



# 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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