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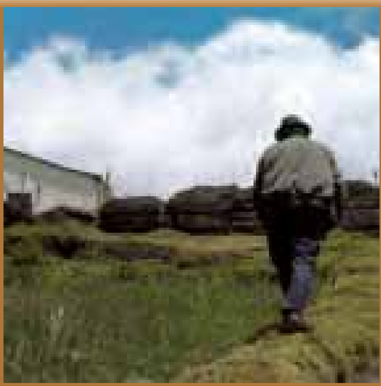
THE BUSINESS OF BIOTRADE:

USING BIOLOGICAL RESOURCES SUSTAINABLY AND RESPONSIBLY



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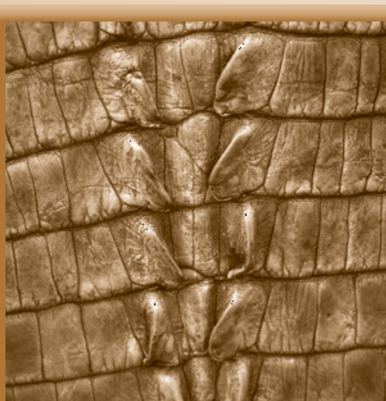

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Note

For further information on UNCTAD's BioTrade Initiative please consult the following website: http://unctad.org/biotrade, or contact: biotrade@unctad.org.

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Contents

Acronyms

ABC	*Associación Boliviana de Conservación* (Bolivian Conservation Association)
ARPA	Amazon Region Protected Area
BACP	Biodiversity Agriculture Commodities Programme
B2B	business-to-business
CBD	Convention on Biological Diversity
CBI	Centre for the Promotion of Imports from developing countries
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CoP	Conference of the Parties
CPIB	*Central de Pueblos Indígenas del Beni* (Representative Organization of the Indigenous Peoples of the Beni)
CSD	Commission on Sustainable Development
DFID	Department for International Development (United Kingdom of Great Britain and Northern Ireland)
FTD	fixed-term deposit
EU	European Union
FLO	Fairtrade Labelling Organization International
FOEN	Swiss Federal Office for the Environment
FSC	Forest Stewardship Council
GACP	good agriculture and collection practices
GEF	Global Environmental Facility
GMP	good manufacturing practices
GMO	genetically modified organism
GRAS	Generally Recognized as Safe (United States Food and Drug Administration)
ICS	internal control system
IFC	International Finance Corporation
IFOAM	International Federation of Organic Agricultural Movements
IPBES	Intergovernmental Platform on Biodiversity and Ecosystems
ISEAL	International Social and Environmental Accreditation and Labelling Alliance
IUCN	International Union for Conservation of Nature
MDG	Millennium Development Goal
MEA	multilateral environmental agreement
MNC	multinational corporation
MMA	Brazilian Environmental Ministry
NGO	non-governmental organization
NP	natural product
NTB	non-tariff barrier
NTFP	non-timber forest product
OBIO	National BioTrade Observatory (Colombia)
PNBSE	Sustainable BioTrade Programme in Ecuador
PAPS	Sustainable Production Support Program
PPP	public private partnerships
PQS	pre-qualified supplier
REDD	Reducing Emissions from Deforestation and Forest Degradation
RedLAC	Latin American and Caribbean Network of Environmental Funds
SAN	Sustainable Agriculture Network
SMEs	small and medium-sized enterprise
UEBT	Union for Ethical BioTrade
TCO	*Tierras Comunitarias de Origen* (Original Community Lands)

UNCCD	United Nations Convention to Combat Desertification
UNCTAD	United Nations Conference on Trade and Development
UNEP	United Nations Environment Programme
UNIDO	United Nations Industrial Development Organization
WSSD	World Summit on Sustainable Development
WTO	World Trade Organization

Executive summary

BioTrade refers to the collection, production, transformation and commercialization of goods and services derived from native biodiversity (species and ecosystems) under the criteria of environmental, social and economic sustainability. To give a more complete meaning to this concept, the United Nations Conference on Trade and Development (UNCTAD) – together with international partners and practitioners at country level – have defined seven BioTrade Principles. Together, these principles provide an integrated framework for addressing the three objectives of the CBD (Convention on Biological Diversity), as well as other biodiversity-related multilateral environmental agreements (MEAs) in the broader context of sustainable development and responsible business.

The BioTrade Initiative derives its mandate primarily from UNCTAD's Programmes/Substantive Agenda,[4] from trade-related aspects of the CBD, specifically Article 10 (the sustainable use of components of biodiversity) and Article 11 (social and economic incentive measures for conserving biodiversity), as well as from other biodiversity-related MEAs. Specifically, with respect to the CBD, two decisions of CoP9 (ninth session of the Conference of the Parties to the CBD) – Decision IX/6 on incentive measures and Decision IX/26 on promoting business engagement – provide a direct mandate for further work by the UNCTAD BioTrade Initiative including this informational paper. This reinforces former decisions VIII/26 on incentive measures and VIII/17 on private sector engagement.

Regarding Decision IX/6 on incentive measures, the CoP:

> "Invites the BioTrade Initiative … to continue its work on trade promotion for biodiversity-based products which are produced in a sustainable manner and compatible with the three objectives of the Con-
> clearing-house mechanism, the CBD newsletter on business, and mainstream business forums."

It is against this background that UNCTAD drafted this informational paper, which formed the basis of an international workshop on BioTrade incentives measures at the United Nations Office at Geneva, Switzerland on 24 November 2009.

This informational paper explores how the efforts of the BioTrade Initiative provide incentives for business to conserve biodiversity through using biological resources sustainably and responsibly. Through a review and assessment of distinct case studies, it identifies the actual, practical, bottom-up incentives generated by BioTrade partners and practitioners. In turn, the workshop reviewed the framework used in the paper and the assessments of the case studies. It also proposed recommendations for the next steps to support of the implementation of the CBD.

BioTrade incentives framework

The BioTrade Initiative focuses on positive incentive measures – direct or indirect – that are relevant to private actors. From a BioTrade perspective, it is useful to approach incentive measures in two different but inter-related ways:

- the value chain approach; and
- the sustainable livelihoods approach.

By putting both people and value chain actors at the centre, these two approaches provide a strategic framework for classifying incentives that engage private actors in the conservation and sustainable use of biodiversity. In this context, BioTrade incentive measures can be classified as follows:

- **Market incentives:** access to markets and differentiation of products in markets.
- **Social incentives:** enhancement of human capital (i.e. skills, knowledge and abilities) and social