

Climate Finance, Results-based Payments and Conservation by Indigenous Peoples and Local Communities

A Working Paper of the ICCA Consortium and the Community Conservation Resilience Initiative

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November 2016



Series Sponsors: The Christensen Fund and UNDP GEF SGP

This working paper was produced in collaboration with the Community Conservation Resilience Initiative and the Global Forest Coalition, with support from BMUB. It is intended to be a work in progress; it will be revised and published as a report and policy brief in 2017. Any comments may be sent to holly@iccaconsortium.org.

Suggested citation: Lovera, S., H. C. Jonas, S. Fischer and C. de la Plaza, with G. Borrini-Feyerabend, M. E. Didane, T. Farvar, S. Saifaleupolu, and A. Singh. 2015. **Climate Finance, Results-based Payments and Conservation by Indigenous Peoples and Local Communities.** Working Paper of the ICCA Consortium and Community Conservation Resilience Initiative, available online at <http://globalforestcoalition.org/resources/supporting-community-conservation> and www.iccaconsortium.org.

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Acknowledgements: We wish to express our thanks to the many people who shared their insights and comments on drafts of this report, including Mary Lou Malig, Tanya Conlu and Kim Sander Wright.

Disclaimer: The views expressed in this companion document do not necessarily reflect those of all the members of the ICCA Consortium or the sponsors, or of all participants in the Community Conservation Resilience Initiative.

Cover image: Women working on a community tree-planting initiative in Rajasthan, India. Courtesy: Aman Singh / KRPAVIS.

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List of Acronyms and Abbreviations

BECCS	Bioenergy in combination with carbon capture and sequestration
CBD	Convention on Biological Diversity
COP	Conference of the Parties
CSA	Climate-smart agriculture
ICCA	Indigenous peoples' and community conserved territories and areas
FPIC	Free, prior and informed consent
GEF-SGP	Global Environment Facility Small Grants Programme
GHG	Greenhouse gas
INDC	Intended Nationally Determined Contributions
IPCC	Intergovernmental Panel on Climate Change
IUCN	International Union for Conservation of Nature
MRV	Measurement, reporting and verification
REDD+	Reducing Emissions from Deforestation and forest Degradation and enhance forest carbon stocks
UNFCCC	United Nations Framework Convention on Climate Change

1. Introduction

Climate change is one of the most significant contemporary threats to indigenous peoples, local communities and women therein. Climate change and climate-induced natural disasters have significant implications for the connectivity and healthy functioning of ecosystems and biodiversity upon which they depend and thus also for their water, food and resource sovereignty and cultural and spiritual practices.

On the other hand, conservation and restoration initiatives by indigenous peoples, local communities and women not only contribute to enhanced climate resilience of countries and communities, but also contribute significantly to mitigating climate change. A growing body of literature confirms a strong correlation between the level of legal recognition of indigenous peoples' and community forest rights and their abilities to prevent deforestation, maintain forest health and connectivity, and lower carbon dioxide emissions.¹ Conversely, where communities have no or weak legal rights, their forests are vulnerable to deforestation and carbon dioxide emissions. Even when communities have legal rights to their forests, government actions that undermine those rights can lead to deforestation and high carbon dioxide emissions, though communities can sometimes partly overcome such challenges through collective action.²

More broadly, addressing the drivers of ecosystem degradation does not require a huge financial investment. Instead, it requires a redirection of the financial flows that currently support and enable such degradation, including industrial bioenergy projects, large-scale livestock production and other unsustainable industries. Aichi Target 3 of the Strategic Plan for Biodiversity 2011-2020 of the Convention on Biological Diversity (CBD) gives a clear mandate to eliminate or reform perverse incentives that lead to ecosystem degradation before 2020 and to establish positive incentives for biodiversity conservation.

There is growing consensus that appropriate recognition of and support for indigenous peoples' and community conserved territories and areas (ICCAs) and other community conservation initiatives is one of the most effective and equitable non-market-based approaches to motivate women and men to conserve and restore forests and other ecosystems. Key factors in the success of such initiatives include strong community leadership, agency, capacity, effective participation of women, traditional knowledge and practices, and confidence to advocate for themselves.

However, due to the inherently complex relationships between soils, ecosystems and the atmosphere, it is impossible to accurately account for the positive or negative impact of certain community conservation and restoration practices on the climate. These initiatives should be appropriately recognised and supported and comprehensively reported on, including within the global climate regime – but they cannot be 'accounted' for. In light of these inherent methodological complications, land use related emission reductions should not be used to offset emissions from energy or other sectors, as this would fatally undermine an already weak climate regime.

¹ Stevens, C., R. Winterbottom, J. Springer, and K. Reytar. 2014. [Securing Rights, Combating Climate Change: How Strengthening Community Forest Rights Mitigates Climate Change](#). World Resources Institute: Washington, D.C. Also see: Nolte, C., A. Agrawal, K. M. Silvius, and B. S. Soares-Filho. 2013. "Governance regime and location influence avoided deforestation success of protected areas in the Brazilian Amazon." *Proceedings of the National Academy of Sciences of the United States of America* 110(13): 4956-4961; and Nepstad, D., S. Schwartzman, B. Bamberger, M. Santilli, D. Ray, P. Schlesinger, P. Lefebvre, A. Alencar, E. Prinz, G. Fiske, and A. Rolla. 2006. "Inhibition of Amazon Deforestation and Fire by Parks and Indigenous Lands." *Conservation Biology* 20(1): 65-73.

² Stevens et al., 2014.

In addition, indigenous peoples, local communities and women face prejudices in mainstream climate change policies. They do not benefit sufficiently from mainstream climate finance due to the growing trend to merge public climate finance with private sector investments, as the latter need to be commercially profitable. In contrast, ICCAs and other forms of community conservation tend to provide a broad range of social, cultural, ecological and livelihood benefits, but only modest financial profits. As a result, current climate finance mechanisms provide perverse incentives for climate investors to invest in monoculture tree plantations and other commercially attractive projects, despite their negative impacts on biodiversity, the climate and the livelihoods of the world's most vulnerable peoples and communities.

The impacts of climate change as well as the burdens of inappropriate climate mitigation and adaptation policies introduce new and exacerbate existing social, economic and political inequalities. Climate policy- and decision-making should be based on human rights, clear legal standards, and recognition of the rights and roles of indigenous peoples, local communities and women in ecosystem-based climate resilience and mitigation.

This working paper is primarily directed towards climate policymakers. Following this introduction, it examines climate policy developments since the adoption of the Paris Agreement and their impacts on indigenous peoples and local communities (**Section 2**). It considers the treatment of loss and damage in the Paris Agreement and implications of climate change – and the failure to deal with loss and damage – for indigenous peoples and local communities (**Section 3**).

After illustrating the increasing role of the land use sector in climate policy (**Section 4**), the working paper discusses the risks and pitfalls of current climate and land use policy, with particular emphasis on market-based mechanisms and results-based payments (**Section 5**), and describes practical experiences of indigenous peoples and local communities with climate finance (**Section 6**). It then highlights the roles of ICCAs and other community conservation initiatives as non-market-based approaches to climate change mitigation and resilience (**Section 7**). Finally, it discusses the broader trends and implications of these issues (**Section 8**) and sets out recommendations for policymakers (**Section 9**).

1.1. Overview of ICCAs

ICCA is an abbreviation for “territories and areas conserved by indigenous peoples and local communities” (as used by the International Union for Conservation of Nature, IUCN) and for “indigenous and community conserved territories and areas” (as used by CBD as of 2014). The IUCN and Parties to the CBD have used this term since the early 2000s to stress the global contributions of ICCAs to the conservation of biological and cultural diversity and the sustainable use of natural resources.

The IUCN has also defined ICCAs as “natural and modified ecosystems, including significant biodiversity, ecological services and cultural values, voluntarily conserved by indigenous and local communities through customary laws or other effective means.”³

The ICCA Consortium identifies three key characteristics of ICCAs:

- An indigenous people or local community possesses a close and profound relation with a site (territory, area or habitat);
- The people or community is the major player in decision-making related to the site and has *de facto* and/or *de jure* the capacity to develop and enforce regulations; and

³ IUCN World Conservation Congress 2004, Resolution 3.049 *Community Conserved Areas*.

- The people's or community's decisions and efforts lead to the conservation of biodiversity, ecological functions and associated cultural values, regardless of original or primary motivations.

Both IUCN and the CBD recognise and use the term ICCAs in two senses: as a type of protected area governance (governance by indigenous peoples and local communities) and as an umbrella term for diverse collective practices and institutions through which indigenous peoples and local communities contribute to conservation.⁴



Figure 1: The restoration of a *qanat* and its open storage tank – a traditional water supply used in the customary rangelands of the Abolhassani Tribal Confederacy in Iran. Photo courtesy of Taghi Farvar / Cenesta.

⁴ Stevens, S. (ed.) 2014. *Indigenous Peoples, National Parks, and Protected Areas: a New Paradigm Linking Conservation, Culture, and Rights*. Tucson, Arizona: University of Arizona Press.

2. The Paris Agreement

In December 2015, 194 countries adopted the Paris Agreement at the 21st Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change (UNFCCC). By October 2016, 180 countries had signed and 74 Parties representing 58.82 per cent of emissions had ratified the agreement; the 55 Parties representing 55 per cent of emissions necessary for the agreement to enter into force has thus been reached.⁵ This gives the impression that there will finally be serious action on tackling climate change, as the formal aim of the Paris Agreement is to hold: *“the increase in the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels...”*

However, there is a significant gap between this aspiration and what countries actually agreed to do in practice. Most governments’ pledges to cut emissions (known as Intended Nationally Determined Contributions, INDCs) are so weak that they are estimated to result in an increase of global average temperatures of 3-4°C (see Figure 2). The resolution that accompanied the adoption of the Paris Agreement, *“Notes with concern that the estimated aggregate greenhouse gas emission levels in 2025 and 2030 resulting from the intended nationally determined contributions do not fall within least-cost 2°C scenarios but rather lead to a projected level of 55 gigatonnes in 2030”*.⁶ The resolution further points out that the target should be 40 gigatonnes in 2030.

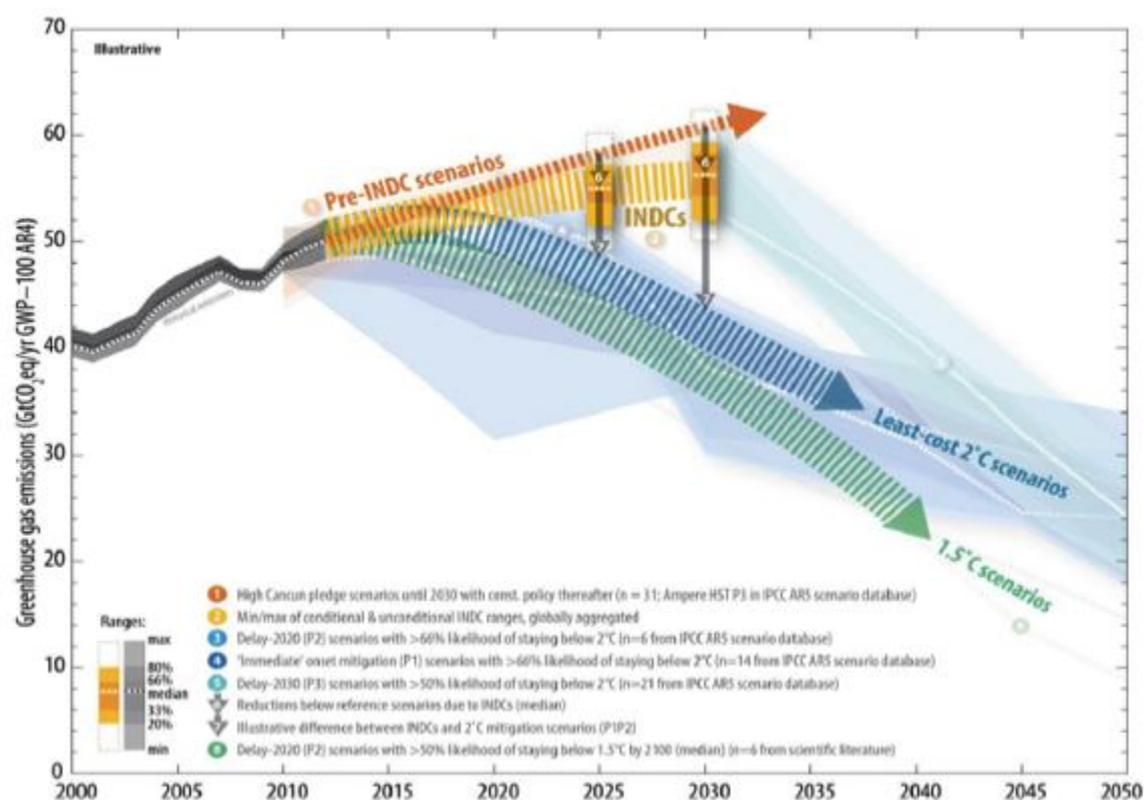


Figure 2: Comparison of global emission levels in 2025 and 2030. Source: Updated IPCC synthesis report on the aggregate effect of INDCs, published 2 May 2016 (<http://bit.ly/1rdpxrd>)

⁵ United Nations Treaty Collection website: https://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XXVII-7-d&chapter=27&clang=en

⁶ Resolution CP21 paragraph 17, see <http://unfccc.int/resource/docs/2015/cop21/eng/10a01.pdf>

INDCs are merely voluntary commitments (though they were intended to become part of a binding agreement). To a large extent, these contributions depend on financial support, economic developments and other factors that might eventually undermine the Agreement. The Paris Agreement also falls short in addressing other critical issues such as transparency and coherence with existing agreements such as the Sustainable Development Goals and the CBD Strategic Plan 2011-2020 are not taken into account. The text is also silent about concrete policy measures that would be necessary to reach its aim, such as phasing out fossil fuels or complying with the target in Sustainable Development Goal 15.2 to halt deforestation by 2020.

Furthermore, new markets and “enhance(d) public and private sector participation” are included while the roles of indigenous peoples and community conservation approaches for mitigation and adaptation purposes are widely ignored.⁷ Indigenous peoples and local communities have a high level of resilience to ecological and historical climatic changes. ICCAs and the sophisticated customary laws, knowledge systems and practices underpinning them have developed over many generations as a result of adaptation to specific climates, weather patterns and ecological processes.⁸ However, the increasing rapidity, severity and intensity of climatic changes in recent years make it more difficult to apply traditional methods. In addition, many indigenous peoples and local communities live in sensitive ecosystems at the forefront of climate change, including mountain areas, arid lands and coastal zones. Binding loss and damage measurements would therefore be crucial.

⁷ See, for instance: <https://intercontinentalcry.org/indigenous-rights-cut-from-paris-agreement-why-it-concerns-us-all/>

⁸ See, for example: Nyong, A., F. Adesina and B. Osman Elasha. 2007. “The value of indigenous knowledge in climate change mitigation and adaptation strategies in the African Sahel.” *Mitigation and Adaptation Strategies for Global Change* 12(5): 787-797.

3. Loss and Damage in the Paris Agreement

The notion of loss and damage was one of the most controversial topics at COP21. This has been defined as “the actual and/or potential manifestation of impacts associated with climate change in developing countries that negatively affect human and natural systems”.⁹ Since 1991, the Alliance of Small Island States,¹⁰ gradually supported by other small island states and least developed countries, has been pushing for a mechanism to ensure compensation for loss and damage resulting from climate change. Only with the 2013 adoption of the Warsaw International Mechanism¹¹ did Parties commit to increasing knowledge and reviewing the issue for three years. Developed countries have strongly resisted a binding mechanism, fearing compensation costs and financial liability issues.¹²

Climate change is one of the most significant contemporary threats to indigenous peoples’ and local communities’ territories and ways of life, particularly in vulnerable regions such as Small Island Developing States, landlocked states and arid parts of Africa and Asia. Climate change precipitates a wide range of effects such as unseasonal and particularly intense storms, changes in temperature, rainfall and snow cover, melting of glaciers and thawing of sea ice and permafrost, sea level rise, and ocean acidification and coral bleaching. It also increases the intensity and exacerbates the effects of natural disasters such as floods, landslides, droughts and wildfires. Climate change and natural disasters have significant implications for the connectivity and healthy functioning of ecosystems and biodiversity upon which indigenous peoples and local communities depend and thus also for their water, food and resource sovereignty and cultural and spiritual practices.

Indigenous peoples and local communities often suffer from ongoing and more rapid, severe and intense weather events and disasters due to climate change. Despite having contributing the least GHG emissions in the world due to low-impact and largely subsistence-based ways of life, they are disproportionately affected by sudden (for example, typhoons and floods) and slow-onset (for example, sea level rise, glacial melting and desertification) events resulting from climate change, as well as by mitigation and adaptation policies and programmes.¹³

In addition, climate disasters are often followed by land grabbing under the cover of agrarian and development reforms. As a result, a downward spiral of poverty and vulnerability increases with every new event. In order to recover from the impacts of climate catastrophes, people are often forced to sell their livestock, land or other vital possessions. This undermines their economic and overall resilience. Figure 3 shows a simplified illustration of the exceeding impacts of natural disasters on people with little entitlements.

⁹ See: <http://unfccc.int/resource/docs/2012/sbi/eng/inf14.pdf>.

¹⁰ See, for instance: <http://aosis.org/wp-content/uploads/2015/12/AOSIS-BOOKLET-FINAL-11-19-151.pdf> and <http://aosis.org/about/>.

¹¹ See: http://unfccc.int/adaptation/workstreams/loss_and_damage/items/8134.php.

¹² McNamara, K.E. 2014. “Exploring Loss and Damage at the International Climate Change Talks”. *International Journal of Disaster Risk Science* 5(3): 242-246.

¹³ Asia Indigenous Peoples Pact. 2012. *Indigenous Peoples and Climate Change Adaptation in Asia*. AIPP: Chiang Mai, Thailand; Dow, L., R. E. Kasperson, and H., Bohn. 2006. “Exploring the social justice implications of adaptation and vulnerability,” pp. 79-96 in: Adger, W. N., J. Paavola, S. Huq, and M. J. Mace (eds.), *Fairness in Adaptation to Climate Change*. MIT Press: Cambridge, MA.

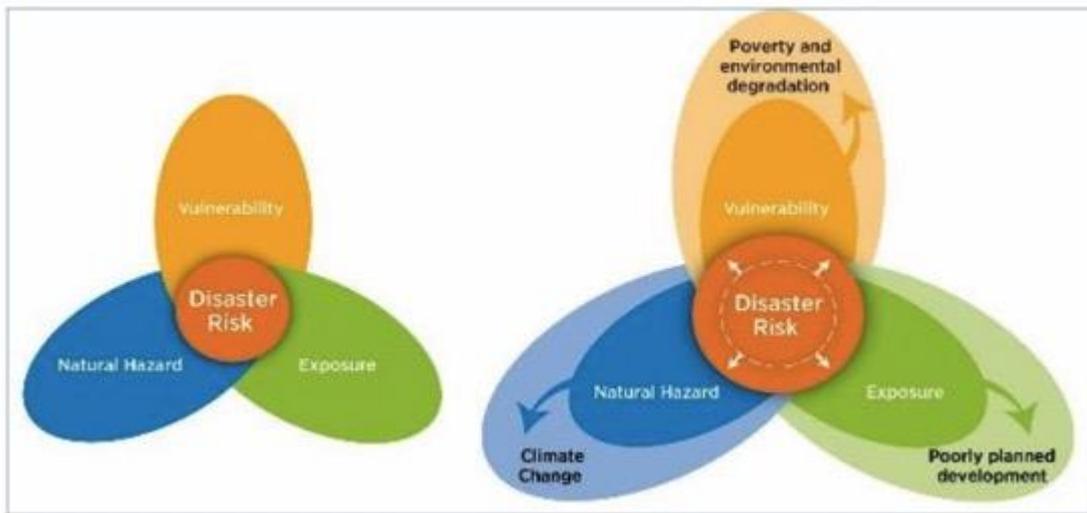


Figure 3: Disaster risk assessment framework. Source: World Bank, 2016 (<http://bit.ly/2fz6GBq>)

Increasing resilience to climate change and reducing the risk of disasters has become a human rights imperative¹⁴ as well as a precursor to sustainable development.¹⁵ In Paris, the Parties agreed on embedding the principles of the Warsaw Mechanism in Article 8 of the Agreement, which could be seen as a diplomatic success.

However, the text that was adopted is a watered-down version and lacks any commitment or liability of the parties.¹⁶ The notion of compensation for developing countries and liability for developed countries has been excluded, allowing developed countries to successfully escape their historical responsibilities and leaving the most vulnerable and least responsible communities to carry the costs on their own (Box 1).



Sea level rise is one of the biggest challenges in both the short- and long-term in the Solomon Islands. It is forcing indigenous communities of Fera Subua and Sulufou to consider measures as drastic as relocating to the mainland in Malaita, despite the potential for conflicts with current settlers and other tribes. Such a move would need to be carefully negotiated. Sea level rise is particularly affecting the daily activities of women in the community of Fera Subua. They have to spend more time collecting coral stones to raise the island upon which their homes are built and their husbands are building new houses on higher grounds. They also face issues preparing food using traditional methods because their kitchens and ground ovens are already partly submerged. They are concerned about the prospect of moving inland because they fear that important traditional food preparation methods will be lost if they are no longer practiced by the younger generations.

Box 1: Some of the impacts of sea level rise of indigenous women and communities in the Solomon Islands. Source: Akao, 2015. Country report on the Solomon Islands Community Conservation Resilience Initiative (<http://bit.ly/2fvVTWk>). Photo courtesy of James Meimana / NIPS.

¹⁴ Special Procedures of the UN Human Rights Council. 2015. *The Effects of Climate Change on the Full Enjoyment of Human Rights*. Office of the UN High Commissioner for Human Rights.

¹⁵ UN Office for Disaster Risk Reduction (UNISDR). 2015. *Disaster Risk Reduction and Resilience in the 2030 Agenda for Sustainable Development*. UNISDR Reflection Paper.

¹⁶ Paragraph 52 of Article 8 of the Paris Agreement states: "Agrees that Article 8 of the Agreement does not involve or provide a basis for any liability or compensation..." The full text is available at: http://unfccc.int/documentation/documents/advanced_search/items/6911.php?preref=600008831#beg.

4. Land Use in the Paris Agreement and Beyond

The land use sector has received increasing attention in the latest climate policy developments (see Box 2). This is mainly due to its supposedly significant mitigation potential. Forests, peatlands and other land are large sinks of GHGs and around 25 per cent of all human-induced emissions are derived from land use, such as forestry, agriculture and other activities.¹⁷ As a result, land use was a hot topic at COP21 in Paris. Eventually, 77 per cent of all INDCs included reductions from land use.¹⁸ The sector comprises 20-25 per cent of all projected reductions under the Agreement.¹⁹

In the UNFCCC, land use is categorised under land use, land use change and forestry (LULUCF). Unlike in other sectors, countries are reporting not only emissions but also removals in the form of sinks (such as carbon stored in trees or soils). Emissions and removals from LULUCF are being reported using an activity-based approach – comprising different activities such as afforestation, deforestation, reforestation and grazing land management and re-vegetation – and a gross-net accounting approach. This means that a Party's emissions and removals in a given year are compared to an assigned amount of GHG agreed by that Party (i.e. as stated in the INDC). Other activities such as forest, cropland and grazing land management and revegetation are accounted for using a net-net approach where emissions and removals are compared to a reference year (i.e. 1990). An exception is forest management where project reference levels are used to account for a party's carbon budget. This means that the actual emissions of a party are compared to proposed quantified amounts of emissions occurring in the future.

Box 1: The land use sector

Also prior to COP21, land use played an increasing role in climate policy. The latest milestone was the September 2015 adoption of target 15.2 of the Sustainable Development Goals, which calls for halting deforestation by 2020 and the promotion of reforestation and afforestation. Parties to the UNFCCC have established a mechanism for Reducing Emissions from Deforestation and forest Degradation and enhance forest carbon stocks (REDD+), which is predicated on two inherently neoliberal, market-based assumptions: a) in the absence of revenue streams from standing forests, people and state governments in the Global South have little incentive to prevent deforestation; and b) creating a system of direct, results-based payments for the amount of forest-related emissions reduced or sequestered through certain actions will be sufficient economic incentive to offset the opportunity costs of deforestation and thus will ensure forests remain standing.²⁰

However, there are considerable risks and pitfalls in regard to some of the policies mentioned. Particularly, if land becomes subject to carbon accounting, financing and market schemes, there is significant risk of undermining biodiversity and human rights integrity.

¹⁷ IPCC, 2014. AR5 available at: <http://ipcc.ch/report/ar5/>

¹⁸ See: <http://namanews.org/news/2016/07/11/agriculture-sectors-play-key-role-in-climate-change-response-by-2030/>

¹⁹ Grassi G., Dentener F. (2015) Quantifying the contribution of the Land Use sector to the Paris Climate Agreement; EUR 27561; doi 10.2788/096422

²⁰ Global Forest Coalition, CENSAT Agua Viva, COECOCEIBA, EQUATIONS, Alter Vida and the Timberwatch Coalition. 2008. [Life as Commerce: the impact of market-based conservation on women](#). GFC: Amsterdam.

5. Risks and Pitfalls in Climate and Land Use Policy

While reducing emissions from land use is desirable in general, there are major pitfalls in regard to land use, market-based and offsetting approaches. One key pitfall is that results-based payments, and especially carbon offset markets, require the measurement and quantification of all the GHGs emitted or sequestered. The measurement, reporting and verification (MRV) of land use emissions and reductions is very complex and often entails double counting effects and relatively high costs.²¹ Particularly in the land use sector, accurate carbon accounting is a major challenge, which was an important reason why deforestation projects were excluded from the Clean Development Mechanism.²²

No satisfactory technologies are yet available to accurately measure the amount of carbon in complex ecosystems such as forests.²³ Proxy indicators such as forest cover change can be monitored relatively well through new monitoring technologies and initiatives,²⁴ but they do not give a fully accurate picture of the overall climate impacts of land use change, for example, forest degradation and soil degradation as a result of land use change. This is in part because there is a tendency to underestimate or even ignore non-wood plant biomass and soil carbon.²⁵ The 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for GHG Inventories suggest a 60 per cent uncertainty in carbon stock changes.²⁶

Moreover, ecosystems interact with the atmosphere in highly complex manners, influencing rain patterns, reflection and absorption of sunlight and a broad variety of GHGs, and no technologies are yet capable of measuring all of these climate change-related impacts.²⁷ Another inherent problem with land use-related climate action is the lack of permanence of any carbon emissions that might be sequestered through activities such as forest or soil conservation.²⁸ Soils and vegetation easily release their carbon when land use patterns are altered.

REDD+ and other land use climate mitigation projects focus on the production site of carbon emissions. However, when the demand for commodities that trigger land use change and unsustainable agricultural practices is not addressed, the reduction of emissions from one area will almost always translate into 'leakage', namely, increased production and related land use change in another area.²⁹ Even the intensification of agriculture, for example, through changing extensive

²¹ Chomitz, K. M., Buys, P., De Luca, G., Thomas, T. and Wertz- Kanounnikoff, S., 2007. At loggerheads? Agricultural expansion, poverty reduction, and environment in the tropical forests. A World Bank Policy Research Report. The World Bank, Washington, DC

²² Vatn, A. and Vedeld, P., 2013. National Governance structures for REDD+. *Global Environmental Change* 23, 2013, 422 – 432.

²³ Bond, I., Grieg-Gran, M., Wertz-Kanounnikoff, S., Hazlewood, P., Wunder, S. and Angelsen, A., 2009. Incentives to sustain forest ecosystem services: a review and lessons for REDD. *Natural Resources Issues* No. 16. International Institute for Environment and Development, London with CIFOR, Bogor, Indonesia and World Resources Institute, Washington, DC. 47p.

²⁴ e.g. Hansen, M. C., P. V. Potapov, R. Moore, M. Hancher, S. A. Turubanova, A. Tyukavina, D. Thau, S. V. Stehman, S. J. Goetz, T. R. Loveland, A. Kommareddy, A. Egorov, L. Chini, C. O. Justice, and J. R. G. Townshend. 2013. "High-Resolution Global Maps of 21st-Century Forest Cover Change." *Science* 342 (15 November): 850–53. Data available on-line from: <http://earthenginepartners.appspot.com/science-2013-global-forest>.

²⁵ Cacho, O., Wise, R. and MacDicken, K., 2004. Carbon Monitoring Costs and their effects on Incentives to Sequester Carbon through Forestry. *Mitigation and Adaptation Strategies for Global Change* 15(4): 273–293, 2004

²⁶ IPCC, 2006. 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Prepared by the National Greenhouse Gas Inventories Programme, Eggleston, H.S., Buendia, L., Miwa, K., Ngara, T., Tanabe, K. (eds.), Published: IGES, Japan.

²⁷ Bond, 2009. *ibid*

²⁸ Fry, I., 2008. Reducing Emissions from Deforestation and Forest Degradation: Opportunities and pitfalls in developing a new legal regime. *RECIEL*, 17(2), 166-182.

²⁹ See: <https://www.sei-international.org/mediamanager/documents/Publications/Climate/SEI-WP-2016-08-Negative-emissions.pdf>.

livestock systems into intensive feedlot systems, often comes with a range of negative environmental and social impacts, including indirect land use change through feedstock production.

Indigenous peoples, communities and women in particular depend on real forests as rich ecosystems providing livelihoods, food, water and cultural heritage. However, Parties to the UNFCCC define monoculture tree plantations as forests,³⁰ despite rapidly increasing scientific evidence that they do not only have dubious and sometimes even negative impacts on global warming, but also trigger a broad range of negative social and environmental impacts. Flawed accounting rules that circumvent inherent problems with land use related emissions (such as the lack of permanence and leakage) have established perverse incentives for monoculture plantations of rapid growing, often exotic and invasive, tree species. Even the assumption that tree growth would have a positive effect on climate change is disputed. The expansion of monocultures of economically valuable fast-growing conifer trees such as spruce and pine provides lower albedo effects compared to broad-leaved trees, which has a significant impact on overall climate mitigation, and could even neutralize any positive carbon sequestration impacts.³¹

The Paris Agreement also opens the door to including other land use related emissions (including agricultural emissions) in national action plans, even though it cautions that mitigation actions in the agricultural sector should not impact on food production. Partly in response to this wider approach to land use, a number of influential actors including the UN Food and Agriculture Organization have established a Global Alliance on Climate-Smart Agriculture (CSA). The objectives of CSA are “sustainably increasing agricultural productivity and incomes; adapting and building resilience to climate change; and reducing and/or removing greenhouse gas emissions, where possible.”³²

NGOs have expressed serious concerns about CSA, pointing out that “the approach does not involve any criteria to define what can or cannot be called “Climate Smart”. Agribusiness corporations that promote synthetic fertilisers, industrial meat production and large-scale industrial agriculture – all of which are widely recognised as contributing to climate change and undermining the resilience of traditional subsistence and small-scale farming and pastoral systems – can and do call themselves “Climate Smart”. CSA claims to include all models of agriculture. However, it lacks any social or environmental safeguards and fails to prioritise farmers’ and pastoralists’ voices, knowledge and rights as key to facing and mitigating our climate challenges. CSA might therefore threaten agro-ecological approaches as defined by practitioners and its future development.”³³

New markets and flexibility mechanisms will likely be established under the Paris Agreement, and credits derived from LULUCF will likely be part of that market. Several proposals have been made to use emission reductions derived from deforestation, improved agricultural practices and other forms of land use, and even large-scale monocultures to produce bioenergy in combination with carbon capture and sequestration (also known as BECCS)³⁴ to offset the emissions from the energy, transport and other sectors. For example, the International Civil Aviation Organization just adopted a decision to offset emissions from aviation, the more rapid growing source of GHG emissions, through a Global Market Based Mechanism including REDD+.³⁵ It has been pointed out that Climate-

³⁰ UNFCCC, 2001. THE MARRAKESH ACCORDS & THE MARRAKESH DECLARATION available at: <http://unfccc.int/resource/docs/cop7/13a01.pdf>.

³¹ Naudts, K., Chen, Y., McGrath, M.J., Ryder, J., Valade, A., Otto, J., Luyssaert, S. 2016. Europe’s forest management did not mitigate climate warming. Available online: <http://science.sciencemag.org/content/351/6273/597>.

³² See: <http://www.fao.org/climate-smart-agriculture/en/>.

³³ See: <http://www.climatesmartagconcerns.info/cop21-statement.html>.

³⁴ Ernsting, A., and O. Munnion, 2015. *Last-ditch climate option, or wishful thinking? Bioenergy with Carbon Capture and Storage*. Biofuelwatch.

³⁵ See: <http://www.icao.int/environmental-protection/Pages/market-based-measures.aspx>.

Smart Agriculture was clearly developed around the possibility of developing countries offsetting their emissions as well.³⁶

5.1 Market-based Mechanisms and Results-based Payments: Implications for Indigenous Peoples, Local Communities and Women

The above developments may appear to be opportunities to provide financial support for indigenous peoples' and local communities' forest conservation initiatives and sustainable agricultural practices, and ICCAs in general. However, there are a number of inherent problems with results-based payments for ecosystem conservation and other market-based approaches to climate change mitigation.

To begin with, such approaches place pre-eminence on financial benefits and tend to ignore the many other benefits and values that indigenous peoples, local communities and women attribute to their territories and areas. The introduction of new governance arrangements to handle financial incentives tends to undermine customary institutions and often leads to inequity, mismanagement, elite capture and even corruption. Moreover, most communities do not have the technical and administrative capacity for carbon accounting and offset sales. If they choose to engage in such mechanisms, they often have to rely upon intermediaries such as conservation NGOs and consultancy firms whose interests are not always aligned with those of local actors. Carbon markets have also proven to be highly unpredictable and the dependency on financial compensation leads to conflict or collapse of the system if funds stop for external reasons.

Another more fundamental concern with results-based payments is that they fail to address the root causes of ecosystem degradation and are based on the notion that financial gains are the primary motivation for human action. This in turn feeds short-sighted individual desires and undermines long-term collective value systems and plans.

Importantly, women are under-represented in climate finance decision-making processes, both internationally and in local projects.³⁷ Pre-existing constraints that women face in conventional markets – for example, inequality in tenure and property rights and access to land³⁸ – pose similar problems in climate markets and finance. Women bear the brunt of restrictions to rights and access to essential natural resources such as forest products that arise from market-based and results-based payment schemes. If not designed, implemented and evaluated with gender sensitivity and gender responsiveness, climate finance mechanisms may further entrench gender inequality and undermine women's empowerment.³⁹

³⁶ See, for example: <http://www.actionaid.org/2011/12/agriculture-durban-world>>; <http://www.fao.org/3/a-i3817e.pdf>.

³⁷ Williams, M. 2016. *Gender and Finance: Coming Out of the Margins*. South Centre Climate Policy Brief No. 18. Available at: https://www.southcentre.int/wp-content/uploads/2016/11/CPB18_Gender-and-Finance_EN.pdf.

³⁸ Global Forest Coalition et al., 2008.

³⁹ Williams, 2016.

6. Climate Finance and Conservation Initiatives of Indigenous Peoples and Local Communities

The international climate finance architecture is quite broad and complex, comprised of many different mechanisms aimed to address the diverse drivers and dimensions of climate change. These range from national action plans for clean technologies and REDD+ to small-scale initiatives led by indigenous peoples and local communities to protect and conserve nature and their territories. Some of these mechanisms offer direct access windows for indigenous peoples and local communities, for example, the Dedicated Grant Mechanism for Indigenous Peoples of the World Bank's Forest Investment Program and the Small Grants Programme of the Global Environment Facility (GEF-SGP). Others might target larger-scale projects that could have negative social and environmental impacts on ICCAs and rural communities in general.

Under the UNFCCC, the Green Climate Fund was formally approved at COP16 in Cancun as the operating entity of the Financial Mechanism of the Convention. The Paris Agreement reinforced its role as the main actor in the international climate finance architecture. One of its aims is "*to support a paradigm shift in the global response to climate change*".⁴⁰ The Paris Agreement requests the Green Climate Fund to provide support to developing country Parties, encourages "*coordination of support from, inter alia, public and private, bilateral and multilateral sources, such as the Green Climate Fund, and alternative sources in accordance with relevant decisions by the COP*", and designates the Green Climate Fund and the Global Environmental Facility as the Financial Mechanism of the Convention.⁴¹

Currently, a major problem with climate finance is the overall lack of funds to combat climate change, achieve the Paris Agreement goal and develop and implement Nationally Determined Contributions. This has triggered both governments and representatives of the climate funds themselves to emphasise the need to increase the role of the private sector in climate investments.⁴² Although slightly dependent on the sector, private sector involvement often creates a conflict of interest⁴³ and leads to the promotion and expansion of market-based approaches.⁴⁴ An intrinsic feature of the private sector is that it is meant to grow and increase profits over time; thus it has a strong economic incentive to invest in commercial activities such as expanding tree plantations. The private sector generally doesn't support ICCAs and community conservation initiatives that are socially and environmentally beneficial but less profitable from a commercial perspective.

A number of examples show the relationship between the involvement of private sector in the forestry sector, the focus on (monoculture) tree plantations and the often negative consequences for both the environment and communities. First, a project implemented by the company Global Woods in the Kikonda Forest Reserve in Uganda planted more than 8,000 hectares (ha) of pine. The local communities living around the project area complained about, among other things, corruption amongst forest rangers, fines, lack of access to water tanks built by the community, arbitrary arrests

⁴⁰ See: <http://www.greenclimate.fund/the-fund/the-big-picture#mission>.

⁴¹ See: <https://unfccc.int/resource/docs/2015/cop21/eng/l09r01.pdf>.

⁴² See:

http://www.ifc.org/wps/wcm/connect/news_ext_content/ifc_external_corporate_site/news+and+events/events/cop+21+landing+page and <http://www.worldbank.org/en/news/opinion/2016/01/13/climate-change-is-a-threat---and-an-opportunity--for-the-private-sector>.

⁴³ See, for instance, the debate during the Climate Negotiation in Bonn 2016 at:

http://www.theecologist.org/News/news_analysis/2987740/who_gets_to_influence_the_climate_negotiations.html.

⁴⁴ See, for instance: <http://www.redd-monitor.org/2016/05/06/the-european-investment-bank-and-usaid-are-supporting-redd-through-althelia-climate-fund-a-financial-intermediary-based-in-the-tax-haven-of-luxembourg/>.

of people, displacement of farmers and underestimation of the number of affected villages in the area. Second, a tree plantation carbon sink project at Idete Tanzania, developed by the Norwegian company Green Resources Ltd,⁴⁵ converted over 6,000 ha of grassland into pine and eucalyptus tree plantations and reduced community access to grazing, biodiversity resources, water and cropland. Third, the Jari Amapá REDD project in Brazil – run by three companies, including a logging and pulp company – was based on tree plantations, mainly of Eucalyptus. This project led to pollution of soil and water from pesticides and resettlement of the rural population.⁴⁶

Different initiatives and case studies (for example, the Community Conservation Resilience Initiative) have illustrated that small-scale funds to support community-led initiatives tend to show positive results in terms of outcomes and engagement of community members and groups.⁴⁷ For instance, the aforementioned GEF-SGP provides grants up to USD 50,000 directly to local community partners, including indigenous peoples and community-based organizations.⁴⁸

Given the overall economic constraints for climate change, there should be a redirection of funds towards community-led initiatives and direct access windows for indigenous peoples and local communities should be created under each funding mechanism. Larger funds based on large-scale projects usually have complicated application procedures. It is up to national authorities and implementing entities to decide on safeguards, including the extent and type of participation and engagement of indigenous peoples and local communities. For example, under the Climate Investment Funds, the safeguards used in a specific project are those of the implementing entities.

Some climate finance mechanisms have proven to be relatively successful in supporting the resilience and conservation initiatives of indigenous peoples, local communities and women while respecting their rights and concerns (in particular, many of the GEF-SGP projects). However, projects funded by climate finance mechanisms have too often violated the right to free, prior and informed consent (FPIC)⁴⁹ and/or the requirement to ensure full and effective participation throughout all project phases.⁵⁰ Lack of appropriate engagement and FPIC of indigenous peoples and local communities can lead to, among other things, harm to their ancestral lands, loss of livelihoods and territories, conflicts with national or local authorities, land grabbing, and even eviction of these vulnerable groups.

REDD+ activities and projects⁵¹ are some of the best-documented initiatives funded by international mechanisms (including UN-REDD, Forest Carbon Partnership Facility and Forest Investment Program), under which indigenous peoples' and local communities' voices have been disregarded and suffered negative impacts. For instance, in Ecuador, a lack of FPIC spurred the Confederation of Indigenous Nationalities of Ecuador to reject the further implementation of REDD+ projects and policies. Yet, the government decided to continue the development of a REDD programme, ignoring the Confederation's objections.⁵²

⁴⁵ See: <http://globaljusticeecology.org/files/CDM%20plantations%20report.pdf>.

⁴⁶ For more information about this project see <http://no-redd.com/the-jari-amapa-redd-project-brazil-greenwashing-illegal-logging-a-pulp-mill-and-a-48-year-old-land-grab/>.

⁴⁷ For more information and resources, see: <http://globalforestcoalition.org/resources/supporting-community-conservation/>.

⁴⁸ See: <https://www.thegef.org/topics/gefsgp>.

⁴⁹ See different examples at: <http://www.carbonradewatch.org/articles/violation-of-free-prior-and-informed-consent-by-un-redd-and-redd.html>.

⁵⁰ See example in Panama at: <http://www.redd-monitor.org/2013/03/06/coonapip-panamas-indigenous-peoples-coordinating-body-withdraws-from-un-redd/>.

⁵¹ Article 5 of the Paris Agreement encourages Parties to take further to implement and support REDD+. See: <https://unfccc.int/resource/docs/2015/cop21/eng/l09r01.pdf>.

⁵² See: <https://intercontinentalcry.org/ten-of-the-worst-redd-type-projects-that-affect-indigenous-peoples-and-local-communities/>.

A similar case took place when the National Coordinating Body of Indigenous Peoples in Panama decided to withdraw from the UN-REDD process in that country, arguing that it did not at that time guarantee respect for indigenous peoples' rights or for their full and effective participation.⁵³

In addition, resources provided by these mechanisms are often placed under false solutions to climate change and rarely prioritise the needs and self-determined initiatives of indigenous peoples and local communities. For instance, the Forest Investment Program – which became operational in 2009 and is a program of the Strategic Climate Fund – is one of two funds under the World Bank-administered Climate Investment Funds. The Forest Investment Program mainly aims to mobilise funds for activities focused on the reduction of emissions from deforestation and forest degradation, and the promotion of sustainable forest management practices.⁵⁴

The resources mobilised by the Forest Investment Program are often allocated to projects or Investment Plans that create and/or expand tree plantations – rather than forest restoration or conservation.⁵⁵ Many national Investment Plans contain a striking inconsistency by explicitly acknowledging plantations as a key driver of forest degradation but also refer to potential benefits of plantations in reducing forest loss.

For instance, Mozambique's Investment Plan, which was endorsed in June 2016 and is expected to receive USD 24 million, includes a project entitled "Emissions Reductions in the Forest Sector through Planted Forests with Major Investors".⁵⁶ Another example is a new project in Ghana entitled "Public-Private Partnerships for the Restoration of Degraded Forest Reserve through VCS and FSC Certified Plantations", approved in July 2016. The goal is to catalyse "private sector involvement in large-scale sustainable and commercial teak plantations in degraded forest reserves", including through certification by the Forest Stewardship Council and Verified Carbon Standard. The plan is to increase the size of certified plantations from the existing 5,000 ha to 11,500 ha, 90 per cent of which will be teak and only 10 per cent of which will be indigenous species.⁵⁷

Many such projects take place in areas inhabited by indigenous peoples and local communities and hence, they are usually affected and/or involved to varying degrees. For instance, in the Mozambique proposal, the second module of the project revolves around linking communities to the supposed opportunities provided by major forest sector plantation investments. Similarly, 34 communities and organisations were involved in Ghana's proposal through a consultation process to develop the Environmental and Social Impact Assessment. However, it is not clear how those consultations took place and whether or not the communities provided their FPIC.

Tracking climate finance and the actors involved is thus vital. It shows to a great extent the path or shifts that might occur within the international climate political agenda and hence, the potential consequences for indigenous peoples, local communities and women.

⁵³ See: <http://www.redd-monitor.org/2013/03/06/coonapip-panamas-indigenous-peoples-coordinating-body-withdraws-from-un-redd/>.

⁵⁴ See: <https://www-cif.climateinvestmentfunds.org/fund/forest-investment-program>.

⁵⁵ See, for instance, the Investment Plans of Ghana (http://www-cif.climateinvestmentfunds.org/sites/default/files/FIP_5_Ghana.pdf) and Indonesia (http://www-cif.climateinvestmentfunds.org/sites/default/files/FIP_6_Indonesia_0.pdf).

⁵⁶ See: https://www-cif.climateinvestmentfunds.org/sites/default/files/meeting-documents/mozambique_fip_investment_plan.pdf.

⁵⁷ See: https://www-cif.climateinvestmentfunds.org/sites/default/files/meeting-documents/fip_form_ghana_project_proposal_public_document_august_2016.pdf.

7. ICCAs and Community Conservation as Non-Market-Based Approaches to Climate Mitigation and Resilience

As discussed in Sections 5 and 6 above, mainstream market-based mechanisms for climate change mitigation and adaptation give primacy to financial incentives above all else. In contrast, community-controlled non-market-based mechanisms such as ICCAs and other conservation initiatives by indigenous peoples and local communities value a wide range of spiritual, social, cultural, environmental, material, and other motivations and benefits.⁵⁸

These material and non-material benefits and

practices are necessarily interconnected and sustained through community relationships, trust-building, self-reliance, indigenous and local languages, and cultivation of identity and creativity.⁵⁹

“Our ancestors lived in harmony with nature and gained a lot from it – that was incentive enough to conserve.”

~ Aman Mame Harka, elder from Ethiopia

One of the key characteristics of ICCAs (Section 1.1) is that the voluntary governance and management systems contribute to the conservation of nature and associated cultural values, regardless of the community’s primary motivations (for example, cultural or spiritual reasons). In the vast majority of ICCAs, these systems have been sustained over many generations without any significant financial or other support from external actors. The autonomy and self-sufficiency of the decision-making institutions plays a key role in their conservation effectiveness. This suggests that ICCAs not only provide an important alternative to results-based payments from the perspective of environmental and social sustainability, but also from the perspective of financial sustainability.⁶⁰

ICCAs and other community conservation initiatives can be considered non-market-based approaches to climate change mitigation and resilience, rooted in voluntary collective action and defined by each people’s or community’s unique aspirations and priorities. Appropriate recognition and support⁶¹ for such initiatives can thus contribute significantly to achieving climate change commitments at the local, national and international levels with minimal financial resources.

The following examples from Niger, India and Samoa illustrate how indigenous peoples’ and local communities’ collective actions and ICCAs function as non-market-based approaches to climate mitigation and resilience.

⁵⁸ Lovera, S., with M. Arias, S. Lahiri and W. Menne. 2013. [Non-market-based Approaches to Reducing Deforestation and Forest Degradation](#). Global Forest Coalition, ICCA Consortium and Eonexus.

⁵⁹ Jonas, H., C. Traynor, C. de la Plaza, S. Shresth, A. Lebedev and A. Nettar (eds.). 2015. [Fostering Community Conservation Conference Report](#). Global Forest Coalition: Paraguay.

⁶⁰ Lovera, S. n.d. Briefing note on ICCAs, climate change and international climate change-related policies and mechanisms. Unpublished, available with the authors.

⁶¹ Kothari, A., with C. Corrigan, H. Jonas, A. Neumann, and H. Shrumm (eds). 2012. [Recognising and Supporting Territories and Areas Conserved By Indigenous Peoples And Local Communities: Global Overview and National Case Studies](#). CBD Technical Series no. 64. Secretariat of the Convention on Biological Diversity (SCBD), ICCA Consortium, Kalpavriksh, and Natural Justice: Montreal, Canada.

Ecosystem-based adaptation to climate change – which is generally based on sustainable management, conservation and restoration of biodiversity and ecosystems – is increasingly seen as a cost-effective approach with multiple social, economic and cultural co-benefits. ICCAs often include multiple ecosystems, particularly in the context of nomadism. Migration is a conservation and adaptation strategy for many indigenous nomads, who traverse great distances and altitudes in accordance with seasons to which they are intimately attuned. They have encyclopaedic knowledge of the many ecosystems, plants and animals they come across, including water systems and desert oases. In this sense, their strategy is one of territory-based adaptation, which is much broader and more holistic than ecosystem-based adaptation.



The Aïr and Ténéré National Nature Reserve of Niger, located on the edge of the Sahel and Sahara zones, is a UNESCO World Heritage Site and the fourth largest nature reserve in the world. It is home to microclimates such as oases as well as dunes and high plateaus and a wide range of plant and animal species, including the critically endangered addax. Following a period of civil and political unrest, the Reserve is primarily managed by the indigenous Tuareg people, given the overlaps with their traditional territories. Their main livelihood strategies are nomadism and pastoralism and their transhumance or migration patterns are determined by carefully planned seasonal cycles that give the ecosystems time to regenerate.



Box 2: Enhancing territory-based climate resilience through nomadism in Niger. Source (and photos courtesy of): Mohamed Ewangaye Didane / IPACC.

Sacred sites and territories play a crucial role in the cultural and spiritual foundations of indigenous peoples, local communities and women. They are often underpinned by customary laws, governance systems and practices that contribute to the conservation of certain species or areas, for example, through taboos or restrictions of access to certain individuals or times of year. They may be particularly vulnerable to climate change since they are very site-specific and cannot necessarily be moved to other locations.

The Western Indian state of Rajasthan is home to about 25,000 Orans, local biodiversity reserves centred around the shrine of a goddess or deity, which together cover approximately 600,000 ha. Orans are a traditional source of natural wealth such as fodder, fuel, timber, berries, roots and herbs and play an important role in the local livestock-based economy, particularly as year-round sources of water in such an arid climate. Villagers and pastoralists alike worship the Orans and contribute to their management and the diversity of cultivated and wild plants. The shrines are cared for by monks (Sadhus), who serve as an interface between local community concerns and the preservation and wellbeing of the Orans.



Local climatic conditions have changed significantly in recent years, as evidenced by declining annual rainfall, shorter rainy seasons with less frequent showers, unpredictable winter rainfall, and changing seasonal succession. These variations have led to the decline of large plant species such as bamboo, grasses and shrubs important for fodder, bulbous plants of medicinal value, and crucial water sources. Krishi Avam Paristhiki Vikas Sansthan (KRAPAVIS), a Rajasthan-based voluntary organisation founded in 1992, has been supporting the community-led revival of Orans, including through documentation of Orans and motivations for their maintenance, construction and repair of water harvesting structures and reestablishment of institutions for water management, establishment of seed banks and nurseries for indigenous trees and grasses, and small-scale introduction of low-cost technologies such as improved stoves to reduce demand for fuelwood. These and other efforts have increased the capacity of more than 125 villages to adapt to climate change and related impacts of drought and decreased rainfall.

Box 3: Community revival of Orans, sacred sites in Rajasthan, India. Source (and photo courtesy of): Aman Singh / KRAPAVIS.

Indigenous peoples in the Pacific Islands have strong customary laws and land tenure systems, but are also among those most acutely affected by climate change. In some cases, industrial activities have circumvented both customary and state laws and led to overexploitation of natural resources such as mangroves, which reduces community resilience to the impacts of climate change. In one community in Samoa, a women's committee is taking matters into their own hands.

Mangrove ecosystems are critical sources of food security, income and even medicine for nearby indigenous peoples in Samoa and essential buffers against sea level rise and storm surges. They also provide connectivity between wetlands, seagrass beds and coral reefs. However, many mangroves have been degraded or destroyed by industrial activities, overharvesting, urbanization, and population growth.

A women's committee in the community of Vaiusu has taken the initiative to develop a two-acre mangrove rehabilitation area and the communities have developed village by-laws to ban the cutting of mangroves, unsustainable fishing practices and dumping of rubbish in mangroves. They have also begun dialogue with the government and the country's oldest NGO (O Le Siosiomaga Society Inc., OLSSI) to implement their self-defined fishing guidelines and other management plans. Mangrove restoration is seen as a priority for adapting to climate change and they plan to undertake more research to understand the social-ecological connections between communities, mangroves and fish populations.



Box 4: Women-led restoration in Samoa as an indigenous response to climate change. Source (and photo courtesy of): Sapa Saifaleupolu / OLSSI.

8. Discussion

ICCAs and other forms of community conservation contribute significantly to climate change mitigation and resilience. Appropriately recognising and supporting indigenous peoples' and local communities' rights to lands, territories and resources is an effective and financially efficient way to protect and conserve forests and other ecosystems.⁶² Decentralisation of decision-making to the community level enables laws, policies and programmes to be tailored to specific local contexts, including community-defined priorities and plans. Key factors in the success of such tailored conservation include strong community leadership, agency and capacity and confidence to advocate for themselves. Access to technical support, where desired, may also help complement traditional knowledge and practices.

However, indigenous peoples and local communities face prejudices in mainstream climate change discourses. For example, customary practices such as traditional shifting cultivation (rotational agriculture) in Southeast Asia and controlled burning in Australia and Spain have been wrongly attributed as major drivers of deforestation and increasing emissions. In reality, such practices actually help prevent and control fires, foster regeneration and carbon sequestration, and enable place-based food sovereignty.⁶³ Furthermore, the impacts of climate change as well as the burdens of mitigation and adaptation further exacerbate social, economic and political inequalities, for example, by undermining customary livelihoods, excluding communities from decision-making processes that affect them and imposing disproportionate costs of technocratic interventions.⁶⁴

Forests and other ecosystems are an integral part of indigenous peoples' and local communities' identities and ways of life. They provide food, water, medicine and building materials. Addressing the underlying causes of forest loss and ecosystem degradation does not require a huge financial investment, but rather a redirection of the financial flows that currently support industrial bio-energy, unsustainable livestock production and other unsustainable agricultural practices, large-scale monoculture tree plantations, mining, hydro-electric dams and other destructive projects. Aichi Target 3 of the CBD Strategic Plan 2011-2020 gives a clear mandate to eliminate or reform perverse incentives that lead to ecosystem degradation before 2020 and to establish positive incentives for biodiversity conservation.

Ecosystem conservation and restoration and improvement of agricultural and other land use practices help enhance climate resilience of countries and communities, and also contribute significantly to mitigating climate change. However, due to the inherently complex relationships between soils, ecosystems and the atmosphere, it is impossible to accurately account for the positive or negative impact of certain community conservation and restoration practices on the climate. These initiatives should be appropriately recognised and supported and comprehensively reported on, including within the global climate regime – but they cannot be 'accounted' for. In light of these inherent methodological complications, land use related emission reductions should not be used to offset emissions from energy or other sectors, as this would fatally undermine an already weak climate regime.

⁶² Kothari et al. 2012; Almeida, F., with G. Borrini-Feyerabend, S. Garnett, H. C. Jonas, H. D. Jonas, A. Kothari, E. Lee, M. Lockwood, F. Nelson, and S. Stevens. [Collective Land Tenure and Community Conservation](#). Policy Brief of the ICCA Consortium, No. 2. ICCA Consortium in collaboration with Maliasili Initiatives and Cenesta: Tehran.

⁶³ For example, shifting cultivation is sustainable under certain conditions such as low human population density and sufficiently long fallow periods. Erni, C. (ed.). 2015. *Shifting Cultivation, Livelihood and Food Security: New and Old Challenges for Indigenous Peoples in Asia*. FAO, IWGIA and AIPP: Bangkok; Mertz, O., et al. 2009. "Swidden Change in Southeast Asia: Understanding Causes and Consequences." *Human Ecology* 37: 259-264

⁶⁴ Marino, E., and J. Ribot. 2012. "Special Issue Introduction: Adding insult to injury: Climate change and the inequities of climate intervention." *Global Environmental Change* 22:323-328.

ICCAs and other community conservation initiatives play a key role as non-market based approaches to enhancing climate resilience and climate change mitigation. There is an urgent need for increased political will to support such non-market-based approaches.

Any effort to enhance the climate resilience of countries and communities should be based on a human rights approach and clear legal standards. Territory- and ecosystem-based adaptation is largely based on voluntary collective action and tailored to specific communities and localities. It is more effective and cost-efficient than high-input technological and engineered approaches, while providing multiple benefits. Women often take leadership roles in ensuring their families and communities are resilient to climate change and the risk of disasters.⁶⁵ Traditional knowledge systems and practices are vital to monitoring, predicting and adapting to change.

Where relocation or migration may be necessary for survival (for example, due to sea level rise), particular attention must be paid to culturally appropriate plans, needs of women and children, and consideration of practical challenges such as movement of cultural artefacts and burial grounds. Relocation should be based on human rights standards, intercultural dialogue and land and resource planning with communities already in proposed resettlement areas, including to address issues with conflict, tenure, housing and access to livelihood opportunities and basic services.⁶⁶

Positive incentives for community conservation can include financial incentive schemes as well. However, there are a number of inherent problems with results-based payments for conservation and other market-based approaches. The introduction of new governance arrangements to handle financial incentives tends to undermine customary institutions. Results-based payments for ecosystem management or improved land use practices often lead to inequity, mismanagement and even corruption, especially if there are no strong governance systems in place.

Moreover, most communities do not have the capacity for MRV and offset sales and become dependent upon intermediaries, which often play a key role in the development and management of REDD+ and similar land-related climate projects. However, the interests of these intermediaries are not always aligned with the interests of the indigenous peoples and local communities that are actually implementing conservation and restoration activities on the ground.

Results-based payments also tend to target actors with secure land rights, which discriminates against indigenous peoples, local communities and women with no or disputed land tenure rights. Carbon markets have also proven to be highly unpredictable and the dependency on financial compensation leads to conflict or collapse of the system if funds stop for external reasons.

A more fundamental concern with results-based payments is that they fail to address the root causes of ecosystem degradation and are based on the notion that financial gains are the primary motivation for human action; this feeds short-sighted individual desires and undermines long-term community plans and collective value systems. For many indigenous peoples and local communities, REDD+ and other results-based payment systems represent foreign concepts and different worldviews. For example, the term environmental “services” is very anthropocentric and conflicts with indigenous worldviews that people are stewards and caretakers for future generations.

⁶⁵ UNISDR, 2015. [Women's Leadership in Risk-Resilient Development: Good Practices and Lessons Learned](#). UNISDR: Bangkok.

⁶⁶ Corendea, C., V. Bello and T. Bryar, 2015. Pacific Research Project: Promoting Human Security and Minimizing Conflict Associated with Forced Migration in the Pacific Region. Policy Brief. Pacific Islands Forum Secretariat, United Nations University Institute on Globalization, Culture and Mobility, and United Nations University Institute for Environment and Human Security. Available online: <http://collections.unu.edu/eserv/UNU:3171/PacificReport.pdf>.

With the current rush to mobilise money to combat climate change and help those who are already feeling its disastrous consequences, it is more important than ever to be aware of the developments within the finance arena and closely follow the steps of old and new actors such as the Global Environment Facility and Green Climate Fund. These developments may present opportunities for indigenous peoples, local communities and women to help them continue with their traditional practices and livelihoods in their lands. However, they could also pose significant risks and threats if the projects funded by these mechanisms ignore the rights and self-determined priorities of indigenous peoples, local communities and women, and largely continue to promote market-based approaches and false solutions.

In this respect, the increasing tendency to merge private sector investments with public climate finance is a problematic development. Private sector investments need to be commercially profitable, whereas ICCAs and other forms of sustainable use of ecosystems and territories tend to provide a broad range of social, cultural, spiritual and livelihood benefits, but only modest financial profits. Meanwhile, there are clear perverse incentives for the private sector to invest in monoculture tree plantations and other commercially attractive projects, despite their negative impacts on biodiversity, the climate regime and the livelihoods of the peoples and communities on the frontlines of climate change.

9. Recommendations for Climate Policy Makers

Climate policy makers should recognize the important and indispensable contribution of ICCAs and other community conservation initiatives to ecosystem-based climate change mitigation and enhancing the climate resilience of some of the most vulnerable populations. ICCAs and other community conservation initiatives also provide a broad range of non-carbon benefits. Appropriate and effective forms of support should be provided to ICCAs and other community conservation initiatives.

However, results-based payment systems like REDD+ and other market-based approaches come with a number of inherent risks that do not only fatally undermine the climate regime, but also provide significant risks for the very indigenous peoples, local communities and women they aim to support. For that reason, climate action in the land use sector should be reported upon rather than accounted for, and climate policy makers should instead embrace the following key recommendations:

1. Recognise ICCAs and other community conservation initiatives as effective, holistic non-market-based approaches for climate change mitigation and adaptation and offer appropriate legal, political, social, economic and other forms of support – not results-based payments;
2. Promote comprehensive and participatory reporting on community conservation initiatives and other land use actions, taking into account their multiple benefits and values – rather than using flawed carbon accounting methodologies;
3. Halt and reverse the corporate take-over of climate policy through blended public-private climate finance and public private partnerships by providing sufficient new and additional public financial resources that serve public rather than commercial private interests;
4. Explicitly exclude monoculture tree plantations, intensive livestock farming and other environmentally and socially destructive industries and practices from climate finance schemes; and
5. Ensure the full and effective participation and free, prior and informed consent of indigenous peoples, local communities and women in national policies, plans and programmes for climate change mitigation and adaptation and related financing mechanisms, and address the findings of community-based monitoring in climate-related decision-making.