

**Partnerships/Initiatives to strengthen the implementation of Agenda 21
(World Summit on Sustainable Development for launching at the Summit)**

Name of the Partnership/Initiative

New Ventures: Andean-Amazonian Bio-business Contest

Expected date of initiation: September 2002

Expected date of completion: May 2004 (1st phase), on-going (pending success)

Partners Involved:

Principal partners:

1. World Resources Institute (WRI)
2. Andean Development Corporation (CAF)
3. United Nations Conference on Trade and Development (UNCTAD)

Other partners

Governments:

- Bolivia, Brazil, Colombia, Ecuador, Peru, and Venezuela

Intergovernmental organizations:

- United Nations Foundation (UNF)

Major groups:

- BIOTRADE focal points:
 - Bolivia (under discussion)
 - Alexander von Humboldt Institute (Colombia)
 - Export and Investment Promotion Corporation, CORPEI/ NGO EcoCiencia (Ecuador)
 - Export Promotion Board, PROMPEX (Peru)
 - Venezuela (under discussion)

- Programme Bolsa Amazonia (Amazonian Region)

Leading Partner:

UNCTAD BIOTRADE

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Main objectives of the Partnership/Initiative

Smallholder producers and SMEs active in products and services derived from biodiversity frequently have difficulties attracting long-term finance. Obstacles are greatest for enterprises seeking debt and equity financing to conduct feasibility studies; start up businesses; secure patents and legal rights; develop/test new products; expand; convert to sustainable practices; or move into value-added products.

Although a number of initiatives have already been launched to address these needs, experience so far shows that many companies are not able to fully benefit from these initiatives, due to the small amount of capital required, the nature of the products, and the type of the enterprises involved (i.e. community-based enterprises or start-ups). Many enterprises still lack managerial capacity to scale up their business without compromising the environmental and social components, to introduce products to new markets, and to develop strategic partnerships.

In order to cater for these needs, CAF, WRI, and the BIOTRADE Initiative of UNCTAD have entered into a partnership to organize a bio-business financing contest entitled 'New Ventures: Andean-Amazonian Bio-business Contest'. The objective is to support existing and start-up small and medium sized bio-businesses from the Andean and Amazonian regions to access credit and venture capital to overcome their difficulties in obtaining long-term finance. The three organizations have designed an approach comprising three stages:

- 1) A technical assistance track to up-grade biodiversity-based businesses and business plans.
- 2) Organization of investor forums - i.e. New Ventures Forum - introducing special measures to cater for some of the financial needs of biodiversity-based businesses.
- 3) Facilitation of access to credit from national financial institutions for promising business proposals that were nevertheless not selected for the investor forum.

The aim of this partnership is to promote concrete bio-businesses to set examples of successful sustainable use initiatives and attract additional investments for sustainable development.

Please also provide a brief description of the relationship of the Partnership/Initiative with the objectives of Agenda 21 as well as relevant goals and objectives of the United Nation Millennium Declaration:

This partnership would support the implementation of Agenda 21 as it generates new investment for sustainable use of biodiversity with the aim of contributing to biodiversity conservation and poverty alleviation.

The following chapters of Agenda 21 are relevant: Chapter 3 (Combating Poverty), Chapter 15 (Conservation of Biodiversity), Chapter 33 (Financial Resources and Mechanisms) and Chapter 34 (Transfer of Environmentally Sound Technology, Cooperation and Capacity-building).

In relation to the UN Millennium Declaration, this partnership addresses the following goals: 1) Eradicate extreme poverty and hunger; 7) Ensure environmental sustainability; and 8) Develop a global partnership for development.

Expected results:

- An increased number of bio-businesses will have received credits, equity capital and technical assistance grants to finance business activities that support sustainable development.
- An increased visibility for the bio-business sector and the opportunities generated for sustainable local development and biodiversity conservation.
- Increased priority for bio-business development in agendas of Government, private sector, local and indigenous communities, donors and other relevant stakeholders.
- A methodology that can be replicated in a cost effective way in other regions.

Specific targets of the Partnership/Initiative and timeframe for their achievement:

- Announce contest in the region.
- Receive applications for participation in contest from interested SMEs.
- Select eligible SMEs.
- Provide technical support to received proposals (to upgrade business ideas and plans with the aim to increase their opportunity to participate in the New Venture Forum).
- Organize the New Venture Bio-business Forum
- Award technical assistance to best business plans as well as venture capital and credit funding.
- Monitoring of business supported.
- Annual cycles (pending on success)

Coordination and Implementation mechanism

The Andean-Amazonian Bio-business Contest would be organized jointly by UNCTAD BIOTRADE, CAF, the New Ventures Programme of WRI, and national and regional BIOTRADE partner organizations. A regional coordinator under supervision of UNCTAD, CAF and WRI will coordinate the Contest.

Arrangements for funding

CAF has reserved funding for this partnership and UNCTAD has obtained support from the United Nations Foundation (UNF) for implementing some activities. BIOTRADE country programmes will also support this partnership. The total funding for one cycle of the Bio-business Contest is estimated to be US\$ 1 million, out of which US\$ 650.000 has been committed. WRI, UNCTAD and CAF are expected to obtain additional funding from private and public sector sources.

Arrangements for capacity building and technology transfer

Beneficiaries of the partnership will have access to workshops, counseling and expert advice to: improve their businesses and business plans; to include sustainability criteria in their productive processes; and to effectively approach investors. Those that are successful in accessing finance may receive additional technical support.

Links of Partnership/Initiative with on-going sustainable development activities at the international and/or regional level (if any)

This partnership is linked to:

- The biodiversity programme of CAF, BIO-CAF
- The New Ventures Programme of WRI
- The BIOTRADE Initiative of UNCTAD
- BIOTRADE Focal Points and their networks
- Programme Bolsa Amazonia

This partnership will also be linked to at least two other partnerships:

- The Andean BIOTRADE programme of CAN, CAF and UNCTAD
- The BioTrade Facilitation Programme for Biodiversity Products and Services

Monitoring Arrangements

UNCTAD will provide progress reports on the first Bio-business Contest. Monitoring arrangements will be established for additional contests.

Up-dates on this partnership will be provided on the web-sites of respective partners:

- www.caf.com
- www.new-ventures.org
- www.biotrade.org

Other relevant information:

- Contact persons at CAF and WRI:

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- www.caf.com

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