

Beyond Beneficiaries

Fairer Carbon Market Frameworks

Kelley Hamrick, Kim Myers, Alice Soewito

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Views of this report are our own: Indigenous Peoples and Local Communities (IPLC) groups have the right to self-determination – that is, they should be able to decide if and how to engage in carbon markets. Our recommendations to promote IPLC leadership in carbon projects does not imply that IPLC’s *must* be leaders. Rather, we want to convey that this opportunity should be made available, and IPLCs have decision-making authority about whether to initiate a project, defer to a project proponent, or not partake at all in the market. Any carbon projects that impact IPLCs must be undertaken with full Free, Prior, and Informed Consent.

Glossary

ACR	American Carbon Registry
CAR	Climate Action Reserve
CCB	Verra's Climate, Community and Biodiversity Standard
COICA	Coordinator of the Indigenous Organizations of the Amazon Basin
DRC	Democratic Republic of Congo
FCPF	Forest Carbon Partnership Program
FNC	Forest Neutral Congo
FPIC	Free, Prior, and Informed Consent
IC-VCM	Integrity Council for scaling the Voluntary Carbon Market
IPLCs	Indigenous Peoples and local communities
JREDD+	jurisdictional REDD+
LEAF	Lowering Emissions by Accelerating Forest finance
MRV	Monitoring, reporting, and verification
NCS	Natural Climate Solutions
TFCI	Tropical Forest Credit Integrity Guide
RDC	Rural District Councils
REDD+	reducing emissions from deforestation and forest degradation
VCM	Voluntary carbon markets
VCFI	Voluntary Carbon Market Integrity initiative
VCS	Verra's Verified Carbon Standard

Methodology

The authors conducted a literature review to:

1. understand existing best practice models around benefit-sharing,
2. collect information on projects that have implemented this report's ideal models in an exemplary manner,
3. capture benefit-sharing lessons learned in the market.

The literature selection process considered the experience level and reputability of the authoring organization and the applicability of the work to this research (i.e. whether the resource covered benefit-sharing at the carbon project level). Given the limited amount of literature on this topic, occasionally we relied on resources with slightly different contexts (e.g. jurisdictional guides on benefit-sharing). We aggregated this information qualitatively, noting emerging themes and the most forward-thinking ideas.

Our work relied heavily on expert input. This cohort included 7 individuals internal to The Nature Conservancy and 2 external advisors with extensive social safeguard expertise, particularly in natural climate solutions programs. Internal expert check-ins were scheduled regularly to shape the theme, structure, and content of the report, while external advisors were consulted once early in the project to ensure TNC accounted for diverse perspectives in its research process. All experts involved throughout the project timeline were consulted for the final review, as well as 20 additional experts. This work is a conglomeration of many perspectives and may not represent the individual views of the experts.

Lastly, the authors consulted directly with the case study project teams and carbon accounting standards to ensure the information provided in this report was comprehensive and accurate.

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Executive Summary

Carbon markets can play a critical role in scaling transformational climate benefits and positive social change – *if* done well. Without proper safeguards, carbon projects run the risk of harming the very groups they should be benefiting. These groups, often referred to as Indigenous Peoples and Local Communities (IPLCs), have faced land grabs, forced resettlement, loss of resource access, value extraction and exploitation, and deceptive legal agreements at the hands of poorly designed projects. In this report, the authors seek to identify:

1. **Current frameworks:** Identifying types of benefit-sharing used today
2. **Gaps:** Addressing shortcomings in current benefit-sharing approaches
3. **Standards:** Reviewing current guidance
4. **Solutions:** Achieving robust IPLC partnerships

Because best practices in benefits-sharing can vary widely in different contexts, this report focuses exclusively on natural climate solutions projects that are intended for sale in the voluntary carbon markets, with a focus on those with Indigenous Peoples and Local Community involvement.

1. Current frameworks

Identifying types of benefit-sharing used today

Carbon credit projects occur in a myriad of political, ecological, and social contexts, and thus may involve different stakeholders. Regardless, the key stakeholder groups involved in developing NCS projects remain the same.

There is always a **landowner** of the project location, who initially owns the rights to the project area. Often in developing countries, ownership can be unclear, so consideration of undefined land tenure or “customary rights” of IPLCs is key. Many times, projects pursue formal land tenure as part of their activities.

Project proponent(s), developer(s), and/or investor(s) ensure the project meets all requirements and produces credits. Proponents are responsible for project management, while developers and investors may provide additional technical and financial support, respectively. Carbon rights are typically transferred to the project proponent from the landowner, though each of the three groups receive rights to the carbon and/or a percentage of the revenue from credit sales.

Implementer(s) perform the mitigation activities and are also compensated for their contributions to the project, though there could also be additional **beneficiaries**, who may live or work in a project’s buffer zone or otherwise be impacted by the project activities (but do not implement them). Market norms are meant to protect these groups from any “net harm” resulting from the project. Common safeguards include consultations, grievance mechanisms, and monitoring.

Sometimes, these stakeholder groups are all the same people and/or organizations; oftentimes, however, these are distinct entities.



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2. Gaps

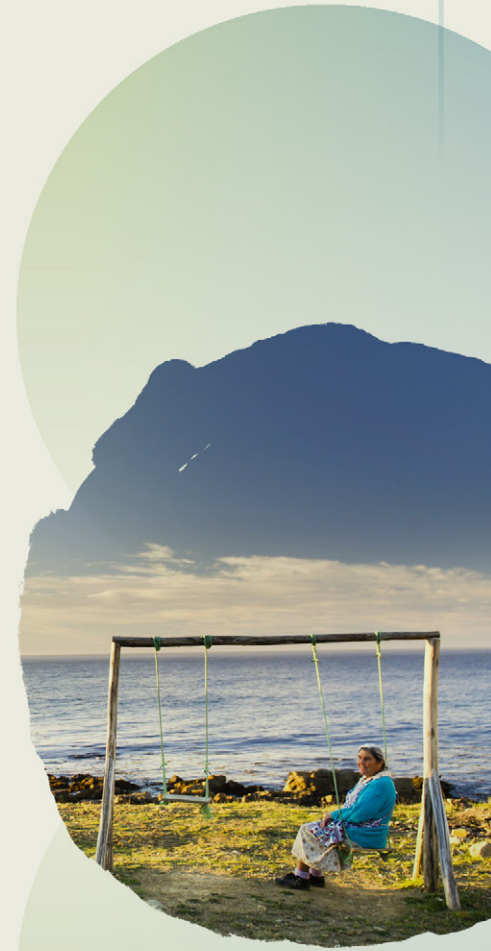
Addressing shortcomings in current benefit-sharing approaches

Current benefit-sharing in carbon markets may leave IPLCs vulnerable to further exploitation and disenfranchisement. Some of the limitations to the existing framework require substantial policy changes (i.e. formal land tenure). Project activities have tried to address the lack of clear ownership with land titling, but with inconsistent success.

IPLCs without ownership can be excluded from key project decisions and denied their right to self-determination. They are often approached by project proponents after the project area and mitigation activity have been determined, then presented with highly technical contracts, resulting in arrangements that leave IPLCs without a full understanding of their rights or the potential costs and benefits of the project.

Additionally, project costs incurred by IPLCs are often not fully included in the project's balance sheet. These include opportunity costs (such as work hours taken off for project consultation or the economic activity lost from implementing the mitigation activity) and implementation costs (such as ongoing ecosystem management and monitoring of sustainable practices). Inadequately accounting for opportunity costs not only undervalues the costs to IPLCs - it increases the risk that the project's mitigation activities aren't properly incentivized.

Lastly, existing power imbalances (such as in land ownership, rights, or investment ability) can lead to "rent seeking", or the profiteering of carbon credits without adding value to the local economy. Recent analysis found examples where project proponents, investors, and intermediaries have taken more than their fair share of profit, leaving IPLCs undercompensated for their contributions. These outcomes are a result of unequal information, inadequate rights access, and substantially different financial, technical, and legal resources. Similar risks for inequity exist in the secondary carbon market: resellers of credits ("intermediaries") often buy up large volumes at low prices, then resell at a significant markup.



3. Standards

Reviewing current guidance

Carbon credit standards have generally tried to address risks to IPLCs through a combined approach of avoiding negative outcomes (“do no harm”) and ensuring positive social outcomes. Most requirements to date have focused on safeguarding against negative impacts; more work is needed to ensure positive outcomes and to bolster foundational aspects around rights of IPLCs and local landowners to own and transact carbon credits – or to opt out of carbon markets if they wish.

In response to this shortcoming, initiatives like the Integrity Council for scaling the Voluntary Carbon Market, the Tropical Forest Credit Integrity Guide, and the Voluntary Carbon Markets Integrity initiative have started to define new best practices around issues like market access for IPLCs, revenue sharing in secondary market transactions, and more.



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4. Solutions

Achieving robust IPLC partnerships

IPLCs should be able to self-determine how and when they wish to engage in carbon crediting – if they wish to engage at all. The authors of this report see four options for the role of IPLCs in carbon markets:

1. Choose not to participate in any carbon markets
2. Transfer rights to a project proponent and become a beneficiary (most projects currently use this model)
3. Participate as partners with a project proponent
4. Become the project proponent

Recognizing that, in many project and country contexts, options 3 and 4 are not yet feasible, IPLCs may rely on option 2 for some time. However, there are still significant improvements for project proponents to make when operating under option 2. At a minimum, all projects in this category should design benefits in a participatory, inclusive, understandable, and transparent manner. Additionally, continual monitoring of the benefit-sharing mechanism is key to ensure ongoing success. Still, this report also documents instances where IPLCs were able to become project partners or even the sole project proponent (options 3 and 4). Examples from the U.S., Australia, and Canada, show what's possible when IPLCs possess land rights and equal information access.





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This report details the fundamental roadblocks to equitable participation of IPLCs in carbon markets and proposes high level solutions. However, the conversation must continue to develop. Topics for expanded research and consideration include the following:

- Providing detailed recommendations on contracts and fair financing options
- Further detailing the types of costs borne by IPLCs within carbon projects
- New instruments and approaches to ensuring equitable revenue for IPLCs, such as insurance, funds, or other mechanisms

The authors hope this report can be the beginnings of a more detailed discussion and consideration around the role of IPLCs within carbon markets.

Introduction

Companies are increasingly turning to carbon credits to complement their climate targets¹ and to finance near-term reductions that are otherwise too costly or difficult to abate. Demand is expected to grow: the voluntary carbon market alone is expected to soar from a \$2 billion valuation in 2021 to as much as \$50 billion in 2030,² while compliance carbon pricing schemes already cover almost one-quarter of global emissions.³

This finance could be critical at scaling transformational climate benefits and positive social change – *if* done well. Yet this opportunity is not without risks. Since carbon credit projects first appeared, there have been concerns about “carbon cowboys”, a term used to describe firms driving the reckless development of carbon projects for financial gain without regard to the rights of Indigenous Peoples and Local communities (IPLCs) and/or other local landowners. Poorly designed or outright predatory projects have resulted in land grabs, forced resettlement, loss of resource access, value extraction and exploitation, and deceptive legal agreements.⁴

Carbon credit standards (including both “voluntary” standards such as Verra and “compliance” standards like the Clean Development Mechanism) have generally tried to address these risks through a combined approach of avoiding negative outcomes (“do no harm”) and ensuring positive social outcomes. Most requirements to date have focused on safeguarding against negative impacts; more work is needed to ensure positive outcomes and to bolster foundational aspects around rights of IPLCs and local landowners to own and transact carbon credits – or to opt out of carbon markets if they wish.

This report seeks to identify:

1. **Current frameworks:** Key considerations in the benefit-sharing of today ([page 13](#))
2. **Gaps:** Shortcomings in current benefit-sharing approaches ([page 23](#))
3. **Standards:** Snapshot of current guidance ([page 33](#))
4. **Solutions:** Achieving robust IPLC partnerships ([page 36](#))

Because best practices in benefits-sharing can vary widely in different contexts, this report focuses exclusively on natural climate solutions (NCS) projects that are intended for sale in the voluntary carbon markets (VCM), with a focus on those with Indigenous Peoples and Local Community involvement (see Figure 1).

Figure 1: Scope of this report

NCS carbon projects intended for the voluntary carbon markets, with a focus on the participation of IPLCs





Beyond
Beneficiaries

1. Current frameworks

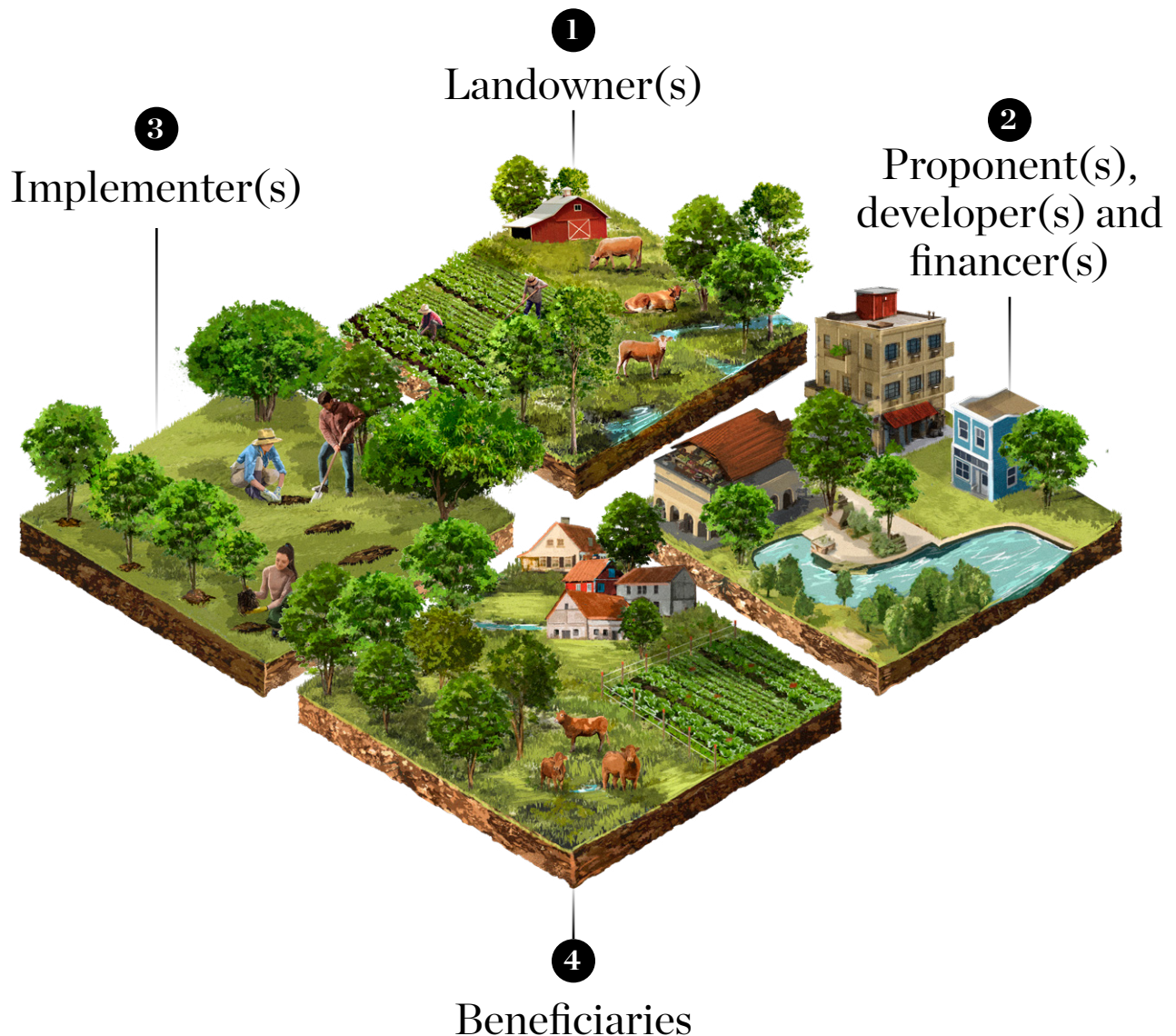
Key considerations in the
benefit-sharing of today

NCS carbon credit projects can differ widely from one another, with variables including:

- Location, from Australia to Zimbabwe,
- Size, from less than 200 hectares to more than one million hectares,⁵
- Mitigation type, from afforestation to soil carbon management, and
- Standard, from the American Carbon Registry to Verra

These components affect the type of expertise needed in the project. Regardless, the key stakeholders involved in developing NCS projects remain the same. There is always a **landowner** of the project location, plus **project proponent(s), developer(s), and/or investor(s)** to ensure the project meets all requirements and produces credits and **implementer(s)** who perform the mitigation activities. There may also be additional **beneficiaries** of the project, who may live or work in a project's buffer zone or otherwise be impacted by the project. Sometimes, these are all the same people and/or organizations; oftentimes, however, these are distinct entities.

Figure 2: Types of actors involved in NCS carbon credit projects



1

Landowner(s)



The land “owner” of the project location seems straightforward at first glance: this is the person, company, community, Indigenous group, or government that owns the land where the NCS carbon project will occur. However, this can become complicated depending on local land tenure laws in the country (see Annex 1). The following considerations are key to establishing ownership:

Leasing/concessions: Some countries own all the land but lease it via concessions. The Rimba Raya project in Indonesia, for example, has carbon rights to the project area via an ecosystem restoration license from the government of Indonesia that lasts 60 years. Similarly, the Madre de Dios project in Peru started with two logging companies that owned both logging and ecosystem service concessions from the Peruvian government that are valid for 40 years.

Land tenure: In many countries, IPLCs may have some use rights to the land, but recognition of full tenure is absent. This can result in unclear land tenure and/or competing claims on the same land. Many projects aim to resolve this confusion by incorporating land titling into project development and/or omitting those areas from the project. The Keo Seima Wildlife Sanctuary project, for example, operates within one of Cambodia’s

designated “Core Protection Forest” areas. While the area is owned by the government, the project identified a few existing or potential Indigenous Communal Title claims within the project area; these areas were then *excluded* from the project’s crediting but *included* in the project’s implementation activities (with the activity focused on helping these communities clarify their title and claims).

Analysis of the “[International Database on REDD+ projects and programs](#)” reveals that more than one-third (133 out of 387 projects) of projects report that land tenure clarification is part of the project activities. For the remaining two thirds of projects, tenure may be already held by the communities or by another entity entirely, such as the government or the project proponent, or IPLCs may not be using the project area. In such cases, where communities have no formal recognition of rights or path to attaining those rights, there is a heightened risk of exploitation and disenfranchisement for IPLCs.

Land versus carbon rights: Finally, ownership is complicated by the fact that many countries have not yet defined carbon rights. In many cases, ownership over the project and/or land is deemed sufficient, but this could change if and as countries begin to legislate carbon rights.

The Uganda Wildlife Authority, for example, signed a contract to transfer carbon rights to the project proponent in the Natural High Forest Rehabilitation Project, while noting that there was no Ugandan law explicitly mentioning carbon rights. However, more countries may seek to define carbon rights explicitly: recently, the government of Indonesia created new rules for all carbon projects in the country, and now requires authorization from the Ministry of Environment and Forestry *before* selling credits. Similar requirements may appear in more countries, as countries look to operationalize carbon trading under Article 6 or through compliance markets.

While the model clearly designates carbon rights, the bureaucratic process of rights transfer from the state to the project proponent has put a damper on the Indonesian carbon market.

Given these uncertainties, carbon standards often ask if the project has a *right* to claim ownership of the project activities that have caused the climate benefit – but do not require proof of land ownership or carbon rights explicitly. Instead, standards may ask project proponents to assess whether IPLCs hold “customary rights” to the land, which includes historic use or ownership of the land by IPLCs instead of formal landownership or title.

Table 1: Guidance and/or requirements by standards*

Standard	Customary rights recognized?	Carbon rights recognized?
American Carbon Registry (ACR)	✓ **	✓
Climate Action Reserve (CAR)	✗ **	✗
Gold Standard	✓	✗
Plan Vivo	✓	✗
Verra’s Climate, Community and Biodiversity Standard*** (CCB)	✓	✗
Verra’s Verified Carbon Standard*** (VCS)	✓ (Limited)	✗

Note: Information adapted from original research, a Carbon Market Watch [report](#), and a Rights and Resources Institute [report](#).

*Standards allow different types of NCS methodologies. The Gold Standard, for example, allows ARR methodologies but not REDD+.

**Note: Nearly all ACR and CAR projects occur in the United States, where tribal land ownership typically occurs via trust land and other restricted-status lands managed by the national government through the Bureau of Indian Affairs or through direct purchase and ownership. To address the challenges associated with complex land ownership allotments within reservation boundaries ACR has published guidance specific to [carbon project development on tribal lands](#), developed jointly with the [Indian Land Tenure Foundation](#). While the general CAR standard does not mention customary tenure or rights, a Mexico-specific forest carbon methodology *does*.

***Typically, Verra’s VCS and CCB standards are used together with NCS projects.

2

Proponent(s), developer(s) and financier(s)



The **project proponent** leads in the design, implementation, and outcomes of the project and ensures the project meets all requirements by the standard. However, proponents may not always have capacity to undertake the technical design of the carbon project or the ongoing monitoring, reporting and verification requirements and/or costs. **Project developers** are companies that have built a business around implementing carbon credit projects and often have experience with multiple projects, and oftentimes work on the project for a limited time (perhaps 5-10 years in comparison to the project proponent, who will stay for the duration of the project). Finally, **investors** may offer upfront finance to the project. In some cases, the project proponent also develops and finances the project; in other cases, the project developer may also offer upfront finance (assuming the role of an investor). In many cases, these are three different stakeholders.

Carbon rights usually transferred from landowners to proponents

In some cases, the person, company, IPLC, or government who owns the land *also* implements the project - but in most cases, landowners engage carbon service providers

who have experience and success in overseeing carbon credit projects. In this case, carbon rights are transferred to the project proponent via a contract. The contract also lays out other terms, such as the landowner's role and responsibilities in implementing the project activities and how revenue will be shared.

Instances where owners retain carbon rights

An analysis of best-selling NCS projects from Verra (the standard with the most NCS credits) found that **almost all land and/or carbon owners preferred to transfer carbon rights to the project proponent** (see Annex 1). Owners only retained their rights in a handful of cases, notably when the proponent and owner are the same (such as in the Keo Seima Wildlife Sanctuary project) or when companies or foundations own the land. For example, landowners of the Afognak Forest Carbon Project - a foundation and a conservancy - were also listed as project proponents and designated a project proponent "representative" company to help implement the project. The Madre de Dios project took a similar approach: the project proponent had the right to sell credits but could only keep 30% (the rest were owned by the two timber concession companies that owned the land).

Determining project proponent compensation

In most cases, though, the project proponent, developer, and/or investor assumes responsibility for implementing the project, taking on the financial risks, and selling the resulting credits. This arrangement also means that the project proponent, developer, and/or investor can receive the revenue from carbon credit sales first, either to recover upfront costs or to net profits before sharing net profits with beneficiaries and/or owners.

In the past, project developers often worked on specific activities through a **fee-for-service** model; more recently, many project developers have shifted towards **revenue-sharing** models, where the developer also receives a portion of the credits or credit revenues. Investors have always employed a revenue-sharing model, as this has a greater return potential.

Most revenue-sharing models ensure the proponent, developer and/or investor receive a percentage from carbon credit sales, typically around 20-40%;⁶ however, the specifics vary widely from project to project to reflect unique circumstances.

Because many project costs are static, a percentage-based model can lead to excess profit in times of a market boom but can be riskier in times of a market downturn. In response, some project proponents have utilized a fixed credit price that makes sense for current market conditions but does not shift along with future changes to market price. In cases where the price declines, this fixed agreement can help protect beneficiaries by providing an agreed-upon amount at the expense of the investor or project proponent; however, in cases where the price increases, beneficiaries may not receive a fair share of additional revenue.

3

Implementer(s)



Project implementers are responsible for performing the mitigation activities that result in carbon credits (e.g. tree planting or sustainable livestock practices). Depending on the nature of the project, implementers may also be the landowner(s) and/or project proponent(s).

Market norms dictate the following with respect to IPLCs acting as implementers:

- **Safeguards:** ensure projects do not have negative impacts (do no harm).
- **Sustainable development criteria:** requiring projects to report on positive social impacts. Most projects align reporting on this criterion with the Sustainable Development Goals.
- **Stakeholder consultation:** require projects to consult with Communities or Indigenous Peoples affected by or part of the project, with Free, Prior, and Informed

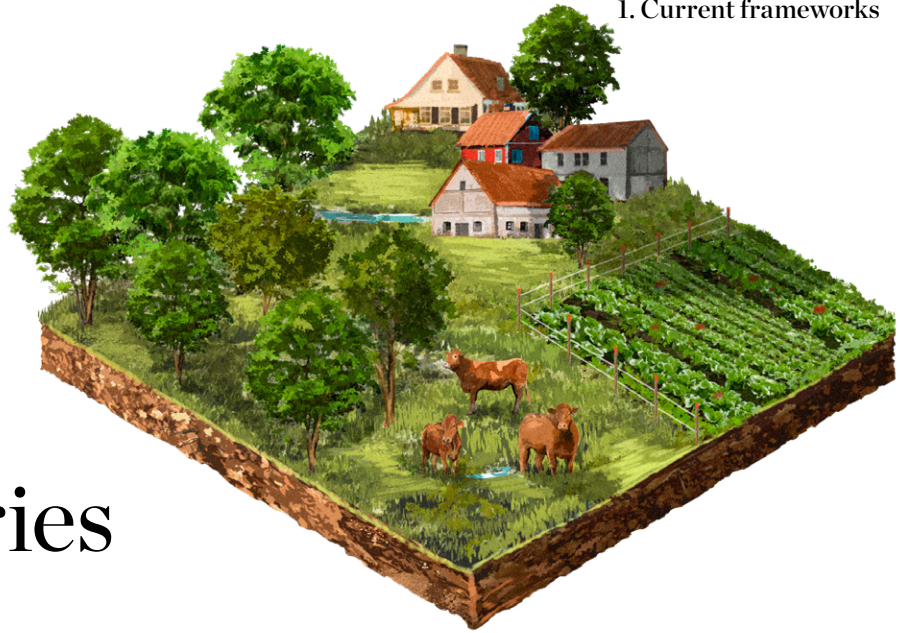
Consent usually required for any engagement with IPLCs. However, most standards do not provide concrete guidance around consultation or FPIC.

- **Grievance Mechanisms:** if harm occurs or is perceived to have occurred, ensure stakeholders can raise these grievances easily and anonymously.
- **Monitoring, reporting, and verification:** require monitoring, reporting and verification of outcomes with the use of either pre-defined or self-defined metrics.

Typically, all standards provide some form of guidance around each of these topics,⁷ but the *extent* of this guidance varies. For example, the American Carbon Registry asks project proponents to “briefly describe the process to identify community risks/impacts,” while Verra’s CCB standard – designed specifically around carbon project co-benefits – requires a lengthy stepwise process and extensive documentation around stakeholder engagement.

4

Beneficiaries



Benefits constitute any gain to stakeholders resulting from the carbon credit project. Owners, proponents, implementers and other stakeholders may all be **beneficiaries** of the project. Major considerations around project benefits include:

- **What benefits are received?** Benefits can occur during project implementation and after credits have been sold. Types of benefits include both **monetary** payments and **non-monetary** benefits, like construction of a new health center or a school, or agricultural extension service support. Analysis of the “[International Database on REDD+ projects and programs](#)” found that most projects include non-monetary benefits (420 out of 468 projects), compared to fewer projects that offer monetary benefits, either **conditional** (94 out of 459 projects) or **not conditional** on project performance (183 out of 463 projects).⁸
- **When are benefits received?** Project proponents have been known to use a mix of monetary and non-monetary benefits at different points in the project lifecycle, and the timing of benefit distribution can be used strategically. For example, some projects provide some benefits in the development phase to incentivize local stakeholders early on, then reward them for their results after implementation.
- **Who receives the benefits?** Fixed benefits, like the community health center example, are clearly used as a public good that benefits the wider community. Cash payments, however, can be direct to individuals, households or allocated to a community fund where the collective decides how to use the money. Current benefits-sharing models often lack guidance around how to include community members that do not have land ownership rights or around how to ensure funds are equitably shared within communities participating in the carbon project.
- **How are benefits determined?** Market norms dictate that the determination of which benefits will be distributed to IPLCs is a collaborative process. Project stakeholders should choose the type of benefit based on the wants and needs of the communities, in addition to the practicality (e.g. assessing whether introducing an alternative livelihood is realistic and sustainable). For other organizations involved in the project, benefits almost always come in the form of payment or credits. Currently, only one standard provides benefits-sharing requirements; Plan Vivo includes various benefit-sharing mechanism requirements, such as a requirement that at least 60% of revenue must directly benefit the landowners or other local stakeholders.

Table 2: Pros and Cons of Benefit Types

	PROS	CONS
Monetary	<p>Cash payments allow more decision-making and flexibility for IPLCs</p> <p>Payments to IPLCs can increase when credits sell high</p>	<p>Risk that payments will be used for carbon-intensive activities that undermines a project's climate impact</p> <p>Payments could decrease or stop if the market hits a downturn, and end when the project ends</p> <p>Higher risk of benefits being shared inequitably within communities (elite capture within communities)</p> <p>Cash payments may not be useful for communities in isolated locations, where overall purchase power is low</p>
Non-monetary	<p>Benefits typically outlast the project (e.g., a school will remain even after the project ends)</p> <p>Control over benefits can ensure that the benefits do not result in activities that compromise the climate impact of the project</p>	<p>In a market where credits sell high, additional revenues might not go to the communities (since these are fixed costs)</p> <p>Can be difficult to maintain over time (e.g. a new health center will need to be continually staffed and supplied with necessary resources to operate)</p>

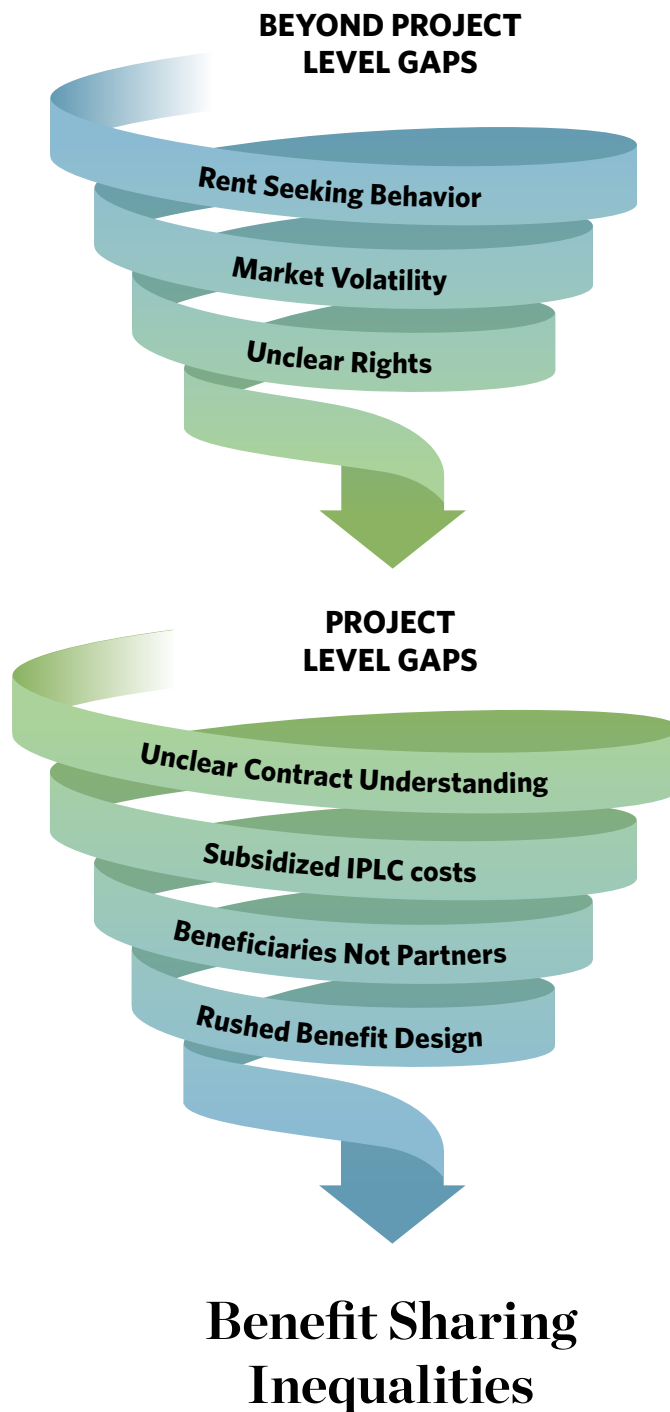
Beyond
Beneficiaries

2.Gaps

Shortcomings in current benefits-
sharing approaches



Figure 3: Identified project-level and beyond-project-level gaps



Over the past decade of NCS projects, there have been several lessons learned around benefits-sharing and other engagement with IPLCs. Figure 3 lists the identified project-level and beyond-project-level gaps that ultimately lead to inequitable benefit-sharing. We discuss the gaps further in detail in this chapter.

Unclear rights

Financial opportunities created by carbon credits can exacerbate rights violations and inequities or, if properly designed, can help drive investment and help to secure IPLC rights and benefits. Because of this risk, some project proponents choose not to work in areas that rely on further government action (such as places with unclear land tenure). Meanwhile, others, despite the challenges of working in unclear legal situations, have attempted to help with land titling.

One study found that while land tenure is often a priority for REDD+ projects,⁹ there is inconsistent success in changing tenure.¹⁰ However, in a 2016 survey of 101 NCS projects, 27 projects reported helping to clarify tenure as part of their activities (either through mapping, arbitration, legal documentation, or financial support

efforts). Two successful examples include the Yaeda Valley REDD+ project in Tanzania, which helped to pilot Customary Rights of Occupancy within the community; another is the Cheakamus project in Canada, which established the nation's first Atmospheric Benefit Sharing Agreement that allowed First Nations to borrow carbon rights from the government.¹¹

Ultimately, though, much of this uncertainty is reliant on clear government policy... which IPLCs and project proponents alike have limited ability to influence. Many countries have not clarified how land tenure intersects with carbon rights.¹² As a result, while independent carbon standards may require some recognition of customary land tenure, none require recognition of IPLC's carbon rights (see Table 1).¹³

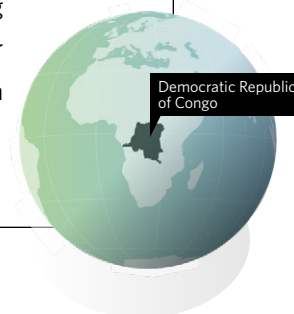
Box 1: Elite Capture Risks Land Tenure in the Republic of Congo

The government of the Republic of Congo has long held all rights to land; however, in 2018, a new law afforded customary rights to people who registered with the state, while the government will continue to own all unregistered land. Unsurprisingly, registration is complex and takes time. One example where few families and communities have done it is in the Lefini reserve area, a site for a proposed carbon project.

Communities in this example were stripped of their right to land tenure when the government ceded rights ownership to a private carbon project proponent. The government had the right to privatize land and did so in September 2020 after discussions with the proposed project proponent Forest Neutral Congo (FNC) and proposed investor

TotalEnergies. The government then signed a lease with FNC, allowing them to start the project.

After a report by Uearthed and Greenpeace about customary rights violations associated with the proposed project, TotalEnergies stated that they and FNC will account for customary land rights and are currently assessing the project's potential impacts on local communities. However, the results (due later in 2023) will only "identify a remediation action plan, including livelihood restoration measures that comply with international standards." There is no mention of changing the project area or postponing the project, highlighting the risks of power imbalances and elite capture in areas with unclear land tenure.¹⁴



Limited to beneficiaries, not partners

Depending on the location of the project and local context around land tenure, IPLCs may be owners or only project beneficiaries. Both have potential issues in the context of carbon markets: in a 2017 analysis of 85 journals, CIFOR analyzed grievances against carbon projects and found the most common grievance by IPLCs was a lack of self-determination in carbon projects (69%), followed by a lack of participation in decisions that affect them (61%).¹⁵

Project Area on IPLC Land

In areas where projects are occurring on IPLC land – either claimed or still contested – IPLCs may sign away carbon rights and other aspects of the project management before fully understanding all aspects of the contract (see the “Unfavorable contracts” section). Here, ensuring full and effective consultation through an iterative process is key (see the “Rushed input; undefined outputs” section).

Project Area not on IPLC Land

In areas where projects occur on private or government-owned land, oftentimes IPLC groups live nearby in the

“buffer” zone and are approached as project participants and/or “beneficiaries”. The term means a person who derives advantage from something without much effort (think beneficiary of a life insurance policy). The connotation suggests that IPLCs contribute minimally to the creation of carbon credits and underestimates the value that communities provide to projects and costs they bear (see “Subsidized costs” section).

Oftentimes, IPLCs are engaged after the project site has been determined; at this point of engagement, many of the details may already be worked out, such as project area and mitigation activity. Developers draft term sheets to present to communities, which may include technical language, and essentially propose solutions to the communities instead of approaching the process in a true partnership approach where decisions are made jointly. The result of this arrangement is that communities may enter into agreements without full understanding of their rights, their potential benefits, or the costs involved, which often leads to an inequitable distribution of costs and benefits.

Subsidized costs from IPLCs

Some carbon project costs are easier to quantify than others. Broadly speaking, project proponents can assess their **upfront costs** for feasibility studies, technical accounting work, stakeholder consultations, documentation drafting, and project auditing. They can also estimate **ongoing costs** including staff, implementation fees, and other project-specific operational expenses. While these costs can be highly variable,^{16,17} they can nevertheless be broadly anticipated and assessed in terms of risk.

However, costs incurred by IPLCs are often not fully included in the project's balance sheet. These include **opportunity costs**; projects that restrict or modify current land-use practices often propose alternative livelihood approaches. It can be difficult to truly compare the cost

differential between, for example, conversion for livestock compared to shade-grown coffee approaches, as these are two separate industries with many variables that impact the potential costs and benefits. Other oft-excluded opportunity costs include days of lost work from individuals' regular jobs, childcare costs, to participate in consultations, informational presentations, and project design. Finally, **implementation costs** by IPLCs,¹⁸ including on-going ecosystem stewardship and management, implementation of sustainable practices, monitoring, and enforcement are also often excluded. In many cases, this results in the most financially powerful participants receiving the most benefits at the expense of IPLCs (and local organizations and non-profits) to bear implementation costs, and IPLCs and landowners to bear the opportunity costs.¹⁹

Table 3: Sample IPLC costs

IPLC costs	
Upfront costs	<p>Travel costs: IPLCs should be compensated for the cost of travel to/from meetings</p> <p>Childcare costs: IPLCs should be compensated for childcare costs while at meetings</p>
Ongoing costs	<p>Cost of time: while project developers and investors are paid for their time in this process at a market rate, IPLCs are often nominally paid (for instance, with in-kind or small payments to key members) despite their participation being a requirement for the project. As projects interview or request participation of IPLCs throughout the design, implementation and verification processes, this time should be paid for.</p>
Opportunity costs	<p>Restrictions to economic activities: The project may restrict or modify existing practices, such as forest use. This cost should be compared against the proposed alternative livelihood activities.</p> <p>Lost labor/wages: IPLC involvement in stakeholder meetings can accrue lost days of labor and/or wages due to participation in project discussions</p>
Implementation costs	<p>Wages and other payments: If IPLCs are hired to help monitor the project, then the cost of wages can be easily calculated. However, if the project activities rely on existing IPLC activities that have been done for free, it may assume that those activities should continue to subsidize the project without proper recompense.</p>

While project costs are reassessed throughout the project lifecycle, costs to IPLCs are usually assessed only at the beginning of the project. This is also when IPLCs typically have the least understanding of the project, which might

evolve as the project continues. Initial terms of the contracts may be poorly understood then, and IPLCs may have limited flexibility to respond to unexpected risks (such as Covid-19, recession, etc.) as these costs aren't usually anticipated.

Rent seeking and financial risks

Existing power imbalances (such as in land ownership, rights, or investment ability) can lead to “rent seeking”, or the profiteering off carbon credits without adding value to the local economy. Because carbon credits are a sort of commodity, they are often created and sold with an eye toward profit generation, risk reduction, and cost minimalization. While many project proponents in the space have twin goals of conservation and profit, when bad actors do come to town, they may prioritize financial gains over equity and fairness.

Recent analysis found examples where project proponents, developers, investors, and intermediaries have taken more than their fair share of profit, leaving IPLCs undercompensated for their contributions.²⁰ These outcomes are a result of unequal information, inadequate rights access, and substantially different financial, technical, and legal resources.

Project proponents, developers and/or investors may take on more upfront financial risk in terms of overall dollar value. They often use this as a justification for more reward down the road – higher risk, higher reward. However, the dollar amount they put upfront may be a small percentage of their overall portfolio. At the same time, local communities, farmers, and ranchers may risk a small overall dollar amount by implementing a new

practice on their land, but that could risk their entire harvest or livelihood for that season, especially if the practice has not been tested – they are risking a much higher overall percentage of their assets. Discussions on who is bearing more risk should reflect these nuances.

Additionally, timing of payments is key to many IPLCs: monetary payments, in particular, are often needed upfront, while carbon payments are sometimes not generated until years later. This leaves project proponents and IPLCs with a conundrum:

- **How to ensure long-term financial sustainability and permanence of project activities through timing of payments?** If projects have limited resources, more upfront payments can help address this, but that might leave lower incentives later in the project for continued conservation.²¹
- **What happens if the project fails to generate (or market) credits?** In some cases, the project never generates credits, either due to unplanned defaults or unplanned actions like a forest fire. In this case, who is liable for the failure? What happens if IPLCs were promised credits but ultimately credits are not generated (or do not sell)? These financial risks must also be considered when implementing any projects.

Unfavorable contracts

When project proponents approach IPLCs, there is a high chance that IPLCs have not heard about carbon credit projects before. This can lead to an information discrepancy, that may cause either intentional or unintentional risks for IPLCs. One report found that some project proponents and developers did not divulge full information about planned REDD+ projects (with some developers omitting mention of REDD+ altogether).²² A generous interpretation of this could be that project proponents did not want to overcommit to the benefits of REDD+ (there have been opposite problems where developers promised but then were unable to deliver due to market prices).

If communities cannot access or understand the details of the project's agreements, they are susceptible to missing out on the carbon benefits owed to them. Because many carbon projects include confidential information (such as around revenue and profit margins), information that may be key for IPLC understanding may be underreported and opaque. Poor transparency

in this case enabled unjust value capture, where project proponents take more than their fair share.

Other contract stipulations IPLCs have found issue with after signing include:²³

- Duration (some IPLCs are unaware exactly how long they must do these activities),
- Restrictions on land use practices and lack of flexibility to later lease or sell the land,
- Payments in the case of project failure (which may not materialize),
- Price negotiation, and
- Non-compliance liabilities.

Overall, these issues could be better addressed if IPLCs were better supported to understand the contracts and had more ability to choose and compare various project proponents (instead of being approached by a single project proponent).

Box 2: Market volatility - and profit - leaves out communities.

A 2022 article by Bloomberg found that some Mexican community members felt deceived about carbon credit prices: they had contractually agreed to sell credits to BP, one of the partners that provided economic resources to develop the projects, at \$4/t in 2021. The World Resources Institute, a partner of the project, stated that the deal was fair at that point in the market and included upfront capital costs provided before the project generated credits.

However, when prices jumped up later that year and in 2022 to reach averages of \$12-\$16/t, some communities felt locked into the \$4/t. Meanwhile,

other communities with more resources or who were approached by other project proponents either renegotiated for higher prices (at \$10/t) or took a better offer from another project proponent (based on a % of the price sold). Additionally, some communities have begun looking to finance loans directly and create their own projects.

In the meantime, the initial communities were able to raise this issue to renegotiate their contract. Now, the contract is a floating amount based on market price - which has once again fallen closer to the originally-negotiated \$4/t.²⁴



Rushed input in design of benefits

Benefits may not adequately incentivize behavior changes amongst communities if they are not properly designed. For example, projects have attempted to generate alternative livelihoods, such as ecotourism, in markets that are not accessible in the project region. Similarly, cash payments may not be high enough to counteract the opportunity cost of alternative land uses.

Lack of meaningful consultation

To combat this, projects should ensure that stakeholder consultation occurs very early on in the project design process and encourage iterative input over time, allowing IPLCs to reflect and respond with ideas about the project. Project proponents should avoid advancing too far in project design before receiving IPLC input – the process should be one of co-creation.

A 2017 report found that some project proponents rushed consultations, did not provide documents in local languages, and sometimes would only superficially tweak designs to fit IPLC input.²⁵ Another report found corruption risk increased with rushed consultative processes, as project proponents preferentially worked with communities most encouraging of the project (usually those who may benefit the most from it) or by getting approval from governments (who may prefer to give approval or rights to profitable initiatives instead of communities).²⁶

In our research of the finances of 28 projects, the market has generally defaulted to a 60%-40% split between IPLCs and project proponents. The simplicity of this design minimizes transaction costs but does not necessarily reflect the share of effort; in many cases, this split is anticipated *before* stakeholder consultation occur, incentives are agreed to, etc.

Instead, projects should be designed to address the specific incentives for stakeholders and should identify

options for benefit delivery and timing preferred by IPLCs. For example, stakeholders may favor cash payments over alternative funding options (such as endowment fund contributions). Project proponents should also carefully consider IPLC preferences around the timeframe of payments. Ultimately, benefit-sharing should remain simplistic to minimize transaction costs, while also accurately reflecting the distribution of effort across stakeholders.

The complexity of project development also makes it difficult for projects to guarantee returns to IPLCs in a reasonable timeframe, since carbon credits only finance results. While upfront payments may address this, these payments could also reduce the long-term income benefit of the project.

Competing demands: project progress and need for iterative consultation

Meaningful participation may take years, and IPLCs understanding of carbon markets and the proposed carbon project can shift over time (especially if there is a change in leadership). There is no guarantee that public opinion of a project may not shift over time – and this is especially true if the project is not generating revenue that directly benefits the communities. Thus, project proponents must balance the need to generate real benefits from the project with the need for meaningful consultation and education. This must happen iteratively and consistently.

Additionally, education and training with IPLCs must not only consider information asymmetries between project proponents, investors, and IPLCs – it must also consider asymmetries within IPLC groups (such as between community leaders and others, or within marginalized groups like women and youth).

Market volatility leads to profit inequalities

Projects typically negotiate a revenue split with IPLCs or, less commonly, provide IPLCs with a lump-sum benefit in lieu of a percentage. In addition to negotiation disadvantages (see “Unfavorable contracts”), market volatility and unpredictability can result in inequitable conditions for IPLCs.

Primary Market

Percentage and lump-sum agreements can be disadvantageous to IPLCs in markets where the prices surge upwards, often resulting in disproportionate profits for the project proponents. For example, if a project proponent initially estimates that credits will sell at \$3/t but sells credits at \$6/t, then the original cost estimate (if percentage-based) is no longer accurate, and the proponent will receive more revenue as profit. While this also holds true for other beneficiaries, the owners and beneficiaries may have negotiated a different split (perhaps a 10-20% payment to the project proponent) if they had used the latest market data.

On the other hand, prices may also drop resulting in both the project proponent and IPLCs losing out. If credits were projected to sell at \$3/t but only sell for \$1.5/t, then the resulting revenue shortage can even impact implementation of project activities. Inequity can occur here if IPLCs don't fully understand who holds financial risk in the event of price decreases.

Regardless of market conditions, project proponents should ensure that financial risk and opportunities are transparently communicated with IPLCs. Our research found that information around finances in carbon projects

is generally underreported and opaque, reflecting a broader lack of financial transparency within the voluntary carbon markets. This poor transparency enables inequitable value capture by those better placed within capital markets (such as investors and intermediaries).

Secondary Market

Additional value may be generated by credits which are sold at one price, and later resold at a higher price on the secondary market. Similar risks for inequity exist here: resellers of credits (“intermediaries”) may take on financial risk of buying and attempting to resell credits – on the other hand, they may have more sophisticated insights and risk management approaches that allow them to take these risks, that IPLCs do not have.

Current financial markets don't account for equity disparities, but some initiatives have begun raising the idea that carbon markets *should*. Upcoming and recently released guides show that more attention is being given to this particular problem, often highlighting the need for transparency in intermediary fees and revenue (see Table 4).

How exactly this may work, however, remains a mystery for now. Whether this requires novel ideas for secondary market transactions, or simply ensuring primary market sales start off at a higher price, the main issue is this: at the end of the day, IPLCs implementing the projects on-the-ground ought to receive more profit from carbon credit sales, not intermediaries selling credits at a mark-up. Intermediaries have played an important role in terms of marketing and scaling credits, but this should not come at the costs of IPLCs.

Box 3: Opportunities - with planning - to increase revenue to communities²⁷

Wildlife Works has been operating its Mai Ndombe project in the Democratic Republic of Congo (DRC) for over a decade now. The project is located within the DRC's Forest Carbon Partnership Program (FCPP), a jurisdictional REDD+ area, and so Wildlife Works and the DRC negotiated the following revenue sharing agreement:

The Mai Ndombe Project Revenue Model

As long as carbon credits sold above \$4/t, then:

- The DRC government receives a flat price of **\$0.5/hectare** to compensate for lack of logging.
- **25%** of revenue goes to communities to pay workers and *build* infrastructure, like schools and hospitals
- **25%** of revenue goes to project operating expenses (like *maintaining* schools and hospitals)
- The remaining **<50% revenue is** split between the DRC government and Wildlife Works.

As Wildlife Works is developing a new project in the DRC, they plan to use a more up-to-date model that reflects the current market upswing in prices:

New DRC Project Revenue Model

- The DRC government receives a flat price of **\$0.5/hectare** to compensate for lack of logging.
- Up to **50%** of revenue goes to the communities first (including 25% to ongoing project costs, such as maintaining schools and hospitals).

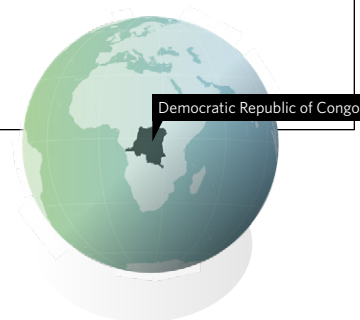
- Depending on additional profit, **up to 20%** of the profit is split between the DRC and Wildlife Works
 - This only occurs if there is extra profit; in some years, it may be that Wildlife Works and the DRC government receive **0%** (except the flat fee the DRC receives above).
- The remaining **30%** will cover "international costs" of running the project.

Any revenue sharing model is susceptible to price shocks, though:

If the price is <\$5/t, WW and DRC may get nothing. Depending on how far below \$5/t the credit is sold at, the 50% to communities may also be cut. There have been times in the past when the 25% set aside towards ongoing project costs have been temporarily cut.

As Carbon Pulse reported, "The crystal ball needed to gauge the offset price, which could theoretically average \$30 over five years, and then crash to an average of \$5 for another five years, *creates a headache in financial planning.*" [emphasis added].

This means that communities and project proponents should discuss contingency planning: if they receive excess revenue in one year, perhaps some should be set aside in case less revenue appears in future years. This excess funding could be put into a "stabilization fund" that could make payments in poor sale years.²⁸



A person wearing a dark cap and camouflage clothing stands on a wooden balcony, looking out over a vast, dense green forest landscape under a cloudy sky. The person's hands are resting on the balcony railing. To the left, a wire mesh fence is visible. The overall scene is a mix of natural beauty and human presence.

Beyond
Beneficiaries

3. Standards

Snapshot of current guidance

There is recent demand – both from buyers and from other stakeholders within the VCM – for projects to re-assess social safeguards, engagement of IPLCs, and benefits-sharing approaches.

In a recent survey on buyer due diligence practices, buyers reported having less faith in the integrity of projects’ safeguards in general, and particularly social safeguards. At the same time, buyers place equal or greater importance on the need for additional non-carbon benefits associated with projects, especially biodiversity and community benefits. Buyers also highlighted their frustrations with a lack of standardized metrics and verification for many safeguards and non-carbon benefits of projects, especially social benefits. Monitoring of social and economic outcomes should be embedded throughout the project, with clear and transparent reporting.

Meanwhile, independent standards have heard these requests, and many have planned updates for 2023, including:

- ACR will be developing an SDG assessment framework in 2023.
- CAR has launched a survey to assess account holder appetite for non-GHG and co-benefit reporting; separately, CAR is also planning to include a formal dispute resolution and grievance process to their Program Manual in 2023.
- Verra is updating the VCS Program’s social and environmental safeguards and stakeholder engagement requirements to be specific to activity type. All VCS projects will need to contribute to at least three SDGs by 20 January 2025 (already required for projects registered after 20 January 2023).

Finally, initiatives like the Integrity Council for scaling the Voluntary Carbon Market (IC-VCM), the Tropical Forest Credit Integrity Guide (TFCI), and the Voluntary Carbon Market Integrity initiative (VCMI) have started to define new best practices around issues like market access for IPLCs, revenue sharing in secondary market transactions, and more (see Table 4).

Box 4: The importance of governance in realizing IPLC engagement in carbon projects

Some options for IPLCs are less feasible in certain geographies, where legal restrictions and other obstacles may take many years to resolve. Governments have an essential role to play in clarifying the following:

- Policy mechanisms to ensure fair benefit sharing with owners, rightsholders and/or beneficiaries

- FPIC effectiveness
- Titling and land tenure for IPLCs
- Carbon rights²⁹
- Corruption potential (especially “elite capture”, when governments may distribute rights to companies or other wealthy/important clients over communities)³⁰

Note: These decisions will also overlap with any decisions that governments make around jurisdictional REDD+, which may supersede project-based activities or allow for projects to “nest” into the larger jurisdictional program.

Table 4: Recent VCM Guidance to Standards by IC-VCM, VCMI, and TFCI* of Meta-Standard Guidance**

	FPIC	Stakeholder Engagement	Recognition of rights	Benefits Sharing	Safeguards	Grievance Mechanism	Title, tenure	MRV	Market Access / Intermediary Use
VCMI	FPIC, with an emphasis on transparency and participation.	Stakeholders must function as partners, not just as beneficiaries.	Indigenous Peoples must function as rightsholders, not just as beneficiaries.	Benefits should be equitably shared.	Safeguards should avoid, reduce and mitigate adverse impacts (with special attention to vulnerable populations) and should result in positive outcomes for local communities.				
Peoples Forests Partnership (more specific criteria for proponents, developers and investors available here)	FPIC, with an emphasis on comprehensive and meaningful engagement before and during the process of obtaining FPIC for each project and activity.	Afford IPLCs full, meaningful and effective opportunities to participate in the decision-making, implementation, monitoring and other processes associated with the projects and programs.	Must recognize UN Declaration on the Rights of Indigenous People and the ILO Convention 169 on Indigenous and Tribal People.	Revenue should be fair and transparent, inclusive and equitable, and responsive to IPLC aspirations, priorities and expectations.	Deliver positive impacts on livelihoods, employment, food security, biodiversity protection and conservation, resilience and socioeconomic development of IPLCs, as suggested by the United Nations’ Sustainable Development Goals.	Access to a robust and effective grievance and redressal mechanism through which IPLCs can resolve their concerns and impacts arising from projects and programs.	Respect and, where feasible, strengthen IPLC rights to land, including the right to ownership or stewardship, to strengthen territorial governance, and to manage their lands and their resources.		Revenue must be directly accessible to IPLCs for self-determined investments in their territories as established by their governance instrument.
TFCI	FPIC should be done before any significant project decisions are made, and ensure full explanation of proposals “in a transparent manner that is technically accessible and culturally appropriate”.	Cancun Safeguards should be used, including safeguard #4, “The full and effective participation of relevant stakeholders, and in particular Indigenous Peoples and local communities”.	IPs, LCs, women and other underserved communities should be treated as partners and rightsholders or stakeholders, not just as beneficiaries throughout the full process (from initial proposal to implementation to benefits distribution).	Plans and agreements should ensure fair, transparent, and equitable distribution of benefits and revenues, developed in partnership with relevant rightsholders and other stakeholders.	Cancun Safeguards; additionally safeguards should go beyond “do no harm”.		Recognition of IPLCs, women and other underserved communities rights to free use of, and property rights to, lands, territories, waters, and resources (including carbon).		Companies should prioritize purchase of credits directly from IP and LC nested projects and/or programs; IPs and LCs should have rights to determine who to sell credits to (e.g. they should be able to ensure credits are not sold to companies that have infringed on their rights, etc.) Benefits should be distributed directly to avoid or minimize third-party intermediaries with high administrative fees; if such intermediaries are necessary, their role and cost should be agreed in advance and transparent to all parties.
ICVCM Core Carbon Principles and Assessment Framework	FPIC required.	Stakeholder consultations must occur before the activity is implemented and be inclusive, culturally appropriate, and respectful of IPLC knowledge.	The mitigation activity must recognize international human rights law, and the United Nations Declaration on the Rights of Indigenous Peoples and ILO Convention 169 on Indigenous and Tribal Peoples.	Draft and final benefits-sharing plans must be shared with IPLCs. Sharing plans must be included in project validation documents, and benefits-sharing outcomes must be made publicly available.	Standards (and any certifications linked to the standard, where relevant) must “conform with or go beyond” best practices on safeguards. Any negative impacts must be minimized and/or addressed; and all activities must preserve and protect cultural heritage consistent with IPLCs protocols or UNESCO conventions. All REDD+ activities must be consistent with the Cancun Safeguards.	Must adhere to CORSIA-requirements on grievance mechanisms, and must be transparent, impartial, and (where appropriate) confidential. Finally, fees are allowed but must not “impede legitimate access to the grievance process”.	Project proponents must ensure the mitigation activity avoids physical or economic displacement.	Standards should provide information on any standardized tools and methods used to assess SDG impacts, and include (if applicable) qualitative assessments.	

*TFCI and the Peoples Forests Partnership are guidance documents, while IC-VCM and VCMI are “meta-standards”; they will assess their criteria against multiple VCM standards.

**Note: This is a non-exhaustive summary that does not include all priorities that impact IPLCs, including labor rights and other working conditions.

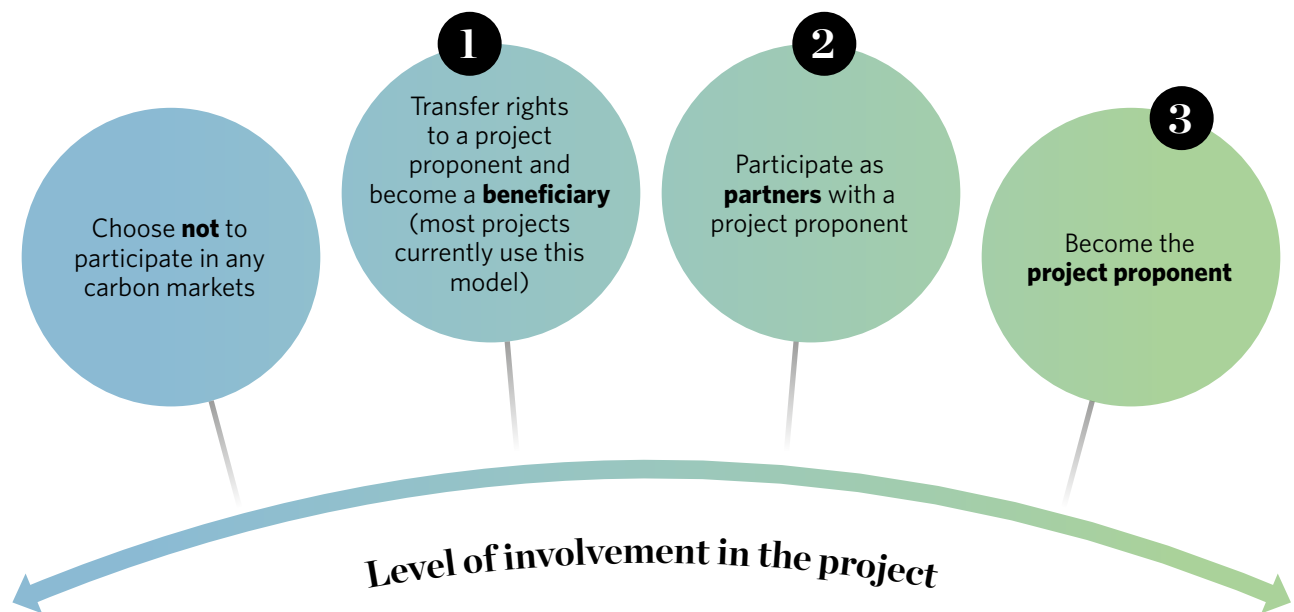


Beyond
Beneficiaries

4. Solutions

Achieving robust IPLCs partnerships

Figure 4: Options for IPLCs to participate in carbon markets.



IPLCs should be able to self-determine how and when they wish to engage in carbon crediting - if they wish to engage at all. The United Nations' Declaration on the Rights of Indigenous Peoples defines multiple rights, but those most related to carbon market interactions include Articles 3-5 (right to self-determination), Articles 18-19 (right to participate in decision-making matters that affect their rights, FPIC), and Articles 25-28 (right to use and own land, territories and resources; right to redress when lands are occupied or taken without FPIC).

The time for fairer carbon market frameworks for IPLCs is now. Here are some proposed solutions that IPLCs, standards bodies, project proponents, and investors should consider.

1

Become the project proponent

Few IPLC groups fully lead carbon projects, and more work is needed to realize this option for IPLCs. Through investments in capacity and adjustments to the carbon markets themselves, more IPLC groups will be able to engage in carbon markets on *their* terms - designing, developing, and implementing their own carbon projects. This model has been proven to yield more positive outcomes for communities than the traditional project proponent-centered approach. However, most of these projects currently exist in developed countries, such as in the United States, Australia, and Canada (see page X, Case Studies).

It is important to ensure that IPLC-led projects are not only restricted to developed countries, even if this will take significant effort, including extensive knowledge-sharing with communities and normative changes across buyers, developers, and investors. For example, the Coordinator of the Indigenous Organizations of the Amazon Basin (COICA) is currently working to develop an approach to project development that prioritizes the holistic management of forests and Indigenous territories and recognizes their governance structures called Amazon Indigenous REDD+.

2

Participate as partners with a project proponent

Carbon project development is an extremely technical and time-consuming process. Whether its marketing credits, developing a baseline, or estimating carbon stock, running a project is an undertaking even developers with significant financial backing and expertise take on with external support. Therefore, IPLCs may wish to contract out any technical support or partner with investors and philanthropic organizations to get the finance they need.

As key rightsholders of the land and resources and implementers of mitigation activities, IPLCs should be considered equal partners and not simply beneficiaries. IPLCs that are partners to a project will have more autonomy and authority to define their own costs and benefits; however, few projects treat IPLCs as partners to date.

3

Transfer rights to a project proponent before becoming a beneficiary

This is the most common option currently seen in carbon projects today. Here are a few tools project proponents can use to help the benefits be more inclusive, economical, and effective:

How to design benefits:

- **Participatory design:** Design the benefits and benefit-distribution mechanism together with IPLCs. Benefits should be oriented around what benefits they want, when they want them, and how they would like to access them.
- **Conduct a cost-benefit analysis:** Quantitative analysis alone should not determine which benefits are selected, but it can be a useful tool in helping IPLCs make informed decisions.
- **Utilize pre-existing mechanisms:** Capitalize on institutions (e.g., councils) and local markets (e.g. animal husbandry) that may already exist within the community. Historically, this has greatly improved project success.³¹
- **Differentiate benefits:** Use allocations, weighting, or quotas to incentivize target groups based on effort and outcome (e.g. a project uses the number of mitigation activities implemented to determine how much revenue each participant receives, further incentivizing uptake of mitigation activities).

Who to include in benefits:

- **Stakeholder mapping:** Conduct an assessment to understand all the local stakeholder groups that may be impacted by the project, including those who do not live in the project area and/or implement the mitigation activities.
- **Tailor benefits:** Consider offering a variety of benefits to satisfy the diverse array of wants and needs within communities. This approach may also be more inclusive

of marginalized groups (e.g., women may be less likely to receive monetary benefits but would greatly benefit from a community health center). A key tradeoff here is to maximize effectiveness while minimizing transaction costs.

When to start or update benefits:

- **Start with pilots:** Trial the benefit-sharing mechanism before fully scaling it up.
- **Consider timing and delivery:** Optimize timing and delivery of the benefits to maintain incentives throughout the project and ensure IPLCs do not wait years to reap the benefit of their efforts (e.g. consider upfront payments coupled with results-based payments). Consider revisiting contracts to reflect new learnings or market conditions every five years, at most.
- **Monitor and adapt:** Employ a simple but effective monitoring system throughout the project lifecycle to ensure benefit-sharing (both monetary and non-monetary) continues to be fair and effective. Also periodically adapt the mechanism according to any shortcomings discovered through monitoring.

What to consider in benefits:

- **Splitting out costs from revenue:** Revenue to project proponents should be determined by separating out project costs and “profits”. For example, a project proponent or investor could take a fixed cost per tCO₂ at \$3.5 per credit to cover costs, and then take a 4% share of profits. Sales and marketing services and fair profit margins can be benchmarked to other industries: 7-15% are often fair commission rates.

- **New approaches to contracts:** If market prices increase, IPLCs should benefit. This may include using floating contracts or dynamic revenue-sharing, coupled with a price floor to shield IPLCs from bearing the brunt of a market downturn.
 - **Price floors:** Governments within the Lowering Emissions by Accelerating Forest finance (LEAF) Coalition approach (Norway, the United States, the United Kingdom, and South Korea) have guaranteed that all jurisdictional REDD+ programs will receive \$10/t. If seller countries can find higher prices via private sector buyers, they are free to explore and contract at higher prices. This approach could be replicated for IPLC-led projects, where a price is guaranteed if private-sector buyers can't be found. This could be realized through the creation of an IPLC price floor fund: a coalition of developed country governments could guarantee to buying IPLC-generated credits at certain price floors.
 - **Dynamic revenue-sharing:** Percentage-based revenue sharing often is only equitable within certain price ranges. For example, a 50/50 or 60/40 split may make sense at \$5/t, but if most costs are fixed, then this percentage is not necessarily fair or equitable at \$10/t. Instead, contracts could allow for the percentage split to change at different price points; for example, TNC has been working with a project to introduce dynamic revenue splits so that the percentage going to IPLCs increases as the price per tonne increases. The agreement also includes a price floor to guarantee a minimum return to communities.
 - Alternatively, a **staircase approach** could be used instead of a dynamic pricing model, which would pre-define new percentages to IPLCs at specific prices (for example, >\$10/t, >\$15/t, etc).
 - **Renegotiated contracts at fixed times:** In recognition of market fluctuations (making it difficult to predict prices) and uneven knowledge and negotiation ability of IPLCs at the beginning of projects, project proponents, developers and/or investors may consider setting fixed points in the project timeline to renegotiate the contract with IPLCs (perhaps every 5 years).
 - This could include negotiated terms (either with the initial negotiation or during a re-negotiation) of how revenue-sharing may change once the project developer and/or investor breaks even on their investment.
 - **Transparent revenue sharing:** Periodically and publicly disclose the agreed benefit-sharing arrangement, including revenue and cost-splitting agreed at the beginning of the project and any updates if/when contracts are renegotiated. Investors could transparently share when their initial investment breaks even and, ideally, renegotiate revenue-sharing after that point.
 - **Capture or eliminate resale value:** At the moment, there are few ways to ensure that revenue from a resold credit makes its way back to the project proponent... much less to IPLCs operating on the ground. Some project proponents have started to address this risk by simply banning the resale of credits (including, in some cases, The Nature Conservancy). Others, like the IC-VCM, have started to call for approaches to share resale value.
- It is also important to note that social contexts can look dramatically different from project to project. What works for one stakeholder group may not work for another. In this sense, there is no one correct form of IPLC-inclusion in carbon markets, but these best practices and transparent decision-making provide a foundation to build upon.
- The fundamental idea of carbon project benefits is to incentivize behavior change. Thus, benefits should be substantial enough to encourage participation in the project's activities and sustained enough to maintain these activities in the long term. Most importantly, the benefits should be **self-determined**. No one knows the needs and wants of IPLCs better than IPLCs themselves. Consultation and FPIC is critical here.

Table 5: Summary of Key Barriers and Best Practice for Project Proponents, Developers, and/or Investors

BARRIERS	BEST PRACTICES
<p>Subsidized Costs</p> <p>In markets, it can be difficult to reliably quantify the opportunity cost that determines the credit floor price, especially with regards to IPLC labor that may be historically undervalued or assumed.</p>	<p>Realized Costs</p> <p>IPLC costs should be fully valued for labor contributed to mitigation activities, resources needed to implement those activities, as well as time spent attending project-related workshops and meetings.</p>
<p>Payment disputes</p> <p>There can be logistical challenges for communities receiving payments, and there can be corruption and mismanagement of funds due to poor governance.</p>	<p>Improved grievance mechanisms</p> <p>Project proponents should commit to transparent compensation; IPLCs and project proponents should define a process for settling cost disputes and establish a conflict resolution mechanism at the outset (ideally using existing community or IP conflict resolution mechanisms already in place). Specific recommendations for standards to adopt better criteria around grievance mechanisms can be found in this recent report by Perspectives.</p>
<p>Benefits sharing activities bias</p> <p>Project proponents often favor livelihood-generating activities as a benefit-sharing mechanism because they are well-tested and relatively easy to implement under the right conditions.</p>	<p>Adaptive benefits sharing</p> <p>Project proponents should ensure participatory design with IPLCs in developing benefits-sharing approaches, and these approaches should be adaptive: the approach should be updated with IPLCs at regular intervals.</p>
<p>Early decisions around community input</p> <p>Implementation activities are, understandably, determined early in the project development process. However, IPLC participation in the project and its activities can change with time.</p>	<p>Iterative Consultation and Co-Designing</p> <p>Consultations with IPLCs and design of the carbon market project should not be a one-time event, but a continuous and iterative process. FPIC measures are not simply reviewed at the beginning of a project but should be an iterative process which may include additional resources such as translators, legal consultation, negotiation trainings and field visits at regular intervals.</p>
<p>Unfavorable contracts</p> <p>IPLCs are often disadvantaged within negotiations around carbon markets since the project proponent deeply understands carbon markets while IPLCs do not.</p>	<p>Increase capacity for IPLC negotiation</p> <p>Investors, non-profits or other stakeholders (aside from the project proponent) should consider providing funds for negotiation training for IPLCs to ensure contracts are equitably agreed. For example, WWF Colombia recently published a guide for communities to assess REDD+ agreements in the country.</p>
<p>Market Dynamics</p> <p>Market prices for carbon credits can fluctuate drastically between project development and payment for credits, causing IPLCs to receive less than fair market value for their credits.</p>	<p>Price Floors and Dynamic Revenue Sharing</p> <p>Accounting for market variability of price in the contract ensures that the IPLCs are selling their credits at fair market value. The contract should also include a floor price to ensure that communities are fully compensated for their contributions to the carbon project, at a minimum.</p>
<p>Fluctuation in Payment Timing and Amounts</p> <p>Results-based payments can fluctuate depending on results <i>and</i> market conditions. In some instances, IPLCs have abandoned projects after revenue failed to materialize in a timely manner. Project proponents have also noted difficulty in fundraising the necessary finance to cover the high initial cost of development.</p>	<p>Generate multiple revenue streams</p> <p>Blended finance (i.e., carbon revenue mixed with other project offerings) can help sustain income throughout a project's life and hedge against financial failure. IPLCs and project proponents should also discuss ways to address changing market payments, such as the creation of a stabilization fund to smooth over payments across boom-and-bust years.</p>
<p>High Transaction Costs</p> <p>The poorest community members and smallest landholders are unable to participate in projects due to high transaction costs.</p>	<p>Aggregation of Projects</p> <p>Aggregation projects which allow individual community members to sign onto a joint project can lower per capita transaction costs, allowing more equitable access within IPLC groups (see the Family Forest Carbon Program example).³²</p>
<p>Unclear Land Tenure</p> <p>Lack of land tenure prevents IPLCs from having the legal right to participate in a carbon program. Land tenure can be uncertain even after it is secured.³³</p>	<p>Clarifying Land Tenure</p> <p>Some projects have deferred to a “proof of right of possession”, which indicates some legal right without full land tenure. This was negotiated with the government (see the First Nation projects example). However, this is a temporary solution. Land tenure is key to ensuring long term viability of the project, but proof of possession can be an intermediate step.</p> <p>Projects with unclear tenure can assist IPLCs with obtaining tenure and can rectify unclear tenure in the meantime by ensuring IPLCs receive equitable revenue from participation in the project. In addition to owners, IPLC groups with management and access rights (among others) should also receive project benefits. If the benefits desired by IPLCs are monetary, one option is to split revenue according to: i) a participation split (i.e. an even split between participating communities/ household weighted), ii) an area weighted split, and iii) a performance weighted split. There is no single best weighting of revenue here, so this should be decided with extensive and iterative consultations.</p>

Beyond
Beneficiaries

Positive Examples

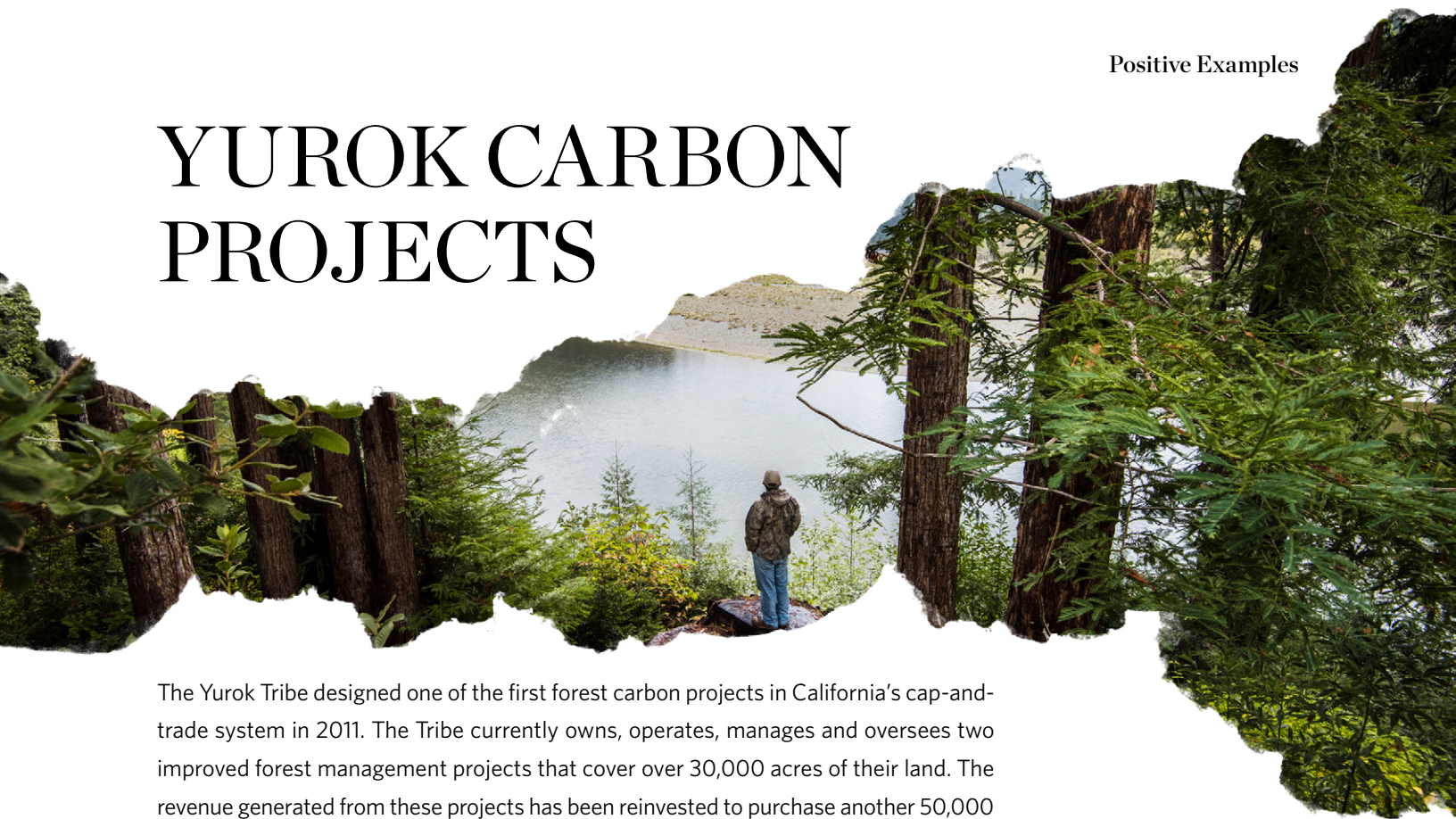
Case studies of IPLC-led
or partnered projects

There are several examples of carbon projects that have overcome the issues imposed by the current benefit-sharing framework.

Disclaimer: Many of these cases come from the Global North, illustrating the need to address foundational issues around tenure and rights, many of which depend on government action. Additionally, as the authors work at The Nature Conservancy and work closely with colleagues involved in carbon credit projects, many of these projects include some link to TNC.



YUROK CARBON PROJECTS



The Yurok Tribe designed one of the first forest carbon projects in California's cap-and-trade system in 2011. The Tribe currently owns, operates, manages and oversees two improved forest management projects that cover over 30,000 acres of their land. The revenue generated from these projects has been reinvested to purchase another 50,000 acres of ancestral territory of the Yurok that was recently owned by timber companies.³⁴ The revenue has also been used to provide for community health, well-being and other critical initiatives not provided for by grant funding that is normally restricted. Other financial sources include California's New Markets Tax Credits Program and private donor and foundation support. As California does not have requirements or protocol on benefit sharing, the Yurok Tribe determined its own scheme internally³⁵. The Tribe also has representation on California's Air Resources Board, which oversees the cap-and-trade system. This has allowed them to voice their needs in carbon project development and participation in the compliance market.

Who? Yurok Tribe

What? IPLC-led improved forest management projects operating within California's compliance cap-and-trade system

Where? California, United States

How? Yurok Tribe owns, operates and manages the Carbon Project lands and has representation on ARB Board to make their needs known.

How much? The credits can be sold in the California cap-and-trade system or on the voluntary carbon markets, so prices will fluctuate and vary.



KIMBERLEY LAND COUNCIL



The Kimberley Aboriginal people have used traditional fire management techniques to reduce the severity of fires in Australia for millennia. Now, they use these same techniques to reduce emissions and develop carbon projects in Australia.

The Nature Conservancy helped to develop a methodology approved for Australia's Emissions Reduction Fund and later Safeguard Mechanism scheme that calculates the emissions reductions from using these savannah burning techniques.³⁶ However, projects that received poor pricing via this domestic market were later given the option by the Australian government to get out of these initial contracts and be sold via reverse option³⁷. This approach allowed communities like the Kimberley Aboriginal people to sell for higher prices on the voluntary carbon market. To ensure price competitiveness, forward contracts are usually created with shorter time horizons (e.g. three years instead of ten year forward contracts).

The Kimberley people have native title over their land, which is not the same as a land title, but includes exclusive possession of carbon rights under First Nation rights. Due to their native title, Kimberley Aboriginal people receive all carbon credit revenue and have the choice to contract some of the project's work to others³⁸. Hence, revenue is fully theirs as part of the benefit sharing mechanism and contractors are registered as costs. Revenue generated is unrestricted and can be funneled into important initiatives not stipulated in grants and provides green jobs for the community.

Who? Kimberley Aboriginal people

What? Savanna burning project operating within Australia's voluntary Safeguard Mechanism

Where? Kimberley, Australia

How? The Kimberley people have native title over their land, which is not the same as a land title, but includes exclusive possession of carbon rights under First Nation rights.

How much? Price of their carbon credits is undisclosed but generally is at a premium (40% above carbon pricing in the voluntary market) as they are high quality credits.



FIRST NATION PROJECTS



Through Indigenous Atmospheric Benefit Agreements³⁹, previously known as the Atmospheric Benefits Sharing Agreement, First Nations in British Columbia, Canada are able to sell carbon credits despite not formally owning the land they reside in. The Cheakamus project established the nation's first Atmospheric Benefit Sharing Agreement that allowed First Nations to sell carbon credits without formalized land tenure⁴⁰. These agreements provide First Nations ownership and the right to sell tonnes of carbon in local or international carbon markets.

Of the total credits, 80% of calculated annual 'Atmospheric Benefits' (carbon credits) go to First Nations⁴¹. These credits are generated through an Ecosystem Based Management Framework that outlines improved forest management actions⁴². The remaining 20% of credits are further divided - 10% goes into an insurance buffer pool and the remaining 10% supports other conservation efforts and committees, such as prospecting blue carbon projects and marine protected areas.⁴³

Who? First Nations in British Columbia

What? Improved forest management project operating within British Columbia's voluntary Offset Program

Where? British Columbia, Canada.

How? First Nations in British Columbia obtain rights to own and sell carbon credits generated in protected lands without formalized land tenure.

How much? First Nations are able to participate in both local or international carbon markets and choose their buyers,⁴⁴ so prices will fluctuate and vary.



FAMILY FOREST CARBON PROGRAM



The American Forest Foundation and TNC partnered to develop a methodology and program to make carbon markets accessible to landowners with smaller plots of land, who traditionally can't access carbon markets due to high operating and transaction costs.⁴⁵ The Family Forest Carbon Program is open to landowners with 30 or more acres of land.⁴⁶

At the moment, as the program is still getting established, forest owners who enroll receive annual payments for implementing forest management practices.

Who? Private landowners in select U.S. states with 30 acres or more of land (over 43k acres enrolled in the program to date)

What? Improved forest management project operating with the international voluntary carbon market

Where? United States

How? By aggregating smallholder forest owners into a single project, the Family Forest Carbon Program can reduce transaction costs, including: monitoring, reporting and verification costs, enrollment cost for landowners, and credit forecasting across similar landscapes. As more landowners enroll in the program, the larger sample size of data provides more accurate representations across the landscape of a certain geography. Landowners that are unwilling to be first movers are incentivized through their network and demonstrated efficacy of the program.

How much? Currently, landowners are given annual payments determined by the size of the landowner's forested land.





Conclusion

After decades of lessons learned in the NCS space, it is time for the project proponents, investors, standards and other stakeholders in the voluntary carbon markets to update the existing framework around project benefit-sharing.

The first step in this endeavor is to promote IPLC groups to the role of project partners rather than beneficiaries, and to showcase best practice in current models where IPLCs remain beneficiaries (such as how to resolve grievances and ensure equitable renegotiation, if needed). In areas where IPLC leadership is restricted due to limited rights tenure or technical capacity, for example, the project proponent-led approach should continue to ensure the market is scaling climate outcomes rapidly. However, developers must take strides to treat IPLCs as partners in the project and recognize their right to an equitable share of the revenue. These steps will ensure the VCM is a market that protects the climate, biodiversity, and sustainable development.

As noted in the scope (Figure 1), this report focused narrowly on the role of NCS carbon credit project approaches to engaging IPLCs in the voluntary carbon markets. Topics for expanded research and consideration include the following:

- Providing detailed recommendations on contracts and fair financing options
- Further detailing the types of costs borne by IPLCs within carbon projects
- New instruments and approaches to ensuring equitable revenue for IPLCs, such as insurance, funds, or other mechanisms

The authors hope this report can be the beginnings of a more detailed discussion and consideration around the role of IPLCs within carbon markets.

Annex I

Table 6: Project proponent and landowner models by Verra’s most-sold NCS projects

PROJECT	COUNTRY	OWNERSHIP MODEL	FURTHER DETAILS
NCS projects with the most carbon credit sales			
Rimba Raya Biodiversity Reserve Project (REDD+)	Indonesia	Government-owned Carbon rights transferred to project proponent	Project proponent has carbon rights via an ecosystem restoration license up to 60 years (renewable for 30 more years) Community rights: land tenure “is a contentious issue between national and community rights” across Indonesia; however, communities are allowed use of the land, so disputes are not anticipated
Kariba Project (REDD+)	Zimbabwe	Community-owned Carbon rights transferred to project proponent	Four Rural District Councils (RDCs) own the land RDCs transferred carbon rights to the project proponent to develop and market the project (and establish benefit-sharing)
Resguardo Indigena Unificado Selva de Mataven (REDD+)	Colombia	Indigenous-owned Project proponent includes <i>both</i> the Indigenous groups and a company, via a “Strategic Alliance”	Seventeen Indigenous groups formed the ACATISEMA association and signed a “Strategic Alliance (Temporary Union)” with the Colombian company Mediamos to develop a REDD+ project Mediamos will help develop, implement, and sell credits
NCS projects with the most carbon credit sales, <10 MtCO₂e			
Madre de Dios Amazon Project (REDD+)	Peru	Government-owned / company-owned (via logging concession) Company owners maintain rights: project developer has the right to sell credits, and own 30%; the rest are owned by the companies	Two timber companies, Maderacre and Maderyja, own logging and ecosystem service rights to the area for 40 years (renewable 40 more years) The project developer implements and sells credits; the project developer owns 30% of the credits, while Maderacre and Maderyja have an “internal arrangement” to distribute funds from the sale of the remaining 70% of credits No IPLCs live within the land, but do live within the buffer zone (and will be part of project implementation activities)
Keo Seima Wildlife Sanctuary Project (REDD+)	Cambodia	Government-owned Project proponent is government (carbon rights not transferred)	Mixed claims: Area now designated a Core Protection Forest, but previously housed a logging concession (which no longer has any ability to log or claim the carbon, according to a legal analysis) Mining permits exist in the area but do not confer ownership or use rights Existing or potential for Indigenous Communal Titles in some areas; these areas are not included in the project crediting (though will be included as part of implementation activities, such as the project helping the IPLCs issue the titles)
The Kasigau Corridor - Phase II The Community Ranches (REDD+)	Kenya	Indigenous-owned Carbon rights transferred to project proponent	Thirteen Indigenous Community Ownership Groups signed Carbon Rights Agreements/Easements to the project proponent
NCS projects with the most carbon credit sales, <1 MtCO₂e			
Natural High Forest Rehabilitation Project on degraded land of Kibale National Park (ARR)	Uganda	Government-owned Carbon rights transferred to project proponent	No law explicitly mentions carbon rights, but the Uganda Wildlife Authority signed a contract transferring ownership and issuance of credits to the project proponent Communities near the park will be included in the project implementation
Afognak Forest Carbon Project (IFM)	United States	Non-profit-owned Owners maintain rights: a designated project proponent “representative” will implement the project	Rocky Mountain Elk Foundation and the American Land Conservancy purchased the land and turned it into a conservation easement (while retaining carbon rights and becoming the project proponents) A “representative” project proponent was hired to implement the project American Land Conservancy later removed themselves as a project proponent No communities live in the project area, and nearby communities retain access to the lands for subsistence and recreational use
Northern Kenya Grassland Carbon Project (Soil Carbon)	Kenya	Community-owned Carbon rights transferred to project proponents	While land is government-owned, communities can gain grazing and other rights, including soil carbon rights, through Group Ranches or Conservancies Communities are registering their lands as Conservancies under this project Carbon rights were transferred to the main project proponent, then transferred again to another project proponent that handles marketing and sales
NCS projects with the most carbon credit sales, <100 ktCO₂e			
TIST Program in India (ARR)	India	Community-owned Carbon rights transferred to project proponents	Farmers join with other farmers to create a “Small Group” that own the trees planted and determine how carbon revenue will be split The Small Groups transfer rights to the project proponent through a “Carbon Credit Sale Agreement”
TIST Program in Uganda (ARR)	Uganda	Community-owned Carbon rights transferred to project proponents	Same as TIST India
Haidong Afforestation Project (ARR)	China	Government-owned / community-owned Carbon rights not mentioned but the right to manage the project’s forests transferred to state and later project proponent	Some land in the project area is owned by the government, while some are collective-owned by local villages The local Qinghai Provincial Forest Department managed the project implementation State-owners and village-owners authorized the department the right to manage the forests within the project area during the crediting period, and then later authorized an affiliate of the department (Qinghai Forestry Ecological Construction and Investment Co., Ltd.) the same authorization

Notes

- 1 Ideally, companies should only use carbon credits in addition to internal decarbonization efforts that align with a 1.5C target. However, not all companies use carbon credits in this way at the moment.
- 2 [A blueprint for scaling voluntary carbon markets to meet the climate challenge](#) (Blaufelder et al., 2020)
- 3 [Carbon Pricing Dashboard](#) (World Bank, 2022)
- 4 [The 'carbon pirates' preying on Amazon's Indigenous communities](#) (Greenfield, 2023)
- 5 Nakau Programme (Plan Vivo) and Rimba Raya (VCS)
- 6 Based on unpublished research. As financial data is often confidential, the exact revenue sharing models are not shared for specific projects.
- 7 We reviewed ACR, CAR, Gold Standard, Plan Vivo, and Verra's VCS and CCB standards, and also reviewed other reports on this matter including a Carbon Market Watch [report](#), and a Rights and Resources Institute [report](#)
- 8
- 9 [The challenge of establishing REDD+ on the ground](#) (Sunderlin, Ekaputri, et al., 2014)
- 10 [Creating an appropriate tenure foundation for REDD+: The record to date and prospects for the future](#) (Sunderlin, et al., 2018)
- 11 [Not So Niche Co-benefits at the Intersection of Forest Carbon and Sustainable Development](#) (Goldstein, 2016)
- 12 [Are REDD+ community forest projects following the principles for collective action, as proposed by Ostrom?](#) (Saeed, et al., 2017)
- 13 [Status of Legal Recognition of Indigenous Peoples' and Local Communities' and Afro-descendant Peoples' Rights to Carbon Stored in Tropical Lands and Forests](#) (Rights and Resources Initiative and McGill University, 2021)
- 14 ['How are we going to live?'](#) (Quashie-Idun and Howard), 2022)
- 15 [Rights abuse allegations in the context of REDD+ readiness and implementation](#) (Barletti and Larson, 2017)
- 16 [Incentivizing REDD+: The role of cost-sharing mechanisms in encouraging stakeholders to reduce emissions from deforestation and degradation](#) (Sheng, et al., 2019)
- 17 [The costs and benefits of REDD+: A review of the literature](#) (Rakatama et al., 2017)
- 18 Implementation costs by non-profit organizations or local organizations may be similarly undervalued and discounted, especially if the project builds on previous or current in-kind or philanthropic work.
- 19 [Beyond opportunity costs: who bears the implementation costs of reducing emissions from deforestation and degradation?](#) (Luttrell et al., 2018)
- 20 [Secretive Intermediaries: Are carbon markets really financing climate action?](#) (Carbon Market Watch, 2023)
- 21 [Benefit Sharing and REDD+: Considerations and Options for Effective Design and Operation](#) (Hite, 2015)
- 22 [The challenge of establishing REDD+ on the ground](#) (Sunderlin et al., 2014)
- 23 [Carbon Rights in REDD+: Exploring the Implications for Poor and Vulnerable People](#) (Pesckett and Brodnig, 2011)
- 24 [BP Paid Rural Mexicans a "Pittance" for Wall Street's Favorite Climate Solution](#) (Bloomberg, 2022)
- 25 [Are REDD+ community forest projects following the principles for collective action, as proposed by Ostrom?](#) (Saeed, et al., 2017)
- 26 [Corruption risks and anti-corruption responses in sustainable livelihood interventions](#) (Whitt, 2022)
- 27 [REDD developer seeks new revenue share model amid expansion](#) (Gourley, 2022)
- 28 [Sharing the Benefits of REDD+](#) (Madeira, et al., 2013)
- 29 Countries that allow IPLC ownership over carbon rights will empower IPLCs to make decisions in their own self-interest. Countries that take public ownership over carbon rights should still allow IPLCs the right to opt-out of any carbon crediting approaches.
- 30 [Are REDD+ community forest projects following the principles for collective action, as proposed by Ostrom?](#) (Saeed, et al., 2017)
- 31 The Noel Kempff project in Bolivia struggled to generate community income from ecotourism due to the remote nature of the project.
- 32 Disclaimer: Jurisdictional REDD+ programs also address this issue of scale, but that is outside the scope of this report.
- 33 [For many Indigenous communities, land titles aren't the same as tenure security](#) (Fraser, 2023)
- 34 [Yurok Tribe Carbon Offset Projects](#) (California Forest Carbon Coalition)
- 35 Yurok Tribe Email Exchange
- 36 [About the Kimberley Land Council](#)
- 37 [Evolving Carbon Markets: Australian Carbon Credit Units](#) (Jones Day, 2022)
- 38 [Native Title Overview](#)
- 39 [Coastal First Nations – The Great Bear Rainforest Carbon Project](#) (Oxley and Warren, 2022)
- 40 [Atmospheric Benefit Sharing Agreements](#). (Province of British Columbia, 2015)
- 41 [Atmospheric Benefit Sharing Agreements](#). (Province of British Columbia, 2015)
- 42 [Coastal First Nations' Carbon Credits](#)
- 43 [Great Bear Rainforest carbon offsets support conservation and community](#) (Gilpin, 2022)
- 44 [Great Bear Rainforest carbon offsets support conservation and community](#) (Gilpin, 2022)
- 45 [Family Forest Carbon Program](#) (American Forest Foundation, 2022)
- 46 [New Approach to Forest Carbon Accounting Aims to Enhance Accuracy & Transparency](#) (Breen, 2022)
- 47 [Status of Legal Recognition of Indigenous Peoples' and Local Communities' and Afro-descendant Peoples' Rights to Carbon Stored in Tropical Lands and Forests](#) (Rights and Resources, 2021)

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