



**Concept Note**

**United Nations Conference on Trade and Development**

## **Biodiversity and the Global Market Economy**

A strategic workshop to explore the challenges and opportunities of implementing the biodiversity-related MEAs within the global market economy



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Prepared for the



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## 1. Introduction

This concept note has been prepared for a strategic workshop of relevant experts from the Secretariats of the biodiversity-related conventions and partner organisations to explore the challenges and opportunities we face in implementing these agreements within the global market economy. The workshop is being convened from 14-15 November 2006 by the United Nations Conference on Trade and Development (UNCTAD) through its BioTrade Initiative. The objective of the BioTrade Initiative is to support sustainable development through trade and investment in biological resources. The Initiative derives its mandate from UNCTAD and frames its implementation within the global conservation and development objectives established by the Convention on Biological Diversity (CBD), the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), the Millennium Development Goals (MDG) and the Commission on Sustainable Development (CSD).

The BioTrade Initiative is deeply involved in the challenge of implementing biodiversity objectives in the context of a global market economy. It supports Governments in creating National BioTrade Programmes, collaborates closely with the private sector to implement the BioTrade Principles and Criteria (BT P&C) and promotes market access for BioTrade products. It is also active in the international discussions around MEAs, for example, at a workshop of the 20<sup>th</sup> Global Biodiversity Forum which took place during the 8<sup>th</sup> Conference of the Parties (COP-8) to the Convention on Biological Diversity (CBD), the discussion focused directly on the market economy challenges of ensuring biodiversity conservation. The report of the workshop concluded:

“There is a clear need for incentives if businesses are to get on board. Many small businesses from developing countries would benefit from financial incentives, such as access to cheap capital and credit, or tax exemptions. One possible solution to mobilise support for such incentives would be to invite the financial sector to promote sustainability, which highlights the importance of diversifying stakeholders in attaining the 2010 targets of the CBD.

“In conclusion, the participants recognised the critical need for the Parties to the CBD and other relevant international agreements, such as CITES, Ramsar and the WTO, to promote market incentives, strengthen trade initiatives, finance product developments, and raise consumer awareness so that biodiversity-based businesses are better able to contribute to the conservation of biodiversity and the alleviation of poverty.”<sup>1</sup>

In its efforts to support the economic aspects of biodiversity-related conventions, UNCTAD has come to appreciate the real challenges facing the Secretariats of the biodiversity-related conventions. It is collaborating with several Multilateral Environmental Agreements (MEAs) and has detected a clear need to enhance cooperation on these issues. Hence, UNCTAD intends that the workshop will be the first of an on-going series of strategic workshops among key Secretariat staff and their partners on their challenges, lessons learnt and strategic opportunities related to biodiversity and the global market economy.

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<sup>1</sup> <http://www.biotrade.org/cop8/COP8GBF.htm>

## 2. Brief overview of the biodiversity-related conventions

Though biodiversity is addressed in some way either directly or indirectly by all of the MEAs, six of the conventions have a framework of cooperation focused on biodiversity. This concept note primarily addresses these six conventions.

It needs to be stressed, however, that as the Secretariats of the six biodiversity-related conventions consider their mandates with respect to the global market economy, it will often be important to consider other MEAs as well, perhaps most notably those addressing climate change, desertification and persistent organic pollutants.

The six main biodiversity-related conventions are:

- The Ramsar Convention on Wetlands (**Ramsar**) - 1971  
<http://www.ramsar.org/>
- The Convention concerning the Protection of the World Cultural and Natural Heritage (**WHC**) – 1972  
<http://whc.unesco.org/>
- The Convention on International Trade in Endangered Species of Wild Fauna and Flora (**CITES**) – 1975  
<http://www.cites.org/>
- The Convention on the Conservation of Migratory Species of Wild Animals (**CMS** or the Bonn Convention) – 1983  
<http://www.cms.int/>
- The Convention on Biological Diversity (**CBD**) – 1992  
<http://www.biodiv.org>
- The International Treaty on Plant Genetic Resources for Food and Agriculture (**ITPGRFA**) – 2001  
<http://www.fao.org/AG/cgrfa/itpgr.htm>

Though these six conventions all address biodiversity, their scope and their mandates differ. Their respective missions are summarised on the Joint Web Site of the Biodiversity-Related Conventions as follows:<sup>2</sup>

**Ramsar** “provides the framework for national action and international cooperation for the conservation and wise use of wetlands and their resources. The convention covers all aspects of wetland conservation and wise use, recognizing wetlands as ecosystems that are extremely important for biodiversity conservation in general and for the well-being of human communities.”

The primary mission of the ... **WHC** is to identify and conserve the world's cultural and natural heritage, by drawing up a list of sites whose outstanding values should be preserved for all humanity and to ensure their protection through a closer co-operation among nations.”

**CMS** “aims to conserve terrestrial, marine and avian migratory species throughout their range. Parties to the CMS work together to conserve migratory species and their habitats by providing strict protection for the most endangered migratory species, by concluding regional multilateral agreements for the conservation and management of specific species or categories of species, and by undertaking co-operative research and conservation activities.”

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<sup>2</sup> <http://www.biodiv.org/cooperation/joint.shtml>

**CITES** “aims to ensure that international trade in specimens of wild animals and plants does not threaten their survival. Through its three appendices, the Convention accords varying degrees of protection to more than 30,000 plant and animal species.”

“The objectives of the ... **CBD** are the conservation of biological diversity, the sustainable use of its components, and the fair and equitable sharing of the benefits arising from commercial and other utilization of genetic resources. The agreement covers all ecosystems, species, and genetic resources.”

“The objectives of ... **ITPGRFA** are the conservation and sustainable use of plant genetic resources for food and agriculture and the fair and equitable sharing of the benefits arising out of their use, in harmony with the Convention on Biological Diversity, for sustainable agriculture and food security. The Treaty covers all plant genetic resources for food and agriculture, while its Multilateral System of Access and Benefit-sharing covers a specific list of 64 crops and forages. The Treaty also includes provisions on Farmers' Rights.”

The oldest two of the biodiversity-related conventions – Ramsar and WHC – have an “ecosystem” focus; the next two to be established– CITES and CMS – have a “species” focus, while the CBD addresses ecosystems, species and genetic resources. The most recent of these - ITPGRFA – focuses on genetic resources.

Though all are committed to the conservation of biodiversity, their approaches also differ somewhat. WHC and CMS focus on conservation through protection, while CITES focuses on restricting detrimental species trade. Ramsar, CBD and ITPGRFA, on the other hand, directly link biodiversity conservation to the wise or sustainable use of biological resources. All of these approaches are significant with respect to the implementation of these conventions in the context of the global market economy.

Biodiversity, of course, is also of direct or indirect importance to other Multilateral Environmental Agreements. In particular, biodiversity plays a critical role in the UN Convention to Combat Desertification in Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa (UNCCD); the UN Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol; and the Stockholm Convention on Persistent Organic Pollutants (POPs).

Regarding UNCCD, by way of example, its Parties at their 5<sup>th</sup> Conference of the Parties in 2005 recognised the value of working with the CBD Secretariat on matters of mutual interest relating to biodiversity. In their decisions, they stated the following:<sup>3</sup>

“Expresses its appreciation to the secretariats of the CBD and the UNCCD for the work undertaken in developing their Joint Work Programme on biological diversity in dry and subhumid lands, and encourages Parties to take the necessary measures to ensure its effective implementation; ...

“Invites the governing bodies of the UNFCCC and the CBD to take into consideration UNCCD COP decisions relating to synergies in their deliberations; ...

“Invites the Executive Secretaries of the UNCCD and the CBD to strengthen the Joint Work Programme, including their efforts to achieve the relevant 2010 biodiversity targets ...”

Thus, in addition to the core six biodiversity-related conventions, other agreements such as UNCCD, UNFCCC and POPs could be important partners in addressing biodiversity objectives in the context of the global market economy.

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<sup>3</sup> <http://www.unccd.int/cop/officialdocs/cop7/pdf/16add1eng.pdf>

### 3. Key global market economy issues

In our increasingly globalised planet which now sees direct linkages to even its most remote areas, there are probably no ecosystems, habitats or species which today are not somehow connected to the global market economy. This is due to the continual expansion – some might say invasion – of the human species into every corner of our planet as well to our ever-increasing technical capacity to occupy habitats and exploit biological resources. The complex linkages between our planet's biological systems and the global market economy present both material risks and opportunities for biodiversity.

Regarding the risks of the market economy for biodiversity, only the cold, distant continent of Antarctica is protected internationally from human encroachment. This protection comes from the Antarctic Treaty System (ATS), which was established originally by countries with the capacity to establish operations on the continent. Nevertheless, today Antarctica's biological resources are under threat from increased fishing, tourism and research within the region. There is also the real threat of opening up the continent some day for mineral exploitation, not to mention the significant effects of pollution arising from human activities elsewhere on the planet on this most fragile of ecosystems.

Regarding the opportunities of the market economy for biodiversity, there are many well-established success stories of market approaches to biodiversity conservation ranging from responsible and profitable private protected areas in southern Africa to sustainable coral reef harvesting in southeast Asia to BioTrade programmes in the Andes to wetland banking in North America.

In short, the global market economy is having a material impact on biodiversity everywhere. In some cases, this impact is negative and in others it is positive. Hence, it is no easy matter to frame a discussion or to develop a coherent programme of work on implementing the biodiversity-related conventions in the context of the global market economy.

For the purpose of this concept paper, however, three broad themes which arise in the context of all six of the key biodiversity conventions will be highlighted. By no means do these three topics cover all the issues – particularly the complex sectoral issues in agriculture, fisheries, forestry and tourism – but they do provide an opportunity for beginning to explore areas for substantive collaboration among the Secretariats so as to increase their effectiveness in supporting implementation. These three broad themes are:

- Private-sector engagement
- Incentive measures
- International trade

Interestingly enough, these three themes – which are covered in more detail in subsequent sections of this concept note – were not on the agenda of the recent (September 2006) meeting of the Biodiversity Liaison Group. This meeting included representatives of the Secretariats of the six biodiversity-related conventions. Nevertheless, UNCTAD believes that addressing these themes will enable the six conventions and others to better implement the broad areas which the Liaison Group have already identified for enhanced cooperation. These areas are:<sup>4</sup>

- “Enhancing contributions to achieving and monitoring progress towards the 2010 target.
- Participating in the development of a Global Partnership for Biodiversity.
- Harmonizing national reporting processes to increase information quality and reduce the reporting burden on Parties.

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<sup>4</sup> <http://www.biodiv.org/cooperation/related-conventions/options.shtml>

- Strengthening national implementation, through, for example, increased coordination among national focal points of the various conventions.
- Developing common approaches to addressing the major threats to biodiversity, as identified by the Millennium Ecosystem Assessment (i.e., climate change, land use change, invasive species, overexploitation and pollution).
- Working to integrate biodiversity concerns into the implementation of the Millennium Development Goals and the development process more generally, emphasizing the links between environmental sustainability and development.
- Coordinating requests to scientific assessments, and sharing scientific expertise and tasks among the conventions.
- Sharing criteria, guidelines and definitions to promote coherence.”

Perhaps of particular significance to developing cooperation among the convention Secretariats to address biodiversity in the context of the global market economy and to focus on these three themes in particular, is the emphasis on “working to integrate biodiversity concerns into the implementation of the Millennium Development Goals and the development process more generally, emphasizing the links between environmental sustainability and development.” Three of the critical links between environmental sustainability and development are most definitely private-sector engagement, incentive measures and international trade.

#### 4. Private-sector engagement

Engaging the private sector has become increasingly recognised within the biodiversity community as a critical issue. By way of example, it was a major topic of the 3<sup>rd</sup> IUCN World Conservation Congress in 2004. This Congress included several thousand participants, representing states, government agencies, and NGOs – many of which are members of IUCN – as well as intergovernmental agencies and the biodiversity-related conventions. Some of the many key messages from the various workshops on the private sector included the following:<sup>5</sup>

- “Work through supply chain to reach small business and build financial incentives for them to address biodiversity
- Find ways of measuring progress towards outcomes
- Build structures for a sustained and sustainable dialogue
- Establish best practice for addressing community issues
- Strive for consistency in defining what is important and why
- Challenge to work together towards robust regulation
- ‘Certification’ alone is not ‘sustainability’ – important to better understand linkages between certification and other sustainability mechanisms
- Biodiversity is material to investment
- The environmental community needs to better elicit and communicate the business case for biodiversity
- The conservation community is well positioned to promote responsible SMEs [Small- and Medium-sized Enterprises] and provide a window for identifying investment opportunities
- With hard work and commitment, biodiversity partnerships – like marriages –are working
- Capacities need to be built or coordinated to address both corporate policies (at the head office level) and corporate actions (at the operational level)
- Guidelines need to be developed on how best to accept private sector funds without compromising integrity or independence”

All of these key messages are relevant to developing a coherent approach to engaging the private sector in the commitments and the programmes of work of the biodiversity-related conventions. This is made clear in the preambular text of the recent decision of the CBD Parties

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<sup>5</sup> [http://www.biodiversityeconomics.org/events/business\\_events\\_at\\_wcc3/closing\\_plenary.html](http://www.biodiversityeconomics.org/events/business_events_at_wcc3/closing_plenary.html)

on private-sector engagement. Though there are numerous decisions of the Parties to the various biodiversity-related conventions on the private sector – often focused on biodiversity-related industries such as agriculture, fisheries, forestry and tourism – this decision is unique in adopting a strategic approach to the private sector as a stakeholder in biodiversity conservation. The preambular decision text reads:<sup>6</sup>

“Noting the need to enhance voluntary commitments of the private sector to, and strengthen regulation in support of, the objectives of the Convention,

“*Recognizing* that the private sector encompasses a broad range of actors,

“*Noting* that there are multiple reasons for promoting the engagement of business and industry in the implementation of the Convention ...”

There are, of course, multiple reasons for engaging business in the implementation of all the biodiversity-related conventions. Ramsar is concerned with the wise use of wetland resources, which includes fisheries and the ecosystem services wetlands provide to local and regional economies. WHC is concerned with protection of key natural sites, many of which are or should be of major interest to the tourism industry. More challenging perhaps for their protection, some World Heritage sites are also of interest to the mining industry.

CITES is, after all, a convention concerned with the trade of species through international markets by private, profit-seeking companies. Through its systems of appendices and annotations, it can help to stop detrimental trade and also to recognise non-detrimental or sustainable trade. CMS provides a unique opportunity to understand the linkages between movements of species and the movements of goods and services, notably in the tourism sector.

The objectives of the CBD – conservation, sustainable use and benefit-sharing – link biodiversity conservation to the sustainable use of biological resources by private companies and in turn to the sharing of the benefits arising from this use among the various stakeholders of the biodiversity resource and of the companies concerned. Finally, ITPGRFA adopts a similar approach to the CBD for plant genetic resources.

Speaking at the IUCN Business Day at the World Summit on Sustainable Development in Johannesburg in 2002, the then chief executive of the International Finance Corporation, Peter Woicke, stated clearly the reason why a multinational investment bank, for example, should be serious about biodiversity. He stated:<sup>7</sup>

“For us, there is no question about whether there is a business case for sustainability. As an institution, we have cleared that hurdle. Earlier this year, we released a study making the business case for sustainability in the emerging markets.

“With respect to biodiversity, in particular, we think it clearly meets several of the value propositions in the business case.

“There is the value of necessity. Which is to say that biodiversity is a requirement for a healthy global environment, and you need a healthy environment to maintain a functioning world economy that improves peoples' lives.

“There is also the value of market opportunity, particularly in sectors such as eco-tourism.

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<sup>6</sup> <http://www.biodiv.org/decisions/default.aspx?m=COP-08&id=11031&lg=0>

<sup>7</sup> <http://www.gcgf.org/ifcext/home.nsf/Content/IsThereABusinessCaseforBiodiversity>

“And there is a larger value proposition, which is the aesthetic and existence value of biodiversity. Every time we lose a species, we are diminished just a little bit in culture and spirit. We lose a little bit of the richness of who we are as humans.

“To put it bluntly: the businesses that respect those values will survive and be rewarded with goodwill, strong brands, and lower risk profiles. And the businesses that do not will be punished by local communities or by the markets. It's that simple.

“So we do see the business case. There is a financial gain to be had if you handle these issues well. And there is a financial risk if you handle them badly.”

Today, we can probably say that the business case for biodiversity has been made. Though, of course, not everyone is aware it and there is much awareness-raising needed. The major challenge, however, now facing the biodiversity-related conventions is to build “the biodiversity case for business” and to design effective and efficient programmes of work which will truly engage the private sector in the conservation of our planet's biodiversity and the equitable and sustainable use of its biological resources. There is much to be done as noted by the discussion at the CBD COP8 of the private sector resolution. The Earth News Bulletin reported:<sup>8</sup>

“The EU stressed development of tools and guidelines to improve the private sector's engagement. India encouraged private sector involvement in technology transfer. NGOs cautioned against emphasizing the role of the private sector over other stakeholders, while a private sector representative cautioned against treating the business sector as a single actor.”

UNCTAD BT actively works with the private sector. It regularly organises Business roundtables, it supports export promotion efforts of more than 50 companies and provides hands-on support to companies to implement the BT P&C. In so doing, it is supporting the biodiversity objectives of the CBD and other conventions. The workshop could discuss ways in which partners such as UNCTAD BioTrade could increase private-sector engagement with the implementation of the biodiversity-related conventions.

## 5. Incentive measures

Incentive measures for biodiversity is a large and highly complex topic which is currently being addressed either explicitly or implicitly under all six of the biodiversity-related conventions. The CBD website explains the issue as follows:<sup>9</sup>

“Incentive measures seek to “internalize” the public-good value of biodiversity into the decision-making of these actors. When full internalization is not possible due to economic and social circumstances, incentive measures should at least bridge the profitability gap between unsustainable activities and sustainable alternatives and thus induce these actors to conserve biological diversity or to use its components in a sustainable manner. Importantly, such an inducement does not rely on an outright prescription or prohibition of specific activities.

“Incentive measures usually take the form of a new policy, law, or economic or social programme. However, a single incentive measure functions within the broader set of incentives governing human behaviour, and its effectiveness depends upon support from the existing social, economic and policy environment.”

Several of the conventions – perhaps most notably Ramsar, CITES and the CBD – have had extensive discussions and specific decisions of their Parties regarding incentive measures. As evidenced by the recent discussions on incentives at the 54<sup>th</sup> meeting of the CITES Standing

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<sup>8</sup> <http://www.iisd.ca/download/pdf/enb09363e.pdf>

<sup>9</sup> <http://www.biodiv.org/programmes/socio-eco/incentives/incentives.shtml>

Committee (SC), there remains a wide range of views. The Earth News Bulletin reported on this discussion as follows:<sup>10</sup>

“ECONOMIC INCENTIVES: On Friday, the Secretariat introduced the document on economic incentives (SC54 Doc.41). He highlighted information-sharing workshops, benefits of trade to wildlife and livelihoods, and the role of the private sector. He further outlined the recommendations to: consider ways to recognize and reward good practices and hold a sustainable trade forum in parallel with COP-14 as a side event not organized by the Secretariat, for the private sector, local communities and others to share information.

“China reported on the Cape Town Workshop on 5-7 September 2006, organized by Fauna and Flora International and others, which emphasized the importance of livelihoods for developing countries. The EU and Namibia supported the recommendations while Oceania opposed and Argentina noted other forums, such as the CBD, deal with economic incentives. The US called for informal discussions instead of a parallel forum. The SSN stressed national action and IFAW said economic incentives should not impinge on the CITES’ priority of ensuring that trade is not detrimental to natural resources.

“The SC noted the report.”

In light of this and other such discussions, the recent decision of the CBD Parties to undertake an in-depth review of incentive measures at their next Conference of the Parties provides an ideal opportunity for bringing together the relevant incentives work of the biodiversity-related conventions:<sup>11</sup>

“*Noting* that the work on incentive measures under the Convention is scheduled for in-depth review by the ninth meeting of the Conference of the Parties ... [the Conference of the Parties] ... decides to initiate a structured, transparent and inclusive preparatory process for the in-depth review of work on incentive measures with a view to identify, for consideration by the Conference of the Parties at its ninth meeting, the further outcomes that would be required from a revised programme of work on incentive mechanisms to meet obligations under the Convention and the requirements of Parties, and possible options for a future programme of work.”

By way of providing a framework for this review, the CBD Parties also decided to invite:<sup>12</sup>

“Parties, other Governments, international organizations and stakeholders to communicate to the Executive Secretary their experiences in the implementation of the programme of work on incentive measures contained in decisions V/15, VI/15 and VII/18 and provide views on elements such as:

- a) Lessons learned and key challenges in implementing the existing programme of work, based on practical examples and case-studies from national implementation, where available, including whether the measures initiated or adopted by Parties have maintained or improved the conservation and sustainable use of components of biodiversity;
- b) Options to address the challenges identified;
- c) Priorities for a future programme of work including requirements for effective national implementation, including financial and institutional support and capacity-building;
- d) Key gaps in the work to date, and gaps and obstacles in the existing programme of work that are impeding its implementation at the national level;
- e) Interface with other international initiatives and instruments in this area;
- f) Linkages to other programmes of work under the Convention.”

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<sup>10</sup> <http://www.iisd.ca/download/pdf/enb2150e.pdf>

<sup>11</sup> <http://www.biodiv.org/decisions/default.aspx?m=COP-08&id=11040&lg=0>

<sup>12</sup> <http://www.biodiv.org/decisions/default.aspx?m=COP-08&id=11040&lg=0>

The 9<sup>th</sup> Conference of the Parties to the CBD – scheduled to take place in 2008 in Germany – could provide an ideal time for a thorough review and discussion of the role of incentive measures in the implementation of the biodiversity-related conventions. To meet this deadline, a programme of work under the Biodiversity Liaison Group in partnership with key institutions such as UNCTAD, UNEP, and IUCN would need to be funded and implemented as soon as possible.

UNCTAD BioTrade and National BioTrade Programmes provide a wide range of incentives, from technical assistance to access to finance.

There are many issues to address. By way of example, at a recent informal expert workshop on practical guidelines for equitable sharing of benefits of biological resources in BioTrade activities, the participants identified key elements of a revised framework for the BioTrade guidelines on equitable sharing of benefits. These included:<sup>13</sup>

1. Building trust between actors in the value chain.
2. Enhancing business and legal skills for producers and communities.
3. Promoting fair and equitable commercial relationships.
4. Encouraging broader cooperation and benefit-sharing.
5. Increasing recognition of the value of traditional knowledge.

Will such an approach to benefit sharing provide incentives for sustainable use of biological resources and biodiversity conservation? What other measures are needed to ensure we meet our biodiversity objectives by 2010 and beyond? This workshop could explore opportunities for the biodiversity-related conventions to develop a more integrated and strategic approach to the complex but critical topic of incentive measures.

## 6. International trade

Also the 3<sup>rd</sup> IUCN World Conservation Congress, one of the major topics of its World Conservation Forum was trade and biodiversity. Representatives of the biodiversity community from around the world, made the following key observations on this topic:<sup>14</sup>

- “Trade is happening and it’s here to stay. It is not a question of whether trade is a friend of biodiversity, but rather how to make it friendlier.
- A Sustainable Development approach to trade is needed, which takes into account the special concerns of the South.
- The Conservation Community needs to be responsive, responsible and focused, and understand and articulate the links between trade and biodiversity.
- Current trade negotiations present windows of opportunity – Urgency for the Conservation Community to engage.
- Focus on creating coherence and preserving spaces for environmental policy – WTO, MEAs, Regional and Bilateral FTAs.
- Enable the Conservation Community to engage in the debate through Capacity Building, Policy Integration, Empowerment.”

With the more recent collapse of the Doha Development Round of the World Trade Organization (WTO) – which was to have made the international trade regime substantively responsive to sustainable development – it is perhaps even more critical for the biodiversity-related conventions to address the implications of international trade for biodiversity highlighted at the 2004 IUCN Congress. In this context, it is worth recalling the text of the 2001 Doha Ministerial Declaration on sustainable development:<sup>15</sup>

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<sup>13</sup> [http://www.biotrade.org/BTFP/BTFP-docs/Reports/BS\\_workshop\\_Report.pdf](http://www.biotrade.org/BTFP/BTFP-docs/Reports/BS_workshop_Report.pdf)

<sup>14</sup> [http://www.biodiversityeconomics.org/applications/library\\_documents/lib\\_document.rm?document\\_id=439](http://www.biodiversityeconomics.org/applications/library_documents/lib_document.rm?document_id=439)

<sup>15</sup> [http://www.wto.org/English/thewto\\_e/minist\\_e/min01\\_e/mindecl\\_e.htm](http://www.wto.org/English/thewto_e/minist_e/min01_e/mindecl_e.htm)

“We strongly reaffirm our commitment to the objective of sustainable development ... We are convinced that the aims of upholding and safeguarding an open and non-discriminatory multilateral trading system, and acting for the protection of the environment and the promotion of sustainable development can and must be mutually supportive.”

For example, the substance of paragraph 31 of the Doha Declaration remains an important clause for the biodiversity-related conventions. It reads:<sup>16</sup>

“31. With a view to enhancing the mutual supportiveness of trade and environment, we agree to negotiations, without prejudging their outcome, on:

- (i) the relationship between existing WTO rules and specific trade obligations set out in multilateral environmental agreements (MEAs). The negotiations shall be limited in scope to the applicability of such existing WTO rules as among parties to the MEA in question. The negotiations shall not prejudice the WTO rights of any Member that is not a party to the MEA in question;
- (ii) procedures for regular information exchange between MEA Secretariats and the relevant WTO committees, and the criteria for the granting of observer status;
- (iii) the reduction or, as appropriate, elimination of tariff and non-tariff barriers to environmental goods and services.”

The interest of CITES in this paragraph was presented in detail at the recent 54<sup>th</sup> meeting of its Standing Committee. The Secretariat’s paper on the WTO noted:<sup>17</sup>

“There has been a substantial amount of discussion on Paragraph 31(i) centred around three main themes: the identification and discussion of Specific Trade Obligations (STOs) in MEAs; the sharing of national experiences in the negotiation and domestic implementation of STOs in MEAs, including how the domestic policy formulation process takes place in areas involving the WTO-MEA interface and how that process is reflected on the international plane; and the recognition of global governance principles related to the WTO-MEA relationship.”

This paper also address the other sections of Paragraph 31 and shows clearly that CITES – quite understandably – has a leading role to play among the six biodiversity-related conventions on matters relating to international trade.

Regarding the CBD and trade, the last Conference of the Parties requested the Secretariat to actively engage with matters of international trade through collaboration with the WTO. Their decision:<sup>18</sup>

“Requests the Executive Secretary to liaise with the secretariat of the World Trade Organization on relevant issues, including trade-related intellectual property rights, sanitary and phytosanitary measures, and environmental goods and services, *inter alia*, with a view to identifying options for closer collaboration, including developing a memorandum of cooperation to promote the three objectives of the Convention.”

The nexus between biodiversity and international trade is, of course, much more than the nexus between the biodiversity-related conventions and the WTO. Increasingly regional trade agreements, such as the European Union, the North American Free Trade Act (NAFTA) and Mercursor, are rising in prominence. For example, regarding NAFTA’s Commission for Environmental Cooperation (CEC):<sup>19</sup>

“In 2003, the CEC Council adopted the Strategic Plan for North American Cooperation in the Conservation of Biodiversity. This is a landmark of cooperation among the NAFTA partners to protect our shared environment, and under this Plan the NAFTA Parties will

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<sup>16</sup> [http://www.wto.org/English/thewto\\_e/minist\\_e/min01\\_e/mindecl\\_e.pdf](http://www.wto.org/English/thewto_e/minist_e/min01_e/mindecl_e.pdf)

<sup>17</sup> <http://www.cites.org/eng/com/SC/54/E54-11.pdf#search=%22wto%22>

<sup>18</sup> <http://www.biodiv.org/decisions/default.aspx?m=COP-08&id=11030&lg=0>

<sup>19</sup> <http://www.dfait-maeci.gc.ca/nafta-alena/nafta10-en.asp>

identify potential collaborative opportunities for biodiversity conservation that arise from regional trade.”

As appropriate, bilateral trade agreements may also be considered by the Secretariats and their partners. For example, the United States – Peru Trade Promotion Agreement contains a side-letter on biodiversity which states:<sup>20</sup>

“The Parties recognize the importance of traditional knowledge and biodiversity, as well as the potential contribution of traditional knowledge and biodiversity to cultural, economic, and social development.

“The Parties recognize the importance of the following: (1) obtaining informed consent from the appropriate authority prior to accessing genetic resources under the control of such authority; (2) equitably sharing the benefits arising from the use of traditional knowledge and genetic resources; and (3) promoting quality patent examination to ensure the conditions of patentability are satisfied.”

There are clearly opportunities for exploring collaboration between the various biodiversity-related conventions – some of which have specific regional dimensions such as wetland ecosystems and species migration routes – to address the myriad of international and regional trade agreements and their impact on biodiversity.

In particular, at the global level there is both a challenge and an opportunity to re-position the biodiversity-related conventions strategically with respect to the international trade regime. When CITES was established in 1975 it was one of the few multilateral agreements on international trade. Focusing on trade in endangered species of wild fauna and flora, however, it essentially sat next to the 1947 General Agreement on Tariffs and Trade (GATT). Furthermore, CITES focused specifically on wild species – a subset, albeit an important subset, of our larger understanding today of biodiversity.

In the 1990s, the international rules on both conservation and trade took major steps forward with the establishment of the Convention on Biological Diversity (CBD) in 1992 and the World Trade Organisation (WTO) in 1995. Can/should CITES be repositioned explicitly as the international agreement linking the WTO and other trade-related agreements with the CBD and other biodiversity-related agreements? The workshop could review opportunities for a more integrated and strategic approach to addressing the biodiversity aspects of international trade.

## 7. What needs to be done?

This concept paper has not attempted to survey all the work that has been undertaken by the Secretariats and their partners regarding biodiversity and the global market economy. Rather, the paper has hopefully stimulated some fresh thinking and generated a real interest among the Secretariats to share experiences and explore opportunities for setting coordinated priorities on what needs to be done.

In this regard, key questions for the strategic workshop could include the following:

- Perhaps most importantly, what have each of Secretariats achieved to date with respect to the key issues of international trade, incentive measures and private sector-engagement?
- In particular, what have each of the Secretariats achieved which adds value to the efforts of the other Secretariats?
- To move forward, what needs to be done which could be done more effectively through a collaborative effort of the Secretariats and their partners?

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<sup>20</sup> [http://www.ustr.gov/assets/Trade\\_Agreements/Bilateral/Peru\\_TPA/Final\\_Texts/asset\\_upload\\_file719\\_9535.pdf](http://www.ustr.gov/assets/Trade_Agreements/Bilateral/Peru_TPA/Final_Texts/asset_upload_file719_9535.pdf)

- With respect to private sector engagement, does it make sense to develop a common strategy for building private-sector support for the biodiversity-related conventions?
- With respect to incentive measures, are the biodiversity-related conventions clearly incentive-compatible? Or are there areas in which the modalities of the conventions need to be realigned so as to more clearly support common biodiversity objectives?
- With respect to international trade, is paragraph 31 of the Doha Declaration still relevant? Or are there other WTO-related issues which should be given priority? What role should CITES play in linking trade objectives and biodiversity objectives?
- Finally, with respect to partners like the UNCTAD BioTrade Initiative, should the Secretariats explore collaborative opportunities to engage their partners more effectively?

### Key documents

Key documents from the biodiversity-related conventions and others on the three themes of private sector engagement, incentive measures and international trade can be found on the Earthmind BioTrade work site: <http://earthmind.net/biotrade>.

Key documents relating to the work of the UNCTAD BioTrade Initiative can be found on its website: <http://www.biotrade.org>.



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