

# INDIGENOUS PEOPLES

## & LOW-EMISSION RURAL DEVELOPMENT

The role of indigenous peoples and other traditional communities is particularly critical in dynamic frontier landscapes.

- Approximately one third (1.25 million km<sup>2</sup>) of forest lands in developing countries are owned or designated for use by indigenous and traditional peoples.<sup>1</sup>
- In many regions, indigenous and other forest-dependent communities have successfully inhibited deforestation through relatively lower intensity land uses or through active protection of boundaries and other legal restrictions on natural resource exploitation by outsiders.<sup>2</sup>
- Indigenous peoples (IPs) and traditional communities (TCs) are important stewards of forest carbon stocks; Indigenous territories account for 27.1% (23,380 MtC) of total above ground carbon storage in Amazonia alone.<sup>3</sup>
- However, IPs and TCs are frequently marginalized when it comes to discussions, actions, incentives or benefits for reducing deforestation (including carbon credits).

In this brief, we explore the challenges, options and opportunities for improving inclusion of and benefit-sharing arrangements for indigenous and traditional peoples within the context of integrated, low-emission rural development programs in 10 jurisdictions.

In recent decades, there have been important advances in formal rights recognition for indigenous peoples with respect to forests and forest resources (see right). However, in many cases, these rights continue to be difficult to implement and enforce.

Despite these gains, indigenous and traditional communities still face significant **challenges**

- **Territorial Security** is undermined by insufficient clarity over land tenure, violent conflicts over land and resources, and in some cases, pending policy reversals.
- **Logistical and language barriers** inhibit participation in climate change dialogues.
- **Climate Finance** has yet to reach many jurisdictions and their forest-dependent populations.
- **Conflicting visions for regional development**, across sectors and stakeholders, slow the design of effective and equitable strategies.
- **Risks and uncertainties** regarding voluntary carbon markets and REDD+ projects present significant hurdles for IPs and TCs to obtain benefits, and unmet expectations may undermine credibility of such projects.

## PROGRESS TOWARDS FORMAL RIGHTS RECOGNITION

Summary of major international instruments, domestic constitutions, and laws affecting indigenous rights in target countries with respect to rights to land, resources, and free, prior and informed consent (FPIC)

- INTERNATIONAL INSTRUMENTS
- NATIONAL
- SUB-NATIONAL/JURISDICTIONAL
- \* LANDS
- † RESOURCES
- ‡ FPIC



1 Rights and Resources Initiative 2014

2 Nepstad et al. 2006; Ricketts et al. 2010; Ferretti-Gallon & Busch 2014

3 Walker et al. 2014



**Low-Emission Rural Development (LED-R)** represents an innovative, holistic approach that integrates climate change mitigation and adaptation goals with concerns for human well-being.

- Climate stability through reductions in greenhouse gas emissions from land-based activities is an explicit goal
- Encompasses political jurisdictions
- Engages the range of actors through multi-sector, participatory approaches
- Seeks to align policies, institutions and initiatives to improve natural resource governance
- Recognizes the need for territorial security and the role of traditional forest stewards
- Empowers local institutions to drive positive change at scale

- Emphasizes bottom-up approaches
- Uses sound research to support decision making

LED-R addresses some of the most prominent concerns regarding forest conservation and climate change initiatives (such as REDD+): the level of inclusion and participation of forest-dependent communities and benefit-sharing arrangements. Jurisdictional approaches, including jurisdictional REDD+ and Territorial Performance Systems<sup>4</sup>, are mechanisms for fostering the transition to LED-R that engage a broad range of stakeholders, including indigenous peoples, and have the potential to catalyze changes in existing policies and economic incentives linked to forests that underlie social inequities.

## REDD+ PROJECTS VS. JURISDICTIONAL REDD+/LED-R PROGRAMS: INDIGENOUS COMMUNITIES' PERSPECTIVE

|  | PROJECTS  | JURISDICTIONAL PROGRAMS  |
|--|---|--|
| BORDERS  | Indigenous territory  | National, state (or equivalent), or county/ municipality boundaries                              |
| SCALE  | Usually small   | Medium to large  |
| STAKEHOLDER/ACTOR INVOLVEMENT                    | Restricted  | Inclusive, broad   |
| ROLE OF GOVERNMENT/POLICY                        | None to Small   | Intermediate to Large  |
| RISKS TO INVESTORS                               | Community doesn't reduce emissions<br>Leakage<br>Lack of permanence   | Emissions across jurisdiction are not reduced<br>Dealing with government agencies/ bureaucracies |
| TRANSACTION COSTS                                | High  | Potentially low  |
| POTENTIAL TO SUPPORT BROADER TRANSITION TO LED-R | Low   | High   |
| HOW PERFORMANCE IS DEFINED                       | Discrete, often narrow goals directly related to forest carbon, usually determined by project developer and investors | Flexibility to address key local needs and aspirations.  |
| TERRITORIAL RIGHTS                               | FPIC  | Prospects for deeper and longer-lasting reforms through policy reform                            |
| BENEFITS TO INDIGENOUS COMMUNITIES               | Variable, depending on how credits are earned and investor interest   | Non-financial benefits can be realized rapidly; higher chance of attracting financial benefits   |
| PROCESS  | Minimal, mostly focused on stakeholders involved directly in project  | Complex<br>Multi-stakeholder engagement necessary  |

## THE CURRENT SITUATION OF INDIGENOUS PEOPLES AND LOW-EMISSION RURAL DEVELOPMENT

| CRITERIA                                  | ACRE<br>BRAZIL | MATO GROSSO<br>BRAZIL | LOWER AMAZON<br>BRAZIL | RONDÔNIA<br>BRAZIL | CHIAPAS<br>MEXICO | LORETO<br>PERU | MADRE DE DIOS<br>PERU | CENTRAL KALIMANTAN<br>INDONESIA | WEST PAPUA<br>INDONESIA | REGIÓN AUTÓNOMA DE<br>LA COSTA CARIBE NORTE<br>NICARAGUA | GRACIAS A DIOS<br>HONDURAS | PETÉN<br>GUATEMALA |
|---|----------------|-----------------------|------------------------|--------------------|-------------------|----------------|-----------------------|---------------------------------|-------------------------|--|----------------------------|--------------------|
| FORMAL RIGHTS RECOGNITION                 | ●              | ●                     | ●                      | ●                  | ●                 | ○              | ○                     | ○                               | ○                       | ●  | ○                          | ○                  |
| TERRITORIAL SECURITY                      | ○              | ○                     | ○                      | ○                  | ○                 | ○              | ○                     | ○                               | ○                       | ○  | ○                          | ○                  |
| PARTICIPATION IN CLIMATE CHANGE DIALOGUES | ●              | ○                     | ○                      | ○                  | ○                 | ○              | ○                     | ○                               | ○                       | ●  | ○                          | ○                  |
| BENEFITS-SHARING MECHANISMS               | ○              | ○                     | ○                      | ○                  | ○                 | ○              | ○                     | ○                               | ○                       | ○  | ○                          | ○                  |
| ENABLING GOVERNANCE CONDITIONS            | ●              | ○                     | ○                      | ○                  | ○                 | ○              | ○                     | ○                               | ○                       | ○  | ○                          | ○                  |
| PROGRESS TO LED-R                         | ●              | ●                     | ○                      | ○                  | ○                 | ○              | ○                     | ○                               | ○                       | ○  | ○                          | ○                  |

○ LOW/BEGINNING    ○ MEDIUM/INTERMEDIATE    ● HIGH/ADVANCED

We used the 6 criteria above to describe and compare the regions in terms of 1) the scope of indigenous rights and territorial security, 2) the participation of and benefits received by IP and TC with regards to climate change processes, and 3) governance. These criteria include:

**Formal Rights Recognition:** Extent to which IP and TC rights are formally recognized, and/or supported by policies, legislation or court rulings, as well as the extent to which IP and TC rights are vulnerable to conflicting or pending policies and/or legislation.

**Territorial Security:** Extent to which indigenous territories and traditional communities are subject to threats, such as land invasions or overlapping claims, and the extent to which IP and TC are participating in national or sub-national dialogues on territorial rights.

**Participation in Climate Change Dialogues:** Extent to which IP and TC participate in climate change dialogues and their interests and concerns are included in these dialogues. Also considers if there are existing innovative initiatives to reduce emissions from deforestation involving IP and/or TC in the region.

**Benefits-Sharing Mechanisms:** Refers to the amount of climate-related finance in which IP and TC are broadly included, as well as the amount directly channeled to IPs and TCs. Also examines the presence of innovative benefits sharing mechanisms targeting IP and TC (e.g. voluntary carbon projects, agreements between IP/TC and private sector actors).

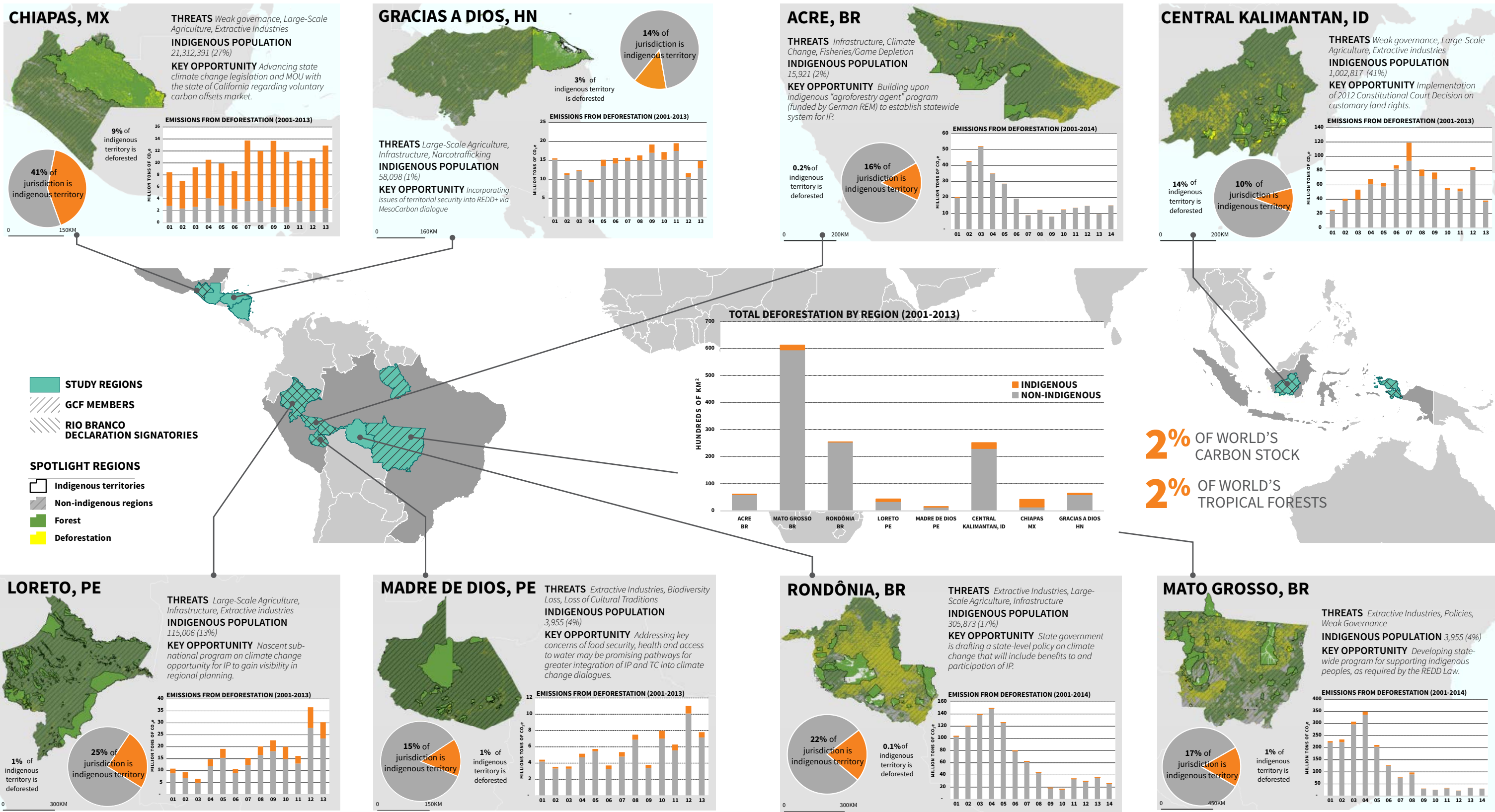
**Enabling Governance Conditions:** These include the strength of IP and/or TC organizations and representation in decision-making fora and sub-national climate change policies or strategies, as well as if the jurisdiction is a member of the GCF and/or signatory of the Rio Branco declaration.

**Progress to LED-R:** Extent to which the jurisdiction is currently considering or implementing low-emission rural development.

*A more detailed analysis of these findings will be published in August 2015.*



THE STUDY REGIONS AND THEIR INDIGENOUS TERRITORIES



1 Brazil forest cover data source: PRODES (INPE, <http://www.obt.inpe.br/prodes/index.php>); Forest cover data source for remaining regions: M.C. Hansen et al., High Resolution Global Maps of 21-st Century Forest Cover Change. Science 342, 850 (2013)

2 Emissions and carbon stocks calculated by using an average forest carbon content for the forested portion of each region. Carbon data source: A. Baccini et al. Estimated carbon dioxide emissions from tropical deforestation improved by carbon-density maps. Nature Climate Change, 2(3), 182-185 (2012), doi:10.1038/nclimate1354.

3 There are no official indigenous territories in Chiapas, Mexico. The municipalities identified with high indigenous populations were used to approximate indigenous land. (CDI, [http://www.cdi.gob.mx/index.php?option=com\\_content&view=article&id=2578](http://www.cdi.gob.mx/index.php?option=com_content&view=article&id=2578))

4 There are no official indigenous territories in Central Kalimantan, Indonesia. The territories depicted are mapped by Jaringan Kerja Pemetaan Partisipatif (JKPP) and the indigenous population value represents Central Kalimantan's indigenous Dayak population based on Indonesia's 2010 census (Sensus Penduduk 2010).

5 Indigenous territory data sources: Brazil, Fundação Nacional do Índio (FUNAI); Honduras, Sistema Nacional de Información Territorial (SINIT); Indonesia, Jaringan Kerja Pemetaan Partisipatif (JKPP); Mexico, Instituto Nacional de Estadística y Geografía (INEGI); Peru, Instituto del Bien Común (IBC).

# OPPORTUNITIES FOR INDIGENOUS PEOPLES AND TRADITIONAL COMMUNITIES WITHIN LOW-EMISSION RURAL DEVELOPMENT



**NEW SPACES FOR INCLUSION:** At the sub-national level, jurisdictional approaches promote opportunities for multiple stakeholders to work together to design a shared vision for low-emission rural development. Recognition of IPs and TCs as key stakeholders in this approach allows their concerns and interests to be incorporated into long-term development plans. At the global level, the Governors' Climate and Forests Task Force (GCF) has demonstrated the power of collective action to raise the profile of climate change within sub-national agendas, leverage greater commitments to reduce emissions, and increase visibility regarding issues of benefits-sharing with traditional forest stewards. Indigenous and other traditional community organizations in Latin America, including the Mesoamerican Alliance of People and Forests (AMPB) and the Coordinator of Indigenous Organizations of the Amazon River Basin (COICA), are taking advantage of the space provided by the GCF to present statements of their concerns and interests regarding how their rights are addressed in climate change processes to sub-national leaders.

**NEW BENEFITS-SHARING OPPORTUNITIES FOR INDIGENOUS PEOPLES.** New finance mechanisms have the potential to channel more benefits to forest stewards. For example, California's voluntary carbon market is laying the groundwork, through Memoranda of Understanding with tropical states (Acre and Chiapas), to link carbon offsets with low-emission rural development initiatives. Further, there is a greater commitment by sub-national governments to increase the flow of climate finance to indigenous peoples and traditional communities (see Box 1).

## BOX 1

### RIO BRANCO DECLARATION AND THE GCF

The Governors' Climate and Forests Task Force is the world's single most important partnership for strengthening LED-R programs in tropical states and provinces. This consortium of 26 member states is an incubator of innovative approaches to reducing deforestation while improving livelihoods. Most recently, 21 members encompassing 14% of the world's tropical forests signed the Rio Branco Declaration, pledging to channel a substantial share of benefits from climate finance to indigenous peoples and traditional communities, in addition to committing to reduce deforestation by 80% by 2020. As the next step in this process, GCF members will work with their partners to develop a Statement of Principles and Criteria to guide the inclusion of IPs and TCs in sub-national climate agendas and development of benefit-sharing mechanisms.

## BOX 2

### ACRE'S SISA PROGRAM

Acre State is considered the most advanced LED-R program implemented at a jurisdictional scale, and has defined progressive structures to include indigenous and traditional communities in program development and benefit sharing. Under its System for Payments for Environmental Services (SISA) (which encapsulates the state REDD+ program), funds or revenues gained for the program are allocated, in part, in recognition of the role played by forest-dependent communities in maintaining the state's forest stocks. For example, the German development bank, KfW, signed an agreement with Acre's government to provide EUR 25 million in exchange for measured carbon emissions reductions, earmarking 32% of the funds to go to indigenous and traditional communities in the state. Over 72% of these funds are committed to specific contracts, and are being used, for example, to develop and implement Indigenous Community Life Plans that support the environmental and social sustainability of these communities.



### INNOVATIVE BENEFITS-SHARING MECHANISMS:

Successful examples of indigenous involvement in project and jurisdictional REDD+ initiatives, such as the Suruí Forest Carbon Project in Rondônia and Acre's SISA program (see Box 2) in Brazil, demonstrate how climate finance can help IPs and TCs achieve their goals. Other mechanisms, such as performance-based incentive systems reward farms, territories or jurisdictions for their progress towards time-bound milestones, which could include reductions in deforestation or other goals. These incentive systems, whether they are regulatory, financial or contractual, have the potential to recognize and reward IPs and TCs for their contributions towards performance goals, while establishing conditions for a regional transition to low-emission rural development.

**POTENTIAL TO ENHANCE TERRITORIAL SECURITY:** When IPs are effectively engaged in REDD and LED-R dialogues, progress can result in formally recognizing IP lands. For example, through the MesoCarbon initiative, indigenous and community organizations in Central America are incorporating issues of territorial security, cultural and political rights into REDD+ and other strategies. In California, the Yurok Tribe used profits from a voluntary carbon project to acquire land adjacent to their territory from a timber company, securing access to important cultural and natural resources and improving watershed management critical to tribal fisheries. In this sense, territorial security should not be a pre-requisite for inclusion in REDD/LED-R, but rather a central goal integrated into broader jurisdictional dialogues and approaches to lowering emissions and increasing social equity.



## RECOMMENDATIONS FOR BROADER INCLUSION OF AND IMPROVED BENEFITS OF LED-R TO INDIGENOUS PEOPLES:

**ADDRESS SYSTEMIC BARRIERS:** First and foremost, LED-R must help address the systemic barriers faced by IPs and TCs in achieving their aspirations. These strategies should include securing and protecting territorial rights and providing a range of services and support for forest-dependent communities to improve their livelihoods, develop community enterprise and engage with markets, if desired. Improving IPs and TCs participation in regional dialogues related to climate change and land use planning is one key step, which will entail dismantling logistical and language barriers to their participation.

**MITIGATE RISK AND UNCERTAINTIES OF CLIMATE FINANCE THROUGH INTEGRATED, JURISDICTIONAL APPROACHES.** Climate finance, including REDD+ and involvement in voluntary carbon markets, is just one piece of the puzzle. These initiatives should be part of a broader set of interventions to improve livelihoods and quality of life within forest-dependent communities, not as stand-alone interventions.

**TAILOR INCENTIVES:** Within the jurisdictional approach, diverse incentives and strategies should be designed in order to address the specific needs and objectives of IPs and TCs, as well as confront both direct and indirect threats faced by communities.

**BUILD LOCAL CAPACITY:** Indigenous communities, like many resource-dependent communities, are facing an array of new challenges, from the expanding reach of global markets to adapting to climate change. Building capacity within communities to confront new challenges, including developing skills to transform production systems, engage in the carbon economy as well as negotiate equitable terms with government and private sector actors, will be critical as regions embark on the paradigm shift to LED-R.

**SUPPORT SUB-NATIONAL GOVERNMENTS TO SECURE AND PROTECT IP AND TC RIGHTS.** Despite gains in formal recognition of IP and TC's rights across tropical forest regions, communities face multiple threats to territorial security and are often alone in protecting their borders. Government agencies should improve their capacity to implement legislation, protect IP and TC rights, and extend government services to these communities (e.g. health and education). In doing so, sub-national governments help empower indigenous and traditional communities, laying the foundation for greater inclusion and benefits-sharing.



PHOTO AMPB



PHOTO AMPB



The **Sustainable Tropics Alliance** is a strategic partnership of independent, non-governmental organizations that draw on research, multi-stakeholder engagement, and local knowledge to develop alternative, low-emission rural development (LED-R) models in the Tropics. The founding members of the Alliance are Earth Innovation Institute (Brazil, Indonesia, Colombia), Pronatura-Sur (Mexico), the Instituto del Bien Común (Peru), the Instituto de Pesquisa Ambiental da Amazônia (Brazil), and Green Belt Movement (Kenya), with collaboration from the Verification Research, Training and Information Centre.

#### PARTNERS



The **Indigenous Peoples' Alliance of the Archipelago** (Aliansi Masyarakat Adat Nusantara—AMAN) is an independent indigenous organization established in 1999. Present in 33 Indonesian provinces, AMAN is composed of 2349 indigenous communities from across the Indonesian archipelago, representing approximately 15 to 17 million people. AMAN is one of the world's largest Indigenous Peoples' organizations and Asia's leading organization dealing with Indigenous Peoples issues.

#### SUPPORT PROVIDED BY



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The **Forest-Based Livelihoods Consortium** is a partnership of nine environmental and indigenous organizations that aim to empower forest-dependent communities to more fully contribute to and directly benefit from climate change mitigation efforts. The Consortium works to build the capacity of indigenous and other forest-based communities to improve governance of their territories and forests, while supporting key jurisdictions to develop institutional and policy frameworks that are more inclusive of the rights and views of such communities. Consortium members are Forest Trends, Coordinadora de las Organizaciones Indígenas de la Cuenca Amazónica (COICA), Earth Innovation Institute, EcoDecisión, Environmental Defense Fund, Metareilá, IPAM, PRISMA, Alianza Mesoamericana de Pueblos y Bosques (AMPB) and Pronatura Sur.

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#### FOR MORE INFORMATION

[www.earthinnovation.org/our-work/](http://www.earthinnovation.org/our-work/)

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