

# REALISING THE PLEDGE: HOW INCREASED FUNDING FOR FOREST COMMUNITIES CAN TRANSFORM GLOBAL CLIMATE AND BIODIVERSITY EFFORTS

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# A BRIEFING FROM THE RAINFOREST FOUNDATIONS OF THE UNITED KINGDOM, THE UNITED STATES, AND NORWAY FOR CLIMATE FUNDERS AND POLICY MAKERS ON WHAT IT WILL TAKE TO REALISE THE US\$1.7 BILLION PLEDGE TO SUPPORT INDIGENOUS PEOPLES AND OTHER LOCAL COMMUNITIES' LAND AND RESOURCE RIGHTS.

Until recently, international climate funding has scarcely responded to the mounting scientific evidence that indigenous peoples and other local communities (IPLCs) are the most effective in protecting forests and biodiversity, and upholding local development when they own and manage their territories. A 2021 RFN report (Falling short) found that international support to IPLCs' tenure and forest management in tropical forest countries was less than one percent of the total funding for climate mitigation and adaptation over the past decade. Moreover, only a fraction of that support actually reached frontline indigenous organisations.

**1%** **LESS THAN ONE PERCENT OF THE TOTAL FUNDING FOR CLIMATE MITIGATION AND ADAPTATION OVER THE PAST DECADE HAS GONE TO IPLC FOREST PROTECTION**

COP26 in Glasgow marked a welcome shift in levels of commitment with several public and private funders uniting under the US\$1.7 billion IPLC Forest Tenure pledge to scale up support for IPLC land and resource rights. While this was an important milestone in the struggle for greater recognition of indigenous environmental guardianship, donors are now faced with a central challenge: **how to mobilise funding at the speed and scale necessary to address the climate and biodiversity emergencies, while building the capacity of often remote and politically disenfranchised communities and their representatives to absorb and use these funds effectively.**

Drawing on the Rainforest Foundations' 30+ years of experience in rights-based rainforest protection, supporting IPLCs and local environmental and human rights organisations in 16 tropical forest countries, this paper aims to: 1) contribute to strengthening the global funding architecture for IPLCs, 2) highlight key principles and facets of working with local and indigenous organisations so that they are able to receive an increasingly larger portion of these funds, and 3) identify the investments that are most likely to lead to tangible results for people, climate and biodiversity.



# TOWARDS A NEW FUNDING ARCHITECTURE FOR IPLCS

**Donors, justifiably, enquire about IPLCs' absorptive capacity and are wary of a complex operating landscape with weak administrative structures and high transaction costs. Over time, this has fuelled an unsustainable and inequitable funding model dominated by large international agencies that have the internal systems to meet increasingly risk-averse and compliance-heavy requirements of institutional donors, but may lack the legitimacy, connections and skills to understand the needs of forest communities and obtain real results. This model absorbs resources that could be transformative to indigenous organisations and local civil society, missing opportunities to develop lasting, strategic partnerships that grow absorptive capacity and increase efficiency.**

As such, much more is needed to ensure the pledges are met with adequate funding channels and capacities of IPLC organisations to manage increased funding while maintaining the unique characteristics that make them so efficient in safeguarding forests and biodiversity.

First, this means greater political support for indigenous-led initiatives such as GATC's<sup>1</sup> Shandia mechanism, AMPB's<sup>2</sup> Fondo Territorial Mesoamericano, COIAB's<sup>3</sup> Podáali fund in Brazil and AMAN/KPA/WALHI's<sup>4</sup> proposed IPLCs Trust Fund in Indonesia, as well as significantly more direct support to regional, national and local IPLC organisations. This would involve a combination of both project funding and, crucially, core funding for organisational development and staff training that donors have traditionally shied away from. Investing sufficient time and resources in building local capacity is not only a practical solution to disburse funds, but also an end in itself. Only empowered civil societies will be able to drive lasting change in their respective geographies.

Second, donors must expand their definitions of "acceptable risk," finding a better balance between fiduciary requirements and the potential to achieve real impact on the ground, while improving mechanisms for dealing with problems when they arise. A starting point for this would be to place a greater emphasis on co-designing programmes and partnership agreements with IPLC organisations based on shared principles and mutual accountability.

Third, intermediary organisations still have an important role in building the capacity of IPLC organisations, but this needs to be rooted in a strategic partnership model that addresses power dynamics and can be phased out over time. A particular emphasis should be placed on solidarity organisations with a track record of working with IPLC groups in a way that follows their lead and supports their aspirations. At the same time, local organisations should be able to choose accompanying partners that can support them in project implementation and in amplifying their voices. In the medium and longer term, these strategic partnerships should incorporate a "phase out plan" whereby local organisations are empowered to directly access funding.



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- 1 The Global Alliance of Territorial Communities
  - 2 The Mesoamerican Alliance of Peoples and Forests
  - 3 Coordination of the Indigenous Organizations of the Brazilian Amazon
  - 4 The Indigenous Peoples' Alliance of the Archipelago / Agrarian Reform Consortium / Friend of the Earth Indonesia





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## KEY PRINCIPLES AND APPROACHES FOR WORKING WITH IPLCS AND LOCAL ORGANISATIONS

**Working with local and indigenous organisations must be based on the principles of partnership, programme ownership, long-term commitment, flexibility and a multiplicity of actions and solutions. With this in mind, and based on the collective experience of the Rainforest Foundations, climate donors and policy makers should consider the following activities:**

### **I. Long-term relationships with the right organisations:**

Conduct thorough mapping of civil society and representative organisations working at different levels. Develop a detailed idea of who they are, what they do, with whom they work and how they coordinate. Consider the organisation's commitment and passion for the cause they claim to represent, and the depth of their links to local communities to ensure they are accountable for their actions. Capacities can be built around that, and different kinds of support can be provided to organisations of different kinds and sizes: some might benefit more from political support at national and regional levels; others might require collaboration in practical, grassroots projects.

### **II. Needs assessment:**

Once commitment to a partnership has been established, conduct a thorough and participatory assessment of their situation and current capacities. This exercise can draw on due diligence evaluations carried out by institutional donors, for instance. But it should be proportional, adapted to the context and most of all accepted by the partner as an exercise that will favour their development.

### **III. Organisational development plan:**

Based on this evaluation, and if the partners identify this as a need, jointly identify priority areas to strengthen and develop a well-resourced plan for organisational development. Ideally, the plan should include time-bound commitments. In our experience, areas to prioritise often include:

- a. The organisation's strategy to achieve its mission
- b. Methods and approaches to work with local communities, including a comprehensive understanding of participatory approaches, the FPIC principle, and election, accountability and governance mechanisms
- c. Internal governance, financial management and legal compliance
- d. Human resources management
- e. Safeguarding and risk management
- f. Funding structure and fundraising
- g. Technical competencies specific to their mission (such as GIS and mapping, legal work or communications)

As the partnership evolves, more ambitious targets can be set and more areas covered. In the longer term, committed organisations will take their organisational development plan in their own hands, and align it to their broader organisational strategy. The goal should not be to shape IPLC organisations to become NGOs, but to adapt tested organisational models to traditional modes of organisation, and to enable these actors to compete on an equal footing for international funds.

### **IV. Build through doing:**

In our experience, it is always more effective to implement the organisational development plan as part of a wider programme, and not in isolation. Capacity building through implementing a mapping, monitoring or livelihoods project, for example, is more effective to consolidate learning, and allows both partners to visualise the ultimate purpose of the exercise.

### **V. "Close collaboration" approach:**

Support partnerships in which accompanying international organisations make a substantive contribution to the work and help build synergies between local actions and global processes. Practically, this means identifying organisations that maintain frequent communication, and who genuinely share the work plan and project objectives with their counterparts. Local organisations need to see the added value of international organisations beyond holding the funds and interfacing with the donor. Create a dynamic in which both are on the same side vis à vis the donor (delivering a successful project) and both are responsible for project implementation, rather than one in which the international organisation is seen as an intermediary donor and only checks in to request activity and financial reports.

### **VI. Cascading:**

Support IPLC organisations to carry out a similar process with smaller, grassroots level organisations. Often, they are more effective in transmitting knowledge and skills to their peers, and fulfilling this role strengthens them in turn. From a strategic perspective, building bridges between local organisations also boosts their advocacy capacities, their accountability, and their ability to protect each other when they face backlash from their advocacy.



A photograph of a sunset over a body of water. The sun is low on the horizon, creating a bright orange and yellow glow. The sky is filled with soft, dark clouds. The water reflects the sun's light, creating a shimmering path. In the foreground, two people are in a canoe, silhouetted against the bright water. They appear to be paddling. The overall mood is peaceful and serene.

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## **PRIORITISING INVESTMENTS - WHAT WORKS**

**From the outset, it is essential that IPLC organisations are more effectively represented in setting the agenda for, and the design of, climate, biodiversity and ODA programmes. From our experience, the following mutually reinforcing priorities are needed in order to scale up community ownership and control over critical ecosystems at the scale required:**

### **I. Securing tenure and management rights:**

This is a topmost priority for IPLCs who, despite managing an estimated fifty percent of the world's lands, currently hold legal rights to only ten percent of it. Moreover, the Falling Short report found that only eleven percent of funding for IPLCs went towards tenure projects. Closing this gap underlines the need to significantly scale up support for participatory mapping and demarcation of customary rights, as well as advocacy towards legal recognition of those rights, and other ways of formalising IPLC control over collective territories. Funding cycles and modalities need to accept that these are long-term efforts that require flexibility and multiple approaches.

### **II. Strengthening and supporting sustainable management of those territories:**

Once land is secured, support needs to go towards inclusive and effective management in accordance with the vision and aspirations of the groups involved. This will require funding for the development of collective "life plans," land use planning, the promotion of livelihood opportunities linked to sustainable value chains and based on stronger collective business skills, as well as community monitoring to tackle illegal activities in these territories.

### **III. Community governance and organisation:**

Prioritise programmes that recognise the need to support the internal organisation of communities and allow them to set and enforce the rules regarding access and use of their forests. Promote inclusive decision-making, transparency, accountability, and capacity to participate in wider political processes. Strengthen the administrative and management capacity of both community and regional structures so they can respond primarily to their communities, and manage international funds.

### **IV. Enabling conditions:**

Link action on the ground to wider legal reform and institutional change needed to sustain these initiatives in the long term. In essence, policies should recognise and support the work being done by local communities, including forest monitoring, collective forest management, advocacy against destructive activities and preserving traditional knowledge. Thorough capacity building for government officials, civil society and local communities will be necessary to materialise these reforms in practice. Ensure that local communities have a voice in these change processes, and that civil society organisations pushing for change have direct links to the local communities they are meant to work for.

### **V. IPLCs as a cross-cutting priority:**

Ensure that support for IPLC rights is incorporated and funded in all relevant aspects of climate and biodiversity action. IPLC rights should be at the centre of land use planning and landscape management initiatives; sustainable agriculture programmes should be anchored in secure land rights and effective participation; Free, Prior, and Informed Consent (FPIC) should be secured for any project that affects IPLC lands and resources; and IPLCs should play a central role in nature conservation initiatives, among other aspects.

### **VI. Address the real threats to climate and IPLCs:**

Related to the above, increased funding for IPLCs should not distract from the urgent need to tackle the underlying drivers of forest loss and climate change, for example the need to engage with investors, commercial actors and policy makers to reduce the demand for products and resources linked to rainforest destruction.

### **VII. A stronger civil society:**

Investing in civil society organisations at the local, national and regional levels, and human rights and environmental NGOs as well as representative IPLC organisations, will be crucial to achieve effective climate action. Supporting them financially as well as politically will enable them to promote reform that responds to the needs of the most vulnerable, act as a watchdog to expose corruption and illegalities, and resist against destructive projects.

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*The Rainforest Foundations: With more than 30 years of on-the-ground experience, RFUK, RFUS and RFN are the foremost global organisations that prioritise social justice and indigenous rights as preconditions for enduring forest protection. With over 100 long-term indigenous and other local partners throughout the Amazon, Congo Basin, Indonesia, Papua New Guinea, and Central America, this partnership provides technical support and tens of millions of dollars annually, directly to local organisations for rights-based forest protection. Together, we support them to protect more than 84 million hectares of tropical rainforest, a forest area roughly the size of France and England combined.*

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