# The 10th session of the Expert Mechanism on the Right to Development

**Item 5 of the Provisional Agenda**
**Implementation of the mandate and programme of work –**
**Focused thematic discussion and interactive dialogue**
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## Trade, biodiversity and the right to development: an equation to be constructed

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**Transcript of the statement by Ms. Beatrice Fernandez,**
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Dear Excellency Minister,
Madam Isabelle Durant,
and dear panelists,

Thank you so much for the invitation to UNEP for this very timely and very important discussion about inclusion, sustainable development, biodiversity and trade.

Today, I would like to bring up perspective on how the environment connects with social, economic development and what is the role of trade in catalyzing action to make those realities possible. I would like to just start by putting in context that there is a triple environmental planetary crisis; on nature, biodiversity loss, that is connected to climate change and is also connected to pollution and waste, and this crisis is aggravated by the unsustainable patterns of consumption and production. But this is not an environmental issue only, this jeopardizes the sustainability of ecosystems and in turn jeopardizes the rights to food, to health, to development, to life.

In the case of indigenous peoples and local communities, if you allow me to take this as an example, there are nature custodians. The first ecosystems inhabited by these communities have consistently been preserved in terms of biodiversity, water and natural resources. The indigenous peoples for instance make up about 5% of the global population and they are living around 90 countries worldwide. 17 nations that are home to 2/3 of the earth's biological resources, known as the biological 17, have traditional territories that are belonging to most of the world's indigenous peoples that inhabited this planet.

In fact, in the context of human rights in the UN declaration on the rights of indigenous peoples, it states that indigenous peoples have the right to maintain and develop their own economic systems. There are more than 86% of indigenous peoples that are in the informal economy, but they are three times more likely to live in extreme poverty. They also face challenges in terms of participation and integration in the international trading system, and as the Ministry has eluded previously, there is a need for a consultative process in decisions that integrate and address everyone's priorities, needs and challenges.

Women are another group that are key actors for biodiversity, and this is perhaps biased by how this panel is composed today in majority, but for instance in Senegal women hold roughly 50%

of the jobs in the in the fishing sector. So, if they lose biodiversity that means that their access to natural resources is diminished and that impacts their food security and income.

Trade is a nature force, is a double-edged sword, but trade can promote a sustainable, environmental, social and economic development and can also hinder that. But trade is fundamentally connected to the global economy as 1/3 of the global GDP in 2023 which is 100 trillion U.S. dollars of GDP. There i also an estimate that 44 trillion U.S. dollars of economic value generation is estimated to be dependent on nature, according to a report in 2020. So, we see the interlinkages between indigenous people's communities, women, youth, economy, trade and all of those bound to nature.

Of course, there are growing international efforts to support the participation of the communities, especially underrepresented groups, in the global economy. For example, at the climate COP26, countries and donors pledge 1.7 billion U.S. dollars by the end of 2025, recognizing that indigenous peoples and local communities have their land rights, and they are those are key for the just transition to green economy.

The question today is how can trade accelerate action to make the system more inclusive, more sustainable and to deliver on global environmental agendas on social development and economic. I will make just some examples of how trade could actually help in doing this and we have seen already some examples from the previous speakers, but one of those is greening trade policies and trade agreements, which means that improving environmental and social provisions that reflect the needs, the priorities and the challenges of this communities that are coupled with sustainable economic development, and as we have said already this needs to be a consultative process. To give you one example, the New Zeeland United Kingdom trade agreement of 2023 contains the broadest test of outcomes for Māori and welfare's comprehensive Māori trade and economic cooperation chapter for the indigenous peoples of New Zealand.

There is also a need to create positive economic incentives to provide technical assistance, to provide capacity building and in terms of financing, there is a finance gap for nature, and this is one of the most poorly funded themes of the UN sustainable development goals, which is missing at least 4 trillion U.S. dollars in finance to meet nature positive targets and net 0 targets. So, if we boost investments in freshwater and marine industrial areas, we can help contribute to nature positive solutions, but also sustainable and inclusive, social and economic development.

The part of subsidies has already been raised in this panel and I just wanted to briefly touch base on this because we have recognized that repurposing or eliminating harmful subsidies in agriculture has its nuances and complexities that must be accounted for. But if we address this in a sustainable way, it can actually help tackle biodiversity loss and also pollution, which are intrinsically linked to ecosystem degradation, to the livelihoods of thousands of communities and equally to help deliver the global biodiversity targets. There is good news on this, and we actually applaud the World Trade Organization agreement on disciplining fisheries subsidies, which was agreed in 2022. This is a major step for oceans sustainability preventing widespread overexploitation of global fish stocks, and this is a precedent that exemplifies how trade could actually help advance sustainability.

In terms of agriculture coming back, the Agrifood trade reach 1.5 trillion U.S. dollars in value in 2018. So, another way that trade can support biodiversity inclusion and participation of indigenous people local communities and underrepresented group is also by incentivizing

production systems that minimize biodiversity loss and pollution. Agriculture and food systems, as I said is a prime example; its trade and economic importance mainly depends on productive capacity of soils and the support of subsoil biodiversity. But the negative environmental impacts on agriculture and not only on nature, they also affect the 500 million smallholders worldwide that are supported by this sector and the majority of them are women. There is also disruption of trade patterns that threaten food security for a global population that is currently at 8 billion worldwide, but it can also affect the economy because agriculture is estimated to contribute 4% of the global GDP.

There is an estimate that restoring balance between economy development and environment create 395 million jobs by 2030 and create 10 trillion U.S. dollars in value in business. The biodiversity based products they represented 17% of global exports in 2021, so if trade can support by for instance providing preferential market access for products that are adhering to biodiversity friendly and deforestation free practices, that can also support the global biodiversity framework in different targets, such as target 10 on sustainable management of agriculture, target 18 on subsidies and so on. UNCTAD has been doing leading work on these through the bio trade initiative.

I want to conclude by saying that leadership is essential to deepen constructive dialogue, but also cooperation on trade biodiversity and development. We need proactive leadership to make trade a force for good. If you allow me to cite the UN secretary general's words, he said that "humanity has a choice; cooperate or perish". Trade environment development ministries and different groups should cooperate and maintain this dialogue. This is vital to deliver a trade system that accelerates the transformation of different sectors that deliver green, resilient and inclusive economies and that have a positive impact on biodiversity and the global biodiversity framework.

Some examples include the mining sector, that is key for the green global energy transition, but it is also a sector that is the 4th largest driver of deforestation. Globally, 84% of total direct mining related deforestation is concentrated in only 10 countries worldwide and Africa is home of 30% of the world's mineral resources, but there is increasing evidence that unregulated mining causes biodiversity loss degradation, water pollution and effects on the livelihoods of the communities.

One of the efforts that are supporting the change, and the sustainability of this sector is the UN secretary general's panel on critical energy transition minerals. It aims to build trust between governments, industry and local communities by addressing issues on sustainability, transparency, equity, investments and human rights. So, developing the mining sector should be accompanied by trade policies that are aligned with sustainability measures, but they promote transparency, accountability and benefit sharing along the value chains.

The plastic sector is another important one where developed economies are actually accounting for 80% of global plastics trade in 2021. A circular plastics economy can reduce potentially 80% of the annual volume of plastics that are unnecessarily going into the oceans, they can reduce by 25% their greenhouse gas emissions and they can also create 700'000 additional jobs.

We applaud the WTO readiness and cooperation on trade related policies and measures to reduce the unnecessary single use and short-lived plastics and develop the systems and the infrastructure that can incentivize, repair, reuse, refill plastic substitutes and alternatives. One of the key examples that have just been hosted at the international stage is a trade day at the CBD COP16 this past Saturday in Cali, Colombia. We are very grateful to the WTO, to

UNCTAD, to the CBD Secretariat for the collaboration with UNEP in delivering this first ever trade day at the convention on biological diversity.

This is a testament of the leadership and the interest to build a mutually supportive cooperation on trade, biodiversity and development. Together we can fulfill ambitions for our sustainable green inclusive economy, but we need everyone on board. We invite all of the constituencies across the different communities to be part of this systemic transformation and to make trade a positive force for biodiversity, for climate, for pollution and for inclusive, social and economic development.

Thank you