

Capacity Building for Biotrade  
Biotrade and Green Economy Week in Nepal

CBTF

31 May – 3 June 2011



*Biotrade and Green Economy:  
A Business Opportunity with Export, Poverty Reduction and Conservation Benefits  
In Collaboration with ICIMOD*



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**Kathmandu, Nepal**

Biotrade allows the creation of markets that reward the products and services that enhance biodiversity conservation

- **Economic and Social**

- Poverty reduction
- Income and employment

- Example: In Brazil the contribution of agriculture, forestry and fishing to GDP increased from 6% to 17% once unaccounted goods and services provided by forests were included in national accounts (based on Torras 2000).

- **Environmental**

- Conservation of biodiversity and ecosystems
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- **Sustainable Development and Poverty Reduction**

- Demonstrate the values of ecosystems and biodiversity and costs of their loss
- Show how to capture this value in our decisions and choices
- Meet “End-user” needs of policy-makers, local administrators, business and citizens – their interests, opportunities, risks & responsibilities



# Economic Valuation of Ecosystems: An example from Sri Lanka

Values of seven Ecosystem Services in Wetlands  
in US\$ per ha per year

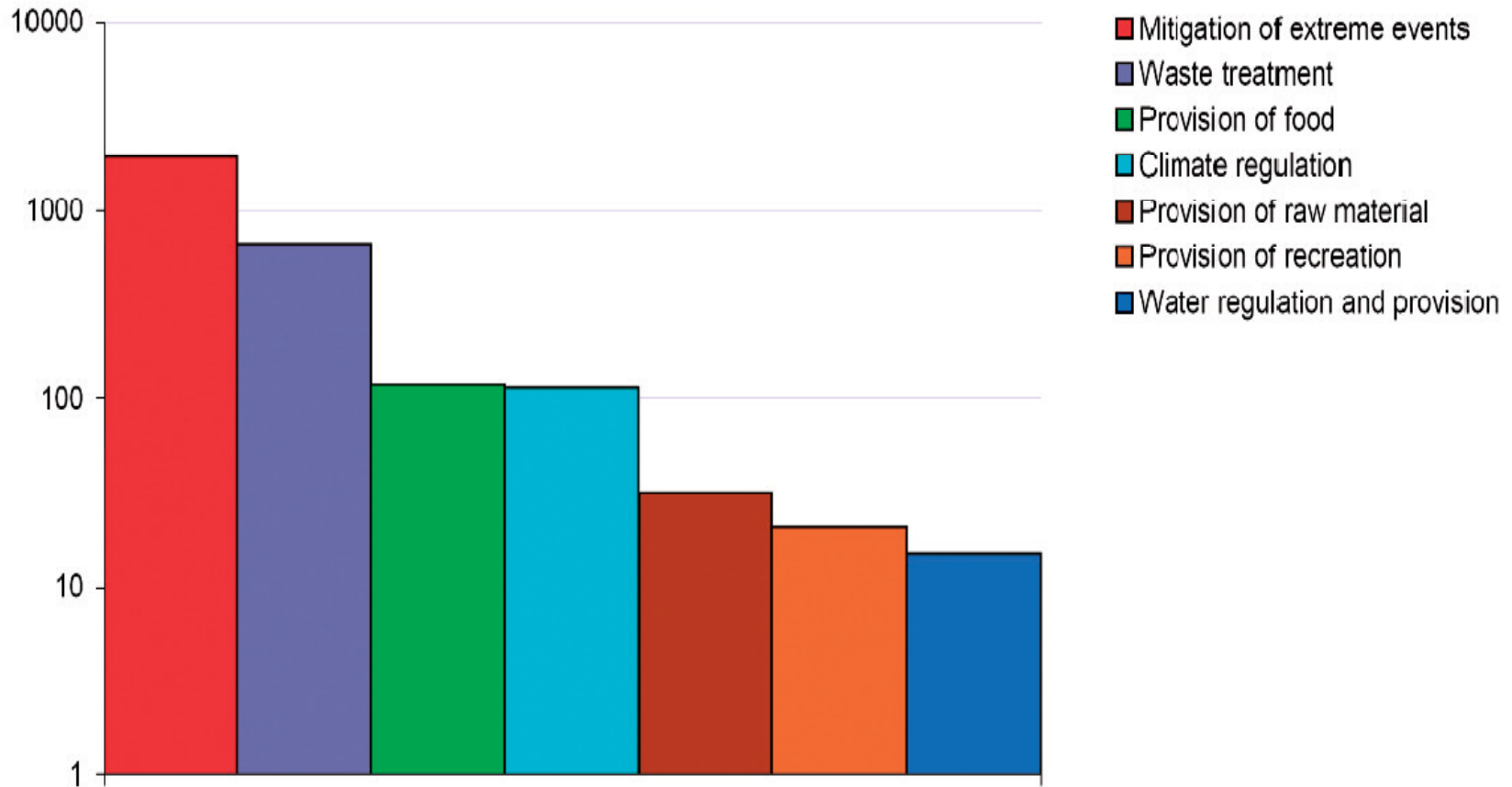
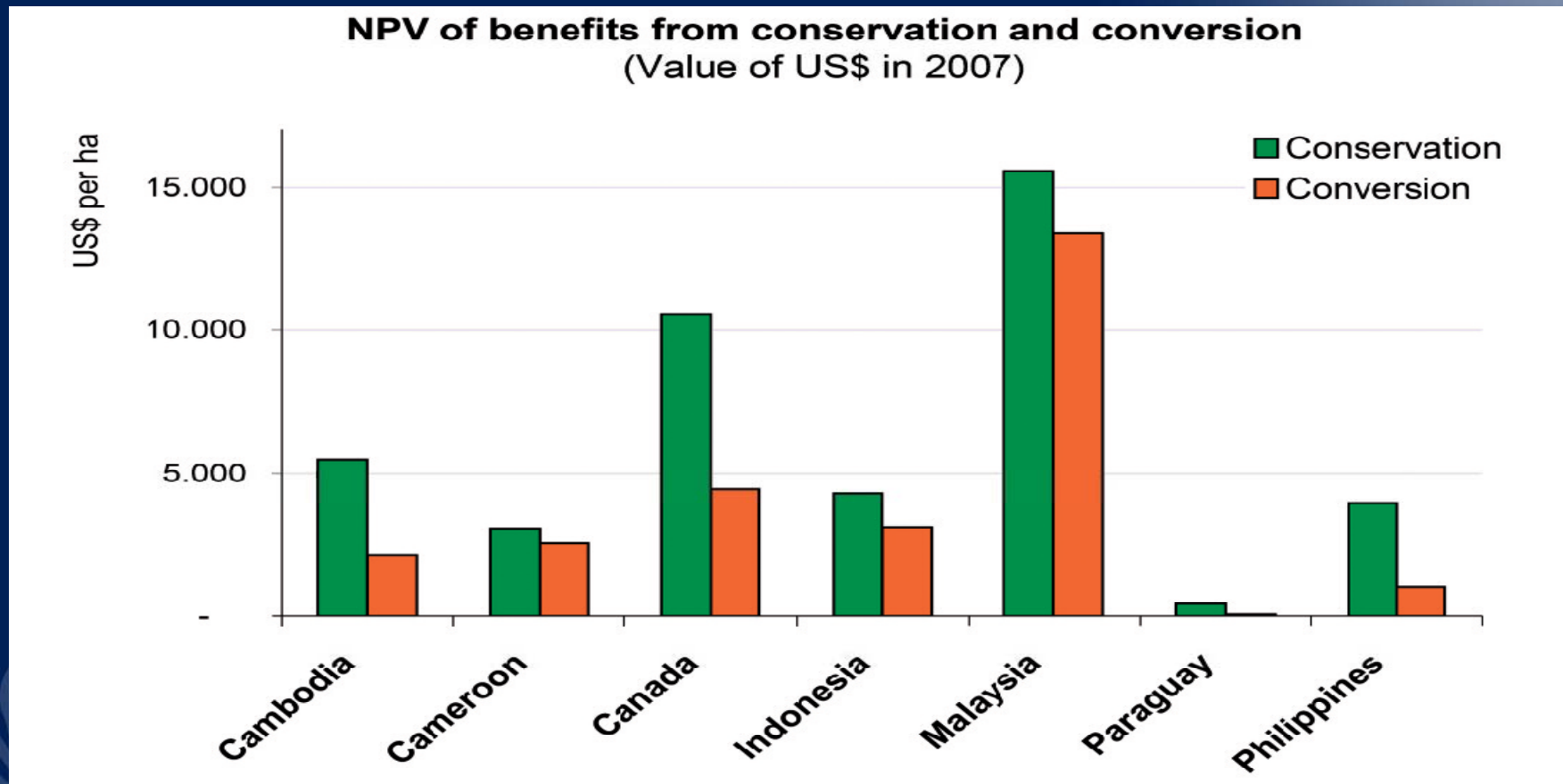


Figure 2: Total benefits of conservation compared to benefits from conversion for seven case studies in different countries



Sources: Bann (1997), Yaron (2001), van Vuuren and Roy (1993), van Beukering et al. (2003), Kumari (1994), Naidoo and Ricketts (2006), and White et al. (2000), as reviewed by Balmford et al. (2002), Papageorgiou (2008) and Trivedi et al. (2008).

# Emerging Markets for Biodiversity and Ecosystem Services

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Market Opportunities	Market Size (US\$ per annum)		
	2008	Estimated 2020	Estimated 2050
Certified agricultural products (e.g. organic, conservation grade)	\$ 40 billion (2.5% of global food and beverage market)	\$ 210 billion	\$ 900 billion
Certified Forest Products (e.g. FSC, PEFC)	\$ 5 billion of FSC-certified products	\$ 15 billion	\$ 50 billion
Payments for water-related ecosystem services (government)	\$ 5.2 billion	\$ 6 billion	\$ 20 billion
Mandatory biodiversity offsets (e.g. US mitigation banking)	\$ 3.4 billion	\$ 10 billion	\$ 20 billion
Private land trusts, conservation easements (e.g. North America, Australia)	\$ 8 billion in US alone	\$ 20 billion	Difficult to predict
Others	\$ 3.07 billion	\$ 19.2 billion	\$ 35.9 billion

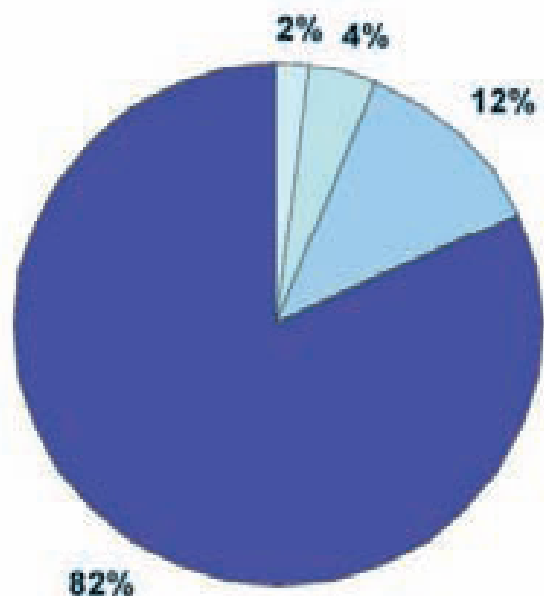
Source: Adapted from 'Forest Trends and the Ecosystem Marketplace' (2008)



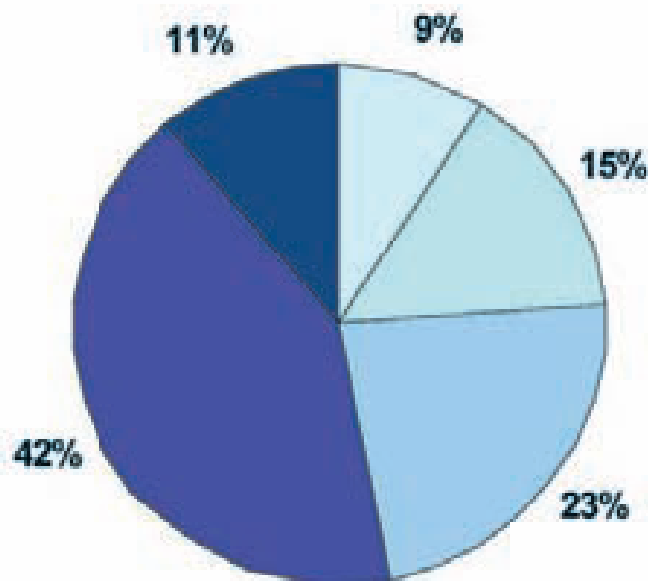
# Reporting by Business on Biodiversity and Ecosystems

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Top 100 companies  
annual reports



Top 100 companies  
sustainability reports



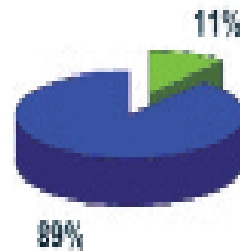
- Identify biodiversity as a key strategic issue
- Discuss approach to reduce impact on biodiversity
- Passing mention of biodiversity or ecosystems
- No mention of biodiversity or ecosystems
- Don't produce sustainability report

# Estimates for ecosystem service dependence in Classical GDP vs 'GDP of the poor' approach

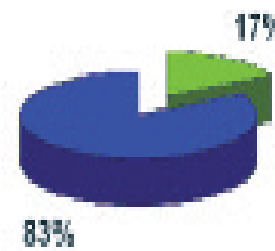
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Share of agriculture, forestry, and fisheries in classical GDP

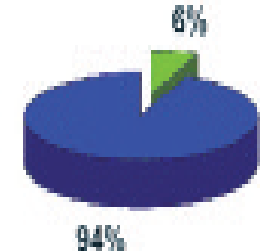
Indonesia



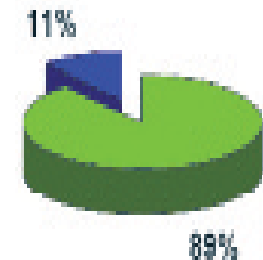
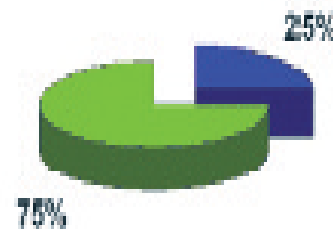
India



Brazil



Ecosystem services as a percentage of 'GDP of the Poor'



Rural poor population considered in 'GDP of the Poor'

99 million

352 million

20 million

 Ecosystem services

Source: TEEB for National Policy, Chapter 3, (N3)

The world is waking up to the importance of biodiversity and natural resources. Those who will prepare themselves first, will benefit hugely from these highly lucrative markets and business opportunities.

Biodiversity and health of ecosystems directly affect efforts to achieve MDGs and accessing international markets.

When allocating national resources, don't only think of contribution of a particular sector to the GDP, think of the GDP of the poor.

Source: TEEP for National Policy, Chapter B (N3)

