

UNCTAD BioTrade Initiative submission to CBD Notification 2016-078 - Decision XII/5: Biodiversity for poverty eradication and sustainable development.

Thematic area: Biodiversity for Development

Background

The United Nations Conference on Trade and Development (UNCTAD) assists developing countries in strengthening their capacity to design and implement mutually supportive trade, environment, climate change and sustainable development objectives in development strategies at all levels. The BioTrade Initiative of UNCTAD, in partnership with BioTrade partners, promotes the conservation and sustainable use of biodiversity and includes value addition and sustainable commercial use in a variety of sectors in Africa, Asia and Latin America. BioTrade involves activities of production, transformation and commercialization of products and services derived from native biodiversity (genetic resources, species and ecosystems) under social, economic and environmental sustainability criteria, following seven BioTrade Principles: (1) conservation of biodiversity; (2) sustainable use of biodiversity; (3) equitable benefit sharing; (4) socio-economic sustainability; (5) local compliance; (6) respect for actors' rights; and (7) clear land tenure and resources access. The BioTrade Principles and Criteria differentiate BioTrade from other trade and biodiversity initiatives, as all activities (downstream and upstream) along the value chain operate in compliance with these principles (UNCTAD, 2007). For further information, please see www.biotrade.org

UNCTAD's BioTrade Initiative¹ is a good example of a long standing programme harmonizing trade with the sustainable use of biological resources, while respecting the three CBD principles of conservation, sustainable use, and fair and equitable sharing of benefits. This initiative was launched in 1996, and is complemented by independent national, regional and international BioTrade programmes. Since its inception UNCTAD has been implementing several regional and international programmes to support the implementation of its concept, principles and criteria, as well as methodologies in the development of biodiversity based sectors in developing countries. For instance, UNCTAD has been implementing the BioTrade Facilitation Programme (BTFP) since 2003. The programme aims to enhance the access of BioTrade companies into regional and international markets. In 2015, the third phase of the BTFP was launched aimed at addressing the current challenges of limited dialogue, knowledge and coherence among stakeholders on BioTrade issues, especially when devising policies, regulations and incentives in the field of BioTrade. BTFP III is being implemented with the support of the Swiss State Secretariat for Economic Affairs (SECO). Other donors in the past were the Governments of The Netherlands, Norway and Spain, United Nations Development Account, United Nations Foundation through the United Nations Fund for International Partnerships, among others.

¹ <http://unctad.org/en/Pages/DITC/Trade-and-Environment/BioTrade.aspx>

The BioTrade Initiative develops biodiversity-based sectors through a value chain, livelihood, adaptive management and ecosystem approaches, while facilitating trade of products and services derived sustainably from native species and ecosystems (UNCTAD, 2016a). Over 3,600 supply chains have been developed in such sectors as: personal care (essential oils, natural dyes, creams, cosmetics, etc.); pharmaceuticals (active ingredients, extracts and infusions from medicinal plants, capsule, etc.); food (fruits pulps, juices, snacks, sauces, spices, nuts, food supplements, etc.); fashion (leather from caiman yacare and babilla); ornamental flora and fauna (orchids, butterflies, etc.); handicrafts (jewellery, decorative objects based on native species, etc.); textiles and natural fibres (furniture and garments based on natural fibres, etc.); and sustainable tourism (ecotourism, nature-based tourism, and carbon sequestration services etc.). The BioTrade Initiative is implemented by the Trade, Environment, Climate Change and Sustainable Development (TED) Branch.

Over 20 developing countries have been implementing BioTrade with the support of national, regional and international BioTrade partners including Ministries of Environment and Trade, trade promotion agencies and business associations, the public and private sectors. Around 5 million people were involved in BioTrade activities, and the sales of companies in BioTrade amounted to 4,3 billion Euros in 2015 (Lojenga and Oliva, 2016). The table below shows examples of "best practices and lessons learned on how to integrate biodiversity, poverty eradication, and sustainable development" in light of the implementation of Decision XII/5 of the CBD. The examples include references to publications that refer to the related topics.

Elements of decision XII/5	Best practices and lessons learned
<p>How to integrate biodiversity and nature's benefits to people, including ecosystem services and functions, into poverty eradication and development strategies, initiatives and processes at all levels and vice versa, to integrate poverty eradication and development concerns and priorities into national biodiversity strategies and action plans and other appropriate plans, policies and programmes, and to monitor, evaluate and report on these integration efforts through appropriate indicators and tools (see paragraph 3 of decision XII/5);</p>	<p><i>Integrating biodiversity and nature's benefits to people through peacebuilding initiatives</i></p> <p>BioTrade can also act as a tool for reintegration and livelihood recovery in post-crisis settings – including in the substitution of illegal crops – in which local resources can be used as an engine to develop income-generating activities and businesses with tradable products and services. Reintegration options are provided through employment and alternative sources of income and livelihoods recovery for ex-combatants, displaced people and other affected groups. The <i>Operational Guide to the Integrated Disarmament, Demobilization and Reintegration Standards</i> (UN IAWG-DDR, 2014) under the section on Integrating Natural Resources into disarmament, demobilization and reintegration (DDR) planning and programmes, recognizes that BioTrade can be used in DDR programmes as an economic and social reintegration opportunity that supports sustainable livelihoods in post-conflict contexts. UNCTAD, through the BioTrade Initiative has been supporting peacebuilding processes and post-conflict recovery in Asia in cooperation with the UNDP Bureau of Crisis Prevention and Recovery (BCPR) in developing the nutmeg value chain in Aceh Selatan, Aceh Province, Indonesia. In Latin America, peacebuilding processes in Colombia were supported under the National Sustainable BioTrade Programme (NSBP). BioTrade has already been defined as a priority within the Colombian International Cooperation Roadmap 2015-2018 of MinPostconflicto and the office of the High Commissioner for Peace for the implementation of a possible Peacebuilding Agreement (APC, 2015 in UNCTAD in 2016a). Detailed information can be found in UNCTAD's publication: "Sustaining peacebuilding and post-conflict recovery through BioTrade: Lessons from Indonesia and Colombia" (UNCTAD/DITC/TED/2015/6). Further information at:</p> <p>http://unctad.org/en/PublicationsLibrary/ditcted2015d6_en.pdf</p> <p><i>Integrating biodiversity and nature's benefits to people, national strategies and action plans</i></p> <p>In Peru, the National Commission for the Promotion of BioTrade was created under National Decree No. 009-2010-MINCETUR, and the National BioTrade</p>

	<p>Strategy and Action Plan 2025 (Estrategia Nacional del Biocomercio y Plan de Acción al 2025) was approved in 2016 under National Decree Nº 008-2016-MINCETUR. In Colombia, the National BioTrade Programme is included in the Green Businesses' National Plan (2014).</p>
<p>How to enhance contribution of biodiversity to sustainable development and poverty reduction through the fair and equitable sharing of benefits arising from the utilisation of genetic resources and associated traditional knowledge, the conservation of biological diversity and sustainable use of its components (see paragraph 5 of decision XII/5);</p>	<p>UNCTAD and its BioTrade partners support the development of sectors and businesses related to biodiversity in a way that it is fair and equitable to all its actors, particularly those living in rural and marginal areas rich in biodiversity.</p> <p>1) UNCTAD Publication "<i>BioTrade: Connecting People, Planet and Markets (1996-2016)</i>" - Below are some examples that are showcased in the forthcoming publication to be launched during the Fourth BioTrade Congress and officially presented to the Secretariat of the Convention on Biological Diversity (SCBD) during the 13th Conference of the Parties to the CBD, in Cancun, Mexico, in December 2016.</p> <p><i>a) <u>PhytoTrade Africa</u></i></p> <p>Established in 2001, PhytoTrade Africa is a trade association operating since 2001 aiming at alleviating poverty while protecting biodiversity, it promotes the development of an industry that is economically successful, ethical and sustainable. It represents 56 member SMEs and their harvesters, collectors or communities in nine countries: Botswana, Madagascar, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe. It supports the development of value added natural products from native biodiversity such as marula, baobab, devil's claws and kigela. Over 12 500 individuals, 78 per cent of whom are women, are direct beneficiaries of PhytoTrade Africa's actions. In 2014, the turnover of its members amounted US\$ 5.7 million and created 630 new local jobs, 40 per cent being full time.</p> <p><i>b) <u>Vietnam - Traphaco</u></i></p> <p>Under the SECO funded project "Development of BioTrade activities with natural ingredients sector in Vietnam" (implemented by Helvetas Vietnam and the National Institute of Medicinal Materials, Traphaco, one of the top pharmaceutical companies in Vietnam, implemented a sustainable supply chain under Good Agriculture and Collection Practices (GACP), and</p>

enhanced the livelihood of the Dzao community (suppliers) in Lao Cai Province. The community can sustainably harvest the plant up to nine months per year and received a better price for their product (20% higher). The direct contract with Traphaco raised the income of the Dzao community by another 10%, which in the end was nearly doubled (from 200 USD to 400 USD for 30 days of collection per year). This enabled them to cover expenses for food and children education. Additionally, in order to protect the traditional knowledge of the community, the contract established that the pre-processing and fermenting step would be implemented by Dzao community in Muong Hum; Traphaco would only provide quality equipment. (*Linh Nguyen/BIG Vietnam, 2016*).

c) Peru

Under the BioTrade Programme in Peru, and with the support from the project Perúbiodiverso (co-financed by Swiss and German Development Cooperation, implemented by GIZ), a business model based on traditional knowledge associated to medicinal plants benefits both people and nature. This model is implemented by The Laboratory for Natural Products Takiwasi and the indigenous federation FEKIH (Federación Kichwa Huallaga Dorado) indigenous producers' organization Ampik Sacha in the Peruvian region of San Martín. Local benefit sharing scheme has resulted in improved living conditions of almost 1,000 indigenous (kichwa) families in the region, helping to recover old traditions and promoting the sustainable use of the forest resources in this rural region. The business model based on the BioTrade principles, where the communities not only provide the raw material, but also actively participate in the generation of value added products. As a result, ancestral knowledge is re-valued and the communities' capacities are strengthened, may commercialize final products based on medicinal plants with their own brand- AMPIK, managed by the Medicinal Plants Producers' Association Ampik Sacha. (*Lena Katzmarski, supported by Flavia Noejovich, Manuel Rojas and Luis Rosa-Perez, 2016*)

2) ABS and its relationship with BioTrade publication: *Facilitating BioTrade in a Challenging Access and Benefit Sharing Environment*

A scoping study was prepared and offers an overview of the challenges faced

	<p>and options available to implement BioTrade and ABS principles under the CBD and the Nagoya Protocol in a coherent manner. It further provides examples of how these challenges are being addressed, and gives an overview of the current state-of-the-art discussions and issues in order to facilitate a better understanding of how to manage the interface between BioTrade and ABS in practice.</p> <p>This study provides a set of key points and policy recommendations for key stakeholders (governments and companies) to take advantage of policy options and strategies available for BioTrade sectors. These points and recommendations include the following: Ensure that Access Benefit Sharing (ABS) frameworks enable parallel benefits sharing and facilitated access; (2) Ensure that ABS regimes are transparent, clear, operational and enhance legal certainty for all actors; (3) Produce a checklist and compile cases that guide countries on the coverage and interlinkages between BioTrade and ABS frameworks; (4) Support national authorities to communicate and coordinate in a regular manner to ensure coherent implementation of rules and procedures; (5) Consider ways in which Prior Informed Consent (PIC) and Mutually Agreed Terms (MATs) within BioTrade projects or business arrangements can become regularized or validated through simple and practical administrative procedures; (6) Assess how PIC, MAT and benefit sharing take place in the particular context of indigenous peoples and communities participating in BioTrade value chains and specific ABS projects. (7) Promote understanding on the changing and very diverse R&D landscape and where and how connections between BioTrade and ABS may occur; (8) Value non-monetary benefits that could generate and introduce incentives to maximize absorptive capacity by BioTrade businesses; (9) Set clear and easy procedures to obtain certificates of compliance, as well as well-selected check-points will be critical to ensure proper traceability; (10) Raise awareness on BioTrade actors, including national authorities, on the implications of the Nagoya Protocol. The ABS Clearing House Mechanism has already been notified of the study. Further information available at: http://unctad.org/en/PublicationsLibrary/webditcted2016d4_en.pdf</p>
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References:

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