

## LEAF statement on IPLC rights recognition

LEAF recognises the critical role of Indigenous Peoples and local communities (IPLCs) in stewarding and safeguarding the world's forests, and the weight of evidence that, when their rights are recognised and protected, deforestation falls.

LEAF will not fund jurisdictions that do not respect the rights of IPLCs or do not meet strong social safeguards. LEAF exclusively transacts credits verified by the [ART/TREES standard](#).<sup>1</sup> ART/TREES was selected, in part, because of its rigorous social safeguards, which requires that jurisdictions adhere to the Cancun Safeguards adopted by the UNFCCC. The Cancun Safeguards were the result of sustained engagement with IPLC groups and civil society actors.

Credits will not be issued by ART/TREES – and therefore transactions will not occur – unless safeguards are maintained, consultation has demonstrably occurred, benefit sharing plans are in place and grievance mechanisms are working.

Detailed benefits sharing plans will be developed as jurisdictions implement ART/TREES. Only those jurisdictions able to have effective benefits sharing plans in line with the standard - that benefits be distributed in a fair, transparent, and accountable manner – will be issued credits by ART. And LEAF purchase agreements will be contingent on the development of these mechanisms.

The jurisdictional approach operationalized by ART/TREES is a crucial innovation in tropical forest protection. Attempting to stem deforestation on a site-based, often private sector-led basis, will not be enough. Drivers need to be addressed at the national and state-wide level.

LEAF purchase agreements will ensure contractually that IPLC rights are respected by including termination clauses if jurisdictions breach the Cancun Safeguards (i.e., if there is evidence of violence, carbon grabbing, etc.) or if jurisdictions are in violation of anticorruption or anti-money laundering laws.

More broadly, the LEAF Coalition is working to ensure that IPLCs and other stakeholders have a mechanism to have their views incorporated into the Coalition. The key stakeholder groups that have been included in the engagement process are IPLCs, tropical and subtropical forest jurisdictions, and civil society organizations– each with distinct relationships to the LEAF Coalition process.

Engagement is working with civil society actors who have strong relationships with IPLC groups. With 23 jurisdictions eligible for purchase agreement discussions, engagement is being focused on them.

This is critical work for the LEAF Coalition, and we welcome the opportunity to continue working to support Indigenous Peoples and local communities.

Further, we've addressed three of your points below in more detail:

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<sup>1</sup> The REDD+ Environmental Excellency Standard (TREES) from the Architecture for REDD+ Transactions (ART), an independent secretariat hosted by Winrock International. The standard is commonly referred to as "ART/TREES". ART is not a participant in the LEAF Coalition.

## How do safeguards under ART/TREES support IPLCs?

The LEAF Coalition cannot transact with jurisdictions that have not met the requirements of the ART/TREES standard. ART/TREES is designed to operationalize the internationally agreed Cancun Safeguards, the result of sustained engagement with IPLC groups and civil society actors.

These [ART/TREES safeguards](#) include multiple sub-themes and dedicated indicators aimed at ensuring that all safeguards are fully addressed and respected. Implementation of the safeguards must be independently verified by a third-party auditor before any credits can be issued. No credits will be issued if the jurisdiction cannot demonstrate conformance with the Cancun safeguards. Especially important safeguards include (among others):

- Theme 2.3 (Cancun Safeguard B; [Section 12.5.2 in TREES 2.0](#)) includes ART/TREES' requirements to protect, fulfill and respect land tenure rights, to respect the knowledge and rights of Indigenous peoples and members of local communities, and to ensure the meaningful participation of Indigenous Peoples and local communities through their respective decision-making structures and processes.
- Theme 4.2 (Cancun Safeguard D; [Section 12.5.4 in TREES 2.0](#)) of ART/TREES describes requirements for mechanisms enabling relevant stakeholders to participate fully and effectively in the design and implementation of REDD+ actions.

In ART/TREES, each of the Cancun safeguards is broken down into themes. Each theme has a set of structural, process, and outcome indicators. This breakdown provides additional guidance to help jurisdictions implement the safeguards, while allowing for flexibility to meet the specific country circumstances.

Each theme is monitored, validated and verified at structural, process and outcome level. To be issued credits, a jurisdiction must have the applicable structures and processes in place, and achieve the right outcomes, across all the themes.

The indicators include the access to, use of, and control over land and resources in line with relevant ratified international conventions, agreements, and/or domestic and if applicable, subnational, legal framework, as well as, where needed, the free, prior, and informed consent (FPIC) of any indigenous peoples and local communities (or equivalent) concerned.

ART/TREES also requires that jurisdictions ensure that Indigenous Peoples and local communities have access to justice. The standard does not prescribe a singular dispute resolution mechanism outright, because ART recognizes that given the jurisdictional scale of ART/TREES (national or subnational scale), it might be appropriate to have multiple grievance systems addressing different concerns or at different levels. In addition, it is important to recognize and allow flexibility given the differences between legal frameworks from country to country.

ART-approved independent third-party verifiers will ensure that dispute resolution mechanisms are established and functioning at all levels, and that these are non-cost prohibitive and non-

discriminatory. Effective recourse and remedies must be provided when there was a violation of rights, grievance, dispute, or claim related to the implementation of REDD+ actions. No credits will be issued if disputes are unresolved.

Ensuring the recognition, respect, protection and fulfilment of the rights of Indigenous Peoples and local communities is one of ART's immutable principles, and by exclusively transacting credits verified by the ART/TREES standard, LEAF can support these rights being upheld.

### **What opportunities are there for IPLC group to benefit directly from the finance catalyzed through LEAF?**

Since the launch seven months ago, the Coalition has been busy engaging with jurisdictions, stakeholders, and reviewing proposals.

Proposals were received in July. To lead a technical proposal screening process, LEAF assembled an independent panel of technical experts. All proposals have been assessed on their ability to meet ART/TREES, including implementation of the Cancun Safeguards. Only those with capacity (current capacity or ability to meet in the future) to implement ART/TREES including Cancun Safeguards for the crediting years 2022-2026 are eligible for transactions.

Proposals to the LEAF Coalition also included initial plans for how proceeds will be distributed to beneficiaries, including IPLC groups where applicable.

Detailed benefits sharing plans will be developed as jurisdictions implement ART/TREES. Only those jurisdictions able to have effective benefits sharing plans in line with the standard - that benefits be distributed in a fair, transparent, and accountable manner – will be issued credits by ART.

Where carbon ownership rights are vested with IPLC groups, the ART/TREES standard recognizes the rights of these groups to nest REDD+ projects and/or to opt out of jurisdictional programs.

All jurisdictions need to develop, through participatory processes, benefit sharing mechanisms through which proceeds from LEAF transactions are shared equitably. Jurisdictions can structure these mechanisms as they see fit, but they must enhance social and environmental benefits in order to meet the Cancun Safeguards that underly ART/TREES. LEAF purchase agreements will be contingent on the development of these mechanisms.

### **How is feedback from IPLCs incorporated into the operations of the LEAF Coalition?**

As well as requiring, as described above, that IPLCs meaningfully participate jurisdictional programs receiving finance from LEAF, the LEAF Coalition has sought to engage IPLCs through organizations with close relationships with IPLC groups coordinated via a "Stakeholder Engagement Group". This process is intended to better inform the operations of the LEAF Coalition.

Issues identified by the stakeholder engagement group are raised in weekly meetings and are then incorporated into the operations of the LEAF Coalition where relevant.

For example, the need to ask jurisdictions to clarify how they would manage carbon rights was raised in the stakeholder engagement group. As a result of this dialogue, jurisdictions were then asked how they will manage carbon rights. Their responses were shared with all LEAF Coalition participants. Clear proof of ownership of carbon rights is a requirement under ART/TREES and requesting this information prior

to credit allocation allows anticipation of challenges that may arise (i.e., avoid negotiating with jurisdictions that will not pass verification against ART/TREES).