

An aerial photograph of a lush tropical forest, showing a dense canopy of green trees and palm trees. A semi-transparent grey rectangular box is overlaid in the center of the image, containing the main title and subtitle. The text is centered and uses different colors and weights for emphasis.

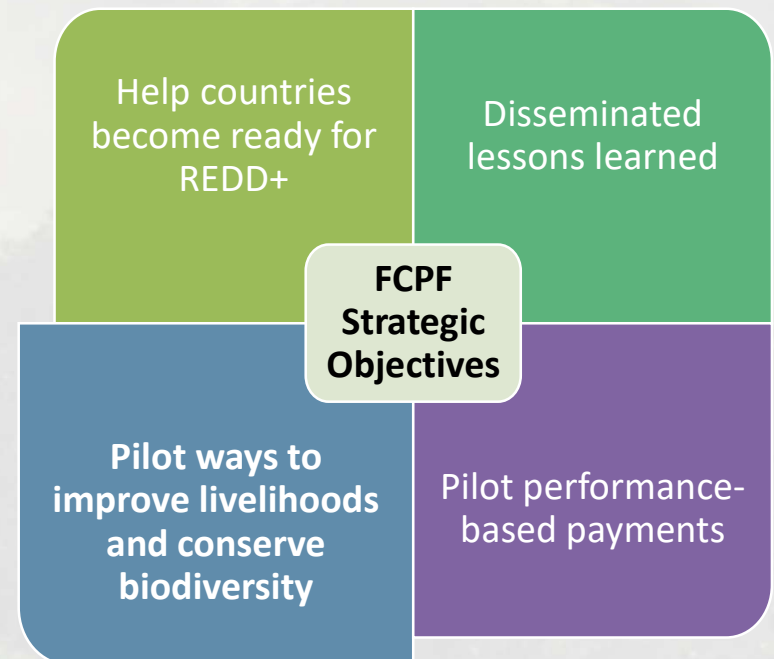
Forest Carbon Partnership Facility

Engaging the Private Sector on Biodiversity in Emission Reductions Programs

November 5, 2020

The Importance of Biodiversity for the FCPF

- ❖ Forests host **80%** of the world's terrestrial biodiversity
- ❖ Biodiversity conservation is...
 - one of the FCPF's four strategic objectives
 - synergetic with FCPF's goal of reducing emissions
 - an important non-carbon benefit of FCPF
- ❖ The FCPF integrates biodiversity conservation directly into Emission Reductions programs
 - **16** Carbon Fund programs are testing ways to conserve biodiversity, such as **Madagascar, Indonesia, and Peru**



2020: Where Are We Now?

2020 is a milestone for climate change:

- Consumer Goods Forum (GCF) Net Zero Deforestation Resolution (2010-2020)
- UN Decade on Biodiversity (2011-2020)
- New York Declaration on Forests to cut forest loss in half by 2020 (and completely end it by 2030)



However, progress has been slow so far:

- Insufficient progress to reduce net natural forest loss
- Lack of data on restoration and conservation progress of degraded land, biodiversity, and ecosystems
- Consistent and transparent information not publicly available on private finance mobilized towards the US\$100bn goal

Private Sector Action

- The UN Summit on Biodiversity held in September 2020 highlighted that a mix of solutions is needed to protect forests and biodiversity
- In response, private sector actors are taking actions through the following:



Green bonds



Corporate strategy



Sectoral
pledges/initiatives



Nature-based
solutions

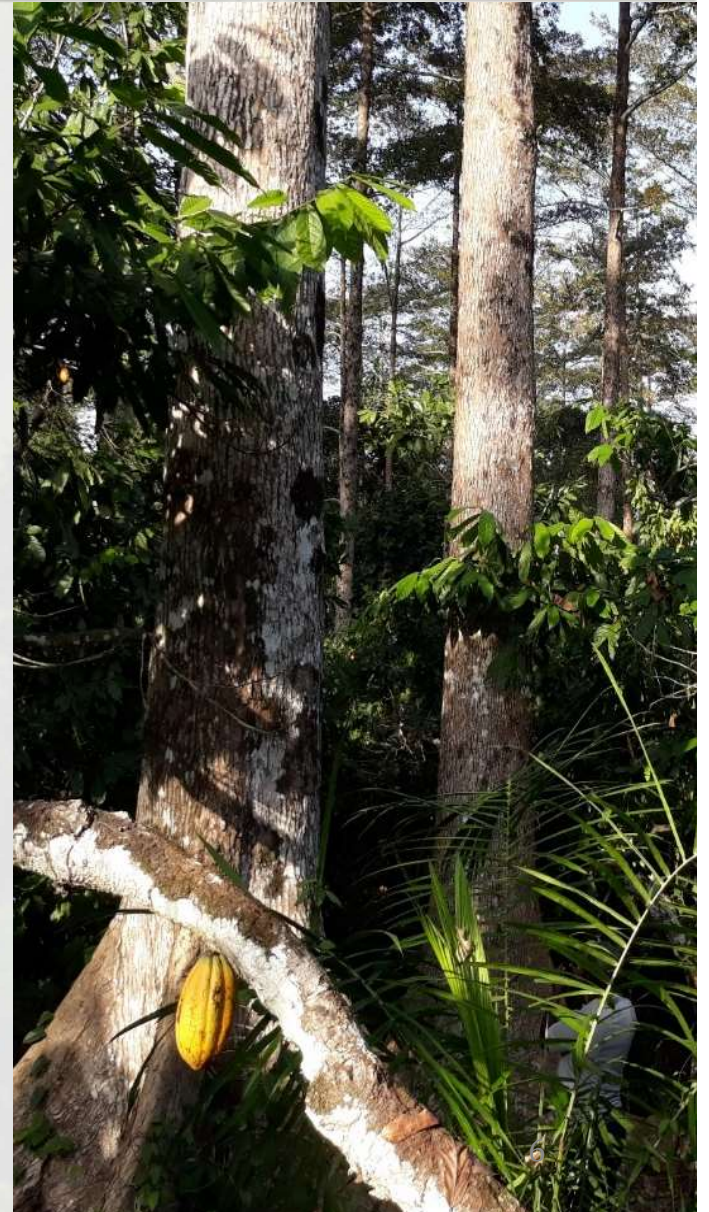
Private Sector Engagement with the FCPF

- The FCPF programmatic approach was launched in 2019 to **fill funding gaps** by scaling up **private sector investment** and **innovation** towards our transition to a low-carbon and climate-resilient pathway
- In 2020, the FCPF continues to engage with key value chain stakeholders to drive private sector engagement and action in the **cocoa, livestock, smart mining, vanilla, and cashew** value chains
- This programmatic work aims to **inform** and **influence** the private sector to **reduce deforestation** through:
 - Knowledge development and capacity building
 - Development of a blueprint for a multi-partner framework and common guidelines for climate smart practices
 - Co-facilitation of multi-stakeholder and public-private dialogue



Cocoa

- The cocoa initiative aims to facilitate the adoption of an economically viable and climate-resilient path for the cocoa agroforestry supply chain
- Progress to date:
 - Cocoa agroforestry guide
 - South-South Knowledge Exchanges and Capacity Building Program
 - Technical assistance to the Cocoa and Forests Initiative and Rainforest Alliance
- Collaborations & uptake with WCF, CFI, Kinome, IDH, Earthworm, TFA, etc.



Livestock



- The livestock initiative aims to increase the readiness of the livestock sector to access climate finance under a multi-partner, integrated framework
- Progress to date:
 - Report on the integration of the animal protein sector into climate finance
 - Multi-partner blueprints: identified two most viable investment opportunities in Africa and Latin America to operationalize climate finance through a series technical webinars
- Collaboration & uptake with WB/IFC programs, Climate Focus, IDH, FAO, Solidaridad, etc.

Forest Smart Mining

- The Forest Smart Mining initiative aims to increase the readiness the mining sector to use climate tools, policies, and finance mechanisms to reduce deforestation while protecting and enhancing reclaimed lands
- Progress to date:
 - Artisanal small-scale mining: technical guidelines and Forest-Smart Mining principles, criteria, and indicators
 - Large-scale mining: nature-based solutions to incentivize sustainable land management practices
- Collaborations & uptake with FFI, Vivid Economics, Levin Sources, and Alliance for Responsible Mining



Vanilla



- The vanilla initiative aims to contribute to zero-deforestation vanilla production and promote forest friendly value chain practices
- Progress to date:
 - Technical vanilla manual on sustainable agricultural practices
 - Economic analysis to unlock investments
 - Technical support to sectoral initiatives and governments bodies
- Collaboration & uptake by engaging with stakeholder and private sectors, such as McCormick and the Sustainable Vanilla Initiative, in piloting sustainable vanilla practices

Cashew

- The cashew initiative aims to leverage private sector investment to improve the cashew supply chain and propose agroforestry systems to improve smallholder resilience and livelihoods
- Progress to date:
 - Sectoral analysis on challenges and opportunities of agroforestry systems to increase cashew productivity
 - Identification of priority sub-sectors
 - Feasibility study of viable low carbon investment initiatives
 - Mapping of potential private sector partners and investors to upscale these priority businesses





Going Forward

- Continue developing climate tools and guidelines to engage the private sector in emission reductions and biodiversity
- Further emphasize filling the funding gap and promoting market mechanisms for financing biodiversity conservation
- Explore collaborations with key stakeholders to unify and reinforce the synergy between biodiversity and emission reductions



Thank you!



WORLD BANK GROUP
Climate Change