

Indigenous Peoples and Local Communities VCM Engagement & Advocacy Forum Concept Note

Executive Summary

The *IPs & LCs VCM Engagement Forum* (“The Forum”) is the principal output of a two-year effort and series of workshops led by the Integrity Council for the Voluntary Carbon Market (ICVCM), including a multistakeholder event alongside The Nature Conservancy (TNC) at COP27. At this Workshop, participants highlighted the need for closer coordination and targeted capacity building to support strengthened engagement of Indigenous Peoples and local communities (IPs & LCs) in a high integrity voluntary carbon market (VCM).

Through an active and centralized engagement forum, IPs & LCs in the VCM can support and empower communities in the right way, growing IPs & LCs participation as shareholders and delivering significant benefits such as enhancing land rights, income opportunities and biodiversity protection. But to accomplish these objectives we need the right partners around the table.

Out of all the feedback and input received, the IPs & LCs Taskforce presents in this Document the preliminary version of the Forum structure and scope. Its strategy, target vision and objectives may undergo further refinement and strengthening over time, especially as Forum members join and additional engagements and dialogues with IPs & LCs in the market occur. Continuous feedback and interactions will play a crucial role in shaping the Forum into an effective and responsive platform.

Most of the feedback received during the engagement and consultation process is reflected in this and other comprehensive documents. The decisions regarding which feedback to incorporate were made by the ICVCM IPs & LCs Task Force, with recommendations provided by the Secretariat team based on the level of support for ideas during consultation, adherence to best practices and practical implementation considerations. Certain proposals will undergo further review during the development of the Forum Strategy and Implementation Plan, particularly if they remain relevant to practical delivery.

The Forum will receive a copy of all the collected feedback and may choose to reconsider certain suggestions at a later date. Furthermore, specific topics have been identified for the Forum's Governing Board to make decisions on once it is established.

Why a Forum?

The VCM and high-integrity carbon credits can unlock urgently needed private capital that would not otherwise be available to reduce and remove billions of tonnes of Green House Gas (GHG) emissions, particularly in emerging markets. IPs & LCs are stewards of critical ecosystems worldwide, and many are potential hosts for or have active projects generating carbon credits. However, IPs & LCs remain among the most underserved segments of the population and receive the least assistance and benefits from climate finance.

A high-integrity VCM should ensure that IPs & LCs have the agency to continue managing vital ecosystem services at the local level. It is of primary importance that carbon-credit generation projects or programs deliver sustainable development benefits for the communities where they are hosted, ranging from financial profit and project ownership to job generation and well-being.

A VCM-wide engagement forum has great potential to strengthen and coordinate IPs & LCs engagement with the market, supporting and empowering communities in the right way and growing IPs & LCs participation as shareholders, delivering benefits such as income opportunities and biodiversity protection.

The Forum serves as a shared workspace where public and private specialized agencies, organizations, market actors and representatives of IPs & LCs, along with the broader VCM, collaborate to empower IPs & LCs. The goal is to foster their participation and amplify the benefits they derive from the VCM.

What is the IPs & LCs VCM Engagement Forum and how will it deliver?

The IPs & LCs VCM Engagement Forum for the VCM is a self-governing platform focused on the integration, access and coordination of IPs & LCs in the market, both as beneficiaries and shareholders. A central coordinating space enabling market actors to engage with IPs & LCs in a more structured way, elevate advocacy and can be utilized to enhance transparency in the market while clarifying and stating the rights and role of the IPs & LCs.

Throughout 2023, the Team developed a concept note presenting the foundations and structure of the IPs & LCs VCM Engagement Forum. This proposal has been informed and revised on multiple occasions in dialogue and consultation with IPs & LCs individuals and organization representatives from around the world through public workshops, engagement events and a public survey. As the Forum is established it will use the Concept Note as the basis to develop its strategy and implementation plan.

The Forum will be hosted by the ICVCM and market partners, including the Voluntary Carbon Markets Integrity Initiative (VCMI).

Forum Purpose, Objectives and Scope of Activities

It is anticipated that the Forum will:

- Contribute to the climate objectives of the Paris Agreement while safeguarding the rights of IPs & LCs in the VCM; and
- Strengthen the contribution of IPs & LCs as partners in a high-integrity VCM.

The draft purposes for the Forum are:

- Create a vision to influence the VCM's decision-making;
- Build policy positions in a collective manner;
- Strategically relate with ICVCM, VCMI and other VCM governing entities and organizations working toward high-integrity markets; and
- Enhance awareness and capacities relating to the VCM across IPs & LCs.

The Forum is not intended to replace community consultation and engagement, rather it is intended to promote shared best practices and development, especially on issues related to IPs & LCs, to strengthen carbon market integrity, transparency and inclusion.

The Forum is expected to identify and seek to address IPs & LCs' priorities and opportunities in the VCM, including by:

- Facilitating knowledge exchange and capacity building with experts from across the VCM through technical reports, case studies, and workshops;
- Offering a platform to elevate advocacy and support for the involvement and expansion of IPs & LCs-led projects;
- Connecting communities with access to technical assistance and best practice; and
- Co-creating IP & LC-led solutions to common challenges across the project cycle.

The Forum's strategy development over time is expected to inform long-term planning and objectives. The Forum is expected to identify issues and areas that should be addressed through the activities.

Examples of areas that the Forum may be expected to cover include:

- Providing technical assistance and best practices to reduce operational complexities and dependence on third-party activities, including legal matters and capacity-building resources. For example, offering tools and information to help understand complex paperwork and documents;
- Making recommendations to support the design of high-integrity principles to protect the interests of IPs & LCs in the VCM.
- The Forum's role is expected to extend beyond generating outputs for the VCM. Members may wish to decide to commission technical reports, sourced from Forum partners, contributors or external organizations. If they do so, these reports would likely play a crucial role in shaping the Forum's decision-making processes and improve market decision and rulemaking. These outputs would likely take the form of guidance documents or other products, such as work papers that showcase best practices in benefit sharing and provide expert guidance on capacity building, among other topics.

Work is planned to develop an indicative strategy and implementation plan throughout the 24/25 financial year, this will be informed by engagement and consultation with stakeholders. The ICVCM has The Forum's Governing Board will be made up of IPs & LCs representatives from around the world and supported by ICVCM staff members experienced in working with IPs and LCs.

The Forum will also be invited to develop strong partnerships. A range of opportunities have been identified to partner with the Forum to ensure a successful co-hosting and collaborative approach to the development and running of the Forum. The ICVCM will be the lead host organisation, responsible for coordinating the efforts of partners to ensure the long-term operational capacity of the Forum.

As the Forum defines its strategy and implementation plan, partnership opportunities may evolve over the coming 12-24 months. To clearly define initial contributions to the Forum, these partnerships will be defined, as supporting or contributing partners. This ensures that the different types of value and commitment that partners may be able to offer are recognised appropriately.

The Forum's role extends beyond generating outputs for the VCM. Members will have the authority to commission technical reports, sourced from Forum partners, contributors or external organizations. These reports play a crucial role in shaping the Forum's decision-making processes. Armed with this information, the Forum will produce outputs that serve to brief the market. These outputs may take the form of guidance documents or other products, such as work papers that showcase best practices in benefit sharing and provide expert guidance on capacity building, among other topics.

The Forum's Positioning

Many relevant forums focusing on IPs & LCs rights and role in many industries currently exist, such as Local Communities and Indigenous Peoples Platform (LCIPP), International Fund for Agricultural Development (IFAD) and United Nations Permanent Forum for Indigenous Issues (UNPFII). These forums already function to promote the exchange of experiences and good practices for addressing climate change in a holistic way and build capacity for engagement.

What marks this new forum out from existing forums is the focus on providing a platform for the exchange of information, expertise and experience regarding IPs & LCs participation and capacity building specifically in the VCM.

To ensure a purposeful and valuable positioning, the Forum will define its own objectives. The Forum will also strive to engage and collaborate with other existing forums and institutions, as proximities are identified to avoid duplicating work.

The same applies within the VCM. There are organizations, standards and groups that in diverse ways focus on IPs & LCs issues. It is proposed that the Forum ensures this alignment in the following ways:

- Members of the Governing Board to be individuals who have experience within or an interest in the VCM and as members of IPs & LCs; and
- To hold focused discussion groups with technical experts, wider VCM actors and stakeholders as required to ensure a diverse and inclusive range of views feed into Forum debates and inform decision making.

As the Forum becomes more established, it may wish to expand how it engages with technical experts, the wider VCM and other IPs & LCs engagement groups. However, as the above shows, the Forum concept at inception includes alignment and collaboration with the wider VCM and other IPs & LCs groups to ensure the best possible outcomes for all.

The leadership and decision making of the Forum will be undertaken by the 'Governing Board', made up of IPs & LCs representatives with VCM experience from around the world.

The Forum Structure

To allow a diverse and structured system of decision-making and participation, the forum governance will comprise different levels of involvement:

The **Forum Governing Board members ("Governing Board")**: nominated members involved in the strategic level decision-making and leadership of the forum. The board will include a chair and a nominated vice-chair from among the proposed seats:

- x2 Africa (regional representatives)
- x2 Asia (regional representatives)
- x2 LATAM (regional representatives)
- x1 Northern region
- x1 Oceania
- x1 Chair*

** A vice-Chair will be selected by the Forum from its members. The Forum may wish to explore an alternative chairing model, such as Co-Chairs, once they meet formally.*

Once the Forum develops its strategy it will consider the most appropriate way to include technical expertise within its decision making. In the interim, co-hosts and wider partners will provide technical support as required.

Participants: non-voting stakeholders to join in discussion groups and open meetings defined by the Governing Board. Example of type of participants, but non-limited to:

- VCM Technical Experts;
- Private sector representatives;
- Other IPs & LCs individuals or organization representatives; and
- Participants of United Nations Framework Convention on Climate Change (UNFCCC) workshops.

In all the Forum governance, diversity is encouraged at geographical, gender, age and other background levels.

A robust, diverse and fair governance is important, and therefore the following requirements will be applied to the Forum members' seat:

- All members should be acting in an individual capacity.
- All seats will be allocated one alternative member to ensure recurring representation.
- The seats allocation will be rotated every 2 years.
- The new members will be set by open public nominations and selection by the Forum Governing Board and Secretariat.

Members will be appointed for a 2-year term during the first round of appointments. Once the Governing Board of the Forum is established, it will determine the most suitable approach to ongoing seat rotation, such as a 50% seat rotation system.

Seats allocation and criteria

As this aims to be a Forum for IPs & LCs led by IPs & LCs, seats will be assigned through an open nomination process. Details of this process:

1. Individuals will be able to nominate themselves for one or multiple Forum member seats.
2. Nominees will be encouraged to provide endorsement or recommendation letters.
3. The nomination will be open until 25th of February 2024.
4. Once the period is closed, the Forum Secretariat will review and process the applications for evaluation by the IP & LC Forum Selection panel.
5. The short list selection will be done by the IPs and LCs Forum Selection Panel following due diligence.
6. Once a shortlist is completed, a further form or interview may be required.
7. Announcement of selected forum members.
8. Post nomination, the Secretariat of the forum will proceed with arranging all necessary logistics and paperwork and set up the first meeting of the IPs & LCs VCM Engagement Forum.
9. The final seats profiles will be publicly announced.

The seat profiles are described through a comprehensive list of desired criteria in Appendix 1. Not all criteria must apply to nominees.

The nominations process will close on the 25th of February 2024, once the process closes the Forum Secretariat and the IPs & LCs Forum Selection panel will review the applications and create a shortlist to proceed to the final stage.

The final stage process is in development; however, it is possible a second form, references and/or interview may be required to cover any queries raised in the shortlisting process and to ensure due diligence is completed.

All nominees for **Regional Seats** will be informed of the initial outcome of their application by no later than the end of April 2024, with final decisions by no later than the end of June 2024

Nomination applications for the position of **Forum Chair** shall be evaluated by Regional Seat Members after their appointment. This process will start during the first Forum meeting, which is anticipated to be held in June 2024.

After this meeting, an update from the Forum Secretariat shall be provided to Forum Chair Nominees.

The details of the nomination and selection process are available on the Terms of Reference document (Appendix 1).

The Forum logistics

The Forum members will be expected to meet regularly. To operationalize the Forum, logistics and administration processes are being defined, including:

- The means of discussion and decision-making for the Forum will be through scheduled virtual meetings for three hours every month.
- Accessibility requirements, such as translation needs, will be considered and arranged as necessary.

- The Governing Board members will not be remunerated for their role in the Forum, however in instances where finances would be a barrier to participation this may be considered. Expenses for Forum activity will be reimbursed (subject to approval by the Chair).
- A dedicated secretariat will provide support in delivering outputs to achieve the forum's objectives.

Further details will be defined as the Forum is launched, and the strategy and action plan are set.

The Forum Secretariat

The Secretariat will be composed of members of the co-hosts and partners. The team will support the operations of the Forum and will be responsible of multiple tasks, including:

- Prepare and execute Forum meetings;
- Facilitate input flows and distribution of outputs;
- Ensure the work of the ICVCM and partners is reflected;
- Identify, develop, and manage partnerships;
- Coordinate the creation of Forum documents such as the ToR, Access Strategy with partners; and
- Develop and submit funding bids to deliver Forum activity.

During initial stage, the ICVCM is committed to providing at least 80% of their permanent IPs & LCs Associate Director (approximately 4 days a week) to manage the Forum secretariat and to lead funding application bids from 2023-2025 in collaboration with the ICVCM General Manager, along with funding to support Forum activity alongside its own work with IPs & LCs. While any long-term commitment is to be confirmed due to the Forum's strategy development, the ICVCM is committed to supporting the Forum in the longer-term.

Why the ICVCM

The ICVCM is an independent governance body for the voluntary carbon market, which aims to ensure the voluntary carbon market accelerates a transition to 1.5°C.

The ICVCM aims to set and maintain a voluntary global threshold standard for quality in the voluntary carbon market. The threshold standard is based on ICVCM's Core Carbon Principles (CCPs) and is implemented through an Assessment Framework which sets out what high quality means by reference to those principles. The result is a threshold standard and label that provides a credible, rigorous, and readily accessible means of identifying high-quality carbon credits.

Markets must deliver investment at scale to achieve transformational impact. High-integrity markets that trade CCP-labelled credits generated from projects benefiting host communities will establish the framework necessary for this transformative process.

The ICVCM firmly believes that IPs & LCs play a fundamental role in the development of high-integrity projects and should actively participate and derive benefits from the market as key stakeholders.

The ICVCM established the IPs & LCs Taskforce, an internal team built to coordinating a dedicated workstream, while ensuring the inputs are fed back to the continuous improvement work of the Core Carbon Principles (CCPs). The task force aims to facilitate collaborations and partnerships, provide guidance and expertise, as well as ensure engagement with and input from IPs & LCs. The ICVCM IPs & LCs Taskforce team led the development of the *IPs & LCs VCM Engagement Forum*.

Get Involved

Each region and each community are different, although there are many shared issues and opportunities in the VCM. To create a practical and sustainable solution, a solid structure based on engagement and collaboration needs to be built and embedded in the market. Further than the inclusion of IPs & LCs voices within the governing bodies of VCM actors, external coordination led by IPs & LCs for IPs & LCs needs to exist to ensure their involvement as shareholders.

With global, diverse and active participation, the VCM could succeed at protecting the collective and individual rights of the people involved in carbon credit-generating projects, and ensuring communities benefit from the positive impacts a high-integrity market can provide.

The Forum will be hosted by the ICVCM and market partners, including the VCMI. To ensure a successful co-hosting and collaborative approach to the development and running of the Forum, a range of opportunities have been identified to partner with the Forum and the ICVCM. The ICVCM will be the lead co-host organisation, responsible for coordinating the efforts of partners to ensure the long-term operational capacity of the Forum.

The diverse identified partnership opportunities are described in the partnership model. A call for partners is open.

Appendix

Appendix 1 – Membership criteria

Regional

- Be an indigenous person or member of a local community
- Are able to represent all IPs & LCs from their region impartially
- Have knowledge in regional issues and legislative contexts
- Person with knowledge or interest in the voluntary carbon market
- Be endorsed by their community, institutions or organisations
- Have experience in decision-making committees or groups
- Have the time and commitment to attend meetings

Regional – North Region

- Be an indigenous person or member of a local community
- Are able to represent all IPs & LCs from their region impartially
- Have knowledge in regional issues and legislative contexts
- Be endorsed by their community, institutions or organisations
- Have experience in decision-making committees or groups
- Have the time and commitment to attend meetings
- Person with knowledge or interest in the voluntary carbon market

Regional – Oceania

- Person with knowledge or interest in the voluntary carbon market
- Be an indigenous person or member of a local community
- Are able to represent all IPs & LCs from their region impartially
- Have knowledge in regional issues and legislative contexts
- Be endorsed by their community, institutions or organisations
- Have experience in decision-making committees or groups
- Have the time and commitment to attend meetings

Chair and Vice-Chair Seats

- Proven record of previous or active roles as chair of technical working groups
- Have knowledge of carbon markets
- I have knowledge or experience directly with IPs & LCs
- Expertise in managing disagreements between groups
- Experience navigating dynamics within complex political systems
- Neutral global positioning

All members

- Experience promoting the inclusion, participation and engagement of women, youth, people with disabilities and other marginalized groups
- Access to internet and the technology needed to actively participate in online calls and conferences