



Forest Carbon Partnership Facility

4a. FCPF Evaluation follow up – Assessing the potential of increasing private sector engagement

Sixteenth Meeting of the Carbon Fund (CF16)

Paris, France

June 19-22, 2017

Background

- In the Second Evaluation of the FCPF, lack of Private Sector engagement was identified as impacting effectiveness
- The evaluation recommended creating a private sector program designed to improve private sector engagement, to leverage and scale up PS commitment and participation in the FCPF
- The Oversight Committee considered that this would merit further strategizing on and asked that the:
 - FMT convene a webex meeting of Carbon Fund Participants including OC members to brainstorm on a strategy for private sector engagement
 - FMT prepare a discussion paper defining the purpose, scope and means of private sector engagement in time for Carbon Fund (CF16)

Process for development of options

1. Call with CFPs and CMA as private sector observer; summary of suggested structure was circulated
2. Ideas collected based on call feedback and individual conversations
3. Meetings with potential partners to share work programs
4. Internal review of options

Options respond to range of identified needs

- Effort to leverage ongoing work with related networks – CMIA, Commodities/Jurisdiction consortium, TFA, etc., and other funds (e.g., the BioCF Initiative for Sustainable Forest Landscapes)
- Reflect shift in country phase of REDD+ to implementation – more concrete support on the ground needed
- Options focused on what will help countries concretely improve private investment in sustainable landscape management

Note/Presentation structure

1. Explore collaborative opportunities with relevant networks
2. Support increased role of private-sector FCPF Observer
3. Topical Deep Dives and Knowledge Products to inform private sector strategies
4. Program-Specific Private Sector Engagement Support
5. Private Sector Focal Point Position
6. Post-FY18 concept for on-the-ground support: Following through on implementation

1. Explore collaborative opportunities with relevant networks

A number of options could be explored (TFA, IDH, CGF etc.); will benefit from conversation other funds are having

Example: TFA Implementation Dialogues

- Countries are supported by consultant to develop proposals
- TFA convenes private sector members for 2-day workshop where country pitches concept and participants collaborate to improve concept
- An existing TFA workshop is planned for Indonesia in September, and Africa in October
 - Interested in collaborating with FCPF to conduct more Dialogues including CF countries

Estimated Budget for #1

- Three additional Implementation Dialogue Events Proposed in FY18: Travel for 10 participants per event: \$30,000
- Meeting/hosting costs to put on event: \$25,000
- Total cost per event (participant travel plus hosting event): \$55,000
- FY18 Total for three Dialogues: \$165,000

2. Support increased role of private-sector FCPF Observer

- CMIA – has been Private Sector (PS) Observer since the position was created
 - Membership includes significant expertise in project development, environmental markets, and climate policy
 - Current budget limitations preclude CMIA Secretariat from participating in FCPF meetings
 - Financing CMIA’s participation will ensure consistent participation by the Secretariat, thus better leveraging the full membership of CMIA for the benefit of FCPF countries
- As ER Programs take shape, there is more demand for input/expertise from sectors such as agriculture and sustainable finance
- Adding relevant-sector PS observer to CF meetings will facilitate additional insights and support to ER Programs

Estimated Budget for #2

- Provide Travel Support to CMIA plus one Additional Observer: CMIA participation in two FCPF Carbon Fund & two FCPF PC/PA meetings per year (travel to 4 meetings): \$14,000
- Additional PS Observer participation in two CF meetings per year: \$7,000
- FY18 Total: \$21,000

3. Topical Deep Dives and Knowledge Products to inform private sector strategies

- As ER Programs enter advanced-stage design and plan implementation, specific topics arise for which additional analysis or expert input would be valuable
 - Examples: Nesting, CORSIA, registries, sustainable supply chain development
- FMT will respond to needs and priorities as they arise, for maximum benefit to advanced programs
 - Nesting was requested by CFPs in call on PS options to be explored; paper planned on this

Estimated Budget for #3

- Topical Deep Dives and Knowledge Products:
Produce Topical Deep Dive Meetings and Knowledge Products: \$30,000
- FY18 Total: \$30,000

4. Program-Specific Private Sector Engagement Support

- PS Engagement Strategy for select CF countries
 - For CF countries with strong interest and significant opportunities
 - FMT work with country to coordinate a jurisdiction-specific PS engagement strategy, based on agriculture and other sustainable production opportunities
 - Analysis of markets for relevant products, production opportunities, risk analysis, and project concepts, including specific companies which may be interested in investing or co-investing in defined project concepts

4. Program-Specific Private Sector Engagement Support (cont'd)

- Pathway to Sustainable Sourcing Partnerships
In collaboration with *Commodities/Jurisdiction Approach* initiative
 - FMT will support collaborative partnership among the country/jurisdiction, company or consortium of companies, and the World Bank/FCPF as technical partner
 - Identification of joint actions in support of sourcing commitments, co-financing of priority actions as part of ER-Program implementation, and technical, financial, and political support to address identified barriers
 - Target outcome of these partnerships will be a sourcing contract or related formal partnership between actors in the REDD+ jurisdiction and the partner company or companies

Estimated Budget for #4

- Program Specific Private Sector Engagement Support: Provide tailored support toward commodity-jurisdiction partnerships in priority CF jurisdictions: \$400,000
- FY18 Total: \$400,000

5. Private Sector Focal Point Position

- Senior Private Sector Development Specialist
 - Responsible for providing support in all the work related to the private sector for FCPF and BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL)
- Cost for FY18 have been included in the budget for Carbon Fund Country Advisory Support; these costs will be shared with the ISFL
- In addition, the FMT will draw on expertise where applicable from WBG (IFC, Global Practice Agriculture, etc.)

6. Following through on implementation: post-FY18 concept for on-the-ground support

- Partnerships and Finance Platforms for leveraging additional finance
 - Implementation-focused tool/platform to secure private investment in sustainable landscape programs
 - Support for activities agreed between the government and a private sector partner
 - Based on a partnership agreement for specific actions in the ER program area
 - Accessing funding could require investment commitment from the private sector actor as a percentage of the funds requested
 - Designed to enable a range of private actors to participate, from small local businesses to multinational corporates



**Note and presentation for discussion;
FMT seeks approval on budget**

Thank you!

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