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The role of the private sector and local communities in formulating NDCs



Outline

- » Why the Private Sector should be engaged in the NDCs Process?
- » Some opportunities and entry points for private sector participation in NDC implementation in Africa
- » Some examples of Private sectors' engagement in climate action in the African forestry sector
- » Recommendations for better engagement of private sectors in NDC implementation;
- » Why local communities should be engaged in NDCs process
- » Involvement of private sectors and local communities in new and updated NDCs



Why the Private Sector should be engaged in the NDCs Process?

- » **Private sector actors** are diverse and multi-faceted, and, as such, they have a variety of motivations for engaging in climate action: profit-making, new markets, reduction of business risks, reduction of carbon footprints, respond to policies, regulations, or signals from investors;
- » **PRIVATE SECTOR ACTORS CAN BE A SOURCE OF FINANCE FOR MITIGATION AND ADAPTATION OPTIONS** by funding mitigation and adaptation programs for private enterprises and by supporting government interventions through public–private partnerships; The African Development Bank has pledged to mobilize \$25 billion towards climate action on the continent by 2025. 75% of finance needs for NDC implementation in Africa is expected to come from the private sector (AfDB, 2021).
- » **PRIVATE SECTOR ACTORS CAN IMPLEMENT MITIGATION AND ADAPTATION OPTIONS** by investing in reducing the carbon footprints of their operations and of their supply chains and for increasing their resilience to climate risks



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Some opportunities and entry points for private sector participation in NDC implementation in Africa (Fobissie et al., 2021)

- » Only five African countries have carefully considered the role of the private sector in their NDCs: **Burkina Faso, Ghana, Morocco, Niger and South Africa**. Private-sector participation in African NDCs needs to be strengthened
- » Opportunities are assessed in the following sectors for each African subregion :
 1. Climate-Smart Agribusiness and Agriculture, Forestry, and Other Land Use;
 2. Renewable Energy and Energy Efficiency;
 3. Waste Management
 4. Water, waste and irrigation
 5. Transport and Infrastructure
 6. Green Buildings and Smart Cities
 7. Water and Irrigation
 8. Finance Sector



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Some examples of Private sectors' engagement in climate action in the African forestry sector

- » **In Cameroon**, three local non-governmental organisations in partnership with the private sector and one logging company are actively engaged in climate change-related activities such as sustainable forest management, certification, enrichment planting, afforestation, community tree planting and adoption of improved fish-smoking technologies (TIEGUHONG et al., 2019)
- » The key emerging players **in Kenya** working towards engaging in forestry to address the effects of climate change include Kenya Airways, British American Tobacco (BAT), Bamburi Cement Company, KEPSA, KAM, and the International Centre for Insect Physiology and Ecology (ICIPE) silkworms on mulberry. Wildlife Works (VWV) is the first company to pioneer sale of carbon credits in a voluntary market through practical REDD+ solutions (Makanji & Oeba, 2019);
- » **In Zimbabwe**, about 80% of the private companies in forestry sector activities contributed in one way or another to climate change related activities, but most were limited to ways of reducing emissions in industrial operations and tree growing (Mujuru et al., 2019)



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Recommendations for better engagement of private sectors in NDC implementation

- » The private sector should be seen and treated as a partner;
- » Governments and development partners should foster the development of the green economy by the private sector through tailored programs and investment;
- » Credit guarantee schemes for mitigation and adaptation projects might be a way to alleviate collateral constraints;
- » Greening the financial stimulus package proposed for the COVID-19 to support the transition to low carbon, climate-resilient pathways;
- » Dedicated standards and regulations to incentivize private sector investment;
- » Public-private partnerships (PPPs) with past experiences and lessons used to inform decision-making;
- » Economic incentives to private firms to support the switch from business as usual to green projects;
- » Policies revision and update to reflect the current national climate situation;
- » scaling up efforts to engage continuously with dedicated climate change funds (GCF);
- » Capacity building of private sector actors on the impact of climate change on their business as well as the climate change opportunities for their enterprise.



Why local communities should be engaged in NDCs process

- » Local communities often understand best the climate vulnerabilities in their geographic areas as well as the potential solutions for both mitigation and adaptation.
- » highly participatory process to the design of National Climate Change Action Plan allows to capture the diverse needs and priorities of local communities from across the country, as well as create positive spill-over effects on broader nation building efforts.
- » locally-driven participatory approaches can strengthen the design of climate policy and measures as well as their implementation;
- » The recent IPCC reports on land and oceans recall that indigenous peoples all over the planet have a significant role to play both in adaptation and mitigation of climate change by protecting and restoring ecosystems with their unique traditional knowledge;
- » The LOCAL COMMUNITIES AND INDIGENOUS PEOPLES PLATFORM (LCIPP) in his annual workplan has specific activities (Act. 6, 7 & 9) on assessing the engagement and input of indigenous peoples and local communities across the UNFCCC process



Involvement of private sectors and Local communities in new and updated NDCs

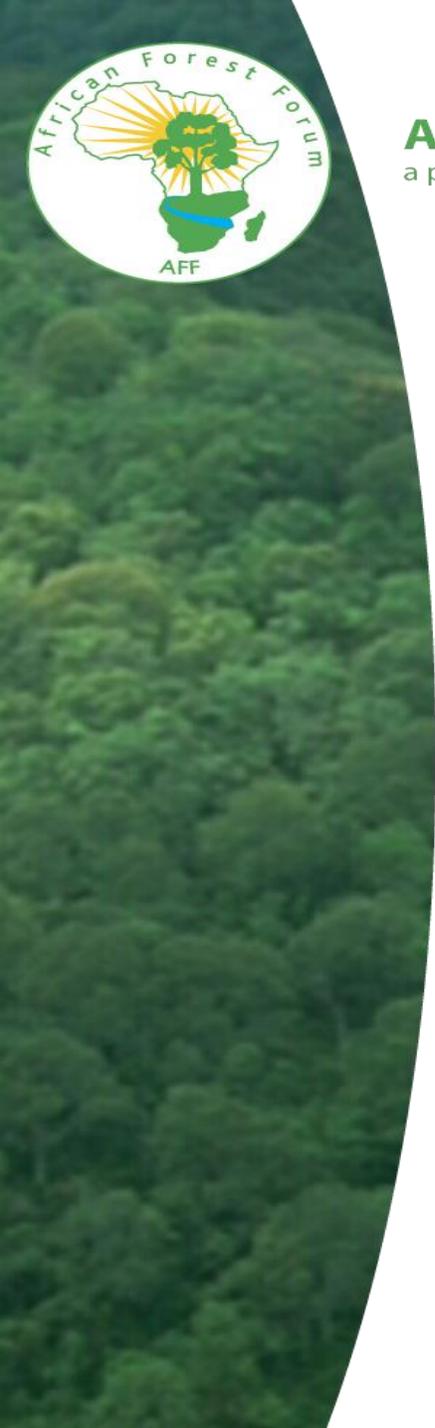
- » Information on NDC planning processes, implementation plans, institutional arrangements, **stakeholder engagement processes** and policy instruments, including legislation, strategies, plans and policies;
- » **consultation and engagement processes** in an inclusive and participatory manner arrangements for stakeholders, including the general public, **local communities, indigenous peoples, private entities, business and trade associations**, civil society organizations, youth associations, women's associations, regional development partners, academia and research communities;



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- » Parties described **the role of indigenous peoples and local communities in the context of their NDC** and outlined how indigenous peoples were **engaged in NDC preparation, including through consultations** on sectoral proposals, risk assessment and analysis of indigenous knowledge;
- » Parties elaborated on how actions identified in the NDC aim to benefit indigenous peoples. Some highlighted benefits: enhancing access to finance and technology; building capacities for reducing vulnerabilities as well as for leadership, negotiations and indigenous-led climate action; generating payments for ecosystems services; providing development opportunities; enhancing market access to indigenous products; and diversifying livelihoods.
- » Parties specifically highlighted role of local communities and the importance of empowering local communities, building their capacity to adapt and ensuring their participation in community-based adaptation plans and measures.



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Questions for discussion

- » Share your country experience on the extent of buy-in and involvement of private sector and local communities in formulating and implementing NDC;
- » List some of their challenges and opportunities in participating in national Climate action