

Pathways Alliance for Change and Transformation (PACT)



Executive Summary: Indigenous Peoples, Local Communities, and Trade in Terrestrial Carbon Markets: Time to Recognize Their Rights, Support Their Organizations, and Impose a Moratorium on Terrestrial Carbon Trade¹

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Indigenous Peoples and local communities throughout the world have long stewarded forests, dry lands, grasslands, and other ecosystems in their territories for sustenance, cultural vibrancy, and economic livelihoods. Indigenous and community stewardship has served as a basis for the exercise of their tenure institutions and their political self-determination. Indigenous Peoples and local communities are now engaged in ongoing struggles to maintain their tenure and governance institutions because nation states, corporations, and other actors do not respect their self-determination and rights. Further, while Indigenous Peoples and local communities have long expressed substantial concerns about climate, they are now caught in the crosshairs of global alarm about the unprecedented, documented, and accelerating threats of climate change and biodiversity loss. These global threats are leading decision makers across jurisdictions to pursue multiple avenues to reduce emissions and protect biodiversity.

Carbon sequestration in forests, grasslands, and other ecosystems and a suite of nature-based solutions have emerged as promising options to address climate and sustainability challenges confronting humanity (Bossio et al. 2020, Fu et al. 2021). But many climate policy “solutions” for terrestrial sequestration are flawed. They are adopted hastily and without meaningful consultation with Indigenous Peoples and local communities and they are often constructed whereby the respect of indigenous rights is an option to be decided by governments. As a result, governments and their corporate partners are effectively marginalizing Indigenous Peoples and local communities by ignoring their institutions, knowledge, experience, and autonomy. Further, many non-Indigenous and non-community-based political leaders, corporate staff, and climate experts are advocating for carbon sequestration through market mechanisms in Indigenous territories and community forests. Often, this

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The [Pathways Alliance for Change and Transformation](#) (PACT) is a small, strategic coalition of Indigenous Peoples and local community led research and activist institutions and academic allies in the Global South and North. PACT's vision is to catalyze the transformation of international systems of priority to Indigenous Peoples and local communities and their organizations. The core strategy to achieve PACT's vision is to train and strengthen the capacity of emerging Indigenous and community scholar-activists, strengthen Indigenous and community-led research institutions, and deepen the relationships between them within and across regions.

advocacy pays little attention to whether these projects reflect Indigenous and local traditions, rights, and self-determination goals (Erbaugh et al. 2020).

Rightfully, Indigenous and community leaders are concerned that they are not viewed as rights holders or equal partners in the use of forests for climate mitigation purposes. They are vigilant of the reality that non-Indigenous and non-community-based approaches to carbon sequestration threaten to downplay or flat out ignore their historical forest and carbon stewardship. Based on their experience, practical wisdom, and knowledge, they are also skeptical about whether market and central control-based sequestration approaches can even generate reductions in emissions or improvements in terrestrial sequestration.

Forest carbon offsets and markets work in ways that are far from achieving the goals their advocates have stated and sought (West et al. 2023). The solution is not simply better accounting and estimation methods for carbon in forested areas. Overwhelming evidence shows that current terrestrial carbon sequestration approaches will be ineffective if they fail to recognize Indigenous Peoples and local communities' rights. Recognizing Indigenous Peoples and local communities' carbon rights includes rights to self-determination, free-prior and informed consent, and cultural and linguistic integrity in decision-making over projects in their homelands and territories. It also includes access to legal remedies and procedural justice for situations when their rights are not respected. Such rights will protect respect for indigenous and community decision-making and leadership in the stewardship of above-ground biomass and sub-surface carbon as well as biodiversity and other related features of their natural ecosystems.

In light of compelling scientific evidence and on the basis of securing a long-term and viable future for Indigenous Peoples and local communities, we call for:

1. A moratorium on forest carbon trade. Such a moratorium would include a pause in current forest carbon market- and compliance-based policies and initiatives for carbon sequestration that do not explicitly, proactively, and comprehensively, require respect for Indigenous Peoples and local communities' carbon rights, whether or not they are recognized in formal, national legal or regulatory frameworks. This moratorium must also include a pause in decision making related to Article 6.4 until that article explicitly requires respect for Indigenous Peoples and local communities' rights, and commensurate steps in Article 6.8 on non-market-based carbon sequestration. Similarly, there should be a pause in the disbursement of donor funds to support terrestrial mitigation initiatives until rights to carbon are allocated on fairness principles that take the interests and sovereignty of Indigenous Peoples and local communities into account.
2. Indigenous Peoples and local community representation in the key international supervisory bodies determining the future of the carbon trade. Any equitable implementation of the provisions in Article 6.4 and Article 6.8 of the Paris Treaty will only be possible with Indigenous Peoples and local communities' representation on Supervisory Body of Article 6.4, in all discussions regarding Article 6.8, as well as the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI) of the Conference of the Parties' Paris Agreement.
3. Comprehensive and broad-based recognition of Indigenous Peoples and local communities' tenure rights to above and sub-surface carbon in land and forests that are part of their homelands and territories, together with the development and implementation of initiatives and mechanisms that assess and finance rights-based compensation to Indigenous Peoples and local community organizations linked to historical stewardship of their forests and carbon.
4. Support for Indigenous Peoples and local community-led capacity development and research into the role and importance of rights- based terrestrial carbon sequestration, equity-based engagement between Indigenous Peoples and local communities and external actors, and mechanisms to further strengthen existing Indigenous Peoples and local communities' successes in terrestrial carbon sequestration.