainable sourcing. In implementing

their guidelines and objectives, NRSC works in cooperation with local stakeholders, including indigenous and local communities. Traceability and fair trade practices, as well as long-term commitments along the supply chain have been identified as key for sustainable sourcing.

For the cosmetic sector, the loss of biodiversity is a great concern. This also holds true for the health sector, in particular for the medicinal plants sub-sector. BaCH links the issues of biodiversity, community health and traditional knowledge. In this sense, it supports communities with poor access to affordable and quality health care to use locally available plants in the form of food and medicine to treat common ailments. Through its work in the field, BaCH has identified the availability of resources, existence of credible standards and the help of civil society as key factors in success. For the initiative to work, it is crucial to build fair and equitable cooperative relationships between the private sector and communities and to work towards security of resources. BaCH also facilitates the use of diverse models of enterprise development using medicinal plants that foster enhanced livelihoods.

The Python Conservation Partnership (PCP) is another example of the above-mentioned

collaboration. The PCP is a public-private partnership between Kering, the International Trade Centre (ITC) and the Boa and Python Specialist Group of IUCN. It was founded in 2013 with the objective of contributing to the improved sustainability of the python trade and to help achieve wider stakeholder commitment. In doing so, it uses scientific studies and new technologies in its strategies, sharing the knowledge gained and seeking to implement higher standards so that a wider community may benefit.

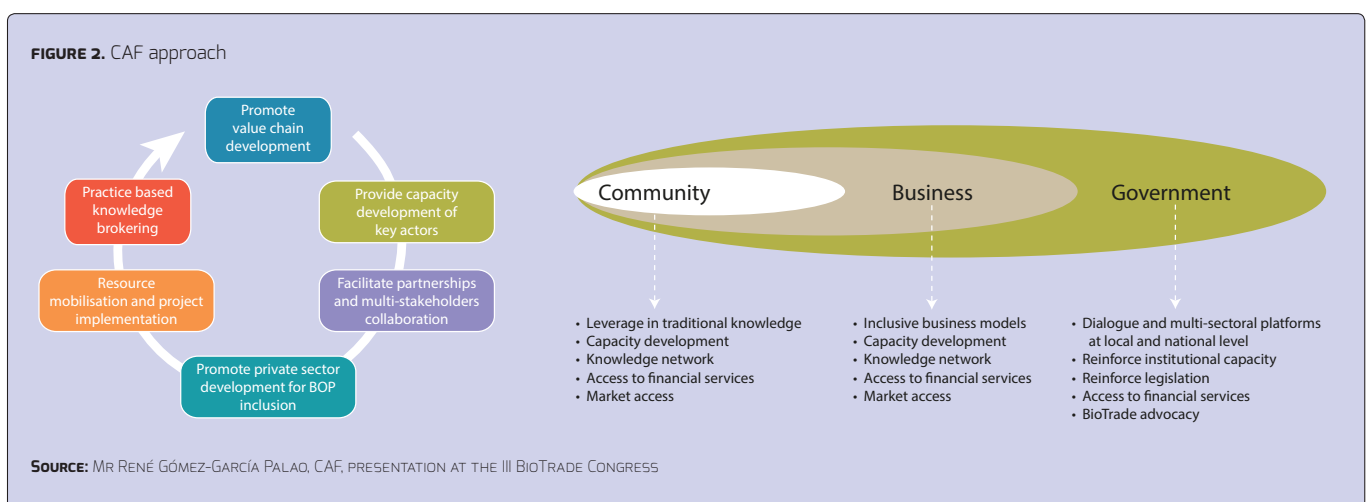
On its own, IUCN also works with businesses on sustainable consumption in order to transform business practices to generate benefits for biodiversity and natural resources' dependent livelihoods. In doing so, IUCN engages in a three-entry point strategy, seeking to mitigate direct impacts at the landscape level, leverage supply chains and influence public and financial policies. The creation of an enabling environment for responsible business practices and the definition of the status and challenges in the implementation of sector-specific regulations are therefore crucial.

Other key stakeholders in this area are development banks, in particular those engaged in green financing. CAF is acutely aware of the need for sound financial instruments and governmental will to overcome barriers and fully engage in the green economy. Using

its experience acquired by working in 19 countries, CAF uses a systemic approach (see Figure 2) to protect biodiversity and ensure the sustainability of businesses through the BioTrade Principles and Criteria.⁵ From the perspective of a development bank, ensuring horizontal cooperation at the market level and creating alliances among the different actors along the value chain are essential to succeed. Other critical elements for the implementation of sustainable practices include the implementation of standards of quality and safety, as well as access to sustainability certifications

Key conclusions

The new modalities and practical tools available to businesses ensure that fulfilling market requirements while engaging in sustainable sourcing is feasible. The implementation of standards of quality and safety, access to sustainability certifications, credible standards, CSR and sustainable consumption are some of the tools that businesses employ to sustainably source biodiversity. To maximize impact, companies need to internalize externalities of these strategies, maintain a sense of leadership and address sustainability needs. Above all, cooperation among all actors at all levels and sectors is essential. Views of the different experiences, challenges and lessons learned made can be found in Table 2.



⁵ For the BioTrade Principles and Criteria, please see http://www.biotrade.org/ResourcesPublications/UNCTAD_BT_PC_en.pdf

TABLE 2. SUSTAINABLE SOURCING OF BIODIVERSITY – LESSONS LEARNED

Perspective/ issue	Experiences	Challenges	Lessons learned
Development bank	<p>Systemic approach involving communities, business and government.</p> <p>Private funding complements funding from local and regional financial institutions.</p> <p>Support the local partners to develop the BioTrade economy in such a way that tangible benefits are perceived and shared through local communities and value chains.</p>	<p>Stronger accounting needed.</p>	<p>Good governance is crucial, especially for innovative businesses like those engaged in BioTrade.</p> <p>Market benefits from horizontal cooperation and alliances along the value chain.</p> <p>Implementation of the projects needs government initiatives and sound instruments.</p> <p>Individual solutions are not adequate to tackle biodiversity conservation; a multi-actor approach that includes the full spectrum of stakeholders is essential.</p> <p>Equity in economic distribution within the BioTrade value chain is a prerequisite for inclusive development.</p>
	<p>CSR strategies based on sustainability principles strictly integrated into the business.</p> <p>Use of stakeholder engagement strategies.</p> <p>Development of a sustainable roadmap with many targets in place.</p> <p>Creation of public-private partnerships to contribute to the improvement of sustainability of python trade, providing access and better understanding of benefit sharing.</p> <p>Use of scientific studies and research and technologies. Benefits to be shared with the local communities.</p> <p>Organization of workshops with industries and farmers to share knowledge and implement the targeted standards.</p>	<p>Achieve wide stakeholder commitment.</p> <p>Improve sustainable python trade and provide access and better understanding of benefit sharing.</p>	<p>Importance of working tightly with contacts and of having measurable, transferable and achievable targets.</p> <p>Doing something without understanding the impact can do more damage than good.</p> <p>Importance of analysing the problems to have a clear understanding of what can be done and what targets are vital to achieve.</p>
Private sector	<p>Gucci/Python Conservation Partnership</p>	<p>Achieve wide stakeholder commitment.</p> <p>Improve sustainable python trade and provide access and better understanding of benefit sharing.</p>	<p>Importance of working tightly with contacts and of having measurable, transferable and achievable targets.</p> <p>Doing something without understanding the impact can do more damage than good.</p> <p>Importance of analysing the problems to have a clear understanding of what can be done and what targets are vital to achieve.</p>
	<p>NRSC</p>	<p>Maintain ability to cooperate together among 21 members, working in cosmetics, flavour and fragrance industry, from a variety of perspectives (farmers, plant producers, finished products brands etc.).</p> <p>Build and implement specifications and good practices.</p>	<p>Keys to success include traceability, fair trade and long-term commitments along the supply chain.</p> <p>Collective action can drastically improve a supply chain's social and economic context, preserve its biodiversity and change sourcing practices while maintaining independence of all stakeholders.</p>
	<p>IUCN</p>	<p>Close the gaps, create a level playing field, promote responsible demand and support each other.</p> <p>Market fragmentation.</p> <p>Lack of business skills of conservation organizations and biodiversity businesses.</p>	<p>People working in business and government change with project cycles, so it is difficult to get long-term commitments.</p> <p>Unless there is a strong demand, producers will not pay attention.</p> <p>Some markets are very fragmented, so it is difficult to ensure responsible production.</p> <p>Traders have their own commodity standards, which have been paid little attention until now. This needs to change; working together is essential.</p>
NGOs/IGOs	<p>BaCH</p>	<p>Lack of common standards for drugs.</p> <p>Need for a stronger harmonization process.</p> <p>Need to further raise awareness.</p>	<p>Importance of certifications for raising awareness among consumers.</p> <p>Public-private partnerships are helpful, especially in complex markets like China.</p> <p>Need to ensure that the existing resources are secured.</p> <p>Need for fair and equitable relations to be built among all stakeholders.</p> <p>Success factors include: i) resource availability in terms of funding, technical resources and capacities; ii) credible standards and; iii) level playing fields based on shared values.</p>

SOURCE: MARIONA CUSI (2014).

VII.

BUSINESS-TO-BUSINESS ROUNDTABLE: SUSTAINABLE SUPPLY AND ETHICAL DEMAND

Moderator



MR. CLAUDE FROMAGEOT

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

Speakers



MR. MICHEL MANE

President, MANE Americas



MR. FILIPPO NISHINO

Industrial Operations Director, Gucci



MS. ROSSELLA RAVAGLI

Head, Corporate Sustainability and Responsibility, Gucci



MR. CYRIL LOMBARD

Chief Executive, Head of R&D and PhytoTech, PhytoTrade Africa



PHOTO CREDIT: PROMPERU

Focus

Businesses need to understand consumers in order to meet their demands: Facilitate business dialogue on potential opportunities and challenges faced by

companies when engaging in sustainable sourcing of biodiversity and capturing new market trends.

Summary of discussions

Businesses need to understand consumers in order to meet their demands. The market is now becoming more and more interested in biodiversity products, health and well-being, natural products and the supply of new and innovative products. Consequently, companies are increasingly concerned about the sustainability of their products as a result of the increasing consumer demand for them.

At the same time, businesses can also influence consumer perspectives. This is seen, for instance, when new premium products are introduced. When sustainability can be seen in the final product, consumer awareness is raised, thus creating incentives to increase demand.

A way to make sustainability practices visible to end consumers is to rely on certifications. Consumers

recognize with increasing facility certifications and brands that comply with certain sustainability requirements, such as fair trade or BioTrade and organic certifications. Companies have come to see such certifications as a marketing tool to capture higher shares of the market.

Being sustainable is becoming an issue of survival for businesses as they need to adapt to this new “green” trend in order to maintain their market share. There is an increasing pressure on suppliers to compete with those chains that produce such “green” goods, but the price to do so may be quite high, especially for small and medium-sized enterprises (SMEs) and when certifications are involved. Complying with sustainability standards entails costs that can sometimes not be covered by the revenue from the businesses due to tight margins and stress points.

Certification entails a significant burden for the producer and the cost may turn out to be too high for those not producing at mass scale. Investments tend to be also quite high and returns from premium prices often go on covering certification costs. This is a challenge not only for businesses and certification agencies, but also for policymakers looking to enhance sustainability practices. The debate in this regard suggested that all stakeholders gather to identify issues, approach them in an integrated manner and share costs where necessary.

In order to be effective and efficient, awareness on sustainability issues needs to be raised not only among end consumers, but also among value chain actors.

Some industries such as Gucci are already implementing strategies to raise awareness at all levels. In the case of Gucci, they have training on sustainability to help spread the concept and impact.

International organizations such as UNCTAD are also providing their inputs in this global awareness

raising effort. Stakeholders can no longer work on their own; synergies and cooperation strategies are needed so that goals can be achieved. Whilst the private sector focuses on the market and the practicalities of production chains, international organizations such as UNCTAD look into policy coherence to ensure an enabling environment for the efficient implementation of sustainability practices.

To maximize opportunities and minimize challenges, the public and private sectors need to work together. There needs to be a dialogue between both sectors so that each knows what the other is doing with regard to protecting biodiversity and promoting sustainability. Some industries have mentioned the difficulty of reporting on positive and negative impacts of transforming their value chains accordingly. Maintaining constructive and continuous dialogue and appropriate indicators for measurements could be a way to overcome this particular challenge.

Another challenge that businesses need to face is ensuring that sustainability is carried out evenly throughout the value chain. Some businesses address this by carrying out audits along the value chain. However, this is not an easy process. To have a robust and integrated system that guarantees the sustainability of products, businesses need to build up knowhow and engagement alongside the value chain.

It is not easy for businesses to manage value chains on their own, when trying to internalize the externalities in their path towards enhancing the sustainability of their products. They need strong linkages and support from all stakeholders involved. This will be particularly important with the upcoming implementation of the Nagoya Protocol by national governments and businesses. Additional resources will be needed to ensure not only policy coherence but also the legal certainty required for an enabling and conducive environment for an effective implementation of the Protocol.

Key conclusions

Companies need to review (if they have not already done so) their business models to adapt to the changing context towards more sustainable and responsible product offers. The change in management model starts with a change of mentality and strategic directions, but it also may require heavy financial and logistical costs that not all companies are prepared to take on. Increased cooperation and partnerships are needed in order for businesses, especially SMEs, to be able to implement new sustainable business practices.

Moreover, the international community is also increasingly concerned about sustainable development. The recent entry into force of the Nagoya Protocol is but the latest example of this. Countries and businesses will need to further deepen their efforts towards sustainable sourcing and use of biodiversity to encompass these new objectives. A sustainable supply of biodiversity, strong local business development and an equal distribution and sharing of benefits can only be ensured if we all work together in a coherent way.

CDB COP OUTCOMES IN RELATION TO BIOTRADE

The 12th meeting of the Conference of the Parties to the CBD adopted two new decisions that are important for UNCTAD's BioTrade Initiative. These decisions emerged in the context of discussions on agenda item 29: Cooperation with other Conventions, International Organizations, and Stakeholders' Engagement, including Business. The decisions below were the result of a proposal from Peru and Switzerland in Working Group II during the CBD COP, and supported by several countries. These new decisions are as follows:

Cooperation with international organizations and initiatives **(UNEP/CBD/COP/DEC/XII/6)**

"The Conference of Parties, (...)

Recognizing the need for an all-encompassing effort by all relevant processes to achieve the Aichi Biodiversity Targets, taking into account different views and approaches to achieve the conservation and sustainable use of biodiversity and sustainable development, 18. Calls upon the BioTrade Initiative of United Nations Conference on Trade and Development to continue to strengthen its technical support to Governments, companies and other stakeholders to enable them to incorporate biotrade, as well as sustainable harvesting practices within national biodiversity strategies and action plans, as appropriate, highlighting the importance of biotrade as an engine for sustainable use of biodiversity and its conservation through the involvement of the private sector; (...)"

This decision provides a clear mandate not only for UNCTAD to strengthen its technical support to Parties but also for other stakeholders, including the private sector and other civil society actors. The areas where Parties expressed interest for future support include National Biodiversity Strategies and Actions Plans (NBSAPs) and the improvement of sustainable harvesting practices. Mainstreaming BioTrade into NBSAPs will ensure that environmental authorities embrace the BioTrade concept and accordingly develop actions to promote trade and investment in biodiversity-based products. Improving sustainable harvesting will ensure that collecting and agricultural activities based on native biodiversity follow BioTrade Principles and Criteria. In the case of CITES-listed

species, both exporting and importing countries need to follow legal requirements set by CITES.

Business Engagement **(UNEP/CBD/COP/DEC/XII/10)**

"The Conference of the Parties, (...)

2. Encourages businesses:

(f) To increase, as appropriate, participation in and cooperation with the BioTrade initiative of the United Nations Conference on Trade and Development, and initiatives of other organizations involved in biotrade, at the national, regional and global levels, that are committed to the sustainable use of biodiversity, sustainable harvesting practices, and access and benefit-sharing under the framework of the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization;"

This second decision is a very welcome call on businesses to participate and cooperate with UNCTAD's BioTrade Initiative and other organizations involved in BioTrade (e.g. UEBT, CAF, PhytoTrade Africa). It also encourages further involvement of businesses in multi-stakeholder BioTrade platforms such as the BioTrade Congress and various intergovernmental meetings. In addition to references made to sustainable use and harvesting, there is also a new mandate in relation to the business engagement in ABS under the Nagoya Protocol, which recently entered into force. It calls upon UNCTAD and other BioTrade organizations to develop innovative and solid partnerships and to clarify implementation of ABS issues relevant to BioTrade.

Transforming BioTrade into an economically, socially and environmentally profitable venture in both developing and developed countries is challenging. It is therefore crucial to have the support and participation of all stakeholders in this movement. The Nagoya Protocol, the COP 12 Decisions and the joint efforts of UNCTAD, CBD, CITES and other BioTrade organizations and businesses provide a clear course of action in deepening support and engagement in BioTrade towards achieving sustainable development for all.



PHOTO CREDIT: ISD



PHOTO CREDIT: ISD

PARTNERS

Convention on Biological Diversity

<http://www.cbd.int/>

Opened for signature at the Earth Summit in Rio de Janeiro in 1992, and entering into force in December 1993, the Convention on Biological Diversity is an international treaty for the conservation of biodiversity, the sustainable use of the components of biodiversity and the equitable sharing of the benefits derived from the use of genetic resources. With 194 Parties up to now, the Convention has near universal participation among countries. The Convention seeks to address all threats to biodiversity and ecosystem services, including threats from climate change, through scientific assessments, the development of tools, incentives and processes, the transfer of technologies and good practices and the full and active involvement of relevant stakeholders including indigenous and local communities, youth, NGOs, women and the business community. The Cartagena Protocol on Biosafety is a supplementary agreement to the Convention. It seeks to protect biological diversity from the potential risks posed by living modified organisms resulting from modern biotechnology. To date, 166 countries plus the European Union have ratified the Cartagena Protocol. The Secretariat of the Convention and its Cartagena Protocol is located in Montreal.

Federal Ministry for Economic Cooperation and Development (BMZ) of Germany

<http://www.bmz.de/en/>

The BMZ develops the guidelines and the fundamental concepts on which German development policy is based. It devises long-term strategies for cooperation with the various players concerned and defines the rules for implementing that cooperation. As one of its main areas of work, BMZ, in cooperation with the German Organization for International Cooperation (GIZ), implements programmes aimed at the conservation of biodiversity and ensuring that its benefits are shared equitably.

The Development Bank of Latin America

<http://www.caf.com/>

CAF is a development bank created in 1970, made up by 18 countries in Latin America, the Caribbean and Europe, as well as 14 private banks in the region. It provides sustainable development and regional integration through an efficient mobilization of resources for a timely provision of multiple financial services, with high value added, to clients in the public and private sectors of the shareholder countries.

The Andean Biotrade Project

<http://www.biocomercioandino.org/>

The Andean Biotrade Project is a multi-country initiative including Colombia, Ecuador and Peru, which aims to promote the sustainable use of biodiversity in the Andean region. With over 150 000 people benefiting, improving their working and livelihood conditions and more than US\$ 250 million in biodiversity capital preserved for the green economy, the project provides a practical and innovative experience of multi-sectorial collaboration that includes multilateral, public, private and civil society bodies.

Mane Fils

<http://www.mane.com/>

The MANE group is headquartered in the village of Bar sur Loup in the South of France. Operating since 1871, at the time it provided aromatic plants to local distilleries. It is today the sixth largest flavour and fragrance group and still produces its own natural ingredients from plant material sourced from around the world using state-of-the-art processes. MANE invests 9 per cent of its revenue in R&D and innovative biodiversity-based projects promoting ethical sourcing principles in compliance with countries' ABS legal frameworks.

Natural Resources Stewardship Circle

<http://www.nrsc.fr/>

The Natural Resources Stewardship Circle is a voluntary association of leaders in the cosmetics, perfume, flavour and fragrance industries. Beyond the confines of competition and moved by a shared awareness, they have decided to join forces to increase the positive impact they can have on the preservation of biodiversity and improvement of living conditions for local populations. Based on a common guideline of good practices to serve as a model, they aim to act together on building examples of long-term, economically profitable and sustainable collaborations.

PhytoTrade Africa

<http://www.phytotradeafrica.com/>

PhytoTrade Africa was established in 2002 as the trade association of the natural products industry in Southern Africa. "Natural products" are products derived from plants indigenous to Southern Africa; they include foods, drinks, oils and ingredients used by the food and cosmetics industries. PhytoTrade Africa is a non-profit, membership-based organization representing private sector businesses, development agencies, individuals and other interested parties in eight countries: Botswana, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe. Its purpose is to alleviate poverty and protect biodiversity in the region by developing an industry that is not only economically successful but also ethical and sustainable.

State Secretariat for Economic Affairs

<http://www.seco.admin.ch/>

The State Secretariat for Economic Affairs is the Swiss Federal Government's centre of expertise for all core issues relating to economic policy. Its aim is to ensure sustainable economic growth by putting in place the necessary regulatory and economic policy conditions. The Economic Cooperation and Development Division at SECO is responsible for the planning and implementation of the economic and trade policy measures for developing countries, the countries of Eastern Europe and Central Asia, and the new Member States of the European Union. In addition, SECO is responsible for the coordination of Switzerland's relations with the World Bank Group, the regional development banks and the economic organizations of the United Nations. SECO's economic development cooperation has two main objectives: to support the integration of partner countries into the global economy, and to promote their sustainable economic growth. Thus, SECO is contributing to poverty reduction.

Union for Ethical BioTrade

<http://www.ethicalbiotrade.org/>

The Union for Ethical BioTrade is a non-profit association that promotes the "sourcing with respect" of ingredients that come from biodiversity. Members commit to gradually ensuring that their sourcing practices promote the conservation of biodiversity, respect traditional knowledge, and assure the equitable sharing of benefits all along the supply chain.

United Nations Conference on Trade and Development/ BioTrade Initiative

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

The BioTrade Initiative was launched by the United Nations Conference on Trade and Development in 1996 to promote sustainable BioTrade in support of the objectives of the Convention on Biological Diversity:

- Conservation of biological diversity;
- Sustainable use of its components; and
- Fair and equitable sharing of the benefits arising from the utilization of genetic resources.

The Initiative has developed a unique portfolio of programmes

in Asia, Africa and Latin America that enhance the capability of developing countries to produce value-added products and services derived from biodiversity, for domestic and international markets.

The sound economic and environmental sustainability of BioTrade's intervention is guaranteed by the compliance of its Principles and Criteria. The BioTrade Initiative is located in the Trade, Environment, Climate Change and Sustainable Branch under the Division on International Trade in Goods and Services, and Commodities (DITC).

United Nations Conference on Trade and Development/ Intellectual Property Unit

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

The Intellectual Property Unit of UNCTAD has a programme of technical assistance and research dedicated to examining the development dimensions of IP, in line with Recommendation 65j of the Doha Mandate and Recommendation 40 of the WIPO Development Agenda. Since 2011, UNCTAD has been delivering technical assistance at the request of developing countries on issues related to the interface between IP and fair and equitable benefit sharing under the Convention on Biological Diversity and the Nagoya Protocol. This work is supported by Germany's Federal Ministry for Economic Cooperation and Development.

The Biodiversity and Community Health (BaCH) Initiative

<http://biodiversityandcommunityhealth.wordpress.com>

<http://www.traffic.org>

<http://www.ias.unu.edu>

The Biodiversity and Community Health (BaCH) Initiative is a global multi-stakeholder partnership linking biodiversity conservation and health at the local level. This platform includes the United Nations University Institute for the Advanced Study of Sustainability (UNU-IAS), CBD Secretariat, TRAFFIC, and other international organizations and NGOs. The Initiative promotes knowledge, awareness and sustainable use of biological resources, and capacity development of the private sector and local populations reliant on these resources for their health and well-being. For example, TRAFFIC promotes the uptake of the FairWild Standard as a best practice tool for sustainable wild harvesting and trade in plants, including the traditional Chinese medicine sector in China.

Yves Rocher

<http://www.yves-rocher.com/>

As botanist, harvester, manufacturer and distributor, the international beauty care company Yves Rocher has chosen to handle every aspect of its business: harvesting, botanical and scientific plant research, developing innovative ingredients, formulating, supplying raw materials from its botanical supply chains, manufacturing, packaging, shipping and global distribution sustainably. This unique approach enables Yves Rocher to reduce its environmental impact during the entire value chain. In remaining devoted to its origins, the brand decided to locate the bulk of its business sectors and manage all of its operations from the historic village and birthplace of its founder, La Gacilly, in Brittany, France.

Gucci

<http://www.gucci.com>

Founded in Florence in 1921, Gucci is one of the world's leading luxury fashion brands. With a renowned reputation for quality

and Italian craftsmanship, Gucci designs, manufactures and distributes highly desirable products such as leather goods (handbags, small leather goods and luggage), shoes, ready-to-wear items, silks, timepieces and fine jewellery. Eyewear and fragrances are manufactured and distributed under license by global industry leaders in these two sectors. Gucci products are sold exclusively through a network of directly operated boutiques and through e-commerce, as a valuable complementary business channel. Gucci products are also distributed through a small number of franchisees, and selected department and speciality stores. Gucci is part of the Kering Group, a world leader in apparel and accessories, which develops an ensemble of powerful luxury, sport and lifestyle brands.

Conservation International

<http://www.conservation.org>

Nature doesn't need people. People need nature. Our food, our water, our health, our jobs – they all rely on the health of the planet's ecosystems. But we're taking more from nature than nature can give. We're weakening the Earth's ability to provide the clean air, fresh water and food we depend on. In short, we're creating a crisis. We can end this crisis. But we need big ideas and even bigger solutions. Conservation International works at every level, from remote villages to the offices of presidents and CEOs, to find these solutions. Our work is moving entire societies toward a healthier, more sustainable development path – so that we don't use up today what we're going to need tomorrow.

International Union for Conservation of Nature

<http://www.iucn.org>

IUCN helps the world find pragmatic solutions to its most pressing environment and development challenges. IUCN's work focuses on valuing and conserving nature, ensuring effective and equitable governance of its use, and deploying nature-based solutions to global challenges in climate, food and development. IUCN supports scientific research, manages field projects all over the world, and brings governments, NGOs, the UN and companies together to develop policy, laws and best practice. IUCN is the world's oldest and largest global environmental organization, with more than 1 200 Government and NGO members and almost 11 000 volunteer experts in some 160 countries. IUCN's work is supported by over 1 000 staff in 45 offices and hundreds of partners in public, NGO and private sectors around the world.

CRIAA SA-DC

<http://www.criaasadc.org>

CRIAA SA-DC is a membership-based NGO that supports rural communities, particularly the poorest members of society, to benefit from sustainably produced indigenous natural products and smallholder crops. As a non-profit organization, CRIAA SA-DC incubates and builds capacity to enable local communities to control and take responsibility for their own ventures. It believes in cooperating at all levels with government and other stakeholders, sharing knowledge and supporting networks and partnerships. Its broad range of skills and expertise allows CRIAA SA-DC to work throughout the value chain, from identifying opportunities and markets, through developing post-harvest technologies and diversifying products, to securing sustainability, fair trade and organic accreditation. The focus is on developing smart commercial partnerships and sustainable economic ventures based on natural resources.

ABS	access and benefit sharing
BaCH	Biodiversity and Community Health Initiative
BMZ	Federal Ministry for Economic Cooperation and Development
BRDRs	biodiversity-related disclosure requirements
CAF	Development Bank of Latin America
CBD	Convention on Biological Diversity
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
COP	Conference of the Parties
CRIAA SA-DC	Centre for Research Information Action in Africa – Southern Africa Development and Consulting
CSR	corporate social responsibility
DITC	Division on International Trade in Goods and Services, and Commodities
EC	European Commission
EU	European Union
GEF	Global Environment Facility
GIs	geographical indications
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Organization for International Cooperation)
ILCs	indigenous and local communities
IP	intellectual property
ITC	International Trade Centre
IUCN	International Union for Conservation of Nature
MAT	mutually agreed terms
NBSAPs	National Biodiversity Strategies and Action Plans
MEA	multilateral environmental agreement
MoU	memorandum of understanding
NGO	Non-governmental organization
NP	Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention of Biological Diversity
NRSC	Natural Resources Stewardship Circle
PCP	Python Conservation Partnership
PIC	prior informed consent
PPP	public-private partnership
R&D	research and development
SDGs	Sustainable Development Goals
SECO	Swiss State Secretariat for Economic Affairs
SMEs	small and medium-sized enterprises
TK	traditional knowledge
TRAFFIC	The wildlife trade monitoring network
TRIPS	Trade-Related Aspects of Intellectual Property Rights
UEBT	Union for Ethical BioTrade
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples
UNEP	United Nations Environment Programme
UNU	United Nations University
WIPO	World Intellectual Property Organization