



CSEND & UNCTAD Working Session at the WTO Public Forum 2015

“BioTrade for Inclusive Growth: What works and what challenges persist”

2 October 2015, 13h00-14h30

Room D, WTO, Geneva

Background

BioTrade¹ provides critical opportunities for preserving biodiversity through regulation and sustainable market principles. At the same time, BioTrade offers livelihoods opportunities to support the integration of marginalized populations who often live in less accessible territories where biodiversity has been better preserved but is at risk of being captured by unregulated trading actors and unsustainable practices. Reviewing of the current practices of BioTrade is meant to support countries, particularly those rich in biodiversity, to benefit from the growing market trends for healthy, natural and environmentally and socially responsible products. BioTrade also contributes to halting biodiversity loss which is a long standing goal of the Convention on Biological Diversity (CBD) and its Aichi targets, and recently to the new SDGs Goal 15 in the UN 2030 Agenda for Sustainable Development.

For BioTrade to work, there should be *inter alia* a transformation of the domestic and international regulatory environments to favour responsible business (social impact) and ecologically sound (environmental) practices, and not only economic benefits. Domestically, BioTrade needs to be integrated into the global value chains of biodiversity-based industries such as the cosmetic, pharmaceutical and wellbeing. Improvement of production, meeting product and sustainability standards, transportation, and good business management as well as exporting licensing, taxation, establishing Bio-inventory, market intelligence and financing are some of the hurdles that need to be surmounted by the producers and traders who are often semi-skilled, illiterate and resource deprived indigenous people.

Biodiversity based industries represent a major economic force today, for instance the turnover of BioTrade companies and organizations reached 5.2 billion USD in 2012. Yet, biodiversity, including BioTrade, markets remain under regulated and fragmented with small farmers/traders dominate the upstream of production. Barriers usually take the form of internal regulations that respond to safety, sanitary and environmental considerations, which contain and incorporate different types of requirements, testing and verification in order to obtain a commercialization authorization for the internal market. Past experience points toward certain regulations applicable to foods, cosmetics,

¹ BioTrade refers to those activities of collection, production, transformation and commercialization of goods and services derived from native biodiversity under the criteria of environmental, social and economic sustainability. See http://unctad.org/en/docs/ditcted20074_en.pdf.

traditional herbal medicine and the use of chemicals and other inputs in agriculture and manufacturing processes. Many of these regulations, while not discriminatory per se, can place significant burden (e.g. time and cost) on small producers in biodiversity-rich countries. Reducing some of these internal trade barriers could facilitate the building up of domestic trading capacities and support integration with the global supply chain of responsible consumption products.

The objectives of this session are:

- 1) to map the landscape of biodiversity-based initiatives, as well as participating countries in the related global value chains,
- 2) to identify the success factors and barriers in developing biodiversity-based initiatives, including BioTrade initiatives, and
- 3) to review the regulatory framework regarding biodiversity-based initiatives and BioTrade and coherence with the Nagoya Protocol on access and benefits sharing that could lead to inclusive growth for different actors along the value chain.

Panel Description

Biodiversity-based initiatives such as BioTrade are a promising territory for inclusive cross-border trade and economic growth. Countries endowed with rich biodiversity can benefit from efficient and predictable trading system. To develop sustainably biodiversity-based initiatives is important to enhance local development and offer economic opportunities for marginalised populations to break away from the entrenching poverty trap. Panelists will review the current global biodiversity trade: its landscape, volume, global value chains, key stakeholders and active participating countries. Challenges facing the development and expansion of biodiversity-based industries in a sustainable manner will be addressed in addition to sharing success experiences from countries. Reflection will be made on the gap and incoherence between existing trade regimes and environmental agreements, particularly those linked to biodiversity (e.g. CBD and CITES).

The following questions will be addressed by the panelists:

- To what extent can biodiversity-based initiatives such as BioTrade contribute to inclusive growth?
- How can governance of biodiversity-based initiatives, including BioTrade, be improved to ensure that local communities in developing countries benefit from development and trade opportunities related to biodiversity-based industries?
- How can sustainability and quality standards, BioTrade and associated international trade instruments be better aligned resulting in improved livelihoods, reduced deprivation and illegality traps, such as bio-piracy and smuggling?
- What are the key elements of the biodiversity-based (e.g. BioTrade) value chain? How can developing countries link up with global biodiversity-based value chains and markets? What are successful experiences of BioTrade?
- How can capacity-building contribute to fostering biodiversity-based trade initiatives in developing countries? What are the challenges and opportunities arising from enhancing capacities in biodiversity-based trade issues for developing countries?

Programme and Speakers

Introduction remarks:

Trade and poverty reduction and sustainable economic development (goals and expected outcomes of the meeting & introduction of speakers) – 5 min.

Dr. Lichia Yiu, President, Centre for Socio-EcoNomic Development (CSEND)

Policy Coherence between WTO instruments and Environmental Agreements: Gaps and Challenges. The case of bio-diversity based trade – 10 min.

Prof. Raymond Saner, Director, Centre for Socio-EcoNomic Development (CSEND)

Framing Biodiversity-based and BioTrade initiatives: scope and definitions - 5 min.

Ms. Mariona Cusi, Consultant, Trade, Environment, Climate Change and Sustainable Development Branch, Division on International Trade in Goods and Services, and Commodities, United Nations Conference on Trade and Development (UNCTAD)

Roundtable 1: How to strengthen biodiversity-based and BioTrade supply chains

The quality dimension of the Biodiversity-based supply chain: Gaps and Challenges – 10 min.

Mr. Frank van Rompaey, Geneva Representative, United Nations Industrial Development Organization (UNIDO)

Capacity Building for Biodiversity-based trade – 10 min.

Ms. Ann Kathrin Zotz, Associate Expert, Trade and Environment Programme, Sector Competitiveness Division, International Trade Centre (ITC)

The supply chain of BioTrade and regulatory environment: Gaps and Challenges – 10 min.

Mr. Claude Heimo, Senior Adviser, Centre for Socio-Economic Development (CSEND) and former senior project adviser, BioTrade in Vietnam (2013-2014)

Roundtable 2: BioTrade experiences

BioTrade experiences in the Andean region – 10 min.

Mr. René Gómez-García, Head of the Environmental Business Unit, Development Bank of Latin America (CAF)

Challenges and opportunities for scaling up BioTrade – 10 min.

Ms. Lorena Jaramillo, Economic Affairs Officer, Trade, Environment, Climate Change and Sustainable Development Branch, Division on International Trade in Goods and Services, and Commodities, United Nations Conference on Trade and Development (UNCTAD)

Q & A session – 17 min.

Closing remarks - 3 min.