

# Session II : Focus on the forest private sector and ecosystem restoration

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# BREAKOUT SESSION

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TFD Restoration Scoping Dialogue

# SESSION II : BREAKOUT SESSION QUESTION

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*Opportunities and challenges related to the forest private sector in scaling up restoration:*

- *What are the expectations and motivations for forest private sector to scale up restoration?*
- *What are the limitations to forest private sector actions?*



# BREAKOUT SESSION REPORT BACK

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TFD Restoration Scoping Dialogue

# GROUP 1

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## Expectations

- Contextual elements are key → generalizations are hard
  - Who are we speaking about in relation to forest private sector
  - Geographic location
- Role of government/nexus with government
  - Government as creating enabling environment
    - Regulatory env, Policy enabling, innovation,
    - Impact of governance can be enabling or inhibiting
- Parity on resources and compliance
  - Different expectations from different actors, and different actors have different expectations put on them
  - Restoration is really expensive, big investment of time and research
  - How to engage smaller local stakeholders meaningfully and for their benefit, when there are resource discrepancies with larger actors

# GROUP 1

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## Motivations

- Market demand for responsibly sourced products as a driver
- Social license, reputations
- Leadership on sustainability for comparative advantage, dependence of private sector on healthy ecosystems
- Credibility/transparency supported by technology development and certification structures as a way to demonstrate performance

## Limitations

- Lack of presence of business case
- Lack of operational capacity at ground level to fully implement restoration goals
  - Need partnerships with those who know how and those who have capacity to implement
- Partnerships for restoration
  - Need for more inclusive, participatory partnerships, trust building
  - Need to engage other land users
- Lack of assurance for private sector that restoration efforts are lasting
- Difficult to adoptability of restoration strategies and initiatives across different stakeholder groups
  - Restoration is big time and financial investment links back to business case

# GROUP 2

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**Filter the forestry private sector**

**(FPS) by:**

**(1) size: large to small companies;**

**and**

**(2) actor: leader to lagger.**

## Expectations:

- *Are societal expectations clear and agreed?*
  - *Expectations may differ locally to globally*
- Fill the gap:
  - FPS, and private sector in general, should fill large gap left by public sector, civil society, and philanthropy
- Responsibility to Climate Change: past and present
  - SBTi signal what society expects
- Restitution linked to restoration
  - Footprints, historical and into the future
- Payment for Ecosystem Services

# GROUP 2

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## Opportunities:

- Risk mitigation and blended finance
- Research and Development on native species
  - o Improve genetics
- Existing and new partnership opportunities
  - o Especially with other sectors
- Place-based nature of the sector
  - o In touch with local realities and people
- Potential alignment of FPS with economy and society building

## Limitations:

- Inclusion of Indigenous people and Women
  - o FPS does not know how to do this well
  - o Sector composition is heavily skewed
- Insufficient Incentives
  - o Lack of regulatory drive
  - o Limited liability
- Potential perverse outcomes
  - o Investing in restoration could incentives expansion unsustainably
- Risk aversion
  - o No one wants to be first mover or target of criticism
- Lack of transparency
  - o Undermines impact of restoration
- Poor governance
  - o Can undermine leadership and good actors
- Mismatch of earnings timelines and restoration timelines



# GROUP 3 - Limitations

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- Land tenure, access to rights this can create responsibility and pride.
- Alternative growth model = restoration doesn't pay as well as monoculture, so what other ways can we fund it, what other revenue streams?
  - More blended finance and instruments/vehicles. Overcome opportunity costs
- Short timeframe of projects and funding sources
- Weak law enforcement and legislation lacking in some areas to enforce the set asides

# GROUP 3 - Motivations

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- Place-based context
  - Pride, connection to land, social harmony in landscape, investing in rural economy, eradicating poverty
- Market driven, buyer led initiatives, corporate/investment motivation
- Value chain – involving all parts of the value chain

# GROUP 3 - Expectations

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- Vision of future needs to match the stakeholders in the land needs to be culturally specific, locally determined
- We need to balance different land uses and take a blended approach
- Diverse revenue streams
- Increase value of restored land
- More innovative financial models to generate investment

# GROUP 4:

## Motivations:

- Legal requirements
- Compensation for degradation
- Carbon offsets
- Income from carbon
- Access to finance and markets
- Forest Certification
- Corporate Social Responsibility
- Reputation
- Enhancing ecosystems services
- Increasing productivity / Area
- Community engagement
- Risk Management
- Community Involvement
- Alignment with NDCs

## Expectations:

- Transparency
- Sharing of practices across sectors
- Share Infrastructure
- Sustainability - Economic, Environmental, Social
- Private Sector Pays, In Kind Subsidize Challenges

# GROUP 4

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## Limitations:

- Financing
- Undervaluing of Payments for Ecosystem Services
- Lack of knowledge - what / how to plant and grow
- Lack of access to traditional knowledge
- Legal environment
- Poor governance

## Challenges

- Improve Knowledge on restoration practices + scaling up
- Improve technologies and availability