

United Nations Conference on Trade and Development

TRADE AND DEVELOPMENT COMMISSION
(Seventh session)

Geneva, 18-22 May 2015

Item 4: Trade development policies and the post-2015 sustainable development agenda

Speaker: Mr. René Gómez García Palao,
Senior Executive,
Development Bank of Latin America



Biodiversity and Trade: emerging opportunities for a sustainable future.

René Gómez-García, Ph.D
Geneva-May 2015

Biodiversity in Context (LATAM)

- ✓ 6 out of 17 mega-diverse countries, with over 30% of global biodiversity are in LATAM.
- ✓ With 10% of the global population, LATAM has the highest concentration of biodiversity per capita.
- ✓ Biodiversity and applied traditional knowledge remains an unexplored asset is adding extra muscle to LATAM innovation and trade.
- ✓ Regional response for biodiversity conservation in CBD countries is active. Countries are investing in Biodiversity National Plans.

- ✓ Artisanal and non regulated mining; illegal logging, cattle, industrial agriculture and excessive fishing remain as the main drivers for ecosystem degradation and biodiversity loss.
- ✓ Biodiversity loss impacts ecosystem services endurance which are key for provide social stability;
- ✓ Biodiversity loss impact on new sources for medicine and food remains unvalued.
- ✓ 4 million hectares of tropical forest are integrated to main stream industrial activities every year.



Biodiversity and Trade – The driving force

- **Is about people**, millions who are willing to pay premium prices for healthier products that can support sustainable livelihoods and lifestyles.

- **Is about industries** who are rethinking their positioning choices and supply chain patterns.

- Today biodiversity economics generates over **US\$ 400 bi global trade**. (4% of world trade related to biodiversity)

- With a **19% annual market growth**, Biodiversity economics is expected to reach US\$ 1 trillion by 2020.

“Health influenced the food purchase decisions of 64% of consumers in the US”

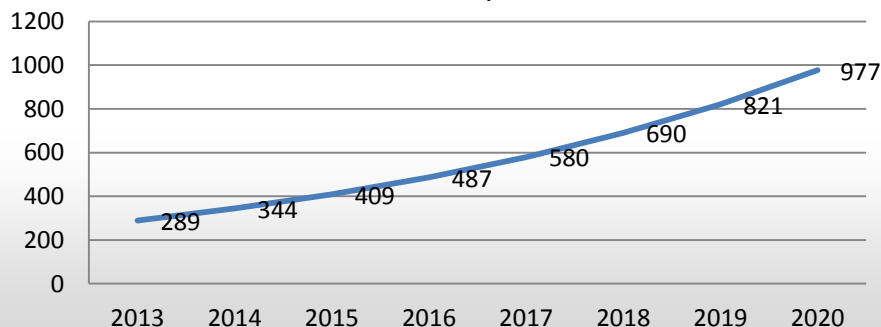
“ Food safety influenced the purchase decisions of 40% of consumers in Germany”

“ China emerging middle class, has the highest expenditure on health and wellness retail products, followed by Brazil, the United States, Russia, and Mexico”

“ 87% of customers from the EU buy cosmetics that contains natural ingredients”

“ 84% of customers from OECD countries are willing to contribute to biodiversity conservation.”

Market Trend in US\$ Bi.



Industries & Leaders

4 key fast growing industries:

- **Natural, Functional and Healthy food:** sales topped \$118 billion in 2012. (US, Japan, UK, Germany top markets) LATAM as a major provider of super foods + natural ingredients.
- **Sustainable Tourism** reported US\$ 180 billion in global spending in 2013. Europe and North America main outbound market.
- **Natural Care Cosmetics** : with a 9% annual growth, the global demand for natural personal care products reached \$7.6 billion in 2012 by 2018, will reach \$13.2 billion by 2018.
- **Biologic Medical Products:** are responsible for 18% of global total medicine sales, reaching US\$ 169 billion in 2012.

LATAM is a key supplier for this industries

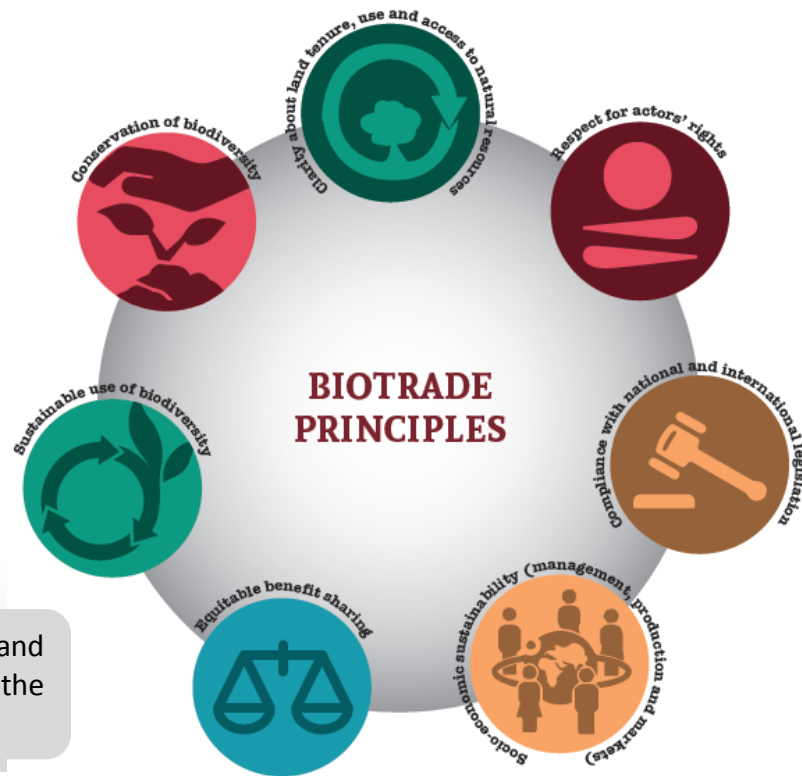


Over US\$ 800 million in research, sustainable sourcing and biotrade

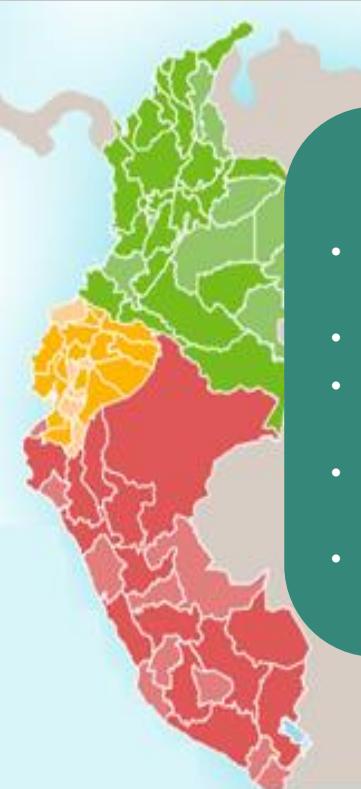
BIODIVERSITY + TRADE = BIOTRADE

Market driven solution promoting sustainable use and conservation of biodiversity.

“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 (UNCTAD 1996)”



Biotrade on Practice



Andean Biotrade Initiative

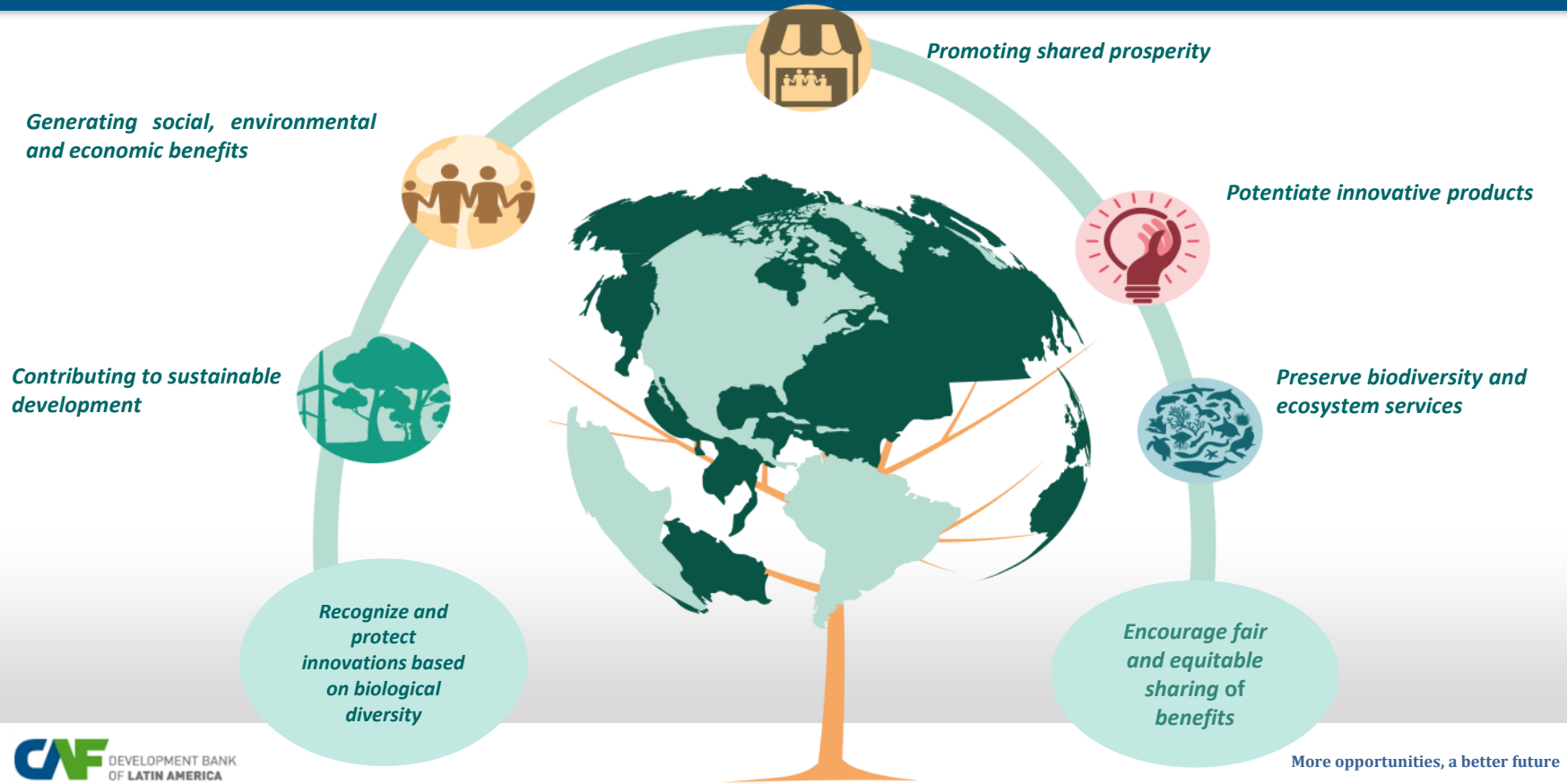
- Multi-country (Colombia, Ecuador & Peru) - US\$ 20.8 million initiative
- 216 companies engaged (mainly SME's)
- Over US\$ 450 million in direct commercial activity
- 29.600 people with better working conditions and increased households income
- 82 thousand of high biodiversity land under sustainable management practices




The Spin Off Effect

- ✓ Ecosystems and biodiversity **protected** providing quality ecosystem services for over **10** million people.
- ✓ More **resilient** to climate change landscapes.
- ✓ Social and political **stability**, driving new economic activity in remote areas and where other industries have little impact.

Biotrade, an opportunity for





CAF Environment & Climate Change Commitment



CAF Response for Biodiversity and the SDG's

DACC - Environmental and Climate Change Division

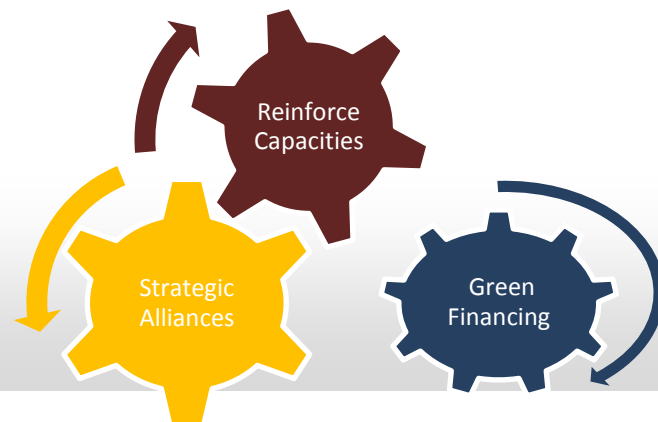
Committed to promote the conservation of the natural and social capital, facilitating the migration towards a low-carbon and resilient to climate change economy, with social inclusion and equal opportunities.

Green Business
Unit

Institutional
Environmental
Management Unit

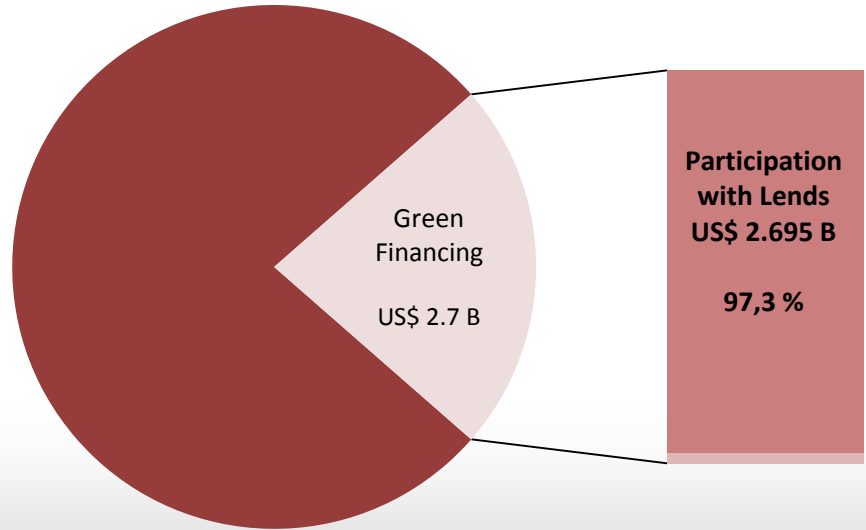
Climate Change
Unit

- ✓ 3 operative units;
- ✓ 8 programs;
- ✓ 14 benefited countries;
- ✓ 22 executives;
- ✓ US\$ 2.4 millions operational budget for 2015.
- ✓ Over US\$ 500 million available for Green Financing

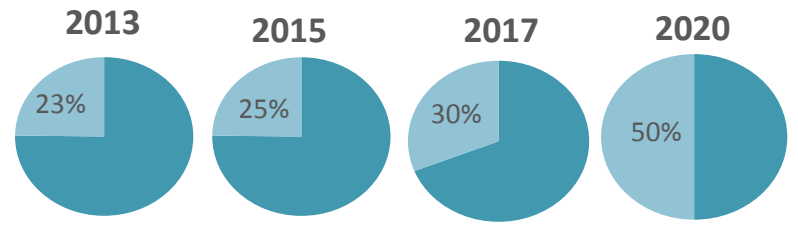


CAF total Financing – US\$ 12.1 Billion (2013)

All green financing - 2013: US \$2.7 B



Green Financing Targets

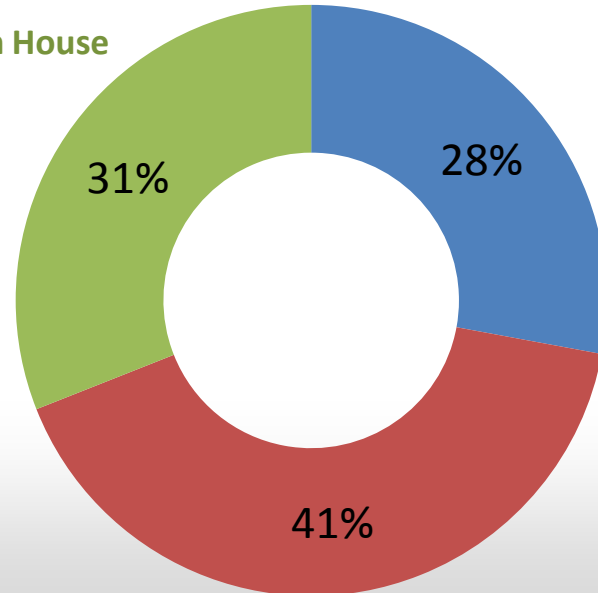


Sectorial Distribution (2013)

All green financing - 2013:

US \$2.7 B

Green Energy and Green House
Gases Mitigation –
US\$ 859 M



Other Environmental
Projects - US\$ 773 M

Climate Change Adaptation -
US\$ 1.1 B

CAF - Biodiversity, Trade and the SDG's

1. Identify, develop, implement and evaluate biotrade projects and innovative multi-sectorial programs, producing impact on scale and promoting their replication within country members;
2. Apply guidelines and procedures on environmental and social safeguards linked to every financial service as to extend the benefits granted, avoiding and minimizing adverse impact;
3. Leverage co-financing for biodiversity conservation programs and projects, seeking to scale up interventions promoting synergies and collaboration with key organizations;
4. Collaborate with other strategic partners supporting the exchange of knowledge, best practices and improvement of existing development mechanisms;
5. Respond effectively to the demand of member countries for solutions that promote sustainable development, facilitating migration towards a low carbon economy resilient to climate change, social inclusion and equal opportunities.



CAF Value Added - 6 Key Aspects

1. As a development bank, CAF **scales up the impact** of projects and programs with technical assistance and investment;
2. CAF acts as a catalyst for **compliance with environmental conventions** of member countries; (Eg . Nagoya six member countries of CAF.)
3. Based on **horizontal and trustful relations** with its 19 shareholders, CAF works successfully with complex member countries agendas;
3. With investments in Technical Assistance, CAF provides agility in processes, **creating and maintaining momentum** and thereby facilitating greater adherence of the private sector;
4. With investments in Knowledge Management , CAF contributes to the **generation of models , approaches and know- how** of regional and international interest;
5. Acting as a catalyst for regional and multi-sectorial collaboration, CAF **increases the sustainability of results** in projects and programs .





Thank you for your
kind attention.



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