



Rainforest Foundation  
Norway



# *Falling short*

*Donor funding for Indigenous Peoples and local communities to secure tenure rights and manage forests in tropical countries (2011-2020)*

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**Rainforest Foundation Norway** is one of the world's leading organisations in the field of rights-based rainforest protection. We are working for a world where the environment is protected and human rights are fulfilled.

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**FALLING SHORT**  
**Donor funding for Indigenous Peoples and local communities to secure tenure rights and manage forests in tropical countries (2011–2020)**

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# Executive summary

Photo: Kyrre Lien



The world is facing two urgent and interlinked crises—climate change and the accelerating loss of biodiversity. Nowhere are the interlinkages of these two crises, and the solutions to them, clearer than in the tropical rainforests. These vast, complex, ecosystems are carbon rich and host more than half the world's terrestrial species. Alarmingly, tropical rainforests are being destroyed at a rapid pace. Deforestation and degradation of tropical forests represent about 15 percent of annual greenhouse gas emissions. A recent study by Rainforest Foundation Norway found

that a third of tropical rainforest area has been lost, while another third is degraded, leaving only one third intact.<sup>1</sup> Protecting and restoring what remains must be a key element of any successful strategy to address the twin climate and biodiversity crises.

Tropical rainforests are also home to Indigenous Peoples and local communities (IPLCs) who have sustainably managed these forests for generations but whose lands and rights are under increasing threat. Research demonstrates that IPLCs with recognized tenure and forest management rights are some of the

world's best forest protectors. The climate, biodiversity, and sustainable development benefits of IPLC management are significant, cost-effective, and with few negative side-effects for nature or people, as shown by mounting scientific evidence recognized by both the Intergovernmental Panel on Climate Change (IPCC) and the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). IPLCs contribute little to greenhouse gas emissions while maintaining some of the largest carbon stores on Earth within their lands. In short, IPLCs are

1) RFN. 2020. "State of the Tropical Rainforest". <https://d5i6is0eze552.cloudfront.net/documents/Publikasjoner/Andre-rapporter/State-of-the-Tropical-Rainforest-2020-Rainforest-Foundation-Norway.pdf?mtime=20210311130033>

essential partners in tackling climate change. At the same time, their lands are under increasing threat.

Despite this, IPLC tenure and forest management has received little funding from the international community relative to the need and compared to other environmental objectives. This report finds that projects supporting IPLC tenure and forest management received approximately \$2.7 billion between 2011-2020, from bilateral and multilateral donors and private philanthropies—just \$270 million per year. This is equivalent to less than one percent of Official Development Assistance (ODA) for climate change mitigation and adaptation over the same period.

To date, most of the disbursed funding to IPLC tenure and forest management flows through large intermediaries or part of larger programs, where IPLC organizations may receive smaller sub-grants. Therefore, only a small fraction reaches the Indigenous Peoples organizations and local communities themselves. Of all the projects identified in this study, only 17 percent included the name of an IPLC organization in the project implementation description. This amounts to an average of \$46.3 million per year across the tropics.

About half of the total funding is channelled through multilateral institutions. Beyond multilateral institutions, the top 10 intermediaries for the largest donors include a mix of large international NGOs, UN agencies, and consulting companies—not IPLC organizations. Multilateral institutions have historically had limited success in reaching IPLCs directly. For example, the World Bank Forest Carbon Partnership Facility (FCPF) Readiness Fund has disbursed just one percent of its total funding to IPLC organizations.

To empower IPLCs for effective forest protection, more must be


***“A recent study by Rainforest Foundation Norway found that a third of tropical rainforest area has been lost, while another third is degraded, leaving only one third intact.”***

done. The Rights and Resources Initiative (RRI) has identified 24 countries as ready for national or subnational scale projects to implement forest tenure reforms, which is estimated to require approximately \$8 billion for the mapping, delimitation, and titling of Indigenous and community lands.<sup>2</sup> This report identifies that of the \$2.7 billion disbursed for IPLC tenure and forest management, just 11 percent was described as going toward advancing tenure security. This constitutes 3 percent of what RRI has identified as needed for transformational tenure reform.

Relatively few donors prioritize IPLC tenure and forest management as part of their development aid. The United States and Norway have been the largest contributors in absolute terms, followed by other major donors including Germany, the United Kingdom, and Sweden. Considering their share of total ODA, Norway supports IPLC tenure and forest management at a far greater rate relative to its peers in Germany and the United Kingdom. Germany, the United Kingdom, and the United States have all signalled that they will increase funding to climate and biodiversity objectives. Increasing support for IPLC tenure and forest management should be a key part of that agenda.

NGO intermediaries and private foundations have played a key role in providing direct support to IPLC organizations. Although private philanthropic foundations have only contributed 3 percent of total disbursements supporting IPLC tenure and forest management, they have established best practices in making direct, flexible, and less bureaucratic grants to IPLC organizations. This has laid the groundwork for increased direct support to IPLC organizations, from both private and public sources. Thanks to innovations and progress in capacity building, there are now more channels available to fund IPLC tenure and forest management and more solutions to fund IPLCs directly.

Actions to improve land and ecosystem management and protection through nature-based solutions (NBS) are gaining increased attention as solutions to the climate and biodiversity crises. The largest potential for emissions reductions from NBS comes from protecting and restoring tropical forests. With the key role of IPLCs in effectively protecting and sustainably managing tropical forests, practitioners and funders of nature-based solutions must work with IPLCs in ways that strengthen rather than undermine their land rights, economic security, and wellbeing. Decision-makers must put rights, and especially IPLC rights, at the centre of their NBS efforts. That includes significantly increasing support for IPLCs, both financially and politically, to enable them to enjoy secure land tenure over their customary lands and to continue to manage their land and forests sustainably.

Our common future depends on it. 

2) RRI. 2020. “The Opportunity Framework: Identifying Opportunities to Invest in Securing Collective Tenure Rights in the Forest Areas of Low and Middle-Income Countries.” RRI. <https://rightsandresources.org/wp-content/uploads/2020/09/Opp-Framework-Final.pdf> and RRI and Tenure Facility. 2021. “Scaling-Up the Recognition of Indigenous and Community Land Rights: Opportunities, Costs and Climate Implications Technical Report.” RRI and Tenure Facility.



## RECOMMENDATIONS

*The main recommendations emerging from this report are for donors to set higher ambitions for the amount of funding directed towards IPLC tenure and forest management, and the share of this that reaches IPLCs organizations. To do this effectively, all actors in the funding chain must build on the lessons learned and amplify their operations to more strategically and effectively channel funding from donors to the IPLCs that will ultimately make the difference.*

### **Donors**

- Prioritize and scale up funding for IPLC tenure and forest management as part of emerging climate and biodiversity initiatives, including Nature Based Solutions
- Increase direct support to Indigenous Peoples and local community organizations. Identify administrative barriers to funding for IPLC organizations directly and remove where possible
- Develop strategic partnerships with suitable organizations or institutions that can act as intermediaries where needed and increase support through these
- Provide support to institutional development of IPLC organizations and intermediaries as an integrated part of program support
- Promote better inclusion of IPLC tenure and forest management in national climate and biodiversity strategies, and in development programs funded bilaterally or through multilateral development banks
- Align with national and local programs aimed at supporting IPLC tenure, management and sustainable livelihoods, to promote synergies and reduce the administrative burden on IPLC organizations and communities
- Ensure inclusion and equitable benefit sharing of results-based payments in REDD+ programs
- Increase coordination between donors, including private foundations, to build on each donor's relative strengths, and to harmonize project compliance requirements as much as possible

### **Tropical forest country governments**

- Prioritize IPLC tenure and forest management in national climate, REDD+ and biodiversity strategies, and in development programs. Integrate IPLCs as key stakeholders and partners in the implementation of these strategies
- Ensure access to, and fair distribution of, climate and biodiversity funding to IPLCs through, inter alia, benefit sharing mechanisms
- Include IPLC representatives in decision making of national finance mechanisms
- Recognize IPLC organizations as legal entities, enabling them to receive funding and participate in projects

## ***NGO intermediaries***

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- Embrace the “business” of being an intermediary and seek to improve service delivery for your IPLC partners. Invest in systems, training, and relationship-building so staff are better informed on local contexts and able to provide value to the IPLC partners
- Coordinate and support capacity development of IPLC organizations
- Increase own capacity to effectively manage funding for IPLC tenure and forest management
- Empower IPLCs, increasing the flow of funding and flexibility for decision-making to IPOs themselves. Promote direct funding when capacity building efforts have resulted in strong enough IPLC partners
- Increase representation of IPLCs on governance bodies to better inform decision-making and policy-setting

## ***IPLC organizations***

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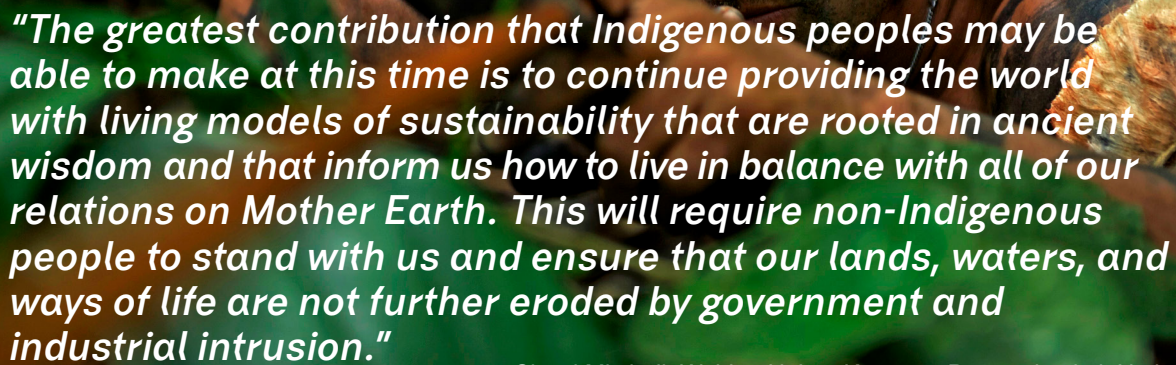
- Seek ways to engage with donors and intermediaries that might be remote from your area. Develop a set of trusted intermediaries and donors
- Enhance networks with in-country intermediaries and donors
- Document the effects of IPLC sustainable forest management and use it to present donors with an evidence-base for increased funding
- Prioritize institutional capacity development as program components, including long-term capacity development of core personnel
- Recognize the strength of your organization vis-à-vis donors and intermediaries and seek to buffer the potential negative impacts of donor funds on communities and community priorities



## ACRONYMS

<b>AMAN</b>	Aliansi Masyarakat Adat Nusantara: The Alliance of Indigenous Peoples of the Archipelago	<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>AMPB</b>	The Mesoamerican Alliance of Peoples and Forests	<b>IPLC</b>	Indigenous Peoples and local communities
<b>BMZ</b>	German Federal Ministry for Economic Cooperation and Development	<b>IPOs</b>	Indigenous Peoples' Organizations
<b>CBD</b>	UN Convention on Biological Diversity	<b>ISA</b>	Instituto Socioambiental
<b>CIF</b>	Climate Investment Funds	<b>IUCN</b>	International Union for Conservation of Nature
<b>COICA</b>	Coordinator of Indigenous Organizations of the Amazon River Basin	<b>Mha</b>	Million hectares
<b>CONAFOR</b>	National Forestry Commission of Mexico	<b>MRV</b>	Monitoring, Reporting, and Verification
<b>COP</b>	Conference of Parties	<b>NBS</b>	Nature Based Solutions
<b>CSOs</b>	Civil society organizations	<b>NDC</b>	Nationally Determined Contributions
<b>DFID</b>	The Department for International Development (UK)	<b>NGO</b>	Non-governmental organizations
<b>DFIs</b>	Development Finance Institutions	<b>NTFP</b>	Nontimber forest product
<b>DGM</b>	Dedicated Grant Mechanism for Indigenous Peoples and Local Communities	<b>ODA</b>	Official Development Assistance
<b>DRC</b>	Democratic Republic of the Congo	<b>OECD</b>	Organization for Economic Co-operation and Development
<b>FAO</b>	Food and Agriculture Organization of the United Nations	<b>PNAS</b>	Proceedings of the National Academy of Sciences
<b>FAO FFF</b>	Food and Agriculture Organization of the United Nations Forest and Farm Facility	<b>REDD+</b>	Reducing Emissions from Deforestation and Forest Degradation in developing countries, and the role of conservation, sustainable management of forests, and enhancement of forest carbon stocks in developing countries
<b>FCDO</b>	Foreign, Commonwealth & Development Office	<b>REM</b>	REDD Early Movers
<b>FCPF</b>	Forest Carbon Partnership Facility	<b>RFN</b>	Rainforest Foundation Norway
<b>FGMC</b>	Forest Governance and Markets and Climate	<b>RRI</b>	Rights and Resources Initiative
<b>FIP</b>	Forest Investment Program	<b>SGP</b>	Small Grants Program
<b>FPIC</b>	Free, Prior and Informed Consent	<b>TEBTEBBA</b>	Indigenous Peoples' International Centre for Policy Research and Education
<b>GCF</b>	Green Climate Fund	<b>TF</b>	Tenure Facility
<b>GDP</b>	Gross Domestic Product	<b>UNDP</b>	United Nations Development Programme
<b>GEF</b>	Global Environment Facility	<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>GHG</b>	Greenhouse gasses	<b>USAID</b>	United States Agency for International Development
<b>GNU</b>	Germany, Norway, and the United Kingdom	<b>WB</b>	World Bank
<b>IATI</b>	International Aid Transparency Initiative	<b>WRI</b>	World Resource Institute
<b>IFAD</b>	International Fund for Agricultural Development	<b>WWF</b>	World Wide Fund for Nature
<b>IPAF</b>	Indigenous Peoples Assistance Facility		
<b>IPBES</b>	Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services		

# Introduction



*"The greatest contribution that Indigenous peoples may be able to make at this time is to continue providing the world with living models of sustainability that are rooted in ancient wisdom and that inform us how to live in balance with all of our relations on Mother Earth. This will require non-Indigenous people to stand with us and ensure that our lands, waters, and ways of life are not further eroded by government and industrial intrusion."*

- Sherri Mitchell, Weh'na Ha'mu Kwasset, Penawahpskek Nation<sup>3</sup>

Photo: Johan Wilchagen

Indigenous Peoples and local communities (IPLCs)<sup>4</sup> with strong tenure rights and management capabilities are some of the best forest and land managers on the planet. Through thousands of years of trial and observation, IPLCs are experts in a broad array of disciplines including ethnobotany, climatology, ecology, and biology, which enables them to effectively and sustainably

manage their landscapes.<sup>5</sup> IPLCs have developed techniques for sustainable land use that regenerate native ecosystems while providing services for their own communities.<sup>6</sup> IPLCs' extensive knowledge of the flora and fauna, pests, diseases, fire, climate, and soils has led them to adapt approaches and techniques such as agro-ecological farming and prescribed burns. IPLCs' land

management techniques are not static, but instead adapt to the shifting needs of the land and environment.<sup>7</sup> Indigenous Peoples contribute little to greenhouse gas emissions while maintaining the largest carbon stores on Earth within their territories. In short, IPLCs are essential partners in tackling climate change, while their lands and rights are under increasing threat.

3) Mitchell, S., et al. 2020. "Indigenous prophecy and Mother Earth." In Johnson, A.E., Wilkinson, K.K. (2020). All we can save: truth, courage, and solutions for the climate crisis. One World.

4) Considering the diversity of Indigenous Peoples, no UN body has adopted an official definition of "indigenous." Each country has its own rules for determining who is considered Indigenous. The UN has developed a modern understanding of this term based on: Historical continuity with pre-colonial and/or pre-settler societies; Strong links to territories and surrounding natural resources; Distinct social, economic or political systems; Distinct language, culture and beliefs; Non-dominant groups of society; Resolve to maintain and reproduce their ancestral environments and systems as distinctive peoples and communities; For individuals, self-identification as Indigenous and acceptance by their community. The key distinction between Indigenous Peoples and other local communities is that international jurisprudence recognizes that Indigenous Peoples have collective rights to partial self-determination that individual citizens do not. International jurisprudence also recognizes "tribal peoples" as a separate category that has collective rights. Many Afro-descendant forest communities in Latin America also fall under that category. Some national legislation also extends these or similar rights to other groups that traditionally manage their natural resources as commons. Indigenous Peoples and local communities (IPLCs): When used together the phrase typically refers to groups that are descendants of or identify with the original inhabitants of a given region, in contrast to groups that have settled, occupied, or colonized the region more recently.

5) Mitchell, S., et al. 2020. "Indigenous prophecy and Mother Earth." In Johnson, A.E., Wilkinson, K.K. (2020). All we can save: truth, courage, and solutions for the climate crisis. One World.

6) Webb, J. 2019. "Indigenous-Led Conservation in the Amazon: A Win-Win-Solution." Amazon Frontlines.

7) Kaimowitz, D. 2015. "Indigenous Peoples and Deforestation in Latin America", pp. 167-175. On The Edge, The State and Fate of the World's Tropical Rainforests.





Deforestation driven by agricultural expansion is one of the largest drivers of climate change, and a major driver of biodiversity loss. Today, forests face ever increasing pressures from unsustainable land use policies and climate risks. Prevailing patterns of land use, land-use change, and forestry, among other anthropogenic pressures, have accelerated the Holocene, or sixth mass extinction, with species loss hundreds of times higher than the average for the past 10 million years.<sup>8</sup> Tropical tree cover loss accelerated from 6.7 million hectares (Mha) in 2001 to 12.2 Mha in 2020.<sup>9</sup> Tropical deforestation accounts for about 15 percent of annual global carbon emissions.<sup>10</sup> Correlated risks due to land degradation and climate change will continue to impact the poorest and most vulnerable populations, potentially forcing internal migrations in the hundreds of millions by 2050.<sup>11</sup>


Without urgent increase in ambition and action, the world is likely to overshoot emissions by 50–56

GtCO<sub>2</sub>e per year based on emissions pathways modelled by Climate Action Tracker, putting the world on a trajectory of warming the world by 3 to 5°C by the end of the century. So far government actions are inadequate to meet the challenge. Global commitments to address climate change through the Nationally Determined Contributions (NDCs) mandated in the Paris Agreement have also fallen short of expectations. As of March 2021, only eight countries' commitments are compatible with the 2°C goal.<sup>12</sup>

Clearly, more must be done to mitigate climate change and biodiversity loss. In the lead-up to key climate and biodiversity summits—the 2021 United Nations Climate Change Conference (UNFCCC COP26) and 2021 United Nations Biodiversity Conference (CBD COP15)—governments are developing national strategies and action plans to protect biodiversity and limit global warming to the 1.5°C target set under the Paris Agreement. The scale of the challenge is tremendous, but so are

the opportunities from supporting stronger IPLC tenure and forest management.

Thanks to their presence and expertise managing the world's most critical landscapes, stronger partnerships with IPLCs are central to stopping deforestation and degradation as major contributors to carbon emissions and biodiversity loss.

This paper provides decision-makers with an evidence base on why to scale up funding for IPLC forest management in tropical countries and the state of funding for this important strategy over the past decade.<sup>13</sup> To do so, we draw upon the best available donor disbursement data, academic literature, and perspectives from IPLC organizations, intermediaries, and donors. Further, this paper provides insights and recommendations on how funding could be scaled and deployed to meet the challenges faced by Indigenous Peoples and local communities. 

8) IPBES. 2019. "Summary for policymakers: The global assessment report on biodiversity and ecosystem services." Ipbes. [https://ipbes.net/sites/default/files/2020-02/ipbes\\_global\\_assessment\\_report\\_summary\\_for\\_policymakers\\_en.pdf](https://ipbes.net/sites/default/files/2020-02/ipbes_global_assessment_report_summary_for_policymakers_en.pdf)

9) WRI. 2019. "Indicators of Forest Extent." WRI. <https://research.wri.org/gfri/forest-extent-indicators/forest-loss>

10) Gibbs, D., et al. 2018. "By the Numbers: The Value of Tropical Forests in the Climate Change Equation." WRI. <https://www.wri.org/blog/2018/10/numbers-value-tropical-forests-climate-change-equation>

11) Kumari R., et al. 2018. "Groundswell: Preparing for Internal Climate Migration." The World Bank. <https://openknowledge.worldbank.org/handle/10986/29461>

12) Climate Action Tracker. "Find your country." <https://climateactiontracker.org/countries>, accessed January 25, 2021.

13) Forest management is the process of planning and implementation of practices for the stewardship and use of a forested territory, including soils, trees, water, animals, and plants.

Tropical country is defined as country with a portion of its land area between the Tropics of Cancer and Capricorn. In most cases this would also refer to developing countries that qualify for official development assistance (ODA). Some countries with very small areas of their national territories in the Tropics, such as China, have been excluded from the data collection.



# *IPLC tenure and forest management's role in curbing climate change and biodiversity loss*



Photo: Araquém Alcântara



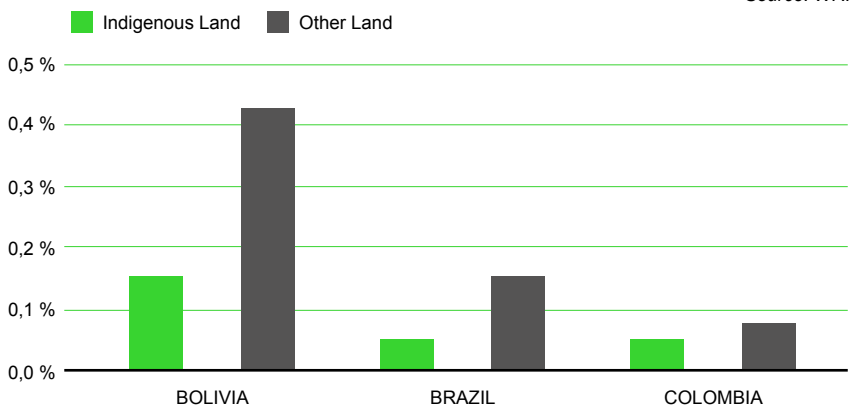
A remarkable number of peer-reviewed studies have been published since 2015 on the importance of IPLC tenure and forest management for forest and biodiversity protection. Together they provide strong evidence supporting prioritization of IPLC tenure and forest management programs to improve forest protection, land management and biodiversity conservation.

Most prominently, the Intergovernmental Panel on Climate Change (IPCC) and the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) acknowledge the critical role that IPLCs have played, and can further play, in mitigating and adapting to climate change and protecting nature from growing pressures. The IPCC Special Report on Climate Change and Land released in 2019 found with high confidence that policies empowering Indigenous Peoples and enhancing local and community collective action enable sustainable land management for climate change adaptation and mitigation.<sup>14</sup> IPBES acknowledges the growing external pressure on areas managed by IPLCs and highlights how indigenous-managed lands are conserving nature better than areas outside indigenous lands.<sup>15</sup> The two bodies affirm the importance of government recognition of IPLC tenure rights, enhanced participation in forest and land management, and strengthening local natural resources governance including IPLCs.<sup>16</sup>

Where IPLC rights to manage forestlands are legally recognized, they demonstrate lower deforestation rates compared to lands not under IPLC management. Much, though not all, of the evidence for this is

**FIGURE 1: ANNUAL DEFORESTATION RATES IN BOLIVIA, BRAZIL AND COLOMBIA (2000-2012)<sup>20</sup>**

Source: WRI



*“Where IPLC rights to manage forestlands are legally recognized, they demonstrate lower deforestation rates compared to lands not under IPLC management.”*

based on studies in South America, where there has been more progress on legally recognizing IPLC land rights than in other regions. For example, Blackman and Veit (2018) found the average annual deforestation rates from 2000 to 2012 in tenure-secure indigenous forest lands in Bolivia, Brazil, and Colombia were up to three times lower than respective land not managed by Indigenous

Peoples<sup>17</sup> (Figure 1). This finding remains robust when controlling for the low population density and isolation of the IPLC territories from transportation routes and settlements. As explained by a recent study published in the Proceedings of the National Academy of Sciences of the United States of America (PNAS), “Granting property rights significantly reduces the levels of deforestation inside indigenous territories, and the results are of significant orders of magnitude.”<sup>18</sup>

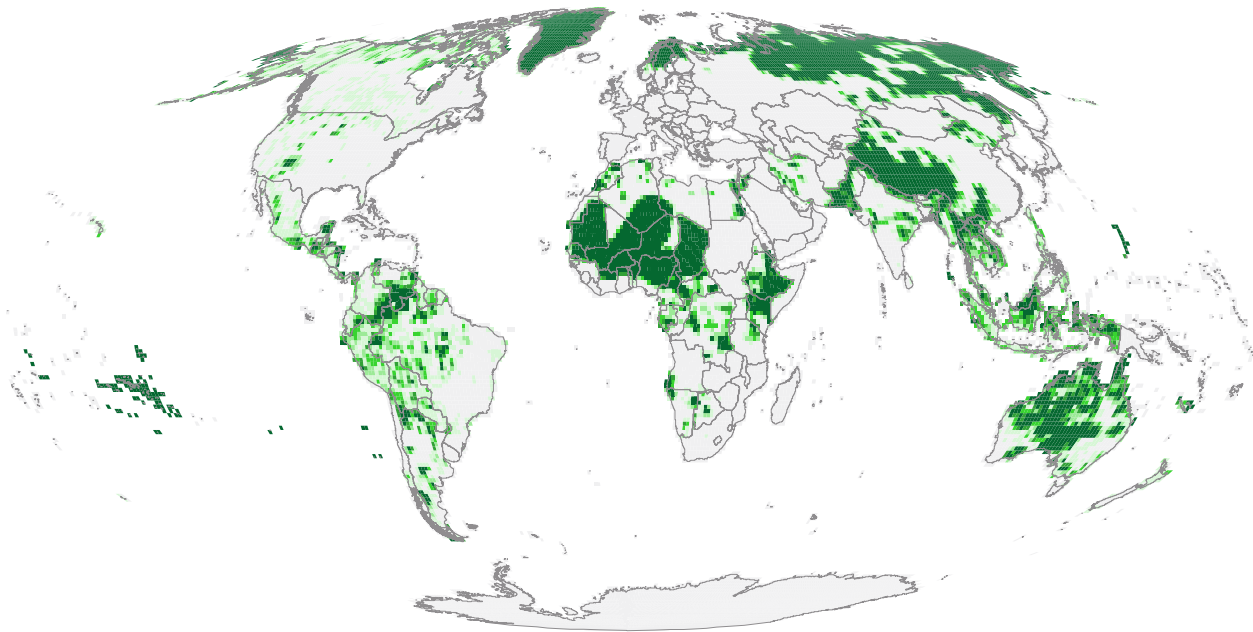
Lower deforestation rates result in lower carbon emissions from IPLC territories. Between 2003 and 2016, legally recognized Indigenous territories in the Amazon Basin lost less than 0.1 percent of the carbon in their forests while protected areas with no overlap with Indigenous territories lost six times more of their carbon stock.<sup>19</sup>

14) Arneeth, A., et al. 2020. “Climate Change and Land Summary for Policymakers.” IPCC. <https://www.ipcc.ch/srcccl/chapter/summary-for-policymakers>  
 15) Diaz, S., et al. 2019. “Report of the Plenary of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.” IPBES. [https://www.ipbes.net/sites/default/files/ipbes\\_7\\_10\\_add.1\\_en\\_1.pdf](https://www.ipbes.net/sites/default/files/ipbes_7_10_add.1_en_1.pdf)  
 16) Shukla, P.R., et al. 2019. “Technical Summary.” IPCC. [https://www.ipcc.ch/site/assets/uploads/sites/4/2020/07/03\\_Technical-Summary-TS\\_V2.pdf](https://www.ipcc.ch/site/assets/uploads/sites/4/2020/07/03_Technical-Summary-TS_V2.pdf) and Diaz, S., et al. 2019. “Report of the Plenary of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.” IPBES. [https://www.ipbes.net/sites/default/files/ipbes\\_7\\_10\\_add.1\\_en\\_1.pdf](https://www.ipbes.net/sites/default/files/ipbes_7_10_add.1_en_1.pdf)  
 17) Blackman, A., and P. Veit. 2018. “Titled Amazon Indigenous Communities Cut Forest Carbon Emissions.” *Ecological Economics*, vol. 153, pp. 56–67.  
 18) Baragwanath, K., et al. 2020. “Collective property rights reduce deforestation in the Brazilian Amazon.” PNAS.  
 19) Walker, W. et. Al. 2020. “The Role of Forest Conversion, Degradation, and Disturbance in the Carbon Dynamics of Amazon Indigenous Territories and Protected Areas.” PNAS.  
 20) Figure Reproduced by Indufor. Source for Calculations includes climate benefits and tenure costs.

**FIGURE 2: GLOBAL MAP OF LANDS MANAGED AND/OR CONTROLLED BY INDIGENOUS PEOPLE**

0 1-20 21-40 41-60 61-80 81-100

Source: Garnett, S. et al. 2018



Percent of each degree square mapped as "Indigenous". Blank areas do not necessarily indicate an absence of Indigenous Peoples or their lands, but rather areas for which an Indigenous connection cannot be inferred based on publicly available geospatial data.

Despite growing evidence on the effectiveness of IPLC forest and land management, most of the estimated 1.5 billion people defined as IPLCs do not hold legally recognized tenure or management rights to their customary lands. Despite occupying around 50 percent of the globe's total land area,<sup>21</sup> IPLCs are the legally recognized owners of just 10 percent of it.<sup>22</sup> About 21 percent of the lands occupied by the world's 370 million people who consider themselves Indigenous<sup>23</sup> fall under protected areas, occupying close to 40 percent of all terrestrial protected areas and ecologically intact landscapes (Figure 2).<sup>24</sup> Research published in 2020 finds that 295 million people identifying as IPLCs occupy lands

suitable for tropical forest restoration.<sup>25</sup> This shows the large ecological and climate benefits that can be realised through increasing IPLC tenure or management rights and engagement of IPLCs in forest protection and restoration efforts.

As a key step towards strong IPLC tenure and forest management, strengthening IPLC tenure and governance offers a cost-effective solution to addressing deforestation and forest/land degradation. A 2016 WRI study found that in Bolivia, Brazil, and Colombia, the economic benefits from carbon storage alone in tenure-secure Indigenous forests can be valued at \$25–34 billion over the next two decades.<sup>26</sup> According to

the authors, the cost of securing Indigenous land rights in these countries at most accounts for only 1 percent of the benefits, making this an extremely cost-effective approach to increase sustainability and reduce greenhouse gas emissions. Recent RRI analysis highlights how important IPLCs are to maintaining forest carbon stocks, estimating that IPLCs manage at least 17 percent of the total carbon stored in forestlands, roughly equivalent to 33 times the 2017 global energy emissions.<sup>27</sup>

Beyond carbon, strong IPLC rights to manage and govern forested landscapes can protect biodiversity. The IPBES 2019 Global Assessment Report notes the increasing pressure

21) In some places, occupy parts of this land in a mosaic pattern with other communities, such as migrants or pastoralists.

22) RRI. 2020. "Rights-Based Conservation: The path to preserving Earth's biological and cultural diversity? Technical Report." [https://rightsandresources.org/wp-content/uploads/2020/11/Final\\_Rights\\_Conservation\\_RRI.pdf](https://rightsandresources.org/wp-content/uploads/2020/11/Final_Rights_Conservation_RRI.pdf)

23) United Nations Permanent Forum on Indigenous Issues. 2006. "Factsheet." [https://www.un.org/esa/socdev/unpfii/documents/5session\\_factsheet1.pdf](https://www.un.org/esa/socdev/unpfii/documents/5session_factsheet1.pdf)

24) Garnett, S. et al. 2018. "A spatial overview of the global importance of Indigenous lands for conservation." *Nature Sustainability*, Vol 1. Pp 369-374. <https://www.nature.com/articles/s41893-018-0100-6.epdf>

25) Erbaugh, J.T., et al. 2020. "Global forest restoration and the importance of prioritizing local communities." *Nature Ecology & Evolution*.

26) Ding, H., et al. 2018. "Climate Benefits, Tenure Costs." World Resources Institute. <https://www.wri.org/publication/climate-benefits-tenure-costs>

27) RRI. 2018. "A Global Baseline of Carbon Storage in Collective Lands." [https://rightsandresources.org/wp-content/uploads/2018/09/A-Global-Baseline\\_RRI\\_Sept-2018.pdf](https://rightsandresources.org/wp-content/uploads/2018/09/A-Global-Baseline_RRI_Sept-2018.pdf)





on IPLC lands from resource extraction, commodity production and infrastructure. The report goes on to acknowledge that “governance, including customary institutions and management systems and co-management regimes that involve Indigenous Peoples and local communities, can be an effective way to safeguard nature and its contributions to people by incorporating locally attuned management systems and indigenous and local knowledge.”<sup>28</sup>

The role of IPLC tenure and forest management is particularly relevant for policymakers to consider during the COVID-19 pandemic. The recent IPBES report on Biodiversity and Pandemics finds that because IPLCs manage some of the world’s most biodiverse landscapes, which double as hotspots for future pandemics, pandemic prevention strategies and policies may benefit from IPLC collaboration.<sup>29</sup>

Strong IPLC territorial governance also provides social and economic

benefits for IPLC communities, crucial to enhancing the resilience of these communities against compounding effects of climate change and the COVID-19 pandemic. IPLCs with strong autonomy and self-governance in place prior to the COVID-19 crisis have been better positioned to navigate the pandemic. The UN Special Rapporteur for the Rights of Indigenous Peoples’ 2020 report on COVID-19 states,

*“Indigenous Peoples enjoying their collective right to autonomy as part of their right to self-determination are best placed to control the virus and to cope with months of isolation. Those able to freely rely on their sustainable farming practices and the availability of food in their territories and make community decisions, such as on restricting movement in and out of their communities, have, in many respects, shown more resilience in the crisis.”<sup>30</sup>*

Nature-based solutions (NBS) are one of the key priorities for COP26,

under the joint UK-Italy presidency. IUCN define NBS as “actions to protect, sustainably manage, and restore natural or modified ecosystems, that address societal challenges effectively and adaptively, simultaneously providing human well-being and biodiversity benefits.”<sup>31</sup> The largest potential for emissions reductions from NBS comes from protecting and restoring tropical forests.<sup>32</sup> To make NBS successful, practitioners and funders of NBS must work with IPLCs that live in and off forests in ways that strengthen rather than undermine their land rights, economic security and wellbeing. National governments and donors must put in place the basic conditions for stronger IPLC tenure and forest management and involve IPLCs in strategies and programs to reduce and halt the loss of nature. Commitments expected at COP26 and the CBD COP15 have the potential to increase funding and political support for IPLC tenure and forest management.

28) IPBES. 2019. “Summary for policymakers of the global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.” [https://www.ipbes.net/sites/default/files/ipbes\\_7\\_10\\_add.1\\_en\\_1.pdf](https://www.ipbes.net/sites/default/files/ipbes_7_10_add.1_en_1.pdf)

29) IPBES. 2020. “Workshop Report on Biodiversity and Pandemics.” [https://ipbes.net/sites/default/files/2020-12/IPBES%20Workshop%20on%20Biodiversity%20and%20Pandemics%20Report\\_0.pdf](https://ipbes.net/sites/default/files/2020-12/IPBES%20Workshop%20on%20Biodiversity%20and%20Pandemics%20Report_0.pdf)

30) UN. 2020. “Report of the Special Rapporteur on the rights of Indigenous Peoples, José Francisco Calí Tzay”. <https://undocs.org/en/A/75/185>

31) IUCN. 2021. “Nature-based Solutions.” <https://www.iucn.org/commissions/commission-ecosystem-management/our-work/nature-based-solutions>, accessed March 25, 2021.

32) Griscom et. al 2017. “Natural climate solutions.” <https://www.pnas.org/content/114/44/11645>



## Conditions for successful IPLC forest management

Decades of studies have generated evidence that can inform donor support for sustainable and successful IPLC tenure and forest management. Drawing from a variety of sources, Kaimowitz and Tomaselli (2020) summarize the basic conditions for successful IPLC tenure and forest management, which we have adapted here:

**1. Secure tenure rights to territory<sup>33</sup>:** To effectively manage and defend their territories, IPLCs require strong tenure rights to land and forests. Beyond simple occupation of a territory, recognized property rights provide the basis for effective management, defence encroachment, and enhancement of territorial resources.

**2. Strong internal governance:** IPLC governance institutions with rules, enforcement mechanisms, and strong local leadership are better positioned to achieve tenure and forest management outcomes. Various studies have demonstrated that greater community initiative and participation in rulemaking and enforcement are associated with more sustainable use of forests.<sup>34</sup>

**3. Policy support:** IPLCs interact with governments, investors, and competing land claimants. Strong support for IPLC governance from national and local administrations and support from sustained donor funding is often a requirement in contested and low-income contexts.<sup>35</sup>

International donor funding has built a record of supporting all three of these conditions. We will now move to examine the scale and trends in such donor funding, along with insights gained from programs and practitioners on what works. 🌱

<sup>33</sup>) Refers to a geographical area that has significance for the people who inhabit it, encompassing symbolic, economic, social, and cultural factors that have historically formed their cultural and ethnic identity.

<sup>34</sup>) Kaimowitz, D., & Tomaselli, F. 2020. "Power to the Forest People: Tendencies, Impact and the Future of Locally Controlled Forests." In W. Nikolakis & J. Innes (Eds.), "The Wicked Problem of Forest Policy: A Multidisciplinary Approach to Sustainability in Forest Landscapes" (pp. 278-300). Cambridge: Cambridge University Press. citing Pagdee et al., 2006; Seymour et al., 2014. And (Casse & Milhoj, 2013; Chhatre & Agrawal, 2009; Pagdee et al., 2006; Persha, Fischer, Chhatre, Agrawal, & Benson, 2010)

<sup>35</sup>) Kaimowitz, D., & Tomaselli, F. 2020. "Power to the Forest People: Tendencies, Impact and the Future of Locally Controlled Forests." In W. Nikolakis & J. Innes (Eds.), "The Wicked Problem of Forest Policy: A Multidisciplinary Approach to Sustainability in Forest Landscapes" (pp. 278-300). Cambridge: Cambridge University Press. citing Baynes et al., 2015; RRI, 2014; Seymour et al., 2014.



# State of donor funding for IPLC tenure and forest management in tropical countries

This section summarizes trends in donor funding for IPLC tenure and forest management activities, drawing from data on funding disbursements covering the period 2011-2020, review of documentation of key funding mechanisms, and online survey responses from IPLC organizations, donors, and intermediaries (See [Methods](#) for more details).

The findings below demonstrate that donor support for IPLC tenure and forest management has remained relatively constant over the past decade, while falling far short of the level of support needed to meaningfully scale up the role of IPLCs in fighting climate change and biodiversity loss against growing external pressures.

For the most part, the IPLC tenure and forest management activities analysed in this paper are embedded in larger projects led by organizations that make sub-grants to project implementers. These activities also include many projects that are focused on policy reforms, support to

national governments or implemented by international staff within the World Bank, United Nations, and large conservation organizations. To the extent feasible, we focused on activities that directly supported IPLC tenure and forest management (see [Table 1](#)). The majority of the bilateral<sup>36</sup> funds are channelled through intermediaries, including multilateral development institutions,<sup>37</sup> with little entrusted to IPLC organizations directly. There are transaction costs at each step in the

*“Donor support for IPLC tenure and forest management has remained relatively constant over the past decade, while falling far short of the level of support needed.”*

channel. It is likely that only a small fraction of the funds is invested at the local project site or are managed by IPLCs themselves.

That said, survey respondents note that the organizational capacity of IPLC organizations and NGOs that partner with them have been significantly strengthened over the last decade or more. Strengthened capacity provides a stronger basis to more strategically and rapidly deploy the funds needed to put in place the conditions for successful IPLC tenure and forest management. With the upcoming COP26 and COP15, there is an urgent need for renewed and increased funding commitments to climate and biodiversity. To that end, IPLC tenure and forest management should be prioritized. The evidence presented here demonstrates that IPLCs currently receive a small share of the development aid for climate, biodiversity, or forestry purposes, especially compared to the potential impact that more funding could generate.

<sup>36</sup> Bilateral donor: A government organization that gives direct assistance to a recipient country for development purposes. Bilateral donors are typically federal ministries, offices, departments, and agencies that give grants, loans, in-kind services, or expertise to other governments, civil society, and multilaterals. Such assistance given across borders is considered bilateral aid or ODA.

<sup>37</sup> Multilateral institution: An international organization whose membership is made up of member governments, who collectively govern the organization and are its primary source of funds. Approximately 30-40 percent of ODA is channeled through multilateral institutions and funds.



**TABLE 1: ANALYTICAL SCOPE**

Disbursements included in the dataset and analysis below were collected from public sources and screened according to the methods detailed in the Annex. The disbursements included activities in tropical countries only. Examples of project types and descriptions are presented below.

Example project types	Example project descriptions from project documents (direct quotations)
<p><b>Enhancing IPLC tenure and forest management capabilities through:</b></p> <ul style="list-style-type: none"> <li>■ Strengthening IPLC internal governance</li> <li>■ Territorial mapping</li> <li>■ Land tenure rights recognition</li> <li>■ Forest and land management capacity</li> <li>■ Forest conservation area planning</li> <li>■ Support to community forestry groups</li> <li>■ Silviculture</li> <li>■ Forest monitoring capabilities</li> </ul>	<ul style="list-style-type: none"> <li>■ To support local community initiatives aiming at the promotion of sustainable rainforest management and to monitor human rights abuses and forest destruction done by commercial actors in Equateur, DRC</li> <li>■ Projects supported by the International Land and Forest Tenure Facility to enhance land reform and strengthen tenure rights of indigenous peoples and local communities in Colombia</li> <li>■ The goal of the project is to empower the indigenous communities living in and around Prey Lang forest, a forest subjected to widespread illegal logging</li> <li>■ Philippines Strengthening the Agency of Indigenous Peoples as Vital Actors and Decision-Makers in Proper Implementation of REDD Plus</li> <li>■ To support local community initiatives aiming at the promotion of sustainable rainforest management in Mai-Ndombe, DRC</li> <li>■ Empowerment of the Orang Rimba and promotion of sustainable forest management their traditional areas in Jambi, Sumatra</li> <li>■ Participative Management in the Javari Valley To strengthen the autonomy of indigenous people in the Javari Valley by support to their organization(s), sustainable management of natural resources and the implementation of culturally adapted education.</li> <li>■ Legal advocacy for indigenous peoples Promoting legal recognition and protection of native customary land by extending legal aid to Dayak communities faced with forest destruction and land appropriation caused by logging and plantations.</li> <li>■ Cultural Rights Programme, Amapa: To strengthen the autonomy amongst Indian tribes by supporting their organization, sustainable management of natural resources and the implementation of culturally adapted education.</li> </ul>

### 3.1 Total disbursements to IPLC tenure and forest management

Between 2011 and 2020, donors disbursed approximately \$2.7 billion (on average \$270 million annually) for projects supporting IPLC tenure and forest management capabilities in tropical countries (Figure 3), composed of donor transactions to

approximately 1,656 organizations. Activities included in this figure span strengthening of tenure rights, internal governance, and policy support, as well as more direct capacity-building and forest/land management activities. The reported funding experienced an uptick from 2011 to 2012, then remained stable for the 2012-2020 period in total. These findings align with global trends in ODA, which for most

OECD countries remained stable or declined slightly over the past five years.<sup>38</sup>

Of the total disbursement value, just 11 percent were directed towards tenure projects (on average about \$29.5 million per year), suggesting that the majority of funds were directed to less politically sensitive forest management projects.

38) Donor Tracker. "The Donor Profiles." <https://donortracker.org/countries>, accessed January 25, 2021.

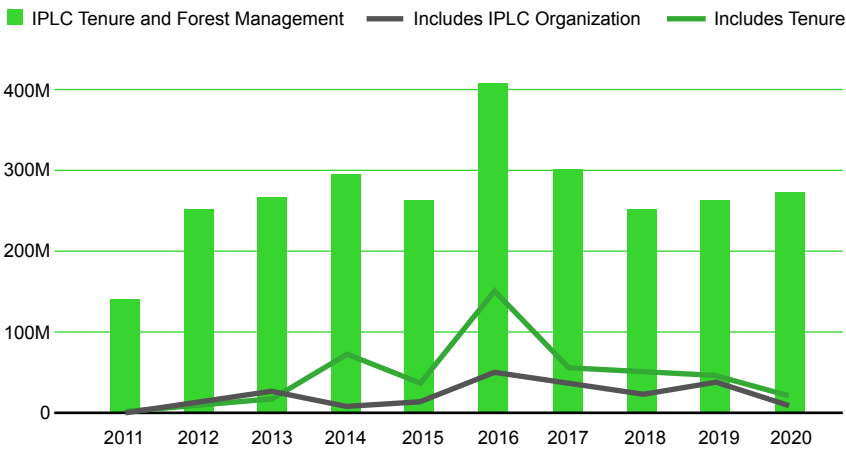
Much of the funding identified here as support to IPLC tenure and forest management flows through large intermediaries and is unlikely to have reached IPLCs or their organizations directly. As an indicator for how much funds were disbursed to IPLC organizations, only about 17 percent of the projects included the name of an IPLC organization in the project

implementation description. This amounts to \$46.3 million per year on average.<sup>39</sup>

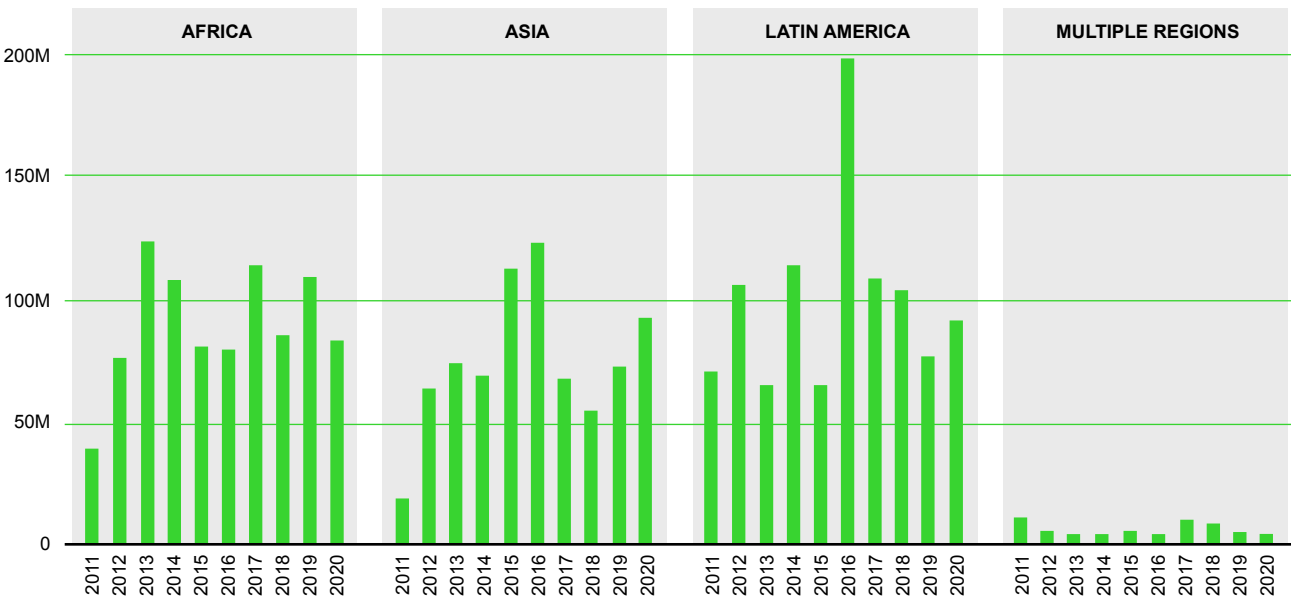
**Latin America was the primary recipient of donor funding for IPLC tenure and forest management (approximately \$99.9 million per year), followed by Africa (approximately \$89.9 million per**

**year) and Asia (approximately, \$74.9 million per year).** The needs and opportunities in each region and country differ depending on their history of establishing enabling conditions for IPLC tenure and forest management. Latin America and Asia have a longer history of IPLC land rights recognition than in Africa, with more land under IPLC ownership or designated use. They are therefore in a stronger position for more support directly to IPLC forest management in legally recognized areas, though unresolved land claims are still an issue in these regions.<sup>40</sup> In Africa, it is likely that more funding will be needed to support land tenure reform implementation alongside capacity building. In some countries, like Brazil or Colombia where IPLCs have stronger legal land rights and more national organizations positioned to support IPLC tenure and forest management, funding might be better directed towards ensuring the sustainability of the land rights, forest management support and training and REDD+ MRV, for example.

**FIGURE 3: DONOR DISBURSEMENTS TO IPLC TENURE AND FOREST MANAGEMENT PROJECTS IN TROPICAL FORESTED COUNTRIES, US\$, 2011-2020**



**FIGURE 4: TOTAL IPLC TENURE AND FOREST MANAGEMENT DISBURSEMENTS BY REGION, US\$, 2011-2020**



<sup>39</sup>) We have also identified disbursements that include the name of an IPLC organization pulled from a list of 350 IPLC organizations headquartered in tropical forested countries.

<sup>40</sup>) RRI. 2015. "Who Owns the World's Land? A global baseline of formally recognized indigenous and community land rights. RRI. [https://rightsandresources.org/wp-content/uploads/GlobalBaseline\\_complete\\_web.pdf](https://rightsandresources.org/wp-content/uploads/GlobalBaseline_complete_web.pdf)

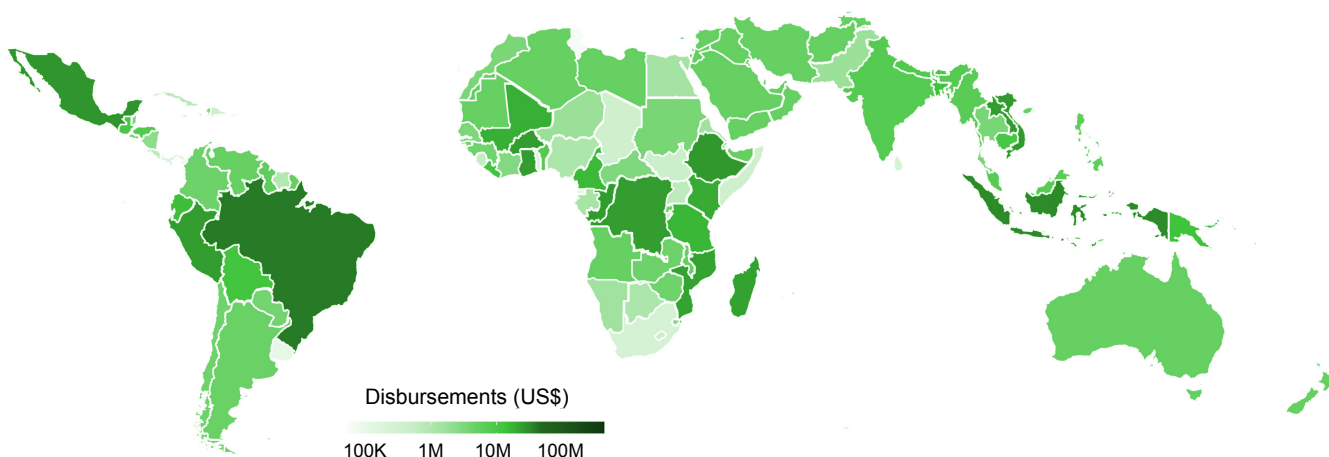
**During the 2011-2020 period, Brazil was the largest destination for donor funding for IPLC tenure and forest management (approximately \$451 million), followed by Indonesia (\$196 million), and Mexico (\$120 million).**<sup>41</sup> The largest destination in Africa was Ethiopia (\$92 million), followed by the Republic of Congo (\$77 million), Ghana (\$67 million), and the Democratic Republic of the Congo (\$67 million). Brazil comprises 45 percent of all funding to Latin

America, while Indonesia comprises 26 percent of funding to Asia. Both Brazil and Indonesia hold more than half of the tropical rainforest in Latin America and Asia respectively.<sup>42</sup>

**IPLC tenure and forest management projects receive far less donor funding than other climate and environmental measures, despite the evidence of its cross-cutting effectiveness.** For example, during the past 10 years, IPLC tenure and forest management amounted to less than

the equivalent of five percent of ODA for general environmental protection and less than the equivalent one percent of ODA for climate on average.<sup>43</sup> For simple comparison, the annual \$270 million average of disbursements for IPLC tenure and forest management—disbursed to thousands of organizations and through numerous intermediaries—is less than WWF’s annual program expenses, which amounted to \$288 million in 2020.<sup>44</sup>

**FIGURE 5: TOTAL IPLC TENURE AND FOREST MANAGEMENT DISBURSEMENTS BY COUNTRY**



## TRACING FUNDING FOR IPLC TENURE AND FOREST MANAGEMENT FROM DONOR TO THE GROUND

The bulk of international financial support for IPLC tenure and forest management comes through public official development assistance (ODA). These funds are typically channelled through a donor government’s development agency to a series of intermediary organizations that provide technical assistance, project development and other support to ensure the funds are spent on activities sanctioned by the donor. Intermediaries then often sub-grant to local NGOs or IPLC organizations. Donors have many channels available to them. For example, they can make grants directly to an organization working on IPLC tenure and forest management, to an organization that has relationships with many local organizations that can oversee the funding and project implementation, or through multilateral development institutions such as the World Bank. Private foundations typically make grants directly to IPLC organizations.

<sup>41</sup>) Of the \$2.7 billion in total funding for IPLC tenure and forest management, 11 percent was not attributed to a unique country in the Tropics. These include transactions that are more regional in nature (to Africa, Asia, or Latin America), or those that include multiple countries (e.g., Nicaragua and Mexico). Regional transactions comprise only a small share of the total disbursements per region, just 3 percent in Africa, 3 percent in Asia, and 2 percent in Latin America.

<sup>42</sup>) Rainforest Foundation Norway. 2021. State of the Tropical Rainforest. <https://d5i6is0eze552.cloudfront.net/documents/Publikasjoner/Andre-rapporter/State-of-the-Tropical-Rainforest-2020-Rainforest-Foundation-Norway.pdf?mtime=20210311130033>

<sup>43</sup>) During 2010-2019 OECD countries provided \$53 billion in ODA for General Environmental Protection, During 2014-2018, OECD countries provided \$153 billion in ODA for Climate. Donor Tracker. “Climate Sector Trends.” <https://donortracker.org/sector/climate>., accessed January 25, 2021.

<sup>44</sup>) WWF. 2020. Annual Report 2020. <https://www.worldwildlife.org/about/financials>



### 3.2 Major donors funding IPLC tenure and forest management

Relatively few donors prioritize IPLC tenure and forest management. Norway and Finland disbursed the largest overall share of their ODA to it, while the United States and Norway were the largest contributors in absolute terms. Other major donors included Germany, the United Kingdom and Sweden (See Table 2). Germany, Norway, and UK, often referred to collectively as GNU, have been pioneering REDD+ funding over the last decade, all providing substantial funding to this agenda and to IPLC tenure and forest management. Norway disbursed approximately \$371.0 million to IPLC tenure and forest management, including via its contributions to the Amazon Fund, GEF and World Bank Climate Investment Funds. By the same measure, Germany contributed \$330.7 million, and the UK contributed \$264.9 million.

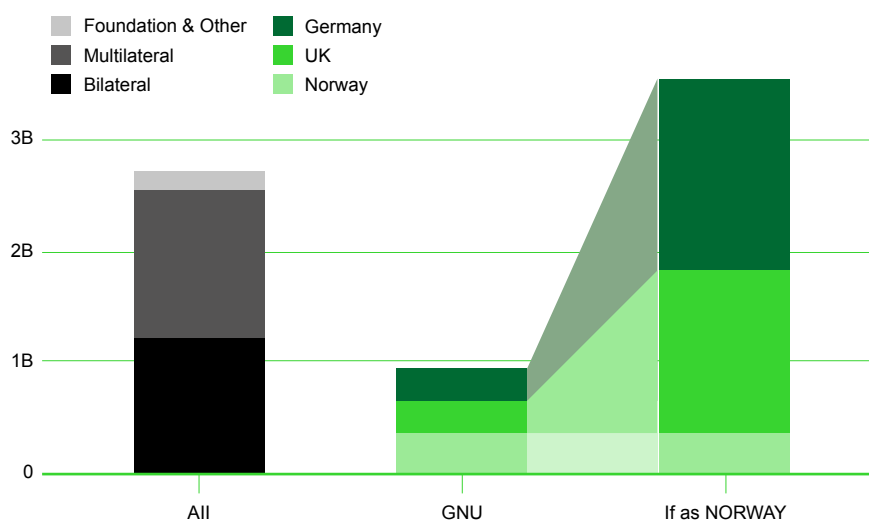
Considering the share of their total ODA, Norway supports IPLC tenure and forest management at a much higher rate than its peers in Germany and the United Kingdom. Norway contributed approximately 0.9 percent of its ODA to IPLC tenure and forest management, while both Germany and the UK contributed approximately 0.2 percent. If Germany and the United Kingdom had spent a similar proportion of their ODA on IPLC tenure and forest management during the 2011-2020 period, an additional \$3.1 billion would have been disbursed, almost doubling the amount actually disbursed (see Figure 6).<sup>45</sup>

**Multilateral institutions have disbursed approximately \$1.3 billion to IPLC tenure and forest management projects.** As their funds originate from national donor contributions, they are not technically

**TABLE 2: PROPORTIONAL CALCULATIONS OF ODA TO IPLC TENURE AND FOREST MANAGEMENT**

Donor	Total IPLC Tenure and Forest management (2011-2020, US\$ M)	ODA Total (2011-2020; US\$M)	Percent of ODA
United States	\$414.0	\$346,000	0.12%
Norway	\$371.0	\$42,980	0.86%
Germany	\$330.7	\$199,558	0.17%
UK	\$264.9	\$170,198	0.16%
Sweden	\$154.2	\$57,110	0.27%
Finland	\$89.8	\$11,301	0.79%

**FIGURE 6: TOTAL IPLC TENURE AND FOREST MANAGEMENT DISBURSEMENTS BY BILATERAL GROUP**



donors themselves, but intermediaries. However, multilateral institutions report independently and therefore their disbursements are included in our dataset separate from their bilateral sources. The World Bank managed the largest source of multilateral disbursements to IPLC tenure and forest management from 2010-2020, including regular World Bank operations, as well as funds through the Forest Investment Program (FIP), Climate Investment Funds (CIF) and Global Environment

Facility (GEF). These World Bank disbursements accounted for about 80 percent of all multilateral disbursements and about 41 percent of all disbursements in total.

More recently, the Green Climate Fund (GCF) has also made disbursements to IPLC tenure and forest management. Given the role the GCF is designed to play to generate transformative change to mitigation and adaptation to climate change, along with GCF's strong

<sup>45</sup> Indufor calculations using OECD ODA Data. OECD. 2020. "Development Cooperation Report". <https://www.oecd.org/dac/development-cooperation-report/#profiles>.

Indigenous Peoples' policy, the fund's contribution to IPLC tenure and forest management should increase over time.

**Private foundations have contributed a small, but crucial, share of the total disbursements supporting IPLC tenure and forest management. By making direct, flexible, and less bureaucratic grants to IPLC organizations, foundations have laid the groundwork for increased direct support to IPLC organizations, from both private and public sources.**

Funding from private foundations is logically far below ODA. Data from private foundations was limited (see **Methods** section), but we found that foundations disbursed at least 3 percent of the total transactions in our dataset (at least \$85 million over 10 years).<sup>46</sup> The Ford Foundation and the Christensen Fund led in disbursements, reflecting their leadership in partnering with Indigenous Peoples and rights-based development organizations. More recently, other foundations focused on climate change mitigation and environment such as ClimateWorks and the Oak Foundation have also begun making sizeable grants for IPLC tenure and forest management projects.<sup>47</sup> NGO intermediaries that sub-grant to IPLCs receive most of their funds from bilateral donors or foundations. Some also raise funds from the general public.

Importantly, the disbursements in the dataset indicate a much more direct relationship between the donor and IPLC organizations implementing the activities, which according to IPO survey respondents generates more direct impacts. For the most part, private foundation's funds are made available directly to IPLC organizations or provided to NGOs with strong connections to IPLCs, such as RFN, RRI and the International Land Tenure Facility, or IP networks such as COICA (Coordinadora de las Organizaciones Indígenas de la

***"Philanthropic funders are more responsive than bilateral donors or multilateral donors. Church-based donors are also more responsive.***

*- Indigenous Peoples' organization in Asia*

Cuenca Amazónica) and AMAN (Aliansi Masyarakat Adat Nusantara). Survey respondents from IPOs and NGOs were resoundingly favourable regarding the way foundations support IPLCs, in particular their limited bureaucracy, long-standing relationships, and strategic advice. With increased philanthropic interest in NBS and environmental protection, there is significant potential to also scale up private funding for IPLC tenure and forest management, which should build on the experience, approach, and relationships of established philanthropies.

**Some national governments in tropical countries play a key role co-financing and providing in-kind support for tenure and forest management projects.** For example, in Mexico, one of the largest World Bank projects supported by the national government aimed to support ejido-based community forestry programs and strengthening CONAFOR, Mexico's National Forestry Commission. This indicates that the Mexican government has integrated IPLC tenure and forest management into their publicly supported programs, rather than simply receiving bilateral grants to implement a donor priority. Mexico is a leader in community forestry, and communities generally enjoy legally recognized property rights, which lays the foundation for forest

management and entrepreneurship. In other cases, linked priorities between state governments and IPLC tenure and forest management are also seen in disbursements in Brazil. The States of Acre and Mato Grosso were the largest recipients of the Amazon Fund and received funding from the REDD+ Early Movers (REM) Programme, reflecting a jurisdictional REDD+ approach that integrates IPLC tenure and forest management into state-led strategies to reduce deforestation. In many projects, national ministries facilitate implementation and therefore provide in-kind support. For example, in Tenure Facility projects (funded by Norway, Sweden, and Ford Foundation), national or sub-national land agencies are trained alongside communities to map and demarcate IPLC territories for titling.

***"[Key constraints include] the fact that national governments have historically and continue to underfund indigenous territories; unwillingness of most developing country governments to borrow from DFIs for indigenous investments; few and mostly small-scale international funding programs that target indigenous peoples; lack of financial and project management capacities at indigenous organizations."***

*- US NGO Representative*

<sup>46</sup>) Due to data constraints, not all relevant foundations are captured in the statistics.

<sup>47</sup>) Disbursements closer to the ground are inherently difficult to categorize, as many intermediaries that sub-grant to IPLCs (e.g., RFUS, RFUK, RFN, Trocaire, HIVOS, Break for the World, Kepa, ICCO, Bosques del Mundo, IWGIA, Diakonia) receive most of their funding from bilaterals and/or foundations.



## REDD+ AND FUNDING FOR IPLC TENURE AND FOREST MANAGEMENT

Initiatives supporting REDD+ have been an important source of funding for forest-related programs and projects over the last decade. This study identified that about 20 percent of the total IPLC tenure and forest management including references to REDD+ activities in various formulations. REDD+ projects support countries to develop and implement national strategies and reforms to reduce deforestation and forest degradation, while promoting sustainable forest management and sustainable development outcomes, and rewards results through payments for verified emissions reductions. This funding has the potential to deliver significant funding to IPLCs, both as implementors of projects that are embedded in national strategies, and as recipients of results-based payments that rewards reduced emissions from deforestation and forest degradation.

However, as REDD+ is based on nationally developed strategies to address deforestation, the involvement of IPLCs and the extent to which they benefit financially from the results-based payments depends largely on the willingness of national or regional governments to involve IPLCs and establish equitable benefit sharing arrangements. The Amazon Fund is an example of how significant REDD+ funding can be directed to IPLC tenure and forest management within a fund with a broad mandate, when it is embedded in national strategies and includes IPLCs (see [Figure 7](#)).

While REDD+ has the potential to deliver significant funding to reducing deforestation and forest degradation (including through ongoing IPLC tenure and forest management), it also has some limitations for funding IPLCs. First, it depends on the government's appetite to

meaningfully involve IPLCs and share funding with them. While the Cancun safeguards require governments to promote "respect for the knowledge and rights of Indigenous Peoples and members of local communities" to receive REDD+ results-based payments, this does not necessarily translate to real progress in recognition of land tenure or involvement of IPLCs in forest management. Donors should influence governments to prioritize this in their REDD+ strategies and implementation. Second, though much of the funding for REDD+ to date has been for readiness, the bulk of REDD+ funding is intended to be results based, and therefore the funding will depend on the government's ability and interest in reducing deforestation. Changes in political priorities and subsequent increases in deforestation can therefore cut IPLCs off from further REDD-funding, most evident in the case of Brazil where the Amazon Fund has been frozen. Third, because results-based REDD+ payments are often based on reduced deforestation compared to a historical trend or average, it undervalues IPLCs longstanding contributions to keep deforestation low. And fourth, as REDD+ results-based payments are exclusively based on carbon, the other ecosystem services that forest protection provides are not rewarded.

These limitations suggest that funding for IPLC tenure and forest management through REDD+ should be supplemented with funding based on other rationales, such as biodiversity protection, ecosystem services, and advancing human rights. Benefit sharing of REDD+ funding should also recognize IPLCs longstanding contribution to protect forests and provide multiple ecosystem services, beyond just reducing deforestation compared to a historical average.



### 3.3 Channels for funding IPLC tenure and forest management

**More than half of all the funds disbursed flowed through only five institutions**, mainly development banks including the World Bank, African Development Bank, Inter-American Development Bank, Asian Development Bank, and UNDP.

Among the triad of Germany, Norway, and the United Kingdom (GNU) donors, Norway stands out in that more than half of their disbursement to IPLC tenure and forest management goes as direct grants to NGOs and IPOs, and forty percent via the Amazon Fund. NICFI has gradually increased funding for NGOs and IPOs in their portfolio. Germany has given more funding to

projects implemented directly by governments, while the UK has relied more on grants via multilateral funds like the GEF and the CIF (See [Table 3](#)).

**Beyond the multilateral institutions, the top 10 intermediaries for the largest donors include a mix of large international NGOs, UN agencies and consulting companies – not IPLC organizations.**

There are some differences in terms of which intermediaries the top donors engage the most. Germany frequently engages with national governments such as Ecuador, Brazil, and Cameroon. Norway engages international NGOs and UN agencies in addition to cooperation with national governments such as Brazil through the Amazon Fund. The UK commonly engages consulting

firms and NGOs. The US engages consulting firms and conservation organizations. Sweden engages a variety of large NGOs and UN agencies. Intermediaries play an important role in the current donor architecture to channel funds to projects and report on their use in line with donor requirements.

**In our survey of 42 representatives from donors, intermediaries, and IPLC organizations (detailed in [Methods section](#)), respondents attribute the limited direct funding for IPLC organizations to a mix of path dependency and limited mutual understanding between donors and IPLCs.** IPLCs have long endured exclusionary attitudes from their national governments, which has led to a culture of mistrust and to missed opportunities for

**TABLE 3: FUNDING DISBURSED BY DONORS TO IPLC TENURE AND FOREST MANAGEMENT THROUGH VARIOUS CHANNELS, US\$ MILLION (2011-2020)<sup>48</sup>**

Donor	Direct disbursements to governments	Other direct disbursements*	Amazon Fund	FCPF Readiness Fund	GEF**	CIF/FIP***	Total Disbursements <sup>49</sup>
United States	0.0	258.0	N/A	0.03	52.7	103.3	414.0
Norway	0.0	221.0	130.2	0.7	5.2	13.9	371.0
Germany	119.8	131.2	7.3	0.8	36.4	35.2	330.7
United Kingdom	7.4	79.7	N/A	0.04	24.9	152.9	264.9
Sweden	17.9	111.9	N/A	N/A	17.2	7.2	154.2
Finland	0.0	84.8	N/A	0.1	4.9	N/A	89.8
<b>Total</b>	<b>145.1</b>	<b>886.6</b>	<b>137.5</b>	<b>1.7</b>	<b>141.3</b>	<b>312.3</b>	<b>1624.7</b>

\* To consultancies, NGOs, universities

\*\* Global Environmental Facility

\*\*\* Climate Investment Funds/Forest Investment Program

<sup>48</sup> Calculations for GEF, FCPF, and CIF funds are based on the proportion of the donor's funding to each mechanism and the actual disbursements from those mechanisms to IPLC tenure and forest management. Direct to government disbursements are based on the implementing organization of the transaction.

<sup>49</sup> Total disbursements categorized in this table are exclusive of multilaterals where the funding is not easily traceable (e.g., general World Bank funds), funds that are not entirely composed of contributions from the six donor countries (e.g., GEF), as well as other bilateral donors, nongovernmental, and philanthropic funding. Disbursements from other multilaterals are included in the rest of the study.

sustainable landscape management building on the expertise and values of IPLCs. Moreover, donors might be unaware of the increasing evidence base demonstrating the effectiveness of local land and forest management on the basis of strong tenure rights and internal community governance to achieve climate, biodiversity, and sustainable development outcomes. Potential for direct funding for IPLCs is also limited by how the legal and regulatory frameworks in many countries fail to recognize IPLCs rights to land and forests—leading governments to disregard or exclude them from participating in and benefiting from state-sponsored development opportunities. IPLC land rights should be a cornerstone of rainforest countries strategies to reaching their countries' climate, biodiversity, and sustainable development goals. Yet so far, the potential for rights based and highly cost-effective climate and biodiversity action remains greatly untapped.<sup>50</sup>

**Donor rules and requirements are the most frequently cited barrier in our survey for IPLC organizations to access funding. In many cases, IPLCs are not legally recognized or incorporated as organizations that permit direct granting according to donor rules.** In addition, given the historically low public investments in education in many IPLC areas, many IPLC organizations lack the human resources needed to manage projects and report to donors the same way external NGOs do. These constraints lead donors to turn to larger organizations with the project management and administrative capacity needed to meet donor requirements to broker funds. Donor survey respondents acknowledge that relatively few organizations excel at being an intermediary between a donor and an IPLC organization. Those with deep grassroots connections, especially those with Indigenous leadership or strong

*“Many of the projects and funds are used to funding the activities that do not contribute directly to create a system that can be used by indigenous people as their livelihood permanently. The project is only focus on the forest protection issue but do not care the improvement of the human resources.”*

*- Indigenous Peoples' organization in Asia*

histories working with IPLCs, are the most responsive to IPLCs needs and priorities, according to our survey respondents. In many instances, large conservation organizations have the strongest local presence, but are viewed with suspicion by many IPLCs in part because of a history of conflicts between conservation and local priorities.<sup>51</sup>

**IPLC organization representatives responding to the survey report that they have increasingly focused on organizational strengthening, with support from private foundations that include institutional strengthening in their funding.** IPLC organizations increasingly work on cross-cutting

approaches needed for successful tenure and forest management, including activities focused on knowledge exchange, planning for generational change, participation of young people and women, and the intersectionality of climate, biodiversity, and livelihoods. NGO supporters of IPLCs have also focused on institution strengthening to improve their abilities to interface with donors and IPLCs as intermediaries. For example, NGOs provide networking opportunities and conduct training to IPLC partners on administrative skills like financial management to position them for direct granting.

**Survey respondents from NGO intermediary organizations say they are making project-level and organizational changes to be more responsive to local IPLC demands.** They have created joint project development and management mechanisms, including technical assistance and financial management support to IPLC project partners. They have developed materials to explain policies (e.g., land titling processes) and project procedures and work to contextualize monitoring and evaluation so that it adds value to IPLCs beyond the reporting itself. NGOs report that they are becoming better at articulating the value they provide as intermediaries, providing flexibility and “buffering” IPLCs from donor compliance and management burdens while ensuring accountability for funds and project outcomes.

<sup>50</sup> Rainforest Foundation Norway 2018. “Approaching the Point of No Return.” [https://d5i6is0eze552.cloudfront.net/documents/Publikasjoner/Andre-rapporter/RF\\_Point\\_of\\_no\\_return\\_1218\\_web.pdf?mtime=20181203131631](https://d5i6is0eze552.cloudfront.net/documents/Publikasjoner/Andre-rapporter/RF_Point_of_no_return_1218_web.pdf?mtime=20181203131631)

<sup>51</sup> Tauli-Corpuz, V. et al. 2020. “Cornered by PAs: Adopting rights-based approaches to enable cost-effective conservation and climate action.” World Development, Volume 130.



## **PRIORITY CONSIDERATIONS FOR DONOR FUNDING TO IPLC ORGANIZATIONS**

*"Focus on long-term capacity building vs 'results' work on programs that address multiple components. Use a step-wise approach for grant recipients that allows to design and implement better projects."*

*- German donor representative*

*"Invest in building local capacities. There is no alternative to that even if it takes time."*

*- European private foundation donor*

*"Attention to organizational strengthening needs and not just policy work or work in communities. Assistance to IP organizations to help them be more transparent with their members about how funds are used (including e.g., joint monitoring of project results, as in the Dema Fund). Focusing on support for proven approaches (e.g., Tenure Facility). Supporting lesson learning on accessing and managing funds across IP organizations. Rethinking IP-NGO partnerships so they have a path toward increased financial independence for IP organizations."*

*- US private foundation donor*



### 3.4 How much funding reaches the ground?

**The proportion of donor funding going to IPLC organizations represents a small fraction of the total amount disbursed.** Though it is difficult to precisely estimate the amount of funds that are disbursed directly to local IPLC organizations, the data collected for this paper provides an indication of how little money reaches such organizations. Sixty-four percent (1,058 of 1,655) of organizations received total disbursements of less than \$100 thousand over the period, compared to the average project size in the data set of \$1.1 million. IPLC organizations typically received less than \$1 million in total disbursements over the ten-year period, while intermediaries that have greater absorption capacity and funding histories such as WWF or UN agencies generally received amounts much larger than \$1 million.

To depict the amount of funds reaching IPLCs organizations themselves, we examined three funding mechanisms that include IPLC tenure and forest management components in their activities: The Amazon Fund (housed in a development bank, large scale

with few donors), FCPF Readiness Fund (housed in the World Bank, large scale with many donors), and the International Land and Forest Tenure Facility (housed in an NGO with support from multiple donors, very targeted but not yet large-scale).

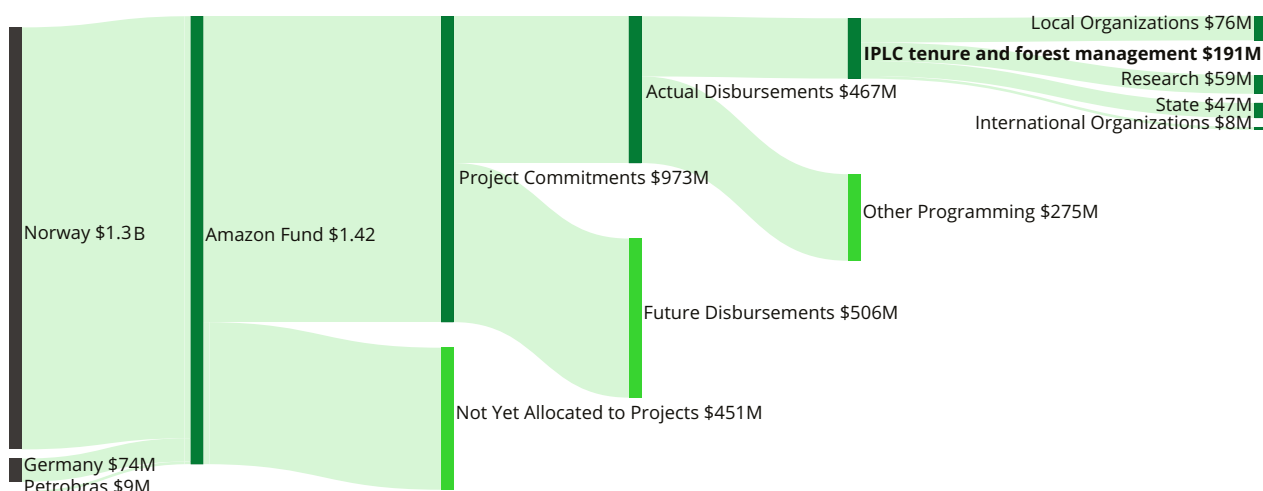
*The figures presented below are self-reported by the three mechanisms.*

**The Amazon Fund disbursed approximately \$191 million to IPLC tenure and forest management activities since 2010, contributing to the management of 65 percent of Indigenous Peoples' territories in the Brazilian Amazon, covering 70 million hectares, roughly twice the size of Germany.**<sup>52</sup> To date, the Amazon Fund has received approximately \$1.4 billion in contributions from Norway, Germany, and Petrobras for REDD+ results achieved by Brazil between 2006-2015,<sup>52</sup> to be reinvested in the National REDD+ strategy through projects implemented by state governments, federal agencies, research institutes and civil society organizations including IPLC organizations. Of the total funding received by the Amazon Fund, \$973 million was committed to projects by the end of 2020 and \$467 million

was disbursed. We estimate that approximately \$191 million was disbursed to IPLC tenure and forest management projects, with about \$76 million disbursed to local organizations and the remainder to State governments and research organizations—approximately 16 percent of all disbursements and 5 percent of all commitments to the Amazon Fund (See **Figure 7**). The Fund is hosted by the Brazilian development bank BNDES, and a guidance committee with representation from state and federal governments as well as civil society and IPOs made funding decisions. It initially struggled to channel funding to IPLC organizations, largely because IPLC organizations struggled to comply with the project requirements of large institutions such as BNDES. This was eventually addressed by partnering with suitable intermediary institutions, that could re-grant and “buffer” the project and reporting requirements.

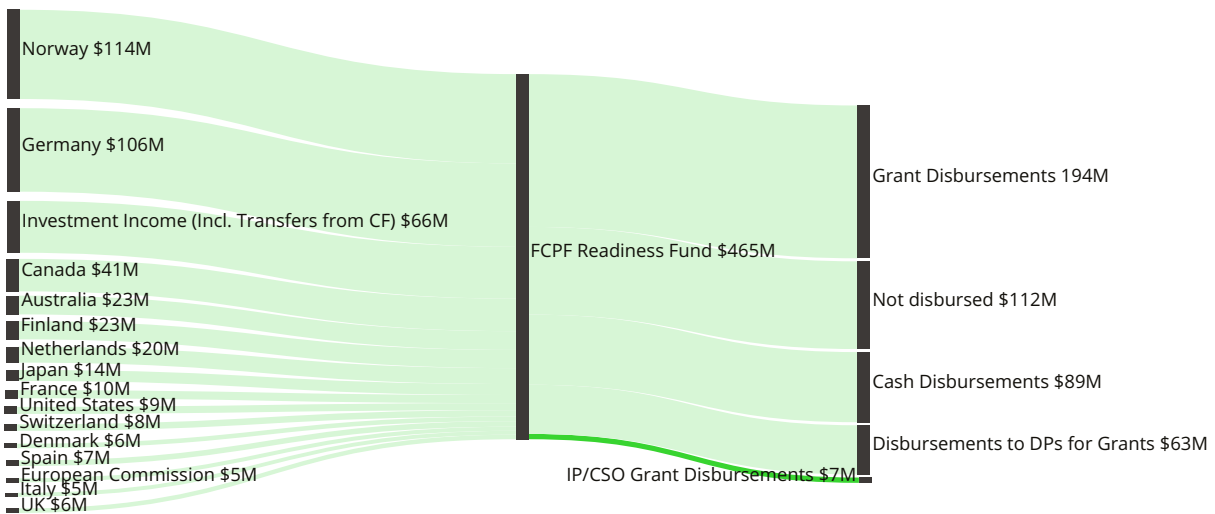
Due to the changes in the governance structure of the fund made by the Brazilian government the fund has been frozen since 2019. Though momentarily frozen, the success of the Amazon Fund shows that it is possible to channel a substantial amount of funding to IPLC tenure

**FIGURE 7: AMAZON FUND FLOWS TO IPLC TENURE AND FOREST MANAGEMENT**

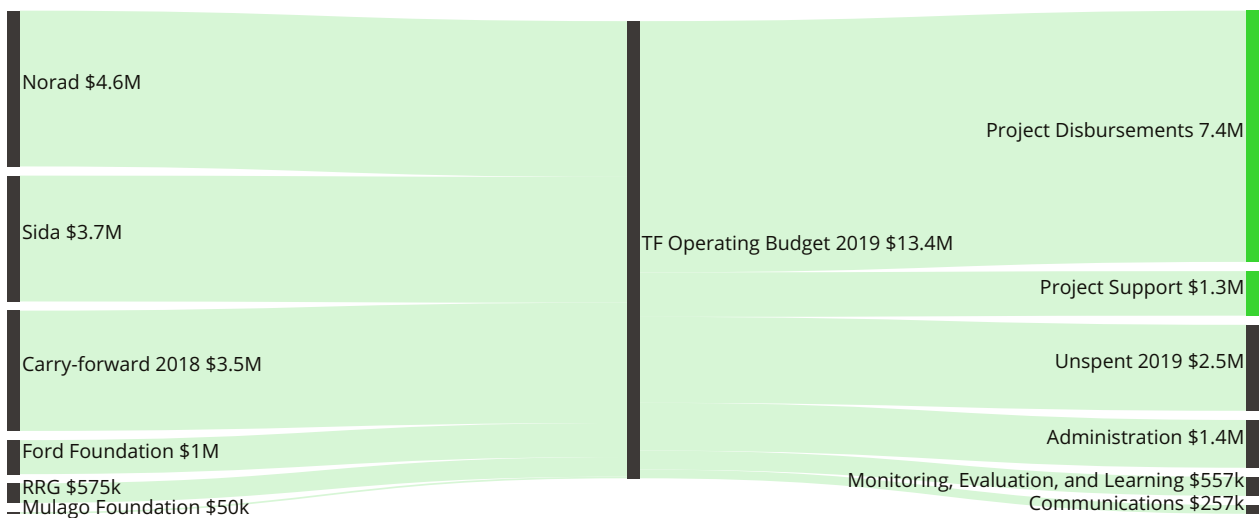


52) UNFCC. “Brazil REDD+ national entity reporting to the UNFCC.” <https://redd.unfccc.int/submissions.html?country=BR>, accessed January 25, 2021.  
 53) Amazon Fund. “Amazon Fund in Numbers.” <http://www.amazonfund.gov.br/en/monitoramento-e-avaliacao/fundo-amazonia-em-numeros/>, accessed January 25, 2021.

**FIGURE 8: FCPF READINESS FUND DISBURSEMENTS TO IPLC TENURE AND FOREST MANAGEMENT (2009-2020)<sup>54</sup>**



**FIGURE 9: TENURE FACILITY FLOWS TO IPLC TENURE AND FOREST MANAGEMENT, 2019**



and forest management through a nationally owned fund with broad mandate to reduce deforestation, improve forest governance and support sustainable land use.

**The FCPF Readiness Fund has disbursed just \$6.7 million (1.4 percent) of its funding to IP and CSOs since inception.** The FCPF Readiness Fund, housed in the World Bank, supports tropical and sub-tropical developing countries in

preparing to participate in large-scale REDD+ programs, that can eventually receive results-based payments from FCPF. In total, it received donor contributions and investment income amounting to about \$465 million between 2009 and 2020, with the largest contributions from Norway and Germany (see **Figure 8**). Of just FCPF cash disbursements (including the capacity building program and other disbursements), at the end of 2020,

just \$3.4 million of disbursements were made to the IP and CSO Capacity Building Program (about 4 percent of all cash disbursements). Critique from NGOs highlights the amount spent on internal fund administration and operations. Disbursement constraints are also linked to low absorption capacity and reliance on cooperation with national government counterparts.<sup>55</sup>

54) CF: Carbon Fund; CSO: Civil Society Organization; DP: Delivery Partner.

55) Speed, J. 2016. "Has spent over 440 million so far without reaching the forest." Bistands Aktuell. <https://www.bistandsaktuelt.no/nyheter/2016/har-brukt-over-440-millioner--forelopig-uten-a-na-ut-i-skogen/>



Since its inception in 2017, about 75 percent of Tenure Facility disbursements have gone directly to IPLC-led projects and project support. The Tenure Facility was purpose-built to fund tenure rights security projects led by IPLCs. In 2019, for example, \$8.7 million was disbursed to IPLC-led projects. The Tenure Facility partners with IPLC organization and only funds projects that meet eligibility requirements including support from local government and conducive enabling environment for territorial mapping and titling for collective land and forest tenure rights.

*"Few indigenous organizations have the management capacity to receive direct funding from bilateral donors. And few bilateral donors are set-up to give the technical assistance needed to make indigenous peoples' organizations ready for direct funding. There seems to be a hesitation in developing larger legitimate organizations with international fiduciary standards that can attract such funding."*

- Norwegian donor representative



Photo: Riccardo Pravettoni





Photo: Thomas Marent

### 3.5 Scaling up support for IPLC tenure and forest management

**Current levels of funding fall short of what is needed to support IPLC tenure and forest management in tropical forested countries at the scale needed to curb forest and biodiversity loss.** Looking at one of the basic conditions for effective IPLC tenure and forest management—recognized and secure land and forest tenure rights—provides an indication of the scale of funding required. The Rights and Resources Initiative (RRI) has identified 24 countries as ready for national or subnational scale projects to implement forest tenure reforms, which is estimated to require approximately \$8 billion for the mapping, delimitation, and titling of Indigenous and community lands.<sup>56</sup> Based on this analysis, the total reported funds disbursed over the past decade for IPLC tenure and forest management across all

tropical forested countries, which we identified as 11 percent of the total IPLC tenure and forest management funding, constituting just 3 percent of what is needed in that subset of countries. This clearly points to a gap in funding that could have catalytic effects if filled or if funds were channelled more efficiently to the ground.

In order to support scaling up funding, several lessons emerged from the expert survey that can support donor decision-making.

**First, thanks to innovations and improvement in capacity, there are now more channels available to fund IPLC tenure and forest management. These need more funding.** Increased funding is possible directly through networks or IP federations, like AMPB (Mesoamerican Alliance for Peoples and Forests), COICA, and AMAN. Where direct funding is not possible, increased funding can be directed

through national organizations like ISA (Instituto Socioambiental) in Brazil, and Northern-based organizations with strong connections to IPLCs like Rainforest Foundation (Norway, US, and UK), Rainforest Action Network, Forest Peoples Programme, or mechanisms such as Global Greengrants, Rights and Resources Initiative’s Strategic Response Mechanism, and the Tenure Facility. While these organizations and mechanisms provide important functions in the funding of IPLC tenure and forest management, their funding alone is not enough to bring IPLC tenure and forest management to the needed scale.

The World Bank has also set up funds to increase direct funding to IPLCs, including through EnABLE and the Forest Investment Program’s Dedicated Grant Mechanism. Major conservation organizations such as the World Wildlife Fund (WWF), Conservation International and The Nature Conservancy have

<sup>56</sup> RRI. 2020. “The Opportunity Framework: Identifying Opportunities to Invest in Securing Collective Tenure Rights in the Forest Areas of Low and Middle-Income Countries.” RRI. <https://rightsandresources.org/wp-content/uploads/2020/09/Opp-Framework-Final.pdf> and RRI and Tenure Facility. 2021. “Scaling-Up the Recognition of Indigenous and Community Land Rights: Opportunities, Costs and Climate Implications Technical Report.” RRI and Tenure Facility.

also increasingly emphasized the important role of IPLCs in conservation programs. The International Union for Conservation of Nature (IUCN) recently launched the GEF-funded Inclusive Conservation Initiative, which aims to deploy \$22 million to “support IPLCs to secure and enhance their stewardship over an estimated area of at least 3.6 million hectares of landscapes/ seascapes and/or territories with high biodiversity and irreplaceable ecosystems”.<sup>57</sup> The Food and Agriculture Organization of the United Nations’ (FAO) Farm and Forest Facility has also disbursed tens of millions of dollars in direct financial support and technical assistance to strengthen forest and farm producer organizations.<sup>58</sup> Lastly, community managed funds like the Dema Fund and AMPB’s Fondo Territorial Mesoamericano could provide bilateral donors with more options for better channeling large-scale funds to IPLCs on the ground.<sup>59</sup>

**Second, donors’ and intermediaries’ connection to IPLC priorities is crucial to effective channelling of funds.** The analysis has shown that NGO intermediaries and private foundations are regarded by IPLCs as more responsive to their priorities, and better at getting funds to the IPLCs themselves. The comparative advantage of NGOs as intermediaries is linked to strong contextual awareness in their grant-making, strong partnerships with the IPLC organizations implementing the projects, and the ability to create political space for more challenging projects. Some NGOs have improved this also by including IPLC representatives in their governance or advisory bodies. NGOs also provide an important role in “buffering” donor compliance requirements. For example, to overcome challenges deploying resources and remaining compliant with donor rules, in some cases, the Tenure Facility channels funds through local

*“The analysis has shown that NGO intermediaries and private foundations are regarded by IPLCs as more responsive to their priorities, and better at getting funds to the IPLCs themselves.”*

organizations that meet fiduciary requirements and are trusted partners of the IPLC proponents of the projects. This approach offers a near to medium-term option for expanding the funding targeting IPLC tenure and forest management projects. It will require larger intermediaries to identify and vet local intermediaries, facilitate a process of trust-building with IPLCs, and develop communication channels to ensure the on-the-ground project work is monitored and supported effectively. It would also require donors to understand and value the roles played by different actors throughout the project implementation chain and work to streamline administrative burdens.

The analysis here could suggest that the slow disbursement from multilateral institutions to IPLCs is partially due to a distance to the IPLC organizations and their agenda, combined with complicated compliance requirements. Multilateral funding mechanisms can improve on the former by providing a space for IPLC self-selection to nominate individual representatives to governance bodies. They can also provide IPLC organizations direct access to funding via regional- or national-based organizations with

stronger country context and necessary capacity to ensure the funded programs meet the needs of intended beneficiaries, as IFAD has done with TEBTEBBA, creating the Indigenous Peoples Assistance Facility. The Amazon Fund funded the Indigenous-led Dema Fund, demonstrating that Indigenous Peoples can manage donor finance.<sup>60</sup>

**Third, increased coordination and cooperation between IPLCs, NGOs, and donors is needed.** The large-scale territorial programs needed to achieve climate and biodiversity goals will involve many IPLC stakeholders, many of whom are not part of formal NGOs or CSOs. Better information on all sides on the roles each plays in the “value chain” of IPLC tenure and forest management funding can help better set expectations, build trust, and inform future initiatives. Donors can overcome internal bureaucratic obstacles by allying with trusted intermediaries to channel funding to IPLCs. As the findings on the disbursements indicate, while funding is insufficient overall, the funds deployed over the past decade could have been better channelled to the ground through improved coordination and targeting through the trusted partners of IPLCs.

**Forth, capacity-building of IPLC organizations and intermediary organizations should be seen as a continuous part of support.** While increasing funding through suitable mechanisms and organizations that get the funds out, donors should also prioritize support for administrative and compliance requirements so that IPLC organizations themselves become able to absorb more funding. NGO intermediary organizations should also prioritize building the capacity of their IPLC partners. 🌍

57) Inclusive Conservation Initiative. <https://www.inclusiveconservationinitiative.org/>, accessed January 25, 2021.

58) Food and Agriculture Organization. “Forest and Farm Facility.” <http://www.fao.org/forest-farm-facility/en/>, accessed January 25, 2021.

59) Alianza Mesoamericana. “Mesoamerican Territorial Fund.” [http://www.alianzamesoamericana.org/es/?page\\_id=169](http://www.alianzamesoamericana.org/es/?page_id=169), accessed January 25, 2021.

60) IIED. 2018. “Delivering climate finance at the local level: the Dema Fund.” <https://www.iied.org/delivering-climate-finance-local-level-dema-fund>

# Conclusions

This report has reviewed the evidence on benefits from IPLC tenure and forest management and provided the latest tracking of financial flows for IPLC tenure and forest management covering the past decade. It also shares perspectives of IPOs, intermediaries, and donors on gaps and opportunities to increase funding to IPLC tenure and forest management drawing from their own experiences. Collectively, these elements are intended to inform future funding priorities for climate, biodiversity, public health, and livelihoods.

## KEY CONCLUSIONS

- IPLCs presence in the world's most critical ecosystems provides donors with allies on the ground to achieve indispensable climate, biodiversity, and development objectives. Basic conditions for successful IPLC tenure and forest management span secure tenure rights to territory, strong internal governance, and policy support from national and local administrations and through sustained donor funding.
- The past decade of funding for IPLC tenure and forest management falls far short of the estimated need, just 3 percent of the estimated need to realize large-scale tenure reform in 24 countries.
- Compared to global ODA to forests, biodiversity and climate, the share of ODA directed to IPLC tenure and forest management remains low despite its massive potential to contribute to these objectives. Funding for IPLC tenure and forest management has remained mostly stable during 2011-2020, with no increase following the signing of the Paris Agreement in 2015.
- Relatively few donors prioritize IPLC tenure and forest management. Norway stands out as a leading contributor in absolute and relative terms. Germany, UK, United States, and Sweden also make substantial contributions but as a much smaller share of their total ODA as compared to Norway.
- The proportion of donor funding going to IPLC organizations represents a small fraction of the total amount disbursed, as most of the funds are channelled through multilateral institutions and part of large programs managed by large international NGOs, UN agencies and consulting companies, some of which disburse limited funding to IPLC organizations.
- Private foundations contribute a small but crucial share of the total disbursements, by making direct, flexible, and less bureaucratic grants to IPLC organizations.
- NGO intermediaries play an important role in getting funds to IPLCs, and in “buffering” donor requirements, but relatively few organizations excel at being an intermediary. Inter-governmental programs contribute to capacity building and networking but are inadequately funded for the challenges they are trying to solve.
- There have been improvements in the capacity-building of IPLCs and NGO intermediaries and in establishing new fit-for-purpose funding mechanisms, enabling donors to scale up funding for IPLC tenure and forest management. 🌱



# Annex: Methods

The analysis in this paper relies on four data collection approaches:

1. **Literature review** of peer-reviewed/grey literature on the role of IPLC tenure and forest management's contributions to climate and biodiversity outcomes.
2. **Analysis of key features of 13 relevant funding mechanisms**<sup>61</sup> via review of online resources and published independent evaluations. Selection of mechanisms was based on the following criteria:
  - a. At least 3 years of operations;
  - b. Has deployed over \$1M in relevant funding;
  - c. Experience funding relevant activities in tropical forest countries;
  - d. IPLC tenure and forest management forms part of funder or program strategic plans/vision;
  - e. Inclusion in the review adds to the diversity of governance structures and novel funding mechanisms.
3. **Online survey on the barriers, gaps, trends, lessons, and outlook on funding for IP tenure and forest management**, drawing responses from 42 key informants from 18 countries representing 33 organizations including IPOs, NGOs, and donors engaged in funding IPLC tenure and forest management.
4. **Aggregation and quantitative analysis of funding flow data** of bilateral, multilateral, and private foundation donor flows reported to the International Aid Transparency Initiative (IATI) and additional datasets from the Amazon Fund, Christensen Fund, ClimateWorks Foundation, David and Lucile Packard Foundation, Ford Foundation, Forest Carbon Partnership Facility, Forest Investment Program, GEF Small Grants Program, Global Environment Facility, Green Climate Fund, MacArthur Foundation, Mulago Foundation, and the Oak Foundation. When available, data was collected on descriptions; locations; transaction value, currency, and date; and participating organizations and their roles.<sup>62</sup>

To identify transactions related to IPLC tenure and forest management, the following search terms were used to search the data:

Category	Example Key Words
0 and 1	indigenous; Indigenous People; local community; Afro-descendent communities; local communities; governance; land governance; forest governance; forest management; internal governance; informal right; land rights; resource rights; free, prior and informed consent; FPIC; land rights; land ownership; forest access; land access; resource access; customarily manage; customary right; rural tenure; land tenure; territorial; tenure and forest management
Forest	forest; community forestry; silviculture; agroforestry; NTFP; non timber forest products
Negative Phrases <sup>63</sup>	road, infrastructure, war, highway, displacement, resettlement, port, shipping, transport, natural resource, oil, gas, mining, logging, and timber production

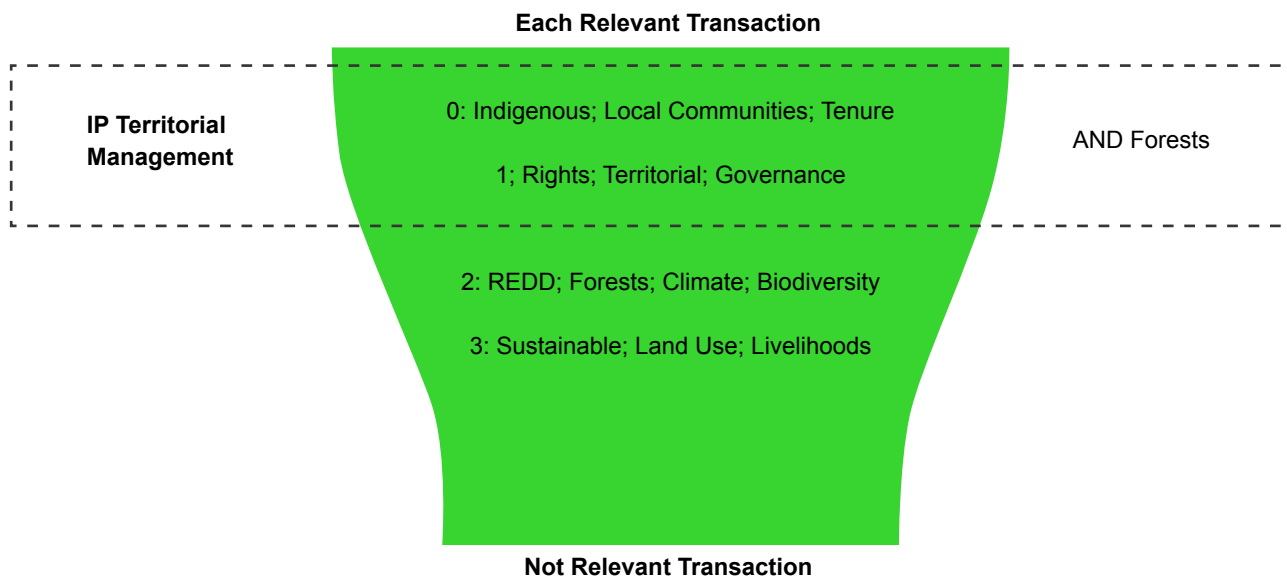
<sup>61</sup> Norwegian International Climate and Forest Initiative (NICFI), REDD Early Movers (BMZ, NICFI and UK), DFID now FCDO – Forests Governance and Markets (FGMC), Norwegian Program for Indigenous Peoples, Amazon Fund, World Bank Forest Investment Program Dedicated Grant Mechanism (DGM), WB-FCPF Indigenous Peoples Capacity Building Program, IFAD Indigenous Peoples Assistance Facility, Global Environment Facility (GEF) – Small Grants Program, FAO Forest and Farm Facility (FFF), Rainforest Foundation Norway, International Land and Forest Tenure Facility.

<sup>62</sup> The data was scraped with a set of python scripts that use the D-portal GUI to generate a list of potential activities (based on search terms, organizations, and themes), and then scrape relevant data at the D-portal API. During the analysis phase we identified several issues with IATI source data, including missing descriptions, misplaced location data for USAID, an over estimation of IKI data due to misplaced commas. Some organizations have not backfilled their full 2010-2020 activities data to IATI, we have checked the major IPLC tenure and forest management funders and added data where possible (e.g., Norway). We have adjusted for all corrections in the final dataset. While many organizations report to IATI automatically, we cannot assume that IATI transactions act as a ledger. Organizations that do not report in a timely manner or fail to report all their commitments, can skew data (particularly for the most recent years).

The following adjustments were made to the datasets: Manual analysis of the transaction source data to identify and eliminate transactions that are recorded at two points (e.g., from donor to multilateral -> multilateral -> organization; and backfilling data where bilateral donors have interoperable data available outside of IATI.)

<sup>63</sup> We manually screened for projects that included these potential negative key words.

**FIGURE 10: TRANSACTION DESCRIPTION PROCESSING**



Each term contains multiple derivatives and spellings. These were used in the search algorithm. We used the Google Translate API to translate search terms for transactions that report in Italian, Japanese, Korean, Norwegian, Danish, Portuguese, Finnish, French, Spanish, Swahili, Swedish, German, Vietnamese, Bahasa Indonesian.

To be included in the set as IPLC tenure and forest management, the project activity must take place in a tropical forested country and include at least one of the following descriptors (with multiple variations used) in Group 0 and Group 1, and because the focus of this paper is on the role IPLCs can play combatting deforestation and biodiversity loss, keywords associated with “forests” in [figure 10](#).

To further enhance confidence that the disbursements were related to IPLC tenure and forest management, we manually analysed 35 project budgets that had over \$10M in aggregate disbursements, 25 project budgets (between \$10-1M) and a further 8 project budgets below \$1M. We


assessed budgets of \$1.7B of \$4.5B (38 percent). There were few discernible trends between donor, size of disbursements, donor type, or region. The Indigenous Organization tag was accurate in identifying projects with a large direct share – but these were not always 100 percent direct.

Project budgets were then assessed along **direct and indirect** IPLC tenure and forest management spending. The direct proportion was allocated to a project, which was then multiplied by the project value to get direct and indirect (the remainder) disbursements. For projects in which the budget was manually assessed (40 percent of the total) we used the assessed value of direct and indirect. We applied the average (60/40 split of direct and indirect) derived from the representative sample for projects that were not assessed, except for those we have prior knowledge of their direct/indirect split (e.g., DGM, TF, GEF SGP, RFN) which were allocated at 100 percent direct. The statistics in the report feature only disbursements for direct activities.

## ***DATABASE RESULTS***

Overall, we analysed 2,729,305 transactions (commitments or disbursements) between 2010 and 2020. There were approximately 485,000 transactions relevant to our search, meaning that they use a keyword listed above. Of this list there were 10,086 transactions that were classified as IPLC tenure and forest management in tropical countries. In total there were 2891 individual activities included in the dataset with an average transaction value of \$286,763 and median value of \$30,865.<sup>64</sup>

## ***LIMITATIONS***

While IATI and others have greatly improved data availability, much of the work downstream carried out by IPLC organizations remains undocumented in this reporting. Foundation data scraped from the web outside of IATI often lacks detailed descriptions, project participants, and geographic references. We have manually worked to overcome these limitations where known. Limited or inconsistent data reporting prevents our process from identifying all potentially relevant work on IPLC tenure and forest management. 

<sup>64</sup> The transaction values were converted to USD 2020 (December), which was performed using the US BLS CPI API. Transactions were first converted to USD then inflated based on the given transaction date.

Rainforest Foundation Norway supports indigenous peoples and traditional populations of the world's rainforests in their efforts to protect their environment and secure their customary rights. RFN was established in 1989 and works with local environmental, indigenous and human rights organisations in the main rainforest countries in the Amazon region, Central Africa, Southeast Asia, and Oceania. RFN is an independent organisation, and part of the international Rainforest Foundation network, with sister organisations in the United Kingdom and the USA.

Rainforest Foundation Norway, Mariboegs gate 8, 0183 Oslo Norway

[rainforest.no/en](http://rainforest.no/en)