



INDIGENOUS
PEOPLES
**GLOBAL
DIALOGUE ON
CLIMATE FINANCE**

SUMMARY REPORT OF THE GLOBAL DIALOGUE

Enabling Indigenous Peoples and Local
Communities to Engage in and Benefit
from Results-Based Climate Finance

San José, Costa Rica, November 6–9, 2023



SUMMARY REPORT OF THE GLOBAL DIALOGUE

Enabling Indigenous Peoples and Local
Communities to Engage in and Benefit from
Results-Based Climate Finance

San José, Costa Rica, November 6–9, 2023

Contents

List of Boxes	iv
List of Acronyms.....	iv
Acknowledgments.....	v
Introduction	1
Theme 1. Direct Access to Climate Finance	5
Theme 2. Representation and Participation	11
Theme 3. Addressing and Overcoming Barriers to Inclusion	15
Discussion Summary	19
Outcome Statement	23
Related Documentation	26

List of Boxes

Box 1. Question to and Responses by Participants on Theme 1.....	4
Box 2. Question to and Responses by Participants on Theme 2.....	7
Box 3. Question to and Responses by Participants on Theme 3.....	9

List of Acronyms

ACCARD	African Centre for Climate Actions and Rural Development Initiative
AMPB	Mesoamerican Alliance of People and Forests
BMZ	German Federal Ministry for Economic Cooperation and Development
BSP	benefit sharing plan
CIPRED	Center for Indigenous Peoples' Research and Development [Nepal]
CSO	civil society organization
DGM	Dedicated Grant Mechanism
EnABLE	Enhancing Access to Benefits while Lowering Emissions (World Bank)
ERPA	emission reductions payment agreement
ERP	emission reductions program
ERPD	emission reductions program document
FCPF	Forest Carbon Partnership Facility (World Bank)
FONAFIFO	National Forest Financing Fund [Costa Rica]
FPIC	free, prior, and informed consent
GCF	Green Climate Fund
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
ILEPA	Indigenous Livelihoods Enhancement Partners [Kenya]
IPs	Indigenous Peoples
LCs	local communities
MINEA	Ministry of Environment and Energy [Costa Rica]
MPIDO	Mainyoito Pastoralists Integrated Development Organization [Kenya]
MRV	measuring, reporting, and verification
NICFI	International Climate and Forest Initiative [Norway]
REDD+	Reducing Emissions from Deforestation and Forest Degradation in Developing Countries and the role of conservation, sustainable management of forests, and enhancement of forest carbon stocks
TEBTEBBA	Indigenous Peoples' International Centre for Policy Research and Education [Philippines]

ACKNOWLEDGMENTS

The Global Dialogue “Enabling Indigenous Peoples and Local Communities to Engage in and Benefit from Results-Based Climate Finance” was jointly organized by the World Bank’s Enhancing Access to Benefits while Lowering Emissions (EnABLE) and Forest Carbon Partnership Facility (FCPF), together with the German Federal Ministry for Economic Cooperation and Development (BMZ) through the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). The event was hosted by the government of Costa Rica. Facilitation, including the choice of content and invitees, was led by a Steering Group of Indigenous experts comprising Pablo Mís (Executive Director, Julian Cho Society, Belize), Eileen Mairena Cunningham (Vice President of the Indigenous women’s organization Wangki Tangni, Nicaragua), Helen Magata (Communications Officer, Indigenous Peoples’ International Centre for Policy Research and Education [TEBTEBBA], Philippines), Stanley Riamit Ole Kimaren (Founder/Director, Indigenous Livelihoods Enhancement Partners [ILEPA], Kenya), and Anne Samante (Head of Programs and Partnerships, Mainyoto Pastoralists Integrated Development Organization [MPIDO], Kenya).

This report was prepared by the organizers and Steering Group of the Global Dialogue, who express their gratitude to those who participated both in person and virtually,

including Jochen Flasbarth (State Secretary, BMZ, Germany), Franz Tattenbach (Minister for Environment and Energy, Costa Rica, who opened the Global Dialogue), Benoit Bosquet (World Bank Regional Director for Latin America and the Caribbean), Jennifer Sara (Director of the World Bank Group’s Climate Change Global Practice), Louise Cord (Global Director of the World Bank Group’s Social Sustainability and Inclusion Global Practice), and Carine Clert (World Bank Country Manager for Costa Rica). Valuable and much appreciated feedback on the main findings was provided by the members of the Global Dialogue Sounding Board: Hilde Dahl (Assistant Director, the International Climate and Forest Initiative [NICFI], Norway); Miriam Philippe (Head, Environmental Policy, Biodiversity, Forests, and Marine Conservation Division, BMZ, Germany); David Kaimowitz (Chief Program Officer, the Tenure Facility, Sweden), Louise Cord, and Maria Elena Herrera Ugalde (REDD+ Department, National Forest Financing Fund [FONAFIFO], Costa Rica). The organizers also offer appreciation for the patience and understanding of the attendees, and those ultimately unable to attend, given the unavoidable shift in venue from Accra, Ghana, to San José, Costa Rica. Finally, the organizers express deep appreciation to the formal and informal rapporteurs who diligently recorded the vital perspectives of the attendees for inclusion and synthesis in this report.



Global Dialogue Steering Group members (from left to right): Anne Samante, Pablo Mís, Eileen Mairena Cunningham, and Helen Magata (not pictured: Stanley Riamit Ole Kimaren)

INTRODUCTION

The Global Dialogue “Enabling Indigenous Peoples and Local Communities to Engage in and Benefit from Results-Based Climate Finance,” held in San José, Costa Rica, November 6–9, 2023, brought together representatives of Indigenous Peoples (IPs) and local communities (LCs) from around the world. Funding was provided by the World Bank’s Enhancing Access to Benefits while Lowering Emissions (EnABLE) and Forest Carbon Partnership Facility (FCPF), together with the German Federal Ministry for Economic Cooperation and Development (BMZ). In contrast to two earlier dialogues held in Weilburg, Germany—which were financed and organized by FCPF and BMZ—this event was overseen by a Steering Group representing IPs from Africa, Asia, Latin America, and the Caribbean, as well as women, civil society organizations (CSOs), REDD+ participant and contributing countries, and international organizations. The Steering Group moderated the event, prepared the discussion topics and methodology, and selected the more than 60 speakers and invitees based on the relevance of their experience and their leadership and visionary capacity, while also ensuring geographic, gender, and organizational diversity (see the [Supplementary Documentation](#) for details of the agenda, Steering Group, list of participants, and visual materials generated through discussions).

The objective of the Global Dialogue was to provide a forum for IPs and LCs to engage in meaningful discourse regarding their direct access to results-based climate finance and its benefits, including related decision-making and implementation processes. In developing the agenda, the Steering Group identified three overarching themes:

1. Exploring and promoting mechanisms for direct climate financing and benefit sharing
2. Enabling direct representation and participation in consultations and decision-making on results-based climate initiatives
3. Exploring approaches for enhancing inclusion in climate change resilience and financing, including responding to underlying challenges and barriers



1. Franz Tattenbach, Minister for Environment and Energy, Costa Rica, opening the Global Dialogue



2. Dolores de Jesus Cabnal Coc leading the opening invocation



3. Jennifer Sara, Director of the World Bank Group’s Climate Change Global Practice



4. Participants Judy Kipkenda and Agnes Leina signing in on Day One



5. Carine Clert and the ranger in charge of Babilla National Park, Mario Cerdas, on the Day Three field trip to the Cabécar Nairi Awari Indigenous territory



6. Participant Everyldis Córdoba Borja of Cocomasur, Colombia



7. Carine Clert, World Bank Country Director for Costa Rica



8. Joseph Ole Simel, panelist from the Mainyoto Pastoralists Integrated Development Organization (MPIDO), Kenya



9. Participant Christine Kandie of the Endorois Indigenous Women's Empowerment Network, Kenya



10. Day Four "Sounding Board" members Louise Cord and María Elena Herrera Ugaldez

Over the first two days of the Dialogue, the examination of each theme began with a panel discussion by selected attendees, moderated by one of the Steering Group members. Participants then broke into regional working groups to discuss the theme and related questions, before presenting findings for further discussion and ultimate agreement in terms of the overarching implications. To ensure a safe space for open discussion, only IPs and LCs participated in the regional breakout sessions; representatives of REDD+ countries, REDD+ contributing countries, and international organizations met separately to discuss the same questions. In addition, each day outside experts shared new initiatives, studies, or findings, or presented their organizations, at the "Guest Presentation Cafe."

On the third day, attendees undertook field trips to one of two REDD+ program areas—the Cabécar de Chirripó Indigenous Reserve or the Cabécar Nairi Awari indigenous territory—to learn from the first-hand experiences of Costa Rican Indigenous communities with the REDD+ program.

The final day focused on the consolidation of prior discussions and findings. In the morning, the Steering Group presented initial findings to members of the "Sounding Board"—a group of engaged and supportive external experts comprising representatives of the governments of Costa Rica, Germany, and Norway; the Tenure Facility; and the World Bank. In the afternoon, participants further debated the key messages identified through the Global Dialogue, and the resulting path forward.

THEME 1. DIRECT ACCESS TO CLIMATE FINANCE

The Theme 1 panel discussion, “Exploring and promoting mechanisms for direct climate financing, benefit sharing, and other monetary and nonmonetary benefits for IPs and LCs,” was moderated by Helen Magata and comprised Elohor Freeman Oluowo (African Centre for Climate Actions and Rural Development Initiative [ACCARD], Nigeria), Grace Balawag (Indigenous Peoples’ International Centre for Policy Research and Education [TEBTEBBA], Philippines), and Pablo Mís (Julian Cho Society, Belize).

The guiding questions for the regional breakout groups were as follows:

1. What are examples of robust benefit sharing mechanisms in climate financing in the region?
2. What are the key elements of desired/robust benefit sharing arrangements for IPs and LCs, including REDD+ and results-based payments?
3. What are the pathways to be promoted and specific support required for IPs and LCs to have direct access to climate financing?

The discussion identified several key challenges to IPs’ and LCs’ participation in climate finance activities. The mechanisms routinely used include safeguard processes, consultations, and multilevel dialogues, but these are primarily undertaken within specific projects, not as sustainable processes for long-term community engagement. Community access must be improved, both to address important gaps and eliminate the number of intermediaries in existing processes (Box 1).

Action plans developed at national and international levels often fail to reach the grassroots level; participation,

engagement, and distribution should be founded on bottom-up processes that address gender and social inclusion issues. Legal processes and governance, and the language used to describe them, should be significantly simplified to facilitate people’s understanding. This is especially the case in light of language barriers, which further necessitate the elimination of complex jargon and overuse of unfamiliar acronyms. Where possible, bureaucratic processes need to be reviewed and revised—both to simplify them and to make them more flexible. Remote communities in particular face significant challenges to participating in, be represented in, and complying with legal processes. Their inclusion requires flexibility, especially in procedures related to free, prior, and informed consent (FPIC), and the incorporation of both monetary and nonmonetary benefits, such as land ownership and in-kind benefits.

Benefit sharing mechanisms are generally designed to be relatively inclusive and transparent, but issues arise in their implementation. In Nepal, for example, while the plan appears to be sound, there is a potential risk that only an estimated 20 percent of available funding would reach the community level, with the remainder being lost to administrative processes. Different countries have reported successful cases of communities directly receiving climate financing. FONAFIFO reported that Costa Rica has had a fuel tax since 1996, 3.6 percent of which flows to Indigenous territories and private properties with forests for the provision of ecosystem services—specifically, protecting water and biodiversity, storing carbon, and providing scenic beauty—at a rate of US\$64 per hectare. The community in Nairi Awari visited by participants of the Global Dialogue has used these payments to purchase land they historically inhabited. Also in Costa Rica, emission reductions contracts in forested areas provide payments for newly forested areas at a rate of US\$18

Box 1. Question to and Responses by Participants on Theme 1

How would you describe the current landscape of IPs and LCs’ access to climate finance?

The majority of participants thought that IPs’ and LCs’ access to climate finance needs to be improved, and that, as custodians of the land, they should be supported in building stronger capacities. They noted that processes should be less bureaucratic and that governance should be improved to address injustice, elite capture, and risks to sacred sites. Efforts to enhance IP and LC access to climate finance should also ensure that vulnerable groups—such as women, youth, and the elderly—are included.





11. Panel Discussion on Theme 1: Moderator Helen Magata and panelist Grace Balawag



12. Panel Discussion on Theme 3: Panelists Levi Sucre and Pasang Dolma Sherpa



13. Africa regional discussion group



14. Steering Group member Helen Magata moderating Sounding Board session

per hectare, without limits on the total area. Indigenous communities there have formulated a territorial forestry and environment plan to facilitate management of the area.

It was determined through discussions that accountability is a key issue in terms of clear and transparent information and reporting on how climate finance is managed and used. This and the issue of land tenure were considered equally important. The capacities of IPs' and LCs' organizations to manage resources financially and operationally must be strengthened to enable territories to receive investments and payments directly. This includes their knowing and understanding of programs and opportunities for engagement, their ability to manage and implement programs, and their ability to manage revenues and investments. Importantly, approaches should always be rights-based and incorporate collective (that is, community-level) rights. Finally, it is vital that women, youth, people with disabilities, and the elderly be included in the formulation of benefit sharing mechanisms.

Attendees agreed that robust benefit sharing arrangements should be based on nine important characteristics:

- 1. Recognition and Representation.** IPs must be recognized and involved in the design of climate financing initiatives, entering as partners, not just beneficiaries.
- 2. Strengthening Standards.** Existing standards need to be reinforced to recognize IPs' carbon rights and ensure compliance with FPIC principles.
- 3. Internal Consultation.** The consultation process must be internal and adapted to the unique needs and guidelines of IPs and LCs, to facilitate participation in their respective territories.
- 4. Transparent Information.** The delivery of information to communities must be transparent, accessible, and contextually relevant.
- 5. Capacity Development.** IPs require the development of their capacity to negotiate the terms of agreements that are based on the thorough analysis of their territories.
- 6. Cultural Recognition.** The processes through which IPs obtain financial and other climate-related benefits need to take into account IPs' spiritual and cultural values.

7. Partnerships and Governance. The definitions of direct territorial investment, indicators, and processes must be contextualized. It is vital for IPs' and LCs' organizations to be strengthened, while simultaneously respecting their governance structures.

8. Inclusion and Equity. Indigenous women, youth, and other vulnerable groups face specific barriers that need to be addressed to ensure the equitable distribution of benefits.

9. Negotiations with Governments. Early dialogue, negotiations, and agreements with governments are necessary to determine how benefits can be distributed effectively.

Attendees discussed pathways to support direct access to climate finance by IPs and LCs. Removing intermediaries was emphasized as a means of creating a more direct pathway, while also making existing processes simpler and more accessible to legitimate community organizations. The need for complete transparency in the process of determining eligibility to participate in carbon markets was voiced by many attendees. Community knowledge of technical issues and capacity for operational and financial management will need to be improved, such as through the development of territorial management plans, to enable IPs and LCs to engage competently in carbon markets and other financial opportunities. Finally, in order to affirm IPs' and LCs' right to access climate finance, trust in and respect for their administrative governance systems are crucial.



15. Elizabeth Jeiyol, Maximiliaan Ooft, and Judy Kipkenda

THEME 2. REPRESENTATION AND PARTICIPATION

The Theme 2 panel discussion, “Enabling direct representation and participation in consultations and decision-making arrangements in results-based climate payment initiatives,” was moderated by Anne Samante (Head of Programs and Partnerships, Mainyoto Pastoralists Integrated Development Organization [MPIDO], Kenya) and comprised Lice Cokanasiga (independent Indigenous advocate, Fiji), Ramiro Batzin (Asociación Sotz’il, Guatemala), and Daniel Amponsah Gyinayeh (Asunafo-Asutifi Hotspot Intervention Area, Ghana).

The guiding questions for the regional breakout groups were as follows:

1. Beyond safeguards for just “doing no harm,” how can climate finance initiatives purposefully apply safeguards to “do better” and “do good” in terms of capacity building, institutional capacity, participation, FPIC, and monitoring (Box 2)?
2. To achieve direct representation and participation in consultation and decision-making arrangements, what are the needs (a) for capacity building, (b) for improving institutional capabilities, (c) for FPIC, and (d) for monitoring and accountability?

The discussion focused on enhancing the opportunities for IPs and LCs to participate in the processes of consultation and decision making. A major hurdle to this participation is the language barrier. Most climate finance programs are developed in English, French, or Spanish and are, at best, translated into a country’s dominant national language. Rarely are documents further translated into local (often Indigenous) languages—of which there can be many. This is especially true for core documents, such as emission reductions program documents (ERPDs), emission reductions payment agreements (ERPAs), and even in many cases benefit sharing plans (BSPs), all of which significantly impedes communities’ ability to fully comprehend the purpose of programs and the content and implications of agreements.

The panel discussed various experiences related to the implementation of safeguards, as well as other efforts to move beyond “doing no harm” to “doing good” or “doing better.” An example from Guatemala focused on a climate change law that includes a crucial stipulation about IP representation: the national committee on these issues—the Association of Mayors and Indigenous Peoples of

Guatemala—must include two Indigenous members. World Bank safeguards, for example, are applied through the FCPF and Dedicated Grant Mechanism (DGM). The FCPF devised an interesting approach whereby cooperation was instigated through dialogue among IPs undertaking forest conservation, national authorities, and conservation organizations, whose interests and objectives often differ.

Another topic explored was the impacts of carbon markets on the “blue economy” (referring to the exploitation, preservation, and regeneration of the marine environment), and on Indigenous communities. Deep sea mining, fossil fuel extraction, and industrial fishing activities can have enormous negative impacts on Indigenous communities’ ability to maintain their livelihoods, practice their cultural traditions, and ensure a healthy and livable habitat. Ecosystems such as mangroves (which are included in REDD+) and seagrasses (which have large carbon storage potential) are threatened, yet the Indigenous communities that depend on these environments suffer the consequences of the negative impacts. To date, insufficient attention has been paid to the impacts of marine degradation on Indigenous communities, in part because coastal areas have not been considered part of their habitat, so they have not always been included as stakeholders.

Key questions are who is being safeguarded, and who is doing the safeguarding? If IPs and LCs are to be protected, they should have a say in how and in what form that protection, or safeguarding, is undertaken. Importantly, safeguards should not be applied through a “one-size-fits-all” approach, but should be determined and applied by those being “protected.” In this regard, IPs and LCs need to be seen not merely as the recipients of program benefits or victims who need to be protected, but as active partners whose input and participation is crucial for success. Capacity building is not only needed for IPs and LCs, but also for (local) government entities, international organizations, and the private sector, among other stakeholders. IPs and LCs often lack understanding or knowledge of climate initiatives, but governments and the private sector lack understanding of and respect for Indigenous worldviews, culture, traditions, and livelihood interests. In this sense, capacity building must be reciprocal, requiring participation and learning in both directions.

Attendees noted the reality that implementing safeguards and other “do no harm” and “do good” approaches is



Box 2. Question to and Responses by Participants on Theme 2

Beyond safeguard approaches to “do no harm,” how are climate finance initiatives purposefully applying safeguards to “do good”?

Beyond traditional “do no harm” approaches, participants provided a range of thoughts on how to apply safeguards to “do good” and even “do better.” Most importantly, thorough and purposeful application of procedures to ensure free, prior, and informed consent (FPIC) would solicit valuable perspectives to improve the effectiveness and impact of climate finance on communities. Other factors noted include active attention to questions around (Indigenous) land tenure, traditional processes, and decision-making mechanisms, and incorporating policies relevant to IPs in the early phases of project design. Flexibility in the application of safeguards in the context of climate finance—ensuring respect for community customs and practices—was also cited as being vital.

time-consuming and resource-intensive. It is necessary to determine how processes can be made more fluid and flexible given that the current cost of planning, preparing, and implementing FPIC and related procedures can exceed project budgets. Holistic education processes are recommended for information sharing and ongoing learning to address IPs’ and LCs’ capacity needs. As a cost-reduction and information dissemination strategy for educating IPs and LCs on the FPIC approach, it was determined that a framework of questions and answers should be developed to promote greater exchange and feedback of information, experiences, and lessons learned.

Finally, the application of safeguards and FPIC should be viewed, not as short-term components of individual projects that often represent inefficient use of available resources, but as investments in governments’ long-term relationships with IPs and LCs. Transparent, constructive, and trusted relationships—while potentially requiring greater upfront investments of time and resources—would greatly facilitate the establishment of FPIC and safeguard processes, while laying the foundation for sustainable partnerships, effective cooperation, and the accomplishment of mutually agreed goals.

16. Cultural event on the evening of Day 1
Adjacent page: Candid photos of participants



THEME 3. ADDRESSING AND OVERCOMING BARRIERS TO INCLUSION

The Theme 3 panel discussion, “Exploring approaches toward enhancing inclusion of IPs and LCs in climate change resilience and financing, responding to underlying barriers and challenges,” was moderated by Eileen Mairena Cunningham and comprised Pasang Dolma Sherpa (Center for Indigenous Peoples’ Research and Development [CIPRED], Nepal), Levi Sucre (Mesoamerican Alliance of People and Forests [AMPB], Costa Rica), and Joseph Ole Simel (MPIDO, Kenya).

The guiding questions for breakout groups were as follows:

1. What principles and actions would effectively enable IPs and LCs to be included in climate financing and REDD+?
2. With relatively short life cycles, how can climate financing contribute to advancing the usually lengthy process of formalizing land and resource rights? What are the key actions?
3. Given the highly technical process of developing carbon projects, how can IPs and LCs—as owners, rights-holders, and stewards of territory—overcome these challenges?

The discussion and responses to these questions centered on the broader issue of the need for IPs’ and LCs’ rights to be recognized. In some contexts, on a most basic level, the sheer existence of IPs is neither recognized nor acknowledged. In other circumstances, recognition of IPs’ land and resource rights—through

individual and collective tenure security—is the primary barrier. And even in cases where these issues have been addressed to varying degrees, IPs may still lack the required status of stakeholders, rights-holders, and equal partners with the fundamental right to have their input, experience, concerns, opinions, and knowledge taken into account. In short, it was generally agreed that creative resolution of these core issues is pivotal to the successful inclusion of IPs and LCs in REDD+ and climate finance processes (Box 3).

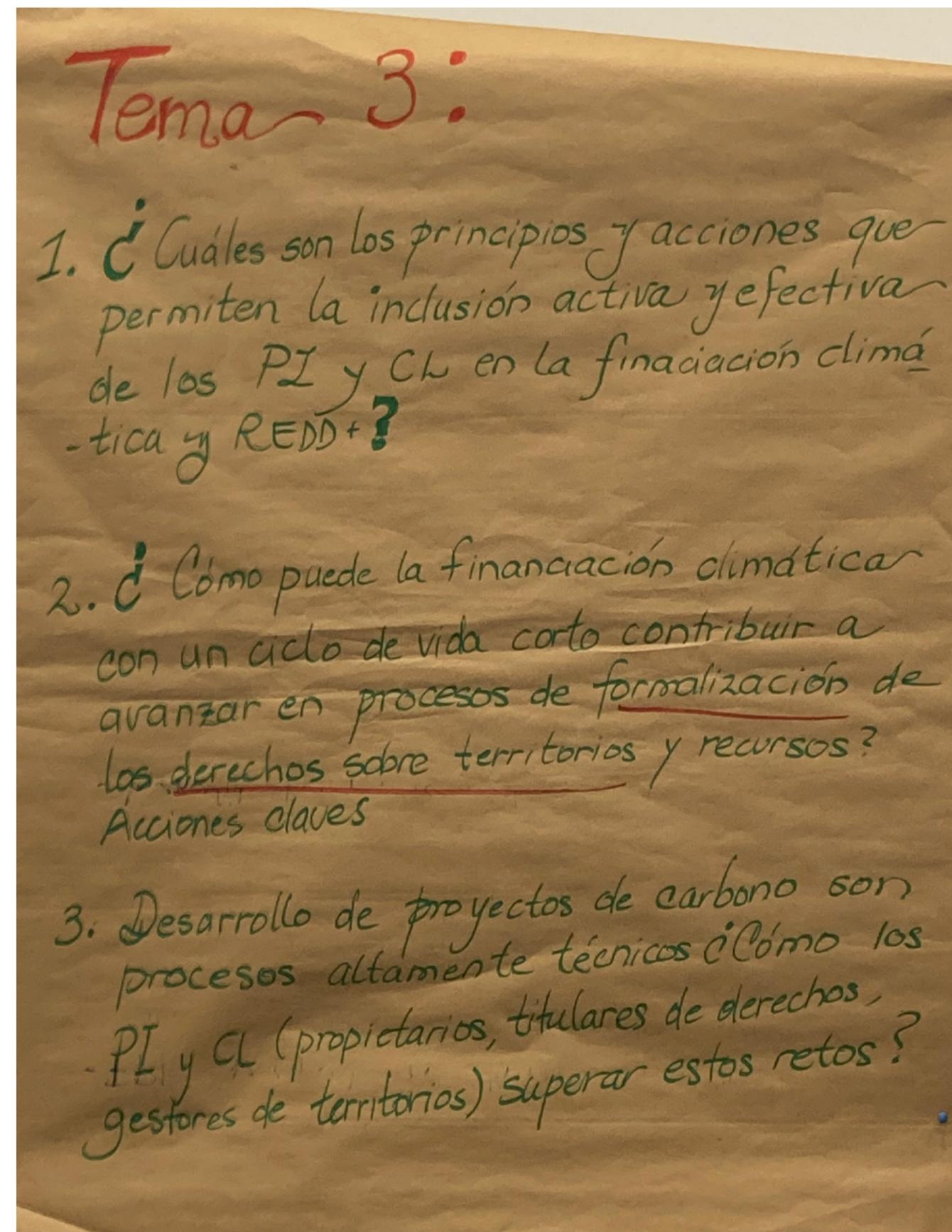
Another core issue, or barrier to be eliminated, concerned the idea of carbon as a “product” to be exchanged between buyers and sellers in the form of “carbon credits.” Many people, not just IPs and LCs, find this abstract concept difficult to come to terms with. It was noted, therefore, that fully engaging IPs and LCs in climate finance initiatives depends on successfully conveying the underlying principles of reducing emissions and generating carbon credits, including how they are quantified, valued, and exchanged in a marketplace and how communities can potentially benefit, not just financially but in a range of direct and indirect, as well as tangible and intangible ways.

Discussions in the regional working groups and subsequent plenary session shed light on the reality that the life cycles of climate finance initiatives are typically only a few years. Projects can provide the impetus for more sustainable longer term outcomes, but to do so they need to be framed within a collective vision for the future, which only the Indigenous communities can determine for themselves. Projects could then be nested

Box 3. Question to and Responses by Participants on Theme 3

What are the advantages of having IPs and LCs as partners in carbon initiatives?

Participants agreed that partnering with IPs and LCs would ensure the sustainability of carbon initiatives and enable major challenges, such as secure land tenure, to be addressed. Partnering with IPs and LCs would ultimately deliver higher impact, while contributing to equality and communities’ overall resilience to the negative consequences of climate change.



Spanish translation of the guiding questions for breakout groups under Theme 3 (see page 12).

within broader, long-term goals, such as strengthening and developing communities in support of shared goals that align with their culture, values, and worldview. It was noted that a crucial factor for both short- and long-term success is the empowerment of existing Indigenous governance structures as the foundation for communication, collaboration, and action. If Indigenous communities are to fulfill the role of equal partners in climate-finance initiatives, it is imperative that their managerial, technical, administrative, and financial capacities be strengthened.

The FCPF's Capacity Building Program is a good example of an initiative requiring a longer time horizon to come to fruition. The program ran for almost 15 years, but it took several years for tangible results to emerge in the form of a cadre of Indigenous experts. These individuals, who are well versed in REDD+ and climate finance issues, are able to bridge the gap between international and local perspectives, but even more importantly are able to represent Indigenous and local interests, concerns, and objectives in international forums. They also pass their knowledge on, educating their communities on core issues. REDD+ is stronger as a result—as are Indigenous communities, including CSOs and women in particular.

Moving forward, it is important that these positive outcomes be shared, not only beyond the FCPF's Carbon Fund countries, but also beyond REDD+ countries. The benefit sharing mechanisms developed under REDD+ programs have evolved to become socially inclusive, and the lessons need to be shared as widely as possible across the world, such as through a catalogue of good practices and lessons learned. For this to succeed, however, materials need to be disseminated in local languages. As noted in other discussion sessions, the language barrier—while admittedly challenging—needs to be overcome. To date, too little attention has been devoted to translating and disseminating existing materials. Doing so potentially represents a cost-effective method of upscaling and magnifying the impacts of initiatives.

Another issue of concern in many countries is that young people are not adopting their culture and traditions, so communities are slowly losing their heritage, worldview, and connection to the land. Legitimate customary institutions are essential to preserve this cultural heritage and promote its transfer to younger generations and to promote self-governance and representative decision-making for the well-being of the community, including the interests of women, youth, and people



17. Participant Daniel Amponsah Gyinayeh of the Asunafo-Asutifi Hotspot Intervention Area/Asunafo Cocoa Farmers Cooperative, Ghana



18. Cecile Ndjebet, award-winning environmentalist from the African Women's Network for Community Management of Forests (REFACOF)



19. Maximiliaan Ooft of Vereniging van Inheemse Dorpschoufden (VIDS), Suriname



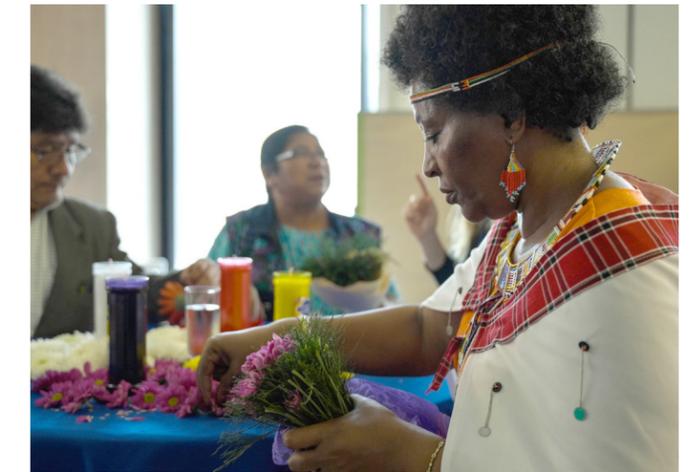
20. Asyl Undeland, EnABLE Fund Manager

THEME 3. ADDRESSING AND OVERCOMING BARRIERS TO INCLUSION

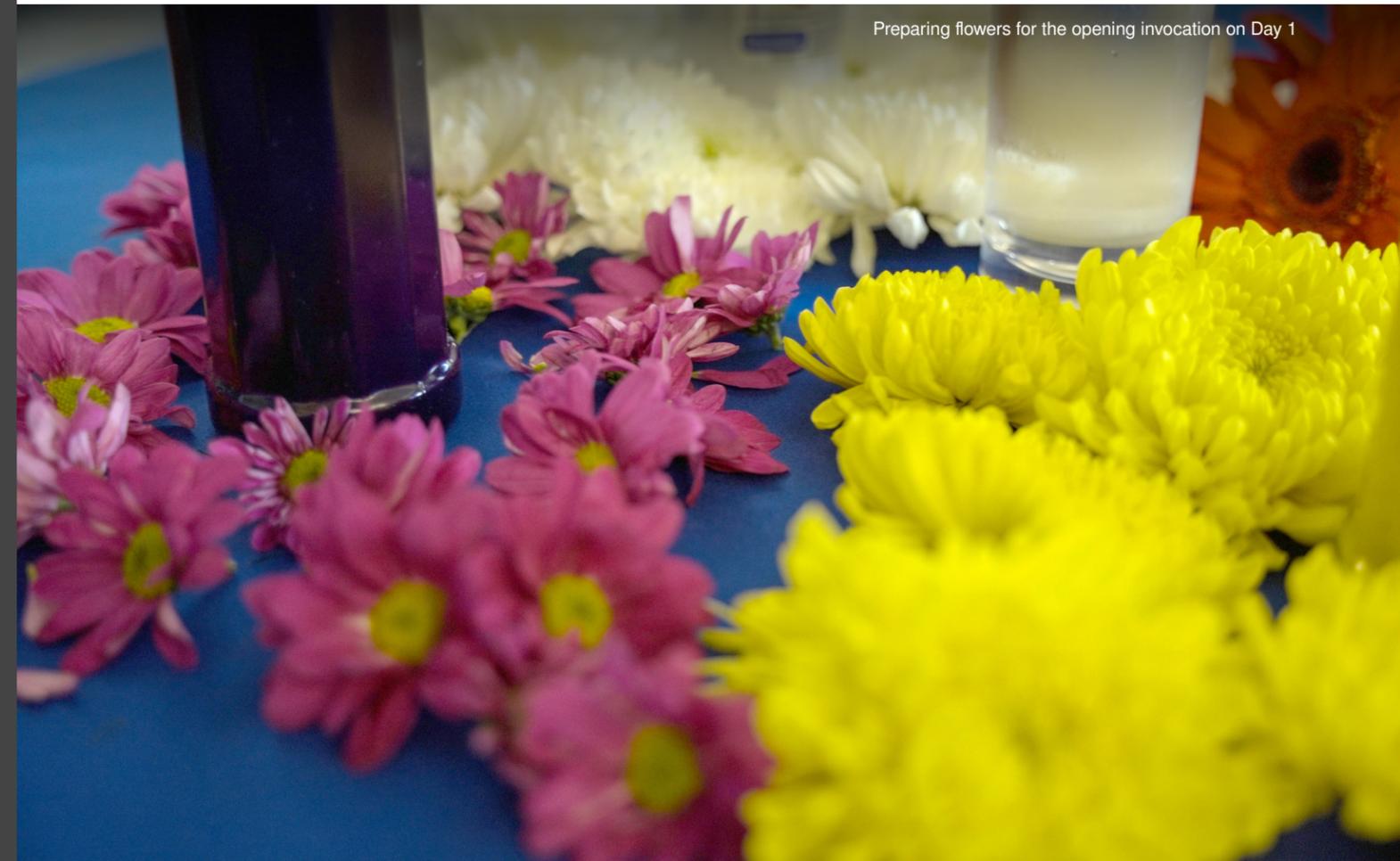
with disabilities. Indigenous culture and traditions need to be acknowledged and respected by external actors as a prerequisite for effective collaboration and engagement. Importantly, Indigenous governance systems provide culturally appropriate and adaptive dispute resolution mechanisms, traditional safety nets, and support for strong male and female leaders and decision makers. Indigenous knowledge systems also hold tremendous value for the wider ecosystem—for example, by sustainably caring for the forests and forest

resources, producing traditional medicines, managing natural resources to avert climate disasters, and preserving knowledge of cultural and spiritual practices, including unique celebrations and festivities that support community identity, resilience, and unity.

Finally, as a separate issue, concern was raised in discussions that climate finance intended to address crises, damage, or loss created by external actors should never be offered as loans but only as grants.



Preparing flowers for the opening invocation on Day 1



DISCUSSION SUMMARY

Over its four-day duration, the Global Dialogue provided a forum through which participants could freely discuss the complex themes, issues, and challenges affecting their communities' ability to engage in and benefit from results-based climate finance. While no single document can fully capture the nuances of the wide-ranging topics discussed, this report summarizes the proceedings of the four-day event and the discussions that ensued (see below). Note that the separate Outcome Statement, conceptualized on Day Four of the Dialogue, further distills and unifies the discussion findings into three strategic pathways and three key themes (see the next section).

Land Tenure Security

Carbon markets cannot succeed without clearly defined and legitimate land and resource rights. Any doubts about the source or ownership of credits should prevent them from being traded. IPs' and LCs' rights to land and forest resources must be recognized, acknowledged, and respected as a moral imperative in line with human rights declarations, such as the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), the International Labour Organization's Indigenous and Tribal Peoples Convention of 1989 (ILO C 169), and the UN-REDD Programme's Cancun Safeguards. Clear tenure security will benefit the IPs and LCs who have inhabited these lands and forests for generations. Further, it will provide clarity and assurances to carbon markets on the legitimacy of the credits.

Organizational Capacity

IPs' and LCs' organizations need support to build the required capacity to engage in climate finance as empowered equal partners. The skills and knowledge needed encompass a range of topics, including financial management and procurement; monitoring and evaluation; safeguards; and measuring, reporting, and verification (MRV). These organizations also need support to understand and navigate complex governance structures at national and international levels. Similarly, governments and international organizations need to build their own capacity to engage effectively with IPs' and LCs' organizations by developing an understanding of Indigenous worldviews, culture, and practices.

Governance

If IPs and LCs are to engage meaningfully in climate finance initiatives, it is crucial that governments' investment time and resources in developing stronger and more constructive and collaborative relationships with them through their recognized governance structures, which have been in place for generations and provide the appropriate channels for conducting business and reaching agreements with these communities. IPs' and LCs' way of life and livelihoods, their right to choose how to live, as well as their traditional governance and administration systems should be recognized and respected. Capacity building initiatives should be developed and implemented to support these traditional governance systems in developing mechanisms for accountability and transparency.

The role of intermediaries should be closely assessed to ensure their legitimacy in representing the people they purport to represent. Multilevel dialogues should be established among government entities, CSOs, the private sector, and recognized representatives of IPs and LCs. When climate finance is structured on rights-based approaches, justice and fairness will only prevail if governance is inclusive. IPs and LCs have a fundamental right to be involved in designing initiatives to ensure that they align with the needs and aspirations of the people they directly affect. True transparency and accountability are nonnegotiable to guard against inequality and unrealistic expectations, and to foster a clear understanding of the purpose and scope of projects. A foundation of respect, sound governance, and a genuine "seat at the table" will clear the path for committed engagement by IPs and LCs. IPs and LCs have their own territorial plans that provide a map to a sustainable future guided by the principles of FPIC.

Gender Inclusion

Women's roles in traditional and Indigenous governance systems and livelihoods cannot be overstated, yet they are often marginalized, especially in public forums, such as community representations, committees, and leadership positions. The rights of women—and other marginalized groups, including youth and those with disabilities—must be carefully considered, especially in the implementation of safeguard processes. Further, given women's crucial role in family and community life,

they must be supported and encouraged to participate in decision-making and be promoted to leadership roles at local, regional, national, and international levels. The absence of women in decision-making on climate finance undermines the credibility and legitimacy of the process, and leaves unacceptable gaps in the knowledge base of essential views and experiences. All the arguments used to advocate the inclusion of IPs and LCs in climate finance processes also apply to the inclusion of women.

Safeguards

In general, the application of safeguards is deemed to be too rigid. It is also not used as often as it should be. While participants praised the FCPF and World Bank for the rigorous and comprehensive use of safeguards and their Environmental and Social Framework in all projects, it was generally agreed that the application of safeguards has been too rigid, and that major improvements could be made. The lack of flexibility was universally deemed an issue. Clarity was also needed on whether safeguards are mandatory or optional, and whose safeguard systems are being used.

The more serious and specific concern raised regarding safeguards was the need for clarity on who, if fact, is being safeguarded through these mechanisms. If the target is IPs and LCs, then they should have a significant say in how the safeguards are designed and applied. The current mechanisms are designed by international organizations and governments, and they do not respond

sufficiently or appropriately to the context and needs of the people and communities they are meant to serve. Safeguard systems need to be improved to address the ways they manage risk, address legacy issues, foster dialogue, and promote transformational and sustainable outcomes. In sum, consensus emerged through the Global Dialogue and other discussions that the safeguards should go beyond "do no harm" to "do good" or even "do better."

Scaling Climate Finance

Participants in the Global Dialogue were unanimous in their call for greater levels of climate finance to address the negative consequences of climate change. As constant and reliable stewards of some of Earth's most valuable territories and resources, IPs and LCs are estimated to receive less than 2 percent of channeled climate finance. While there are many concerns surrounding the development of carbon markets, in principle, IPs and LCs support these mechanisms provided they are inclusive and transparent. They offer hope that funds will flow from polluters to the people and communities who are protecting the planet, especially once more sectors and industries are required to offset their emissions. IPs and LCs are ready to translate their success in sustainably managing and protecting their lands, forests, and resources into effective global climate action that transforms the climate finance landscape and fosters positive change for the future.



21. Group photo at the end of Day 1



22. Day 3 field trip to Cabécar Nairi Awari Indigenous territory



23. Group photo from Day 3 field trip to Cabécar Nairi Awari Indigenous territory



Candid photos of participants

OUTCOME STATEMENT

We, the Indigenous Peoples (IPs) and local communities (LCs) of Africa, Asia-Pacific, Latin America, and the Caribbean, came together to discuss the rapid development of carbon markets and carbon crediting on our lands and in our waters and forests. We expressed deep concerns over the limited engagement of our people and leaders in the decision making, design, implementation, monitoring, and assessment of REDD+, carbon crediting, and similar national carbon initiatives, which has inhibited our access to carbon and noncarbon benefits and threatened the safeguarding of our rights and our sustainable, nature-based practices and climate-friendly way of life.

We urge the planetary leaders to stand with us in recognizing, protecting, and advancing our rights, which are the foundation and key condition to enable us to continue to preserve a healthy, livable planet. To address climate change impacts and the survival of ecosystems and humanity, we, as custodians of the planet, call for commitment to a human rights-based approach to all climate financing mechanisms, including on REDD+ and other carbon crediting initiatives, allowing us to fulfill our role of full partners, leaders, and owners.

The REDD+ Readiness collaborative initiatives of the World Bank under the Forest Carbon Partnership Facility (FCPF), active in more than 40 countries since 2011, helped create unique spaces for open dialogue between IPs, LCs, and governments to build mutual trust and create a cadre of Indigenous experts on REDD+, who have since been vocal at national, regional, and global levels. Our participation in discussions and decision making during our countries' Readiness Stage helped shape our countries' approaches to carbon markets. These spaces for open dialogue should not be shrinking—as they now are in many countries—at a time when governments are entering a phase of results-based or carbon payments. These unique open dialogue spaces should be expanding and deepening to facilitate viable, equitable, and sustainable climate change action and outcomes.

Strategic Pathways

We defined three strategic pathways for REDD+ and carbon crediting to go beyond merely mitigating risks and safeguarding us, to ground our rights and inclusion as full partners.

- 1. Enable us access to direct climate finance and benefit sharing for our resilient custodianship**
Recognizing, respecting, and empowering Indigenous and customary systems of governance should be an overarching priority, such that IPs and LCs develop their vision and design their “life plans” separate from the immediate pressure of climate-related initiatives or projects. IPs and LCs need to be supported in strengthening and maintaining functioning systems of self-governance and decision making, including legitimate, traditional institutions and authorities, to represent territories and act as representative bodies with external actors. Indigenous and customary governance systems are key to sustaining custodianship of territories and communities. Direct access to climate financing and fairer benefit sharing mechanisms are necessary to sustain the resilient custodianship of a livable planet.

- 2. Develop safeguard systems that go beyond “doing no harm” to “doing better”**
Such systems should include ownership, design, and monitoring of safeguards by traditional, customary, and indigenous institutions to deliver equity, social inclusion, and sustainability.
- 3. Significantly scale investments to IPs' and LCs' territories and communities**
It is unclear where financing intended to support IPs and LCs in their role as custodians of natural resources, forests, and waterways is channeled and how it is used. It is imperative that direct financing of IPs and LCs be significantly increased—through such mechanisms as Indigenous Funds, territorial funds, and the World Bank's EnABLE Trust Fund—to ensure that financing goes beyond the 15 FCPF Carbon Fund countries. These funds, as well as other funds such as the Green Climate Fund (GCF) and Loss and Damage Fund, should offer opportunities for direct finance for IPs at national, regional, and global levels given the diverse needs and interventions at policy-making and territorial levels.

Key Themes

1. Providing direct access to financing, benefit sharing mechanisms, and carbon/noncarbon benefits

Often, IPs and LCs do not participate in the design of and decision making around the climate financing and benefit sharing mechanisms that affect their lives. Consequently, allocations, conditionalities, and benefit sharing mechanisms cannot benefit IPs and LCs. In order to achieve equity, benefit sharing mechanisms need IPs and LCs as proponents, partners, and owners. Fundamentally, benefit sharing must include recognition of and respect for IPs' and LCs' land and resource rights and legitimate representation.

Pathways and entry points for action:

- Empowering Indigenous and community governance systems.** IPs' and LCs' governance systems must be empowered and recognized in order to lead their engagement in technical and financial discourse on climate change. For example, REDD+ and carbon crediting initiatives must be developed, implemented, monitored, and reported in continuous consultation and negotiation with legitimate representatives and governance systems of territories and communities. Resources and support are needed to empower traditional and community governance systems to engage in these processes.
- Designing carbon crediting and benefit sharing initiatives with IPs and LCs as leaders, owners, and partners.** Recognition of and respect for customary and resource tenure rights is the foundation of transformational decentralization of REDD+, national carbon crediting initiatives, and benefit sharing mechanisms. This will facilitate investments in capacity building, social and environmental development priorities, and fairer payment allocations, while promoting pragmatic collaboration that fosters peacemaking and broader development outcomes.
- Providing climate financing with longer life cycles.** To sustain the custodianship of a livable planet and build human and institutional capacity to participate in climate change discourse and practices, financing to IPs and LCs needs to be scaled with longer funding cycles. This will align projects with Indigenous peoples' long-term visions. It is a necessary precondition for creating and revitalizing life plans and empowering required community and

territorial governance structures. Longer time cycles will facilitate the explicit inclusion of women, youth, and those with disabilities in community planning and governance structures.

- Partnering with governments.** Early dialogues and agreements with governments are necessary to install national climate policies, priorities, and actions that include IPs and LCs. Early dialogues will enable a collaborative and targeted process for partnership in such areas as establishing nationally determined contributions, national climate action plans and funding mechanisms, and national legislation and regulations on climate change and carbon markets.
 - Establishing direct access to climate funds for IPs and LCs.** The processes and requirements for IPs and LCs to gain direct access to climate funds need to be simplified to make them more accessible, with funding channeled directly to recognized and legitimate organizations within IP and LC groups. This would allow IPs and LCs to form their own organizations and technical teams to engage in carbon markets effectively.
 - Aligning funding agencies' access modalities with applicable IP and LC safeguards and related policies.** Funding agencies must align their requirements and criteria with applicable safeguards and protection standards related to IPs' and LCs' rights. This may include selection processes, qualifying requirements, and monitoring and evaluation procedures. Donor climate financing should include Indigenous experts to advise on the alignment of projects to ensure adherence to safeguards, norms, and procedures established by IPs and LCs.
- 2. Enabling direct representation and participation in consultations, decision making, and action**
Inclusion of IPs, LCs, and other marginalized groups, including women and youth, should not be based on their mere participation or being beneficiaries, but on their acting as leaders, partners, owners, and rights-holders. This includes engaging in decision-making processes and capacity building in the spirit of self-determination.
 - 3. Ensuring safeguards and free, prior, and informed consent**
Progress has been made in developing standards and procedures in the application of safeguards and free, prior, and informed consent (FPIC) in REDD+ operations. With the support of the World Bank, several countries have adopted legislation on applying safeguards; this is rarely implemented,

however, if it is not required by donors or is implemented simply by “checking a box.” Safeguards and FPIC could play an important role in going beyond “doing no harm” to “doing good” and “doing better.” Projects need committed levels of resources for safeguards, including FPIC, based on needs identified by IPs and LCs.

Pathways and entry points for action:

- **Establishing IP’s ownership of safeguards.** Safeguard systems must be rights-based; designed and implemented by and with Indigenous people’s rights-holders; and based on the local landscape and political, cultural, and demographic context. Safeguards and FPIC methods should not be imposed by external parties but instead be defined and implemented by IPs.
- **Ensuring appropriate and consistent implementation of safeguards.** The application of safeguards should not be voluntary but required, and implemented at the territorial and community levels, including clear and uniform standards and guidelines in harmony with customary territorial processes and practices. The legal formalization of rights is the strongest enabler of safeguard standards, and their consistent application.
- **Allocating the necessary resources, time, and capacities for the application of safeguards.** Proper preparation, implementation, and monitoring of safeguards and FPIC require resources and time. Thus, they should always be accompanied by sufficient funding and well-trained teams of multiple actors, including IPs, to raise awareness and understanding within communities, states, and partner agencies to implement and monitor compliance. Effective safeguards must be focused on territories and communities, and avoid undermining territories and communities by targeting individuals and groups. Financing safeguards should not be seen purely as the cost of managing risk, but rather as an opportunity to ensure long-term sustainability and facilitate transformational change.
- 4. **Recognizing that capacity building is essential but needs to be two-way**
Capacity building should not just be for IPs and LCs, but also for external partners—especially national government partners. Capacity building

must strengthen governments’ and other partners’ understanding of Indigenous worldviews, and include respect for them, so that collaboration can proceed with integrity. IPs and LCs must define the kinds of capacity building they need, as well as how it should be delivered based on their unique circumstances.

Pathways and entry points for action:

- **Developing management skills and technical capacities.** It is important to build various skills among IPs and LCs, including negotiations, fundraising, financial management, and community monitoring and evaluation. It is essential that capacity is developed on climate change and the full spectrum of carbon initiatives, including concepts, processes, and methodologies; design and measurement; pricing, verification, and reporting; and how carbon markets operate.
- **Ensuring transparency and community monitoring.** Accountability to national and international climate targets, safeguard standards, and financial management is essential as an enabler of long-term sustainability, transformational impact, and the development and deployment of fairer and more robust benefit sharing mechanisms. A key objective must be for IPs and LCs to have the capacity to participate in and undertake monitoring for their territories and communities.
- **Incorporating capacity building for governments and relevant partners.** Governments often lack the capacity to understand IP and LC worldviews, life plans, traditional governance systems, and customary laws and practices. Gaps exist in understanding applicable safeguards and standards. Capacity building must be organized for governments and relevant partners, especially including the private sector, National Designated Authorities, and accredited organizations at the national level.
- **Promoting the regional and transgenerational transmission of knowledge.** IP and LC dialogues should continue to foster the development of real capabilities and a space for networking so that IPs and LCs can share their experiences and lessons learned at regional levels. Similarly, support for the transgenerational transmission of knowledge is needed at territorial and community levels.

RELATED DOCUMENTATION

1. **Supplementary Documentation to the Summary Report of the Global Dialogue**, which includes the agenda, participants’ list, Steering Group biographies, and visual materials generated in discussion sessions



ENGLISH

2. **Outcome Statement of the Global Dialogue** in English, French, and Spanish



ENGLISH



FRENCH



SPANISH

The World Bank
1818 H Street, NW
Washington, DC, 20433
United States of America

