

# Partnering with Indigenous Peoples & Local Communities to Achieve a High-Integrity Voluntary Carbon Market

The voluntary carbon market exists to help channel investment towards keeping the global average temperature within 1.5 °C, in line with the goals of the Paris Agreement. We cannot overstate how desperately urgent this imperative is.

For some time now, at the Integrity Council we have been saying that we need every tool available working at full speed to channel investment towards keeping the global temperature within 1.5°C, in line with the goals of the Paris Agreement.

Recently, UN Secretary General António Guterres made this point when he called for a quantum leap in climate action saying: "Our world needs climate action on all fronts – everything, everywhere, all at once."

Governments and philanthropies cannot achieve this on their own. Mobilising private capital will be a deciding factor in whether we achieve this goal.

High-integrity carbon credits can unlock urgently needed finance that would not otherwise be available to reduce and remove billions of tonnes of emissions that would not otherwise happen, particularly in emerging markets.

But the voluntary carbon market will only deliver on its promise if it is rooted in high integrity.

Inclusivity and co-creation are fundamental to integrity.

Indigenous Peoples and Local Communities (IPs & LCs) are both critical stewards of forests and ecosystems that can become carbon sinks and are often among the most marginalised segments of the population.

More than one third of the natural forests and biodiversity on Earth is located within indigenous lands. However, between 2011 and 2020, less than 1% of official designated assistance for climate change, and less than 5% of official designated assistance for general environmental protection, went to IPs & LCs land tenure and forest management.<sup>1</sup>

Furthermore, the low percentage (17%)<sup>2</sup> of IPs & LCs tenure and forest management and the notable exclusion of women in governance structures and decision-making, underscores the urgent need for an innovative approach to inclusivity and participation in IPs & LCs in climate finance.

#### The Integrity Council and IPs & LCs

Our ability to achieve a transition to 1.5°C on a global level depends on ensuring IPs & LCs are able to continue managing vital ecosystem services at the local level. A high-integrity voluntary carbon market (VCM) is an important, complementary tool to put vital funding into the hands of IPs & LCs. But to deliver, it is critical that they have agency to continue managing vital ecosystem services at the local level and are included in climate and nature-based solutions affecting them.

This is why at the Integrity Council we are working with representatives of IPs & LCs to develop standards, processes, and engagement models for a high-integrity VCM that protects and promotes their rights and livelihoods and accelerates the supply of high-quality carbon credits, including those from activities led by IPs & LCs.

<sup>&</sup>lt;sup>1</sup> World Resources Institute, 9 Facts About Community Land and Climate Mitigation, October 2021: 9-facts-about-community-land-and-climate-mitigation.pdf (wri.org

<sup>&</sup>lt;sup>2</sup> Funding under the leadership of Indigenous organisations, Rights and Resources Initiative & Rainforest Foundation Norway, Funding with Purpose, September 2022: (rightsandresources.org)



The Integrity Council is deeply committed to working in partnership with IPs & LCs to ensure the VCM protects and promotes their rights and livelihoods, sees them as strategic partners and accelerates the benefits from high-quality carbon credits to activities led by IPs & LCs and IPs' & LCs' sustainable development.

To ensure ICVCM decision-making frameworks and outputs embed IPs' & LCs' voices and knowledge as strategic partners; and help accelerate the supply of high-integrity carbon credits from IPs & LCs-led projects, the Integrity Council works to engage and consult IPs & LCs voices both externally as well as within the organisation and the key decision-making bodies of its governance framework.

#### **Governing Board**

Since the establishment of the Integrity Council, three dedicated seats on its Board have been reserved for IPs & LCs voices.

These seats are currently occupied by:

- Jennifer Corpuz, Global Policy and Advocacy Lead for Nia Tero;
- Dr. Francisco Souza, ICVCM Board Member; and
- Dr. Kanyinke Sena, Director for the Indigenous Peoples of Africa Coordinating Committee.

As distinguished from industry representatives on our Governing Board, IPs & LCs members on our Governing Board are **fully participating and voting members who are proactively engaged in shaping and approving decisions and outputs**, including those related to the recently released CCPs, Program-level Assessment Procedure and Program-level Assessment Framework.

#### **Expert Panel**

The **Expert Panel (EP)**, an advisory body which is also supported by a body of Subject Matter Experts, also benefits from independent **members with significant expertise of working with IPs & LCs**, including:

- Daniel Ortega-Pacheco, Co-Chair of the EP and Director of the Center for Public Policy Development at the ESPOL Polytechnic University;
- Felipe de Leon, an independent Advisor and an international climate change consultant; and
- Sue Phillips, Managing Director at Gender Tech Enterprises.

To provide the EP with additional resourcing and expertise and strengthen our ability to engage and collaborate with IPs & LCs, the Integrity Council is currently **recruiting dedicated IPs & LCs Subject Matter Experts.** 

### **Distinguished Advisory Group**

The Integrity Council also benefits from the strategic insight and advice of IPs & LCs representatives on our Distinguished Advisory Group:

- Hindou Ibrahim, President of the Association for Indigenous Women and Peoples of Chad (AFPAT) and an environmental activist and member of Chad's pastoralist Mbororo community; and
- Tuntiak Katan, a member of the Shuar people, former general coordinator of the Global Alliance of Territorial Communities (GATC).

## **Executive Secretariat**

To increase our overall organisational capacity and provide additional internal resourcing and expertise to strengthen our outreach, engagement and collaboration with IPs & LCs, the Integrity Council now has an IPs&LCs manager in place and is recruiting subject matter experts.

The first of the new team members, Johnson Cerda joined as Director IPs & LCs on secondment from Conservation International in June. He and his colleagues will help support the ongoing work to strengthen the CCPs, particularly relating to sustainable development and ensure representation of



IPs & LCs voices in the upcoming assessment of categories of credit types (including project-based and jurisdictional REDD+).

Johnson is leading the internal IPs&LCs Taskforce actively working to increase both internal expertise and external engagement with multiple diverse stakeholders. One of the Taskforce goals is to help develop and hold a space for IPs&LCs engagement in the market, as requested during a workshop held at COP27 on how the VCM can work better for IPs&LCs.

The aim of these efforts is to support the future iterations of the Assessment Framework, as well as enhance and improve the overall engagement and involvement of IPs&LCs in the market.

The new members of the Secretariat will supplement the work led by Judith Walcott, UNEP (UN Environment Programme) - Programme Officer, Climate Change and Biodiversity, UNEP-WCMC at the UN Environment Program, who will continue to serve as an external adviser to the Integrity Council on IP & LC engagement.

See Appendix 1 for an overview of how IPs & LCs are embedded in our governance and decision-making; and keys points of influence.

#### IPs & LCs and the CCPs

#### On 30 March 2023, the Integrity Council published:

- the updated Carbon Credit Principles (CCPs), which set out fundamental principles for highquality credits that create real, verifiable climate impact, based on solid science and best practice;
- the Program-level Assessment Framework which provides detailed criteria for assessing carbon-crediting programs against the benchmarks set out in the CCPs;
- the Assessment Procedure, explaining the process for implementing the CCP label in the market; and
- the list of CCP Attributes, 'tags' carbon credit programs can apply to highlight additional quality features of CCP-labelled carbon credits.

These documents were incorporated with minor updates into the complete documents published on 27 July 2023.

The CCPs are the result of consultation and collaboration. The Integrity Council sought and drew upon insights and inputs from a range of sources, including other initiatives on carbon-crediting quality, other processes and the Tropical Forest Credit Integrity (TFCI) Guide.

The Integrity Council engaged **extensively with IPs & LCs voices during the development of the CCP standards**, including via the public consultation on the draft CCPs and the **pre-consultation workshops** in 2022 which provided important insights that helped shape the consultation draft.

These engagements included:

- UN Permanent Forum on Indigenous Issues, 5 May 2022 joint event with VCMI;
- Conservation International GDM on IPLCs, 26 May 2022;
- Peoples Forests Partnership written input on draft CCPs;
- Oslo Tropical Forest Forum, 21-22 June 2022.

The Integrity Council **engaged proactively with a number of organisations that represent IPs & LCs** on key issues, including, for example:

- the Rights & Resources Initiative,
- the Peoples Forests Partnership, and
- the FSC Indigenous Foundation.



Over the course of the consultation on the CCPs, and on an ongoing basis since, the Integrity Council has made its key **documents available in English, French, Spanish, and Portuguese.** 

Following the release of the CCPs in March 2023, we have begun the process of adding Chinese and Bahasa as additional languages. We continue to review and respond to guidance and feedback on how best to communicate and engage **IPs & LCs stakeholders**.

The development of the CCPs also benefited from learnings gained via a **series of dedicated webinars** for IPs & LCs and their representative organisations and an extensive series of public and thematic briefings and workshops which the ICVCM hosted in Spanish or in English with live interpretation.

The dedicated webinars were attended by participants from countries including Colombia, Costa Rica, Ecuador, Guatemala, Nicaragua, Colombia, Argentina, Brazil and Mexico.

During the webinars, participants were briefed on the consultation documents with a particular focus on key issues for IPs & LCs. The sessions also included a series of questions and offered participants the opportunity to provide comments on the consultation documents, which were included in the official consultation feedback statement.

#### The webinars included:

- 25.08.22: Dedicated briefing for IPs & LCs representative organisations (English);
- 13.09.22: Dedicated IPs & LCs Workshop: hosted in English with translation into Spanish, French and Portuguese (recording and slides published <a href="here">here</a>);
- 14.09.22: Dedicated IPs & LCs Workshop: hosted in English with translation into Spanish, French and Portuguese;
- 21.09.22: Dedicated Spanish language IPs & LCs Workshop.

Members of IPs & LCs were actively encouraged to submit formal responses to the consultation, which included specific questions on project-based and jurisdictional REDD+ crediting. (Note: IPs & LCs were offered an extended deadline to submit responses in consideration of technical issues experienced on one of the webinars.)

The Integrity Council received more than 100 comments in submissions from nine IPs & LCs organisations or NGOs working closely with IPs & LCs with the majority of comments focusing on Sustainable Development Impacts and Safeguards. All the comments we received have been <a href="mailto:published">published</a> and carefully reviewed and considered by the Expert Panel, the Standards Oversight Committee and the Board in preparing the final outputs.

The Integrity Council plans to improve and strengthen the CCPs over time, updating them every two to three years, based on experience, the latest science and technology and new developments in the market.

The work of reviewing and revising Assessment Frameworks will be carried out on an ongoing process.

The review process will be supported by **multi-stakeholder work programs** which will include representatives from IPs & LCs, programs, project developers and other key stakeholders.

We expect to launch the first process to revise the CCPs and Assessment Framework in 2025, ready for implementation in 2026. (See Appendix 1).

Speaking about the standards set out in the CCPs, **Dr Francisco Souza, ICVCM Board member**, said: "Indigenous Peoples and local communities have a vital role to play in achieving net zero because they manage and protect around 40% of the planet's ecologically intact landscapes. The CCPs respect the importance of Indigenous Peoples and local communities and will ensure that high-



integrity carbon credits recognise and safeguard their rights, livelihoods and values. The CCPs can also catalyse robust mechanisms to share the benefits of climate mitigation projects with the communities managing and safeguarding the natural ecosystems connected to those projects."

#### IPs & LCs and the ICVCM, going forward together ...

The Integrity Council is committed to developing and ensuring the responsible growth of a high quality VCM characterised by integrity and transparency by:

- ensuring its decision-making frameworks and outputs embed IPs & LCs voices and knowledge as strategic partners; and
- helping accelerate the supply of high-integrity carbon credits from IP & LC-led projects.

To guide and direct its efforts in this critical area for action, the Integrity Council has an **Internal Taskforce** chaired by IPs & LCs Board members and with representatives from across each of our governance bodies.

 The Taskforce was established to take forward the insights and actions that resulted from a highly informative exchange with IPs & LCs representatives from across South and North America, Arctic, Africa, Asia and the Pacific Islands at COP27 in Egypt.

The Internal Taskforce is responsible for the ongoing development of our IPs & LCs representation, engagement strategy and outreach.

The Taskforce will seek out initiatives and organisations where **collaborations and partnerships** with IPs & LCs will enable the ongoing dialogue and sharing of insights required to create and reform existing carbon market standards.

The African Carbon Markets Initiative (ACMI) is a key example of how IPs & LCs representation has strengthened the Integrity Council internally and provided both organisations with opportunities for even deeper sharing of skills and expertise through shared membership including Annette Nazareth, Member ACMI Steering Committee and Chair of the AA Workstream, and Chair of the Integrity Council Governing Board.

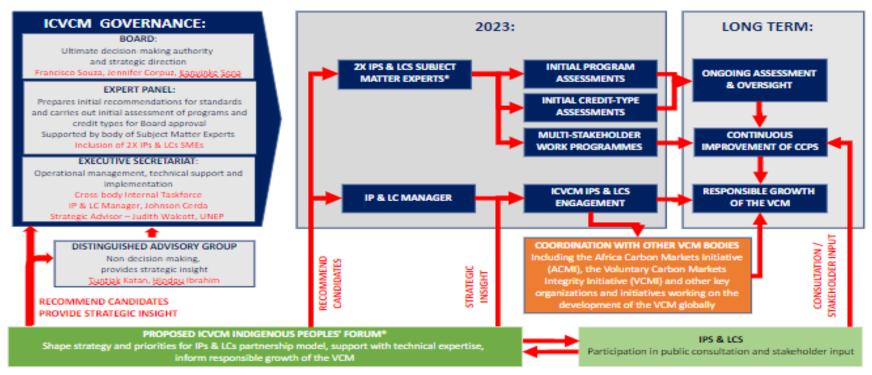
Annette Nazareth, Chair of the Integrity Council, said: "The climate crisis is ultimately about people and Indigenous Peoples and local communities are critical to our ability to mitigate climate change and build a liveable future. We cannot achieve that goal without the benefit of indigenous wisdom and expertise. That means we need IPs' & LCs' voices at the decision-making table with us as partners in the development of our standards and the responsible growth of the voluntary carbon market. We know there is more we need to do to engage with this critical group of stakeholders to ensure our standards and the wider VCM protect and promote their rights and livelihoods. We are deeply committed to this imperative and look forward to working with all our partners to make sure our process and the outcomes we create are genuinely inclusive."



Appendix 1: How IPs & LCs are embedded in ICVCM governance and decision making, and the key points of influence



# IP&LC VOICES IN INTEGRITY COUNCIL'S GOVERNANCE





\*Proposed additional resource