



Meridian Institute

Connecting People to Solve Problems

Private Sector Observers to the Forest Carbon Partnership Facility Carbon Fund

Report and Recommendations by Meridian Institute

Meridian Institute Charge

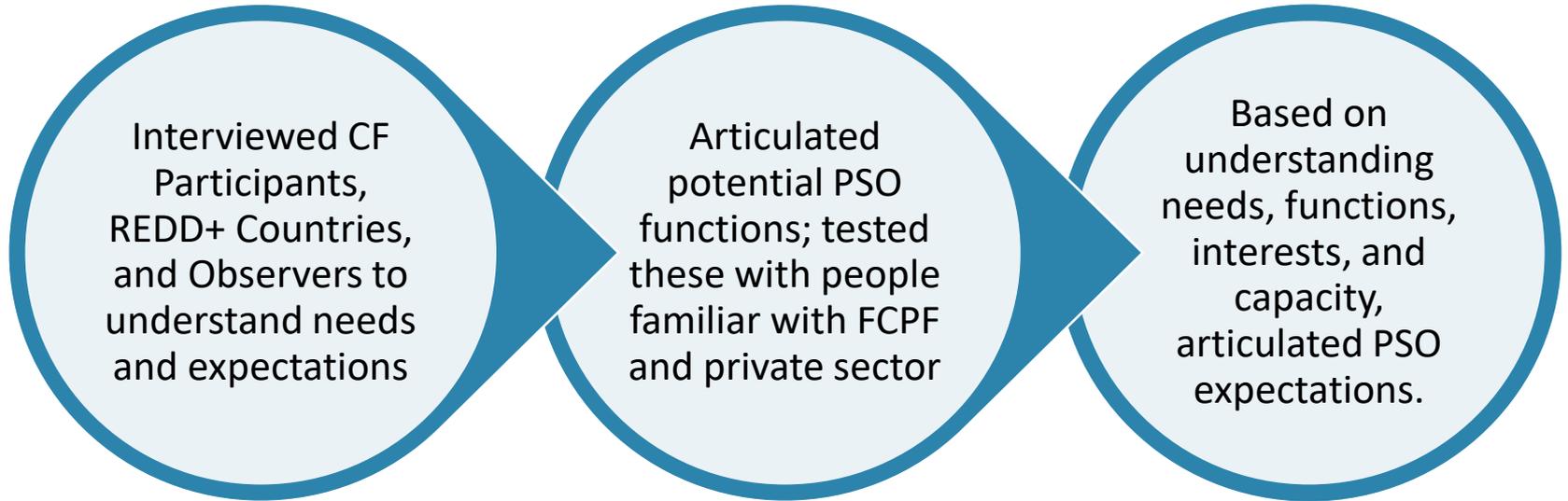
- Meridian Institute is an NGO whose mission is to help people solve complex and controversial problems, make informed decisions, and implement solutions that improve lives, the economy, and the environment.
- Meridian was asked by the FMT to:
 - Gather insights to better understand the needs and expectations of Private Sector Observers (PSOs)
 - Explore ways in which PSOs could support efforts to increase private sector awareness of REDD+ country readiness and investment in climate-smart landscape management programs
 - Provide strategic advice about the PSOs role.



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Meridian's Process



We found that PSO needs and potential functions far exceed what can be expected of two private sector organizations participating in CF meetings. Therefore, we developed a set of recommendations that describe a suite of activities – including a focused role for the PSOs – aimed at improving private sector awareness of and involvement in CF activities.



Findings – What We Heard

- **A PSO role focused on reviewing and commenting on Program Documents is of limited value** to REDD+ countries and is less appealing to private sector organizations
- FCPF should **keep a carbon market PSO** and **add an ad hoc supply chain PSO**
- REDD+ Countries should **identify and promote involvement and investment opportunities** for the private sector in REDD+ programs
- REDD+ Countries are **seeking support for identifying and communicating private sector investment opportunities** in REDD+ programs
- To support REDD+ Countries, FMT could **develop a package of coordinated activities** aimed at increasing private sector investment in REDD+ programs
- **PSOs could play a strategic role** – as part of a well-coordinated package of activities – to increase private sector awareness and increase involvement and investment in climate-smart landscape management activities.



Recommendations to the FMT

1. Build on current and ongoing CF activities to **create a coordinated package of activities** to increase awareness of the FCPF program and relevant activities in REDD+ countries, identify private sector investment opportunities, and identify and connect with potential private sector partners and investors.

The package could include:

- A communications strategy to inform key stakeholders about conditions created to facilitate private sector investment
- Country-level private sector engagement and investment strategies
- A broker-type function to connect REDD+ countries and companies and investors
- A (formal or informal) platform or dialogue amongst FCPF (and/or other World Bank facilities or funds) and other investors



Recommendations to the FMT

2. **Clarify the role and function of PSOs** in the CF and in the context of the fuller package of CF activities to increase awareness and identify and connect with potential private sector partners and investors
3. **Organize efficient systems for PSOs to participate** through strategy sessions with FMT and REDD+ countries
4. **Allow the PSOs role** – and the method for their involvement – **to evolve** based on changing REDD+ Country needs and evolving private sector structures for participation in FCPF
5. **Suggested Private Sector Observers**
 - Permanent PSO, Carbon Markets: International Emissions Trading Association
 - Ad Hoc PSO, Sustainable Food and Agricultural Supply Chains: World Economic Forum



Concluding Comments

- Meridian was initially asked to **assist in the selection of two new PSOs** to the Carbon Fund.
- Our interviews showed an **opportunity to create a more strategic role for the PSOs** in support of FCPF efforts to mobilize resources, knowledge and innovation for addressing climate change and promoting sustainable development in REDD+ Countries.
- We hope that a holistic approach for the involvement of PSOs as part of a coordinated set of activities will **help countries during implementation of REDD+ programs and help companies achieve zero deforestation commitments.**



Thank You

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