



Biodiversity and the Global Market Economy

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

Villa le Bocage, UNCTAD, Palais des Nations, 1211 Genève 10, Switzerland

14-15 November 2006

The workshop organised by UNCTAD aimed to promote collaboration among the Secretariats of the biodiversity-related multilateral environmental agreements (MEAs), and provide an informal space for discussions to explore the challenges and opportunities faced in implementing these agreements, particularly with respect to issues related to the global market economy. The workshop brought together key representatives from the different MEA Secretariats and other stakeholder organisations to exchange experiences and discuss a common strategy for three key areas of work: private-sector engagement, incentive measures and international trade. Discussions took place on the basis of presentations made by each of the Secretariats in which approaches, challenges and opportunities related to these three areas were shared. In-depth discussions followed, where common objectives were identified, and plans for future collaboration proposed.

Biodiversity and the Global Market Economy

The global market economy presents both risks and opportunities for biodiversity conservation and biotrade businesses. In order to mainstream the conservation efforts of actors in the global market economy and maximise concrete contributions towards the environmental and development objectives of the MEAs, it is important that the Secretariats come together in an informal forum to exchange experiences and challenges. Failing to take advantage of the global market may result in a possible disassociation of conservation efforts and biotrade business, which may have direct implications for sustainable development objectives.

Participants noted that there is a need for further discussion on these issues at various levels. Many of these discussions are currently dominated by international conservation NGOs and the absence of a neutral exchange of information has led to confusion among the different actors and MEA partners. There is therefore a need to involve Parties – notably developing countries Parties -- in the debate, and to include environmental and trade ministers, as well as national MEA focal points. There is, of course, also a need to include private sector representatives at both the MEA level and the national level.

After participants had shared experiences and challenges regarding the three above-mentioned topics related to the global market economy, there were a number of threads identified, common to all MEAs. For example, the issue of certification and branding was raised by many of the Secretariats, as well as the question of how to 'market' the politically complex concept of incentive measures. Despite ongoing cooperation among MEAs, e.g. in the context of the Biodiversity Liaison Group, initial discussions showed that there is the clear need for a more intense collaboration around such issues. Such collaboration may well develop further under the framework of the Biodiversity Liaison Group.

Presentations led to a range of interesting points for discussion and areas for practical collaboration. However, so as to maximise the limited time participants had together, and to create a space for a rich, focused exchange of ideas, the sessions, moderated by UNCTAD, were built around three key areas or work mentioned above: private-sector engagement, incentive measures and international trade.

Private-sector engagement

In the course of the discussion, several issues were raised. These included the means by which Secretariats collectively engage the private sector, how to bring businesses into Party delegations, the best approach to enter into dialogue with private-sector groups, and the role of consumer organisations.

As with many discussions, these initial questions led to a more fundamental one: *what is expected from the private sector?* The answer will determine, to a large extent, the approach taken for future initiatives. First, it was acknowledged that this sector should not be treated as homogenous. If MEAs are to be successful in their mandates to involve the private sector, they must take into account the different (sub-) sectors and the drivers behind its engagement. A proposal of best practices, tailored according to the dynamics of the various sectors, should therefore be established so that this group of actors can fully understand its role in biodiversity conservation, sustainable use and equitable sharing of benefits through trade. It was felt that an updated business case for the private sector's engagement in development efforts should be developed. It should be comprehensive *and* understandable, proposing guidelines on how to work with MEAs and applicable to different business sectors.

It was evident that one of key ways in which Secretariats could achieve the objective of private-sector engagement would be to increase support to national focal points (NFPs) common to all MEAs. It was agreed that creating new structures would not be the best way to use limited resources, but rather the MEA network could work with NFPs to increase their understanding and ability in engaging with the private sector. This would strengthen national capacity and provide a network of organisations with which NFPs could work. Developed countries' NFPs should also be engaged. A training programme for NFPs was discussed in this context. Although creating such a programme may be outside the scope of this informal MEA network, it could think about developing training modules that different MEAs could use and or adapt for their own purposes.

The group also decided that it would be useful to develop a strategy on how to promote NFPs engagement with the private sector. A meeting with key private sector delegates, selected NFPs and MEAs to discuss the business case for biodiversity conservation and sustainable use and discuss practices that NFPs could adopt would be very useful. This should eventually result in the development of joint tools such as a practical guide to biodiversity governance and the international, regional and national levels.

The discussions then moved to the issue of international recognition of efforts towards private-sector engagement. Using existing platforms, such as high-level COP events, to bring together delegates and raise the profile of this collaboration could help to gain the support of Parties and amplify the call for greater private-sector involvement in the achievement of the Secretariats' development objectives. The importance of involving private-sector representatives at an early stage in the discussions was also emphasised, with such events providing significant opportunities to bring the debate to the forefront of MEA deliberations.

Although a large part of the discussions centred on the relationship between private-sector actors and MEAs, the issues of market creation and consumer awareness of biodiversity business were also addressed. The margin of market differentiation of a biodiversity product is dependent on its perceived added value in the eyes of the consumer. Therefore, in order to increase consumer awareness on the importance and value of biodiverse products, there must be concerted efforts to implement a comprehensive marketing and communications strategy that can inform the general public of the virtue in buying such products, and their intrinsic value addition. A proposal to approach national and international consumer-interest groups with the aim of involving them in constructive discussions was considered a positive first step.

Incentive measures

Positive incentive measures can stimulate individuals and institutions to make choices which support biodiversity conservation and sustainable development. These measures could include targeted fiscal policies of green taxes and subsidies. Positive incentive measures can also promote private-sector

engagement in sustainable use and trading practices, which in turn can support the implementation of MEA's objectives. In this sense, MEAs see incentive measures as a substantive tool to implement their mandate. All biodiversity-related MEAs present in the meeting have decisions related to incentive measures, but most have had difficulty in implementing those decisions.

Experience shows there is a need for clarity on the target and scope of the incentives as well as on the desired practices that incentives should bring about. Mechanisms need to be in place to assure that the incentives have the desired effect, and that those that receive the incentives, e.g. private sector, continue to apply such practices when the incentives cease to exist. In this context, verification and certification could perhaps be a solution, an issue in which CBD, CITES and Ramsar are all starting to look into.

Although much material (case studies, publications, etc.) exists on incentive measures, Parties seem to have difficulties in applying them and lack tools to assess the effectiveness of incentive measures at country level, and in particular to measure their economic impact. Much more assistance is required in this context.

In the meantime, an increasingly vocal group of Parties and civil society stakeholders have started to wonder if decisions related to incentive measures have brought about the expected results. MEAs that wish to use incentive measures would therefore benefit if the case for positive incentives were made convincingly and were documented. The CBD in-depth review of incentive measures and their invitation for case studies at their next COP would be an opportunity to submit experiences from all biodiversity-related MEAs. Many cases also concern CITES-listed species or Ramsar sites, which would allow for cross-fertilisation of thinking and approaches on incentive measures between the MEAs.

The informal MEA network decided it would be appropriate to prepare an input to CBD's in-depth review on incentives measures, using examples of CITES, CBD, Ramsar, UNCCD, BioTrade, and others. This work would be based on previous analytical studies reviewing incentive measures (e.g. OECD, UNEP and IUCN studies). Also, the possibility would be evaluated to use old published cases (e.g. IUCN, OECD) and to see how these cases have evolved. The possibility of creating cross-MEA incentive frameworks, meaning "packages" of incentives able to address different MEA objectives at the same time (i.e. structured by ecosystems or eco-regions or species), should also be explored. An assessment of the present instruments for incentives at international level might also be useful, including considerations on whether to involve existing mechanisms like the GEF. The study should also point out which instruments exist currently in the different MEAs, and provide action-oriented recommendations that Parties and other interested organisations can use.

Financial means permitting, a meeting would be organised on this issue to discuss some of those cases, preferably in conjunction with the 2007 CITES COP.

The members of the MEA network should be involved in preparing a proposal for the above, discuss the TOR, and identify potential sources of funding. Existing information will be used intelligently to keep the costs of this exercise as low as possible. The UNEP Economics and Trade Branch offered to explore opportunities for funding for this activity.

International Trade

Traditionally, the work of MEAs on trade has been focused on potential trade impacts on biodiversity conservation, and not on the opportunities that trade itself generates for biodiversity conservation and sustainable use. The BioTrade Initiative's approach is therefore very useful, as it presents these opportunities and highlights obstacles that arise out of trade rules. For MEAs, however, it has often been difficult to engage substantively with the WTO. It is even more difficult to engage with regional trade agreements, although these may often be as important to MEAs as the WTO. As trade policies are important, much work still remains to explore the real effects these rules have had on the MEAs.

It was pointed out that trade issues, however, are not a monopoly of WTO. It is a cross-cutting issue that has an important place in MEA discussions. CITES for example is also an intergovernmental trading regime. If you will, CITES is our "wildlife trade organisation." The WTO is not perceived as

critical to the MEAs' programme of work, but some of its discussions may affect their implementation and should therefore be monitored. Examples of this are the discussions on the green-box subsidies, NAMA, or environmental goods and services. ICTSD and the Global Mechanism for example are working on identifying which discussions might have an impact on the UNCCD.

WTO is not always the most appropriate place to address trade issues faced by the MEAs. UNEP, for instance, is active in work on fishery subsidies, the relationship between MEAs and the WTO, and improving communication on trade issues among MEAs and between MEAs and the WTO. Nevertheless, there is overall very little analysis being done on the impact of trade liberalisation on MEAs at national levels.

One of the obstacles when addressing MEAs and trade is the controversy that surrounds it. In the CBD, for example, many trade-related decisions need footnotes to temper their stance on these issues. There was general agreement in the meeting that MEAs, WTO and regional trade agreements should be mutually supportive. MEAs therefore stressed the importance of work on national trade policies in order to make sure that these are conducive to trade and MEA objectives at the same time.

It is therefore important that the process for information dissemination be strengthened, particularly among delegates in both MEAs and trade negotiations. It seems much attention has been put on informing the trade community, but the MEA community also needs to receive more trade related information. It was proposed that ICTSD could perhaps bridge this gap by systematically feeding this information into their intelligence dissemination material and ensure that a range of MEA focal points receive it.

It is important that the messages that "not all trade is bad" and that "trade can result in a positive net benefit for biodiversity" be disseminated. This can only be done through the strengthening of national capacity among negotiators, training them on the importance of trade measures in MEAs. Supporting negotiating power in regional agreements is critical, as well as a clear understanding of the role of the WTO and its limitations.

Conclusions

The final part of the workshop was dedicated to taking decisions on the activities of the MEA network. The informal network decided to transform itself into an MEA network with a focus on biodiversity agreements and economic issues. It will address the issues of private sector, incentive measures and trade in the following way:

Regarding private-sector engagement, discussions resulted in two strategies: The first, to look for ways to support national focal points in engaging with the private sector. The second, to focus attention on market and consumer awareness of biodiversity. The following steps will be taken:

- A first meeting will be organised involving private sector, focal points and MEAs to get a better understanding on how to approach this issue and create the business case for biodiversity conservation and sustainable use.
- One of the results of this work would be a practical guide to biodiversity governance for the private sector.
- The group would seek an opportunity to meet with national and international consumer organisations (e.g. consumer international), and support national focal points in engaging with these organisations.

Regarding incentive measures, participants agreed to:

- provide inputs to the CBD in the context of the forthcoming in-depth review on incentive measures (as mandated in COP8 Decision VIII/26 on Incentive Measures), and compile a set of case studies that uses examples from CITES, CBD, Ramsar, UNCCD, BioTrade, etc.

- provide action-oriented recommendations and methodologies, showing which instruments are available under existing MEAs;
- draft a proposal with terms of reference to look for funding; and
- organise a meeting during CITES COP (June 2007) to raise the profile on this issue, where the various case studies will be presented.

Regarding international trade, it was agreed that:

- existing processes should be used as much as possible;
- efforts should be made to increase the visibility of the sustainability agenda and remove misconceptions about sustainable trade; and
- ICTSD would discuss with MEAs ways to reach all their focal points.

Next Steps

It was agreed that the MEA network should inform and invite other interested MEAs and others stakeholder groups to participate in future events. It was also decided that UNCTAD will draft letters to the heads of the MEAs.

UNCTAD would hold discussions with UNEP to see if the group could be serviced jointly and if funds can be raised to facilitate a number of the activities out-lined above.

Opportunities for meetings and side-events are:

- 6-8 May 2007 (Geneva Switzerland): BioTrade will be holding a meeting with the private sector during Vitafoods International. It will take advantage of meeting to discuss some of the issue raised.
- CITES COP (The Hague, The Netherlands): June 2007
- UNCCD COP (Spain): November 2007
- UNCTAD XII (Accra, Ghana): April 2008
- CBD COP (Bonn, Germany): June 2007/May 2008
- Ramsar COP (Seoul, South Korea): November 2008