



UNEP Finance Initiative
Changing finance, financing change

Session A: Private Sector Engagement

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Geneva in winter

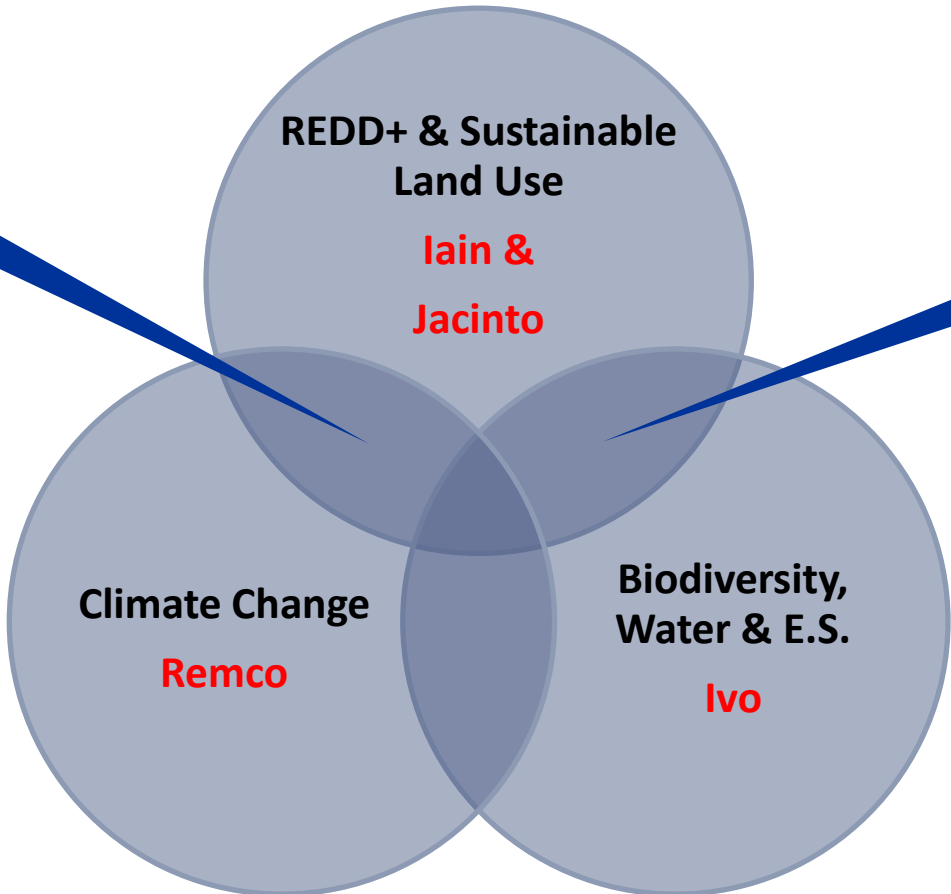




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Thematic Work

E.g. Green Climate Fund & UNFCCC



E.g. Natural Capital Declaration & E-RISC



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2013 Activities



Why care about the private sector?

- Roughly 2/3rds of global GDP and jobs
- Largest terrestrial agents of land-use change
- BUT also integral part of the solution: Innovation, Investment and Implementation
- Huge topic- Need for a private sector strategy

04



**UN-REDD
PROGRAMME
POLICY BRIEF**

The Role of the Private Sector In REDD+: the Case for Engagement and Options for Intervention

Authors: Iain Henderson¹, Jacinto Coollo², Ramco Fischer³, Ivo Mulder⁴, Tim Christophersen⁵

Key messages

- The private sector is a source of implementation, innovation and investment and is a key REDD+ stakeholder. Private sector engagement must be broadened to slow, halt and reverse forest loss.
- Two main private sector groups are relevant in the context of REDD+ : a) those focused on producing verified emission reductions (VERs) and b) those involved in the supply chains of forest-risk commodities.
- There is no single demand or supply-side strategy that is a 'silver bullet' – interventions must be used in combination and must be mutually reinforcing in order to achieve the desired outcomes.
- Approaches for engagement fall into four categories: incentives, risk mitigation instruments, setting of minimum standards and enabling conditions.
- The UN-REDD Programme can assist partner countries in engaging the private sector through convening, catalyzing and the sharing of experience and lessons learned.

Introduction

This brief aims to encourage public sector REDD+ planners and practitioners to engage with and mobilize the private sector through a range of possible interventions. It identifies relevant private sector actors, and outlines their potential role, in the context of REDD+. The brief makes the case for stronger engagement and considers various interventions that can alter the private sector's

impact on land use. It also outlines the forms of support that the UN-REDD Programme can provide to countries. The brief concludes with a series of case studies examining the potential of engaging with financial intermediaries to slow, halt and reverse forest loss⁶ and forest degradation.

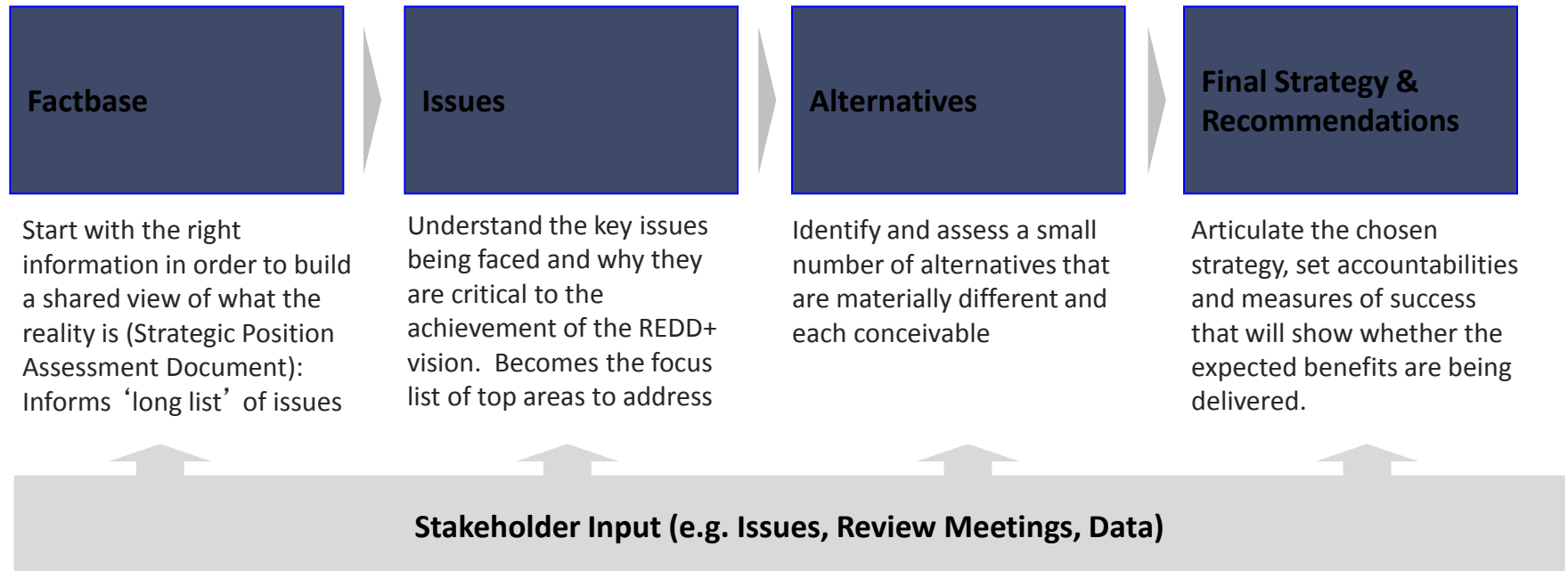
Reducing deforestation and forest degradation and restoring forests could bring significant benefits for livelihoods, climate

¹UNEP FI
²UNEP

Private sector strategy development

A typical approach and framework to strategy development

Strategy development is a structured approach that engages and aligns stakeholders to a common set of prioritised outcomes and actions





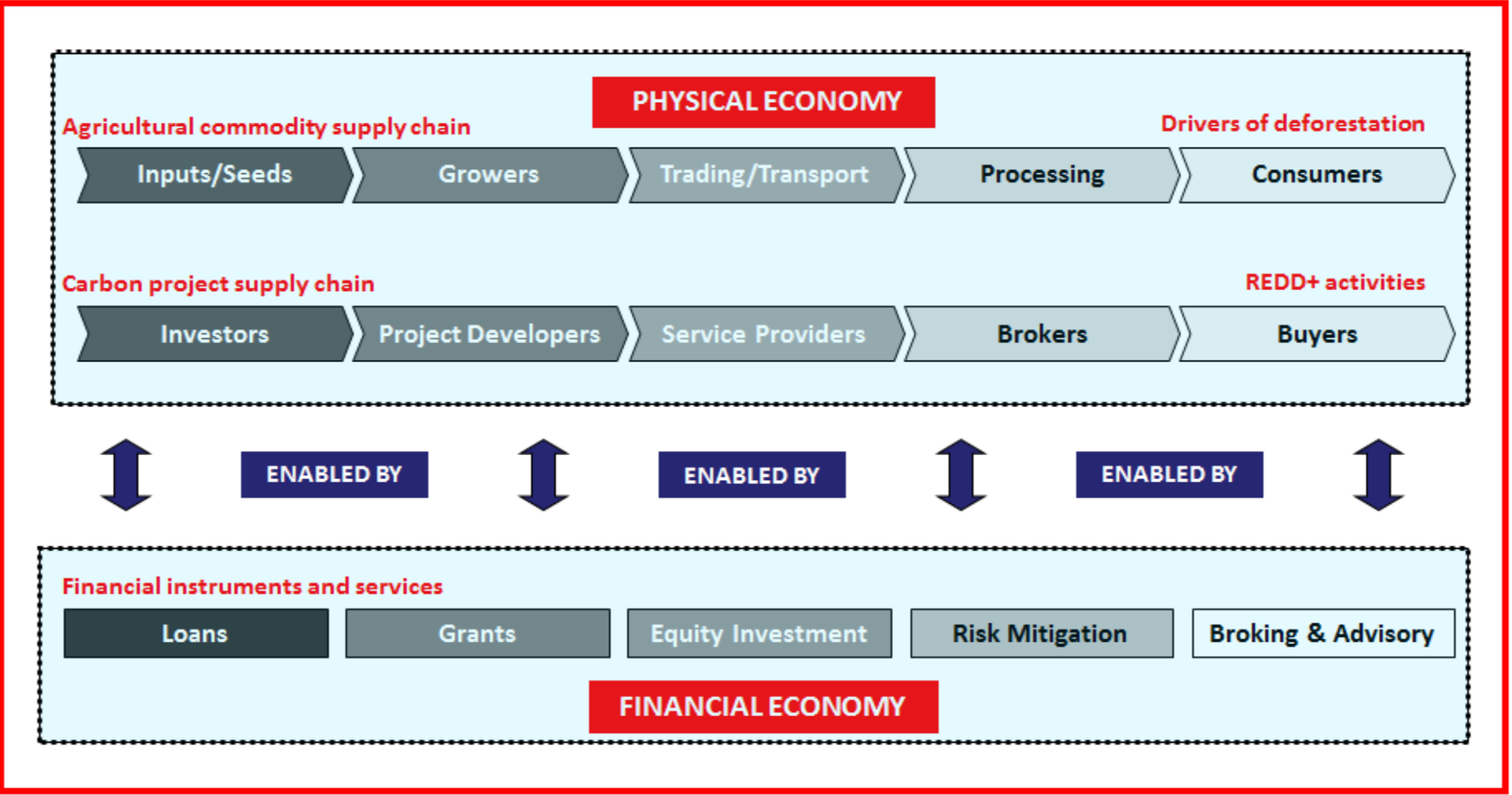
Closing the 'Perception Gap'



Source: Gary Larson, The Far Side



Private sector proposal





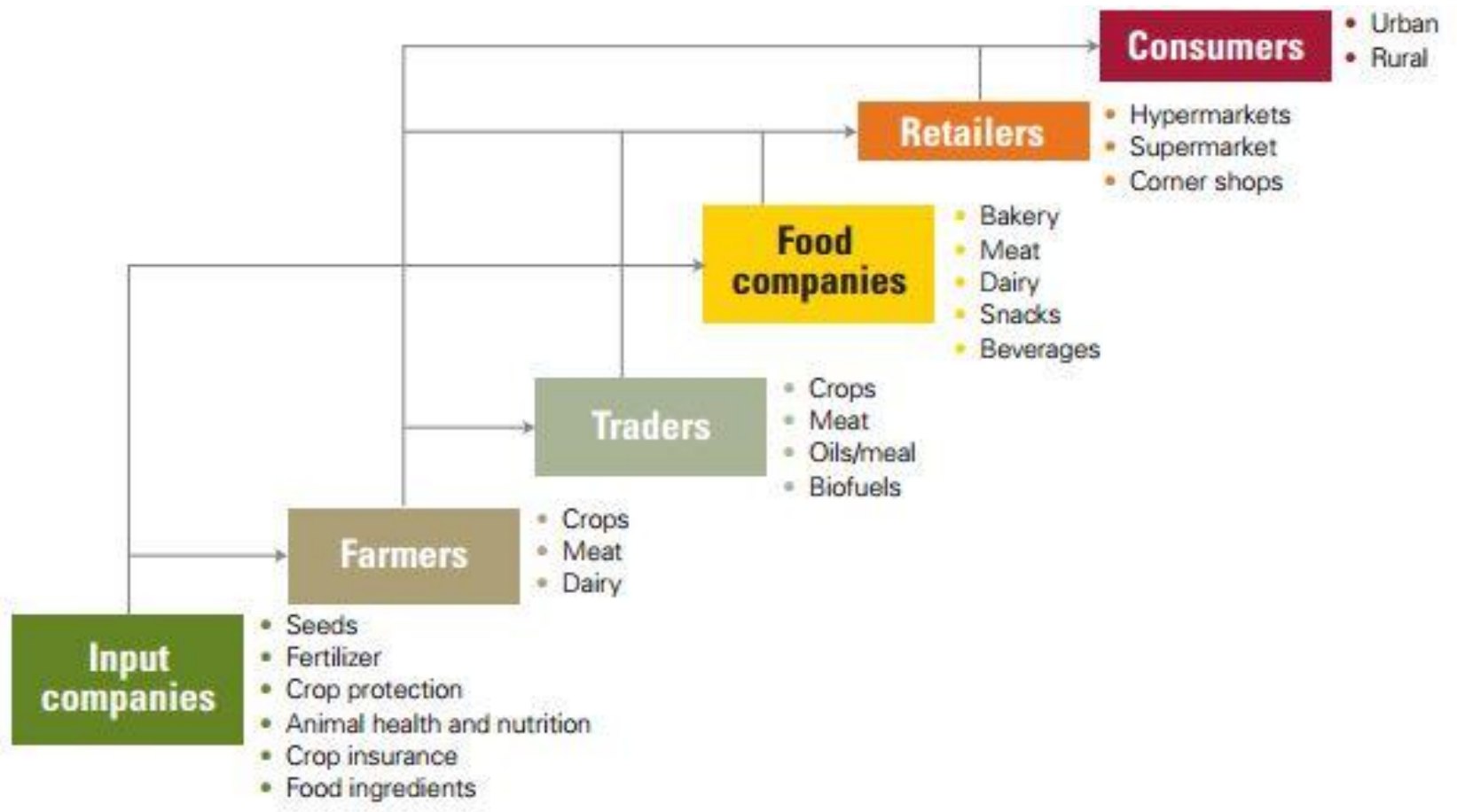
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Looking ahead



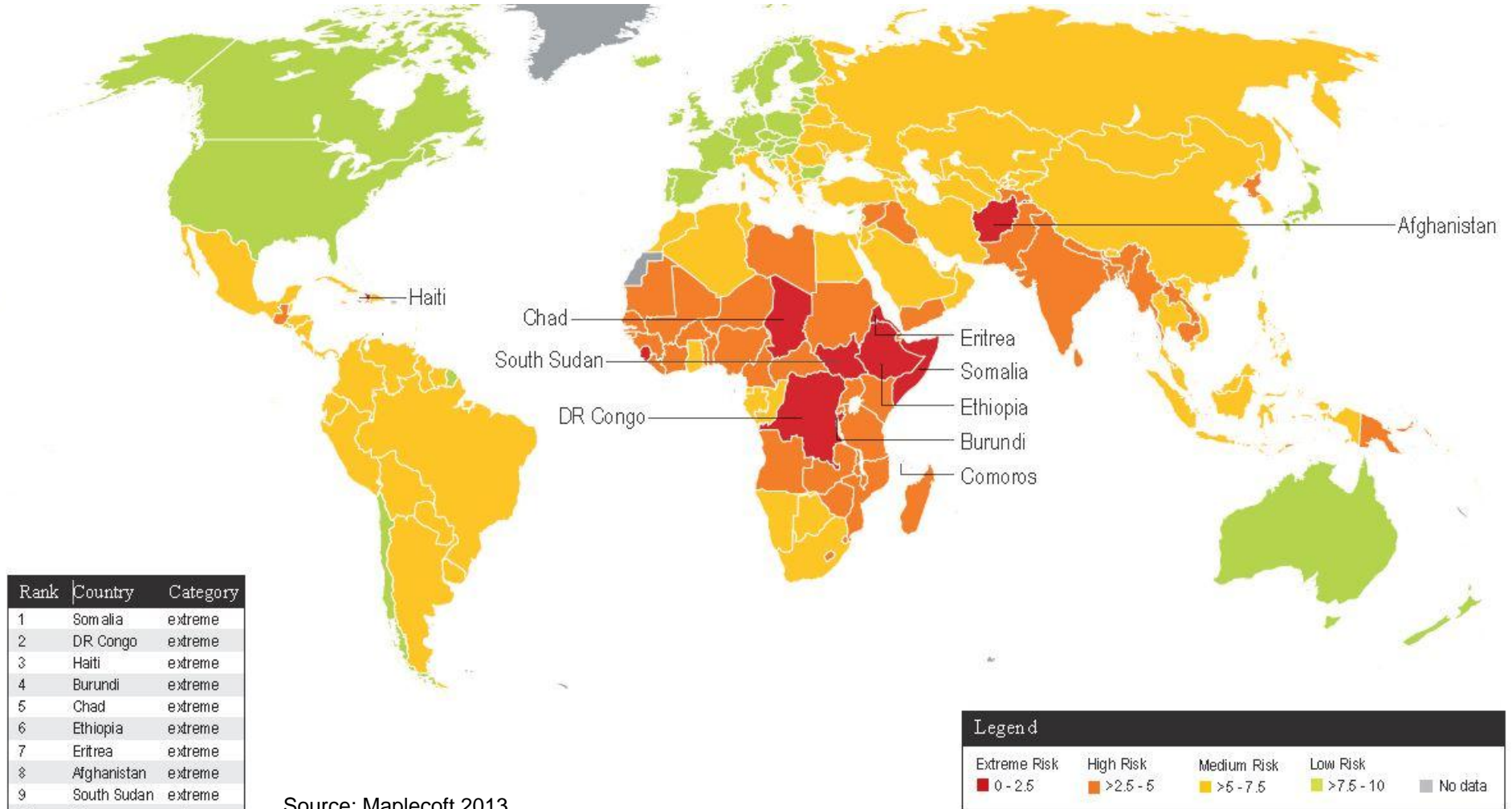


Agriculture and Food Value Chains





Food Security 2013



Source: Maplecoft 2013



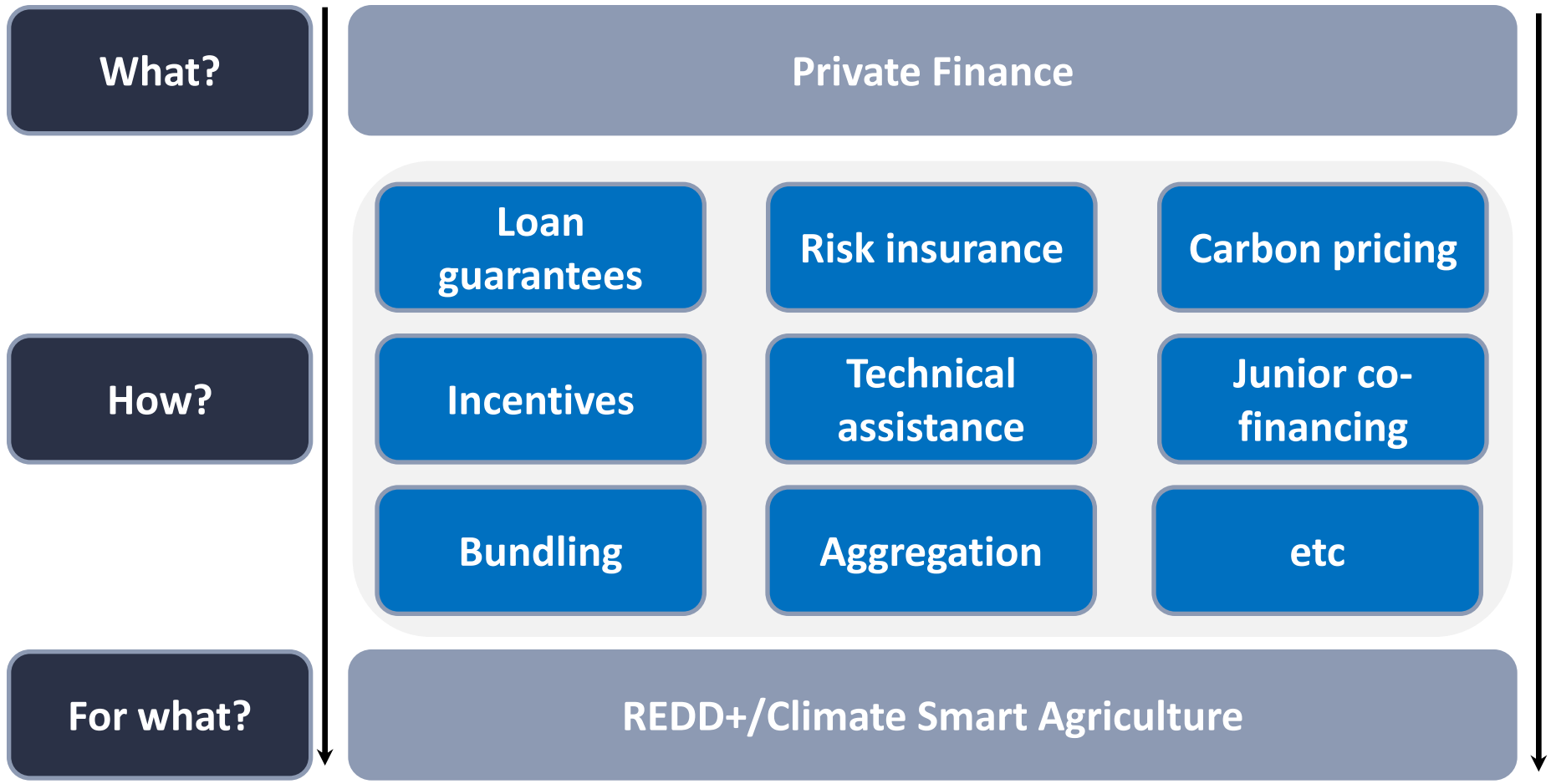
Moving from the conceptual to the practical

Identifying, classifying & prioritising private sector activities

Activity	A	B	C	D	E	F
GHG abatement potential	Green	Red	Green	Green	Yellow	Green
Scalability	Green	Yellow	Green	Green	Red	Green
Ease of implementation	Yellow	Green	Green	Yellow	Green	Green
Community and gender benefits	Yellow	Green	Green	Green	Yellow	Green
Commercial viability	Yellow	Yellow	Yellow	Green	Yellow	Green
Private sector finance required	Yellow	Red	Yellow	Yellow	Green	Yellow
Unit size of investment	Green	Yellow	Yellow	Green	Green	Green
Land tenure	Yellow	Yellow	Yellow	Green	Red	Yellow

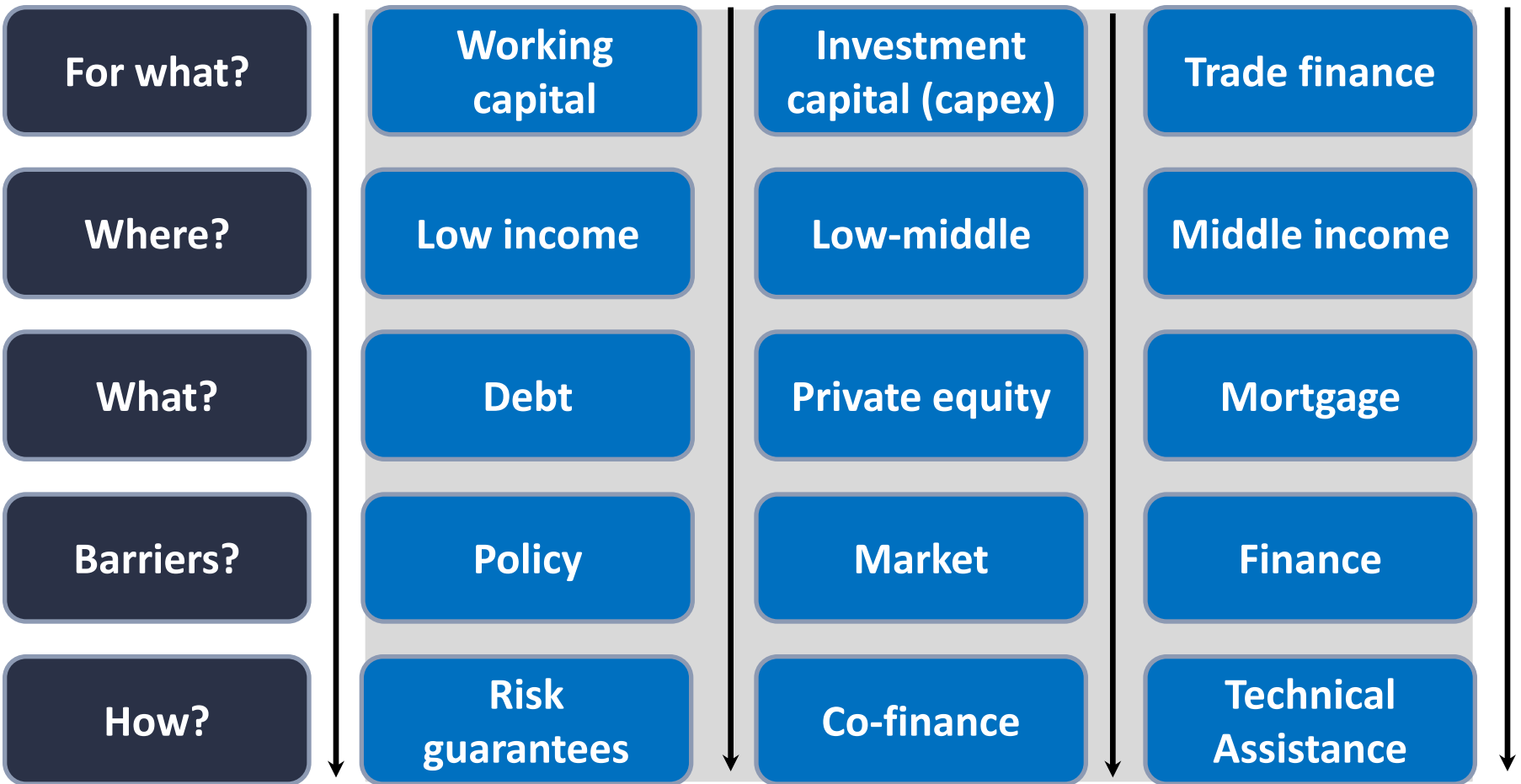


Model 1.0: Current thinking on 'private sector finance'





Model 2.0: A more 'nuanced' or 'bottom up' approach





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Any Questions?

