



Strengthening the capacity for integrating REDD+ projects into BioTrade strategies in Ecuador



UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

**Strengthening the Capacity in
Integrating REDD+ Projects into
BioTrade Strategies in Ecuador
Report of the Consultancy**



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For further information on UNCTAD's BioTrade Initiative please consult the following website: <http://www.unctad.org/biotrade> or contact: biotrade@unctad.org

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Acronyms

ADE*	Business Development Foundation
BIOCAN *	Program related to Biodiversity from the General Secretariat of the Andean Community (SGCAN)
CAF*	Development Bank of Latin America
CBD	Convention on Biological Diversity
CCB	Climate, Community and Biodiversity Standard
CDM	Clean Development Mechanism
CEDENMA*	Ecuadorian Committee for the Defense Nature and the Environment
CITES	Convention on International Trade in Endangered Species
CICC*	National Committee for Climate Change
CONESUP*	National Council of Higher Education
CORDELIM*	Corporation for the Promotion of Clean Development Mechanism
CORPEI	Corporation for the Promotion of Exports and Investments
EcoCiencia*	Ecological Research Foundation
ENCC*	National Strategy for Climate Change
ENF	National Forest Evaluation
GADS*	Autonomous Decentralized Governments
GHG	Greenhouse Gases
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GMO	Genetically Modified Organism
INAMHI*	National Institute of Meteorology and Hydrology
LULUCF	Land Use, Land Use Change and Forestry
MAE*	Ministry of Environment of Ecuador
MAGAP*	Ministry of Agriculture, Livestock, Aquaculture and Fisheries of Ecuador
MCPEC*	Coordinating Ministry of Production, Employment and Competitiveness
PNBSE*	National Program for Sustainable BioTrade
PNBV*	National Plan for Good Living
PNREDD*	REDD National Program
PROFAFOR*	Forests Absorbing Carbon dioxide Emission-FACE Program in Ecuador
PUCE*	Pontifical Catholic University of Ecuador

REDD+	Reducing Emission from Deforestation and Forest Degradation in Developing Countries, sustainable forest management and increasing forest carbon stocks
SAMBITO*	Environmental Total Solutions
SEPS*	Superintendence of Popular and Solidarity Economy
TULAS*	Unified Text on Secondary Environmental Legislation of Ministry of Environment
UCG*	Casa Grande University
UNCCD	United Nations Convention to Combat Desertification
UNCTAD	United Nations Conference on Trade and Development
UNEP	United Nations Environmental Program
UNFCCC	United Nations Framework Convention on Climate Change
UNOCACE*	Union of Cocoa Producers Organizations
UPS*	Polytechnic Salesian University
USFQ*	San Francisco de Quito University
USFQ-CTT*	Technology Transfer Center from USFQ
UTPL*	Private Technical University of Loja
VCS	Voluntary Carbon Standard

*Acronyms as used in Spanish.

I. Background

UNCTAD's BioTrade/REDD+ initiative aims to strengthen capacities in three developing countries, Brazil, Colombia and Ecuador, in the formulation and implementation of projects that involve trade, environment and sustainable development, aligned with BioTrade and the reduction of Green House Gases Emissions (GHG) from deforestation and forest degradation, sustainable forest management and increasing forest carbon stocks (REDD+). In Latin American countries, deforestation and land use change are major drivers on climate change, where forests are frequently transformed into crop land, cattle raising land and /or rural living areas. On the other hand, BioTrade has the potential of fostering the conservation and sustainable management of forest, because it creates economic incentives and opportunities for development and improvement of living conditions of rural communities.

Climate change has affected biodiversity, increasing its vulnerability to its impacts, which is evidenced on changes in species distribution, population sizes and timing of reproduction or migration of events, among others. To confront climate change, an integrated and strategic approach is required such as the integration of biodiversity-based strategies in climate change mitigation. The United Nations Framework Convention on Climate Change's (UNFCCC) REDD+ mechanism, offers financial incentives for developing countries to reduce emissions from forested lands and invest in low-carbon paths to achieve sustainable development. With the introduction of these measures and funding, there exists an opportunity for developing countries to integrate BioTrade activities into climate-friendly policies, thereby strengthening local economic activities in forest buffer zones.

On the market side, at national and international levels, demand is changing due to the incremental interest for environmentally-friendly and fair products, of consumers from both developed and developing countries, combined with the corporate social and environmental strategies of multinationals. Related to this, the demand of GHG reduction projects has also seen a shift in recent years, demanding projects that not only reduce emissions, but also preserve biodiversity, improve the living conditions of rural and indigenous communities, alleviate poverty, and promote gender equity and sustainable development. These projects have marketed their credits with a premium which in return has increased the interest for developing such initiatives.

However, there is still limited practical experience in linking the two concepts of sustainable use-conservation of biodiversity and carbon sequestration, particularly within the framework of SMEs (Small and Medium Enterprises) and a value chain approach. This in turn has limited active participation of developing countries, in seizing the development opportunities of emerging biodiversity and carbon markets.

It is important to mention, that in general terms, Ecuador has failed to exploit the full potential of BioTrade or REDD+ promotion, meaning that there is a long list of pending activities to consolidate a greater number of initiatives and businesses related to these fields. In this sense, there is a need to understand if there is a possible synergy approach that could create a positive feedback loop applicable to a single project running BioTrade and REDD+ back to back.

As a starting point, the details as to the best strategy to promote joint BioTrade/REDD+ projects, the Ecuadorian consultancy team, defined the following fundamental questions to be solved: *Is it possible to merge BioTrade and REDD+ projects? Are they complementary? Is there any advantage as to setting this double approach or is it better to keep them as separate efforts? Is there a reasonable strategy to pursue*

them consequently? To respond these questions, one must analyze the background of both BioTrade and REDD+ in Ecuador and the forces that have driven their development.

In order to achieve this goal, an overview of the activities performed in the framework of the project were:

1. Prepare and conduct two national workshops to strengthen local capacity and obtain first-hand information from experts and relevant actors, on the possibilities to link BioTrade and REDD+ projects. The material prepared for workshops, presentations and bibliography documents were intended to improve the understanding of the concepts of REDD+ and BioTrade initiatives.
2. Provide support to convene national actors and project proponents for UNCTAD's on-line course and encourage their participation.
3. Provide guidance to relevant actors in developing capacities to integrate BioTrade strategies into REDD + initiatives, and vice-versa.
4. Systematize lessons learned from project implementation.
5. Share Ecuador's experience during the II BioTrade Congress in Geneva from 11 to 13 December 2013.

This report presents the main findings of the work undertaken by the team of consultants in Ecuador. It starts by providing an overview of the activities undertaken in the country in Sections I and II, followed by an overview of Ecuador's relationship with relevant Multilateral Environmental Agreements in Section III. Section IV and V present the country's legal framework related to climate change/REDD+ and biodiversity/BioTrade, and a mapping of the main stakeholders in Ecuador. Section VI presents the needs and opportunities of linking REDD+ and BioTrade in the country considering the conclusions that emerged from the national workshops. Finally, the conclusions, recommendations and lessons learned during this consultancy, are presented in section VII. All the information compiled is also included in the appendixes as well as the UNCTAD's BioTrade Initiative website: www.biotrade.org.

II. Project activities implemented in Ecuador

In Ecuador, the project's objective could be summed up in one question: *Can REDD+ initiatives merge with BioTrade initiatives?* To answer this question is highly important to analyze BioTrade and REDD+ initiatives in its context, but also the details of how it is possible or not to bring them together. Is there an overlapping space? Are there common implementing efforts? Transaction costs increase or higher rates of efficiency are attained?

In order to respond to these questions, the history and current state of affairs for both BioTrade and REDD+ were reviewed, and common grounds to understand the possible merged approach were established. It is evident that BioTrade has a longer trajectory but REDD+ has had intense and recent work from both public and private actors. However, the consultancy team feels that REDD+ is by far more complicated to develop and takes time, therefore it has generated some frustration and disbelief among potential project owners.

The research task requested by UNCTAD required to interview key stakeholders that have previously been involved with BioTrade and/or REDD+. With the information gathered, capacity building workshops on BioTrade and REDD+ requirements and opportunities were organized.

In order to achieve the goal of increasing the merged BioTrade/REDD+ approach, it is necessary to improve the comprehension of the concepts related to both initiatives and to consider international guidelines and requirements that this kind of initiatives must fulfill. At the same time, it is important to offer the right kind of incentives at the local level so new actors could feel motivated to participate.

In Ecuador, the detailed activities performed within this project were:

1. Develop the baseline information on the state of the art of REDD+ and BioTrade initiatives in Ecuador:

Key documents (both electronic and physical) related to climate change/REDD+ and biodiversity/BioTrade were revised in order to define the status of these two topics in Ecuador. The list of the documents reviewed is included in *Appendix 1: Bibliography*.

The database of REDD+ and BioTrade actors in Ecuador was updated. In order to identify the key actors working on both topics, publications made by experts were reviewed, environmental authorities as well as local and international NGO's representatives were contacted, and further inputs were obtained through the interviews and workshops. The complete list of relevant stakeholders, project developers, government agencies/ departments and private actors related to REDD+ and Bio Trade are detailed in *Appendix 2, Appendix 3 and Appendix 4*.

2. Identify and conduct interviews with relevant actors:

In Ecuador, national stakeholders have already been working on both topics, since 2001 for BioTrade and since 2009 for REDD+. Hence, efforts were focused on obtaining first-hand information from experts on the possibilities to link BioTrade and REDD+, and identify key actors to participate in the workshop and be involved in potential projects. The list of representatives interviewed is in *Appendix 5*.

These interviews lead to the following conclusions:

- There is a general agreement among interviewed actors of the validity of workshops to discuss the BioTrade plus REDD+ scheme:
 - Workshop on November 12th must be focused on actors who are already involved in the development of REDD+ initiatives, therefore it should not only be addressed from the perspective of capacity building but also in the perspective to analyze the feasibility to link BioTrade and REDD+.
 - Workshop on November 28th, focused on entrepreneurs and micro-entrepreneurs, and should have a more general approach, and address the basis / requirements / steps to develop Bio Trade and REDD + initiatives.
- REDD+ is a sensitive issue at community level due to over-promise and misguidance of some NGOs. The Ministry of Environment is also sensitive to REDD+ and willing to promote it under their policy framework.
- Participants interviewed agree that the workshops should start addressing the issue from the perspective of BioTrade, and REDD+ can be addressed later.
- At the moment it wasn't clear how to link the two initiatives, but there is a general concern of the importance of discussion among actors.

3. Plan and conduct an Expert Workshop:

This workshop was organized in order to obtain inputs on the feasibility, challenges and opportunities of linking REDD+ and BioTrade. This workshop targeted experts that are knowledgeable and can support the brainstorming exercise to define the details on how the REDD+ and BioTrade fusion can take place. Additionally, this event also allowed for enhancing the knowledge on REDD+ and/or BioTrade, depending on the participants' expertise. It is important to highlight that the Sub-secretary of Natural Heritage and the Sub-secretary of Climate Change of the Ministry of Environment (MAE) convened this workshop, giving a strong support to UNCTAD's BioTrade/REDD+ initiative that resulted from the coaching activities implemented by the consultants. The event was held in the Quito campus of the Private Technical University of Loja (UTPL), on November 12th, 2013.

4. Plan and conduct a Training Workshop

Through this workshop, participants were sensitized on the possibilities to link REDD+ and BioTrade, targeting the private sector with a more general approach, defining its opportunities, requirements and steps needed to develop these REDD+ and BioTrade initiatives. This event was held in the Marriot Hotel in Quito, in the framework of *Expo European Union*, on November 28th, 2013.

5. Disseminate Ecuador's lessons learned and experience during the II BioTrade Congress, as well as provide information to the training manual developed by UNCTAD.

The Second BioTrade Congress held in Geneva in December 2013 was an outstanding opportunity to understand the mechanisms, barriers, and opportunities of BioTrade, as the majority of attendants and speakers had greater and relevant experience in this area. The presentations made by representatives of international cosmetics and clothing companies on how they integrate the sustainable principle to their business model was an eye opener. On the other side, one of the project / experience presented in the congress proved that a BioTrade initiative can successfully enter the voluntary carbon market, in a way to increase their income from sustainable forest management, which is later distributed to the beneficiary communities.

Based on the climate change and REDD+ experience of the national consultants, as well as the discussions held at congress, it is concluded that BioTrade initiatives face similar complex barriers to REDD+ which are related to market access, volume required, diversity of standards, diversity of registry/certification programs, uneven demand (characteristics of products/projects required by buyers), etc. However, BioTrade initiatives in Ecuador are not subject to a tight institutional and legal framework as it is for REDD+ projects, and can be developed in shorter periods of time offering a faster return and incentive for conservation and sustainable development to rural and indigenous communities.

6. Draft a document with the information gathered and lessons learned:

This document was submitted to UNCTAD (and other key stakeholders) for review and feedback.

7. Prepare Final Report

Based on the feedback received, the final report was prepared and submitted to UNCTAD and relevant stakeholders.

III. Ecuador and Sustainable Development - An overview

Ecuador, throughout its history, has signed and ratified several international agreements and protocols related with sustainable development, environment protection and biodiversity conservation. A summary of these agreements is shown below.

Table 1. Ecuador's signed and ratified international agreements and protocols

	Name (Convention / Protocol / Other instruments)	Date of subscription (d.m.y)
1	Convention on the International Trade in Endangered Species of Wild Flora and Fauna (CITES)	11.02.1975
2	Convention Concerning the Protection of the World Cultural and Natural Heritage	16.06.1975
3	Vienna Convention for the Protection of the Ozone Layer	10.04.1990
4	Montreal Protocol on Substances That Deplete the Ozone Layer	30.04.1990
5	Ramsar Convention on Wetlands of International Importance, especially as Waterfowl Habitat	07.01.1991
6	Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal	23.02.1993
7	Convention on Biological Diversity (CBD)	23.02.1993
8	United Nations Framework Convention on Climate Change (UNFCCC)	4.10.1994
9	United Nations Convention to Combat Desertification	6.09.1995
10	Kyoto Protocol	20.12.1999
11	Cartagena Protocol on Biosafety	30.01.2003
12	International Treaty on Plant Genetic Resources for Food and Agriculture	7.05.2004
13	The Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization	1.04.2011 (signed)

These conventions are closely related and complement each other to ensure environment protection. For example, the UNFCCC, which aims to "achieve stabilization of concentrations of GHG in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system". If this goal is not achieved, the effects of climate change will intensify, increasing desertification (UN Convention to Combat Desertification) and consequently produce the significant loss of our biodiversity (CBD).

Similarly, the decrease in agricultural productivity resulting from poor management of our agricultural biodiversity (e.g., by using polluting pesticides and by introducing invasive alien species) will result in the expansion of the agricultural frontier. The latter implies a higher rate of deforestation, triggering desertification of soils (Convention to Combat Desertification), as well as the release of carbon stored in biomass and decrease the soil's carbon storage potential (UNFCCC).

In recent years, the awareness on the interrelationship of these various international treaties and conventions and their importance, has improved thanks in part to the interest of national government representatives, local and international NGO's and the population in general on climate change and its impacts.

IV. Legal and Policy framework in Ecuador related to climate change

Ecuador has several specific policy instruments related to climate change, which have enabled great advances in the management of this problem at a national level and mainstream it among different government institutions.

The Constitution of the Republic of Ecuador (2008)

Article 413 states: "The State shall promote energy efficiency, the development and use of clean and environmentally technologies, as well as renewable, diversified, and low impact energies, that do not jeopardize food sovereignty, ecological balance of ecosystems and the right to water " and in Article 414 establishes:" The State shall take appropriate measures for the mitigation of climate change by limiting emissions of greenhouse gases, deforestation and air pollution."

Plan Nacional del Buen Vivir (PNBV) (2009-2013)

Policy 4.5 states "Encourage adaptation and mitigation to climate variability, with emphasis on the process of climate change."

Objective 4. "Guarantee the Rights of Nature and Promote a Healthy and Sustainable Environment ". Within this objective, the following policies and goals were defined:

- "Policy 4.1. Conserve and sustainably manage the natural heritage and its terrestrial and marine biodiversity, considered as a strategic sector ";
- "Goal 4.1.1. Increase 5 percent the land area under conservation or environmental management by 2013 ";
- "Goal 4.1.3. Reduce by 30 percent the rate of deforestation by 2013 ";
- "Policy 4.5. Encourage adaptation and mitigation to climate variability with emphasis in the process of climate change ";
- "Goal 4.5.1. Reduce to 23 percent the level of 'high' threat ecosystem vulnerability index to climate change, and 69 percent the level of 'medium' threat to 2013. "

The new "Plan Nacional del Buen Vivir (2013-2017). Under this document, objective 7, states "To guarantee the rights of Nature and promote environmental sustainability globally". More precisely, the following policy objectives and goals directly impact the interphase between REDD+ and BioTrade:

- "Policy 7.2 To know about, value, conserve and sustainably manage the natural heritage and its terrestrial, mainland aquatic, marine and coastal biodiversity, with fair, equitable access to their benefits;
- "Goal 7.1. To increase the proportion of mainland territory under environmental conservation or management to 35.90% hectares;
- "Policy 7.3. To consolidate sustainable forest management, within the forest governance model";
- "Goal 7.3. To increase the cumulative area of forest restoration to 300,000 hectares;
- "Policy 7.4 to promote generation of bio-knowledge as an alternative to producing commodities for export; and

- "Policy 7.10. To implement climate change mitigation and adaptation measures to reduce economic and environmental vulnerability with emphasis on priority groups".

To meet the goals of reducing deforestation and increase cumulative area for forest restoration, the Ministry of Environment (MAE), among other actions, is working on the construction of the National REDD+ Program and executing the "Socio Bosque Program".

Presidential decree No. 1815 (July 1, 2009)

This decree establishes a State Policy on adaptation and mitigation to climate change. It also states "The Ministry of Environment will be responsible for the formulation and implementation of the national strategy and plan to generate and implement actions to raise awareness in the country about the importance of fighting this natural and anthropogenic process, including mechanisms to coordinate actions at all levels of the state".

Presidential decree No. 495 (October 8, 2010)

Provides in Article 2 that "(...) The State, through the Ministry of Environment, will record mitigation actions and boost compensation measures for leveraging additional financial resources to promote technological breakdown and the development of local capacities". Additionally, in Article 3 creates the "National Committee for Climate Change" (CNCC).

National Climate Change Strategy

In accordance with terms of Presidential decree No. 1815, the Ministry of Environment is preparing the National Strategy for Climate Change (ENCC), which includes a National Adaptation Plan and a National Mitigation Plan. This last Plan provides the framework in which the National REDD+ Program will be inserted.

Ministry of Environment Agreement 033– April 2013

This agreement establishes that:

- Ecuador will have a national direction for the implementations of REDD+ projects, and the levels in which these projects could be implemented will be "National" and "Projects".
- The rights for the emission reduction certificates and the economic benefits that they represent, only at a national level, the access will be direct by the Government and project developers / sponsors will have indirect access.
- Establishes all the instruments of regulations and stages that a project sponsor will have to deal in order to implement a REDD+ initiative, including a REDD+ national registry system.
- Establishes the Ministry of Environment as the REDD+ National Authority and establishes the REDD+ Registry System.

Ministry of Environment Agreement 103– October 2013

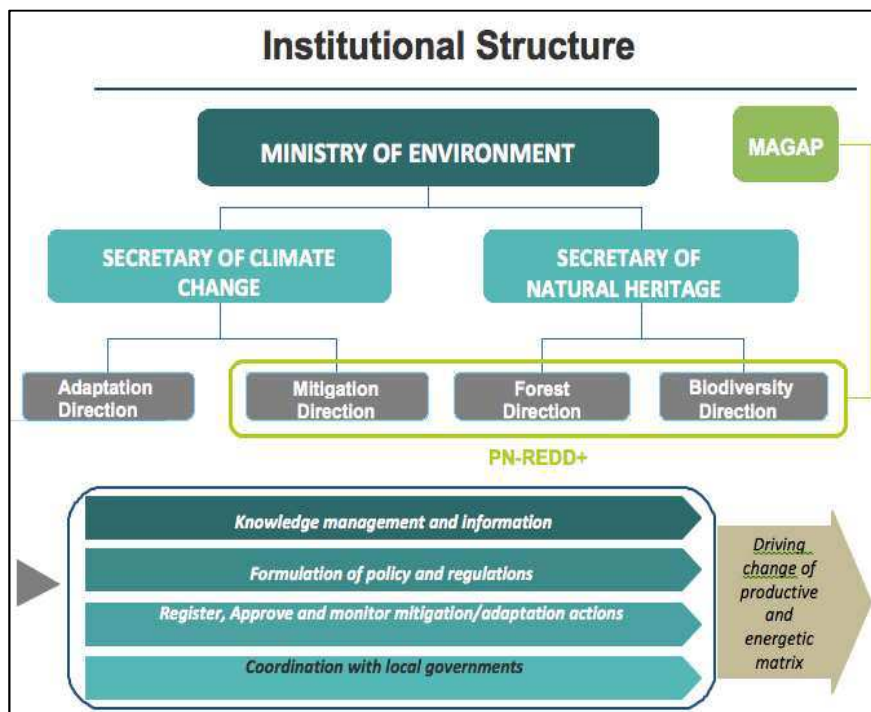
This agreement establishes the procedures and requirements guideline for the REDD+ registry, identification of activities and projects in Ecuador. This system makes it viable the implementation of the mandatory registry system as a tool to manage, and classify the required information in order to have a clear access to all the information required on a REDD+ activity and its results.

As presented, Ecuador has achieved some important advances in the specific policy instruments related to

climate change, Clean Development Mechanisms (CDM) and REDD+. In respect to REDD+ projects, it is a sensitive issue for the Ministry of Environment (MAE) and other government institutions; as a result in part to the over promise and misguidance of some local NGOs that raised high expectations in rural and indigenous communities. To address this, the Ministry of Environment established a clear regulatory framework, assumed the property of the emission reduction certificates and, by doing this, guaranteeing the equitable distribution of the economic benefits that they represent. This is clearly a very positive objective however it has in turn, the potential to discourage private project developers, result that could be seen with a medium or long term.

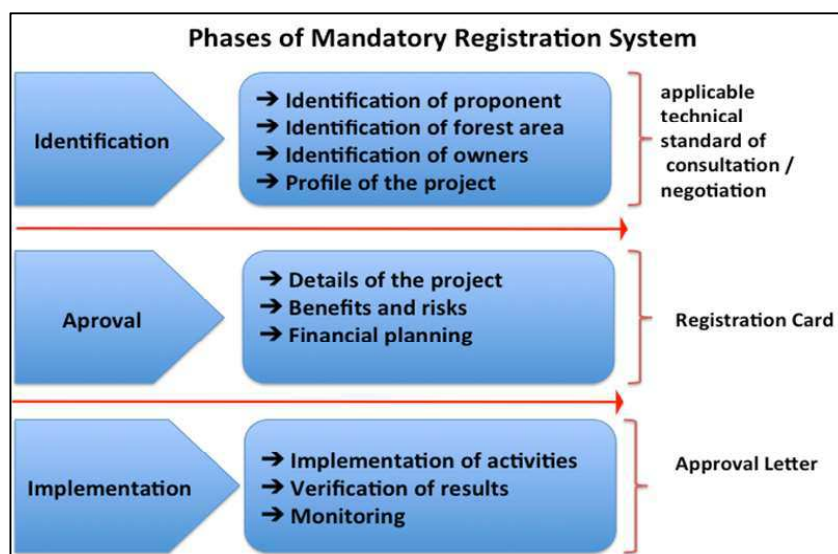
The following graph exemplifies the REDD+ institutional framework in Ecuador and the Phases for the Registry:

Figure 1. REDD+ institutional framework



Source: Mr. Christian Parra, National Director of Climate Change – Ministry of Environment-, Programa Nacional REDD +. Presentation made during the BioTrade / REDD+ Expert Workshop, on 12 November 2013. <http://www.biocomercioecuador.ec/recursos/biblioteca-biocomercio>

Figure 2. Phases for the REDD+ Registry System



Source: Mr. Christian Parra, National Director of Climate Change – Ministry of Environment-, Programa Nacional REDD+. Presentation made during the BioTrade / REDD+ Expert Workshop, on 12 November 2013. <http://www.biocomercioecuador.ec/recursos/biblioteca-biocomercio>

4.1 The United Nations Framework Convention on Climate Change (UNFCCC) and REDD+

Ecuador is a Party to the UNFCCC since 1992.

On July 28th, 1999, by Presidential decree No. 1101, the National Committee for Climate Change (CNCC) was created with the aim of establishing policies and strategies for meeting the commitments of the UNFCCC. The CNCC was formed by the Ministry of Environment, Ministry of Energy and Mines, National Institute of Meteorology and Hydrology (INAMHI), National Council of Higher Education (CONESUP), one representative from of the Chambers of Industry and another from the Ecuadorian Committee for the Defense of Nature and the Environment (CEDENMA). The Ministry of Environment performs the functions of Chairman of the Committee, and INAMHI the Technical Secretariat.

Subsequently, the Ministry of Environment established a Climate Change Unit within the Secretariat of Environmental Quality in 2000. Also in 2001, the MAE creates the Corporation for the Promotion of Clean Development Mechanism (CORDELIM) which was formed as a public-private entity focused on the promotion, dissemination, training, and technical and commercial support for CDM implementation.

In 2003, the National Climate Change Committee appointed the MAE as the Designated National Authority for the CDM, since then MAE represents the CDM in the Executive Board of UNFCCC.

The National Committee for Climate Change (CNCC) and the Corporation for the Promotion of Clean Development Mechanism (CORDELIM) disappeared in 2009. However, its duties, functions, and

representations were transferred to the MAE. In October 2009, the Secretariat for Climate Change created two units, the National Adaptation to Climate Change Unit and the National Mitigation for Climate Change Unit.

4.2 REDD+ implementation advances in Ecuador

Since May 2009, Ecuador is one of five pilot countries to develop and implement the Social and Environmental Standards REDD+. These standards provide a tool for voluntary application by which Ecuador seeks to comply with the safeguards for REDD+ and go beyond, ensuring multiple benefits through a participatory and transparent process.

The REDD+ National Program (PNREDD+) is part of the National Plan for Mitigation of Climate Change, which in turn is part of the National Strategy for Climate Change. This program is the framework for the development and implementation of REDD+ activities in Ecuador and aims to contribute to the goal of reducing deforestation and increase reforestations as established in the “Plan Nacional del Buen Vivir (PNBV) (2009-2013) and (2013-2017), respectively.

The PNREDD+ consists of four major components, which are the lines of action for the implementation of REDD+:

1. National Forest Assessment (ENF): seeks to characterize the country's forest resources and to determine the carbon content of each kind of forest, and other variables of analysis.
2. Historical Map of Deforestation (MHD): determines the rate of current and historical deforestation in Ecuador through a multi-temporal analysis into three periods 1990 - 2000 - 2008. This work is almost finished and the results will be available soon to the general public.
3. Reference Scenario of Emissions from Deforestation (ERED): seeks to determine the baseline of GHG emissions caused from deforestation. The historical reference scenario will be based on the information generated by ENF and MHD components. This work, will allow the MAE to determine the priority areas of deforestation and which of them (depending on the remaining forest cover and constitution) have the potential to be eligible and attractive for REDD+ initiatives. Unfortunately this information is not ready yet.
4. Monitoring System, based on the GHG Measurement Reporting and Verification (MRV) protocols will assess the GHG emissions and removals associated with the processes of change in land used in forestry.

Ecuador has two sources of funding to implement activities that meet the objective of the REDD+ National Program. On the one hand, there is a bilateral cooperation agreement with the Government of Germany; the country receives support from both the Financial Cooperation (KfW) and Technical Cooperation (GIZ). There is a non-refundable contribution from KfW for EUR 13'500,000 for the "Conservation of Forests and REDD+ program". GIZ, with its GESOREN component entitled "Climate Change and REDD+" has a budget of EUR 4,000,000 for the period 2010-2013 to finance activities for the preparation phase to implement REDD+ in Ecuador.

On the other hand, Ecuador is part of the UN-REDD Program. Through this program, in March 2011, USD 4,000,000, were approved for a two-year period, to assist with technical support in the preparation phase for REDD+ projects. The UN-REDD Program is executed in coordination with the GIZ.

Based on the above, we can conclude that in Ecuador there is a significant level of understanding of the Rules and Modalities for the implementation of REDD+ projects, also the institutional arrangements are well underway in order to promote the development and implementation of REDD+ projects.

4.3 REDD+ stakeholders in Ecuador

In Ecuador, there are several stakeholders working on climate change in general, and REDD+ in particular. Based on information from studies prepared by EcoDecisión (2010), the workshops' outcomes and interviews, the actors can be grouped under the following categories:

- National government
- Regional and local government
- NGOs and iNGOs
- Private actors
- International organizations

Within these categories, key organizations were identified, as well as their relevance to REDD+. The list of the most relevant stakeholders can be seen in *Appendix 2*.

V. Legal and Policy framework in Ecuador related to biodiversity/BioTrade

Ecuador has several specific policy instruments related to biodiversity, which have enabled great advances in the development of BioTrade initiatives.

Constitution of Ecuador

The Constitution of Ecuador in Title VII: Good Living Regime, Chapter II: Biodiversity and Natural Resources establishes that the State has sovereignty over biodiversity and declares of public interest the conservation of biodiversity and its components, in particular agricultural and wild biodiversity and genetic heritage. Art. 400 and Art. 14 clearly express the State's position on biodiversity, which implies sovereignty, control and state intervention on it. These are very important for BioTrade, as they are in accordance with the BioTrade principles and criteria and provide the guidelines for the use of natural resources with conservation and sustainable use criteria.

Plan Nacional del Buen Vivir (PNBV) (2013-2017)

As mentioned above, overall objective 7 of the PNBV's is to guarantee the rights of nature, and promote environmental, territorial and global sustainability. Policy 7.4 promotes the generation of bio-knowledge as an alternative to the export of primary goods including the following guidelines:

- Implement a policy for the development of bio-knowledge framework, innovation, and productive enterprises.
- Strengthen the BioTrade National Program through national and international promotion of bio-knowledge products and services, ensuring the benefits of their use and trade for the communities and ecosystems.

Overall objective 10th is to promote the transformation of the productive matrix. In the case of REED+ and BioTrade, this production objective complements and develops overall objective 7. Policy 10.4 is set to promote production and productivity in a sustainable and viable way; promote inclusion and redistribute resources and production factors in agriculture, aquaculture and fishing sectors.

Policy and National Biodiversity Strategy 2001-2010

The National Strategy aims to consolidate and enforce the sustainability of productive activities based on native biodiversity.

Under its strategic lines, the following results related to BioTrade, are expected to be achieved:

Result 1. Give greater value to timber and non-timber products and services provided by forests and processes of deforestation of native forests have been stopped.

Result 4. There is a higher share of production and trade of species and products made of native flora and fauna and marine life, and pressures on wildlife have been reduced.

Currently, the National Biodiversity Strategy is being updated for the period 2013-2020. It considers the development of national frameworks for the implementation of the strategy and monitoring systems, the creation of a technical committee for monitoring and evaluation of the Plan, funding strategy and mechanisms to exchange information, knowing that biodiversity is a strategic resource that is aimed to the new production model.

Organic Code of Production, Trade and Investment (COPCI)

In force since December 2010, it replaces the former Foreign Trade Law. The Organic Code statements are not specifically related to biodiversity, but somehow are in a close agreement with BioTrade principles, especially in those related to sustainable use of natural resources, socio-economic sustainability and respect for the rights of all the actors in the process.

The aims of COPCI are:

- To encourage domestic production, trade, and consumption of environmentally friendly goods and services, with social responsibility, as well as trading and use of environmentally friendly technologies and alternative energy (Art. 4 Literal C);
- To generate quality and decent jobs, to help enhance all forms of work in compliance with labor rights (Art. 4 literal d);
- To promote and diversify exports (Art. 4 literal o);
- To facilitate foreign trade operations (Art. 4 literal p);
- To incorporate, as a transversal subject in all productive policies, gender and economic inclusion of the productive activities of peoples regardless its ethnic background (Art. 4 literal r); and
- To foster mechanisms that enables a fair and transparent market trade (Art. 4 literal s).

Agrarian Development Law

Its fundamental principles are to preserve the sustainable growth of the economy, and balanced and equitable development in benefit of all population, considering the preservation of the environment, and conservation of ecosystems, biodiversity and the integrity of the genetic patrimony of the country.

Environmental Management Law

The Environmental Management Law is considered the legal framework on environmental matters. It designates the Ministry of Environment as the national environmental authority and creates the Decentralized Environmental Management System as the mechanism for interagency coordination for proper environmental management in the areas of competence. This Law establishes the legal rules to regulate and promote environmental conservation, sustainable use of natural resources, management standards and environmental impact assessment.

*Forestry and Conservation of Natural Areas and Wildlife Law, and Unified Text on Environmental Secondary Legislation of the Ministry of Environment (TULAS)*¹

Under the Forest Law and the Unified Text, the competent national authority to authorize the research, collection, mobilization, and utilization of wildlife products is the Ministry of Environment. Some of these competencies are shared with customs control agencies, international police, armed forces, health authorities, specifically related to export control of wildlife. Relevant Articles in TULAS that are related to biodiversity are 10, 11, 14, 27 to 35, and 126.

Ministerial Agreements under the Regulations of the Organic Agricultural Production Code in Ecuador

These sets of agreements include the basic regulation that establishes the framework for organic production in the country, includes definitions for organic products, standards and procedures for production and marketing.

Decision 391, Common Regime on Access to Genetic Resources (SGCAN)

This Decision aims to “Promote conservation of the biological diversity and the sustainable use of the biological resources that contain genetic resources” (Art.2). Access to these resources requires an application and the subscription of an Access Contract, agreement between the Competent National Authority in representation of the State, in Ecuador the Ministry of Environment (MAE), is responsible for establishing the terms and conditions for access to genetic resources, their by-products and, if applicable, the associated intangible component (Art 1).

Ecuador, in application to Decision 391 of the Andean Community, issued on 11 October 2011 the National Regulation on the Common Regime on Access to Genetic Resources.

Decision 486, Common Regime of Industrial Property (SGCAN)

This decision determines the granting of industrial property rights when products or services involve biological heritage of Member Countries, lawful access to genetic resources and traditional knowledge property.

Art 3 states “The Member Countries shall ensure that the protection granted to intellectual property elements shall be accorded while safeguarding and respecting their biological and genetic heritage, together with the traditional knowledge of their indigenous, African American, or local communities. As a result, the granting of patents on inventions that have been developed on the basis of material obtained from that heritage or that knowledge shall be subordinated to the

¹ For more detail see Section IV Biodiversity Research Title II, Title II.

acquisition of that material in accordance with international, Andean Community, and national law”.

Before 2013, the term BioTrade was not explicitly used in Ecuador’s legal and policy framework, although these several instruments included guidelines to facilitate its development. However, through the work of the BioTrade project during 2013, the National Secretariat for Planning and Development (SENPLADES) included the term BioTrade in the new document for the national development strategy.

5.1 Convention on Biological Diversity (CBD)

The CBD acknowledges the significant environmental, economic and social value of biodiversity. It also seeks to ensure that the rights of countries and communities over their biological resources and related knowledge are respected, and that the benefits derived from their use are equitably shared. The CBD thus sets out commitments for maintaining the planet’s ecological foundation in the context of sustainable development strategies.

Subscribed in 1993, ratifies the intention to achieve three objectives: a) to conserve biodiversity, b) use biological resources sustainably and c) ensure the fair and equitable sharing of benefits arising from the use of these resources.

This becomes especially relevant if we consider that in recent years, the most diverse data highlight that Ecuador is among the biologically richest countries on earth. This means that the country has the most varied forms of life expressed in its flora, fauna and microorganisms, their genetic diversity and a variety of ecosystems that are formed by its particular geographical location, topography and climate.

Food, textiles, and other products of our daily use, come directly from the experience of our ancestors on the use and management of biodiversity. They also provide environmental services that are evident in agricultural productivity, water supply, pest control and landscape diversity. For example, the specialty cocoa (fino de aroma), laid the foundation of the cocoa boom of the last century; Ecuadorian food is based mostly on corn and potatoes; marine resources provide food for coastal habitants and contributes significantly to the generation of economic income.

Our population uses medicinal plants ancestrally for traditional medicine. About 500 medicinal plants are known, their potential as a source of development has not yet been exploited, despite the significant growth of organic products and fair trade markets.

For these reasons, conservation and sustainable use of biodiversity is directly related to the ability to ensure the quality of life for present and future generations, emerging as a strategic element for overcoming poverty.

Unfortunately, in the last centuries in Ecuador, there have been major changes in the natural environment that have reduced or eliminated dramatically a large number of ecosystems and life forms, maintaining pressure on the different components of biodiversity. Factors that have affected and / or boosted the increasing loss of biodiversity have been analyzed by several studies. Elements that contributed to this loss are related to the need to address production and economic growth, access to resources for the subsistence of communities less favored, over exploitation of wild fauna and flora, the introduction of alien species, pollution, among others.

Significant efforts have been made to counteract the effects of this tendency to loss natural areas and ecosystems. However, these efforts usually suffer from a lack of vision and a more comprehensive field action, resulting in the concentration of resources / knowledge only among specific groups.

The Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization is a supplementary agreement to the Convention on Biological Diversity. Ecuador signed this Protocol in early 2011. Nagoya agreements provide a transparent legal framework for the effective implementation of one of the three objectives of the CBD: the fair and equitable sharing of benefits arising of the utilization of genetic resources. It is foreseen that the Protocol will enter into force by the end of 2014 or by early 2015. This is also one of the principles of BioTrade in general and in Ecuador and the countries working under the “Biocomercio Andino GEF-CAF” Project.

In the case of Ecuador, the administration and regulation of “access contracts”, is administrated by the Ministry of Environment’s National Biodiversity Direction under the Under-Secretary of Natural Patrimony. However, this is still a topic unknown by the general public and business sector. Hence, the local Government has still to invest more efforts in communication of this legal framework and to train interested parties about how to comply. Considering that the Nagoya Protocol is not yet ratified, the legal framework in Ecuador is managed under the umbrella of the Decision 391 of the Andean Community (SGCAN) that - since 3 October 2011 - rules the access of genetic resources under the local Executive Decree 905. Since the most urgent requirement of local communities was the legal framework for benefit sharing (ABS), there is transitory ruling by the Ministry of Environment (transitory 3) in which the Ministry is obliged to produce specific procedures for the benefit-sharing scheme. The Ministry is still defining these specific procedures.

It is important to mention that since the Ministry started receiving access contract requests, 16 folders have entered the approval process, most of them from local universities and, so far, only two of these cases are already at the contract negotiation phase according to Article 23 of the ruling.

5.2 BioTrade advances in Ecuador

BioTrade initiatives or businesses are those who work with products or services derived from native biodiversity under environmental, social and economic sustainability practices (BioTrade principles and criteria). In Ecuador, since the establishment of the National Program for Sustainable BioTrade (PNBSE) in 2001, more than 250 initiatives have been identified and supported. These initiatives are committed to the seven BioTrade Principles and Criteria:

- 1. Conservation of biodiversity*
- 2. Sustainable use of biodiversity*
- 3. Equitable sharing of benefits derived from the use of biodiversity*
- 4. Socio-economic sustainability (management, production and markets)*
- 5. Compliance with national and international legislation and agreements*
- 6. Respect for the rights of actors involved in BioTrade activities*
- 7. Clarity about land tenure, use and access to natural resources and knowledge.*

Currently, as part of PNBSE, CORPEI and the Ministry of Environment (MAE), execute the project "Facilitation of financing for biodiversity-based business support and market development activities in the

Andean Region" or "Biocomercio Andino GEF-CAF Project" (2011 - 2014). Its objective is to protect and sustainably use biodiversity in the Andean region supporting the BioTrade sector. The project, financed by the Global Environment Facility (GEF), the United Nations Environment Program (UNEP) and the Development Bank of Latin America (CAF), has six components:

- Component 1: Development and rationalization of policies related to BioTrade;
- Component 2: Market access for products / services from the sustainable use of biodiversity;
- Component 3: Strengthening capacities and business skills, and contribute to a better understanding of BioTrade concept;
- Component 4: Access to information on products and markets;
- Component 5: Leveraging financial resources for BioTrade initiatives; and
- Component 6: Support pilot projects for initiatives based on the sustainable use of biodiversity.

The impacts expected from the implementation of the “Biocomercio Andino GEF-CAF” Project are:

- Disseminate and promote BioTrade for greater awareness of its opportunities and feasibility in Ecuador
- Rationalize regulations related to BioTrade and facilitate processes for compliance
- Increase the number of businesses committed to the BioTrade Principles and Criteria
- 50% increase in the area under sustainable management
- Increase of at least 5% of annual sales of supported initiatives
- Establish a credit line and finance specific for BioTrade initiatives
- Compile information and generate statistics for the BioTrade sector

To achieve its objectives, the project has established technical and economic cooperation agreements with different institutions involved in research and conservation in order to achieve sustainable economic development. These partners are: Ecological Research Foundation (EcoCiencia), Business Development Foundation (ADE), Rainforest Alliance, National Union of Cocoa producers (UNOCACE), GIZ and BioCAN programs. Also, academic institutions like Private Technical University of Loja (UTPL), Technology Transfer Center of the San Francisco de Quito University (CTT-USFQ), Project PALMS Herbarium of the Pontifical Catholic University of Ecuador (PUCE), Polytechnic Salesian University (UPS), Casa Grande University (UCG), CORPEI CAPITAL, Eco FONDO, and Environmental Total Solutions (SAMBITO), among others.

The BioTrade initiatives supported by this project are mainly in three priority sectors: i) natural ingredients or products for the food industry, including cocoa and fruits like uvilla (*Physalis peruviana L.*) and mortiño (*Vaccinium floribund*), and grains like quinoa (*Chenopodium quinoa*) and amaranth (*Amaranthus Spp*); ii) natural ingredients for the pharmaceutical and cosmetics industries including species such as guayusa (*Ilex guayusa*), ungurahua (*Oenocarpus batua*), ishpink (*Ocotea quixos*) and several native medicinal plants; and iii) sustainable tourism, covering bird watching, community-based tourism, ecotourism, ethnic tourism, among others.

The main achievements of BioTrade initiatives currently linked to the Project are: i) strengthening practices for sustainable management of species and ecosystems under the framework of the BioTrade Principles and Criteria; ii) improving and increasing access to national and international markets, and; iii) strengthening entrepreneurial skills in the context of value chains. A sample of 37 initiatives supported by

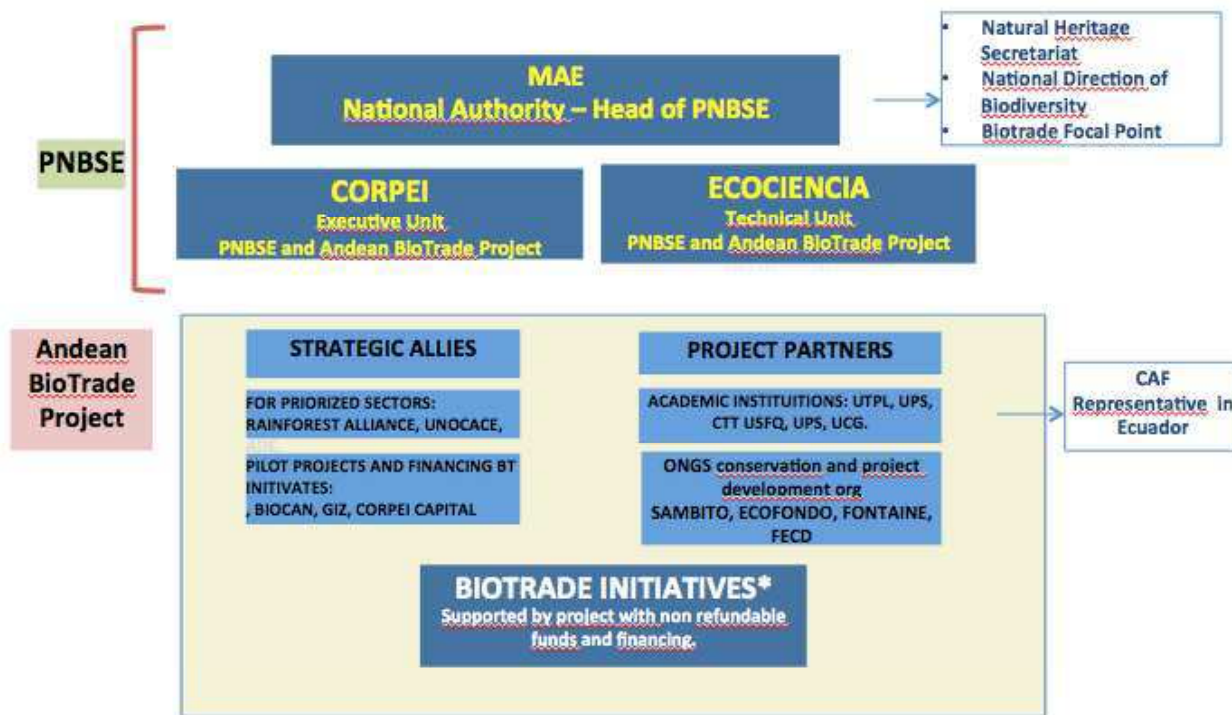
the Biocomercio Andino GEF CAF Project, indicate that there is an area of around 13,000 hectares managed under the BioTrade Principles and Criteria, and reached about USD\$4,000,000 in sales in 2012². The list of BioTrade’s project beneficiaries is included in Appendix 4.

5.3 BioTrade stakeholders in Ecuador

In Ecuador, there are several stakeholders working with BioTrade initiatives. Based on information provided by the national coordinator of the Biocomercio Andino GEF- CAF Project, a complete list of the most relevant stakeholders can be seen in Appendix 3.

The following graph exemplifies the institutional framework that supports the development of BioTrade initiatives in Ecuador.

Figure 3. PNBSE’s Institutional framework



Source: Giovanni Ginatta.

² Information given by the national coordinator of the "BioTrade Andean Project GEF-CAF"

VI. The two national workshops - conclusions and relevant comments from participants

Two national workshops on REDD+ and BioTrade were organized in November 2013. These events supported the enhancement of knowledge on BioTrade and REDD+ by national stakeholders, as well as provided inputs on the feasibility to merge both initiatives.

6.1 Workshop 1: BioTrade and REDD+ workshop

This expert workshop was organized on 12 November 2013 in Auditorium of the Private Technical University of Loja (UTPL) in Quito, Ecuador. It had two objectives: 1) to update and enhance the knowledge of the different actors on the structure and progress of BioTrade and REDD+ initiatives in Ecuador, and 2) to obtain relevant information from these actors on the possibilities and opportunities to link both initiatives. This workshop had the support MAE's of the Secretariats of Natural Heritage and for Climate Change.

The workshop was attended by 43 participants, including representatives from the Secretariats of Natural Heritage and the Secretariat for Climate Change of the MAE, as well of other actors from public and private sectors, NGOs and project developers on BioTrade or REDD+. UNCTAD staff and its national and international consultants also supported this event.

The workshop included conferences of representatives and consultants from UNCTAD, MAE, GESOREN GIZ Program and National BioTrade Program. It was organized in two sections as seen in the Agenda.

Table 2. Agenda of the BioTrade – REDD+ workshop

8:20	Attendants Registry	
8:30	Welcome speech: Directors of the Secretariat of Climate Change and Secretariat of Natural Heritage	
8:40	Opening: Presentation of Agenda and Workshop's Methodology	
8:50	Presentation of Participants	
9:00	Christian Parra, National Director of Climate Change of MAE.	Progress in the development of the National Strategy on REDD+
9:30	Giovanni Ginatta – National Coordinator PNBSE	Progress of the “Biocomercio Andino GEF CAF” Project in Ecuador
10:00	Boiler Torres – GIZ GESOREN	Cocoa production, ecosystem services and forest
10:30	Coffee Break	
10:45	Isaura Frondizzi – UNCTAD	Training manual for REDD+ and BioTrade activities
11:15	Daniel Valenzuela	Introduction to Work groups
11:25	Work in groups with guidelines	
12:00	Groups results presentation to the plenary	
12:30	Conclusions	
12:45	Closing: Lorena Jaramillo – UNCTAD	

The first section of the workshop included five conferences to introduce the audience in the topics of BioTrade and REDD+ and give them a background for further analysis in workgroups. The second part of

the workshop was done through working groups that discussed 4 topics as shown in Box 1. These groups were moderated by UNCTAD national consultants, UN REDD Program and UNCTAD.

Box 1. Guideline Questions for working groups

<i>General</i>	
<ol style="list-style-type: none"> 1. In the development of REDD+ initiatives, ¿which key actors would you identify? 2. In which stage of development of REDD + initiatives, BioTrade actions are more necessary? 3. What barriers are identified in the articulation of REDD + initiatives and BioTrade? 	
<i>Economic and environmental additionality</i>	<i>Institutional Framework</i>
<ol style="list-style-type: none"> 4. What should be considered for the participation of private investment funds in the implementation of REDD + and BioTrade initiatives? 5. Which should be the strategy to visualize the benefits and impacts of the link between the initiatives REDD + and BioTrade? 6. Do you consider that the scale of implementation of REDD + and BioTrade initiatives, guarantees or limits the financial and environmental sustainability? 	<ol style="list-style-type: none"> 7. What are the aspects to boost the national REDD + program in Ecuador? 8. Is the set of existing compensation schemes in the regulatory framework favorable for the development of REDD + projects? 9. Do you consider that the regulatory framework for the access of genetic resources is crucial for the development of REDD + and BioTrade initiatives?
<i>Community participation</i>	
<ol style="list-style-type: none"> 13. How do the knowledge of local communities should be linked in the articulation of strategies and REDD + BioTrade? 14. How do REDD + and BioTrade initiatives can contribute in the formulation of internal regulations of forest management? 15. What barriers can exist in the communities for the adoption and implementation of REDD + and BioTrade initiatives? 	<ol style="list-style-type: none"> 10. What regulatory elements could limit the development of REDD + and BioTrade initiatives? 11. What is the role that NGOs and private sector should have in REDD + initiatives? 12. What would be the areas of capacity building and training aimed for local communities to reinforce the assumption of REDD+ and BioTrade strategies?

The main outcomes of these workshops are listed below:

- There is lack of integration between public and private actors. Private actors complain that many rulings policies are dictated without their participation. Indigenous communities present at the workshop made especial emphasis, since they complain of the lack of communication on REDD+.
- There is a certain level of distrust from the potential beneficiaries of those who approach them with regard to REDD+ projects, based in their past experiences. It seems that some local actors have been exposed to overly optimistic promoters that offered unrealistic timelines and economic gain.
- There is an inventory of organizations that have already accumulated sufficient proficiency about REDD+ projects. In this sense, there is a local structure of service organizations and NGOs that can provide technical support for REDD+ development.
- Previous experience demonstrates that there is local interest, but these local stakeholders are not willing to wait for the long REDD+ timelines.

- It is important to mention that most participants agree that BioTrade and REDD+ serve common environmental goals. BioTrade conserves biodiversity through sustainable use of biological resources. REDD+ conserves forests and therefore biodiversity through the economic benefit of avoiding deforestation.
- There is still a big knowledge gap between the more knowledgeable groups of REDD+ and the potential project proponent. There is a strong need for more communication and capacity building efforts.

6.2. Training workshop (28 November 2013)

Within the event *Expo European Union*, CORPEI in cooperation with the MAE organized the Seminar "BioTrade in Ecuador - Biodiversity and Trade for Global Leadership", held on November 28th, at Marriott Hotel in Quito. The forum purpose was to socialize and disseminate the results of the BioTrade Project in Ecuador and to generate, through the MAE, synergies with different institutions at the public level to strengthen the PNBSE as well as to link BioTrade and REDD+ initiatives. In the same event CORPEI CAPITAL shared their experience in the implementation of a Credit fund for BioTrade and signed an agreement with ProCredit Bank to open a new credit line specialized for BioTrade businesses.

The event convened 65 participants from different institutions of public sector including ministries, planning agencies and regional governments, as well as actors from private sector, universities, national and international NGOs related to conservation and economic development, and BioTrade initiatives and businesses. UNCTAD national consultants also supported it.

During this workshop, presentations were given by representatives from the Ministry of Environment, the BioTrade Project, CORPEI CAPITAL, Banco ProCredit and UNOCACE (see Agenda below). The main topics addressed were:

- i) BioTrade - Current state of the art and successful experiences;
- ii) BioTrade and REDD+, opportunities to link both initiatives; and
- iii) New Financing Schemes for BioTrade.

Each topic was approached in a panel, which included expert's conferences and a space for questions and comments.

The agenda of this workshop can be seen below:

Table 2. Agenda of the BioTrade in Ecuador - Biodiversity and Trade for Global Leadership workshop

15:00	Attendants Registry
	Central Moderator: Paola Betancourt
15:30	Welcome speech: Hermann Krützfeldt – Director of CAF in Ecuador
15:40	Opening: Francisco Prieto – National Director of Biodiversity of MAE, Tatiana Egüez Larrea – Ministerial Advisory Office – MAE
	Panel: BioTrade.

	Moderator: Paola Betancourt	
15:50	Jaime Cárdenas – Regional Coordinator of Andean BioTrade Program	Biodiversity and Businesses
16:05	Giovanni Ginatta – National Coordinator PNBSE	BioTrade Project- Results and achievements in Ecuador
16:20	Freddy Cabello, General manager – UNOCACE	UNOCACE – Experiences in Public and Private Projects with Municipio de Babahoyo
16:35	Francisco Prieto –National Director of Biodiversity of MAE	Official view of BioTrade in Ecuador
16:50	Questions of participants	
	Panel: BioTrade and Climate change: Opportunities between BioTrade y REDD+.	
	Moderator: Daniel Valenzuela	
17:00	Christian Parra – National Director of Climate Change of the MAE	Prospects and Opportunities for REDD + Project in Ecuador
17:15	Max Lascano – Coordinator of the Socio Bosque Program	Possible Linking of BioTrade and Socio Bosque, New Incentive Plan of MAE
17:30	Questions of participants	
	Panel: Financing for BioTrade	
	Moderator: Mauricio Velásquez	
17:45	Luis Montoya – General Manager CORPEI CAPITAL	CORPEI CAPITAL experience
18:00	Miguel Herrera –Coordinator of the environmental department of Banco ProCredit	Experiences and opportunities of Green financing for emergent economies
18:15	Janeth Pacheco – General manager of Banco ProCredit: Signature the cooperation agreement between CORPEI CAPITAL y BANCO PROCREDIT	
18:30	Closing remarks: Mauricio Ardila – Vicepresident of CORPEI Business Unit	
19:00	Cocktail	

The main outcomes of these workshops are listed below:

- There is still a lot of ignorance about REDD+ and BioTrade initiatives, as well as markets, and regulatory and institutional frameworks.
- The general public agrees that both approaches are important since they serve the need to preserve the natural heritage with practical economic incentives.
- Most workshops attendants requested more services and capacity building activities since they feel they need organizations that could provide tailor made assistance.
- The issue of financing is most important not only to cover credit needs for the implementation, but also to find pilot projects and to provide nonrefundable services as an attractive way to reduce implementation costs.
- Many of the attendants were impressed and surprised to learn about what already had been done in Ecuador for BioTrade and REDD+ and saw interesting opportunities to develop. This proves that

communication efforts are still insufficient to reach a more mainstream sector of the private and public sectors.

VII. Conclusions, recommendations and lessons learned

As indicated in the introduction and background section of this document, there were fundamental questions to be answered: Can BioTrade and REDD+ merge? Is there an advantage in linking these efforts together?

The consultancy team, after executing the planned activities of this work and especially after the national (Ecuador) and international (Geneva) workshops, provides the following conclusions and recommendations:

7.1 Feasibility to link REDD+ and BioTrade

It is clear that there is a conceptual convergence between these two initiatives, as for example the Climate Community and Biodiversity Standard (CCB) used for REDD+ projects shares similar principles with BioTrade.

Figure 4. Similarity between the principles of BioTrade and the Climate Community and Biodiversity Standard (CCB) used for REDD+ projects

PRINCIPLES CONVERGENCE		
	CCB	BOT
Clarity – land property and access to resources	✓	✓
Distribution of the benefits	✓	✓
Improving the living conditions; organizational / profitability	✓	✓
Legal framework fulfillment	✓	✓
Ecosystem and biodiversity services preserved and /or improved	✓	✓
Information access and respect to all actors involved	✓	✓

Source: Daniel Valenzuela, Climate Change and BioTrade - opportunities and challenges? – A project consultant perspective. Presentation made during the II BioTrade Congress, 11 to 13 December 2013. http://r0.unctad.org/biotrade/congress/MeetingDocs2/EI/5_EI_Ecuador%20CC%20and%20Bio%20trade_DValenzuela.pdf

Over all, participants in both national and international workshops showed an elevated degree of interest on the feasibility of linking BioTrade and REDD+ initiatives.

Considering that one of the barriers identified by the national workshops' participants is the development of a critical mass of experts that understand and manage the different complexities to develop BioTrade and REDD+ projects development, and its markets, the online course delivered by UNCTAD, may offer an alternative for the development of these critical human capacity to integrate both initiatives. Furthermore in Ecuador, the UN-REDD project coordinator has expressed her willingness to incorporate the BioTrade component in the new didactic material to their manuals, designed to provide training for instructors/leaders (train the trainers) and communities.

As per the fundamental question, can REDD+ activities merge with BioTrade activities? The answer after the evidence and inputs from this consulting work is YES, however under specific considerations. It is important to note that although REDD+ legal framework is well developed in Ecuador, the costs and timelines required are difficult to be covered by small projects or community-based projects as is the target in Ecuador. In this scenario, BioTrade activities, which operate in shorter time spans and which can offer results and benefits much quicker, could become a bridge towards REDD+ projects. A word of caution is relevant here since BioTrade activities have shown problems of their own in Ecuador.

Following this analysis with more detail, the question is then which types of BioTrade companies or projects can be ideal to bridge into REDD+? The answer is determined and / or influenced by the national REDD+ requirements established in the 033 and 103 Ministerial agreements, which indirectly limit private participation as meeting the requirements may be difficult for small project proponents. Additionally, project proponents must have a relatively high organizational level development and at least a medium level of market knowledge/ experience/ development. In simpler words, the actors must be able to organize and manage projects and this cannot happen in newer or immature organizational structures. Also, these companies must have already developed marketing channels for their products. Some of the BioTrade products in Ecuador, especially in the natural ingredients sector, are still struggling to find markets. These companies could not be adequate candidates to merge REDD+ and BioTrade because BioTrade is not even a first solution for their problems.

Furthermore, the consultancy team feels that BioTrade is more necessary to REDD+ projects than vice-versa. BioTrade projects, in general terms, can be developed in shorter time spans with more limited bureaucratic hurdles and implementation costs than REDD+. Depending on the type and sector of the BioTrade project, they can be self-sustaining and profitable when properly designed with a sound bio-business plan. However, it may not be the case for all REDD+ projects, since depending on their characteristics they may require a greater deal of patience and resources before the REDD+ proponents can receive the economic incentives benefits.

7.2 Formulation and/or development of REDD+ and BioTrade projects

Given the advance state of BioTrade activities and projects in Ecuador, and of the legal framework for REDD+, it will be adequate to evaluate which of the BioTrade initiatives currently in operation are most suited to incorporate the REDD+ component. This will depend initially on the approval of the Ministry

of the Environment with respect to deforestation priority areas³ and of the positive development of BioTrade activities. Also it is important to evaluate legal property of land and the level of organization of the applicant. In these community-based projects, usually it takes some time to produce agreements by consensus, especially when referred to projects that include long-term commitments and work.

With the information gathered during the consulting contract, the initiatives that should be foster must include:

- Experienced organizations with mid-high level of business skills and secured markets.
- Areas with known deforestation pressures.
- Relative size (area) and economic resources.
- Previous involvement in REDD+ or other related projects.
- Previous involvement in BioTrade projects.

With these parameters in mind, it is recommended to work with projects such as Kallari or UNOCACE⁴ who have a history of economic activity, organization, markets development and previous involvement with BioTrade and conservation activities. Kallari for example, has worked with GIZ on the evaluation of the impact of cacao plantations in areas with high deforestation pressure.

Reviewing the existing list of BioTrade beneficiaries and mapping them in areas of deforestation pressure, the BioTrade companies related to cacao production are the ones which could fulfill the above mentioned criteria in the best manner. BioTrade in Ecuador has worked with several cacao organizations of small growers, but of that list there are two organizations (UNOCACE and Kallari) with sound organizational development, markets developed and are located on high deforestation areas. Sustainable tourism oriented projects can also provide an alternative as this are also community-based projects in high deforestation areas with qualified level of organizational skills and commercial development.

7.3 Enhance capacity of stakeholders

Upon review of the research information, it is concluded that there is a great knowledge gap between a small group of people and institutions that have previously and intensively worked with REDD+ and the universe of potential proponents with limited or no information about the process of REDD+. There are different information needs. First, there is still a need to inform about basic information on what REDD+ and BioTrade are. This is a strong requirement to promote and disseminate information necessary to motivate more local actors to get involve and become potential project proponents. Also, there is a need to improve knowledge at the public and business sectors so these topics come out as more mainstream knowledge. Finally, there is a need for more specific technical training for project proponents that are actively seeking to initiate these activities.

³ As it was explained before, the PNREDD is working on the development of a Reference Scenario of Emissions from Deforestation (ERED). This work will allow the MAE to determine the priority areas of deforestation and define those (depending on the remaining forest cover and constitution) that have the potential to be eligible and attractive for REDD+ initiatives. Unfortunately this information is not ready yet.

⁴ Kallari organization is composed of 500 growers based in the Napo province. UNOCACE is composed of 800 growers located in Bolivar, Guayas and Los Rios provinces.

Who can be in charge of these capacity building activities? It is suggested that government agencies and ministries such as the Ministry of the Environment could lead the basic information dissemination. However, NGOs and private actors willing to promote and participate in these activities could also provide more technical and specific training. It would be recommendable that the Government sets up a fund to cover part of these initial training costs. Finally, it is also suggested to engage with other organizations at the regional and international level, such as UNCTAD with its online Spanish course for developing BioTrade and REDD+ projects.

For the case of local community-based and indigenous associations, there is another recommendation, which is to improve projects articulation and socialization within the community. During both workshops, participants expressed that they have not sufficiently participated in the design phase of the PNREDD+. It is important to consider that many of these communities have different visions depending on their location and ethnic origin. For example, it is important to produce training materials not only in Spanish, but also in their indigenous languages such as quechua or shuar. Additionally, considering that many of the members of the communities are illiterate, it will be advisable to produce this material in audiovisual format.

7.4 Development of positive incentives for forest/biodiversity conservation

If we take into consideration that both REDD+ and BioTrade activities have similar goals such as forest/biodiversity conservation, it is important to develop incentives that are sufficiently attractive to produce changes in the current habits and productive practices of local actors and communities such as the practice of monocultures, slash and burn, in favor of agro-forestry systems. Considering that monoculture agriculture is more profitable in the short term, the financial and training incentives must be effective to produce sustainable changes in the local unsustainable practices of local actors living in high biodiversity/forested areas. This is not an easy task but it can be done. It is important to demonstrate the environmental effects (carbon sinks) and the positive relation to their food safety. Another important factor to consider is the short-term pressure from illegal loggers who offer splendid payment for deforestation, as well as the case for illegal mining. The design of the incentives needs to compensate for these threats. Economic gain must also be a real variable that must be demonstrated to serve practical and applicable goals.

With respect to the incentives, it is important to consider:

- There must be a clear protocol in place about the distribution of incentives and benefits among the projects participants.
- There must be a clear participatory ruling about the future use and destination of the economic incentives.
- Considering the low level of economic education of communities, they must be trained to handle these resources adequately.
- There must be proper controls and accountability.

As mentioned before, capacity building is a key aspect for the future of both BioTrade and REDD+ activities. BioTrade activities already in place have served as breaking ground initiatives, leaving a history of success and failures that help to determine a clear action and promotion plan. In this case, part of the baseline scenario is already developed, but a strong support team must be permanently in place in order to

monitor, assist, manage and control the process of project implementation, which will take time and require a long term commitment and cohesion of the actors involved (i.e. Government, private sector, communities, academia and the National Program for Sustainable BioTrade). This is not only a short term training effort; the consultancy team insists that in order for a proper promotion and development plan to be in place, an assistance and development structure must be in place permanently to cover a variable list of activities in areas such as financing, education, commercial support, technical support, among others. It is suggested that a portion of the incentives be directed to this objective.

However, since a costly structure will be inapplicable due to budget restraints, the best approach is to establish strategic alliances with local actors from academia to financial institutions willing to give support at concrete phases of development.

In the other hand, market aspects must be taken into consideration and the related market access activities. This is why it is advisable on BioTrade activities to start with the sectors such as cacao or sustainable tourism that already have known and developed markets. In time, new markets for new products must be found which will take time and resources for trade promotion and assistance. The market side is not only relevant for the main products and services, but also for the future commercialization of the voluntary emission reduction certificates. This adds to the above-mentioned need to have a permanent support and development structure in place.

7.5 Opportunities and recommendations to participate in the REDD+ voluntary markets

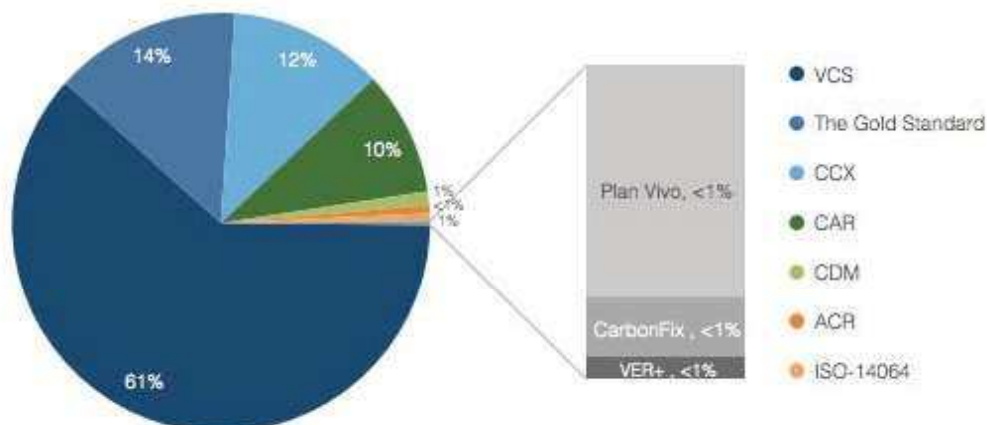
Taking into account that the REDD+ voluntary markets are significantly smaller than CDM, it is important to consider:

- REDD+ voluntary markets have more flexible rules than the ones set by the UNFCCC.
- The current trend for voluntary markets favors the Voluntary Carbon Standard with the Climate, Community and Biodiversity Standard (VCS+CCB) implying that markets may be willing to pay a premium for projects with community-based positive impacts and participation, along with biodiversity benefits. This is shown in figure 5. However double certifications imply more complexity and costs.
- The voluntary market⁵ must economically compensate the increase effort. During 2013, these markets showed prices higher than common CDM prices⁶ for forestry projects. However, the actual price does not fully compensate for all additional effort. Nevertheless, the long-term benefit derived from improved land use and agroforestry practices will compensate the additional costs in the long term.

⁵ Reference on Prices of Voluntary Emission Reduction (VER's) traded on 2013 can be found at the report State and Trends of the Forest Carbon Market by Forest Trends Ecosystem Marketplace

⁶ CDM prices based on information provided by Bluenext Euro Commodity exchange

Figure 5. Market Share by Independent Standard, All Markets 2012 (% Share)



Notes: Based on 70 MtCO₂e associated with the use an independent third-party project standard.

Source: Maneuvering the Mosaic: State of the Voluntary Carbon Markets 2013. Forest Trends.

Another important factor is the diversity of standards and certification bodies available for REDD+ as well as for BioTrade/biodiversity-based projects. This affects the project proponent, since the actors are not well aware of the pros and cons of the different options, resulting in possible confusion and anxiety. Market recognition is a key factor for this selection and this must be clear to the beneficiaries.

Furthermore, to foster the development of projects that integrate the BioTrade and carbon sequestration components, and overcome the significant cost and time barriers that these projects face, it is recommended to consider:

- Develop a carbon sequestration baseline methodology (taking into account the different types of forest) approved by registration standards⁷ that also incorporates the biodiversity criteria.
- Work jointly with VCS and CCB in the development of a joint certification procedure (that includes BioTrade), the objective will be that project proponents will have to work through one independent verification instead of two verifications schemes– as it is today-.
- Work with BioTrade certification schemes in order to standardize a minimum of criteria’s that could be common to all parts and work in the communication of these common criteria.

The following graph illustrates some of the additional activities that a joint BioTrade-REDD+ project must carry and that represent additional cost and barriers⁸.

⁷ Currently the voluntary market is component by projects registered under different standards such as VCS, CCB, Plan Vivo, among others.

⁸ Referred mainly to limited knowledge and capacities in developing countries like Ecuador to implement these methodologies.

Figure 6. Additional activities of joint BioTrade-REDD+ project

	Carbon	Community	Biodiversity
Establish the Base Line scenario and quantification methodology	✓	✓	✓
Most feasible course of action	✓	✓	✓
Establish the boundaries and leakage	✓	✓	✓
Establish the Pools to be quantified and monitored	✓	✓	✓
Monitoring and reporting	✓	✓	✓
Positive and negative impacts	✓	✓	✓

Source: Daniel Valenzuela, Climate Change and BioTrade - opportunities and challenges? – A project consultant perspective. Presentation made during the II BioTrade Congress, 11 to 13 December 2013.
http://r0.unctad.org/biotrade/congress/MeetingDocs2/EI/5_EI_Ecuador%20CC%20and%20Bio%20trade_DValenzuela.pdf

7.6 UNCTAD training manual and e-course on REDD+ and BioTrade

The consultancy team provides the following recommendations on the online course:

- Offer the online course periodically, for example on a yearly basis, considering that periodically new actors are integrated in the national schemes.
- Given the heterogeneous nature of the target beneficiaries of the online training course, its technical contents and materials should cover the basics aspects of BioTrade and REDD+ before more sophisticated chapters are covered.
- Include examples and case studies to turn the online course into a more practical exercise: In this sense, it is important to highlight the Surui Carbon Forest Project in Brazil, and the Corporación Biocomercio Sostenible project in Colombia that were presented during the II BioTrade Congress in Geneva. These two showcase successful BioTrade and voluntary carbon market conjunction.
- Case studies should allow a clear visualization of the feasibility, stages, costs, benefits and the intersection with different certifications.

- Include an introduction to the typologies of LULUCF (Land Use, Land Use Change and Forestry) projects that can be accepted in the voluntary market⁹. In other words, not concentrate only in the REDD+, but to expand the spectrum of LULUCF activities accepted.

7.7 Lessons learned on the implementation of the project

It is important to mention and conclude that Ecuador has potential for joint BioTrade/REDD+ projects. However there is a permanent need for promotion and support activities. There will be no spontaneous development if no permanent structure is in place. This structure, as mentioned before, will need to be a small but an efficient organization that will serve as a promoter, a motivator and as a permanent aid for projects. This structure will need to generate local and regional events in order to keep the topic active and relevant, but also will need to organize more technical specific events for the actors already working in BioTrade/REDD+ projects. Also, since the public sector could suffer from interrupted programs whenever there is a change of authorities, this structure will serve as a guarantee of continuity and permanent memory and the sequential activities to be executed.

For future events and congresses, it would be advisable to explore mechanisms or alternatives that allow greater number of attendants from developing countries that could benefit from the experiences and lessons shared by the speakers. Also it is advisable to send video recording and presentations to local government authorities and universities.

⁹ The voluntary market accepts projects derived from LULUCF activities such as : a) Forestry, reforestation and Revegetation; b) agroforestry management; c) Improve management of croplands; d) Cropland and Grassland Conversion; e) Improved forestry management; f) extended rotation, among others

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Appendix 2: List of REDD+ actors in Ecuador

	Kind of Stakeholder	Name of Institution	Relationship with REDD+	Contact in REDD+		City
				Name	Position	
1	Multilateral Organization	FAO (UN Food and Agriculture Organization)	Potential partner	Kelvin Cueva	Forestry consultant	Quito
2	Local organization	REDD+ Committee Sucumbios	Project promoter	Oswaldo Calvopiña	Committee President REDD+ Sucumbios	Sucumbios
3	Regional Gvt	Gobierno Autónomo descentralizado provincial de Pastaza	Local project facilitator	David Yedra	Director of environmental management	Puyo
4	Regional Gvt	Gobierno Autónomo descentralizado provincial de Morona Santiago	Local project facilitator	Carlos Torres Alvarado	Director of environmental management	Macas
5	Regional Gvt	Gobierno Autónomo descentralizado provincial de Napo	Local project facilitator	Felipe Ghia Moreno	Director	Tena
6	Regional Gvt	Dirección de gestión ambiental del Gobierno Provincial de Zamora Chinchipe	Local project facilitator	Paúl Palacios	Director	Zamora
7	Public. Ministry	Ministerio del Ambiente- Subsecretaría de Cambio Climático	Local validating authority	Christian Rene Parra Meneses	National Director of climate change mitigation	Quito
8	Public. Ministry	Ministerio del Ambiente- Subsecretaría de patrimonio natural	Local validating authority	Christian Terán	Natural Heritage Under-secretary	Quito

	Public. Ministry	Dirección Nacional Forestal (DNF)	Local validating authority	David Francisco Palacios Palacios	Focal Point REED+	Quito
9	Public. Ministry	Ministerio del Ambiente. Socio Bosque Program	Provides incentives	Carolina Rosero	Program Socio Bosque. Specialist. Project monitoring and evaluation.	Quito
10	Public Ministry	MAGAP-PRAT Programa SIGTIERRAS	Additional incentives	Andrea Marín	Conservation coordinator, Forests and REDD+	Quito
11	Public Ministry	EcoDecisión	Project facilitator and capacity Building/training	Antonio Bermeo Noboa	(Executive Director. Executing unit: MAGAP PRAT - SIGTIERRAS)	Quito
12	NGO	PROFAFOR S.A (Programa FACE de Forestación Ecuador)	Project facilitator and capacity Building/training	Jacob Olander	Executive Director	Quito
13	NGO	CARE	Project facilitator and capacity Building/training	María Belén Herrera	SIG Technical coordinator	Quito
14	NGO	Centro de Planificación y Estudios sociales (CEPLAES) / Rainforest Foundation Norway	Project facilitator and capacity Building/training	Andrés E. Córdova Castro	Project coordinator PRAA	Quito
15	NGO	FSC (Forest Stewardship Council) Ecuador	Project facilitator and capacity Building/training	Lourdes Barragán	Focal point in Ecuador for program on rights, climate change and forests	Quito
16	NGO	CEDA (Centro Ecuatoriano de Derecho Ambiental)	Certification body	Carla Cárdenas		Quito
17	NGO	CONDESAN (Consorcio para el Desarrollo de la región Andina)	Legal assistance	Daniel Barragán	Executive Director	Quito
18	NGO	Conservation International	Project facilitator and capacity Building/training	Manuel Peralvo	Geographer	Quito
19	NGO		Project facilitator and capacity Building/training	Free de Koning	Technical manager	Quito

21	NGO	Fauna & Flora International	Project facilitator and capacity Building/training	Julio Bernal	Executive Director	Quito
22	NGO	Fundación ALTROPICO	Project facilitator and capacity Building/training	José María Looiza	Conservation coordinator	Quito
23	NGO	Programa GESOREN/ GIZ Ecuador	Project facilitator and capacity Building/training and financing	Andrea Garzón	Advisor on REDD+ policies	Quito
24	NGO	The Nature Conservancy (TNC)	Project facilitator and capacity Building/training	Adriana Cárdenas	Project NET ZERO DEFORESTATION (NZD)	Quito
25	NGO	HIVOS	Project facilitator and capacity Building/training	Javier Vargas	Project coordinator	
26	Multilateral	United Nations Development Program (UNDP)	Financing and training	Gabriel Jaramillo	Program Specialist	Quito
27	National agency	SENAGUA (Secretaría Nacional del Agua)	Project partner related to water Issues	Verónica Ramos	Director of environmental management	Quito
28	NGO	Fondo Ecuatoriano de Desarrollo Sustentable	Capacity building	Julian Peñaherrera	Project technician	Quito
29	NGO	Centro de Planificación y Estudios Sociales (CEPLAES)	Capacity building	Lourdes Barragán	Coordinator	Quito

Appendix 3: List of BioTrade actors in Ecuador

Kind of Stakeholder	Name of Institution	Relationship with BioTrade		Contact in BioTrade Name / Position		City
		Actor	Description	Name	Position	
1 National Government	MAE Ministry of Environment	PNBSE	Head of PNBSE and Biocomercio Andino GEF CAF Project-Ecuador	Christian Terán	Director of Natural Heritage Secretariat	Quito
				Christian Parra	National Director of Climate Change	Quito
				David Veintimilla	BioTrade Focal Point	Quito
				Karina Ron	Technical Assistant to Andean BT Project at MAE	Quito
2 International Agency	CAF (Development Bank of Latin America)	REGIONAL COORDINATOR	Regional Executing Agency for the Biocomercio Andino GEF CAF Project	René Gómez García	Coordinator	Lima
3 International Agency	General Secretariat of the Andean Community (SGCAN)-BIOCAN	STRATEGIC ALLIES	Strategic Allied. Cofinance to implement Pilot Project with Fundación Chankuap	Mauricio Velasquez Ma. Helen Cendales	Director in Ecuador Biodiversity Component Coordinator	Quito Lima
4 International Agency	GIZ	STRATEGIC ALLIES	Cofinance to implement Public Private Projects	Sonia Lehman	Coordinator	Quito

5	NGOs (Intl)	RAINFOREST ALLIANCE	STRATEGIC ALLIES	Support Sustainable Tourism initiatives	Veronica Muñoz	Sustainable Tourism Manager	Quito
6	NGOs	ADE Loja	STRATEGIC ALLIES	Strategic allied in the natural ingredients for pharmaceutical and cosmetic industries	Diego Lara	Executive Director	Loja
7	NGOs	Fundación Ecuatoriana de Estudios Ecológicos EcoCiencia	PNBSE	Technical Unit of PNBSE and to BT Project	Fernando Rodriguez	Director	Quito
8	Private actor	CORPEI CAPITAL	PNBSE	Executing Agency of PNBSE and BT Project	Ricardo Estrada Giovanni Ginatta	President Coordinator of BT Project	Guayaquil
9	Private actor	CORPEI CAPITAL	STRATEGIC ALLIES	Strategic Allied to implement BioTrade Initiatives Financing Fund	Luis Montoya	Director	Guayaquil
10	Private actor	ECOFONDO	PROJECT PARTNERS	Inter-institutional cooperation agreement with CORPEI to identify new projects	Danilo Silva	Coordinator	Quito
11	Private actor	FONTAINE	PROJECT PARTNERS	Inter-institutional cooperation agreement with CORPEI for commercial support for BioTrade initiatives	Miguel Rendón	General Manager	Guayaquil
12	Private actor	PROCREDIT BANK	PROJECT PARTNERS	Inter-institutional cooperation agreement with CORPEI CAPITAL to provide finance for BT initiatives	Janet Pacheco	General Manager	Quito
13	Private actor	SAMBITO Soluciones Ambientales Totales S.A	PROJECT PARTNERS	Inter-institutional cooperation agreement with CORPEI to identify	Gustavo Manrique	Director	Guayaquil

				new projects)				
14	Private actor	Union de Organizaciones Campesinas Cacaoteras UNOCACE	STRATEGIC ALLIES	Strategic allied in the natural ingredients for food industry-cocoa sector	Freddy Cabello / Coordinator	Coordinator	Babahoyo	
15	Academic Institutions	Centro de Transferencia y Desarrollo de Tecnologías de la Universidad San Francisco de Quito-CTT USFQ	PROJECT PARTNERS	Strategic Allied cofinance for Pilot Project with Fundacion Chankuap	Daniel Merchán / Professor	Professor	Quito	
16	Academic Institutions	Facultad de Ciencias Exactas y Naturales de la PUCE	PROJECT PARTNERS	Project Partner Inter-institutional cooperation agreement with CORPEI for R&D, training, tech transfer among others)	Hugo Navarrete / Dean of the Faculty of Natural Sciences	Dean of the Faculty of Natural Sciences	Quito	
17	Academic Institutions	UCG Universidad Casa Grande	PROJECT PARTNERS	Inter-institutional cooperation agreement with CORPEI for R&D, training, tech transfer among others)	Daniel Valenzuela	Director of Management and Marketing	Guayaquil	
18	Academic Institutions	UPS Universidad Politécnica Salesiana	PROJECT PARTNERS	Inter-institutional cooperation agreement with CORPEI for R&D, training, tech transfer among others)	Carlos Padilla / Technical Secretariat	Technical Secretariat	Quito	
19	Academic Institutions	UTPL Private Technical University of Loja	PROJECT PARTNERS	Inter-institutional cooperation agreement with CORPEI for R&D, training, tech transfer among others)	Diego Lara	Coordinator	Loja	

Appendix 4: List of BioTrade Initiatives

The “Biocomercio Andino GEF CAF Project”, since it started in April 2011 to December 2013 has supported several BioTrade initiatives and businesses in either one or more of the following components:

Component	Specific support provided
Component 2 (C2): Access to markets	<ol style="list-style-type: none"> 1. Market and/ or Products Research 2. Management Plans for selected species 3. Implementation Marketing Strategies (brands, image campaigns, packaging, web pages, etc.) 4. Promotion in fairs, trade missions and/or dissemination campaigns 5. Quality assurance plans
Component 3 (C3): Capacity Building	<ol style="list-style-type: none"> 6. Sector Training Programs related to BioTrade principles, business opportunities, instruments of biodiversity conservation, among others) 7. Specific technical assistance (e.g. business partnering, value chains, legal issues, certifications) 8. Drafted business or management plans that comply with sustainable BioTrade principles and criteria
Component 5 (C5): Leverage of Financial Resources	<ol style="list-style-type: none"> 9. Credits for infrastructure improvement, equipment, investigation, product development.
Component 6 (C6): Pilot projects	<ol style="list-style-type: none"> 10. Cofinance to implement pilot projects that can demonstrate feasibility of BioTrade implementation, increase the area managed under BioTrade P&C, increase the level of compliance of P&C and increase on annual sales.

The following list includes 37 BioTrade initiatives and businesses from that have been systematically supported by the Project.

	Name / Product	Support received from Biocomercio Andino GEF CAF Project				Contact*
		C2	C3	C5	C6	
SECTOR: Natural ingredients or products for pharmaceutical or cosmetic industries						
1	CETCA (teas and infusions from medicinal plants)	X	X			Ing. Jaime Flores
2	FLORASANA (teas and infusions from medicinal plants)	X	X			Didier Lacaze / Rosa Adelaida Canelos Vargas
3	FUNDACIÓN CHANKUAP (essence oils, cosmetics from ungurahua, ishpink guayusa)	X			X	Adriana Sosa
4	ILE (teas and infusions from medicinal plants)	X	X			Sofia Vallejo / Manuel Espinosa
5	JAMBIKIWA (teas and infusions from medicinal plants)	X				Rosa Guaman
6	Palo Santo – UTPL (Palo Santo essential oils)	X	X			Jorge Cueva
7	SISACUMA (Palo Santo essential oils)	X	X			Martha Ortega / Miriam Tituaña
Natural ingredients or products for food industry						
8	CORAGRICASE -Corp. Agricola Cacaotera del Cantón Echeandia – (Cacao)	X	X			Wilson García Viteri
9	ECAM – Corp. De agricultores del Cantón Mocache - (Cacao)	X	X			Bayron Oswaldo Saltos Cedeño
10	FUNDAMYF(Quinoa)	X		X		Ing. Gabriela Chavez / Ma. Eugenia Lima
11	INAGROFA (Quinoa)			X		Rodrigo Arroyo
12	RUNA (Guayusa Tea)	X				Francisco Mantilla
13	SUMAK MIKUY SCC (Uvilla and Mortiño)	X			X	Veronica Acosta
14	SUMAK LIFE (Quinoa)	X	X			Patricio Juelas
15	TERRA FÉRTIL (Uvilla and other fruits)			X		David Bermeo
16	UNOCACE (Municipio de Babahoyo) (Cacao)				X	Freddy Cabello
Sustainable Tourism						
17	BIOELITE				X	Maritza Cardenas
18	Cabañas San Isidro	X	X		X	Carmen Bustamante
19	FUNDACIÓN EQUILIBRIO AZUL				X	Felipe Vallejo

	Name / Product	Support received from Biocomercio Andino GEF CAF Project				Contact*
		C2	C3	C5	C6	
20	FUNDACIÓN SEMILLA AMBIENTAL		X			Carlos Racines
21	HUAO LODGE (Waponi)	X	X			Jascivan Carvalho
22	JAMU LODGE (Ecuador Verde País Cía. Ltda.)			X		Guillermo Gomez
23	KAPAWI ECOLODGE & RESERVE	X	X			Andrés Ordoñez
24	NAPO WILDLIFE CENTER_Albergue de la Comunidad Kichwa de Añangu-	X	X		X	Rene Torres
25	RED MANGROVEINN			X		Hernan Rodas
26	SANI LODGE	X	X			Freddy Gualinga
27	SECOYA LODGE (Waponi)	X	X			Jascivan Carvalho
28	WAPONI NUNA (BOLICHE)				X	Jascivan Carvalho / Cristina Coronel
Other Sectors (Flowers, Textiles, Timber Products, Investigation and Conservation)						
29	DISLUB INGA ALPACA (Alpaca)	X			X	Javier Herrera
30	FLOARE (Orchids)	X				Dayana Miranda
31	FUNDACIÓN BOTÁNICA DE LOS ANDES (Investigation)				X	Carolina Jijón
32	IROKO (Tropical Woods)			X		Diego Gonzalez
33	NATURALEZA Y CULTURA (Tara/ Vainillo)	X				Bruno Paladines
34	WIKIRI (Frogs)	X		X		Lola Guarderas /Caty Frenkel

Note: The list does not include another 84 BioTrade initiatives supported by the Project but where there has not been a profound intervention. These are: 78 initiatives that have attended training workshops given by ADE, Rainforest Alliance or UNOCACE and 6 initiatives that have received co-finance to participate in national or international fairs

Appendix 5: List of stakeholders interviewed

In order to obtain first-hand information, consultancy team interviewed several actors from public institutions and NGOs. This institutions where selected on the basis of previous work, experiences and consultations with government authorities. The interviewed experts are listed below:

- Conservation International (CI) - Free de Koenig, Technical Manager

- GIZ - Damian Villacrés, Juan Rodriguez, Nadia Manasfi and Claudia Mayer, Technical Analysts and Consultants at GESOREN Program
- Ministry of Environment - Christian Parra, National Director of Climate Change, and Emilio Cobo, Advisor in Secretariat for Climate Change.
- Ministry of Environment/Socio Bosque Program - Carolina Rosero, Program Analyst.
- PROFAFOR -FACE Program in Ecuador (Forests Absorbing Carbon dioxide Emission) - Maria Belén Herrera and Ángel Sánchez, Technical Coordinators of SIG (Geographic Information System).
- UN REDD Program (Ecuador) - Consuelo Espinosa, Program Coordinator.
The Nature Conservancy (TNC) - Galo Medina and Roxana Proaño, Coordinators of Project NET ZERO DEFORESTATION (NZD).