

The role of the private sector in REDD+

UN-REDD Global Symposium

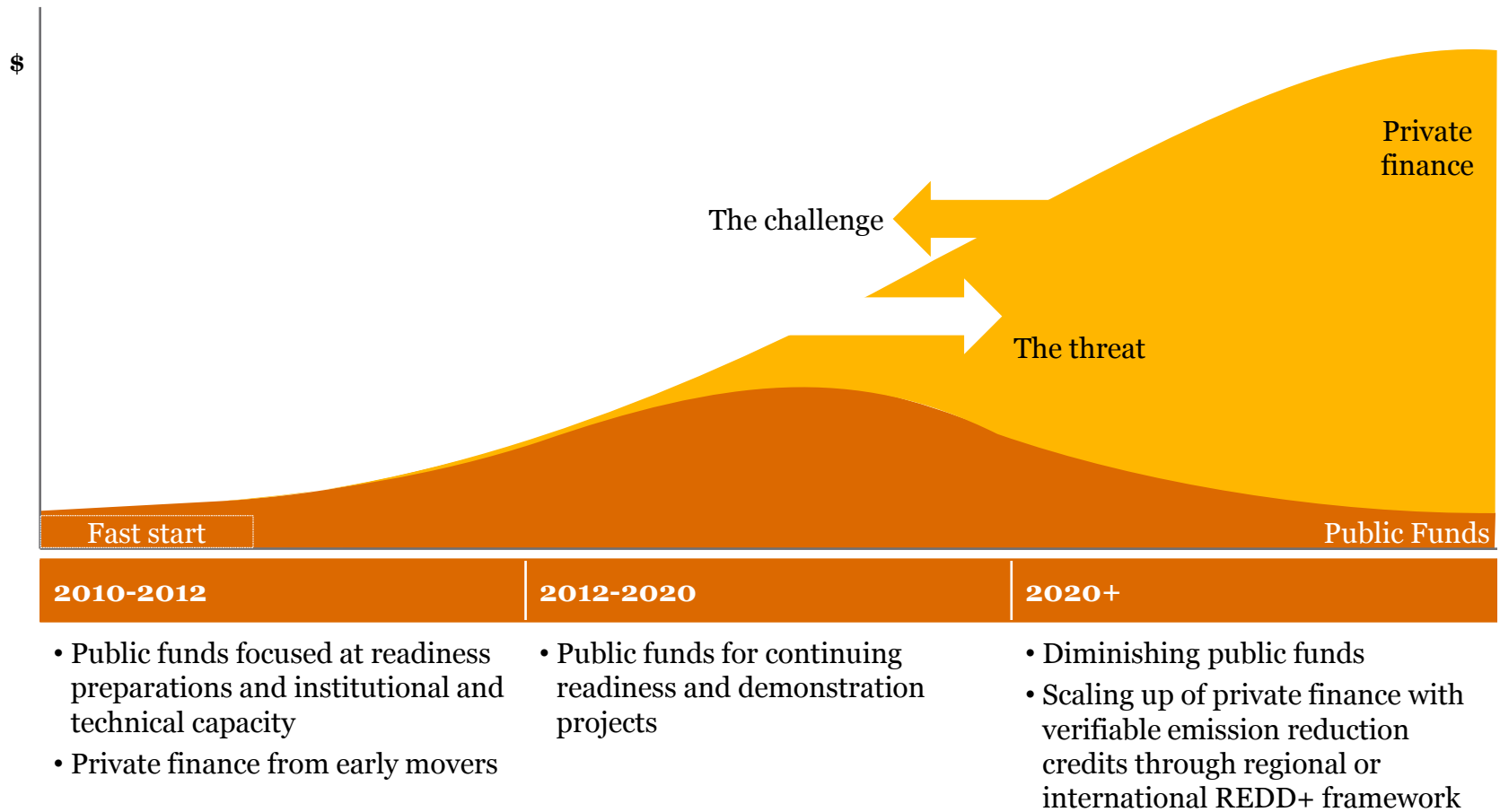
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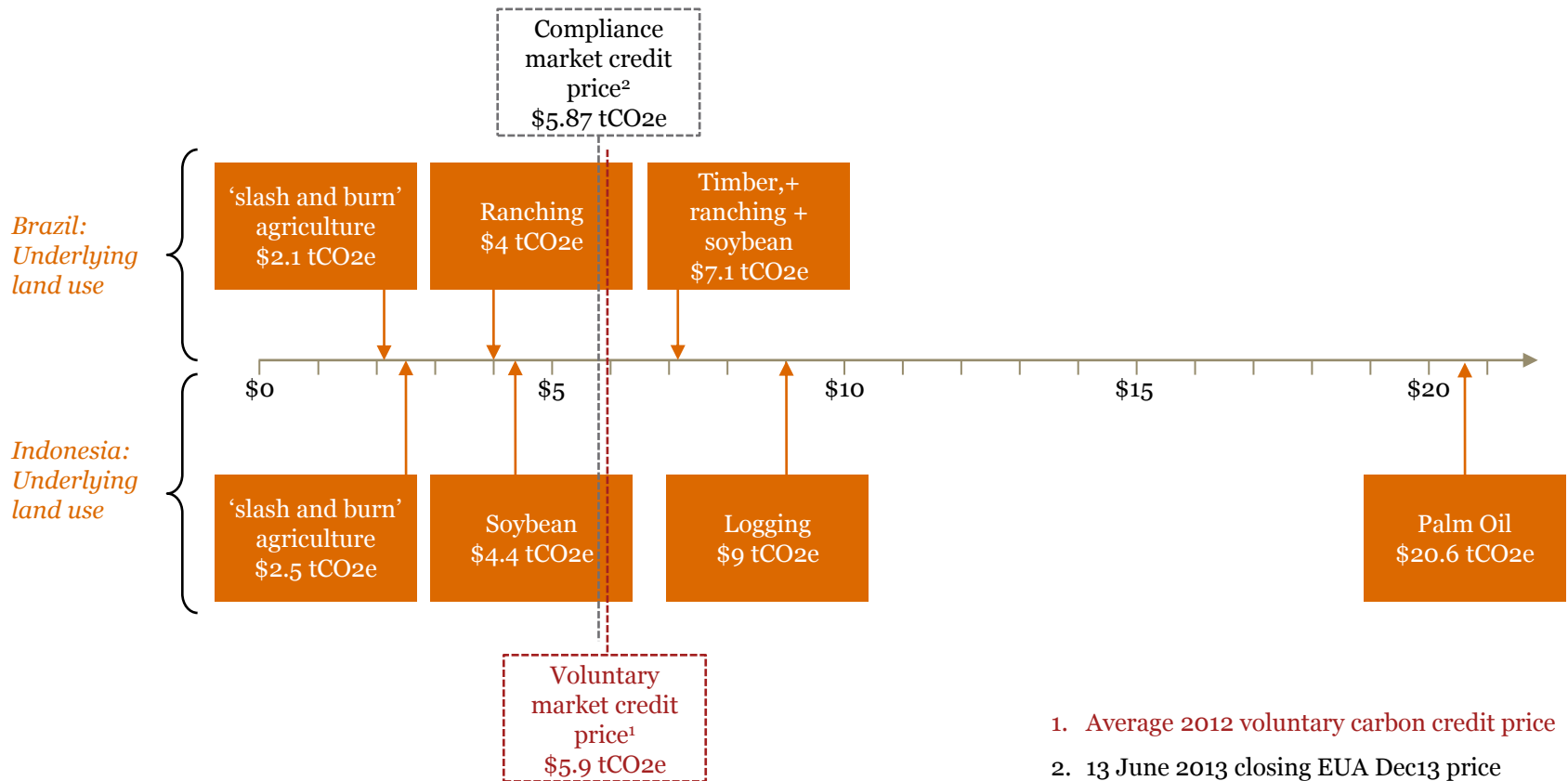
The vital role of the private sector



Source: PwC, 2010

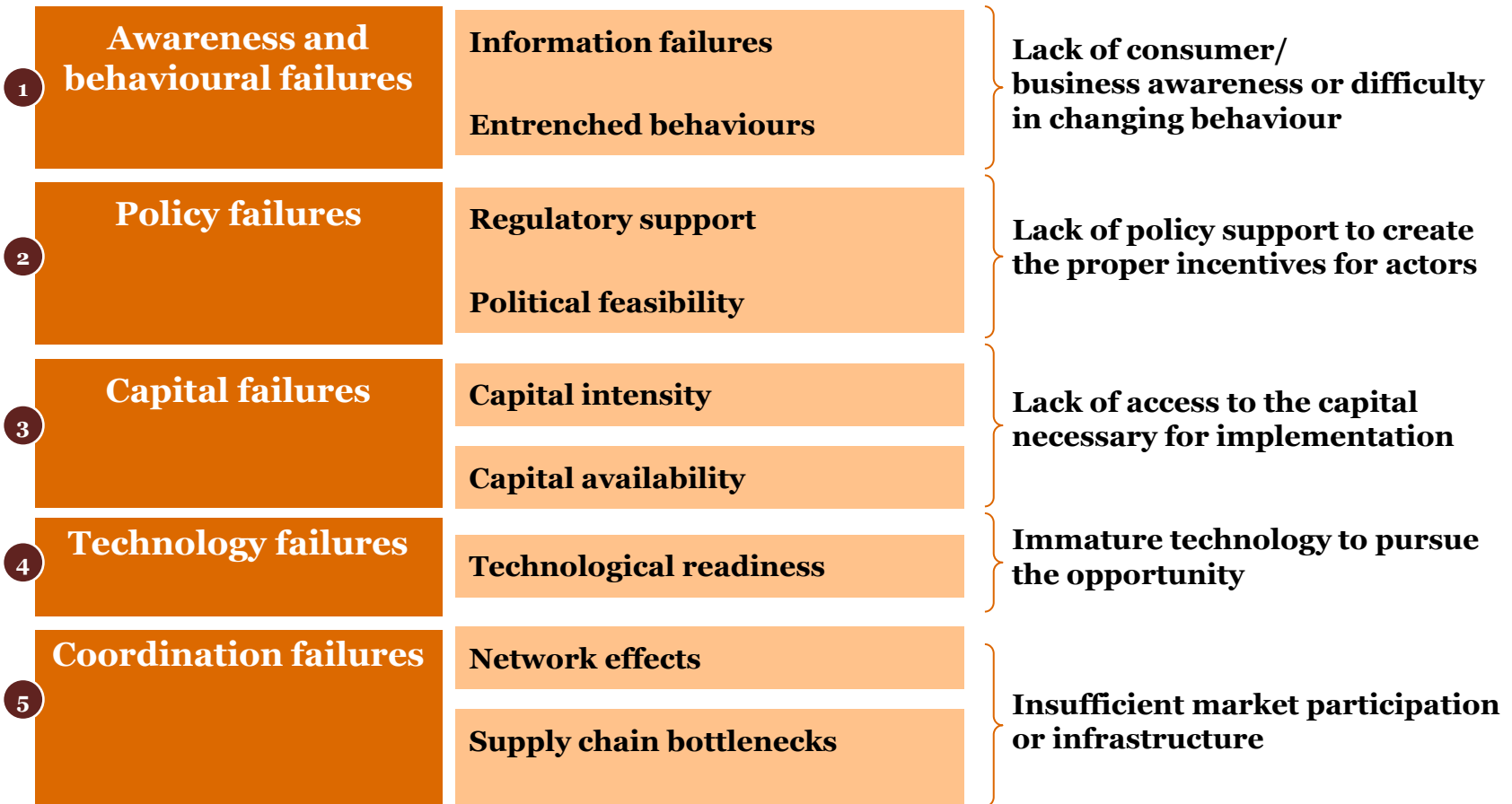
What is holding back the private sector?

The risks are too high, and rewards too low.



1. Average 2012 voluntary carbon credit price
2. 13 June 2013 closing EUA Dec13 price

What is holding back the private sector (2)?



Source: 3GF, "Accelerating Green Growth through public-private partnerships"

What does a green growth context change for the private sector and REDD+?

- A focus on opportunities/growth
- Integrated across a landscape/sectors
- Measuring broader positive (and negative) outcomes, ideally in financial terms
- More holistic changes in enabling environments
- Stronger commercial rationale/regulation than current REDD+ policy uncertainty

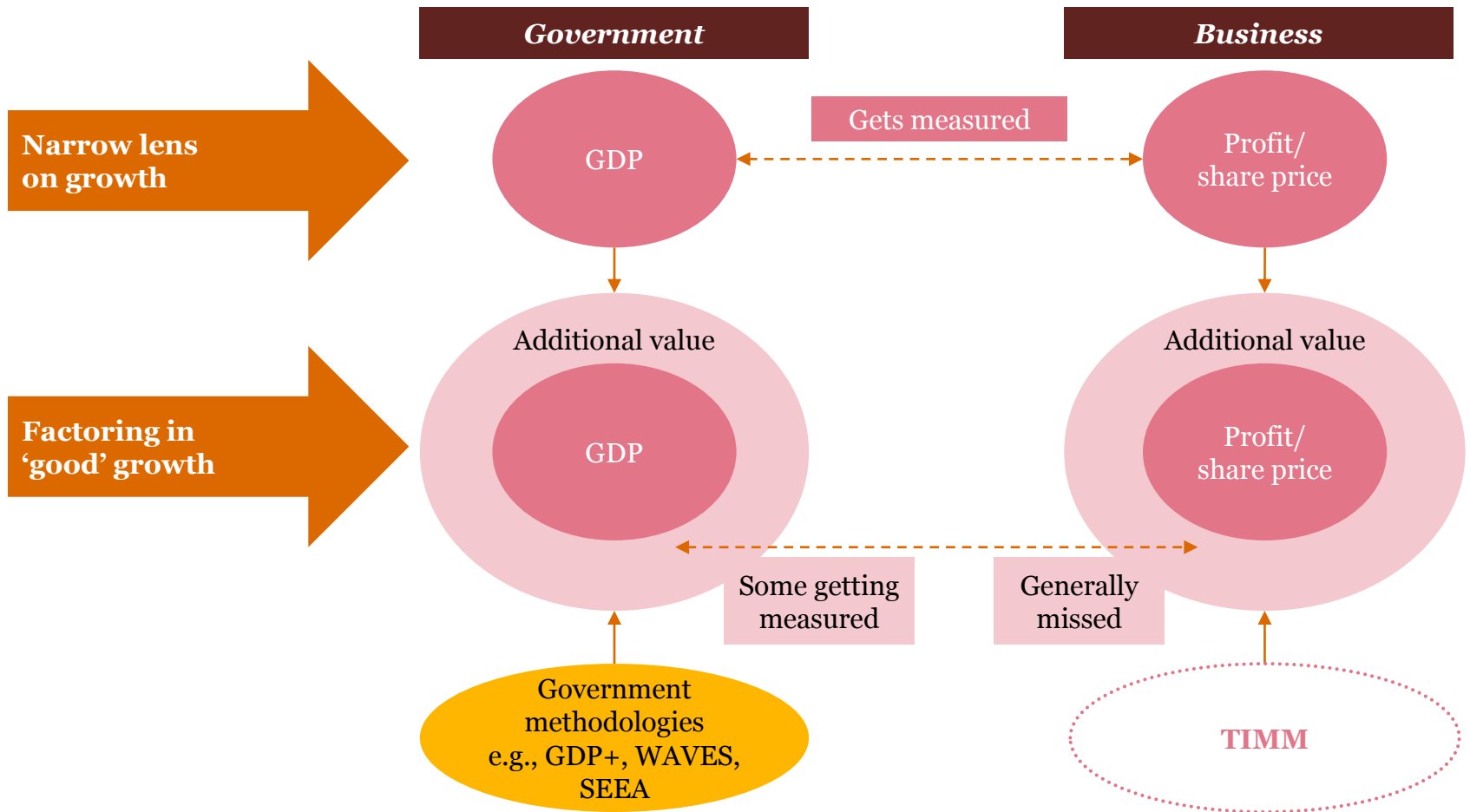


How can the barriers be overcome?

1. Awareness raising and behavioural shift	<ul style="list-style-type: none">• Create transparency to costs and benefits of different products• Provide training or mindset shift required
2. Policy and regulation	<ul style="list-style-type: none">• Change market structures through regulatory reform or development of new instruments• A commitment device to build the political will needed to address a challenge
3. Capital mobilisation	<ul style="list-style-type: none">• Support the mobilization of private capital by reducing associated risks such as currency risk, country risk and policy risk, and by overcoming start-up challenges (e.g. providing loan guarantees to local banks to spur lending)
4. Product development	<ul style="list-style-type: none">• Promote early-stage product development by enabling critical research and development activities, and supporting project developers and trial projects
5. Coordination and delivery	<ul style="list-style-type: none">• Brings together actors from relevant industries to accelerate overcoming initial network effects• Combines logistics capabilities, infrastructure, local networks, and project management expertise that no single organisation possesses alone

Source: 3GF, "Accelerating Green Growth through public-private partnerships"

Need to align Green Economy metrics, with business reporting



Conclusions

- The private sector needs to be part of the solution
- And many parts of the private sector are already taking significant positive steps
- However there are many barriers hindering their engagement at a greater scale
- Well designed public finance and support offer exciting opportunities to overcome these barriers...
- ...alongside greater recognition of the benefits of REDD+ through new Green Economy initiatives and value measurement methodologies
- These valuation methodologies need to be aligned across the public and private sectors

Thank you.

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