

**Breakout Group 2 – Innovation & Private Sector
FIP Pilot Country Meeting
Brasilia, Brazil - April 2012**

Discussion at the tables:

- What innovative elements have been introduced in your investment plans? (List of innovative elements)
- What speaks for, what speaks against, the involvement of the private sector in investments supported under FIP? (Three reasons why, three for why not)

Innovative elements

Peru

- No investment plan yet
- Considering option of an internal market of national credits or bonds

DRC

- Driver based combination of sectorial activities in its landscapes approach for supply & demand
- Experimentation of mixed community/private sector
- Programme focus on supply areas

Burkina Faso

- Building capacity in private forestry sector
- Chamber of Commerce involved in design
- National Banks involved

Indonesia

- Use of private money (e.g. mining companies CSR) to finance up-front costs

Brazil

- Since agriculture is a major driver, we looked how to support services and incentives to private sector (e.g. registering for Environmental Registry needed for Forest Code) for conservation
- To do this we have to identify where the forest still exists in private sector and target them (e.g. for biodiversity corridors)

Private sector involvement (why, why not?)

- Perhaps the amount of resources available and longevity could be arguments for or against

involvement of private sector through a financial vehicle ... there may be better ways to support private sector

- How much of the investment monies available should be used by private sector

Speaks for:

- Efficiency in public finance
- Because private sector in some places is working land concessions (so they have vested interest in managing the land/forest)
- Private sector works to plan and where they work with communities they encourage the communities to work to their plan

Speaks against:

- Private sector may dictate rather than consult with local communities
- May not be enough interest in middle sized (\$10-15m projects?) initiatives from private sector
- Difficult to provide big enough investments (need to build aggregate portfolios of smaller projects?)
- Some loss of control potentially (but perhaps no more than with governments and politics)