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**REVIEW OF BIOTRADE INITIATIVE 'S CONTRIBUTION TO THE CONVENTION ON
BIOLOGICAL DIVERSITY - SUBMISSION BY THE UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT (UNCTAD)**

The Executive Secretary is pleased to circulate the attached note made available by the UNCTAD Secretariat for the information of participants in the eighth meeting of the Conference of the Parties. This note reviews BioTrade Initiative's contribution to the Convention on Biological Diversity in the context of the Parties work in the four priority thematic areas - incentive measures, sustainable use, the private sector and the 2010 biodiversity target.

The paper is being circulated in the form and language in which it was received by the Convention Secretariat.

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THE UNCTAD BIOTRADE INITIATIVE AND THE CBD

1 - INTRODUCTION TO BIOTRADE

- 1.1 - The concept of BioTrade
- 1.2 - The UNCTAD BioTrade Initiative
- 1.3 - The UNCTAD BioTrade Facilitation Programme
- 1.4 - The CBD Mandate for BioTrade
- 1.5 - BioTrade and COP8

2 - BIOTRADE AND INCENTIVE MEASURES

- 2.1 - The CBD on incentive measures
- 2.2 - Development of the incentive measures agenda
- 2.3 - Incentive measures at COP8
- 2.4 - Incentive measures and BioTrade
- 2.5 - Next steps

3 - BIOTRADE AND SUSTAINABLE USE

- 3.1 - The CBD on sustainable use
- 3.2 - Development of the sustainable use agenda
- 3.3 - Sustainable use at COP8
- 3.4 - Sustainable use and BioTrade
- 3.5 - Next steps

4 - BIOTRADE AND THE PRIVATE SECTOR

4.1 - THE CBD ON THE PRIVATE SECTOR

- 4.2 - Development of the private sector agenda
- 4.3 - The private sector at COP8
- 4.4 - The private sector and BioTrade
- 4.5 - Next steps

5 - BIOTRADE AND THE 2010 BIODIVERSITY TARGET

- 5.1 - The CBD on the 2010 biodiversity target
- 5.2 - Development of the 2010 biodiversity target
- 5.3 - The 2010 biodiversity target at COP8
- 5.4 - The 2010 biodiversity target and BioTrade
- 5.5 - Next steps

6 - INFORMATION ON BIOTRADE AND BIODIVERSITY

1 - INTRODUCTION TO BIOTRADE

1.1 - The concept of BioTrade

The United Nations Conference on Trade and Development (UNCTAD) BioTrade Initiative defines BioTrade as:

“those activities of collection, production, transformation, and commercialisation of goods and services derived from native biodiversity under the criteria of environmental, social, and economic sustainability.”

<http://www.biotrade.org/Intro/bti.htm>

In this regard, special emphasis is given to:

- the sustainable use of native biological resources;
- promoting productive strategies and activities that support sustainable use and conservation in areas with high biodiversity value; and
- the generation and equitable sharing of economic benefits with local and indigenous communities.

1.2 - The UNCTAD BioTrade Initiative

UNCTAD launched the BioTrade Initiative (BTI) in 1996 in Buenos Aires at the 3rd Conference of the Parties (COP) of the Convention on Biological Diversity. At COP3, this new work programme of UNCTAD was also recognised by the Parties in their decision on incentive measures, which requests:

“the Executive Secretary to take into consideration relevant work under way in other forums, such as United Nations Conference on Trade and Development and the Organisation for Economic Cooperation and Development”

<http://www.biodiv.org/decisions/default.aspx?m=COP-03&id=7114&lg=0>

Subsequently in October 1997, the CBD Secretariat and UNCTAD signed a memorandum of understanding establishing a collaborative mechanism for information exchange on relevant activities and experience with incentive measures to promote sustainable use of biodiversity. Under this understanding, UNCTAD BTI has participated in various CBD events and made submissions on specific areas such as the role of economic instruments and incentives measures for biodiversity conservation. BTI focuses on developing positive win-win relationships between business objectives and biodiversity objectives, particularly with respect to small and medium enterprises (SMEs). Though UNCTAD is aware of the challenges that large, multinational businesses place on biodiversity and the 2010 objectives, through BTI it provides unique, proactive support to biodiversity-based and biodiversity-benefiting SMEs. Success will hinge on ensuring that the conservation and sustainable use of native species in particular are taken into consideration by SMEs who play a key role in the economic development of rural landscapes.

BTI works specifically in accordance with the three CBD objectives to stimulate trade and investment in biological resources to further rural sustainable development. It is committed to enhancing developing countries' capabilities to produce value-added products and services from biodiversity for both domestic and international markets through four strategic areas of work:

- **BioTrade National Programmes** through which UNCTAD both assists developing countries in strengthening their institutional capacity to develop BioTrade policy frameworks and provides technical assistance for the ensuing initiatives;

- **Biotrade Regional Programmes** that complement the national BioTrade programmes to promote BioTrade by supporting favourable regional strategies and policies;
- inputs to the **international policy environment**, particularly to processes of international policy formulation of trade-related sections of biodiversity-related agreements; and
- assistance with **cross-cutting issues** that relate to the aforementioned strategic areas and involve trade, sustainable use, and investment issues at either the regional, national or international levels.

1.3 - The UNCTAD BioTrade Facilitation Programme

With the financial support of the Governments of Switzerland and The Netherlands, UNCTAD BTI announced the establishment of its BioTrade Facilitation Programme (BTFP) on the 1st of September 2002. This announcement took place during the World Summit on Sustainable Development in Johannesburg, South Africa where BTFP was included as type-2 outcome. Its first five-year phase became operational on the 1st of July 2003.

BTFP complements the work carried out by BTI's national and regional BioTrade programmes through providing assistance on specific issues related to trade and investment. This assistance includes:

- facilitation of access to services of organisations that are currently not accessible for BioTrade partners and enterprises;
- provision of services of experts not readily available in the beneficiary countries;
- generation of demand-driven information on markets, legal, sustainability issues among others;
- development of methodological approaches, best-practices, and guidelines; and
- facilitation for exchanging experiences among BioTrade partners.
<http://www.biotrade.org/BTFP/btfp-about%20us.htm>

As part of UNCTAD BTI, BTFP also helps to improve the performance of biodiversity-based businesses and assists them to access foreign markets thus improving the living conditions of rural communities and increasing national economies through the diversification of exports.

1.4 - The CBD Mandate for BioTrade

The original mandate of the BioTrade Initiative comes primarily from the trade-related elements of the CBD, specifically Article 10 on sustainable use and Article 11 on incentive measures. As noted above, the Parties to the CBD recognised UNCTAD's effort in this regard as early as COP3. More recently, the BTI mandate was reaffirmed within UNCTAD's Plan of Action (Bangkok, 2002, and São Paulo, 2004).

BTI also responds to the UN Commission on Sustainable Development (CSD), which stresses the urgent need "to provide incentive measures at national, regional and international levels to stimulate the conservation and sustainable use of biological diversity and improve the functioning of their markets by enhancing developing countries' capabilities to compete in emerging markets for biological resources."

Furthermore, BTI responds to the United Nations Millennium Development Goals (MDGs) and the World Summit on Sustainable Development (WSSD) that stress the need to reconcile the goals of environmental sustainability, including biodiversity loss, with developmental needs and the necessities of millions of poor people for natural resources.

BTI is called upon by other biodiversity-related agreements as well, such as the Convention on International Trade in Endangered Species (CITES), and the Ramsar Convention on Wetlands.

1.5 - BioTrade and COP8

At the 8th Conference of the Parties (COP8) of the CBD in Curitiba, Brazil, the BTI and its BTFP will be strengthening their commitment to the objectives of the CBD. *Inter alia*, their contribution to the work of the Parties consists of:

- assistance in policy formulation;
- support for coordination and the exchange of experience;
- support for implementation processes;
- creation of platforms for discussion;
- provision of information through case studies and research; and
- provision of technical assistance.

Specifically, BTI is supporting the work of the Parties in four priority thematic areas:

- incentive measures;
- sustainable use;
- the private sector; and
- the 2010 biodiversity target.

This information note reviews BioTrade's contribution to the CBD and COP8 in the context of these four thematic areas.

2 - BIOTRADE AND INCENTIVE MEASURES

2.1 - The CBD on incentive measures

Article 11 of the CBD is the basis for a critically important and growing programme on biodiversity incentives. It reads:

“Each Contracting Party shall, as far as possible and as appropriate, adopt economically and socially sound measures that act as incentives for the conservation and sustainable use of components of biological diversity.”

<http://www.biodiv.org/convention/articles.asp?lg=0&a=cbd-11>

2.2 - Development of the incentive measures agenda

The very first side-event on incentives took place at COP2 in Jakarta in 1995. In the following year in Montreal at the 2nd meeting of the Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA2), the 4th session of the Global Biodiversity Forum (GBF4) included a workshop on incentive measures. Its conclusions and recommendations supported the emerging concept of BioTrade by calling on Parties to:

“Promote markets for biological resources that are consistent with national and local biodiversity strategies, in order to realize their tangible values. This is to encourage the maintenance of and investment in wild habitats and their biodiversity.”

[http://www.gbif.ch/Session_Administration/upload/Workshop%20conclusions%20and%20recommendations\(24\).doc](http://www.gbif.ch/Session_Administration/upload/Workshop%20conclusions%20and%20recommendations(24).doc)

Later that same year at the 5th session before COP3 in Buenos Aires, UNCTAD presented its concept of a BioTrade Initiative to a gathering of biodiversity stakeholders. Moreover, at COP3, as noted above, the

Parties adopted their first decision on incentive measures that, as noted, recognised the work of UNCTAD.

Even if recent discussions, notably at SBSTTA10 and SBSTTA11 have suggested that a consensus on incentive measures and the implementation of Article 11 remains elusive, incentive measures have remained high on the agenda of COP8 and are expected to be a major focus of discussion at COP9.

In 2000, at COP5 in Nairobi, the Parties first adopted a more formal programme of work on incentive measures, which set forth targets and activities required from Parties, international organisations – including UNCTAD – and the Secretariat and others. In this programme of work, the COP highlighted positive incentives and the removal or mitigation of perverse incentives as focus areas for investigation under the Convention. See Decision V/15 and at COP6 Decision VI/15. Then at COP7, in Decision VII/18, the COP requested:

“Parties, Governments and international organizations to submit case-studies, best practices and other information on the use of non-monetary positive incentive measures for the conservation and sustainable use of biodiversity as an initial step in the ongoing examination of incentive measures, including traditional laws and practices which generate positive incentives, and on the application of methodologies for the assessment of values of biodiversity and its functions, as well as other tools for prioritization in decision-making, to the Executive Secretary”
<http://www.biodiv.org/decisions/default.aspx?dec=VII/18>

Since, COP3, BTI has been an active contributor to CBD’s developing programme on incentive measures.

2.3 - Incentive measures at COP8

COP8 is focusing on improving incentive measures through the development of proposals to remove and mitigate perverse incentives and improve positive incentive measures. This is in response to a request of the previous COP for SBSTTA to prepare an analysis of both new and existing incentive measures and their potential for integration into relevant policies programmes and strategies.

In this regard, BTI is currently working on the definition of approaches and methodologies to address the conditions highlighted by NGOs in paragraph 42 of SBSTTA11’s proposal on incentive measures and their application and integration into relevant programmes, policies, and strategies. This paragraph reads:

“While market creation has often proved to be an effective means for the conservation and sustainable use of biodiversity, a number of crucial conditions need to be met, and limitations also exist. In particular, the incentive for the owners to sustainably manage their resources extends only to the privately appropriable elements of biodiversity. Full benefits for conservation and sustainable use are therefore often not achieved without the application of additional regulations or other types of incentive measures.”
<http://www.biodiv.org/doc/meetings/sbstta/sbstta-11/official/sbstta-11-08-en.pdf>

Most importantly, BTI relates to the COP8 discussions on incentives under agenda item 27.2 on “Incentive measures (Article 11): development of proposals on: removal or mitigation of perverse incentives; on positive incentive measures; and on valuation tools” This item has two main topics:

“Development of proposals for the application of ways and means to remove or mitigate perverse incentives, and on positive incentive measures ...

“In-depth review of the programme of work on incentive measures”
<http://www.biodiv.org/doc/meetings/cop/cop-08/official/cop-08-01-add1-rev1-en.doc>

Under these items, the experiences and lessons learned of BTI can be integrated with the other elements and considerations regarding incentives measures, such as those expressed above in paragraph 42.

2.4 - Incentive measures and BioTrade

Trade is increasingly being recognised as a positive incentive measure for biodiversity conservation. At national and international levels, efforts are underway to promote trade that takes into account environmental, developmental and social aspects. One of the forms of such trade with great potential is BioTrade. BioTrade stimulates trade and investment in biological resources to further sustainable development in line with the three objectives of the CBD – namely conservation of biological diversity, sustainable use of its components, and fair and equitable sharing of the benefits arising from the utilisation of genetic resources.

As agreed in Decision VI/15, however, the design and implementation of incentive measures to attain these objectives must take into account, *inter alia*, the following elements:

- “a. Local and regional knowledge, geography, circumstances and institutions;
- b. The mix of policy measures and structures in place including sectoral considerations;
- c. The need to match the scale of the measure to the scale of the problem; and
- d. The measures' relationship to existing international agreements.”

<http://www.biodiv.org/programmes/socio-eco/incentives/proposals.asp>

BioTrade is implementing these elements in its ecosystem and sectoral approaches.

In order to turn trade into a positive incentive measure for biodiversity conservation, BTI has been working to enhance the supply capacity for biodiversity-based goods and services by providing positive incentives such as trade facilitation and promotion programmes. Furthermore, BTI is working to integrate its BioTrade Principles and Criteria with good agricultural practices, such as those promoted by the WHO guidelines on

Good Agricultural and Collection Practices for medicinal plants (GACP).

In this way, the implementation of mechanisms of organic certification, fair trade, sustainable agriculture, sustainable use of coral reefs and others constitute a strategy for accessing markets and at the same time an incentive for biodiversity conservation. In this regard, BioTrade facilitates the implementation of monetary and non-monetary incentives for the conservation and sustainable use of biodiversity sustainable agricultural practices. Elements such as capacity building along the value chain, access to markets, implementation of regulations, enabling policy environment are incentives derived from the implementation of a BioTrade programme (taking into account approaches such as the value chain approach, adaptive management approach). For example:

“The value chain of flowers and foliage is a growing export sector in Colombia, taking into account that the diversity of species provides the country with a competitive advantage in international markets. At national level, the production of flowers and foliage was initiated in response to the need to diversify within the coffee-based economy. Today, this production represents a high-potential sector as well as providing opportunities of involving good practices to promote conservation and sustainable use of biodiversity.

“The following are some of the practices that can be involved in these production systems:

- Promotion of native species;
- Good management of soils and habitats;
- Low or non-production of waste;
- Contribution to the improvement of landscape composition;
- Diversification of cultivated areas; and
- Conservation of water sources and prevention against soil erosion.

“BTFP, in coordination with the National BioTrade Programme of Colombia and other national partners, is supporting the development of guidelines for the management of farms cultivating tropical flowers and foliages, taking into account the BioTrade principles and criteria.”

http://www.biotrade.org/BTFP/BTFP-docs/Technical%20up-dates/Issue%205/TU_Issue5-ENG.PDF

BTFP is addressing “perverse” incentives for BioTrade such as the European Union’s Novel Food Regulation (No. 258/97). NFR was enacted in 1997 during a period of heated concern over the introduction of genetically modified (GM) foods into Europe. Under this regulation, a food is deemed to be “novel” if it was not consumed by Europeans prior to 15 May 1997. For foods identified as novel, a lengthy and complex process must be followed in order to gain access to the European market. Compliance with this process, however, is simply beyond the means of rural, small businesses from developing countries.

Unfortunately, BioTrade products include natural foods and ingredients from developing countries that are deemed “exotic” and thus “new” under this EU legislation. The barrier of exporting these exotic traditional foods to Europe undermines the development objectives of both the exporting developing countries and the EU member states. In response to this problem, BTFP has organised high-level meetings in Brussels and Geneva to discuss revisions to NFR so that the EU and developing countries may benefit from BioTrade products.

2.5 - Next steps

UNCTAD through its BTI is planning to fine-tune its work programme on biotrade activities in light of the guidance of the Parties at COP8. It also plans to prepare for a detailed presentation of lessons learned as an input into the extensive discussions on incentive measures for COP9. This presentation will build on the report of lessons learned prepared by BTI for COP8.

In particular, UNCTAD will be developing its approach to verifying and, as appropriate, certifying commercial trade in biodiversity goods and services that is consistent with its BioTrade Principles and Criteria.

3 - BIOTRADE AND SUSTAINABLE USE

3.1 - The CBD on sustainable use

Sustainable use is one of the three core objectives of the CBD. Article 1 reads:

“The objectives of this Convention, to be pursued in accordance with its relevant provisions, are the conservation of biological diversity, *the sustainable use of its components* and the fair and equitable sharing of the benefits arising out of the utilization of genetic resources, ...” (***bold italics added***)

<http://www.biodiv.org/convention/articles.asp?lg=0&a=cbd-01>

Article 2 of the CBD defines sustainable use:

“Sustainable Use means the use of components of biological diversity in a way and at a rate that does not lead to the long-term decline of biological diversity, thereby maintaining its potential to meet the needs and aspirations of present and future generations.”
<http://www.biodiv.org/convention/articles.asp?lg=0&a=cbd-02>

Article 10 specifically focuses on sustainable use:

“Each Contracting Party shall, as far as possible and as appropriate:

- (a) Integrate consideration of the conservation and sustainable use of biological resources into national decision-making;
- (b) Adopt measures relating to the use of biological resources to avoid or minimize adverse impacts on biological diversity
- (c) Protect and encourage customary use of biological resources in accordance with traditional cultural practices that are compatible with conservation or sustainable use requirements;
- (d) Support local populations to develop and implement remedial action in degraded areas where biological diversity has been reduced; and
- (e) Encourage cooperation between its governmental authorities and its private sector in developing methods for sustainable use of biological resources.”
<http://www.biodiv.org/convention/articles.asp?lg=0&a=cbd-10>

In short, sustainable use is a fundamental element of the CBD.

3.2 - Development of the sustainable use agenda

At COP5 in 2002, the Parties recognised the sustainable use of biodiversity as both a priority issue and a cross-cutting issue. They further recognised in Decision V/24 that:

“conservation and sustainable use of biological diversity is essential to the survival of species and also benefits humankind particularly those people who are dependent on biological resources for their livelihoods”
<http://www.biodiv.org/decisions/default.aspx?m=COP-05&id=7166&lg=0>

Sustainable use of biological diversity is one of the core objectives of the CBD and it is fundamental to achieving the broader goal of sustainable development. It is, therefore, a truly cross-cutting issue relevant to all ecosystems and all species and genetic resources. This understanding has led to the Parties to adopt a set of guiding principles on sustainable use. In February 2004 at COP7 in Kuala Lumpur, the CBD Parties adopted the “Addis Ababa Principles and Guidelines for the Sustainable Use of Biodiversity.” The CBD Secretariat explains:

“The Addis Ababa Principles and Guidelines for the Sustainable Use of Biodiversity consist of fourteen interdependent practical principles, operational guidelines and a few instruments for their implementation that govern the uses of components of biodiversity to ensure the sustainability of such uses. The principles provide a framework to assist Governments, resource managers, indigenous and local communities, the private sector, and other stakeholders on how to ensure that their use of the components of biodiversity will not lead to the long-term decline of biological diversity. The principles are intended to be of general relevance, although not all principles will apply equally to all situations, nor will they apply with equal rigour. Their application will vary according to the biodiversity being used, the conditions under which they are being used, and the institutional and cultural context in which the use is taking place.”
<http://www.biodiv.org/programmes/socio-eco/use/addis.asp>

In November 2005, sustainable use was the focus of the UNCTAD BTI side-event at SBSTTA 11 in Montreal in preparation for COP8. The event brought together biodiversity stakeholders to discuss the challenges BioTrade faces in its role as an incentive measure for conservation and sustainable use. One such challenge is the question of how the BioTrade Principles might provide more successful guidance for the implementation of the Addis Ababa Principles of the CBD. The event also looked at strengthening value chains of BioTrade products; the wild collection of species as a way to promote sustainable use practices at country level; and the issue of certification of BioTrade products.

3.3 - Sustainable use at COP8

As a priority issue and cross-cutting theme of the CBD, sustainable use comes up across the agenda of COP8. Two areas of particular relevance for BioTrade are the agenda items on Article 8(j) and on targets. Regarding Article 8(j), pertinent elements are under Agenda item 18. Regarding targets, this topic will be taken up under agenda item 23, which has a relevant component on the “Framework for monitoring progress and for reviewing the programmes of work of the Convention.” This includes a focus on sustainable use indicators.

BTI has developed a set of BioTrade Principles and Criteria. The BioTrade Principles are:

Principle 1: Conservation of biodiversity

Principle 2: Sustainable use of biodiversity

Principle 3: Equitable sharing of benefits derived from the use of biodiversity

Principle 4: Socio-economic sustainability

Principle 5: Compliance with national and international legislation and agreements

Principle 6: Respect for the rights of actors involved in BioTrade activities

Principle 7: Clarity about land tenure, use, and access to natural resources and knowledge

In partnership with national biotrade programmes and local companies, BTI is also developing sets of indicators. As sustainable use is a core principle of BioTrade, these indicators can provide insights and guidance to the Parties in their deliberations under agenda item 23 on sustainable use indicators and also how such indicators can be integrated with indicators for conservation, benefit sharing and the other principles of BioTrade.

3.4 - Sustainable use and BioTrade

In the BioTrade context, sustainable use is a strategy to promote biodiversity conservation. The sustainable use of biological resources is also the basis to assure the sustainability of the trade in the long term. For this reason, BTFP has been working to support actors along the value chain in the definition and implementation of methodologies according to the local context. For example, BTFP is implementing methodologies to support private sector and national environmental authorities in the elaboration and implementation of management plans for wild-collected medicinal plant species in order to promote their sustainable use.

Based on the results of the implementation of such methodologies and related discussions with the private sector and national authorities about the possibilities of implementation, standards are being developed based on the BioTrade Principles and Criteria.

Through practical application of the sustainable use objective with national biotrade programmes and local companies, BTI is now exploring options for developing a systematic approach to verifying or certifying BioTrade Principles and Criteria. Consultations on this matter with stakeholders, including a GBF workshop on verifying biodiversity trade, are to take place at COP8.

1. Sustainable use is increasingly becoming an issue for developing countries who now face the quandary of how to balance poverty alleviation and economic growth with the sustainable use of their abundant but rapidly diminishing biodiversity. Assistance can be provided though individualised

sustainable management plans that indicate specific steps needed to fulfil BioTrade Principles as well as specific, clear targets and indicators. A successful sustainable management plan needs to address long-term finance issues, the solution to which may lie in the trade of products and services derived from biodiversity. Indeed, trade must be used as a positive incentive measure to increase stakeholders' capacity to turn biodiversity into a comparative advantage.

3.5 - Next steps

In support of the efforts underway to develop effective and efficient sets of indicators for sustainable use and the other BioTrade Principles, BTI is focusing efforts on the development of a verification system for the BioTrade Principles and Criteria. In this regard, in partnership with biotrade companies and institutional partners in various countries and sectors, BTI is further developing specific indicators for sustainable use.

BioTrade Principles, Criteria, and Indicators could provide inputs to the definition of indicators of sustainable use in the context of CDB. Moreover, the implementation of the activities of BTI provides on-the-ground experiences by which the Parties could gain insights on the possibilities and practicalities of implementing the Addis Ababa Guidelines.

4 - BIOTRADE AND THE PRIVATE SECTOR

4.1 - The CBD on the private sector

Notably, only Article 10 of the CBD explicitly mentions the private sector and here in the context of developing methods for sustainable use. Section (e) advocates:

“cooperation between its governmental authorities and its private sector in developing methods for sustainable use of biological resources”.

<http://www.biodiv.org/convention/articles.asp?lg=0&a=cbd-10>

4.2 - Development of the private sector agenda

Naturally, the CBD has tended to regard the private sector with both caution and interest. On one hand, business is in the business of seeking profits and this often involves the exploitation of natural resources. On the other hand, much conservation work relies on private sector funds and action. However, there is increasingly another reason for collaboration between CBD and the private sector – companies are coming round to the idea that loss of biodiversity can negatively affect profits. Moreover, sustainability is increasingly being seen as an integral component of quality and thus a key factor for accessing markets.

In 2002, the Parties to the CBD adopted a Strategic Plan that seeks broader cross-society involvement in the implementation of the Convention whereby the private sector is engaged in partnership with other key actors and stakeholders to implement the CBD. Subsequently an increasing number of meetings have taken place addressing the opportunities and risks of engaging the private sector in the work of the CBD. An official document to COP8 explains current thinking.

“The potential benefit of engaging the private sector in the implementation of the Convention has long been recognized. ... Numerous decisions on specific mechanisms and issues, including technology transfer, sustainable use, agricultural and forest biodiversity, incentive measures and the clearing-house mechanism, refer explicitly to enhancing private sector engagement.

“Despite this background... private-sector involvement in... the Convention has been limited. Neither the Convention nor business has actively or consistently engaged one another...”

“The private sector as a whole is arguably the least involved in the implementation of the objectives of the Convention of all major biodiversity stakeholders yet, the daily activities of business and industry have significant impacts on biodiversity. Encouraging companies to avoid, minimize, and mitigate their negative impacts on biodiversity, share relevant expertise, information and technologies with the public sector, and promote good practice more broadly would make a significant contribution to the 2010 target. Furthermore, strengthening private sector engagement in the implementation of the Convention would help to mainstream biodiversity and raise the profile of the Convention in government and amongst the public. It would also help to ensure that the outputs of the Convention (principles, guidelines, tools, etc.) were viable and well utilised.”

4.3 - The private sector at COP8

The increasing interest in the private sector will feature throughout the deliberations of COP8. In February 2006, the new Executive Secretary of the CBD, Dr. Ahmed Djoghlaif, wrote:

“As a steward of the Convention, and an integral part of United Nations system, the Secretariat of the Convention on Biological Diversity is committed to working with business and industry to minimize negative impacts on biodiversity, promote good biodiversity practice, facilitate knowledge-sharing and technology transfer, and mainstream biodiversity. To this end, the Secretariat and its partners have convened meetings in London (January 2005) and in São Paulo (November 2005) to explore ways and means of strengthening business engagement in the implementation of the Convention. The results of these discussions will be submitted to the eighth meeting of the Conference of the Parties in Curitiba, Brazil, from 20-31 March 2005. ...

“I call on you, as responsible business leaders and global citizens, to renew your commitment to the objectives of the Convention on Biological Diversity, and to join forces with Parties to the Convention, the Secretariat and other stakeholders to work towards the 2010 target. I further invite you and your representative organizations to participate in the eighth meeting of the Conference of the Parties in Curitiba, at which business engagement in the implementation of the Convention will be a key theme. I look forward to engaging in a dialogue with business and industry representatives in Curitiba to build on past experience and strengthen our partnership for the benefit of biodiversity, business, and future generations.”

<http://www.biodiv.org/doc/speech/2006/sp-2006-02-03-cbd-en.pdf>

Following objective 4.4 of decision VI/26, there has been increasing cooperation between CBD and the private sector. The Working Group on Review of Implementation of the Convention noted that through various tools, standards and guidance, business and industry could contribute to the Convention's 2010 targets. Furthermore, the COP8 will have before it notes by the Executive Secretary (UNEP/CBD/COP/8/25), which consider the potential benefit of a global partnership on biodiversity on the implementation of the Convention, as well as an addendum to the note (UNEP/CBD/COP/8/25/Add.1), considering collaboration with the private sector. It states:

“Thus, with 2010 quickly approaching, there is an urgent need to engage the private sector, among other stakeholders, in both the implementation of the objectives of the Convention and the Convention process.”

<http://biodiv.org/doc/meetings/cop/cop-08/official/cop-08-25-en.pdf>

4.4 - The private sector and BioTrade

There are many reasons for involving the private sector in the implementation of CBD. Players in the private sector have a major impact on the conservation of biodiversity. They can have considerable

influence on both governments and public opinion whilst also possessing highly developed knowledge and technical resources in addition to general skills in management, communication and research. However, until now, the private sector's involvement in the implementation of CBD has been limited. The BioTrade Initiative seeks to rectify this situation by providing means for the private sector to invest in biodiversity-related business activities.

Cooperation with the private sector is increasingly well developed in Colombia, Peru, Ecuador and Uganda, although the actual numbers are still limited due to the limited value chains and number of countries. It is important to note the role of the private sector in strengthening this process. Indeed, many interesting lessons have been learnt including the importance of strengthening sectors through the value chain approach and tailoring the implementation of activities according to the needs of the private sector.

The implementation of business-to-business (B2B) activities, quality programmes and the formulation of R&D projects have come as a response to these factors. Together these are linking the market demand for quality with conservation and sustainable use of biodiversity. These enable a unique differentiation of BioTrade products in the marketplace that will strengthen market access, especially in markets demanding biodiversity-responsible goods and services. The current work to develop a BioTrade verification scheme will reinforce these efforts.

The BioTrade B2B programme for natural ingredients, for example, is forging direct links between developing country exporters and European buyers in the cosmetics, pharmaceutical and health care industries. Through the B2B programme, participating companies have a greater potential to gain a firm and lasting position in the lucrative and expanding EU market. The technical and promotional information provided by the B2B programme complements other BioTrade technical assistance activities such as business development and trade fair participation and helps exporters to satisfy EU requirements of quality and safety as well as attract buyers.

4.5 - Next steps

Over the coming months, the BTFP plans to further develop its B2B efforts to link exporting biodiversity businesses in developing countries to importers and buyers. It also plans to engage the private sector fully in further development of its system for verifying BioTrade.

BTI will continue supporting BioTrade value chains and strengthening private sector organisations as a strategy to support the implementation of CBD on the ground, particularly in the rural landscapes of developing countries.

5 - BIOTRADE AND THE 2010 BIODIVERSITY TARGET

5.1 - The CBD on the 2010 biodiversity target

The CBD was adopted at the Rio Summit in 1992 in response to the loss of biodiversity. In its preamble, the Parties state that the Parties are particularly “concerned that biological diversity is being significantly reduced by certain human activities.” It is this concern that eventually led to the commitment to a 2010 biodiversity target.

5.2 - Development of the 2010 biodiversity target

In 2002 at COP6, the Parties committed themselves:

“to a more effective and coherent implementation of the three objectives of the Convention, to achieve by 2010 a significant reduction of the current rate of biodiversity loss at the global,

regional and national level as a contribution to poverty alleviation and to the benefit of all life on earth.” (Decision VI/26)

<http://biodiv.org/decisions/default.aspx?m=COP-06&id=7200&lg=0>

This 2010 biodiversity target was also endorsed at the 2002 World Summit on Sustainable Development in Johannesburg, South Africa. In 2004 COP7 adopted a framework to assess progress towards the 2010 biodiversity target (Decision VII/30), which included seven focal areas:

- reducing the rate of loss of biodiversity,
- promoting sustainable use of biodiversity,
- addressing major threats to biodiversity;
- maintaining ecosystem integrity, and the provision of goods and services provided by ecosystems;
- protecting traditional knowledge;
- ensuring the fair and equitable sharing of benefits from the use of genetic resources; and
- mobilizing financial and technical resources, especially for developing countries.

<http://biodiv.org/decisions/default.aspx?m=COP-07&id=7767&lg=0>

Under these focal areas, the Parties have identified various goals, sub-targets, and indicators. Of particular relevance to BioTrade are the focal areas on sustainable use, maintenance of biodiversity goods and services, and provision of resources. Priority goals and targets under these focal areas follow:

“Focal Area: Promote sustainable use

Goal 4: Promote sustainable use and consumption.

Target 4.1: Biodiversity-based products derived from sources that are sustainably managed, and Production areas managed consistent with the conservation of biodiversity.

“Focal Area: Maintain goods and services from biodiversity to support human well-being

Goal 8: Maintain capacity of ecosystems to deliver goods and services and support livelihoods

Target 8.2: Biological resources that support sustainable livelihoods, local food security and health care, especially of poor people maintained

“Focal Area: Ensure provision of adequate resources

Goal 11: Parties have improved financial, human, scientific, technical, and technological capacity to implement the Convention

Target 11.2: Technology is transferred to developing country Parties, to allow for the effective implementation of their commitments under the Convention, in accordance with its Article 20, paragraph 4.”

<http://www.biodiv.org/2010-target/goals-targets.asp>

Since COP7, interest in the 2010 biodiversity target has continued to grow. A notable example is the European-based Countdown 2010 Initiative whose partners have declared:

“Biodiversity - the web of life on earth - is essential to the quality of human well-being, and it is a crucial element in sustaining the social, economic, and spiritual dimension of all Europeans. Yet, biodiversity continues to decline. Political commitments have been made to stop this trend by 2010. Further steps need to be taken to honour this commitment and to translate it into action.”

<http://countdown2010.net/declaration.html>

5.3 - The 2010 biodiversity target at COP8

The 2010 target is a major item of COP8 and will be discussed along with the deliberations on the CBD’s strategic plan and its contribution to the MDGs. For example, with respect to the private sector, one official document for COP8 states:

“The need to realize this potential to achieve the 2010 target was recognized by the recent Working Group on Review of Implementation of the Convention. Increasingly, business and industry are acknowledging the need to integrate biodiversity and broader environmental considerations into their operations to sustain their productivity and profitability in the long-term, especially in the face of growing consumer demand for green products and services.”

<http://www.biodiv.org/doc/meetings/cop/cop-08/official/cop-08-22-en.pdf>

5.4 - The 2010 biodiversity target and BioTrade

BTI has developed a set of principles, criteria, and indicators that will enable biodiversity businesses and stakeholders to better monitor the impacts of these businesses with respect to the conservation and sustainable use of biodiversity. (BTI is, of course, committed to make these positive impacts!)

As the BioTrade Principles and Criteria are based on the three objectives of the CBD and other social and economic criteria, they can assure the sustainability of private initiatives and the competitiveness of these products in the market. In addition to the BioTrade Principles and Criteria, BTI activities are guided by three main approaches – the value chain approach, the adaptive management approach and the ecosystem approach – all of which support the Parties in their efforts to achieve the 2010 biodiversity targets.

Furthermore, as noted, BTI is also exploring options for developing a system for certifying or verifying business performance with respect to BioTrade Principles and Criteria. In so doing, it is explicitly contributing to the goals and targets highlighted above in section 5.2.

5.5 - Next steps

Following the deliberations of COP8 and relevant side-events including the GBF workshop on verifying biodiversity trade, BTI intends to explore the following steps for enhancing the ability of the private sector to meet the 2010 biodiversity targets:

- Establish a BioTrade business club.
- Select flagship biotrade products to be certified/verified.
- Develop individualised BioTrade roadmaps.
- Collaborate with existing BioTrade-related schemes.

Regarding the establishment of a BioTrade business club, this could consist of producers, buyers and other stakeholders interested in promoting and verifying BioTrade. Admission to this club could be based on a commitment to the BioTrade Principles. The club could work with BTFP and others to develop and implement the various components of a BioTrade verification scheme as required by the marketplace. This would be a clear example, of private sector engagement to meet the 2010 biodiversity targets.

Regarding the selection of flagship products to certify, it will be easier to make the case for BioTrade verification if it is applied first to a few products. Products with strong market presence or with a broader sustainability interest – perhaps derived from species listed under CITES Appendix 2 – may be considered. These pilot certification efforts would provide guidance to the Parties on developing private sector measures for conservation and sustainable use.

Regarding the development of so-called individualised BioTrade roadmaps, these could evolve from current BioTrade sustainable management plans and guide companies towards verification of their biodiversity products. BTFP experience shows that each company – with its differing set of circumstances – will have a unique market-driven roadmap to fulfilling BioTrade Principles.

With respect to collaboration with existing BioTrade-related certification schemes, there are now a number of well-established schemes that relate to one or more of the BioTrade Principles. These include, for example, the Fairtrade Labelling Organization International, the Forest Stewardship Council, the International Federation of Organic Agriculture Movements, the Marine Aquarium Council, the Marine Stewardship Council, and the Sustainable Agriculture Network (Rainforest Alliance). In the context of the emerging Global Partnership for Biodiversity, UNCTAD could explore opportunities for developing partnerships with these schemes in the context of meeting the 2010 targets through BioTrade.

As an immediate next step, a benefit-cost case analysis could identify the specific opportunities for linking these schemes to the BioTrade Principles. This research will provide a basis for companies to explore whether one or more of these existing schemes could serve as tools for verifying or certifying elements of their biodiversity performance.

6 - INFORMATION ON BIOTRADE AND BIODIVERSITY

For further information on UNCTAD's BioTrade Initiative and its BioTrade Facilitation Programme, please visit: www.biotrade.org or email biotrade@unctad.org. The following BTFP technical updates are particularly worth noting:

- Implementing the BTFP: partners, geographical and thematic approach (Issue 1).
- Training in the implementation of quality and conservation policies in the value chain of natural ingredients for pharmaceuticals and cosmetics (Issue 2).
- Using B2B strategies in promoting trade for natural ingredients (Issue 3).
- The international market of natural ingredients: lessons learned from promoting exports through the BTFP (Issue 4).
- Product groups supported by BTFP: impact on conservation and sustainable use of biodiversity (Issue 5).
- Advances in the implementation of good practices for the collection of wild species in the value chain of natural ingredients (Issue 6).
- BioTrade Principles and Criteria: a tool for the implementation of conservation and sustainable use objectives (Issue 7).
- Verifying trade in biodiversity products and services (BioTrade) (Issue 8).
<http://www.biotrade.org/BTFP/Publications%20and%20Reports.htm>

For up-to-date background information on the biodiversity themes of incentive measures, sustainable use, the private sector and 2010 targets, please refer in particular to the following background papers for CBD COP8:

UNEP/CBD/COP/8/2	Report of the tenth meeting of the Subsidiary Body on Scientific, Technical and Technological Advice
UNEP/CBD/COP/8/3	Report of the eleventh meeting of the Subsidiary Body on Scientific, Technical and Technological Advice
UNEP/CBD/COP/8/4/Rev.1	Report of the Ad Hoc Open-ended Working Group on the Review of Implementation of the Convention
UNEP/CBD/COP/8/7	Report of the fourth meeting of the Open-ended Ad Hoc Inter-Sessional Working Group on the Implementation of Article 8(j) and Related Provisions
UNEP/CBD/COP/8/19/Add.2	Preparation of proposals on options to apply measures and mechanisms to facilitate access to and adaptation of technologies, and exploration of possibilities and mechanisms of cooperation with processes in other conventions and international organizations
UNEP/CBD/COP/8/22	Framework for Monitoring Progress in the Implementation of the Convention and Achievement of the 2010 Target, and Review of the Thematic Programmes of Work
UNEP/CBD/COP/8/25	Cooperation with conventions, organizations and initiatives and engagement of stakeholders, including options for a global partnership
UNEP/CBD/COP/8/25/Add.1	Engagement of the private sector
UNEP/CBD/WG-RI/1/7/Add.2	Options for enhanced cooperation among the Biodiversity-related Conventions
UNEP/CBD/COP/8/26	Thematic programmes of work - progress report and consideration of proposals for future action: forest biological diversity, biological diversity of inland water ecosystems, marine and coastal biological diversity, and agriculture biological diversity
UNEP/CBD/COP/8/26/Add.2	Agricultural biological diversity: consultations on the proposed international initiative on food and nutrition
UNEP/CBD/COP/8/27	Cross-cutting issues – progress report and consideration of proposals for future action: protected areas, incentive measures, alien species that threaten ecosystems, habitats or species, impact assessment, liability and redress, biodiversity and climate change
UNEP/CBD/COP/8/27/Add.1	Incentive measures: compilation of suggestions on the development of definitions and proposals on preparatory work for in-depth review of the programme of work on incentive measures
UNEP/CBD/COP/8/27/Add.2	Impact assessment: refinement of guidelines on biodiversity-inclusive impact assessment
UNEP/CBD/COP/8/INF/3	Sustainable use: report of the technical expert workshop for the CEE region
UNEP/CBD/COP/8/INF/4	Sustainable use: report of the technical expert workshop for Latin America and the Caribbean
UNEP/CBD/COP/8/INF/11	Report of the second Business and 2010 Biodiversity Challenge meeting
UNEP/CBD/COP/8/INF/15	Biological diversity of inland water ecosystems: linkages between the conservation and sustainable use of the biological diversity of inland water ecosystems and poverty alleviation/sustainable livelihoods, including human health considerations
UNEP/CBD/COP/8/INF/21	Options on means to strengthen the use of innovative mechanisms to develop public-private partnerships to promote private investments of sustainable projects in protected areas
UNEP/CBD/COP/8/INF/25	Analysis of options for implementing disclosure of origin requirement in Intellectual Property Rights: Submission by UNCTAD
UNEP/CBD/COP/8/INF/28	Options on means to strengthen the use of innovative mechanisms to develop public-private partnerships to promote private investments of sustainable projects in protected areas
UNEP/CBD/COP/8/INF/31	Monitoring progress and reporting processes, including integration of targets into the thematic programmes of work, national reporting and global biodiversity outlook: Compilation of initiatives, processes and organizations that develop and consolidate indicators on the sustainable use of biodiversity
UNEP/CBD/COP/8/INF/37	The Relationship between the TRIPs Agreement and the Convention on Biological Diversity - Summary of Issues Raised and Points Made - Submission by the WTO Secretariat