Building Collaborative Networks for Fine & Flavor Cocoa Mainstreaming.

Federico Vignati,
CAF – Development Bank of Latin America
Berlin, 22-25 April
About CAF

- Latin American **multilateral financial institution**, essentially owned by developing countries

- Provides multiple types of **financial and non-financial services** to clients in the public and private sectors of its member countries.

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

**Mission:**
- Sustainable development
- Regional integration
The Latin American Cocoa Initiative

About 80% - 90% of the world cocoa production is produced by low income families (around 5 hectares) *

Promotes directly around 2.3 million jobs in Latin America, contribution to income generation and quality of life of millions of households.

It’s a key aspect from a cultural perspective which, promoting relevant opportunities for knowledge exchange and regional integration.

*The world cocoa economy: current status, challenges and prospects, 2018
LAC Fine and Flavor Cocoa

Market Highlights (Cacao Fino)

- World production: 243,303 ton.
- Producción Latino America: 197,173 ton.
- Market Share America Latina: 81%
- Top 5 producers: Ecuador, República Dominicana, Perú, Venezuela y Colombia. (CAF)
- Average market growth: 6% a.a.
- 7 de los 11 clusters genéticos are in LAC
More opportunities, a better future

- Substantial contribution of cocoa in to inclusive economic development.
- Driving sustainable development processes, promoting innovation and long term competiveness.
- Commitment to biodiversity conservation and climate change mitigation.

However,

- 81% fine and flavor cocoa production
- 6% a annual growth
- How ever, no assurance of
Regional initiative, driven by the countries and supported by CAF, geared to promote sustainable development and regional integration through the reinforcement of the cultural and economic aspectos of fine & flavor cocoa.

**Highlights**

- 9 countries.
- 95.73% of production América Latina (744,300 TM)
- 17.14% global production (4,157,700 TM)
- Total exports: US$ 985 milliones
- Total hectares: 1.7 millones hec.
- Growth rate: 6% a.a
- 329,607 productores.

*The world cocoa economy: current status, challenges and prospects, 2014*
Value Proposition

A integrated value chain development approach to unleash fine & flavor cocoa industry capacity.

Tackling key issues by building expertise blocks and collaborative networks.

Understanding culture as source of regional collaboration and innovation for long competitive advantages.

Making cocoa production part of a positive agenda of climate change mitigation and biodiversity conservation.

Attending ethical aspects from a well informed demand.

The Cultural Value of Cocoa
Value Proposition

Working together finding technical and policy solutions.

CAF + ILAC partners supporting expertise exchange at regional level while attending countries expectations.

Market intelligence and good biotrade practices shared through the *Latin American Cocoa Observatory*.

Provide financing solutions to respond to industry needs.

Acceso a financiamiento
Thank you!

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CAF – Development Bank of Latin America
Green Busineee Unit
CAF Response for Biodiversity and the SDG’s

DACC - Environmental and Climate Change Division

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

- 3 operative units;
- 8 programs;
- 14 benefited countries;
- 22 executives;

1. Green Business Unit
2. Institutional Environmental Management Unit
3. Climate Change Unit
By 2021, all CAF country members will have adopted biodiversity conservation and sustainable use measures and access to benefits sharing policies achieving a better situation for biodiversity in the region.

**Priority 1:** Promote biodiversity resources conservation.

**Priority 2:** Promote sustainable businesses.

**Priority 3:** Generate technical and management capacities.

**Priority 4:** Promote good practices on ABS (Access and Benefit Sharing).

**Priority 5:** Marine and Coastal Ecosystem Services Actions for 2015-2020

Support the identification, conservation, and restoration of fragile and vulnerable land/or marine ecosystems.

Promote initiatives for the establishment of marine value chains and ecosystem services, based on the generation of scientific information that allows for the valorization of the oceans.

**Aichi Target And SDG’s**

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Financing Availability for Energy Efficiency and Green Business

- Climate Change Adaptation - US$ 1,100
- Other Environmental Initiatives - US$ 773 m.
- Renewable Energy & Climate Change Mitigation - US$ 859 m.

Targets:
- 2013: 23%
- 2015: 25%
- 2017: 30%
- 2020: 50%

Total Funding: US$ 2,770.2 MM
**Market Highlights**

**Global Production**

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<tr>
<th>REGIÓN</th>
<th>PRODUCCIÓN TON</th>
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<tr>
<td>Africa</td>
<td>3.013 mill</td>
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<tr>
<td>Latina America &amp; Caribbean (AL)</td>
<td>744,000</td>
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<tr>
<td>Asia y Oceanía (A&amp;O)</td>
<td>435,000</td>
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<td>Total 2014-2015</td>
<td>4,192 mill</td>
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AFRICA 72%

A.L 18%

A&O 10%

* Nuevas tendencias en el mercado internacional de cacao: oportunidades para el Perú como productor de cacao fino y de aroma, ICCO, oct 2015