

# The opportunity to unlock equitable climate finance:

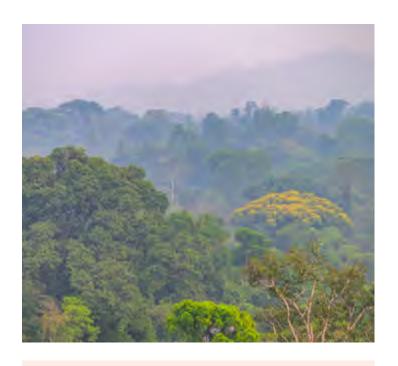
Jurisdictional forest carbon finance initiatives (subnational and/or countrywide initiatives) have the potential to drive transformative, scalable climate action strengthening forest governance, protecting biodiversity, improving livelihoods, and supporting sustainable development at local, national, and regional levels. At least one third of the world's remaining forests are found within the territories of Indigenous Peoples and local communities (IPs and LCs). IPs and LCs play an indispensable role in protecting the very forests where carbon sequestration occurs. This makes their participation essential to the credibility and long-term success of carbon markets. With carbon markets projected to grow up to USD \$35 billion by 2030, IPs and LCs are calling for access to the technical and financial resources they need to navigate rapidly evolving carbon market dynamics and ensure that they are of "high integrity". High social integrity means a market providing for meaningful and effective participation of IPs and LCs and full respect for their rights and interests.

Climate finance accounts for less than 2% of global philanthropy. Yet despite the critical role of IPs and LCs in climate solutions, less than a quarter reaches IPs and LCs directly.

With increased investment, we can ensure that IPs and LCs are not only included in, but empowered by, forest carbon finance initiatives – transforming potential harms and risks into benefits and opportunities, and driving equitable, high integrity carbon finance initiatives that are good for people, nature, and the planet.







Kawari has given 16 grants

totalling over US \$1.33 million

of which

58% 42%

of funding went directly to IP and LC organizations of funding went to CSOs engaged in activities in partnership with and benefiting IPs and LCs

as of February 2025.



# How Kawari supports IPs and LCs:

The Kawari Fund is a nimble, multi-donor fund dedicated to ensuring that IPs and LCs have the resources, knowledge, and influence needed to engage meaningfully and protect their rights in this growing carbon market. Kawari channels support to IPs and LCs to strengthen their capacities, skills, and voice; ensure their meaningful and effective participation, collaboration, and partnership with other stakeholders; integrate social safeguard requirements, systems and processes in carbon spaces; and create the enabling legal and policy environments that will ensure high integrity results, particularly in forest carbon finance efforts arising from jurisdictional initiatives to reduce emissions from deforestation and degradation (JREDD+).

As described in its Prospectus, Kawari stands out for its ability to deliver tangible, on-the-ground impact with the flexibility and responsiveness that is often unattainable with other international financing. Guided by a lean, highly qualified team and backed by the global networks and operational support of its host, Re:wild, Kawari keeps operational costs low while maximizing its reach and effectiveness. Strategic partnerships are central to Kawari's approach. The Fund works closely with key actors in the space, including the Jurisdictional Technical Assistance Partnership (JTAP), the Secretariat for the Architecture for REDD+ Transactions (ART), Emergent (the LEAF secretariat), UN-REDD, the Forest, People and Climate (FPC) network, as well as lead regional and national IP and LC organizations.

## **KAWARI IMPACTS**

Launched in 2023, Kawari has had a strong start in addressing the urgent and growing demand that led to its creation. To date, it has awarded over USD \$1.3 million in grants worldwide, with the majority going directly to IP and LC organizations. Kawari aims to expand its impact each year, scaling up funding and leveraging the impacts and successes of past initiatives, like those described below.

### **Strengthening Standards and Safeguards:**

Ensuring the application of robust social and environmental standards, along with supportive legal and policy frameworks, is essential for developing high integrity forest carbon finance initiatives that ensure both social and environmental integrity. To advance this goal, Kawari has supported the following:

- The development of the Environmental and Social Management Plan and Biodiversity Action Plans for the REDD-Guatecarbon by ACOFOP in Guatemala. REDD-Guatecarbon aims to secure 660,000 hectares of forest under an Emission Reduction Purchase Agreement (ERPA) with the Forest Carbon Partnership Facility (FPCP).
- Increased negotiations between the Ogiek People of the Mau Forest and the government of Kenya to fully implement the two rulings of the African Court of Human and Peoples' Rights, which protects Ogiek (and IP) rights to their culture, ownership and management of their ancestral lands, and freedom from forced eviction. This landmark decision has broader implications for engaging IPs in carbon and conservation initiatives throughout Kenya and the wider Africa region.
- Support to the Dayak Bahau of Long Isun by the women-led Indigenous Peoples organization, PNP, to better navigate rights violations presented by Indonesia's East Kalimantan Jurisdictional Emissions Reduction Program (EK-JERP). EK-JERP covers 6.5 million hectares of forests, including 80,000 hectares of Dayak territory. Due to PNP's longstanding efforts, there has been: a pause in funds disbursed to the government under its ERPA until the grievances raised are resolved, suspension of a similar project in Jambi under the BioCarbon Fund, and an opening to negotiate improvements to the World Bank's safeguards linked to benefit-sharing plans, consultations and consent, and stakeholder engagement. These successes are crucial, as EK-JERP is the first FCPF initiative in Indonesia. It will serve as a blueprint for implementing results-based climate finance initiatives on Indigenous territories throughout the country.
- The convening by ANECAP and REPALEAC of two events in the Americas and Africa to gather IP and LC representatives from multiple countries to contribute their comments and observations to ART's revision of its JREDD+ standard -- The REDD+ Environmental Excellence Standard (TREES). ART co-hosted the events and will soon release its revised standard and subject it to a public comment period. A transparent, inclusive process and informed IP and LC feedback is key to learning lessons from existing TREES applications and ensuring that the planned reforms and their implementation align with international law and best practice and raise the bar for all other carbon finance standards.

### Recognizing IPs and LCs as **Partners and Leaders:**

True high integrity forest carbon finance initiatives view IPs and LCs not merely as future beneficiaries or vulnerable groups to be protected, but as active partners, collaborators, and leaders in emission reduction initiatives. To this end. Kawari has supported:

- Three Kayapo Indigenous NGOs in Brazil (via ICFC in Canada) to conclude a set of 22 internal consultations with a single General Assembly where representatives solidified their knowledge of JREDD+ and carbon markets, exercised their own free, prior, and informed consent (FPIC) protocols, and decided to develop their own REDD+ carbon project. These organizations represent over 50 IP communities controlling over nine million hectares of territory.
- Three national Indigenous organizations (ANECAP, AIDESEP, CONAP) made history at the 2024 New York Climate week. These organizations, collectively representing 300,000 IPs of the Peruvian Amazon, submitted the world's first Indigenous JREDD+ Concept Note to the ART Secretariat encompassing 7.4 million hectares (11% of Peru's forest cover, of which 91% is owned by IPs). This was made possible by a Kawari-funded workshop in which affected IP representatives participated in the development and consensus building around the terms and nature of the note.

The Kayapo of Brazil and Indigenous peoples of Peru chose different paths forward. How they develop their respective carbon efforts and reconcile them with their respective sub-national and national government's wider JREDD+ initiatives will be watched globally and perhaps be pilots or best practices to be replicated by future IP and government partnerships.

#### Kawari has provided grants in

- countries in
- jurisdictions





Brazil

Mexico

Indonesia







Ecuador







Guatemala

Kenya

Vietnam

as of February 2025.



#### **Supporting IP & LC Preparedness:**

Forest carbon finance initiatives are progressing rapidly, yet IPs and LCs often have limited knowledge of how these markets function, the roles of different stakeholders and the emerging standards and requirements that impact their rights, interests, and participation (such as TREES). Many IPs and LCs also face challenges in navigating negotiation and advocacy processes, securing equitable benefit-sharing agreements, and accessing mechanisms to address grievances. The Kawari Fund is uniquely positioned to bridge this gap. Through strategic support, the Fund has already supported the following:

- The convening of over two dozen workshops across multiple jurisdictions to train IPs and LCs about forest carbon finance initiatives, their risks and benefits, and how communities can be involved. Several of these events were co-hosted by the ART Secretariat and attended by the jurisdiction's respective government officials. All contributed to a growing network of IP and LC experts on carbon markets.
- The training of Indigenous leaders across nine states of the Amazon Basin of Brazil by the lead indigenous organization, COIAB. This included six jurisdictions with JREDD+ initiatives collectively aiming to transform forest governance across 177 million hectares through the sale of carbon credits.
- The training of IPs and LCs in Mexico by RED MOCAF, focusing on carbon markets, standards, and IP and LC consultation preparedness. These sessions support JREDD carbon finance initiatives in the Quintana Roo and Jalisco jurisdictions, collectively covering 7.7 million hectares of forest.
- The training of Indigenous hunter-gatherers of the Ogiek People in Kenya by OPDP. Meetings focused on carbon markets, stakeholder engagement, and negotiation skills to interact with governments and carbon project developers and investors. These efforts came in the wake of evictions of Ogiek in Narok linked to forest conservation initiatives.
- The establishment of a "Learning Community" by Brazil's Instituto Centro de Vida where IPs and LCs take the lead in thematic discussions, organize trainings, share knowledge, and engage in dialogue on JREDD+ developments, carbon markets, and the broader climate agenda.

# Fostering Collaboration between IPs and LCs and Governments:

Kawari is committed to strengthening dialogue and cooperation between IPs and LCs and governments – particularly in jurisdictions that historically have been overlooked in forest carbon finance initiatives. By facilitating engagement and providing targeted support, Kawari has helped advance key efforts in Southeast Asia. These efforts have seen a level of interest and support from local government officials and stakeholders that has exceeded initial expectations. For example:

• Kawari grantee, RECOFTC, and the Lâm Dong Department of Agriculture and Rural Development of Vietnam are collaborating with ethnic minorities and LCs in Vietnam to incorporate local priorities and perspectives into a joint approach toward JREDD in preparation for a LEAF initiative to be implemented in (11) provinces throughout Vietnam (encompassing 4.2 million hectares or 30% of Vietnam's forest cover).

• In Lao PDR, RECOFTC is supporting capacity building and targeted inputs from ethnic minorities and LCs on JREDD+ in Luang Prabang and Oudomxay province. These provinces are two of the nine provinces of the FCPF Carbon Fund Project covering eight million hectares of land (80% forested). Kickoff meetings have been held, nine village level sharing sessions completed, awareness raising materials developed, and the Provincial Agriculture and Forestry Office (PAFO) has emerged as important supportive actors, responsible for coordinating project activities with both district-level entities and central authorities.

A knowledge exchange workshop is being planned between these two JREDD+ countries. IPs, LCs, and jurisdictional authorities will share experiences, concerns, and perspectives, and contribute to recommendations for strengthening collaboration in the Greater Mekong region.

### **JOIN US**

At Kawari, we believe that Indigenous **Peoples and Local Communities must** have the resources and autonomy to shape their participation in forest carbon finance initiatives – on their own terms. Yet limited funding and capacity gaps often prevent meaningful engagement, leaving these communities at a disadvantage in carbon market initiatives. Robust social and environmental standards, genuine government-IP-LC collaboration, and respect for IP and LC rights are key to achieving scalable high integrity forest carbon finance initiatives that can take their place as reliable and effective climate finance. This is the future Kawari envisions, and we invite public and private partners like you to be part of this transformative movement.

Join us in driving climate solutions that work for people, nature, and the planet. Let us make forest carbon finance a tool for justice, sustainability, and lasting impact.

