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**CAPTURING AND ENHANCING
OCEAN AND COASTAL VALUES:
A VALUE PROPOSITION FOR WORK IN LATIN AMERICA**

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Capturing and Enhancing Ocean and Coastal Values

A Value Proposition for Work in Latin America

Executive Summary

To uncover the potential for harnessing market forces in order to increase sustainability and generate new revenue streams for conservation, CAF proposes to apply proven methodologies for assessing ecosystem services in Latin America key blue coastal and marine areas. To this end, CAF will support, in collaboration with local governments and stakeholders, the conduction of assessments of ecosystem services. The outputs will allow systematic identification of public and private investments opportunities for enhancement of ecosystem services.

Context

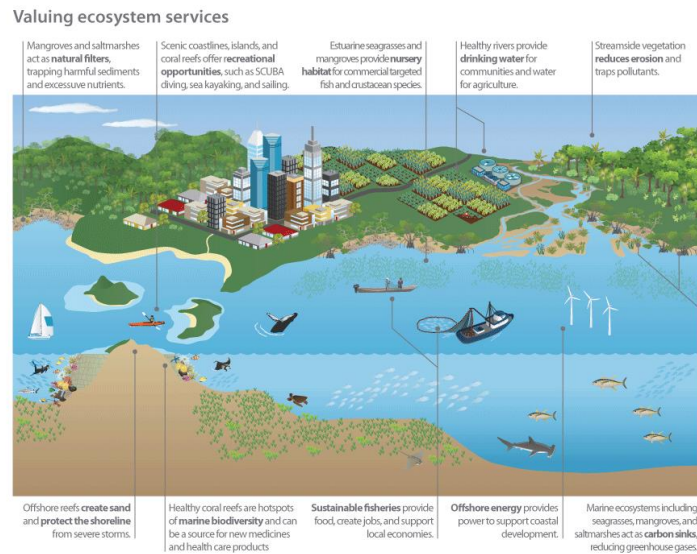
There are myriad investment opportunities in coastal regions around the world – new development opportunities through the harvesting of new goods or creating new markets, while at the same time their ecosystem services safeguard existing investments by maintaining ecological balances and minimizing risks. Understanding the values generated by coastal ecosystems allows quick identification of such investment opportunities – investments that can pay rapid dividends while laying the ground for long-term sustainability and conservation. Although Peru has capitalized on its rich marine resources, especially the fisheries that are supported by the Humboldt Current upwelling system, there are many challenges in the conservation and sustainable use of this sources of biodiversity, ecosystem services and wealth, as there are substantial opportunities to capture or even enhance existing values of coastal ecosystems in order to benefit coastal communities, business investors, and the Peruvian economy.

One constraint to investment in natural infrastructure is that ecosystems are inherently complex, and science operates at a different, slower pace than investment. Academics and research institutions have been studying ecosystems worldwide for the services they provide, and the literature is thick with published reports of long-term studies. But the science of finding ways to safeguard and enhance ecosystem services is now mature enough to allow application of robust science in order to present the private and public sectors with green conservation and business opportunities that should enhance innovation and contribute to equitable and sustainable development processes.

We at CAF are investing in proven methodologies to consistently assess coastal and marine services, determine their value, and identify opportunities for additional revenue generation

resulting from the effective management of key ecosystems. We are moving in to local level assessments to influence coastal planning and private sector investments in Latin America, starting in two of Peru's major blue spots, the Marine Reserve of Paracas and Piura.

To successfully achieve our goals, CAF is working with MARES Program (a Forest Trends Initiative) to uncover the potential for harnessing market forces in order to increase sustainability and generate new revenue streams for conservation. Having CAF local content expertise and support, MARES will apply its proven methodology for assessing ecosystem services in Latin America. To this end, we will undertake together a phased project to systematically identify evaluate ecosystem services , investment opportunities and risks for enhancement of green business investments in specific blue spots, with high biodiversity concentration and with a complex network of services to be evaluated.



The Opportunity

Latin America marine and coastal systems provide highly valuable resources and sites of inestimable beauty, yet investment in promoting sustainable coastal development in this region are modest and do not follow up its real wealth. CAF will lead an assessment of the benefits that marine and coastal habitats provide in some of Latin America main biodiversity blue spots, and use this baseline information to strengthen the business case for specific investments in sustainable management, conservation and biotrade oriented businesses.

The opportunities for beneficiary countries exist at three different scales. First, at the local level, plans for making marine resource use and space allocation more sustainable and profitable for local communities, businesses and governments in the long-term will be influenced by a robust understanding of the full suite of benefits being provided by coastal ecosystems. Such ecosystem services information will not only highlight specific geographical areas that will be important to protect as the regions are further developed, but will also point to prospective loss of services and associated economic values if conflicting uses are not managed properly. Using ecosystem services information will ensure that financial investments made in coastal development, aquaculture, tourism and other marine enterprises will lead to more predictable outcomes and a better understanding of possible returns on investment over time. Greater predictability will allay perceptions of risk by the private sector, and could well spur further public and private sector investment in integrated conservation and development.

The ecosystem services assessment also has implications for sustainable planning at the broader, landscape level. Taking stock of nature's values and understanding the ways in which these values can be compromised by misguided development will feed into better long range plans for both land and sea areas in these regions. Future activities influenced by such planning will include proposed recommendations for new or expanded fisheries; aquaculture and mariculture of fisheries resources and macroalgae; tourism, recreation, and public education; and housing development, inter alia.