

# Conservation and sustainability

## INTERVIEW WITH HE FRANK PEARL

MINISTER OF ENVIRONMENT AND SUSTAINABLE DEVELOPMENT, COLOMBIA



**FRANK PEARL** is a graduate of the Universidad de los Andes, and obtained a MBA from the Richard Ivey School of Business, and a Masters in Public Administration from Harvard University. He was a Consultant for McKinsey & Co. in three countries, and became President of Valorem SA. He was appointed High Presidential Counsellor for Social and Economic Reintegration and later High Commissioner for Peace. Mr Pearl was appointed to his Ministry in 2011.

### What are the main strategic objectives of your Ministry?

The Ministry is in charge of designing and formulating the national policy in relation to the environment and natural resources. It should also establish rules and criteria for environmental zoning, to ensure their conservation and sustainable use. The Ministry also has the function of designing and regulating public policy and general conditions for environmental sanitation, use, management, exploitation, conservation, restoration and recovery of natural resources, and guidance of prevention activities aimed at environmental risk, in coordination with the National System for Prevention and Disaster.

The country's current key environmental priorities and targets are embodied in the National Development Plan (NDP) 2010-2014 "Prosperidad para Todos" which is a document adopted by law aimed at setting the general public policy guidelines for the nation's growth and development. It further establishes the processes to be carried out to meet these goals.

The country's environmental priorities can be summarized in the following general categories:

- Biodiversity and ecosystem conservation, taking into account that Colombia is one of the 17th "megadiverse" countries of the planet.
- Integrated water resource management in order to assure the efficient distribution of the resource and reduce conflicts around its use, it has been necessary to strengthen integral planning and improve knowledge of the supply and demand. The river basin will be the key instrument for advancing environmental planning.
- Sectoral and urban environmental management issues
- Climate Change, Vulnerability Reduction, Adaptation and Low Carbon Development Strategy
- Environmental government and management enhancement, for this purpose the Ministry of Environment, Housing and Territorial Development was divided and subsequently a new Ministry of Environment and Sustainable Development was created.

### What role can foreign companies play in Colombia's environmental protection?

Foreign companies can play an important role in Colombia's environmental protection. There are

several policies and programs in place through which private participation can be used to enhance environmental protection efforts.

Biodiversity is an important natural asset for Colombia. The government has developed a framework to both protect, and derive economic benefits from it. A new National Policy for Integrated Management of Biodiversity and Ecosystem Services is currently under discussion. The new policy will offer potential for innovation related to biodiversity conservation; regulate ecosystem services, and explore new financing options for biodiversity conservation, including by encouraging companies to incorporate biodiversity conservation activities as an integral part of their productive activities. The policy also recommends improving institutional capacity for the commercial development of biotechnology; developing a package of economic instruments to attract public and private investors to develop companies and products based on sustainable use of biodiversity resources; reviewing and improving the legal framework on access to genetic resources, especially related to biotechnological and phytotherapeutic products.

In addition, the government is currently developing a Low Carbon Development Strategy, with the objective, "to promote economic growth in Colombian sectors with low emissions associated to greenhouse gases (GHG) and avoid the "carbonization" of the Colombian economy. The Strategy also seeks to draw on international financing options, including market mechanisms to attract resources that facilitate low-carbon development in the productive sectors; promote the transfer of technology; prevent future non-tariff and border barriers to export its products; and to enhance Colombia's competitiveness in a global economy increasingly influenced by carbon-intensity standards.

A special environmental credit line, coordinated by the National Center for Cleaner Production and Environmental Technologies is also in place to support cleaner production projects, including investment in cleaner technologies. Depending on the level of environmental improvement achieved, up to 25 per cent of the initial investment is reimbursed.

Finally, foreign companies can also play an important role in the development of infrastructure projects in support of green growth. The government is aware

that private, including foreign investment is needed to achieve the country's infrastructure needs over the next years. For example, in the transport sector, private investment is expected to cover COP 18.931bn of the total COP 44.550bn; and in housing and territorial development, COP 73.314bn, out of COP 95.208 bn. Colombia has some experience in private sector development in infrastructure projects funded under the Clean Development Mechanism (CDM). Several transport projects are currently registered with the UNFCCC as Clean Development Mechanism (CDM) projects, including the Integrated Mass Transport Systems for Bogotá (TransMilenio) and the electric transportation system "Metro Cable" in Medellín.

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**The ownership and control of Natural Resource assets is a highly sensitive issue in many parts of the world. To what extent are these resources viewed as a strategic asset in Colombia?**

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Colombia's extraordinary biodiversity is considered to be a comparative advantage for both its environmental and socio-economic development. This together with the commercial development of biotechnology represents a unique opportunity to advance the sustainable commercial use of biodiversity, specifically its biological and genetic resources and their derivatives. Recent policy such as the national Economic and Social Policy Document 3697, looks to make significant progress in the competitiveness of certain industrial chains and obtaining new high value added products that involve significant revenues to

the national economy as they have done countries like Brazil and Costa Rica, tropical conditions similar to those of Colombia.

Biotechnology and the sustainable use of biodiversity, specifically the biological and genetic resources and their derivatives represent a unique opportunity to improve competitiveness and contribute significantly to the country's socioeconomic development, based on the conquest of new markets for high value added products and intensive innovation and development. This promotion involves a fast-growing alternative, which can translate into significant gains in economic and social terms.

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**The preservation of the environment and fragile ecosystems has become an important global priority. How are you addressing this issue in the green growth agenda?**

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We are aware of the importance that has to be given to the preservation of the environment and fragile ecosystems. Decisions that we take now will affect our children, and we have to be very careful in every step we take because natural resources are not ours, we are borrowing them from future generations and as such, we have a duty to preserve them.

Within the new Ministry's working path, acknowledging that green and growth can go hand-in-hand, we plan to build in coordination with other ministries and local authorities a strategy and policy of sustainable development, bringing together economic, environmental, social, technological and development

## The government is currently developing a Low Carbon Development Strategy



Puerto Nariño, on the shore of the Colombian Amazon, is an experimental ecological community

We possess several mechanisms that seek the protection of our natural resources and ecosystems.

A male Violet-crowned Woodnymph, *Thalurania colombica*, is just part of Colombia's extraordinary biodiversity

aspects into a comprehensive framework.

We are working to strengthen the institutional capacity of the environmental authorities – one step being the creation of a strengthened Ministry of Environment and Sustainable Development with sufficient and increased resources. Further steps will include better coordination among Ministries, with the creation of an environmental roundtable (“Mesa Ambiental”) – in which all Ministries will be represented, charged with assessing the environmental impacts of public development projects and ensuring that the cost of environmental degradation with regards to the GDP, which currently is estimated at 3.7 per cent of GDP per year (NDP, citing World Bank data) is at least reduced by 50 per cent by 2014.

In addition, we possess several mechanisms that seek the protection of our natural resources and ecosystems. Some examples are:

- An Integrated Management for Conservation of Biodiversity and Ecosystem Services (GIBSE in Spanish) has been put in place. It is defined as a process for planning, carrying out, and monitoring actions for conservation of biodiversity and ecosystem services, within concrete social and territorial scenarios, and in different states of conservation. It seeks to maximize human wellbeing, through the maintenance of socio-ecological resilience at different scales (national, sub-national and local). Country’s targets about Integrated Management for Conservation of Biodiversity and Ecosystem Services are related to the CBD’s 2020 targets.
- Payment Schemes for Ecosystem Services (PES).
- Environmental compensation: As actions intended

to repair and compensate communities, regions and the environment for the negative effects and impacts generated upon the biotic component by a project, activity or labor, which cannot be avoided, corrected, mitigated or substituted.

- Economic Environmental Value: It applies to quantify the economic value of natural resources, ecosystem services, and the costs of environmental degradation and conservation, for specific cases (economic valuation for the Cesar mining zone) as for applying the economic instrument for payment of ecosystem services, for fines, compensations, taxes, fees and others.
- Fines for causing environmental damage: Economic penalties established by environmental authorities, calculated according to the environmental damage that has been caused.

**What are the guiding principles of that agenda?**

Encouraging developments of Colombia’s policy framework in support of green growth include the prominence given to environmental considerations in the National Development Plan 2010-2014, including in the implementation of the growth locomotives (e.g. housing, mining and infrastructure); the inclusion of environmental provisions in most trade agreements and in investment agreements currently under negotiation; the preparation of an ambitious Low Carbon Development Strategy aimed at ensuring low-carbon economic growth; programs to increase investment in renewable energy; the strong role taken by Colombia in international discussions on developing financial mechanism for climate change; the existence of incentives and financial mechanisms to promote investment in low carbon technologies and biodiversity conservation; reforms to improve co-ordinations among ministries and to strengthen the role of environmental authorities in horizontal policy processes; and ongoing reforms to improve the framework for private participation in “green” infrastructure.

**What is the environmental impact in terms of carbon emissions in the long term of economic decisions that are currently under consideration?**

As I already mentioned, in Colombia we designed the “Low Carbon Development Strategy”, the process started in November 2011. With it, we are precisely analyzing the options for economic growth in the country and its impacts in terms of greenhouse gases emissions. In this way, we’ll have the possibility to make sectoral decisions aimed at maximizing growth, minimizing emissions at the same time. The specific guidelines of the Strategy will be announced next year, having concrete results that same year.

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