

Engaging with the Forest Carbon Partnership Facility: Governments and the Private Sector

The World Bank's Forest Carbon Partnership Facility (FCPF) is a global partnership of governments, businesses, civil society, and Indigenous Peoples focused on reducing emissions from deforestation and forest degradation in developing countries, through the sustainable management of forests and conserving and enhancing forest carbon stocks—activities commonly referred to as REDD+.

The FCPF works with 47 developing countries across Africa, Asia, and Latin America and the Caribbean, along with 17 donors who have made contributions and commitments totaling US\$1.3 billion. Part of the FCPF's support to countries includes strategic engagements with the private sector to crowd in investments, products, and services that benefit the climate, biodiversity, and communities. The FCPF helps countries to become familiar with this kind of private sector investment, and to promote it, by removing barriers, increasing liquidity, diminishing risks, and seeking out innovative entry points for companies to help scale up REDD+ activities.

Why governments should engage with the FCPF private sector approach

- o Working with the private sector, the FCPF supports the design of financial instruments that can help countries scale up emission reductions to meet national climate targets.
- o The FCPF offers grants and payments for emission reductions that can help governments leverage private sector engagement in REDD+.
- o The FCPF can help improve national policy and regulatory environments through grants and technical assistance, to enable private sector engagement by removing barriers to entry, increasing financial liquidity, and diminishing risks.
- o The FCPF can help enhance public-private partnerships aimed at reducing deforestation and emissions by connecting governments with private sector partners and initiatives.

How governments can engage with the FCPF private sector approach



FCPF Readiness Fund: Countries participating in the FCPF Readiness Fund have access to grants and other forms of support to promote national policy reforms; engage with stakeholders; advance national REDD+ strategies; develop information systems for safeguards and national forest monitoring; establish forest reference (emission) levels; and capture and enhance the non-carbon benefits of REDD+.



FCPF Carbon Fund: Countries participating in the FCPF Carbon Fund have access to significant financial support (including additional funding from other World Bank initiatives) to further catalyze private sector engagement. The FCPF works with national governments to test large-scale approaches that require a mix of policies and investments. It also leverages integration with national development strategies, uses innovative financial structures, pilots demonstrative activities, and seeks multi-stakeholder engagement.



Technical assistance: The World Bank provides technical assistance by developing guidance for national governments to improve the enabling environment for private sector engagement, with topics covering forest reference emission levels (FRELs), measurement, reporting, verification, and carbon accounting.



Benefit-sharing plans: The World Bank may also guide countries in establishing benefit-sharing plans and safeguards to ensure equitable distribution of results-

based payments to communities and key stakeholders, including women, Indigenous Peoples, marginalized or vulnerable groups, and private sector actors.

CASE STUDY: Supporting sustainable cocoa production in Ghana and Côte d'Ivoire



Ghana and Côte d'Ivoire are the world's two largest cocoa producing nations, accounting for 60 percent of global supply. Despite the growing global demand for chocolate, farmers are seeing lower incomes due to poor agricultural techniques, lack of investment, and decreasing land productivity. As a result, the governments of the two countries, along with 37 leading cocoa companies, have signed the Cocoa & Forests Initiative (CFI) as a commitment to end deforestation and scale up private sector investments in sustainable cocoa production.

Under the CFI, the FCPF and partners have

worked with the government of Ghana on the registration of tree ownership, which allows cocoa farmers to include shade trees in their business plans, and thereby generate—and benefit from—carbon credits. In parallel, the FCPF is supporting governments, cocoa companies, and partners to develop large-scale emission reductions programs that create incentives for more sustainable landscape management. This work focuses on improving the enabling environment and developing financing strategies to de-risk private investments. With the support of the FCPF, the government of Côte d'Ivoire has launched a new Forest Strategy that applies the agroforestry concept to rural areas, enabling private sector companies to invest in agroforestry concessions.



For additional information: Please visit forestcarbonpartnership.org or email us at fcpfsecretariat@worldbank.org