

# **Eleventh Policy Board Meeting**

**Private Sector Engagement  
Knowledge Sharing Session  
Geneva, Switzerland**

**8 December 2013**



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## Activities on private sector engagement to date

- UN-REDD in collaboration with UNEP Finance Initiative has been working to engage the private sector in REDD+ processes at the international, regional, and national levels
  - Specialised forums at the international and regional levels; private sector working meetings at the national level;
  - Fostering discussions on what the role of the private sector could be in the context of jurisdictional-based approaches to REDD+; including discussions on potential modalities of participation (e.g. focus on productive activities);
  - Workshop on trying to articulate the ‘business case for REDD+’

# Insights from Ecuador

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## Ecuador

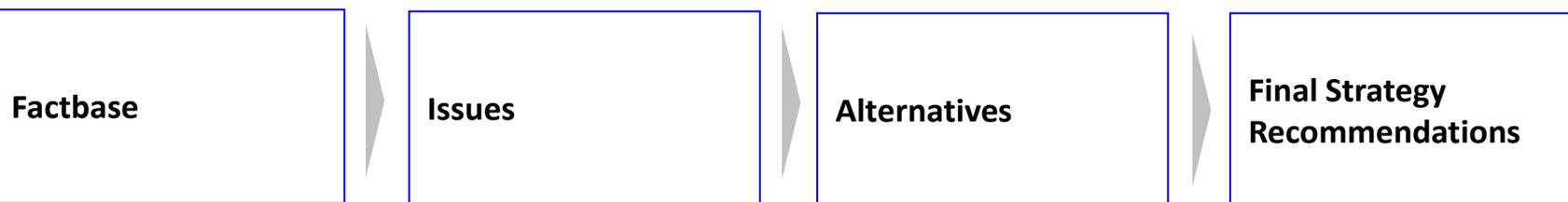
Some activities to date in the national context / National REDD+ Programme (PNREDD+) with the support of Ecuador's NJP:

- Establishment of a regulatory framework for REDD+ activities – Ministry of Environment ‘National REDD+ Authority’ AN-REDD+;
- PNREDD+ jointly exploring with the NJP the potential participation of the private sector in REDD+ implementation and financing at national and project level
- Participation in the regional workshop on *the role of the private sector in REDD+ implementation and financing* in the context of the transition from project-based to jurisdictional-based REDD+ in Latin America – led to country request to hold an in-country workshop
- MAE and NJP in collaboration with UNEP Finance Initiative held a workshop in Quito, October 2013, with the participation of MAE, NJP, Ministry of Finance, a national development bank and the National Environmental Fund (FAN), specialized investment funds in REDD+ and sustainable land use activities, project implementers and standard setters.
- Ecuador is exploring via a facilitated dialogue with private stakeholders the mosaic of sources of finance for REDD+; the enabling conditions for private sector REDD+ implementation and financing as well as the modalities for private sector participation and productive REDD+ business models.
- Ecuador is also exploring, jointly with NJP enabling conditions and modalities for short, medium and long term finance for REDD+ form a wide variety of sources, including bilateral and multilateral cooperation, and finance mechanisms under the UNFCCC.
- Ecuador will further dialogue with private sector actors and explore different scenarios of private sector participation as part of the establishment of a *national finance architecture for REDD+*

# Private Sector Engagement Strategy

**Aim of the Strategy:** to identify & communicate clearly the role of the UN-REDD Programme to effectively engage the private sector in REDD+, & to outline the support that the agencies can provide to countries & to the private sector in this regard.

## Strategy Milestones



### December 2013

- Mapping of relevant initiatives to engage the private sector in REDD+
- Development of principles to inform prioritisation of issues
- Working group representatives identified
- Initial scoping with agencies to refine scope and hypotheses

### February 2014

- Hypotheses tested internally (UN-REDD Programme) and externally (relevant stakeholders including representatives from UN-REDD Partner countries, civil society, IPs and the private sector)
- Remaining issues are identified and addressed by working group

### April 2014

- Results of previous phase are articulated into a draft strategy
- Draft strategy presented to the UN-REDD MG

### June 2014

- Final strategy recommendations presented at PB12

**Stakeholder and pilot project input**

# **Planned Activities 2014-2015**

## **Pilot Project**

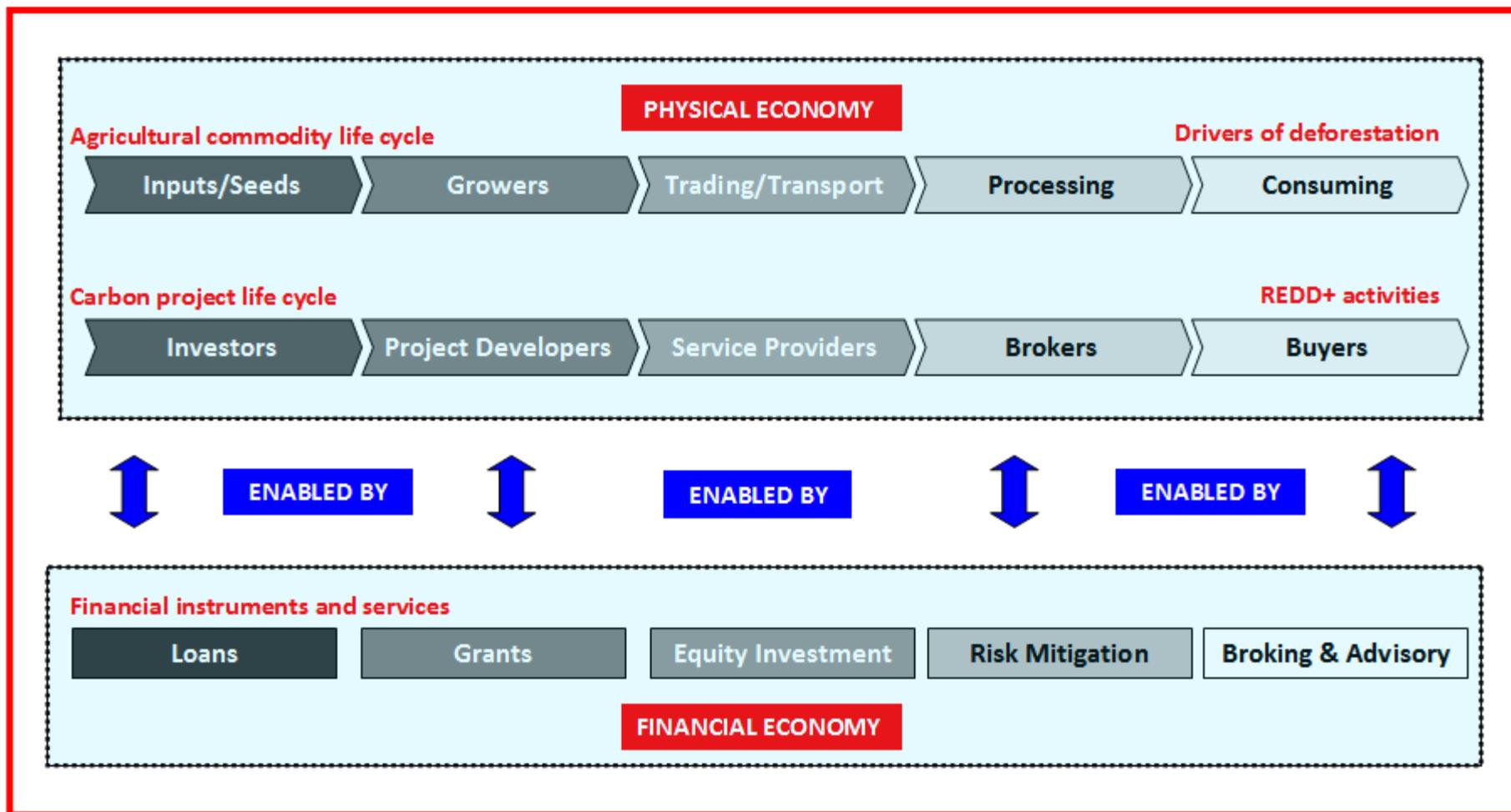
### **UNEP FI/UNDP GCP**



## Overview

- Objective: helping phase out deforestation from productive and financial supply chains specifically focussed on agricultural commodities (e.g. palm oil, soy and beef)
- Building on feedback from Country Needs Assessment
- This joint project provides leadership and innovation in the field of REDD+ and commodities. A field that up until now has been disconnected
- Leveraging core competencies of UNEP Finance Initiative and UNDP Green Commodities Programme
- Contributing to directly to outcome 4.5 (Private Sector Engagement) and indirectly to outcome 6 (Green Economy) of the SNA
- This project brings global supply chains and finance sectors, combined with guidance to directly support countries
- Budget 2014 US\$ 3,584,400

## The relationship between the 'financial' & 'physical' economies





## Focus Areas

- Awareness raising and behavioural shifts
- Policy and regulation
- Capital mobilisation

## UNDP – commodity production and supply chains

- UNDP's Green Commodities Programme, initiated in 2009, has a strong focus on addressing REDD+ objectives, private sector partners and has demonstrated results in the field
- Indonesia oil palm, Ghana cocoa, Vietnam coffee and rubber

## Approach

- Mainstreaming REDD+ objectives (deforestation and increased carbon stock on farms) into Ministries of Agriculture and global corporate buyers.
- Public private partnerships for collaborative solutions and investments to benefit small farmers and forests
- Mechanisms to scale up good agriculture practices e.g. extension instead of direct farmer training
- Build on foundations already developed in countries and global partnerships (TFA, IDH, GEF) for quick start

## Outputs and deliverables

- **Country level**
  - **National commodity platforms** – established and operational with multi-stakeholder REDD+ working groups
  - Policy and land use planning – map key frontiers, identify agricultural land use policies facilitating forest conversion to commodity production
  - Institutional capacity building – strategies to strengthen extension systems of Ministries of Agriculture
  - Economic incentives – develop packages of incentives for farmers to produce commodities without deforestation (certification, PES)
- **Global support** – strategy, guidance, partnerships, policy, knowledge management

## Outcomes 2014

- Business case for REDD+
- Strategies ready for implementation in pilot countries
- Companies and farmers involved in solutions
- Finance models available for banks and farmers
- Emerging lessons to take to other countries and inform UN-REDD Programme
- Foundations for scale up 2015 and beyond

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**Thank You**

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