



Assessment of Private Sector Engagement in Forestry Sector and REDD+

FINAL REPORT

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1. ABBREVIATIONS & ACRONYMS

| | |
|-----------|---|
| AAU | Assigned Amount Unit |
| AD | Avoided Deforestation |
| ADB | Asian Development Bank |
| AEDB | Alternate Energy Development Board |
| AIP | Apex Industrial Platforms |
| AR | Afforestation Reforestation |
| ART TREES | Architecture for REDD+ Transactions |
| ASPI | Asian Society Policy Institute |
| BM | Benefit Matrix |
| Bol | Board of Investment |
| CBD | Convention on Biodiversity |
| CC | Carbon Credit |
| CCB | Climate Community and Biodiversity Standard |
| CDM | Clean Development Mechanism |
| CER | Certified Emission Reductions |
| CMP | Carbon Market Program |
| CMS | Convention on Conservation of Migratory Species of wild animals |
| CO2 | Carbon Dioxide |
| COP | Conference of Parties |
| CORSIA | Carbon Offsetting and Reduction Scheme for International Aviation |
| COVID | Coronaviruses Disease |
| CWs | Consultative Workshops |
| EBRD | European Bank for Reconstruction and Development |
| ERs | Emission Reductions |
| ETS | Emission Trading Scheme |
| EU | European Union |
| EU ETS | EU Emissions Trading System |
| FAO | Food and Agriculture Organisation |
| FCPF | Forest Carbon Partnership Facility |

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|--------|--|
| FGRM | Feedback and Grievance Redress Mechanism |
| FREL | Forest Reference Emission Levels |
| FS | Forestry Sector |
| GCF | Green Climate Fund |
| GGI | Green Growth Initiative |
| GHG | Greenhouse Gas |
| GIZ | Deutsche Gesellschaft für Internationale Zusammenarbeit |
| GoP | Government of Pakistan |
| GS | Gold Standard |
| IAM | Institutional Assessment Matrix |
| ICAO | International Civil Aviation Organisation |
| ICIMOD | International Centre for Integrated Mountain Development |
| ICROA | International Carbon Reduction and Offset Alliance |
| IETA | International Emissions Trading Association |
| IGF | Inspector General of Forest |
| ISFL | Initiative for Sustainable Forest Landscapes |
| ITMO | Internationally Transferred Mitigation Outcomes |
| JC | Joint Committee |
| JCM | Joint Crediting Mechanism |
| KIIs | Key Informant Interviews |
| KQG | Key Question Grouping |
| LEDS | Low Emission Development Strategies |
| LFA | Legislative Framework Assessment |
| LOU | Landowners & Users |
| LULUCF | Land Use, Land use Changes and Forestry |
| MoCC | Ministry of Climate Change |
| MoE | Ministry of Environment |
| MoU | Memorandum of Understanding |
| MRV | Measuring, Reporting and Verification |
| MT | Mega Tonnes |
| NAMA | Nationally Appropriate Mitigation Actions |

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| | |
|-----------|--|
| NCCP | National Climate Change Policy |
| NDC | Nationally Determined Contributions |
| NFMS | National Forest Monitory System |
| NFP REDD+ | National Focal Point Reducing Emissions from Deforestation and Forest Degradation |
| NICA | Nordic Initiative for Cooperative Approaches |
| NPO | Non-Profit Organisation |
| NRS | National REDD+ Strategy |
| NSC | National Steering Committee |
| OPP | Past programmes & projects |
| PEPA | Pakistan Environmental Protection Agency |
| PES | Payment for Ecosystem Services |
| PFI | Pakistan Forest Institute |
| PGIUs | Provincial REDD+ Grievance and Implementation Units |
| PPO | Public-Private Organisations |
| PPP | Prevailing relevant Programmes and Projects |
| PSDP | Public Sector Development Programme |
| RDA | Relevant Development Agencies |
| REDD+ | Reducing Emissions from Deforestation and forest Degradation in developing countries, and the role of conservation, sustainable management of forests, and enhancement of forest carbon stocks in developing countries |
| REM | REDD+ Early Movers Program |
| RFM | Other relevant Federal Ministries, Departments |
| RGGI | Regional Greenhouse Gas Initiative |
| RP | Regional Programmes |
| RPM | Relevant Provincial Ministries |
| R-PP | REDD+ Preparedness Proposal |
| SAM | Stakeholder Assessment Matrix |
| SBSTTA | Subsidiary Body for Scientific Technical and Technological |
| SCF | Standardised Crediting Framework |
| SDGs | Sustainable Development Goals |
| SEMED | Southern and Eastern Mediterranean |
| SES | Social & Environmental Standards Initiative |

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|------------|--|
| SESA | Strategic Environmental and Social Assessment |
| SIS | Safeguards Information System |
| SRM&D | Secondary reference material and available data |
| SWF | Sovereign Wealth Fund |
| TFCC | Task Force for Climate Change |
| ToA | Trade-off Analysis |
| UN | United Nations |
| UNCCD | United Nation Convention to Combat Desertification |
| UNFCCC | United Nations Framework Convention on Climate Change |
| UNFF | United Nations Forum on Forests |
| USD / US\$ | United States Dollar |
| VCs | Verified Carbon Unit |
| VERs | Verified Emission Reductions |
| vFGDs | virtual Focus Group Discussions |
| vSF | virtual Structured Forms |
| WB | World Bank |
| WB MAAP | WB Mitigation Action Assessment Protocol |
| WB TCAF | WB Transformative Carbon Asset Facility |
| WFR | Warsaw Framework |
| WG | Working Group |
| WWA | West African Alliance on Carbon Markets and Carbon Finance |
| WWF | World Wide Fund for Nature |
| WWF-P | World Wildlife Fund-Pakistan |

2. EXECUTIVE SUMMARY

This report assesses the national private sector engagement under REDD+, its purpose and international private sector knowledge of REDD+ in Pakistan. The purpose of these engagements was to identify the existing knowledge, attitudes and practices of the private sector towards forestry and REDD+ and examine the possible entry points and mechanisms that would strengthen private sector engagement in forestry and provide a platform for REDD+ projects in the future.

Three distinct groups of stakeholders were consulted through Key Informant Interviews (KII)s, Focus Group Discussions, and Provincial and National Forums. The specific engagement tools to solicit feedback from each stakeholder group is shown in the table below. Both private sector firms and public sector representatives were provided multiple opportunities to share their feedback, concerns and suggestions and hence contribute to an on-going dialogue on REDD+ in Pakistan.

Based on a detailed desk review, over 60 private sector companies in all four provinces, AJK and GB were approached for one-to-one KIIs. The private sector groups with the greatest participation in the KIIs were the Oil & Gas Sector and the Textile Sector. More than 20 firms joined 'Net Zero Pakistan' and made a pledge towards achieving net-zero by 2050 in the textile sector.¹ International companies were contacted based on their direct involvement in REDD+ and/or Nature Based Solutions for conducting interviews.

To facilitate multi-stakeholder dialogues on private sector engagement in REDD+, several forums were held in various cities of Pakistan in November 2021. These forums were organized in collaboration with IUCN's Pakistan Office and were held in Karachi, Lahore and Islamabad. The forums not only provided an opportunity for information-sharing and awareness raising of the private sector in Pakistan, but also served as a platform for interaction between private sector and representatives of the Provincial Forest Departments. Over a hundred participants from various private sectors (Oil & Gas, Transport, Pharma, Financial, Textiles), Provincial Forest Departments, local and international NGOs, Ministry of Climate Change, local experts and media participated in these sessions.

Apart from KIIs and multi-stakeholder forums, Focus Group Discussions (FGD)s were held with several stakeholders that could provide significant insight in to private sector engagement potential and mechanisms for REDD+.

Five recommendations are made for the Pakistan government to facilitate private sector engagement in REDD+ and forestry in Pakistan.

¹ <https://www.brecorder.com/news/40153039/net-zero-pakistan-becomes-official-accelerator-of-race-to-zero-campaign>

3. INTRODUCTION

Pakistan has been implementing REDD+ activities since 2010 to mitigate climate change through reduced carbon emissions from forestry sector. In December 2013, Pakistan secured US\$ 3.8 million through submission of REDD+ Readiness Proposal (R-PP) to the Forest Carbon Partnership Facility (FCPF) of the World Bank. The World Bank and Government of Pakistan signed a grant agreement in June 2015 of US\$ 3.8 million to help the country prepare for REDD+ Readiness. So far, Pakistan has finalised the first phase of REDD+, which is called the Readiness Phase that ensures sound institutional arrangements at the country level comprising: (i) a national strategy or action plan; (ii) a national forest reference emission level and/or forest reference level (FREL/FRL); (iii) a robust and transparent National Forest Monitoring System (NFMS) to meet Measurement Reporting and Verification (MRV) requirements for REDD+; (iv) and a system for providing information on safeguards.

The second phase starts when REDD+ countries begin to implement their strategies, qualifying procedures, as well as commencing legal and policy reforms and the execution of demonstration activities. These two phases enable countries to enter the third phase, when the countries start receiving results- based payments. Therefore, the Ministry of Climate Change is interesting in (i) assessing private sector engagement in forestry sector and REDD+ and measures to promote it, and (ii) in exploring potential carbon trading mechanism and markets for Pakistan to achieve its climate change action plan and the nationally determined contributions (NDC).

This report focuses on the first objective, the assessment of private sector engagement in forestry sector and REDD+ and measures to promote it. One of the two key objectives of this study was to engage with the private sector and gauge their interest in forestry and REDD+. The purpose of these engagements was to identify the existing knowledge, attitudes and practices of the private sector towards Forestry and REDD+ and examine the possible entry points and mechanisms that would strengthen private sector engagement in forestry and provide a platform for REDD+ projects in the future. An extensive stakeholder engagement exercise was carried out to facilitate feedback from relevant stakeholders at the provincial, national and international level. The stakeholder consultation process was guided by the UNFCCC's Policy Brief on *The Role of the Private Sector in REDD+: The Case for Engagement and Options for Intervention*².

On the basis of an extensive literature review and a preliminary stakeholder mapping exercise during the inception phase of the study, the approach and methodology for the private sector engagement exercise was further elaborated. A series of engagements were conducted with specific stakeholder groups that included (i) large private sector interests that are either drivers of deforestation or may have an interest in afforestation, forest management from a carbon off-setting perspective (ii) international private sector firms that may have an interest in investing in forestry and REDD+ projects in Pakistan (iii) Provincial Forest Departments that have an instrumental role in enabling the development and implementation of REDD+ projects in their respective provinces and (iv) local and international NGOs and subject specialists from private and public sector that have project experience in REDD+, forestry, forest management, and carbon offsetting.

The detailed methodology for the stakeholder engagements and the consultation tools are elaborated in the next section. This component of the study lead to a series of recommendations for promotion of private sector involvement in REDD+. Implementation of some or all of these

² [2234_49 the role of the private sector in redd.pdf \(unfccc.int\)](https://www.unfccc.int/2234_49_the_role_of_the_private_sector_in_redd.pdf)

recommendations will provide an enabling environment for developing REDD+ projects in Pakistan and help mobilize private sector investment in this area.

4. STAKEHOLDERS ENGAGEMENTS: METHODOLOGY

2.1 Engagement Objectives

The development of engagement tools for soliciting feedback from a diverse range of stakeholders within Pakistan and internationally was based on the following key themes of the study:

- i. Roles of the potential private sector stakeholders in forestry and REDD+ activities
- ii. Features of enabling mechanism for involvement of private sector stakeholders and partnership building and promotion, including identification of potential incentives for their engagement in REDD+ activities.
- iii. Identify key industries having direct and indirect impacts on forestry or environment to help assess and identify mitigations for the said impacts; by influencing their business practices and supply chains to source sustainable products.
- iv. Sensitise and build capacities of private sector towards sustainable business practices.
- v. Identify potential entry points for private sector engagement in forestry sector in Pakistan, especially in the context of REDD+.

2.2 Methodology

Within Pakistan, three distinct groups of stakeholders were consulted through Key Informant Interviews (KII)s, Focus Group Discussions, and Provincial and National Forums. The specific engagement tools to solicit feedback from each stakeholder group is shown in the table below. Both private sector firms and public sector representatives were provided multiple opportunities to share their feedback, concerns and suggestions and hence contribute to an on-going dialogue on REDD+ in Pakistan.

Stakeholder Groups and Engagement Tools

| S.No. | Target Stakeholders | Engagement Tools |
|-------|--|---|
| 1 | Private Sector Companies | Key Informant Interviews, Forums |
| 2 | Provincial Forest Departments | Focus Group Discussions, Forums |
| 3 | Other Public Sector Departments, NGOs, Academia, Development Agencies, Subject Specialists | Key Informant Interviews, Focus Group Discussions |

2.2.1 Key-Informant Interviews (KII)

Based on a detailed desk review, over 60 private sector companies in all four provinces were approached out of which 24 could be interviewed for one-to-one KIIs over a course of 3-months between December 2021-February 2022. A semi-structured questionnaire (**Appendix 1**) was developed in collaboration with the National REDD+ Office covering the following key aspects:

- Awareness and understanding of REDD+
- Participation in forestry-related projects/Initiatives (existing)

- Plan/interest in forestry-related projects/Initiatives (future)

The private sector groups with the greatest participation in the KIIs were the Oil & Gas Sector and the Textile Sector. Moreover, during the course of the study, more than 20 firms joined 'Net Zero Pakistan' and made a pledge towards achieving net-zero by 2050. Net Zero Pakistan is a collaborative effort of leading private sector firms, public sector institutions and sectoral experts to help pave the way for private sector firms to achieve their sustainability goals and move religiously towards zero emissions. Due to the pressure from the international market on sustainable production processes, the textile sector is well ahead of all other sectors in the net-zero journey and are the largest export-earning sector in Pakistan.

The table below lists the companies that were consulted through KIIs process from December 2021-February 2022.

| S.No. | Firms | S.No. | Firms |
|-------|-----------------------------------|-------|------------------------------------|
| 1 | Attock Oil Refinery Limited | 13 | Soorty Enterprises Private Limited |
| 2 | Abbott Laboratories | 14 | Artistic Milliners |
| 3 | K-Electric Private Limited | 15 | Artistic Denim |
| 4 | Engro Polymer | 16 | Yunus Textile |
| 5 | Pak-Arab Refinery Company Limited | 17 | iTextiles |
| 6 | HUBCO Power | 18 | Coca-Cola |
| 7 | Mitsubishi Pakistan | 19 | Berger Paints |
| 8 | Indus Motors | 20 | Tetra Pak |
| 9 | Orient Petroleum | 21 | ZRK Group |
| 10 | Shell Pakistan | 22 | Standard Chartered Bank |
| 11 | United Energy | 23 | Serene Air |
| 12 | JS Bank | 24 | Air Sial |

2.2.2 Provincial and National Forums

To facilitate multi-stakeholder dialogues on private sector engagement in REDD+, several forums were held in various cities of Pakistan in November 2021 as listed in the below table).

| Date | Venue | Number of Participants |
|-------------------|----------------------|------------------------|
| November 11, 2021 | Avari Tower, Karachi | 44 |
| November 18, 2021 | - | 26 |

| | | | |
|---------------|-----|--------------------------|----|
| November 2021 | 22, | Margala Hotel, Islamabad | 45 |
|---------------|-----|--------------------------|----|

These forums were organized in collaboration with IUCN’s Pakistan Office and were held in Karachi, Lahore and Islamabad. The forums not only provided an opportunity for information-sharing and awareness raising of the private sector in Pakistan, but also served as a platform for interaction between private sector and representatives of the Provincial Forest Departments. Over a hundred participants from various private sectors (Oil & Gas, Transport, Pharma, Financial, Textiles) Provincial Forest Departments, local and international NGOs, Ministry of Climate Change, local experts and media participated in these sessions. The agenda and minutes of these forum meetings are provided in the **Appendix 4**.

Presentations were made by the National REDD+ Office and national and international consultants about the purpose and scope of the REDD+ mechanism introduced by the United Nations Framework on Climate Change Convention (UNFCCC). The participants were informed regarding the salient features of Pakistan’s National REDD+ Strategy and the steps being taken to implement the National REDD+ Programme. In order to provide the stakeholders a practical understanding of REDD+, a detailed presentation of an on-going REDD+ project in Columbia was delivered by ONF International. This international case study helped stakeholders understand how REDD+ projects work on-ground and how the private sector can take advantage of such opportunities. The stakeholders were guided on how Pakistan’s private sector can play an effective role in REDD+ and benefit from investment in sustainable forest management beyond corporate social responsibility (CSR). At the end of each session, a detailed discussion was held that facilitated clarification and comments by stakeholders. The sessions also helped the study team with an assessment of the existing awareness level and perception of the stakeholders regarding REDD+. A photo log of all three sessions is shown in the Appendix 5.

2.2.3 Focus Group Discussion

Apart from KIIs and multi-stakeholder forums, Focus Group Discussions (FGD)s were held with several stakeholders that could provide significant insight in to private sector engagement potential and mechanisms for REDD+. These FGDs were held throughout the study period between November 2021-February 2022 with various Federal and Provincial Government Departments, NGOs, and Development Agencies, and other subject specialists. The table below provides a list of stakeholders engaged in this category.

| S.No. | Stakeholders | Stakeholder Brief |
|-------|--|--|
| 1 | Civil Aviation Authority (CAA) | Federal agency that regulates and oversees all aspects of civil aviation in Pakistan. |
| 2 | Pakistan International Bulk Terminal | Pakistan’s first specialized marine terminal developed on international standards to handle coal and cement at Port Qasim Authority |
| 3 | Karachi Chamber of Commerce & Industry | The largest business association in the country that facilitates and promotes all types of business and service providers in Karachi |

| | | |
|----|---|--|
| 4 | Islamabad Chamber of Commerce & Industry | The premier business association in the north of the country that facilitate and promotes businesses in the region |
| 5 | IUCN Pakistan | Currently engaged in a study on Stakeholder Awareness and Communication on REDD+ with the National REDD+ Office. Significant work in environmental/conservation/climate policy |
| 6 | WWF Pakistan | Significant work on Forest Reference Emissions Level (FREL) with National REDD+ Office as well as several forestry projects |
| 7 | Indus Delta Capital | The first company working on a REDD+ project in Sindh's Coastal Areas (Delta Blue Carbon) |
| 8 | FAO Pakistan | Currently engaged in several forestry projects in Pakistan including monitoring of the Government of Pakistan's Ten Billion Tsunami Programme |
| 9 | World Bank | Financial Sponsor of Pakistan's REDD+ Readiness Phase |
| 10 | Agence Française de Développement (AFD)/ French | French bilateral agency funding environmental project in Pakistan, mostly renewable energy. |
| 11 | Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) | German bilateral agency, which is engaged in a Climate Adaptation and Climate Finance programs, to support Pakistan to build up climate resilience and for the country to access to climate finance through climate dedicated funds such as Green Climate Fund, and through finance instrument market such as green and ecosystems bonds |

2.2.4 Internationally

Group of international companies were consulted through through Key Informant Interviews. As of February 2021, more than twenty (20) international companies were contacted that are directly involved in REDD+ and/or Nature Based Solutions³ for conducting interviews, nine (9) answered positively. Interviews with international private sector actors were conducted during April and June 2021, represented by 5 REDD investors experts. Because of COVID movement restrictions, interviews were undertaken by phone, Skype or Zoom tools.

The table below lists the international companies that were consulted through KIIs process from April 2021- June 2021

International Consultations

| | | | | |
|---|------------|---------------------|------------------------------------|--|
| 1 | 20-04-2021 | Livelihoods Venture | 226 Boulevard Voltaire,75011 Paris | <u>Danny Torres, Climate Impact Director</u> |
|---|------------|---------------------|------------------------------------|--|

³ Nature-based Solutions (NbS) are defined by IUCN as "actions to protect, sustainably manage, and restore natural or modified ecosystems, that address societal challenges effectively and adaptively, simultaneously providing human well-being and biodiversity benefit.

| | | | | |
|---|------------|---------------------------------------|---|---|
| | | | France | |
| 2 | 26-04-2021 | ONFI | 45 bis avenue de la Belle Gabrielle, 94130 Nogent sur Marne – France | <u>Cyril Brûlez, Chief of Carbon Products</u> |
| 3 | 26-04-2021 | Vinci Airports | 1973 Boulevard de la Défense, France CS 10268 92757 Nanterre, France | <u>Guilhem Vecten, Corporate Development</u> |
| 4 | 27-04-2021 | Pur Poject | 4 Rue de la Pierre Levée, 75011 Paris, France | <u>Alexandre Haslé de Barral, Programs Manager</u> |
| 5 | 30-04-2021 | TOTAL Energies Nature-Based Solutions | 2 Place Jean Millier 92400 Courbevoie, France | <u>Laurent Valliergue, Senior Project Manager</u> |
| 6 | 21-04-2021 | Forest Carbon Ltd | Kingsford Business Club 26 Dublin Street Edinburgh, UK | <u>Josh Van Vlanen Technical Unit Manager / Jeff Chatellier CEO</u> |
| 7 | 03-05-2021 | EcoAct | 35 Rue de Miromesnil, 75008 Paris, France | <u>Sabrina Giorgi, Project Manager</u> |
| 8 | 15-06-2021 | Shell Nature-Based Solutions | The Hague Area, Netherlands | <u>Guillaume Fournier, Business Development Manager Mergers, Acquisitions and Divestments</u> |
| 9 | 21-06-2021 | MIROVA Nature Capital | LABS House, 15-19 Bloomsbury Way, London WC1A 2TH, UK | <u>Edith Kiss, Investment Director</u> |

Main topics discussed during these interviews were about, country risks, land tenure, supporting local institutions (e.g., focal points), comprehensive legal frameworks, carbon rights, benefits sharing, and public private partnerships.

5. FINDINGS OF PRIVATE SECTOR CONSULTATIONS

The Consultation Program with the Private Sector comprised interactive discussion using commonly adopted consultation tools i.e. Key Informant Interviews, Focus Group Discussion, and Consultative Dialogues/Workshops. Representatives from different private sector companies were targeted in this consultation program.

A comprehensive summary of the outcome of the consultation program is presented below.

3.1 Consultation with Local Private Sector

Consultation with Local Private Sector was carried out through individual meetings with the representatives of the Private Organizations/Companies using a semi-structured questionnaire. Results of these interview discussions are listed in Appendix 3 and briefly discussed below according to the following structured topics.

3.1.1 Awareness and understanding about REDD+

Most of the private companies have little awareness and knowledge about REDD+. A few of them are familiar with REDD+ less likely to have complete understanding about how REDD+ works and how to participate in REDD+. However, all companies have the desire to participate in REDD+ if they are properly informed about the procedures. More awareness sessions and trainings were requested by the companies.

3.1.2 Participation in Forest Management

As part of Corporate Social Responsibility (CSR) almost all companies indicated that they are participating in afforestation (tree plantation). These afforestation activities are done through local NGOs but no follow-up monitoring is carried out. Some companies also reported that they do tree plantation on the company's own land to keep the site green. None of the companies reported forest management for carbon offsetting.

3.1.3 Future Interest for participation in REDD+

Indus Delta Capital in collaboration with Sindh Forest Department has initiated REDD+ project for Mangrove forests in the Indus Delta, Sindh. This could serve as a model project in the country. All other companies showed interest in REDD+ and all mentioned that they lack knowledge and capacities to prepare a REDD+ business case for carbon offsetting and sale of carbon credits. They are also not aware as to who should be contacted to further understand REDD+ initiative. While several companies reported that they have their own private land for forest management, however access to forest land was identified as the major issue.

During discussions with the private sector, following gaps and issues were identified by the private sector.

- i) Based on these results more information on REDD+ mechanism and on REDD+ opportunities in Pakistan amongst private sector is needed.
- ii) Clear guidance on REDD+ for private sector engagement is needed. Private sector has little knowledge about how to participate in REDD+, how to access land for REDD+ and what steps are needed to participate in REDD+.
- iii) There is an institutional gap between private sector and government. There is no regular forum where government and private sector could discuss REDD+ and other issues.
- iv) Land availability and access was identified as the major issue. Private sector has poor understanding about the availability of forest lands where REDD+/forest management can be

initiated. Private sector is also not aware as to how to access government owned/ communal forest land for REDD+.

- v) Few companies mentioned that REDD+ require long-term investments and there is no continuity in government policies.
- vi) Some companies expressed interest in participating financially in the governmental afforestation/reforestation programs such as the “10 Billion Tree Tsunami” program for governmental recognition.

Conclusion:

A major conclusion is that all companies consulted had limited knowledge and understanding about REDD+. Majority companies participated in forest plantation as part of corporate social responsibility but with little understanding about sustainable forest management.

3.2 Consultation with International stakeholders

A summary of the outcome of consultation with International Stakeholders is presented below. It may be noted that this is a transcription of comments reflecting perceptions from interviewees, and they do not attend to reflect Pakistan reality.

3.2.1 Overall image of Pakistan as country of operations

➤ On forest, agriculture, and mangrove area

Pakistan is seen as a country with a high demographic growth and well-developed agriculture, hence attractive for climate smart agriculture activities. At the same time, the country is seen as less attractive as interviewees don't see Pakistan as a forested country, or forests are assumed to belong to temperate, mountainous, and eventually with lower carbon and biomass stocks hence limited opportunities for REDD+, compare to rainforest located in Brazil, Congo, and Indonesia where the carbon and biomass stocks are much higher.

Still, with lots of mangroves around the Delta region in the South, it offers potential for protective or enhancement action on the coastal forest ecosystems that attract much of the international attention currently in relation to blue carbon projects type.

➤ Governance: some diverging opinions

The system of governance is seen as fine and the political situation stable, with reduced risks in terms of land grabbing, change of politics, etc. with capacities perceived as relatively high including language and education. However, the interviewees perceived that more measures in this regard, can lead to increased investment rate in this sector.

3.2.2 Risks and opportunities with investing in Pakistan

➤ Risks

As the country contains little forest cover and perceived with unclear dynamics of land use, there is a risk of lack of permanence of carbon sequestration and uncertainties about the real potential of avoided deforestation. The weakness of information about the forest sector, the dynamics of land use and land use change is pointing the lack of statistics about forest cover and its evolution over the years, the analysis of deforestation factors, mechanism of monitoring and reporting and existing guarantees on the social acceptance of forest activities (conservation or afforestation), the existence (or not) of conflicts over land use and land tenure.

Some risk factors pointed out by the interviewees pertaining to the REDD+ sector investments in Pakistan, were related political instability, corruption, bad governance, departmental inefficiencies, cultural gap, and miscommunication w.r.t to potential taxes collected from the sale of carbon credits. Some interviewees also raised the concern of security for foreigners creating barriers to visit the country and undertake due diligence directly on the spot for security reasons.

➤ Opportunities

International interviewees see peatlands, mangroves, among the most attractive types of ecosystems for REDD+ projects due to high prospects of carbon stocks and credits. Other potential areas as identified during consultation with Provincial Forestry Experts include Kaghan Guzara Forest in KP, Chigoza Pine Forest in KP/Balochistan, Diامر area in GB, Juniper Forest in Balochistan. Some more knowledge and information are required for them to understand the amount of carbon sequestered within these ecosystems but potential is seen as important in these areas.

Afforestation options are preferred compared to avoided deforestation, with some emphasis given to VCS standard, or Gold Standard (targeting climate smart agriculture). The positives here are the prospects for helping the country and its populations adapt to climate change and have a story to tell and sell to buyers.

The private sector sees the point as well to develop its own projects, lying with capacity to ensure permanence of carbon stocks with appropriate design and the creation of sustained sources of livelihoods for local populations.

3.2.3 Expectations from Pakistan to support investments

The redundant request from the international private sector is about a regulatory framework and clear carbon rights to mitigate potential risks of doing business, with minimum interference and intervention by the government on two fronts: carbon rights taxation, and benefit sharing with communities.

If possible, this regulation must be drawn without taxes by the government or with clear destinations such as Ministry of the Climate Change and Provincial Forestry Departments, with stability in terms of business climate, clear tenure rights, and analysis of risks of non-permanence (fires, conflicts).

The legal framework must be established and enforced on matters such as license periods and carbon rights and must be stated in laws and regulations that the provincial or federal government relinquishes rights to carbon credits and guarantees that licenses to operate REDD+ projects are long-term and not subject to future changes.

Local companies must be allowed to be established with foreign ownership and it is an absolute requirement that investors are provided with full ownership of certified carbon credits VCS/CCB.

Again, the investors would understand that the Pakistani government collects a tax on the profits from the sale of carbon credits, but it is critical that the money collected is distributed to the land users for instance for sustainable practices.

3.2.4 Role of Benefit -Sharing Mechanisms & carbon rights

Payments for Environmental Services are usually perceived as not performing well because they are usually limited in time, and it is better to share long-term benefits and provide revenues through the development of concrete and productive activities (e.g., agriculture) that will last for long and (most importantly) that will last after the end of the project as they are sustainable and attractive.

On provincial government lands private project proponent may enter into agreements with carbon rights-holders (Government of the province) to get the carbon rights against investment in the project, and negotiate a revenue share resulting from the sales of the Emission Reductions.

Make sure that local communities and other stakeholders are clearly identified, are the beneficiaries and being allocated part of the revenue share to invest into agriculture activities that can generate long-term revenues and benefits to maintain long-term interest of the local communities into the project and mitigate the permanence risk of during the project life and beyond.

3.2.5 Key private international companies for developing REDD+ projects in Pakistan

Below is a non-exhaustive list of international companies that can both bring together technical and financial means to develop REDD+ projects in Pakistan:

- **Ecological Carbon Offset Partners (EP Carbon):** <https://www.epcarbon.com>
- **PUR Project:** <https://www.purprojet.com>
- **South Pole:** <https://www.southpole.com>
- **Wildlife Works:** <https://www.wildlifeworks.com>

3.3 Identification of potential incentives for their engagement in REDD+ activities.

When asked on possible incentives to increase their engagement in REDD+ activities, most interviewees' answers relate to (i) on how to valorise their CSR afforestation activities with the government acknowledgement, (ii) understand better the REDD+ market and what it is to be earned from REDD+ activities, and (iii) for the more knowledgeable (especially energy companies) they consider that carbon pricing instruments such as a national carbon tax or an Emission Trading System (ETS) are necessary with time to reduce emissions and create incentives for offsets.

3.3.1 Recognition by the government

As part of Corporate Social Responsibility (CSR) almost all companies indicated that they are participating in afforestation (tree plantation). They wish the government would value these voluntary efforts with some form an official recognition that should be defined. In addition, they would welcome the possibility to financially contribute to governmental afforestation programs, such as the Ten Billion Tree Tsunami Project, in return for recognition of their financial effort in terms of emission reductions achieved which they could then claim for their own purpose.

3.3.2 Information on REDD+ in Pakistan

Most of the private sector respondents, especially national respondents, just want to understand better what are the environmental and financial benefits to engage in REDD+ activities nationally. When the international respondents knowing the financial benefits of REDD+, especially with the voluntary market, want to understand better where the REDD+ potentials are within Pakistan and about its regulatory framework, especially carbon rights allocation and benefit sharing rules with communities. A clear communication from the government on REDD+ potentials locally and on international markets addressed to both national and international stakeholders could increase and easily capture the interest of the private sector in REDD+ activities in Pakistan. It is not a costly incentive and would promote Pakistan attractiveness clarifying opportunities and providing formation on the REDD+ framework in Pakistan.

3.3.3 Carbon pricing instruments

Energy companies mainly and les textile companies that are already engaged in nature-based solutions within the net-zero initiative, value the introduction of carbon pricing instruments such as a carbon tax or an ETS indifferently with twofold aims, (i) achieve emission reductions and (ii) promote offsets from forest projects allowing some flexibility when achieving their emission reductions targets. This option is largely developed in the report 'Assessment of Private Sector Engagement in Forestry Sector and REDD+'.

3.4 Summarised Key Findings

- i) Private sector is interested in knowing Registration and Verification process for Verified Carbon Standard (VCS).
- ii) Private sector would like to know success stories and how the private sector firms can get benefit. Case studies for the small to moderate scale projects should be shared which can be applicable to Pakistan with respect to private sector.
- iii) The private sector was of the opinion that space and land availability for plantation can be a major challenge for the private sector in initiating REDD+. It was concluded that government land lands can be utilized with public-private partnership for plantation purposes.
- iv) Acceptable business model should be developed for the private sector. Need to design project projects with win situation for all.
- v) Private sector was of the view that strong regulatory/ legal framework and securing land for long-term investment is required for REDD+ It was emphasised by NRO that regulatory framework already exist and lot of area is already available in all the provinces with the forestry departments and the project will be developed in collaboration with the forestry departments.
- vi) Local community interest needs to be ensured as forest provide major source of livelihoods to them and these forests are used by communities as a major source of fuel wood. It was concluded that communities should be given a due share in carbon credit and support them is providing alternative sources of livelihoods.
- vii) Agro-forestry project should also be considered for REDD+.
- viii) Three incentives are expressed for the private sector to engage in REDD+. These pertain to (i) valorisation of the CSR afforestation activities through government acknowledgement, (ii) understand better the REDD+ market and source of earning from REDD+ activities, and (iii) (for the more knowledgeable, especially the energy companies), the carbon pricing instruments such as a national carbon tax or an Emission Trading System (ETS) are necessary with time to reduce emissions and create incentives for offsets.
- ix) In conclusion, the private sector and government departments agreed that more such sessions are needed involving chamber of commerce to introduce the concept of REDD+. They think REDD+ offers sound investment opportunities for both private sector, communities and greening the environment. The REDD+ models have a chance for success and they hope it will help stop deforestation in the country.

6. CONCLUSIONS AND RECOMMENDATIONS

Following conclusions and recommendations can be drawn as listed in the below table:

| Issues and needs | Recommended Actions | Responsible entities |
|--|--|---|
| <p>There is a need to ensure institutional sustainability The REDD+ preparedness phase with funding from Forest Carbon Partnership Facility under the World Bank is ending in June 2022.</p> | <p>National and provincial REDD+ Offices during the post project should be sustained for continued private sector engagements in REDD+</p> | <p>Ministry of CC</p> |
| <p>There is a need to strengthen forest governance and management and private sector enabling environment for REDD+</p> <p>While, the REDD+ preparedness phase has made the country eligible to initiate REDD+ projects through creating an enabling environment for the implementation of REDD+ and has prepared REDD+ strategy including policies and Acts, yet operational guidelines/ rules to support private sector engagement are still to be developed e.g., securing public forest land and securing carbon rights/ benefit sharing.</p> | <p>The NRO and provincial REDD+ offices should prepare clear REDD+ guidelines for private sector. This should include framing rules and guidelines for public and private forests, procedures for accessing forest land, which type of forest land has high REDD+ potential and benefit sharing guidelines etc. This may include:</p> <ul style="list-style-type: none"> • Regulatory mechanisms, operational guidelines and framing Rules for Public-Private Partnership in forest management • Guiding steps for initiating REDD+ projects • Guidelines for securing public forest lands/ rights for private sector long-term investment in REDD+ and through developing projects in collaboration with the forestry departments • Guidelines for securing carbon rights • Guidelines for benefit sharing including safeguarding communities. | <p>NRO/PROs</p> |
| <p>A need for capacity building and awareness raising of private sector engagement in REDD+</p> <p>Private sector still has limited awareness and knowledge about REDD+ concepts and opportunities. They have no clear idea as to which</p> | <p>Awareness raising campaign with Private sector may be initiated for REDD+ by facilitating the private sector to establish an exchange platform on REDD+ in each province, and to regularly conduct meetings, organize seminars/ workshops and</p> | <p>NRO/PRO in collaboration with Chamber of Commerce and Industries</p> |

| Issues and needs | Recommended Actions | Responsible entities |
|---|---|---|
| <p>type of forests should be targeted for REDD+, how to access the government land, what is the registration and verification process for Verified Carbon Standard (VCS), what are good practice case studies at national/ international level etc.</p> | <p>conferences to discuss:</p> <ul style="list-style-type: none"> • REDD+ and other net zero carbon initiatives and REDD+ opportunities. • Information on Registration and Verification process for Verified Carbon Standard (VCS) • Dissemination of good practice case studies for the small to moderate scale projects which can be applicable to Pakistan with respect to private sector. | |
| <p>Comprehensive assessment of forest ecosystem to map-out all forest types and to determine REDD+ potential in each forest type through-out the country (including agro-forestry).</p> | <p>Keeping in view that Pakistan has diverse forest zones – tropical, sub-tropical, dry and temperate, NRO in collaboration with provincial REDD+ focal points should carry-out a comprehensive assessment of forest ecosystem to map-out all forest types and to determine REDD+ potential in each forest type through-out the country (including agro-forestry). This should include the determination of a baseline for carbon sequestration, type of forest species suitable for the area with high carbon sequestration and biodiversity potential etc. This information should be framed as business cases demonstrating carbon potential and benefits in different forest types. This information should be disseminated to the private sector to increase their interest and attract them for investment opportunities in REDD+.</p> | <p>NRO/PROs in collaboration with Provincial Forest Departments</p> |
| <p>Private sector enhanced understanding about the benefits of REDD+ is needed.</p> <p>During consultations with private sector, questions were raised about who would carbon rights, what will be the mechanisms for benefit sharing, how local community interests has to be ensured, etc.</p> | <ul style="list-style-type: none"> • Acceptable business model should be developed for the private sector. Need to design projects with win situation for all. • In addition, NRO should prepare booklets on private sector sources of international funds for REDD+, Sources of voluntary carbon markets, benefit sharing guidelines etc. • Specifically, on the government lands, private project proponent may be provided with clear | <p>NRO/PRO/Provincial Forest departments</p> |

| Issues and needs | Recommended Actions | Responsible entities |
|---|---|---|
| | <p>guidelines before private sector investment and enter into formal agreements between carbon rights-holders (Government of the province) and private investor to get the carbon rights against investment in the project, and negotiate a revenue share resulting from the sales of the Emission Reductions.</p> <ul style="list-style-type: none"> To mitigate the permanence risk during the project life and beyond, it is important to ensure that local communities and other stakeholders are clearly identified, are the beneficiaries and being allocated part of the revenue share to invest into agriculture activities that can generate long-term revenues and benefits to maintain long-term interest of the local communities into the project and mitigate the permanence risk of during the project life and beyond. | |
| <p>A need to encourage international investment in REDD+</p> <p>In discussions with international private sector companies several recommendations were provided including clear carbon rights, minimum interference by the government regarding carbon rights, taxation benefit sharing with communities.</p> | <ul style="list-style-type: none"> There should be clear carbon rights to mitigate potential risks of doing business, with minimum interference and intervention by the government on two fronts: carbon rights taxation, and benefit sharing with communities. If possible, this regulation must be drawn without taxes by the government or with clear destinations such as Ministry of the Climate Change and Provincial Forestry Departments, with stability in terms of business climate, clear tenure rights, and analysis of risks of non-permanence (fires, conflicts). The legal framework must be established and enforced on matters such as license periods and carbon rights and must be stated in laws and regulations that the provincial or federal government relinquishes rights to | <p>Federal and Provincial Governments</p> |

| Issues and needs | Recommended Actions | Responsible entities |
|--|---|---|
| | <p>carbon credits and guarantees that licenses to operate REDD+ projects are long-term and not subject to future changes.</p> <ul style="list-style-type: none"> Local companies must be allowed to be established with foreign ownership and it is an absolute requirement that investors are provided with full ownership of certified carbon credits VCS/CCB. | |
| <p>Introduction of carbon pricing instruments</p> | <ul style="list-style-type: none"> Introduction of a carbon tax and/or an ETS at national level that leads to emission reductions. Allowing offsets from national forest projects to contribute to emission reductions targets or efforts. | <p>Federal and Provincial governments</p> |
| <p>Recognition of previous efforts and participation in government's programs</p> | <ul style="list-style-type: none"> Recognition from the government of previous CSR afforestation activities efforts; The form of recognition could be negotiated between the government and private sectors engaged in some voluntary emission reductions programs, such as net-zero initiative. Allow private sector to voluntary participate in funding some national afforestation programs, valuing this participation in terms of Co2 sequestration achieved. | <p>Ministry of CC</p> |

4.2 Potential Incentives

Three incentives are expressed for the private sector to engage in REDD+. These pertain to (i) valorisation of the CSR afforestation activities through government acknowledgement, (ii) understand better the REDD+ market and source of earning from REDD+ activities, and (iii) (for the more knowledgeable, especially the energy companies), the carbon pricing instruments such as a national carbon tax or an Emission Trading System (ETS) are necessary with time to reduce emissions and create incentives for offsets.

7. APPENDIXES

Appendix 1: Questionnaire for key informant interviews (KII)

| Questionnaire for Key Informant Interviews (KIIs) | | |
|---|---|---|
| Survey of Private Sector Engagement in Forest Management/ REDD+ Under the Ministry of Climate Change/ National REDD+ Programme Office, Islamabad, Pakistan | | |
| Note for introduction: | | |
| <p>The purpose of this Survey is to understand Private Companies engagement/ interest in activities under the United Nations REDD+ “Reducing Emissions from Deforestation and Forest Degradation in developing countries, and the role of conservation, sustainable management of forests, and enhancement of forest carbon stocks in developing countries” initiative. The REDD+ mechanism has been introduced for developing countries as part of a portfolio of market-based strategies for mitigating the impacts of climate change. It addresses not only management of standing natural forests, but also afforestation / plantation activities. Private sector engagement though voluntary but can get financial incentives/ benefits for their active participation in Forest Management under REDD+.</p> | | |
| Your Name: | | |
| Position: | | |
| Your Company Name: | | |
| Address: | | |
| Contact number: | | |
| Date of Interview: | | |
| A. Company’s Awareness and Understanding of REDD+ | | |
| | | Please tick the appropriate option below. For some questions you may select multiple options. |
| 1. | Are you aware of REDD+ initiative? | Yes.....No..... |
| Ask the below questions in this section only from those whose answer to Q1 is yes | | |
| 1.1 | If yes, please share your understanding of the mechanism. | Please explain: |
| 1.2 | From where did you learn about REDD+ | Please explain: |
| 1.3 | Have you attended any awareness | Yes.... No..... |

| | | |
|---|---|---|
| | raising session on REDD+? | |
| 1.4 | If yes, who organized the awareness session? | Please list: |
| 1.5 | Kindly explain the role that REDD+ can play in reducing deforestation and forest degradation and/or increasing afforestation / plantation activities? | |
| 1.6 | How could the private sector contribute to REDD+ in Pakistan? | |
| 1.7 | How could your company contribute to REDD+ in Pakistan? | |
| 1.8 | What type of support would trigger more involvement in REDD+ by your company? | Please tick: <ul style="list-style-type: none"> a) financial incentives, b) in-kind support, c) more appropriate laws and regulations, d) Tax relief, e) Any other specify..... |
| 2. | To what extent the government policies and legislative framework are supportive to REDD+? | Please explain: |
| 3. | What could be improved to stimulate more participation in REDD+ by companies such as yours? | |
| B. Company's Participation in Forest Management? | | |
| 4. | Is your company participating in forest | Yes.....No..... |

| | | |
|--|---|---|
| | management? | |
| 5. | If no what are reasons? | <p>a) Not interested....</p> <p>b) Not aware.....</p> <p>c) Any other reason...</p> |
| Only ask the below questions if the answer to Q5 is yes | | |
| 5.1 | What role is your company playing in forest management? | <p>a) Afforestation: ----- (e.g., tree plantations)</p> |
| | | <p>b) Conservation of existing Forest: (e.g., to avoid forest degradation)</p> |
| | | <p>c) Sustainable Management of Forest: (e.g., protecting biodiversity and strengthening coping capacities for forest dependent communities).</p> |
| | | <p>d) Any other reason: please specify</p> |
| 5.2 | What type of forest species is your company using in forest management? | <p>a) Native/indigenous species present in the location...</p> <p>b) Fast growing species (e.g., popoler, eucalyptus)</p> <p>c) Mix of native and fast-growing species</p> |
| 5.3 | What is your Company motivation in Forest Management? | <p>a) Social Motive: (e.g., Corporate Social Responsibility - CSR).</p> |
| | | <p>b) Promotion: ----- (e.g., Company image building and branding/ advertisement of the Company).</p> |
| | | <p>c) Linkages: (e.g., to establish/ strengthen national and international linkages/ and access).</p> |
| | | <p>d) To avail carbon credits.....</p> |
| | | <p>e) Any other economic motive..... Please specify.....</p> |
| | | <p>f) Any other reason: please specify</p> |
| 5.4 | In which geographical location your | Name of geographic location(s) |

| | | |
|------|--|--|
| | company is active in the above forest management? | a) b) c) |
| 5.5 | Please list the area covered by your company under Forest Management. | Land Area in Hectare..... |
| 5.5 | What is the tenure status of the land where you have forest management related activities? | Please tick: a) Own private land..... b) Lease of private land... c) Communal land..... d) Government land..... e) Any other (specify)..... |
| 5.6 | What are the benefit sharing arrangements with the owner of land for forest management? (Not applicable if own land) | Please explain: |
| 5.7 | Has your company outsourced the forest management activities to another company/ private firm? | Yes.....No..... Please specify to whom? |
| 5.8 | Is your company involved in forest management in an individual capacity or as group of companies? | Individual.....Group of Companies..... |
| 5.9 | If group of companies, please list them in next column? | Please list the name(s) of group of companies: a)..... |
| | | b) |
| | | c) |
| 5.10 | Have you availed any loan/ funds to participate in Forest Management? | a) Not obtained any loan/funding..... |
| | | b) Obtained fund from a donor/investor..... Name of donor/ investor..... |
| | | c) Obtained loan from Bank..... Name of Bank..... |

| | | |
|--|--|---|
| | | d) Applied for a loan/funding but could not succeed..... |
| C. Company's Participation in REDD+? | | |
| 6. | Is your company participating in REDD+? | Yes.....No..... |
| Only ask below questions if the answer to Q6 is yes | | |
| 6.1 | What type of REDD+ activities are your company interested in? | Project holder..... |
| | | Project implementer..... |
| | | Project developer..... |
| | | Project sponsor/funders..... |
| | | Credit buyer..... |
| | | Intermediary in the carbon markets..... |
| | | Any other role (specify)..... |
| 6.2 | In which geographical location your company is active in REDD+ activity? | Name of geographic location(s) a) b) c) |
| 6.3 | Is your company playing this role in REDD+ in an individual capacity or as group of companies? | Individual.....Group of Companies..... |
| 6.4 | If group of companies, please list them? | Please list the name(s) of group of companies: a)..... |
| | | b) |
| | | c) |
| 6.5 | Have you availed any loan/ funds to participate in REDD+? | e) Not obtained any loan/funding..... |
| | | f) Obtained fund from a donor/investor..... Name of donor/ investor..... |
| | | g) Obtained loan from Bank..... Name of Bank..... |

| | | |
|--|--|---|
| | | h) Applied for a loan/funding but could not succeed..... |
| 7. | Do you know any other private sector entity that may be investing in REDD+? | Yes.....No..... |
| Only ask the below questions if the answer to Q7 is yes | | |
| 7.1 | What is the geographic area covered by that company for REDD+? | a) Mangroves in Sindh b) Irrigated plantations in Punjab..... c) Scrub forests and conifers in Balochistan..... d) Scrub forests and conifers in KPK.... e) Any other? |
| 7.2 | What are names of that companies who are investing in REDD+ in Pakistan? | a) b) c) |
| 7.3 | What is the purpose of investments that are being made in REDD+ by that Companies? | a) Social Motive: (e.g., Corporate Social Responsibility - CSR). b) Promotion: ----- (e.g., Company image building and branding/ advertisement of the Company). c) Linkages: (e.g., to establish/ strengthen national and international linkages/ and access). d) To avail carbon credits..... e) Any other economic motive..... Please specify..... f) Any other reason: please specify |
| 7.4 | What type of REDD+ activities are these companies interested in? | Project holder..... Project implementer..... |

| | | |
|--|---|---|
| | | Project developer..... |
| | | Project sponsor/funders..... |
| | | Credit buyer..... |
| | | Intermediary in the carbon markets..... |
| | | Any other role (specify)..... |
| D. Future Interest of Company's Participation in REDD+? | | |
| Only ask the below questions if the company was not involved in REDD+ | | |
| 8. | Would your Company be interested in <u>future</u> to participate in REDD+? | Yes.....No: |
| 8.1 | If no, what are the reasons? | Please list: a) b) c) |
| Only ask the below questions if answer to Q8 is yes | | |
| 8.2 | Why your company did not participate in REDD+ so far? | a) Not aware of benefits..... b) Government policies are not conducive..... c) Any other reason (specify)..... |
| 8.3 | In which capacity the company would like to participate in REDD+? | a) Project holder..... b) Project implementer..... c) Project developer..... d) Project sponsor/funders..... e) Credit buyer..... f) Intermediary in the carbon markets..... g) Any other role (specify)..... |
| 8.4 | What support is expected by your company (from government) if the company decides to participate in REDD+ | Please explain: a) Awareness raising/ Training in REDD+.... b) Policy and legislation support..... c) Any other.... |

| E. Challenges/ Opportunities for private sector engagement in participating REDD+ | | |
|--|--|---|
| 9. | What are the risks that you envision for participation in REDD+? | a) Social risks (e.g., poor community knowledge and cooperation, local resistance, land conflicts...) Please explain.... |
| | | b) Economic risks (e.g., returns from carbon credits are not certain, not getting certified...) Please explain.... |
| | | c) Policy risks (e.g., policies are not conducive for private sector engagement, unpredictable decisions by government...) Please explain..... |
| | | d) Any other risks, please explain.... |
| 10. | What are the benefits that you envision for participation in REDD+? | Please list and explain.... |
| F. Recommendations for improved participation of private sector in REDD+ (Can be policy, social or environmental related or a combination of more than one) | | |
| 11. | What are your recommendations to improve the private sector engagement in REDD+? | a) Social (e.g., enhanced community knowledge and cooperation, socialization with workshops or other means to inform local actors including people, clarification of tenure, benefit sharing mechanisms...) Please explain how.... |
| | | b) Economic (e.g., predictable returns and carbon credit prices e.g., with a national compliance market, ensured returns from carbon credits). |

| | | |
|------------|--|--|
| | | <p>Please explain how....</p> |
| | | <p>c) Policy (e.g., predictable policies, consultations with national stakeholders to decide on related policies, policies should be conducive)</p> <p>Please explain how.....</p> |
| | | <p>d) Any other recommendations, please explain....</p> <p>-</p> <p>-</p> <p>-</p> |
| <p>12.</p> | <p>What are your recommendations about expected support or activities from the government that might convince you to operate / invest in REDD+</p> | <p>Please list them</p> <ul style="list-style-type: none"> - policy support <p>Explain:</p> <ul style="list-style-type: none"> - better laws..... <p>Explain:</p> <ul style="list-style-type: none"> - benefit-sharing mechanisms in place..... <p>Explain:</p> <ul style="list-style-type: none"> - effective and responsive focal points..... <p>Explain:</p> <ul style="list-style-type: none"> - Clear REDD+ guidelines <p>Explain:</p> <ul style="list-style-type: none"> - increased ease to do business..... |

| | | |
|-----------------------------|--|---|
| | | <p>Explain:</p> <p>- longer term political commitment.....</p> <p>Explain:</p> <p>- Any other specify.....</p> <p>Explain:</p> |
| 13. | What are your recommendations for improved coordination between government and private sector? | Please explain how.... |
| 14. | What are your recommendations to improve coordination within the private sector? | Please explain how.... |
| 15. | What are recommendations for awareness raising/ training of private sector? | Please specify and explain how... |
| Any other remark(s) if any? | | |

Appendix 2: List of national Companies Participated in Consultations

| S. No | Company Name | Sector | Mailing address |
|---------------------------------|---|----------------------|--|
| Private Sector - Karachi | | | |
| 1. | Engro Energy Terminal Private Ltd. | Oil & Gas | Mr. Yousuf, 8th Floor, Harbor Front Building, Marine Drive, Block 4, Clifton, Karachi, Pakistan Phone: +92-21-111-211-211 |
| 2. | Sindh Engro Coal Mining | Mining | Mr. Naseer Memon GM CSR and Communication 16 th Floor, The Harbour Front Building, HC-3 Marine Drive, Block 4, Clifton, Karachi-75600, Sindh |
| 3. | Pakistan International Bulk Terminal (PIBT) | Ports | Mr. Sharique Azim Siddiqui CEO, Pakistan International Bulk Terminal 2nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi - 74000 Pakistan. Telephone : (+9221) 32400450-3 Fax : (+9221) 32400281 Email : info@piibt.com.pk |
| 4. | Sui Southern Gas Company (SSGC) | Utilities | Mr. Shahbaz Islam – CSR Mr. Salman Siddiqui ST-4/B, Block 14, Sir Shah Suleman Road, Gulshan-e-Iqbal, Karachi. Telephone: (+9221) 9902 1000 info@ssgc.com.pk |
| 5. | Philip Morris Pakistan Ltd. | Tobacco | Mr. Alexander Reisch MD, Philip Morris (Pakistan) Limited 19th Floor, The Harbour Front, Dolmen City, HC-3, Block 4, Clifton, Karachi - 75600, Pakistan Tel: + 92 21-3520 9600-01 Fax: +92 21-3529 4350 |
| 6. | DP World Karachi | Ports | Mr. Junaid Zamir CEO, DP World Karachi DP World Karachi PO Box 6425 Karachi - 75020, Pakistan +92 21 4739100 dpworld@dpworld.com |

| | | | |
|-----|--------------------------|------------------------------------|---|
| | | | |
| 7. | Unilever Pakistan | Multiple Products | Mr. Hussain Ali Talib Head CSR, Unilever Pakistan Limited Avari Plaza, Fatima Jinnah Road, Karachi – 77530, Pakistan. Email: hussain.talib@unilever.com |
| 8. | Dawood Group | Energy & Petrochemicals | Mr. Faraz Salim Chairman, Dawood Group Dawood Centre, M.T. Khan Road, Karachi Tel: - +92-21-35686001 Fax: +92-21-35693416 Email: faraz.salim@dawoodhercules.com |
| 9. | Abbott | Pharma | Mr. Farooq Hashmani Regional EHS Lead Abbott Laboratories (Pakistan) Limited, Opposite Radio Pakistan Transmission, Landhi. Karachi -75120 Pakistan. UAN: (+92-21) 111-222-688 Tel: (+92-21) 35069748-49 |
| 10. | Pakistan State Oil (PSO) | Oil & Gas | Mr. Sabahat Head CSR, Pakistan State Oil PSO House, Khayaban-e-Iqbal, Clifton, P.O.Box 3983, Karachi 75600, Pakistan UAN: 021-111 111 PSO (776) Tel: (92 21) 99203866-85 Fax: (92 21) 99203835 Ta'aluq Careline: 0800-03000 Email: taaluh@psopk.com |
| 11. | Shell Pakistan | Oil & Gas | Mr. Omar Y. Sheikh CEO, Shell Pakistan Shell House, 6 Ch. Khaliqzaman Road, Karachi-75530, Pakistan Tel: +92 (21) 111-888-222 Fax: +92 (21) 3563-0110 |

| | | | |
|-----|-----------------------------------|----------------------|---|
| 12. | Standard Chartered Bank | Bank | <p>Ms. Tasneem Mirza CSR, Standard Chartered Bank (Pakistan) 1st Floor, Jubilee Insurance Building, I. I. Chundrigarh Road, Karachi, Pakistan</p> <p>UAN: 111-002-002 Mobile: 0302 8204852 Email: tasneem.mirza@sc.com</p> |
| 13. | Toyota-Indus Motors Ltd. | Auto | <p>Mr. Asad Abdullah Head CSR, Toyota-Indus Motors Ltd. Plot no. N.W.Z/P-1, Port Qasim Authority, Karachi, Pakistan. Phone: +92-21-34721100 UAN: +92-111-86-96-82 (+92-111-TOYOTA) Email: asad.abdullah@toyota-indus.com</p> |
| 14. | Getz | Pharma | |
| 15. | K Electric | Utilities | <p>Miss Beena Riaz DGM Environment - Corporate HSEQ KE House, 39-B, Sunset Boulevard, Phase-II, Defense Housing Authority, Karachi, Pakistan</p> <p>Email: beena.riaz@ke.com.pk Cell: 0346-8223412 Tel: 92-21-32637133</p> |
| 16. | PaK Arab Refinery Company (PARCO) | Oil & Gas | <p>Mr. Ali Syed Director, Private Business</p> <p>Pak-Arab Refinery Limited Corporate Headquarters Korangi Creek Road P.O. Box 12243 Karachi-75190, Pakistan. UAN: (021) 111-392-567 Tel: 021-35090100-25 Fax: 021-35090625</p> |
| 17. | ENI Pakistan | Oil & Gas | <p>Saad ur Rehman Sr. Coordinator (HSE Operations) 5th Floor, The Forum, G-20, Block-9, Khayaban-e-Jami, Clifton Karachi-75600, Pakistan UAN :(92-21) 111-111-364; Ext: 2116 Mobile: 0333-4900330, Fax :(92-21) 35838394-5</p> |

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|-----|--------------------------------|-----------|--|
| 18. | JS Bank | Bank | <p>Mr. Basir Shamsie President & CEO</p> <p>JS Bank Limited, Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi</p> <p>Tel: 021-32633820, 021-32630194</p> |
| 19. | Soorty Enterprises | Textile | <p>Amir Qureshi Manager Environment & Sustainability</p> <p>Soorty Enterprises Private Limited Korangi, Karachi</p> <p>Tel: 0315253356</p> <p>Email: amir.ahmed0315@gmail.com</p> |
| 20. | HUBCO | Energy | <p>Farrukh Rasheed Director HR & New Ventures</p> <p>HUBCO</p> <p>11th Floor, Ocean Tower Block-9, Main Clifton Road, Karachi.</p> <p>Tel: 021-35874677 – 86, Fax: 021-35870397</p> <p>Cell: 0302-8223148</p> |
| 21. | United Energy Pakistan Limited | Oil & Gas | <p>Mr. Hassan Ali HSE Advisor Environment</p> <p>4th Floor, Bahria Complex 1, 24 M. T. Khan Road Karachi, Pakistan.</p> <p>Email: Hassan.Ali@uep.com.pk</p> <p>Cell: 0333-3669288</p> <p>Tel: +92-21-3561-1194</p> |
| 22. | TPL | Multiple | <p>Mr. RAHIM KAZANI Chief Financial Officer</p> <p>12th Floor, Centrepoint, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi, Postal Code: 74900</p> <p>Email: Rahim.Kazani@tplproperty.com</p> <p>Cell: 0300.8241599</p> <p>Tel: +92.21.34390300 Ext: 50007</p> |

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| | | | Fax: +92.21.35316032 |
| 23. | KIA Lucky Motors | Auto | <p>Mr. Zargham Ali Shah HSE Dept. Process Safety Lead KIA Lucky Motors Bin Qasim Industrial Park Karachi, Pakistan Email: Zargham.ali@kia-lucky.com Cell: 0324-2227174</p> |
| 24. | Arif Habib Group | Multiple | <p>Mr. Burhan Ali Head of Projects and Treasury Arif Habib Centre, 1st Floor, 23, Molvi Tamizuddin Khan Road, Karachi 75400 Tel: 021-111-245-111 Ext: 250 Cell: 0333-3500540</p> |
| 25. | Martin Dow | Pharma | <p>Mr. Faisla Aziz Sr. Manager SHE Martin Dow Group Corporate Office, Nice Trade Orbit Building, PECHS, Block VI, Sharah-e- Faisal, Karachi UAN: +92 21 111 111 634 UAN: 111-111-637 Cell: 0321-2111992 +92 21 350 605 51-5 Fax: +92 21 350 605 41 info@martindow.com</p> |
| Private Sector – Balochistan | | | |
| 26. | Byco Petroleum Pakistan Limited | Oil and Gas | <p>Mr. Amir Abbassciy Chief Executive Officer amir.abbassciy@byco.com.pk</p> <p>Mr. Rashid Badruddin Head Operations rashid.badruddin@byco.com.pk rbadruddin@byco.com.pk</p> <p>Mr. Fayyaz Ahmed Khan Head Commercial</p> |

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| | | | <p>fayaz.khan@byco.com.pk fkhan@byco.com.pk</p> <p>Corporate Office Address: 9th,10th Floor, The Harbour Front, Dolmen City, HC-3, Block-4, Marine Drive, Clifton, Karachi-75600, Pakistan Tel: (+92 21) 111 222 081 Fax: (+92 21) 111 888 081 communication@byco.com.pk</p> |
| 27. | P&G Pakistan | Multiple Products | <p>Mr. Aadil Farhat farhat.aa@pg.com farhat.aa@gmail.com</p> <p>Mr. Shariar Ahmed 12th Floor, The Harbour Front, Dolmen City Abdul Sattar Edhi Avenue, HC-3, Block-4, Clifton, Karachi-75600 +92.21.111000764</p> |
| 28. | Gatron Industries Ltd. | Textile / Polyester Filament Yarn | <p>Gatron Industries Ltd. Mr. Mustafa Bilwani Mr. Mohd Taufiq Bilwani</p> <p>Quetta: 1st Floor, Ahmed Complex, Jinnah Road, Quetta - Balochistan</p> <p>Karachi: 11th Floor, G&T Tower, #18 Beaumont Road, Civil Lines -10, Karachi - 75530 - Pakistan. Phone: +92 21 35659500-10 Fax: +92 21 35659516 Email: headoffice@gatron.com hanifkhatri@gatron-novatex.com</p> |
| 29. | Mondelez International (Ex-Cadbury) | Food | <p>Ms. Narmeen Khan Managing Director - Pakistan narmeen.khan@mondelezinternational.com narmeenkhan01@hotmail.com narmeen.khan@mdlz.com</p> <p>Head Office</p> |

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| | | | <p>Mondelēz Pakistan Limited 6th Floor, Tower B, World Trade Centre, Main Khayaban-e-Roomi, Clifton 75600 Karachi, Pakistan. Tel: +92 21 35865281-5</p> <p>Factory A-60, H.I.T.E., HUB – 90250 Balochistan, Pakistan. Tel: +92 853 302652-4</p> |
| 30. | ZRK | MDF, Other Products | <p>CEO Head Office Industrial Estate Road Hayatabad, Peshawar</p> |
| Forest Sector Experts | | | |
| 31. | Kazi Abdul Jabbar | Sindh Forest Dept. | <p>Kazi Abdul Jabbar Chief Conservator of Forests Sindh ajkazi65@gmail.com</p> |
| 32. | Mr. Aijaz Nizamani | Sindh Forest Dept. | <p>Mr. Aijaz Nizamani Chief Conservator of Forests Sindh aijazniz@gmail.com</p> |
| 33. | Mr. Muneer Awan | Sindh Forest Dept. | <p>Mr. Muneer Awan Former Secretary Forests awanmunir@gmail.com</p> |
| 34. | Mr. Lekhraj Kella | Sindh Forest Dept. | <p>Mr. Lekhraj Kella Former Chief Conservator of Forests Sindh kellalekhraj@gmail.com</p> |
| 35. | Mr. Najam Vistro | Sindh Forest Dept. | <p>Mr. Najam Vistro Former Chief conservator of Forests Sindh vistronajamuddin@yahoo.com</p> |
| 36. | Rafi Ul Haq Shb | | |

Appendix 3: Summarised Findings from Interviews with Private Sector Companies⁴

| S. No | Company Name | Prior Awareness and Understanding of REDD+ and Forestry | Company's participation in Forest Management | Future interest in REDD+ and Gaps | Recommendations |
|-------|--|--|--|---|--|
| 1 | Attock Oil Refinery (ARL) | <ul style="list-style-type: none"> - Know only REDD+ terminology - A Workshop session organized by Islamabad Chamber of Commerce | <ul style="list-style-type: none"> - Afforestation: (e.g., tree plantations) as part of CSR and green initiative - Tree plantations on own land and universities land through students all over Pakistan. - No follow-up visits | <ul style="list-style-type: none"> - Would be interested if provided awareness and capacity building. | <ul style="list-style-type: none"> - Clear Government policies - Focal person for REDD+ - Predictable benefits - Capacity building |
| 2 | Indus Delta Capital/ Sindh Forest Department | Already implementing blue carbon REDD+ project in collaboration with Sindh Forest department | - | <ul style="list-style-type: none"> - Indus Delta Blue Carbon project phase -1 has been initiated targeting mangroves plantation and restoration on 75,000 ha. Carbon crediting period for voluntary market is 2015-2074. | <ul style="list-style-type: none"> - Sindh Forest department is open for private sector to jointly initiate REDD+ projects in mangroves and riverine forests. |
| 3 | Abbott | Little | As part of CSR, | <ul style="list-style-type: none"> - Interested in | <ul style="list-style-type: none"> - A need for |

⁴ The names of companies have been kept confidential

| S. No | Company Name | Prior Awareness and Understanding of REDD+ and Forestry | Company's participation in Forest Management | Future interest in REDD+ and Gaps | Recommendations |
|-------|---------------------------------|---|--|---|---|
| | Laboratoires, Karachi, Pakistan | knowledge | about 1000 Tree plants are distributed once in a year involving an NGO, no follow-up | <ul style="list-style-type: none"> - REDD+ Awareness and capacity are a major gap to be addressed. | continuity in policies |
| 4 | K-Electric | Little understanding | Under CSR conducted 200,000 mangroves tree plantations near Port Qasim through contracts. Has a corporate HEC team for environmental and social assessment, health & safety | <ul style="list-style-type: none"> - Management is interested to attain zero carbon by all means - REDD+ can be an opportunity for carbon offsetting. - Would need more information to prepare concept note for REDD+ and will put-up to senior management | <ul style="list-style-type: none"> - A need for more awareness |
| 5 | Engro Foundation | Some understanding | Plan to come -up with a program for tree planation with partners, IUCN/WWF over 20,000 ha over 10 years. Focus is off setting own operation. Discussions with WWF to select the location – may invest in riverine forest to also address | <ul style="list-style-type: none"> - Engro focus is on off-setting own operations. - Would be interested in REDD+ for carbon offsetting. - Land can be a major issue, have to find a local partner such as | <ul style="list-style-type: none"> - Focus on mangroves and riverine forests where there is high carbon potential. |

| S. No | Company Name | Prior Awareness and Understanding of REDD+ and Forestry | Company's participation in Forest Management | Future interest in REDD+ and Gaps | Recommendations |
|-------|------------------------------------|--|---|--|--|
| | | | biodiversity. | IUCN/WWF to initiate forest conservation projects. - Engro has an experience in CDM projects and thus are aware about carbon credits. | |
| 6 | Pak-Arab-Refinery Limited, Karachi | Yes, but no clear understanding has to build a business case for REDD+ | Participating in forest plantation as part of CSR but on a limited scale | - Would be interested in REDD+ but main focus would be on off-setting own operations. - There is an institutional gap between private sector and government. There is no platform where government and private sector could discuss REDD+ and other issues. | Private sector should be involved in billion tree Tsunami Private sector be given tax relaxation as an incentive. |
| 7 | HUBCO Power | No | Has a more than 2000 acres of own land or rented land from government. No | HUBCO would be willing to participate in REDD+. It has own private land | Private sector should be involved in billion tree Tsunami |

| S. No | Company Name | Prior Awareness and Understanding of REDD+ and Forestry | Company's participation in Forest Management | Future interest in REDD+ and Gaps | Recommendations |
|-------|---------------------------------|---|--|--|---|
| | | | systematic forest management is implemented | spread all across provinces. HUBCO has an experience in CDM project. Lack awareness and capacity about how to kick-start the REDD+ project Government has no guidelines about how to involve private sector. Land could be the major issue for private sector to start REDD+ project Billion Tree program is not involving the private sector. | |
| 8 | Mitsubishi Corporation, Lahore | No | Mitsubishi has a clear mandate for net zero carbon. Started discussion with Sindh Govt. for growing mangroves plantations and setting-up LNG project as part of CSR. | - Has an experience in CDM, would be interested in buying REDD+ credits? | Involvement of private sector in billion tree tsunami and how to bring it under REDD+ |
| 9 | Orient Petroleum Inc, Islamabad | No | As part of CSR Planted 25,000 plants through an NGO. Created a fund to | - We have private land and would be interested in REDD+ | |

| S. No | Company Name | Prior Awareness and Understanding of REDD+ and Forestry | Company's participation in Forest Management | Future interest in REDD+ and Gaps | Recommendations |
|-------|----------------|---|--|--|---|
| | | | support water filtration plants, schools, hospitals etc. on public land. | projects if submitted by third party. | |
| 10 | Shell Pakistan | Yes | Could not bring under discussion. | <ul style="list-style-type: none"> - Shell has Carbon Trading Desk, interested in REDD+ projects. - There is high potential in agriculture sector as well. | Government should involve private sector more transparently. The Sindh Govt. project with Indus Delta was provided to Indus Delta Capita without open tender. |

Appendix 4

Appendix 4(a): Provincial forum at Karachi

Provincial Forum at Karachi-Main Discussion Points

| Name and Designation | Question / Discussion | Answer |
|---|---|---|
| <p>Mr. Riaz Wagan Chief Conservator of Forests – Sindh, Coastal Forests and Rangelands <i>Sindh Forest Department, Government of Sindh</i></p> | <p>Community engagement mechanisms were discussed and importance of private sector firms in REDD+ initiatives was highlighted.</p> <p>Registration and Verification process for Verified Carbon Standard (VCS) was discussed.</p> | <p>Mr. Gilles Moynot explained the concept of Verified Carbon Standard (VCS) and highlighted that VCS will now manage the Climate, Community & Biodiversity Standards (CCB Standards), one of the most widely applied and respected tools to measure the community and biodiversity impacts of land-based carbon projects.</p> <p>Mr. Gilles Moynot provided a brief overview of the Project Registration Process for VCS, as following:</p> <ul style="list-style-type: none"> • Step 1: Project Validation and Verification • Step 2: Registration and Issuance Request • Step 3: Project Review • Step 4: Project Registration and Initial Verified Carbon Units (VCU) Issuance • Step 5: Periodic VCU Issuance • Step 6: VCU Retirements and Cancellations • Step 7: Project Maintenance <p>It was further explained that an active VERRA Registry account is required for any entity wishing to register projects or issue, retire or transfer credits.</p> |
| <p>Mr. Zargham Ali Shah Process Safety Lead <i>Lucky Motor Corp</i></p> | <p>Similar case studies for the small to moderate scale projects were requested to share as a benchmark and a holistic approach which can be applicable to Pakistan with respect to private</p> | <p>Mr. Gilles Moynot pointed that VCS have been implemented to support voluntary CO₂ market in Colombia which makes it easier for local companies to buy credits to reduce their carbon footprints.</p> <p>He added that the voluntary carbon market</p> |

sectors.

Implementation process of REDD+ activities as part of the Supply Chain mechanism of the private sector firms was also discussed.

Mr. Nasar Usmani
EHS Manager
*Abbott Laboratories,
Pakistan*

He highlighted that success stories should be discussed and how the private sector firms can get benefit. He also discussed about the readiness mechanisms which can serve as a pilot mechanism to initiate the REDD+ activities at an individual firm scale.

Space and land requirement for plantation in Karachi was made under discussion. It was also suggested that plant saplings and their transportation to the plantation site can be managed in collaboration in order to make this initiative realistic and achievable.

in Colombia is set to expand for the upcoming projects too. Across the world, projects using the VCS Standard have issued more than 100 million credits.

Mr. Frederic Jacquemont added that the impacts of the project being initiated by the private sector firm is the key to assess the overall mechanism to be incorporated and a suitable design strategy is therefore made accordingly. The VCS issues credits to project developers based on the GHG benefits of eligible project activities that are quantified using a methodology that has been approved under the VCS.

Mr. Frederic Jacquemont shared the case studies and success stories of South Germany where renewable process industries are compensating the domestic gas consumption. He added that Germany intends to launch a domestic carbon market for heat and road transport in 2021. Furthermore, Canada's federal backstop system—which includes an Emissions Trading System (ETS) and a fuel charge similar to a carbon tax—has been imposed on provinces and territories that do not opt into the system, or that do not put in place a sufficiently ambitious carbon pricing mechanism.

Mr. Syed Ghulam Qadir Shah further added that the stationing of staff throughout Pakistan for Monitoring and Evaluation of the TBTP activities is under process and aimed at evaluating a performance report.

Mr. Riaz Wagan answered that this initiative aims to achieve carbon off-setting by acquiring larger impacts projects. By enriching projects through carbon credits, more such initiatives could be developed to benefit the local economy. Pakistan can also develop some new high-skilled jobs for the assessment of carbon credits and climate change.

He continued that the UN-REDD Programme

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| <p>Mr. Rashid Ashraf Sr. Eng. Environment <i>PARCO</i></p> | <p>Carbon off-setting potential was discussed as part of individual stress on private sector firm’s land.</p> | <p>has been working with the government of Colombia to reduce deforestation and forest degradation. Colombia boasts 60 million hectares of natural forest, covering more than half of the country.</p> |
| <p>Ms. Maham Azam New Ventures Engineer <i>HUBCO</i></p> | <p>Different types of plantation schemes and techniques were discussed including the Miyawaki Urban Forest, Vertical Plantation on buildings and infrastructure, etc.</p> | <p>Mr. Mahmood Akhter Cheema also answered that in a fully decentralized model, activities would be managed at the project level, with independent projects producing and selling emission reductions. There may be third-party standards (e.g., Verified Carbon Standard (VCS); Climate, Community and Biodiversity Alliance (CCBA) that provide quality control for emission reductions and safeguards, or governments may exert some regulatory power.</p> |
| <p>Mr. Najam Uddin Private Consultant</p> | <p>It was suggested that within central and upper Sindh, Naushehro Feroze, Shaheed Benazirabad (formerly Nawabshah) and Ghotki districts have land availability for plantation. These lands can be utilized with public-private partnership for plantation purposes.</p> | <p>Mr. Frederic Jacquemont shared his view that landowners should be financially viable. It may depend on the willingness of these landowners to participate in voluntary carbon offset programs.</p> |
| <p>Mr. Amir Ali Manager <i>Soorty Enterprises</i></p> | <p>It was suggested that in line with forestation, carbon dioxide sequestration plants should also be installed. Case study of Soorty Enterprises was mentioned regarding the carbon dioxide sequestration initiative.</p> | <p>Mr. Frederic Jacquemont answered that it depends on the scope of plantation activity being initiated by private sector firms, which technique they want to adapt depends on the availability of funds.</p> |
| | | <p>Mr. Frederic Jacquemont acknowledged the suggestions.</p> |
| | | <p>Mr. Riaz Wagan acknowledged the suggestion by mentioning that project cost and cost-benefit analysis critically helps in decision making and such plants should be installed based on the financial scope.</p> |

Mr. Hassaan Ali

Environmental
Advisor

*United Energy
Pakistan*

To off-set the carbon footprint, the mechanism of buying carbon credits, how buyers can approach, and the process was discussed in detail.

Mr. Frederic Jacquemont explained investing in carbon offset projects helps organisations take immediate action on greenhouse emissions. The off-set contribution of buying carbon credits is recommend as one part of a broader, integrated carbon management strategy.

Provincial Forum at Karachi-List of Participants

| # | Name | Designation | Organization |
|----|----------------------------|--|--|
| 1 | Frederic Jacquemont | Consultant | TEREA |
| 2 | Amir Ali | Manager | Soorty |
| 3 | Amir Qureshi | Manager | Soorty |
| 4 | Raheel Zafar | Sr. Manager Sustainability | Soorty |
| 5 | Mustafa A. | Manager EHS and Sustainability | Soorty |
| 6 | Mahmood Akhter Cheema | Country Representative | IUCN |
| 7 | Danish Lodhi | Manager | IUCN |
| 8 | George Sadiq | Program Officer | IUCN |
| 9 | Mr. Syed Ghulam Qadir Shah | National REDD+ Coordinator | NRO, OCC |
| 10 | Nasar Usmani | EHS Manager | Abbott Laboratories |
| 11 | S. Ali Hasan | Head of Sustainable Initiatives | JS Bank |
| 12 | Farhan Nazir | Principal Sustainability | Karachi Chamber of Commerce |
| 13 | Hassaan Ali | Environmental Advisor | United Energy Pakistan |
| 14 | Favad Somro | | Engro Foundation |
| 15 | Zargham Ali Shah | Process Safety Lead | Lucky Motor Corp |
| 16 | Najam Uddin | Private Consultant | - |
| 17 | Aijaz Nizamani | Additional Secretary | Sindh Forest Department |
| 18 | Farhan Hassan | CEO | HOL |
| 19 | Ahmed Mubeen | Head HSEQ | PARCO |
| 20 | Muhammad Jahanzaib | Project Safety Engineer | PARCO |
| 21 | Rashid Ashraf | Sr. Eng. Environment | PARCO |
| 22 | Misbha Mamsa | Projects | Arif Habib |
| 23 | Maham Azam | New Ventures Engineer | HUBCO |
| 24 | Riaz Wagan | Chief Conservator of Forests – Sindh, Coastal Forests and Rangelands | Sindh Forest Department, Government of Sindh |

| # | Name | Designation | Organization |
|----------|---------------------|-----------------------------------|-------------------------------------|
| 25 | Adeel Kharwa | Head of Projects | TPL Properties |
| 26 | Rafi ul Haq | Ecologist | CRAB |
| 27 | Dr. L. Kella | Retd. CCF Sindh | - |
| 28 | Farhan Jabbar | Head of Commercial | Dawood Hercules |
| 29 | Dr. A.J Kazi | Chief Conservator of Forest Sindh | Forest and Wildlife Department, GoS |
| 30 | Ayesha Shafiq | MTO, K-Electric | K-Electric |
| 31 | M. Ahmar Mushtaque | Deputy Manager | K-Electric |
| 32 | Farooq Bhutto | DM | K-Electric |
| 33 | Farwah Shariff | Manager ESG | K-Electric |
| 34 | Sharique Siddique | CEO | PIBT |
| 35 | Dr. Ali Hasan | Deputy Chief HSE | PPL |
| 36 | Ahmer Arif | Country Director | COSARAF Foundation |
| 37 | Saad ur Rehman | HSE Ops. | ENI Pakistan |
| 38 | Samran Bashir | Engineer | PSO |
| 39 | Gilles Maynot | Directeur Technique | ONF International |
| 40 | Rehman Naqi | Chief Guest | |
| 41 | Syed Nadeem Arif | Director | EMC Pakistan |
| 42 | Muhammad Haseeb | Environmental Specialist | EMC Pakistan |
| 43 | Ahmed Zohair | Director Environment Engineer | EMC Pakistan |
| 44 | Dr. Sajidin Hussain | Consultant | EMC Pakistan |

Appendix 4(b): Provincial forum at Lahore

Provincial forums at Lahore – Key discussion points

| Name | Organization | Question | Answer |
|--------------------------|-------------------------------------|--|---|
| Jawad Ahmed | Tetra Pak | What Is a Plan for REED+? As we know all know that private sector work on plans and secondly from where will the private sector be getting land if interested? | Dr. Sajidin answered that Partnership, collaboration and Facilities can be provided by the forest department to private sector, Engro, PIBIT, Shell already active in afforestation, where easily land is available, talk to landowners and forest department. |
| Yasir Ali | Shell Pakistan | What about agriculture sector and What about if they have already participated in forestation previously? | |
| Jawad Ahmed | Tetra Pak | Who takes ownership of project for 30 years? Second Land is an issue? | Dr. Sajidin add That ownership can be both with project developer and funder depending upon mutual agreement. Communities may also be given part ownership. |
| Mian Hafeez Ahmed | Project Director (PM&E Unit) Punjab | <u>Suggestion/Remarks</u> Land is a major concern and businessman concerned about profit; Acceptable business model should be developed. Regulatory authorities, mechanisms needed. Redd+ enabling environment should highlight risk and cost should be available. Financial risks should be addressed by involving private sector in design phase. | Mr. Asif Shuja Khan answered that models are still needed to be developed and therefore feedback is sought and whole event is a part of the project. |

Provincial Forum at Lahore-List of Participants

| # | Name | Organization | Contact No. |
|----|-------------------------|---|--------------|
| 1 | Tehmir Nabi | Board of Management Sundar Industrial Estate | 0317-9997576 |
| 2 | Shams-ul-Haq | Houbara Foundation International | 0333-3556178 |
| 3 | Asif Shuja Khan | EMC Pakistan | 0333-8287816 |
| 4 | Dr. Sajidin | EMC Pakistan | 0336-5320558 |
| 5 | Sohail Iqbal | Sundar (BOM) | 0317-9998090 |
| 6 | Jawad Ahmed | Tetra Pak | 0300-4009813 |
| 7 | Iftikhar-ul-Hassan | Punjab Forest Department | 0300-5557680 |
| 8 | Danish Rashdi | IUCN | 0303-3335769 |
| 9 | Dr. Shelly Saima Yaqub | Punjab Fisheries | 0333-4507787 |
| 10 | Dr. Abdul Aleem | Aleem Conservation Consultant | 0300-4259687 |
| 11 | Ghulam Qadir Shah | NRO MoCC | - |
| 12 | Pervez Manan | NRO MoCC | 0344-5003377 |
| 13 | Kamran Liaqat | QIE | 0308-4612745 |
| 14 | Ijaz Nayer | Habib Rafiq | 0300-8450766 |
| 15 | Mian Hafeez Ahmed | Project Director (PM&E Unit) Punjab | 0301-4461808 |
| 16 | Tehmina Saeed Chaudhury | EC Member | 0300-8425787 |
| 17 | Khurram Shams | EMC Pakistan | 0312-8258324 |
| 18 | Abdul Hadi | EMC Pakistan | 0345-5355511 |
| 19 | Zuianera Shoaib | Coca –Cola Beverages Pakistan | 0307-4446226 |
| 20 | Frederic Jacquemont | TEREA Foundation | +33767265372 |
| 21 | Asees Ahmed | D.H.A Lahore | 0310-8887021 |
| 22 | Nida Rahat | Berger Paints | 0333-1026617 |
| 23 | Yasir Ali | Shell Pakistan | 0301-8213445 |
| 24 | Bushra Siddique | BOM-QIE | 0305-8472602 |
| 25 | Nasir Khan | United Energy Pakistan | 0300-8562066 |
| 26 | Nuzhat Jahan | Mitsubishi Corporation | 0301-8400086 |

Appendix 4(c): Provincial forum at Islamabad

Provincial Forum at Islamabad-Key Discussion Points

| Name | Designation | Question | Answer |
|------------------|--------------------------|---|---|
| Mr. Ijaz Hussain | Director Operation (AID) | <p>The basic question it was that; Do you see a business case in REED or not, since morning I have been follow the discussions and elaborations but still, I am not clear that there was a figure 5 to 10\$ per metric ton of CO₂ and 30\$ of metric ton of CO₂ and then we also saw a figure of 40 billion dollars.</p> <p>So, dollars for activity, which is being discussed in REDD+ about the connections or the flow for the private sector and how this can take place or how will the model be formed to include private sector in this project.</p> | <p>Mr. Frederic answered that I think we can distinguish two things the broken market and the private sector players, so there are two different sectors the public sector and the private sector. Private sector playing active role in the run turning market but on back the carbon emission reducing program will be managed by the World Bank. This is public, government and international program. There are project developers, and they are investing in it</p> <p>Mr. Frederic gave example of land like... suppose you are the landowner and some international companies come and do agreement with you at this time the net rate is zero but after some time it will increase according to the market rate and you will sell and get the profit on market rate.</p> <p>When I gave you 1 million dollars, and you sell the emission reduction on market price so get the investment back in this way you can treat it well and the investors will be happy because they prefer with good price in reinvesting in</p> |

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| | | | <p>the project.</p> <p>Dr. Sajidin answered that there are various players in the market and of course there is public and government sector but at the same time there are many private sector players.e. g the first player who develop the program can be the public sector, the third kind of the investors are the validators which are registered.</p> |
| | | <p>Question which comes in... and again it relates to the first bulletin that obviously it requires a very massive and regulatory legal framework.</p> | <p>Mr. Syed Ghulam Qadir shah replied that I think regulatory framework already exist and lot of area is already available in all the provinces with the forestry departments and the project will be developed with all collaboration with the forestry departments and that could be done and discussed with the forestry department that the investment should be secured, but if there is need of any additional amendment and changes in regulatory framework that can be easily turn based on the project area where the investors is investing.</p> |
| <p>Mr. Gohar Ali</p> | <p>Conservative officer (KPK Forest)</p> | <p><u>Suggestion</u></p> <p>I think there are two issues: one is international and the second is national.</p> <p>But in Pakistan’s basin there is upper area and the lower area. In these</p> | <p>Dr. Sajidin adds: There are two types of activities which can be done for forest,</p> <p>One is greenhouse gas emission and second is carbon sequestration.</p> |

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| | | <p>areas the emission is due to forest which is cut for burning and converts into carbon dioxide. Some forests are cut and used for building and construction purposes.</p> <p>The contribution forest is found in Gilgit, KPK and Azad Kashmir which is used for firewood.</p> <p>We never think of those people that in winter season use this timber for cooking and for warming their houses.</p> <p>The private sector in Pakistan has chance; Automobile industries, power generating industries from fossil fuels etc. They are contributing and are major emitters and they have a good chance to earn good names by using water in the friendliest environment. Power and giving that either to the people or to those provincial government because in KPK major forest is under government of KP.</p> <p>We also share the benefits with people who are living around and depending on these forests.</p> <p>They have many hydropower stations, Swat River, Derr river and this is the story of inside of Pakistan.</p> <p>Those industries who use fossil fuels, furnish oil, coal and all energy sources they are emitters.</p> <p>Industries like Toyota company, cotton industries they can contribute, and they can resolve national issues as well as local issues,</p> <p>By resolving national issues, I mean if they contribute in generating and producing environment friendly power from water and sell it to local</p> | <p>Mr. Syed Ghulam Qadir shah suggested: That first of all the communities which are dependent on forest: you need to give a particular alternate for livelihood and to those industries which want to invest in it.</p> <p>So, the pressure on the committee will be reduced and livelihood option will be created and secondly when forest is safe from cutting the forest will continue to store carbons the deforestation and sequestration.</p> <p>The amount and quantity are stored due to this action, and private sector can use those emissions to neutralize that business to become green business or they can invest these emissions and in future they will sell it on more profit.</p> <p>So, there is no law according to emissions because in Pakistan we have a very less emissions but in foreign countries they have a set of targets for emissions.</p> |
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| | | people on subsidized rates, they would not cut the tree for burning and actually this is the emission because they are compelled for their survival. | |
| Miss. Imrana Komal | Journalist | <p><u>Suggestion</u></p> <p>When we should talk about private sector engagement and REDD+ in Pakistan we have to know that this is not game of money and any kind of business it is part of our natural resources under our natural acids, and they are targeting by land mafia already.</p> <p>When we visit to these areas the household using these woods for cooking and for many other purposes. As we know that we planted lots of trees in billion tree tsunami project and in this project lots of widows and children have participated.</p> <p>We should remember them and provide them a good facility, there should be less tax for investors and when visitors.</p> | |
| Dr. Abdul Jabbar Qazi | Chief Conservative officer (Sindh) | In presentation you did not mention the business model, and what kind of income will we be generating from this model; even you did not mention the place where they have to work and what are the regulation of this project. | <p>Dr. Syed Ghulam Qadir answered that part of this assignment we can do some discussion by laterally with forest department and we can clear this model soon.</p> <p>Dr. Sajjddin answered that there are two ways one is business model and the second is the concept in which we can chose different places that are up to conventional form but for business model there is a lot of time needed to develop the forum.</p> |

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| <p>Mr. Syed Mahmood Nazir</p> | <p>Former I.G (Forest)</p> | <p><u>Suggestion</u></p> <p>Now in this room there are person from chamber of commerce and industry and from private sector. I just met someone from the park view city.</p> <p>What will be the business model for them, we get some forestry terms here but when something is meant for trading, it needs certification.</p> <p>Who will sell it and who will be here to buy it? When we come to this stage that should be a good idea.</p> | |
| <p>Mr. Niaz Kakar</p> | <p>Focal point REDD+ (Balochistan)</p> | <p>It is a very good seminar and a very good effort from Mr. Memon, but please ensure the TORs of this project and I am glad to see the president of the chamber and commerce of Islamabad.</p> <p>I wish you could involve 6 to 8 sessions with chamber of commerce that we introduce the concept of REDD+ and I think it's a very sound investment and hope lots of community will join this, and when two or three models will be successful so hope the deforestation will stop over all Pakistan.</p> | |
| <p>Mr. Hamyun Hameed</p> | <p>Member of Executive committee chamber of commerce Islamabad</p> | <p>I think for the first time we are in this session so as we have to get more awareness; definitely people will think about it, and this should be easy because lots of business forums want to participate in it.</p> | |
| <p>Mr. Kamran Sadeq</p> | <p>Senior Executive officer (OGDCL) Islamabad</p> | <p><u>Suggestion</u></p> <p>As we all know that agriculture sector in Pakistan contribute almost more than 60% of GDP where we talk about the carbon trading.</p> <p>We should involve the agriculture and</p> | |

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| | | farmers because the importance and significance of Pakistan in the case of geography and you can say local weather of Pakistan. We should also create some awareness to farmers in agriculture sector, so we can include this pillar as well. | |
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Provincial Forum at Islamabad-List of Participants

| # | Name | Designation | Organization |
|----|-----------------------|-------------------------|----------------------------|
| 1 | Col Iftekhar (R) | Director Administration | Park View City Islamabad |
| 2 | Frederic Jacquemont | Consultant | TEREA |
| 3 | Hammad saud | Manager IKM | IUCN |
| 4 | Azfar Ansari | IUCN | IUCN |
| 5 | Farhat Shaheen | Senior Environmentalist | EMC Pakistan |
| 6 | Adil Khan | Environmentalist | EMC Pakistan |
| 7 | Shams-ul-Haq Memon | Technical Advisor | EMC Pakistan |
| 8 | Hyder Raza Khan | | Sindh Forest |
| 9 | Dr. Sajaidin | | EMC Pakistan |
| 10 | Muhammad Essa | REED+ Focal Person | Forest Department (GB) |
| 11 | Dr. Faizul Bari | | FAO |
| 12 | Javed | Camera Man | ARY |
| 13 | Usama | BD Officer | AID |
| 14 | Zia-ul-Islam | | NOCL |
| 15 | Dr. Muhammad Bashir | Member EPT | EPT |
| 16 | Zara Qazi | Journalist | GNN |
| 17 | Imrana Komal | Journalist | Bunjaaron |
| 18 | Sajjad Kazmi | Anchor | Such TV |
| 19 | Farrukh Ahmad | | Best Way Cement |
| 20 | Abdul Qadeer | JV Officer | Orient Petroleum |
| 21 | Miss Zartag Gul Wazir | State Minister | Ministry Of Climate Change |
| 22 | Mr. Nisar | Senior Environmentalist | EMC Pakistan |
| 23 | Hania Sabeen Minhas | Environmental Manger | Park view City |
| 24 | Abid Ali | Journalist | Samma Tv |
| 25 | Irfan Rasheed | | Glade Vista |
| 26 | Syed Toqeer-ul-Hassan | Journalist | Daily Asas |
| 27 | Shahzad Ahmed | Director | Glade Vista |
| 28 | Farah Nasir | Manager | HBL |
| 29 | Irtaza Qureshi | DFO | AJK Forest Dept |
| 30 | Ghulam Qadir Shah | | NRO |
| 31 | Bilal Ahmed | | AJK Forest |

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| # | Name | Designation | Organization |
|----|-----------------------|------------------------|------------------------------|
| 32 | Huma Khawar | | Free Laun Consultant |
| 33 | Afrasiyab | | NRO |
| 34 | Atif Tanveer | | Mari Petroleum |
| 35 | Asif Shuja Khan | COO | EMC Pakistan |
| 36 | Kamran Siddique | HSEQ Officer | OGDCL |
| 37 | Syed Muhammad Nazir | | TNCI |
| 38 | Asif Turangzai | ADB | |
| 39 | Niaz Khan Kakar | Conservative Officer | Forest & Wildlife Department |
| 40 | Iftikhar-ul-Hassan | | Punjab Forest Department |
| 41 | Muhammad Ali Shaukat | | Mari Petroleum |
| 42 | Gohar Ali | Conservative Officer | KP Forest Department |
| 43 | Mehmood Akhtar Cheema | Country Representative | IUCN |
| 44 | Ijaz Hussain | | AID |
| 45 | Farhat Jabeen | RA | NRO |

Appendix 5: Photo log of Provincial Forums Meetings

Provincial Forum at Lahore on 18th November, 2021



National Forum at Islamabad, 22nd November, 2021



