

**BEYOND OFFSETS:  
PEOPLE AND PLANET-  
CENTRED RESPONSES  
TO THE CLIMATE AND  
BIODIVERSITY CRISIS**

**R**AINFOREST  
FOUNDATION UK  
SECURING LANDS, SUSTAINING LIVES

 Forest  
Peoples  
Programme

 fern  
MAKING EUROPE WORK  
FOR PEOPLE & FORESTS





# ACKNOWLEDGEMENTS

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**Beyond Offsets:**

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3.2.1 Public finance

3.2.3 Private finance

# ABBREVIATIONS

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**Beyond Offsets:**

NCQG      New collective quantified goal

ODA      Official development assistance

RECOFTC      Regional Community Forestry Training Centre for Asia and the Pacific





# EXECUTIVE SUMMARY

significant sources of funding and effective

been generated has rarely filtered down to

back at the centre of discussions on financing

markets and who would benefit from more

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Conventions have significant agreements

1) for financial and other support to countries

emissions to fulfil each country's contribution

the trade in (not fully defined) biodiversity

generate finance for forest protection at the

– serious flaws and risks to communities and the planet. Markets, by definition, seek to buy low and sell high and by nature fluctuate and

Forests can play a significant role in climate

NMAs, there is no consensus that they fit in that category. Similarly, until it is finalised,

financial resources, to better support and

As with any financing and other support,

the source of finance closer to the IPs and

power and (financial) resources as well as

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stronger arguments on the benefits to states  
which can mitigate conflict and contribute to

secure tenure and direct finance to IPs and  
effective, equitable and efficient means of

Adopt and advocate for finance and

6.8 web-based platform to ensure it is fit

transparency and monitor financing

finance to other forms of solidarity by

account the state's fiscal needs.

financing components or pledges in all





# 1. INTERNATIONAL AGREEMENTS

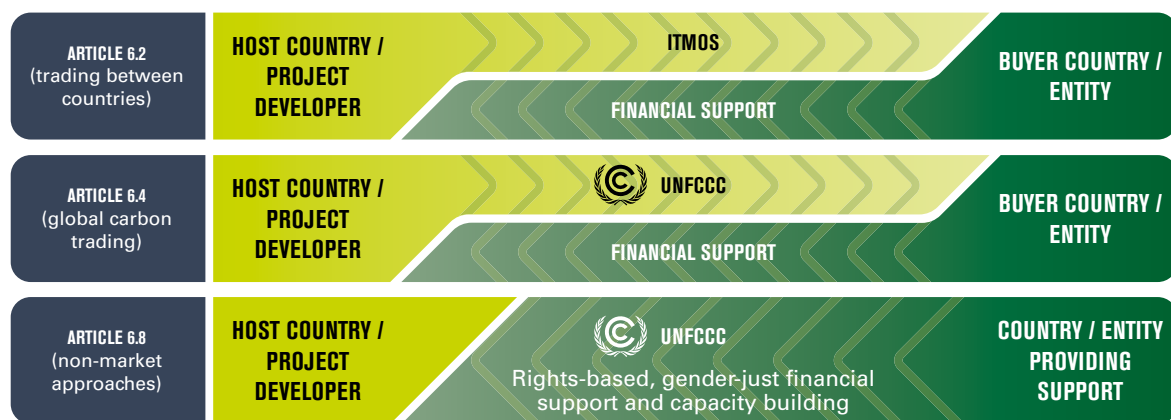
## 1.1 UNFCCC AND ARTICLE 6

*pursue voluntary cooperation in the implementation of their [NDCs]”*

first two tools. The UNFCCC Conference of progress on finalising two of these tools

*Recognises that limiting global warming to 1.5 °C requires **rapid, deep** and **sustained** reductions in global greenhouse gas emissions*

Figure 1: The three Article 6 mechanisms<sup>5</sup>



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**'Article 6.2'**

*limit carbon market growth*

*Due to both methodological challenges and the impact on rural livelihoods, Article 6.8 is the only appropriate place for land-based actions. Land-based approaches should continue to be excluded from 6.2 and 6.4 mechanisms.<sup>10</sup> — Greenpeace, 2023*

*not*

**'Article 6.8'**

*but not limited to finance, that supports integrated, holistic and balanced non-market approaches*

*coordination across instruments*

**'Article 6.4'**

*needed and provided* *recording support*

of finance.

*The 6.8 non-market mechanism is superior for actions in the land sector due to its focus on joint-mitigation adaptation; the full contribution and raising ambition to the host country's nationally-determined contribution; and its grounding in the rights-based language of the Paris Agreement Preamble.<sup>14</sup> — CLARA*

little political and financial support over the

*pressure from the World Bank and other IFIs to financialise the non-market approach*

*likely to further*

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annual COPs, and the final text from COP28

struggling to find a way forward. In an attention from their unfulfilled public climate finance commitments and perhaps in the

---

frameworks and mechanisms, insufficient and climate finance promised in the lead

either the lack of climate finance or inability on financing the preservation of forests and



# 1.2 THE CONVENTION ON BIOLOGICAL DIVERSITY AND TARGET 19

financial mechanisms agreed under the Paris

been a flurry of activity under the CBD on

for financing, all of which need further

primary sources of non-market financing:

vehicles seeks to attract private finance,

a specifically biodiversity focused market. The

*Enhancing the role of collective actions, including by indigenous peoples and local communities, Mother Earth centric actions and non-market-based approaches including community based natural resource management and civil society cooperation and solidarity aimed at the conservation of biodiversity. — GBF, 2022*

not clearly defined ways), and a separate *stimulating innovative schemes such as payment for ecosystem services, green bonds, biodiversity offsets and credits, benefit-sharing mechanisms, with environmental and social safeguards*





# 2. WHAT'S WRONG WITH CARBON OFFSETS AND TRADING?

also channelling much needed finance

is either equal or can be quantified.

*Additionality.*

*Carbon budget.*

*Permanence.*

of inherent risks such as fires, illegal

*Equivalence.*

environmental degradation are the first to

as the five billion people who made up the

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positive impact on the climate and with profit

Markets, by definition, seek to buy low and sell high and by nature fluctuate and

for any benefit share with local communities to be on the basis of a profit share, which

to offer a fixed or minimum price, such

profits whilst socialising costs.

fiscal and environmental integrity of carbon

to conflicts of interests between the project



The first example in the world of crediting serious flaws exist in the implementation of

definitions, measurement and verification

*This overdependence on short-term and unsustainable market-based approaches is usually rationalised by a need to mobilise private sector finance*  
effort – political and financial – in pursuit of

finance rather than raise public funds (such

There is no doubt we need climate finance, finance.

and predictable climate finance,

Meanwhile, similar financial instruments are being created which specifically seek to

However, the difficulties of such markets are

is a readily identifiable unit of trade – a tonne

created elsewhere, can be extremely difficult

for innovative forms of finance that are

ultimately, financially too.

**Table 1: Concerns about carbon offset markets and how could NMAs offer a different model**

The carbon markets column responds directly to the questions in the first column. NMAs do not directly correlate to the

CARBON OFFSET MARKETS		NMA MODEL
Are emissions reduced?	significant reductions).	
Who (historically) has been doing the emitting?		If finance is not centred on a transactional
Who owns the carbon in a forest?		
How much carbon is there?	many intermediary actors and significantly	If finance is not centred on a transactional  potentially increase net local benefits for forest
Where does the money come from?		Other possible sources of finance are carbon
What are the transaction costs?		market speculation that significantly increases
Who sets the price?	a commodity, which so far has both fluctuated	
Under what laws?		The legal frameworks for non-market finance
Who claims the emissions?		
What about biodiversity, what about adaptation?	quantified.	NMAs have the flexibility to help address



clarification of tenure rights in forest areas

figure that has been suggested by the former



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# 3. NON-MARKET APPROACHES

needed to channel this finance, and Section

*channels*

the ground level, briefly highlighting the

These figures highlight the disparity between

*it is essential that [IP & LCs] are more effectively represented in setting the agenda for, and the design of, climate, biodiversity and ODA [Official Development Assistance] programmes*

This chapter therefore first presents the case

*sources of finance.*

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# 3.1 A RIGHTS BASED FRAMEWORK FOR NMAs

actors, significantly raising values but

IPs and LCs make significant contributions

*More than 70% of the reports examined by Carbon Brief found evidence of carbon-offset projects causing harm to Indigenous people and local communities*

**Figure 2: Climate and biodiversity action must recognise contributions by IPs and LCs**

Secure tenure rights for Indigenous Peoples and rural communities results in lower rates of deforestation and soil degradation and better protection of the biodiversity and ecosystem functions upon which these communities depend.<sup>42</sup>  
— Dooley et al. 2018.

Funding to secure and protect IP and LC tenure and forest management is one of the most effective, equitable, and efficient means of protecting, restoring, and sustainably using tropical forestlands and the ecosystem services they provide.<sup>43</sup>  
— RRI & RFN, 2022.

The evidence is becoming irrefutable: Indigenous Peoples and local communities are in many cases all that is preventing the irreversible loss of healthy tropical forests and their invaluable biodiversity. Their methods of forest management have proven to be more effective than alternative approaches.<sup>46</sup>  
— RECOFTC, 2023.

Indigenous peoples are playing critical roles in addressing the interrelated crises of biodiversity, desertification and climate change. They have a vital leadership role in environmental protection and make significant contributions to conservation, sustainable use and restoration. But they can only continue to do this if their collective human rights, including to lands, territories and resources, are protected. Far greater attention is now being paid to the conditions required to support their self-determined efforts to secure their rights. Direct funding is emerging as a crucial element of the climate and biodiversity funding ecosystem with inherent potential to address human rights and the environment holistically.<sup>44</sup> — FPP, 2023

Carbon markets and offsets, geo-engineering, mal-adaptation technologies, “Net Zero” frameworks and “Nature-based solutions” do not cut emissions and instead create new forms of colonisation, militarisation, criminalisation, and land loss. We call for a moratorium on such activities that violate our rights.<sup>45</sup> — International Indigenous Peoples Forum on Climate Change opening statement, COP28, 30 November 2023

*Supporting Indigenous self-determination, recognising Indigenous Peoples' rights and supporting Indigenous knowledge-based adaptation are critical to reducing climate change risks and effective adaptation (very high confidence)*

*The UN Permanent Forum on Indigenous Issues has clearly stated that funding for Indigenous Peoples should strengthen the exercise of their right to self-determination, including their ability to own, use and manage their lands, territories and resources. This should be the underlying objective of any funding opportunity for Indigenous Peoples, and not to be boxed into climate or biodiversity action.<sup>48</sup> — IIPFCC, 2022*

COP28 (Dubai, 2023) endorsed the first

*emphasises the importance of conserving, protecting and restoring nature and ecosystems towards achieving the Paris Agreement temperature goal, including through enhanced efforts towards halting and reversing deforestation and forest degradation by 2030 reaffirms that sustainable and just solutions to the climate crisis must be founded on meaningful and effective social dialogue and participation of all stakeholders, including Indigenous Peoples, local communities*

*The Framework acknowledges the important roles and contributions of indigenous peoples and local communities as custodians of biodiversity and as partners in its conservation, restoration and sustainable use. The Framework's implementation must ensure that the rights, knowledge, including traditional knowledge associated with biodiversity, innovations, worldviews, values and practices of indigenous peoples and local communities are respected, and documented and preserved with their free, prior and informed consent, including through their full and effective participation in decision-making, in accordance with relevant national legislation, international instruments, including the United Nations Declaration on the Rights of Indigenous Peoples, and human rights law. In this regard, nothing in this framework may be construed as diminishing or extinguishing the rights that indigenous peoples currently have or may acquire in the future. — GBF, 2022*



## 3.2 NMA SOURCES

of finance are all needed to support global

sources of financing need to be able to

### 3.2.1 PUBLIC FINANCE

the headline climate finance pledge was

*to support projects, programme, policies and other activities in developing countries related to mitigation including REDD-plus, adaptation, capacity building, technology development and transfer*

3.3.3 for a discussion on the fulfilment of the

a new collective quantified goal (NCQG)

towards this commitment and confirmed the

*the inability of Parties to engage constructively on substantive elements within the given timeframe led to the watering down of the draft text from a 205-paragraph iteration to a 26-paragraph four-pager*

An official review

*operational processes continue to be protracted, to the point of harming the GCF's reputation*

*Indigenous Peoples Policy emphasises participatory processes, but stakeholders have noted a lack of meaningful access to the GCF*

*confronting biodiversity loss, climate change, pollution, and strains on land and ocean health provided more than US\$24 billion and mobilized US\$138 billion in co-financing for 5,700 projects*

*financial and technical support to local civil society and community-based organisations to develop and implement innovative local actions that address global environmental issues, while also improving livelihoods and reducing poverty*

million as co-finance in individual grants up

2023 specifically to scale up public, private,

*The Fund will provide enhanced support to Indigenous Peoples and local communities, Small Island Developing States, and Least Developed Countries, according to their own priorities*

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Developed Countries and up to a fifth to

*local communities' forest tenure rights and support their role as guardians of forests and nature*

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*access to small grants that support communities, Indigenous Peoples and vulnerable groups and their livelihoods*

and philanthropic finance for forest-based public funds for forest-related climate finance *incentivise results and support action* philanthropic funds specifically for Congo

---

*collectively to halt and reverse forest loss and land degradation by 2030 while delivering sustainable development and promoting an inclusive rural transformation*  
IPLC forest tenure Joint Donor  
Statement  
*advance Indigenous Peoples' and*

Public finance dominates this source of climate finance and should continue to

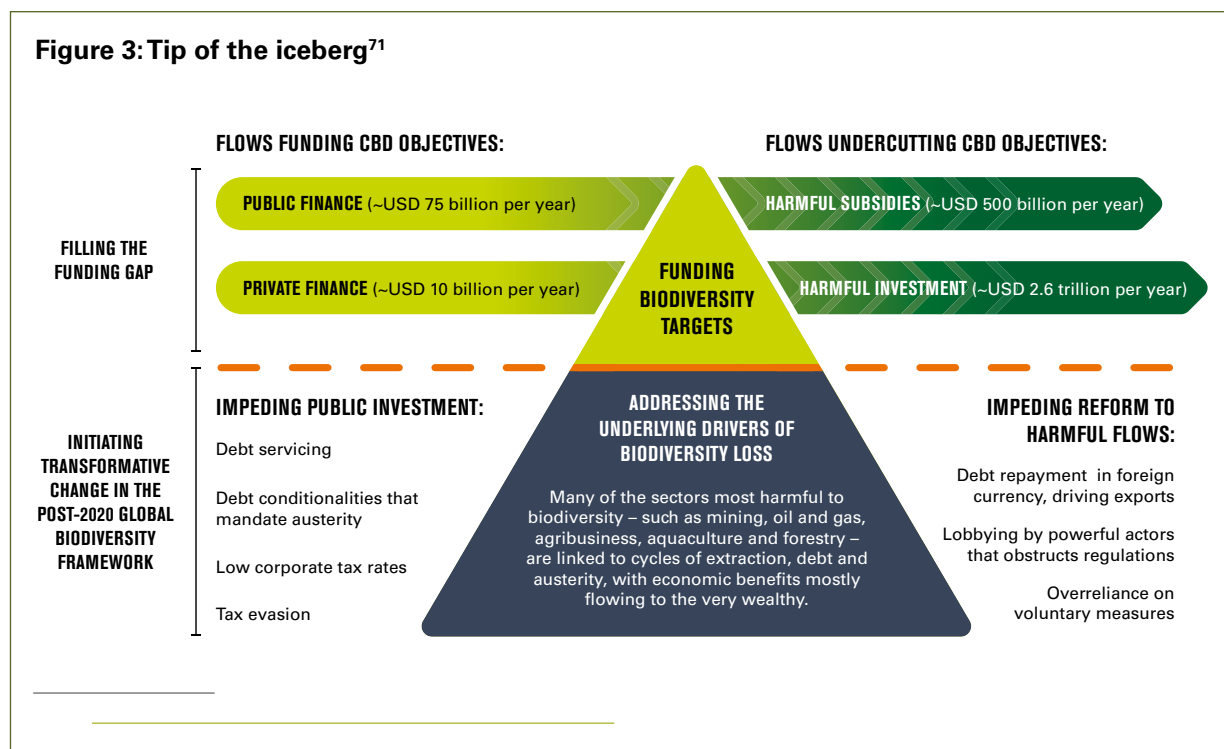
(i.e. US\$73.2 billion) of climate finance is



## REFORMING TAXES, SUBSIDIES AND REGULATIONS

Public sources of finance for climate and

financing projects to help meet biodiversity



taxation – on wealth, financial transactions,

*what this clearly shows, however, is that there is no shortage of financing that could be raised for NMAs but that the core problem is a lack of political will”*

for increasing climate finance.

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**Table 2: Public finance options to support NMAs<sup>76</sup>**

SOURCE	CARBON OFFSET MARKETS	ESTIMATED AMOUNT
IMF Special Drawing Rights		
Bilateral ODA		
Windfall taxes	One-off 90% tax on excessive profits	
Flying levy	Progressive tax on those who fly a lot	
Wealth tax	5% tax on assets (not just on profits)	
Financial transactions tax	0.05% tax on financial transactions	
Redirected fossil fuel subsidies		
Shipping emissions tax		
Fossil fuel tax		

\_\_\_\_\_ . These figures are typically total global amounts and are not intended to pre-judge a share for NMA or climate finance. Please refer to original sources for full details. \* dates refer to actual amount generated; other

No doubt finance is needed, yet too

of six reforms to the global financial system

financial institutions.

*If we took 5% of oil and gas profits last year – oil and gas profits were US\$4 trillion – that would give us US\$200 billion*

*We need new finance mechanisms. Existing [climate finance] mechanisms aren't well suited for protecting forests. And we need more mechanisms that are being designed in global-south governments.<sup>81</sup> – Carbon Brief, 2023*

### 3.2.2 PHILANTHROPIC FUNDS

foundation notes no significant change in the figures and describes 2022 as an exceptional

initial US\$400 million over five years with

answer the questions of how finance will

flexibility to be innovative about funding

*elitist, supply-side, market-centred, technocratic and techno-friendly”*

finance to be driven by regulation rather

*Funding for nature from the private sector is necessary and can come in a range of forms but this funding must be driven by government policy, including increased taxes on companies that destroy nature, tax incentives or redirecting harmful subsidies to conserve and restore nature, and mandated changes in business operations through regulations that require investment in more sustainable practices.*

calculate a financial commitment using a

### 3.2.3 PRIVATE FINANCE

of revenue or a fixed amount. Irrespective

*high enough to reflect the true social and environmental cost of their emissions*

attraction for private finance, but this has to

demands a financial return on any investment

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# 4. FUNDING CHANNELS FOR FOREST PROTECTION

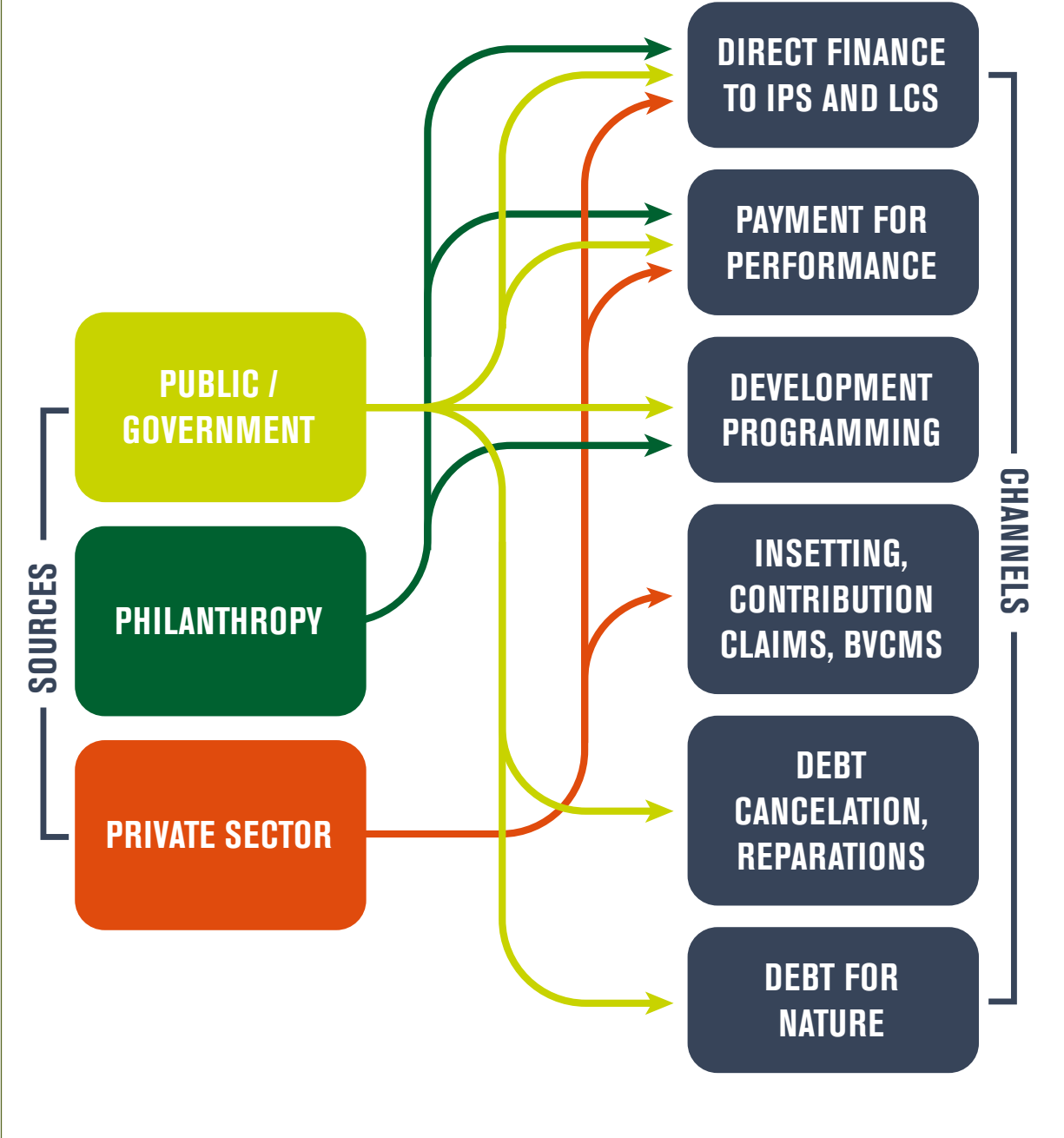
been identified (see Figure 4). The first two, direct finance and adaptive payment for

covering all forms of NMA are identified

NMAs there is no consensus that they fit in  
Similarly, until it is finalised,

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Figure 4: Linking sources to channels





## Box 1: Web-based platform under Article 6.8

*A Committee for implementing Article 6.8 will oversee the popularisation and utilisation of the platform, which should be directly accessible to communities without country gatekeeping and aims to be both decentralised and well-governed. This web-based platform aims to connect project partners and record and exchange information on NMA project implementation. It will facilitate opportunities for participants to find partners to help identify, develop, and implement NMA projects. It opens a new space for international cooperation and coordination, and it can help parties with their enhanced transparency requirements, and to gain an overview of the chaotic funding landscape, clarifying how funding arrangements contribute to agreed NDCs and other commitments.<sup>94</sup> — Greenpeace, 2023*

and financial backing than has so far been the case, as well as bring communities into  
*To support direct access  
for community groups and national (and regional) indigenous federations, the web-based  
platform should provide clear simplified guidance and templates for adding proposals*

The workplan implies there are still some significant decisions to be made, not least of which is agreeing on the definition of a NMA, something

**Concerns about the web-based platform include:**

### Web-based platform under Article 6.8

*It is very difficult to see how these agreements will be tracked and kept out of carbon markets when the database platform... will not contain a tracking system, and will be based on financial backers with no transparency or accountability*

## 4.1 DIRECT FUNDING TO INDIGENOUS PEOPLES AND LOCAL COMMUNITIES

The US\$1.7 billion pledge over a five-year

of finance and other forms of support more

finance has typically been channelled

*an unacceptably small volume of funding – only US\$8.1 million – flowed directly from pledge donors to [Indigenous, local community, and Afro-descendant] organisations*

*...that indigenous peoples and local communities have access to direct funding for actions that combat climate change, conserve biodiversity and sustain our rights and self-determined development in our territories, based on identity and traditional knowledge. – Shandia Vision*

**Box 2: Examples of Indigenous-led funds**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ to donate without wanting anything in  
exchange

\_\_\_\_\_

\_\_\_\_\_ facilitate  
access to direct funding for organisations led by Indigenous and local community women

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ opportunity for the world and cooperation  
to directly support indigenous peoples and local communities in asserting our rights,  
livelihoods, and the protection of our lands and forests

five years.

\_\_\_\_\_

\_\_\_\_\_ based  
on the success of the management strategy through local indigenous organisations with  
relevant technical alliances, and that overcome the problems of excessive outsourcing  
intermediation

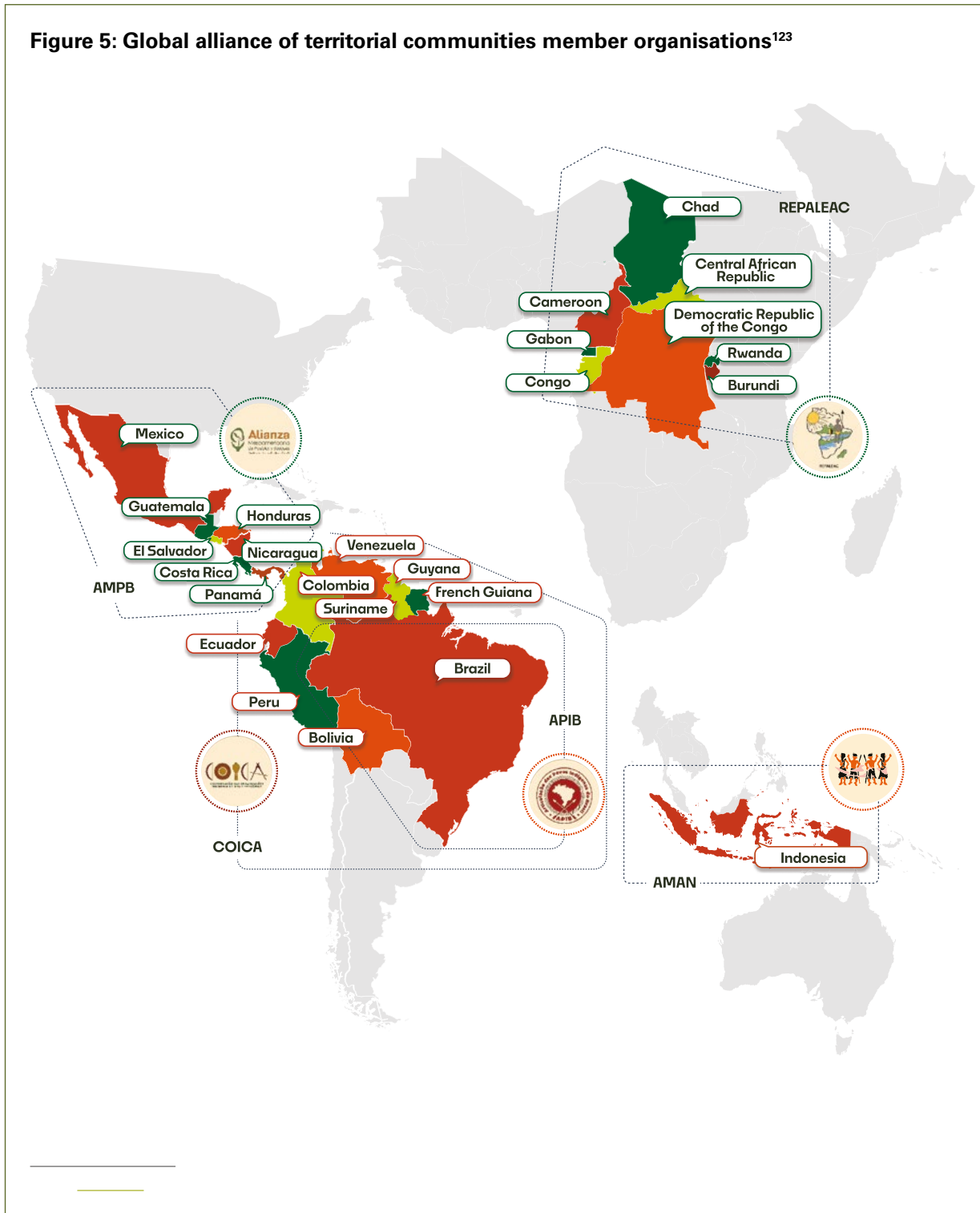
\_\_\_\_\_

donors; exchanging experiences and good practices for transparency and accountability; and monitoring the status and trends of funding

Funders that fund Indigenous Peoples and/or local communities in the Global South directly or indirectly for work on land, forest or fishing rights and forest management

strategic and sustained dialogue with

Figure 5: Global alliance of territorial communities member organisations<sup>123</sup>





documentation and delays in the flow

\_\_\_\_\_ implements legal  
recognition of rights

range of these should, once identified, be

\_\_\_\_\_ funds advocacy, conservation, capacity  
building, and serves as a financial  
intermediary

\_\_\_\_\_ "as a  
pass-through financial mechanism"

target for total climate finance. A scenario-

\_\_\_\_\_ ensur[es] funding flows to  
where it is most needed for success, in  
particular to Indigenous Peoples, Local  
Communities, and Afro-descendants  
in tropical forest countries. A broader  
network of organisations will efficiently  
move funding to local partners"

often restricted to specific geographies and

\_\_\_\_\_ works directly with indigenous and other  
forest peoples to realise their visions  
for their lands, territories, and resources  
through providing flexible, immediate,  
and sustained funding to support their  
self-determined visions for their territories  
It offers unconditional finance up to

## 4.2 ADAPTIVE PAYMENT FOR PERFORMANCE SYSTEMS

*A tremendous amount of trust and hope are being put into the voluntary carbon market and the small number of nonprofit organisations that create, manage, and self-regulate it... We found that current REDD+ methodologies generate credits that represent a small fraction of their claimed climate benefit. Estimates of emissions reductions were exaggerated across all quantification factors we reviewed when compared to the published literature and our independent quantitative assessment.*  
— **Berkeley Carbon Trading Project, 2023**

*are guardians of territories with the largest forest cover and depend on the products and services from the forests*

### Adaptation Benefit Mechanism

*considered a non-market-based approach, because no international transfer of outcomes is envisaged and its aim is consistent with the aim of non-market-based approaches... [It] "will certify the social, economic and environmental benefits of adaptation activities*

mitigation co-benefits, rather than the

Certified Adaptation Benefits to "represent verified and largely quantified information on progress towards resilience and climate finance

The AfDB suggests this fills a gap in climate finance because "climate adaptation projects typically yield little cash flow, although they deliver hard-to-monetise public goods... [as] project developers will use [Certified Adaptation Benefits] as collateral to raise private sector debt, equity and in-kind contributions

---

is a flat US\$30 per hectare of forest per year

*keep deforestation below 0.5% a year; have forest loss trending downwards or keep it below 0.1%; and give the majority of funds to the people looking after the trees*

*the Fund benefits indigenous and other local people who*

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and LCs as vulnerable beneficiaries, which is

beneficiaries far outnumber collective

include that communities fulfil forest

as the contracts are only for five years, and

influence the formula for the redistribution  
administrations. The specific criteria vary

specific activities. Indonesia is extending



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## 4.3 DEVELOPMENT ASSISTANCE AND PHILANTHROPIC PROGRAMMING

finance to be new and additional to ODA, and

climate finance reported by OECD for 2020 can be “considered real” climate-specific net

has reported that preliminary figures for

*Much of the existing climate finance remains stuck in complicated global funds and sluggish bureaucratic systems. Bottlenecks prevent rapid responses and release funding to [Afro-descendant, IP & LC] organisations slowly; leakage in the “financial plumbing” further reduces the flow of funds so that money arrives to communities in a slow drip. Insufficient investment in institutional strengthening for [Afro-descendant, IP & LC] organisations compounds the problem; they need additional support to meet donors’ administrative, governance, and financial management requirements.<sup>151</sup> — FTFG, 2023*

finance. OECD itself expresses concern that most of the money is public finance and,

Whilst it is important that climate finance

could redistribute public finance though fixed

to improve the quantity of climate finance as



# 4.4 INSETTING, CONTRIBUTION CLAIMS AND 'BVCM'

## INSETTING

*... goes beyond interventions that are designed to generate carbon gains*

*Insetting... refers specifically to [greenhouse gas] reductions or carbon sequestration interventions that are directly related to a company's value chain, either by geography, production, or commodity. Instead of financing an existing project elsewhere through offsetting, insetting projects are developed with partners along the value chain and are tailored for the operations and impacts of the company. — IPI website*

*IPI advocates for a wider understanding of the term insetting, that allows for other drivers behind an insetting intervention, such as the improvement of livelihoods of communities a company is sourcing from or the preservation of biodiversity, without these projects generating carbon credits. — IPI website*

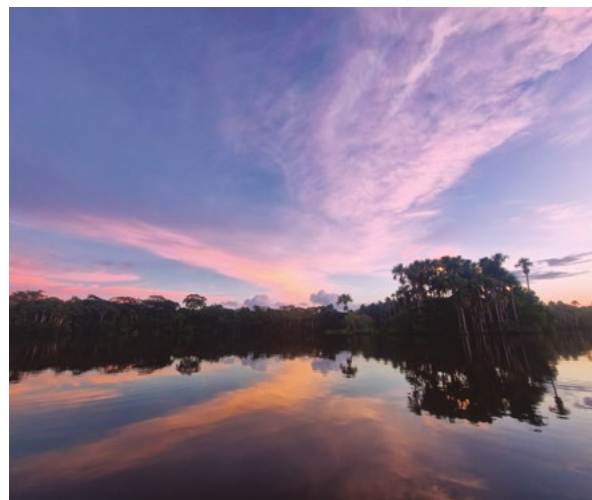
*... carbon offsetting can't be considered a substitute for direct emissions reductions by corporates... carbon insetting focuses on doing more good rather than doing less bad within a value chain*

sector-led equivalent to direct finance (see

*... you have gone from planting trees in a country that you probably have never gone to, to incentivising your [suppliers] to make key changes, which makes more business sense*

flourish when grown in shade.

has been criticised for being ill-defined and



biodiversity co-benefits and community benefits where production and insetting take

*Many of the same criticisms of nature-based offsetting could be applied to insetting projects... there is a serious need for stricter rules on respect for human rights across all nature-based solutions and on the integrity and transparency of carbon credits.<sup>159</sup>*  
— Columbia University Centre on Sustainable Investment, 2023

### Box 3: Earthworm’s Forest Conservation Fund<sup>160</sup>

*insetting not offsetting” by facilitating conservation finance*

integrity criteria and again as part of monitoring project performance. As well as financial

## CONTRIBUTION CLAIMS

*contribute to the [forest-rich] country’s efforts towards meeting their climate targets can strengthen the relationship between companies and countries, and make companies’ commitments more credible position the company as a contributor to a global effort, rather than an individualistic actor seeking to address its own impact in isolation from national strategies*

*conservation, sustainable forest management, and food production [sic] that for generations has contributed to highly biodiverse forests rich in carbon forest protection against oil, mineral, and timber extraction... a feature*

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that has been ignored in traditional carbon forestry projects

*“a new category of preservation of the territorial spaces of the native people [that will] recognise the spiritual dimension of the sacred territory, cultural heritage and biodiversity in Ecuador, declaring the territory of Sarayaku as a free and exclusion zone”*

*use a model of contributions based on principles of climate justice”*

*“provides a fair return to the Sarayaku People for their stewardship and protection of the Amazon rainforest and therefore their fight against climate change.”*

*contributions cannot claim carbon neutrality, although the climatic benefits in tons of carbon may still be accounted for. Instead, as part of a contribution model aligned with climate justice, the financial entity would affirm that its investment supports and contributes to equitable climate change mitigation projects led by Indigenous Peoples and local communities*

*forest monitoring to protect their territory from deforestation, carbon measurement to demonstrate climate benefits, and biodiversity monitoring to track species of cultural and ecological importance*

## BEYOND VALUE CHAIN MITIGATION

*investments that support climate mitigation outside of their value chains, especially those that generate additional co-benefits for people and nature*

*companies must prioritise value chain emission reductions go further and invest in mitigation outside their value chains now to contribute towards reaching societal net-zero”*

*companies should look to support and ensure the leadership and [tenure] efforts of Indigenous Peoples and local communities who are protecting*

*their traditional and customary lands*

*suggests that companies multiply their remaining emissions by a given carbon price to raise revenue which can be spent to achieve additional emissions mitigation within the company’s value chain or spend beyond its value chain*

land use sectors this might include financing

*minimises the risk of leakage, inflated baselines, and double counting*

a distractive effect on other fiscal and

nature of supply and demand will mean finance flows are likely to be volatile and unpredictable,

*become a non-transparent finance platform for private industry investors to gang up with governments to pitch and trade deals behind the scenes, or... an auction house for nature*

# 4.5 DEBT CANCELLATION, REPARATIONS AND RESTITUTION

finance flows to them are inadequate.

*37 out of 69 of the world's poorest countries were either at high risk or already in debt distress*

Prior to this and specifically on debt and

*to independently review the relationship between sovereign debt and its impacts on hindering climate ambition*

is needed, as is a reformed global financial

fiscal dependencies of recipient countries, for

reflect rich country policy objectives rather

historic damage rich countries inflicted on

*Climate-related debt cancellation measures should be considered as NMAs. Notably, there should be a mechanism to suspend and cancel debt payments when an extreme climate event takes place, so countries have the resources they need for emergency response and reconstruction without going into more debt. — Greenpeace, 2023*

*Like the debt crisis, the climate crisis is rooted in the plunder of the resources of the South, for which we demand reparations and restitution for the massive climate debt owed by the North. — CADTM, 2023*

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## 4.6 DEBT FOR NATURE DEALS

for a specified programme or target for

*our briefing warns that they tend to be slow, complex and costly, and are no substitute for comprehensive debt cancellation and the delivery of debt-free climate finance*

as an approach to climate finance,

*risk mitigation and credit enhancement solutions, such as [loan] guarantees*

*To attract the much-needed scale of private capital especially from the capital markets, and at affordable cost, development banks, philanthropic entities and governments must work together to develop the right financial instruments, derisking mechanisms and the most impactful nature positive projects.*

— **Asia Development Bank, 2023**

education, the undue benefits to creditor

*an international response to the debt crisis must be de-linked from international support for dealing with conservation and climate crisis, and that future support for developing countries for conservation and climate finance should come in the form of [sic] genuine aid, not interest-bearing loans*

too high a proportion of the finance made available goes to the financial institutions

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# 5. PEOPLE-CENTRED: WHAT ARE THE ENABLING CONDITIONS FOR NMAS TO BE A SUCCESS?

with these principles. The first, a set of seven



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**Box 4: Foundations for enabling NMAs: shared principles, guidelines, standards and approaches**

<b>COMMON PRINCIPLES</b>		
Efficiency		
<b>FROM PHILANTHROPISTS:</b>	<b>FROM INGOS:</b>	<b>FROM IPS:</b>
<b>PRINCIPLES</b>	<b>FUNDING ARCHITECTURE</b>	
	Balance fiduciary requirements	
	<b>PRINCIPLES</b>	
<b>OPERATING STANDARDS</b>		
Self-identification of IPs		financial partners
Defining priorities for support Simplicity and flexibility in		

initiatives are context-specific and address

*Rethinking the funding relationship also means creating new language and using different terms to refer to ourselves. We shouldn't be talking of beneficiaries and recipients on one side and funders/donors on the other, but instead of equal "partners" that all have a lot to contribute to a common project. — Montreal Roundtable, 2022*

simplified, accessible (including translation

flexibility and multiple approaches in funding

and (financial) resources should not be





significant as the failure of market-based

*There is also an opportunity cost to governments and non-governmental groups pursuing [credits], particularly in the resource-constrained environmental community... time and capacity [that is] not spent advocating for increased public funding and changes to government regulations, policies, and incentives that will drive increased private sector funding and ensure governments deliver on their promises.*

– **Campaign for Nature, 2024**

financial, legal and technical support to, for

also be concerned that direct finance NMAs

develop stronger arguments on the benefits

tenure, for example, can mitigate conflict







# 6. NEXT STEPS AND RECOMMENDATIONS

finance to other forms of solidarity

channels for finance could support NMAs and

particular finance and other support that

financing components or pledges in all

**Beyond Offsets:**



more unconditional finance. Without this, financing projects to help meet climate

account the state's fiscal needs.

that secure tenure and direct finance to the most effective, equitable and efficient

web-based platform to ensure it is fit

needing and those offering finance

transparency and monitor financing and



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