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*Capacity Building Task Force on Trade, Environment and Development*

## Summary of discussions

### **Inception Meeting of the *Capacity Building for BioTrade (CBBT) Project*** 17-18 March 2009, International Environment House I, Geneva

#### **Background**

The inception meeting of the *Capacity Building for BioTrade (CBBT) project* was hosted by the UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF). It was attended by representatives from GTZ Head Quarters, GTZ national programmes in each of the participating countries (Peru, Namibia and Nepal), the International Trade Centre (ITC), UNEP-UNCTAD CBTF, the Secretariat of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), and the Secretariat of the Convention on Biological Diversity (CBD). The meeting was the first occasion for all the participating countries and institutions to get together and have an in-depth discussion on the practical aspects of project planning and implementation.

The main objectives of the meeting were: to discuss the conceptual aspects of the project with the country teams; to more precisely define the activities and indicators that will be used at the national and global levels during project implementation; to prepare a skeleton of a global logframe to serve as a basis for national logframes; and to discuss the division of responsibilities between the project partners. The meeting began with the welcome remarks from representatives of UNEP-UNCTAD CBTF and GTZ Head Quarters. Then, each partner organization, including GTZ country programmes in the involved countries, presented their activities related to biotrade, and the contribution that the organization could make to the project. The presentations were followed by open discussions.

This report highlights the most salient issues and topics discussed at the meeting.

#### **Conceptual Issues**

The project aims to strengthen biotrade related capacities in three pilot countries. To be effective, the project thus requires a clear and operational definition of biotrade. This issue was addressed during the discussions, with regard to three main dimensions: (i) the “native” character of the resources included, (ii) the sectors included, and (iii) the barriers/opportunities considered.

(i) In the project proposal, the definition of biotrade refers to “those activities of collection, production, transformation, and commercialization of goods and services derived from native biodiversity under the criteria of environmental, social and economic sustainability.” This definition includes only “native”

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biodiversity resources, or only species which develop, occur naturally, or have existed in a country for many years can be accounted.<sup>1</sup>

Some participants were concerned that such a definition would exclude commodity crops from the project, which are widely found in the selected countries and have wide socio-economic impacts (cocoa, for example). They felt that by promoting trade in these resources, the project could make biotrade more beneficial for poverty reduction and employment creation. However, others felt that it would be better to focus on other species, as trade in such resources is well-established.

The discussion on the definition of biotrade led to the conclusion that the project will not employ a narrow definition of biotrade, based on specific biotrade criteria, but will rather target trade in native biodiversity based products. This will provide sufficient flexibility for the different national contexts when selecting products and sectors, and when considering the interface of biotrade with economic growth, employment creation and environmental protection.

(ii) Traded biodiversity based products are used by diverse sectors, including food, cosmetics and pharmaceutical industries. The question was thus raised as to which sectors to include in the scope of the project. One of the most prominent barriers faced by developing countries trying to export biodiversity products are food regulations (Novel Food Regulations (NFR) in Europe and Generally Regarded as Safe (GRAS) in the US). On the other hand, products used by the cosmetic industry, generally, face fewer barriers, even though they are also subject to consumer health regulations.

The third major sector examined, the pharmaceutical industry, is of special interest for some countries. It embodies one of the most prominent issues related to biotrade: bio piracy and its links with traditional knowledge and Access and Benefit Systems (ABS). These issues were raised as important to the project, due to their dramatic impacts on the local population in some developing countries. However, counter-concerns arose with regards to the nature of state action on biodiversity. While bio piracy is an important biotrade issue, state action also drives current biodiversity losses. While states spend time and resources on determining whether biotrade is bio piracy, illegal and unregulated biotrade proceeds and biodiversity losses are incurred. The flip side of “bio piracy” is “bio paranoia”.

(iii) Even with liberalised trade, developing countries face barriers for accessing developed countries’ markets. Notably, non-tariffs barriers related to health regulations and technical requirements constitute significant challenges for biotrade. To benefit from the opportunities offered by the growing markets for biotrade products and the international regimes regulating biotrade (e.g. through ABS), it is important to strengthen the private sector’s capacity to meet technical requirements, and strengthen governments’ capacity to develop clear and enabling policy frameworks.

Further opportunities may consist in product differentiation. In this context, Geographical Indicators (GIs) were mentioned as not necessarily the most promising marketing tool in all situations. Other Intellectual Property Rights (IPRs), such as collective trademarks, should be included in the project. This would allow for a comparison of IPRs tools, and a consideration of their relevance for specific products and situations.

### **Activities and Indicators**

The first question raised regarding activities and indicators was whether the project should focus on common products or on common issues in the three countries. The selected countries differ geographically and socio-economically, but commonalities are needed to make the project coherent. It was decided to focus on common issues, rather than common products, which aligns better with the objectives of the project (to build capacity to overcome barriers and seize opportunities for biotrade).

Given the two streams of implementation envisioned, activities will take place at two levels: national and international.

At the national level, activities will be designed and implemented taking into account the specific situation of the country. This will nevertheless include bringing together all stakeholders in form of a multistakeholder

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<sup>1</sup> The meaning of “native” species thus differs from the meaning of “endemic” species, which are unique to one area or country.

forum to discuss and develop national positions on the issues and negotiations and national priorities. While such a forum needs to be created in Nepal, they already exist in Namibia and Peru. The task in the latter two countries will be to bring the biotrade issues into the ongoing discussions.

Other national activities will mainly consist of documenting experiences on application processes for NFR and GRAS, documenting examples of ABS schemes and market opportunities, and defining a methodology for proving the “history of safe use.” These case studies will provide lessons learned and highlight best practices related to NFR, GRAS, ABS and IPRs.

The international activities are designed to complement national activities by building the capacity of selected countries to effectively participate in international negotiations related to these issues on an informed basis and backed by a strong national consensus. The idea is to strengthen coordination between biotrade experts and policy makers in the capitals, and national delegations/negotiators abroad. This will be achieved via a reciprocal flow of information: from the capital to negotiation foras, and vice-versa. This will be done by bringing capital-based policymakers to international negotiation foras, in order to help their delegations negotiate advantageous agreements, and by bringing negotiators to the national foras, in order to improve their knowledge of biotrade issues.

These activities will be complemented by presentations based on field study results given back-to-back with international events, such as COP-10 of the Convention on Biological Diversity (CBD) in 2010, World Trade Organization (WTO) Sanitary and Phytosanitary Standards (SPS) negotiations or WTO regional capacity building workshops. Additionally, documentation of national biotrade experiences will feed into a report assessing the impacts of biotrade on livelihood, economic development and poverty reduction. The report will feed into the UNEP-led Global Green Economy Initiative, as well as the global study on The Economics of Ecosystem and Biodiversity (TEEB).

In order to disseminate information about this project, a webpage on the CBTF website will be established and regularly updated. This will allow involved stakeholders to keep track of the latest developments regarding biotrade issues, challenges and opportunities, as well as to share best practices and lessons learned from the project.

### **Division of Responsibilities Between Partner Institutions**

The last range of issues addressed during this meeting was related to the role of partner institutions. First, criteria for the selection of national partners were considered. Four criteria should guide the selection of the national partners: (i) the extent of multidisciplinary skills needed to deal with biotrade issues (biodiversity, environment protection, trade, policy and international processes), (ii) experience working on biotrade, (iii) credibility, and (iv) involvement in national policy processes.

Second, the issue of contractual arrangements between the national partners (most likely national policy think tanks) and CBTF was discussed. It was proposed that tripartite contracts should be produced, with UNEP holding the funds and contracting the national think tank on behalf of the CBTF, and the government signing the contract as a counterpart to the project. GTZ country offices will be involved in the implementation of these projects.

The implementation of other activities at the national level will involve many national stakeholders, and GTZ will coordinate, as the national focal point, with support from CBTF as and when needed. A national Project Steering Committees for the project could be set up, consisting of, minimally, a GTZ representative, trade and environment ministries, contracted organizations, a CBTF representative, and representatives from the private sector.

The already existing steering committee at headquarter level (UNEP-UNCTAD) shall be expanded with the addition of a representative of GTZ-Headquarters. For practical reasons, meetings may be held in connection with the quarterly meetings of the Standards and Trade Development Facility in Geneva.

Third, CITES and CBD Secretariats as well as ITC assured full support to the project by providing access to information available and by any other possible means. The CITES Secretariat however asked the participants to consider including one CITES regulated species for each selected country, and involving the

CITES focal points in the project implementation. This would strengthen the links between the project and the CITES Convention.

### **Conclusions**

At the end of this two-day meeting, participants agreed on a general outline and structure of a logframe which defines the objectives and outlines the activities of the project. It was agreed that a draft version of the logframe along with a work plan, including costs, will be circulated to all partners for their review and feedback. This will provide the basis for the development of national logframes. It was also agreed that within one month, a concept note specifying more concretely the strategy, activities and cost issues of the project proposal will be elaborated by CBTF, and sent to GTZ.

Annex I:

Agenda for the inception meeting  
“Capacity Building for BioTrade”

March 17-18, 2009  
Room No. 4, International Environment House (IEH)  
11-13 Chemin des Anemones, CH-1219 Chatelaine  
Geneva, Switzerland<sup>2</sup>

**March 17**

**10:00 am – 5:00 pm**

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|---------------|---|
| 10:00 – 10:30 | Welcome remarks by GTZ-HQ and UNEP-UNCTAD CBTF  |
| 10:30 – 12:30 | Introduction of participants<br><br>6 presentations x 15 minutes: Peru, Namibia, Nepal, ITC, CBTF, GTZ-HQ.<br>Presentations should provide <u>brief</u> information on ongoing or planned biotrade-related activities in the respective projects/programmes while focussing on the added value expected from the Monterrey-Project. |
| 12.30 – 13.30 | LUNCH   |
| 13:30 – 14:00 | Presentation by GTZ-HQ of<br><br>a) the project proposal including comments by the German Ministry for Economic Cooperation and Development (BMZ) on impact measurement and indicators<br><br>b) Summary of BLOG-contributions, focussing on expectations and contributions   |
| 14:00 – 15:30 | Discussion on activities, roles and division of tasks (getting a common understanding on what will we do and who will do it   |
| 15:30 – 16:00 | COFFEE BREAK  |
| 16:00 – 17:00 | Elaboration of logframe(s) based on the preceding discussion  |

**March 18**

**9:00 am – 5:00 pm**

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|---------------|----------------------------------|
| 09:00 – 11:00 | Cont. Elaboration of logframe(s) |
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<sup>2</sup> <http://www.environmenthouse.ch/docs/Directions%20to%20IEH.pdf> provides directions on how to get to IEH. For more details participants can contact Economics and Trade Branch of UNEP at +41.22.917.8243

11:00 – 11:30	Coffee Break
11:30 – 12:30	Discussion of project arrangements (contracts, coordination mechanisms, steering committee)
12:30 – 13:30	LUNCH

**In the afternoon:**

CBTF-GTZ tripartite meeting with International Trade Centre (ITC), Convention on Biological Diversity (CBD), Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

Bilateral meetings