



## **SUSTAINABILITY AT THE INTERSECTION OF TRADE, ENVIRONMENT AND DEVELOPMENT**

### **UNCTAD-CITES-OAS**

Side event to the Eighth Session of the Open Working Group on  
Sustainable Development Goals

Wednesday 5 February 2014, 1:15-2:45 pm

Conference Room E, UN Headquarters, New York

#### **TALKING POINTS**

#### **BONAPAS ONGUGLO**

**OIC, Trade, Environment, Climate Change and Sustainable Development  
Branch, UNCTAD**

Thank H.E. Ambassador Gustavo Meza-Cuadra, for agreeing to chair this joint side event of UNCTAD, CITES AND OAS. Peru is a mega biodiversity country - one of the world's top biodiversity rich countries - and thus we are pleased to have you with us Excellency and are assured of a successful meeting under your able guidance.

I also wish to thank our eminent panellists: H.E. Mr. Fernando Ocampo, Vice Minister of Foreign Trade of Costa Rica; Mr. Braulio Dias, Executive Secretary of the CBD Secretariat; and Ms. Arancha González, Executive Director of ITC.

I am very appreciative of my colleague panellists from our partner agencies: Ms. Caludia de Windt of the OAS Secretariat and Mr. Juan Carlos Vasquez from the CITES Secretariat for their support and their presence here today as well. Our joint cooperation has made possible this side event and promises to be highly interesting in sharing of different perspectives.

I also wish to thank representatives of UN member States and other organizations attending this event and hope that you will benefit from the knowledge shared on sustainability as regards biodiversity at the intersection of trade, environment and development.

Chair, ladies and gentlemen

I am here on behalf of UNCTAD to offer our support and views on biodiversity, and promoting its sustainable use by populations, especially rural communities, and by private sector in a manner that enhances sustainability, livelihoods and incomes of all actors involved in the supply chain of biodiversity-based goods and services. Our new Secretary-General, Dr. Mukisha Kituyi, since joining UNCTAD last September made it one of his priority to enhance the organization's contribution to the formulation of the post-2015 UN development agenda and Rio+20 follow-up on SDGs. He stressed that UNCTAD, as the focal point of the UN system on trade and development, must bring such issues as the interface between trade, environment and sustainable development to the forefront of global development agenda discourse and setting by UN member States in New York. We have thus been actively contributing to both processes.

This side event, organized with our partners, is an example of this contribution.

A theme of this 8<sup>th</sup> session of the OWG namely, biodiversity, is critically important for the very survival of peoples, and the planet. As per the Rio+20 outcome, the OWG is tasked to come up with priority areas of sustainable development and related global commitments needed to make significant and measurable progress in these areas.

Sustainable development, it is generally agreed, must involve a process of economic, social and environmental transformation that takes place in a **balanced, coherent and inclusive manner**. It is the notion that economic growth cannot and must not be de-coupled from poverty eradication and social inclusiveness, nor from environmental sustainability and vice-versa. All three dimensions of sustainability are closely interrelated and intertwined, and must be approached as such.

The economic dimension of sustainable development, such as international trade, buttressed by appropriate policies, regulations, institutions and complementary flanking measures, can be a key enabler of the social and environmental dimensions. Without economic growth, fuelled by trade growth, it will be difficult to create new jobs and raise incomes to eradicate poverty and to expand social inclusiveness. But we cannot decouple economic trade growth from its impacts on the environment and natural resources, especially with an expanding global population. We are substantially depleting our natural capital, including biodiversity, and thus reducing economic, social and environmental prospects for current and future generations. These impacts continue to accumulate at a rapid pace today. Hence sustainability at the interface of trade, environment and development is central developmental concern.

As the OWG is tasked to formulate SDGs for consideration of member States based on extensive and intensive consultations undertaken, it is emerging that the preservation and sustainable use of biodiversity must be one such priority. I wish to make three points in this regard.

**My first point is that in setting priorities for biodiversity, areas that positively interface between trade, environment and development concerns should be highlighted.** These can be seen as "enabling" actions for the greater common goal of enhancing biodiversity and ecosystem services.

**The Strategic Plan for Biodiversity 2011-2020 and the related Aichi targets** are a good base to identify priority areas and I wish to point to a few examples of the trade-related and investment initiatives.

1. **Trade in sustainably and legally harvested and produced biodiversity products and services**, as supported for example by the UNCTAD's **BioTrade Initiative in over 20 countries, responds to Aichi Target 3 on positive incentives (target 3)** for biodiversity conservation and sustainable use. BioTrade activities have benefited more than 30,000 actors at the grass-root level such as collectors, producers, breeders and hunters that are sustainably managing over 19 million hectares under BioTrade practices. It is estimated that sales of BioTrade products and services have been valued at US \$4.1 billion in 2011.
2. The WTO Doha Round includes in its agenda for strengthening of disciplines on subsidies in the fisheries sector, including through the prohibition of certain forms of fisheries subsidies that contribute to overcapacity and over-fishing. This is an example of trade-environment interface to address **negative incentives** consistent with **Aichi Target 3**

that such biodiversity harmful incentives are eliminated, phased out or reformed. The WTO Doha negotiations can contribute to reducing current pressures on fish stocks. But such negotiations on fish subsidies remain an unfinished task that should be considered for further work in the WTO and also in the wider the UN context, such as following up to Rio+20 outcome.

3. Trade can be a vector to promote **sustainable agriculture and production (implementing Aichi targets 4, 7 and 13)**, while providing a larger product variety to health and environment conscious consumers, and thus supporting sustainable production and consumption patterns. No longer a niche product, organic food and beverage products now represent in a global market of nearly \$70 billion this year; a more than three-fold expansion from 2000 levels.
4. **Legal, sustainable and verifiable trade of CITES listed wildlife species** under Appendices II and III with enhanced traceability systems are an essential factor **in curbing species decline and extinction (which would meet Aichi targets 12 and 19)**, while ensuring that their actual value is embedded in the market price that can provide income for local catchers and communities. For example, reported Python skin trade in 2010 was approximately 500,000 skins a year, with estimates of illegal trade that may equal that amount. The value of legal trade of raw skins of python species has been estimated at USD 100 million. There is need for traceability system to make trade in skins legal, verifiable and non-detrimental and sustain able to the species and wildlife.
5. Effective parallel implementation of REDD+ and BioTrade projects can promote **ecosystem resilience, enhance the contribution of biodiversity**

**to strengthened natural carbon sinks and improve the livelihoods of rural populations is another area of interface between trade and environment (keep forest standing rather than the cut). It can contribute to realizing Aichi target 15)** and contribute to climate change mitigation and adaptation. In this regard, we are developing a training module and we already started a course in January.

**My second point, flowing from the first on priority setting, is to set out possible targets related to international trade as an enabler of biodiversity sustainability and sustainable use that enhances livelihoods of local communities. Possible trade oriented targets can include the following:**

- *Mainstream sustainably harvested and produced products and services into international trade; or*
- *Increase the share of sustainably harvested and produced products and services in international trade flows by a specific amount by 2030.*

Some indicators that could back up these targets could include for example:

- Indicators of UNCTAD's BioTrade Impact Assessment System such as sales of BioTrade products and services, areas sustainably managed under BioTrade practices, employment generated at grass-root level. This information is available at the global, national and sector levels.
- Share of organic products versus mainstream agricultural products (available today at the production level);

- Total fish caught versus sustainably fish caught (not clear distinction in statistics today, perhaps fishing activities subject to monitoring and regulation can provide evidence for an alternative indicator).
- Total aquaculture production versus sustainable aquaculture (not clear distinction in statistics today).
- Level of legal and verifiable trade flows in most traded CITES listed species under Appendices II - there is a need to gather statistics per specie and in absolute terms<sup>1</sup>.

Another possible approach under target-setting is **to introduce a target and a set of indicators on positive incentives for biodiversity conservation and sustainable use through trade and investment and on the phasing out of negative incentives**. For example:

- *Positive Incentives to sustainability (e.g. Biotrade) to mainstream biodiversity conservation and sustainable use in production, trade and investment should be enhanced and negative incentives (e.g. fisheries subsidies) identified and phased out by 2030.*

Some indicators that could back up these targets could include:

- A clear list of positive and negative incentives (perhaps under a traffic light approach (positive, neutral and negative));

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<sup>1</sup> We could also use the "Status of Species in Trade indicator" that its formulation and development is led by CITES and UNEP/WCMC under the Biodiversity Indicators Partnership; and they have global time series from 1988 to 2008.

- Level of growth in key BioTrade indicators under the BioTrade Impact Assessment System;
- Implementation of low cost traceability and monitoring systems are developed and implemented for CITES listed species under Appendices II III by 2025;
- Fisheries, coal and fuel, and agriculture subsidies that have a negative impact over biodiversity and food security are notified, measured and phased out by 2030.

**My third point, building on the first two points, is that if international trade in biodiversity based goods and services on a sustainable and legally verifiable basis with enhanced positive livelihood impact, could be considered an enabler/target, then there is a need to develop more precise classification and data gathering systems for the trade of sustainably harvested and produced products and services.**

To be able to use the type of indicators mentioned above there might be a need for a more precise and differentiated HS codes based on sustainability criteria in order to differentiate between trade from sustainable products for unsustainable products. However this is not an easy task. There is no classification for sustainably produced products under current HS codes. WTO negotiations on environmental goods have not been yet able to provide such classification and have only focused on industrial goods and their performance, leaving aside raw materials and agricultural products sustainably produced.

These are a few ideas I wish to raise for our common reflection in the common agenda we have. I hope these will be useful in our discussions.



THANK YOU.