

New Paper Explores the Challenges and Benefits of Legal and Sustainable Species Trade To Nature Market Governance

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- Illegal, but above all unsustainable, wild species trade threatens the survival of many species and significantly impacts ecosystems, human health, indigenous peoples' and local communities' livelihoods, and exacerbates climate change impacts.
- The private sector is emerging as the driving force behind competitive and sustainable solutions. It can play a crucial role in financing and addressing sustainability challenges.
- The conservation, sustainable use and restoration of biodiversity can provide substantial business opportunities, including long-term viability of new or existing business models, cost savings and operational efficiency, increasing markets, shares, products and services, and fostering better relationships with stakeholders.

The joint paper by the Taskforce on Nature Markets and TRAFFIC asserts the crucial role of the business and finance sectors in facilitating strong nature markets and purging illegal and unsustainable trade in their commerce. Furthermore, it demonstrates the high costs of inaction to address biodiversity loss for the sector; for example, between 1997 and 2011, the global economy suffered an estimated annual loss of USD4-20 trillion in ecosystem services⁴. Although, as it stands, measures by the financial sector are often still voluntary, the report outlines **a set of recommendations**[\[AP1\]](#) [\[AP2\]](#).

"When governed effectively, legal and sustainable nature markets involving wild species incentivise and contribute to biodiversity conservation, enhance the livelihoods of indigenous peoples and local communities and benefit others involved in the supply chains. The financial sector has an important role to play in promoting and enhancing these nature positive markets and increased transparency," says Paola Mosig Reidl, TRAFFIC's Co-lead, Data, Research, and Enforcement Support and co-author of the paper.

Through demonstrative case studies from across the world, this joint paper illustrates the **15 building blocks** [\[AP3\]](#) [\[AP4\]](#) that amalgamate regulatory, economic, and social interventions to promote legal, sustainable and traceable practices while addressing the underlying causes of illegality and unsustainability.

"Nature markets benefit national and international economies. Laws and regulations rooted in science-based evidence are vital to balance the books for those nature markets that are legally and sustainably trading in wild species supply chains and, in turn, disincentivise illegal sales of wild species products that are exacerbating the negative impact of biodiversity loss and climate change," says Sarah Baker Ferguson, TRAFFIC's Crime Convergence Lead and co-author of the paper.

The paper highlights the challenges and intricacies of applying global solutions like CBD's¹ Kunming-Montreal Global Biodiversity Framework, CITES² and other national regulations, as well as the outcomes from recent non-governmental or intergovernmental reports like IPBES³ Sustainable Use Assessment in real-world examples.

"This paper brings nature market governance alive through a diversity of compelling and contextually complex case studies of plants and animals from across the world, such as that of the crocodile skin market in the Northern Territories of Australia. These case studies bring the urgent question of nature markets to life - snapping, roaring and singing its findings," Marcelo Furtado, Co-lead of the Secretariat.

"Nature crimes are at the core of much of nature's destruction, and resulting illegal nature markets provide the economic oxygen to make these crimes profitable. TRAFFIC's exceptional report helps the reader understand this complex world, and points not only to ways to tackle such crimes but the lessons from experience of doing do for the future governance of nature markets," Simon Zadek, Nature Finance, Executive Director and

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