



TOWARDS POST-2020 EXPERTISE ON #17

SUSTAINABLE TRADE: RETHINKING THE ROLE OF BIODIVERSITY- BASED GOODS AND SERVICES TO RESCUE BIODIVERSITY?

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The post-2020 discussions so far have made it clear that our society can no longer continue with business as usual without risking biodiversity loss. How can we trigger the needed transformative change in our society to not jeopardise biodiversity while sustainably supporting livelihoods? Biodiversity-based goods and services and their sustainable trade will play a key role if ambitiously and concretely addressed.



“THE WORLD NEEDS TO RECOGNISE THAT LOSS OF BIODIVERSITY AND HUMAN-INDUCED CLIMATE CHANGE ARE NOT ONLY ENVIRONMENTAL ISSUES BUT DEVELOPMENT, ECONOMIC, SOCIAL, SECURITY, EQUITY, AND MORAL ISSUES AS WELL. THE FUTURE OF HUMANITY DEPENDS ON ACTION NOW.”

Robert Watson, Chair IPBES, 2019

In recent years, unsustainable patterns and levels of production and consumption of products and services originating from biodiversity have been identified as some of the indirect drivers of biodiversity loss ¹.

Still, biodiversity is indispensable to our society; half of the global GDP (USD 47 trillion) comes from the direct use of nature ². Today, 4 billion people ³ directly depend on biodiversity (including forestry, agriculture, and fisheries) for their livelihoods and their main sources of income.

Many of these biodiversity-based goods and services (BBGS) are essential in every corner of our daily lives, from our main source of food to medication against life-threatening diseases. Yet the overdrive of business activities and consumer demand is contributing to the loss of nature and ecosystem degradation at an alarming rate, putting our entire society at risk.

We urgently need a model in which BBGS are produced and consumed in a sustainable way that safeguards biodiversity and livelihoods for everyone. At the same time, it must be economically viable, socially fair, and firmly supportive of the achievement of the UN Sustainable Development Goals (SDGs).

Cover photo:
Fresh herbs sold at Laos market, Lika Sasaki



Mangrove trees, Florida Keys, Florida, USA

1. THE INTERCONNECTED RELATIONSHIP BETWEEN SUSTAINABLE TRADE, BBGS, AND ECONOMIC SUSTAINABILITY

Shifting to the sustainable trade of BBGS in local, regional, and international markets can contribute to reorient global trade and therefore also change the consumption and production patterns for sustainability and biodiversity in the long term. Concretely, it can improve the efficiency of resource allocation, diminish overexploitation, and prevent the degradation of ecosystems while building resilient livelihoods and developing an inclusive and prosperous economy and society. Moreover, consumers are increasingly becoming aware of the importance of biodiversity and are demanding that companies to play their parts to be more responsible ⁴.

All this provides clearer incentives and awareness for producers, collectors, harvesters, small and medium enterprises (SMEs), and transnational corporations (TNCs) on the importance of protecting and conserving biodiversity rather than destroying it.

While there is no standardised definition, BBGS can be defined as agricultural products and services from wild collection or cultivation practices that originate from a biological origin, including vegetable and animal species found on land, water, or air.

BBGS may include:

1. Those coming from cultivation practices, which include native species that are domesticated and/or from wild varieties, through activities such as agriculture or aquaculture.
2. Products derived from wild collection such as fauna (e.g. ornamental fish), fauna derivatives, and flora (e.g. medicinal plants, flowers, and foliage).
3. Services that are derived from biodiversity (e.g. sustainable tourism) ⁵.

2. THE RELEVANCE OF BBGS TO THE POST-2020 GBF

The discussion on the sustainable trade of BBGS cannot come at a timelier moment, as the new targets for the post-2020 global biodiversity framework (GBF) are currently being discussed. While there have been no direct measures related

to trade within the Convention of Biological Diversity (CBD), it has been an ongoing issue within its discussions. The Secretariat of the CBD has been calling for and promoting the increased marketing of products and engagement of businesses that sustainably utilise biodiversity ⁶. The Secretariat also maintains dialogues with other trade-related UN conventions and agencies such as the World Trade Organization (WTO) and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in areas of mutual interest.

While the momentum for BBGS and their sustainable trade gains traction, global demand is also projected to continue, thus making this topic's inclusion crucial to the post-2020 GBF discussions.

During a five-year period (2014-2019), the natural product sector revenue increased by 25% to an annual sale of USD 64 billion ⁷. Among businesses, strong trends emerged to reinforce “nature-positive” actions in their products and services, which may generate up to USD 10.1 trillion in annual business value by 2030 and provide for 395 million jobs ⁸.

BBGS also play a crucial part in the SDGs. The 2030 Agenda recognises international trade as a vital engine ⁹ for inclusive economic growth and poverty reduction. The SDGs identify that economic development must go hand in hand with social development and environmental protection. However, this will not be possible if the current trend of biodiversity loss continues. Moreover, all of the Aichi Targets directly or indirectly correspond with all of the SDGs ¹⁰. With much talk on the post-2020 GBF emphasising the importance of aligning to the SDGs, BBGS can be one of the bridging elements of the two instruments.

INCORPORATING SUSTAINABLE USE AND SUSTAINABLE TRADE INTO THE POST-2020 GBF WILL BE A KEY ELEMENT TO CREATE THE ENABLING POLICY ENVIRONMENT AND PROVIDE INCENTIVES FOR COLLABORATIVE INITIATIVES THAT CAN EVOLVE INTO CONCRETE ACTIONS.

BBGS also highlight the importance of sustainable use of biodiversity, which is the CBD's second objective as well as a key issue in the ongoing discussions. Incorporating sustainable trade of BBGS into the final document of the framework could prompt countries to adopt more ambitious policies on the conservation and sustainable use of biodiversity. Parties are thus more encouraged to engage the government and the private sector to develop concrete methods for sustainable use, as called for by CBD Article 10(e). It will also support stakeholders to wisely value their biodiversity and to discover and seize more sustainable economic opportunities.

¹ IPBES (2019), Report of the Plenary of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services on the work of its seventh session. <https://cutt.ly/RgeYElh>

² <https://cutt.ly/lgeYOdx>

³ CBD, Biodiversity and the 2030 agenda for sustainable development - Policy Brief. <https://cutt.ly/pgeY9qH>

⁴ UEFT (2020), The Big Shift: Business for Biodiversity. <https://cutt.ly/pgWayni>

⁵ Adapted from UNCTAD SDG Pulse (2020), Trade, food security and sustainable agriculture, and BT ABS handbook - UNCTAD, 2017a. <https://cutt.ly/wgNlOyj>

⁶ CBD (2020), Welcome to the Business Engagement Programme. <https://cutt.ly/6gelaZe>

⁷ BCG (2019), Pure Growth from Natural Products. <https://cutt.ly/PgellaO>

⁸ WEF (2020), New Nature Economy Report II: The Future of Nature and Business. <https://cutt.ly/egN0kfG>

⁹ United Nations (2020), Trade. <https://cutt.ly/YgeOtBT>

¹⁰ CBD (2017), Biodiversity and the 2030 agenda for sustainable development - Technical Note. <https://cutt.ly/FgeOhgq>

This in turn can create more incentives to safeguard biodiversity in innovative ways.

3. HOW SUSTAINABLE TRADE OF BBGS IS SUCCESSFULLY IMPLEMENTED ON THE GROUND

For countries seeking to better balance their economic prosperity and poverty eradication, it is especially important to maintain the future of a healthy and resilient biosphere. Sustainably produced BBGS can provide more access to markets, which then leads to more opportunities to diversify their economies while creating green and decent jobs¹¹ and increasing income, which will result in reducing poverty.

LOCAL-TO-INTERNATIONAL ACTOR COLLABORATION: A CHANCE FOR COMMUNITIES TO BUILD RESILIENCE AND LONG-TERM PROSPERITY

The sustainable trade of BBGS needs to be conducted and operated under a framework that requires objective collaboration amongst stakeholders including governments, academia, businesses, and civil society. Most importantly, it needs to enhance the competency, skills, and resilience of local communities¹² to implement activities for capacity-building and to raise awareness on the importance of these challenges.

One such example can be seen in the ecotourism industry. Marine and coastal tourism¹³ is among the fastest-growing subsectors within the global tourism sector, including nature-based tourism activities that focus on marine biodiversity¹⁴. This creates additional, strong economic incentives for ecosystem conservation. The San Ignacio Lagoon in Mexico is well known for its whale sanctuary and has been designated a UNESCO Biosphere Reserve and World Heritage site¹⁵.

In recent decades, the communities surrounding the lagoon have become dependent on the whale-watching tour business. Though global guidelines for responsible whale-watching already exist, these local communities took the matter into their own hands to take additional measures. Working with local fishers who have extensive management techniques and knowledge of the area and with governments to regulate the local biodiversity, they have created a sustainable whale-watching industry that protects the habitats of the whales while generating an annual profit of over USD 3 million¹⁶.

Formulating policies and incentives that translate into implementing models that support the conservation and sustainable use from BBGS is also

an important factor. UNCTAD's BioTrade Initiative has pioneered since 1996 to foster sustainable trade of BBGS to conserve biodiversity, build sustainable livelihoods, and promote sustainable development. Its BioTrade¹⁷ Principles and Criteria (BT P&C) are currently being used and adapted by governments, businesses, and initiatives in over 60 countries.

Helvetas Swiss Intercooperation is among these using the BT P&C; since 2017, their programme in the Southeast Asia region has been aiming to increase the competitiveness of local exporters/producers and livelihood benefits in the natural ingredient sector¹⁸. Duc Phu Agriculture Forestry Joint Stock Company is an SME participant in this programme, which has been working with over 1,000 households in Vietnam to extract, collect, and export benzoin gum¹⁹. Because global buyers demanded stricter sustainable collection standards, aligning sourcing practices to the BT P&C resulted in higher selling prices and higher income for workers²⁰. In turn, the trees that produce the benzoin gum contribute to the genetic flow and interchange of species in the protected area forests of Northern Vietnam²¹.

4. BUILDING THE CASE FOR SUSTAINABLE TRADE OF BBGS: WHAT FUTURE DO WE WANT?

The next decade will be crucial as it determines the future trajectory of the relationship between biodiversity and trade. The discussions around the post-2020 GBF should consider the following areas:

+ Review and reform national policies

Achieving a sustainable global economy of BBGS will require making fundamental reforms to national policies. Appropriate national laws, policies, finance, and enforcement mechanisms can achieve greater transparency and accountability in production as well as stimulating the use of BBGS. In Peru, a National Commission for the Promotion of BioTrade (PNPB) has been in place since 2004²², which serves as a platform for ministries, academia, and the private sector to collaborate. Among these collaborations is the Exports and Tourism Promotion Board (PromPerú) and the Ministry of Environment, which have been jointly endorsing the conservation and trade of local biodiversity, which provides incentives for biodiversity-friendly SMEs. This collaboration has resulted in annual export sales of BBGS reaching approximately USD 500 million in 2018²³.

+ Proactive collaboration between CBD parties and businesses²⁴

For an ambitious post-2020 GBF, the private sector must play a bigger role to facilitate a proactive and



Blue whale, *Balaenoptera musculus* in San Ignacio Lagoon, Mexico

¹¹ Read [Expertise on #21](#), soon available

¹² *Ibid* (#21)

¹³ Read [Expertise on Marine Biodiversity \(#16\)](#)

¹⁴ UNCTAD (2019), Blue BioTrade: Harnessing Marine Trade to Support Ecological Sustainability and Economic Equity, <https://cutt.ly/QgNOMQB>

¹⁵ <https://cutt.ly/YgePX2x>

¹⁶ UNCTAD (2019), Blue BioTrade: Harnessing Marine Trade to Support Ecological Sustainability and Economic Equity, <https://cutt.ly/QgNOMQB>

¹⁷ BioTrade fosters the production, transformation and commercialization of biodiversity-based products and services under social, economic and environmentally sustainability criteria

¹⁸ This project is funded by the Government of Switzerland through the State Secretariat for Economic Affairs (SECO).

¹⁹ UNCTAD (2020), Linking Trade and Biodiversity

²⁰ *Ibid*

²¹ Helvetas (2019), "Case Studies: Biodiversity Impact"

²² FAO (2019), "El Estado De La Biodiversidad Para La Alimentación Y La Agricultura En Perú", <https://cutt.ly/3gN2jcl>

²³ UNCTAD (2020), Linking Trade and Biodiversity



Fresh herbs sold at Laos market, Lika Sasaki

mutually beneficial dialogue that can translate into actions. Nearly half of the Fortune 500 companies considered biodiversity as a major concern in their sustainability reports ²⁵, and biodiversity loss was identified as one of the top economic global risk factors ²⁶.

Several CBD Parties and observers have already stated their willingness to work more with the private sector ²⁷. Various platforms are also emerging to bridge these two actors together. The Nature Action Agenda and the Business for Nature coalition are not only bringing together private sector actors but also working on a set of commitments to drive collective momentum towards the 2021 UN Biodiversity Conference (CBD COP15) ²⁸.

+ Promote business incentives for sustainability
Major efforts need to be made towards enabling, supporting, and mainstreaming biodiversity-friendly business models and practices that support local livelihoods. This applies not only for transnational companies but also local producers and SMEs in communities that are vulnerable and dependent on biodiversity.

With the right business incentives and an enabling policy environment, stakeholders and their business models can become more resilient to economic uncertainty and avoid biodiversity degradation. This supports business creation, employment, and revenues. In turn, the management of biodiversity is improved, including value given to the role of traditional knowledge and the contribution of Indigenous Peoples and Local Communities (IPLCs) to conservation and sustainable use.

In Brazil, the ukuuba tree in the Amazon has long been endangered by illegal logging. Natura & Co. Cosmetics, a Brazilian personal care and cosmetics company, determined that the butter produced from the ukuuba berries contains cosmetic potential. A benefit-sharing (ABS) contract was signed with the local communities. The commercialisation of ukuuba-based products brings income to over 800 families with local harvesters now earning three times more by harvesting the berries rather than cutting the trees.

This strong economic incentive resulted in the conservation of an area of over 60,000 hectares and over 5,000 trees annually, reversing the trends of deforestation and habitat loss in the vicinity ²⁹.

DURING A FIVE-YEAR PERIOD (2014-2019), THE NATURAL PRODUCT SECTOR REVENUE INCREASED BY 25% TO AN ANNUAL SALE OF USD 64 BILLION.

+ The need for political commitment

Policymakers at all levels have the opportunity to align and coordinate actions towards the post-2020 GBF. This will enable efficient and timely actions on issues that are most urgent or pressing. In the Lao People's Democratic Republic, for example, deforestation became a major threat due to increased activities of unsustainable agriculture. The Ministry of Agriculture and Forestry has thus committed to engage with local actors to carry out capacity-building activities to implement biodiversity-friendly practices.

In cooperation with Helvetas Laos, the government has been working to implement the BT P&C into their value chains in conjunction with regional authorities, civil society organisations, and SMEs. Jobs for over 3,000 producers and annual BBGS sales of over USD 600,000 have been generated ³⁰ by complying with sustainable sourcing practices that prevent destruction of natural areas.

Shifting to the sustainable trade of BBGS will take collective efforts and significant global commitment. Nevertheless, there will be no sustainable winners if the current practices of unsustainable consumption and production continue. For biodiversity and society to prosper together in the long term, a resilient and innovative system is needed, which will support livelihoods while contributing to the conservation of biodiversity.

Incorporating sustainable use and sustainable trade into the post-2020 GBF will be a key element to create the enabling policy environment and provide incentives for collaborative initiatives that can evolve into concrete actions. CBD COP15 can provide a prime opportunity for actors to make the necessary commitments to achieve it.

If ambitious and comprehensive sustainability conditions are met, local-to-international trade in BBGS can bring long-term prosperity that will benefit both people and the planet.

²⁴ Read [Expertise on Business \(#15\)](#)

²⁵ Addison, P. F. E., J. W. Bull, and El J. Milner-Gulland (2018), "Using Conservation Science to Advance Corporate Biodiversity Accountability" <https://cutt.ly/IgN2Wnm>

²⁶ WEF (2020), Global Risks Report 2020 <https://cutt.ly/XgN2ONO>

²⁷ CBD (2019), Synthesis of Views of Parties and Observers on the Scope and Content of the Post-2020 Global Biodiversity Framework (CBD/POST2020/PREP/1/INF/1), para 51(a) <https://cutt.ly/TgN2VcS>

²⁸ Read [Expertise on Business \(#15\)](#)

²⁹ UNCTAD (2020), Linking Trade and Biodiversity

³⁰ Ibid

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