CASE STUDY

Consultation and Consent in Indigenous-led Carbon Projects:

Good practices and lessons learned from the Awajún Tajimat Pujut Initiative

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Landesa

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About the study:

This study was conducted by Landesa, in collaboration with Conservation International Peru (CI-Peru), and the Alto Mayo Awajún Regional Indigenous Federation (FERIAAM), with support from researchers at the Centre for Social Responsibility in Mining (CSRM) at The University of Queensland.

With funding support from the BHP Foundation, the Community-Smart Consultation & Consent (CSCC) project is working to strengthen and scale inclusive and effective natural resource governance by improving community consultation and consent practices across the globe.

The CSCC Project is being implemented by Landesa in partnership with RESOLVE, Conservation International, and The University of Queensland's Centre for Social Responsibility in Mining.

Project partners are working to develop, test, and amplify tools and approaches to scale understanding, capacity, and implementation of good consultation and consent practices among local communities, civil society, government, and the private sector.

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List of Abbreviations

AGM	Accountability and Grievance Mechanism
AIDESEP	Interethnic Association for the Development of the Peruvian Rainforest
ARR	Afforestation, Reforestation, and Revegetation
CCBS	Climate, Community, and Biodiversity Standard
CI	Conservation International
CISS	Conservation International's Environmental and Social Safeguard System
COICA	Coordinating Body of Indigenous Organizations of the Amazon Basin
CSCC	Community-Smart Consultation and Consent Project
CSRM	Centre for Social Responsibility in Mining
ESS	Environmental and social standards
ESIA	Environmental and Social Impact Assessment
FAO	United Nations Food and Agriculture Organization
FCPF	Forest Carbon Partnership Facility
FERIAAM	Indigenous Regional Federation of the Alto Mayo Awajún Communities
FIP	Forest Investment Program
FPIC	Free, prior, and informed consent
GBV	Gender-based violence
GHG	Greenhouse gas
GMP	Gender Mainstreaming Plan
ILO	International Labor Organization
IP	Indigenous Peoples
LEAF	Lowering Emissions by Accelerating Forest Finance Coalition
MINAGRI	Peru Ministry of Agriculture and Irrigation
MINAM	Peru Ministry of Environment
NORAD	Norwegian Agency for Development Cooperation
PDD	Project Description Document
REDD+	Reduced Deforestation and Forest Degradation
RIA	Amazon Indigenous REDD+
SURNAP	Peru National Registration Office
TPI	Tajimat Pujut Initiative
UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples
UNFCCC	United Nations Framework Convention on Climate Change
USAID	United States Agency for International Development
VCS	Verified Carbon Standard

Executive Summary

Introduction

Carbon markets and the sale of carbon credits can help countries and companies meet ambitious greenhouse gas (GHG) emissions reduction targets and secure long-term financial support for conservation and community development efforts. Yet as these projects proliferate, the effectiveness of such schemes is unclear, both in their ability to achieve climate change mitigation objectives and in terms of impacts on Indigenous Peoples and local communities.

At the same time, there is a growing recognition that Indigenous communities, as owners and stewards of the last remaining intact tropical forests and other important land resources, are best able to manage land and forests to protect climate and nature. This is reflected in increasing recognition of Indigenous Peoples' rights to territory and growing demand among Indigenous Peoples and allies that carbon rights and carbon projects, if they are to happen, originate with and are led by Indigenous peoples.

As global demand for accountability in carbon projects grows, there is a push for improved standards to ensure positive social and environmental outcomes. However, despite these efforts, many certified projects still result in significant failures, indicating the need for better guidance and a reevaluation of current practices.

This study (1) explores the complexities and risks associated with carbon projects through a study of the Tajimat Pujut Initiative (TPI), a project led by FERIAAM, an Indigenous federation representing 16 Awajún communities in the Alto Mayo region of Peru, and co-implemented by Conservation International (CI) Peru; and (2) provides insights into how effective consultation and consent practices can support responsible carbon projects that align with Indigenous values and deliver sustainable returns for their use and management of land and forests.

Background and Study Approach

The Tajimat Pujut Initiative (TPI) is co-implemented by FERIAAM (Indigenous Regional Federation of the Alto Mayo Awajún Communities), an Indigenous federation representing 16 Awajún communities in the Alto Mayo region, and Conservation International (CI) Peru. TPI aims to support Awajún communities in sustainable economic activities, reforestation, and cultural revitalization through the generation of carbon credits.

The project implementation area is the Alto Mayo landscape in Peru's San Martín region, an area known for its rich biodiversity, is home to around 244,000 people, including approximately 6,500 members of the Awajún ethnic group. In recent decades, deforestation and forest degradation, driven by leasing of Indigenous community lands to migrants, have increased, though unevenly across the landscape.

Undertaken by Landesa and CSRM as part of the Community Smart Consultation and Consent (CSCC) project, this study aims to support FERIAAM and CI as they consider options for TPI implementation and the successful application of Conservation International's Environmental and Social Safeguarding System (CISS) and relevant standards to consultation and consent processes. Recommendations offer options for improved project design and implementation while contributing to the broader discourse on carbon

initiatives, natural resource governance, and Indigenous Peoples' self-determination through carbon finance.

The analytical framework for this study was based on the principle that fulfilling Free, Prior, and Informed Consent (FPIC) is necessary but insufficient to ensure community rights are respected in carbon projects. It emphasizes the need for comprehensive analysis and action across the project lifecycle, analyzing the certification requirements, best practices, and guidelines for responsible carbon projects to identify and present findings on four key themes: rightsholder identification and risk assessment; consultation, engagement, and consent; community and project governance; and gender equality. The study was conducted early in the project's design phase through primary and secondary data analysis.

Findings and discussion

This study set out to identify good practices and effective approaches to ensure meaningful consultation and consent in Indigenous-led carbon projects through a detailed understanding of the processes, activities, and context for the design and implementation of TPI.

Though this study was not an assessment against a standard, we look to certification standards to understand the requirements that they impose on proponents, how these requirements are understood and evaluated, and where compliance with the standards may fall short of ensuring that social benefits are realized and rights are respected.

Key findings are presented around four key themes identified as necessary for responsible carbon and especially relevant to the planning and design stage of a project.

Rightsholder identification and risk assessment

Identifying rightsholders and assessing risks that could arise out of carbon projects is essential to socially responsible project design, and a requirement of carbon standards, including Verra's VCS v4.5 and CCB Standards.

The complex land tenure systems in Indigenous communities, where communal and individual rights often intersect, pose significant challenges. Addressing these complexities is essential to ensure fair benefit sharing and project legitimacy.

Addressing differences between communal land rights and individual perceptions is important to support project success and effective benefit sharing. Under the law, communities have the right to receive collective land titles and the authority to manage land use through their own governance structures. In practice, while communal tenure is emphasized, many individuals perceive land allocation as a form of individual (or household) ownership, leading to variations in the understanding and implementation of land rights across different communities.

Differences between tenure rules as written and in practice, and variations in land access among communities, are relevant to the project's success and legitimacy. Although no conflicts over land allocation or individual rights were reported, these issues should be carefully studied to inform the benefit sharing mechanism and project implementation. Under the TPI, individuals' land allocations

might face restrictions in exchange for shared benefits (determined through the benefit sharing mechanism); these individuals foregone use of land will not be directly compensated.

Identification of land rights and a careful assessment of the land tenure system as practiced may be needed to support the design of equitable benefit sharing arrangements at the communal level. An analysis of these rights should be shared with communities to ensure proper engagement and consent.

Conservation Agreements and capacity building can be effective tools to enhance fiscal responsibility and project success. The Conservation Agreements model is well-regarded and in high demand among community members. Through Conservation Agreements, benefits have been established in four communities to incentivize the restoration of 1,000 hectares of land by the end of 2024, with compensation for individual landholders for reforestation work and cultivation of vanilla, coffee, and cacao. Workshops on financial management are provided to address household money management issues as well as technical support, diverse food production, and handicraft training.

Consultation, engagement, and consent

Effective consultation is vital for the success of carbon projects, yet achieving meaningful participation remains challenging. TPI illustrates the need for continuous, transparent engagement, with community members expressing support for the initiative but lacking detailed understanding of its implementation.

To be effective, consultation and consent processes in carbon projects should involve a structured, multistep approach. This typically involves preliminary meetings to introduce project concepts, followed by community-specific consultations led by trusted local representatives. Such processes are crucial in securing community buy-in but require continuous support and transparent communication to maintain momentum and trust throughout the project's lifecycle.

Even with structured consultation processes, misunderstandings can occur, particularly when project concepts are unfamiliar or complex. Communities may interpret initiatives in ways that align with their cultural context, which can differ from the project's intended framework. It is essential to ensure that community members not only understand the overarching goals but also the specific commitments and benefits associated with the project. Effective communication strategies should address potential gaps in understanding and ensure that all participants are well-informed.

The success of community-based initiatives hinges on the transparent and equitable distribution of benefits. Both individual and community-level benefits must be clearly defined and communicated before consent is sought. This ensures that communities are fully aware of what they are agreeing to, thereby fostering trust and long-term commitment to the project. While Conservation Agreements detail with clarity how individuals will benefit, at this stage of TPI, community benefits are not yet clearly defined, and the field study confirmed that community members were largely unaware of the specific benefits and how they would be distributed, raising concerns about transparency, trust, and the potential risks to the project's success. Yet the requirements for consultation and consent include an expectation that communities are aware of and agree to the terms of a benefit sharing arrangement before they consent to the use of their land (through participation in the carbon project).

The use of established community decision-making processes, such as General Assembly votes, is crucial for obtaining consent in Indigenous contexts. These processes must be respected and adhered to, ensuring that all community members have the opportunity to participate. However, ensuring that

participation is genuinely inclusive, especially in contexts where traditional norms may limit the voices of certain groups, remains a significant challenge.

Achieving meaningful participation from all community members, including women, requires more than just attendance at meetings. Persistent cultural norms may limit the impact of women's participation, even when efforts are made to encourage their involvement. To address this, projects must go beyond simply inviting women to meetings and work towards creating an environment where their contributions are valued and respected. CI's longstanding work to advance women's participation in project activities, address the root causes of gender-based violence and discrimination, and empower women stands out as a positive example of how a commitment to gender equality can yield positive results over time.

Community and Project Governance

Governance structures in Indigenous communities, though respected, may lack the capacity to enforce decisions effectively. TPI highlights the need for capacity-building among community leaders and the establishment of complementary governance mechanisms to support long-term project success.

Leaders' capacity limitations and limited confidence in community leaders may challenge successful oversight and implementation of project over the long run. CI-Peru and FERIAAM engaged with legally recognized community leadership structures. However, these structures may lack authority and be perceived as ineffective by some community members, as participants in the field study raised concerns about weaknesses among leaders, enforcement issues, and favoritism. Moreover, community governance, as defined by law, may not fully align with traditional practices, and bylaws often do not reflect local norms or are poorly enforced. In light of these limitations, project proponents should take care to assess the legitimacy and strength of governance structures in each community to ensure that the rules and commitments established as part of the Initiative are enforceable and free of controversy.

Field assessments and the 2022 social baseline report reveal limited leader capacity and low community confidence in leaders. Although there is general confidence in community bylaws and the roles of leaders are clearly defined, leaders often struggle to enforce decisions and agreements, which can undermine commitments made through consultation processes. This could pose a challenge for enforcing rules around land and forest use adopted under TPI.

Communications gaps between leaders and communities can undermine strong communications efforts between a project and community leaders. Communication between community members, leaders, and FERIAAM needs improvement. Community members reported receiving vague information about TPI, citing as an issue that community leaders are often not diligent in communicating back to community members following engagement with FERIAAM and others. Variability in participation and engagement in community assemblies was noted, with some leaders not fully engaging or addressing members' concerns. FERIAAM acknowledged these communication challenges and recognized the need to enhance how information is shared and processed within the communities. Communications issues may be more pronounced for community members residing outside the central community.

Project design can overcome community and project governance challenges. While CI and FERIAAM are actively working on approaches to support leadership capacity building to address capacity issues among community leaders, the short terms of leaders—both at the community level and for FERIAAM—

presents a further challenge. For instance, under the bylaws of Yarau, a member of the *junta directiva* can serve a maximum of two two-year terms. The terms of the current board of FERIAAM will conclude this year, which poses a significant risk for the Initiative's continuity at this critical moment in the rollout of the TPI.

Because these constraints derive from the legitimate community governance structures and processes, overcoming these challenges may require working with community leaders to develop a separate governance structure to guide the implementation of the carbon project.

Gender Equality

Gender disparities persist, with women often marginalized in decision-making processes. TPI demonstrates the importance of integrating gender equality into project design, ensuring that women's voices are heard and that they benefit equitably from carbon initiatives.

Carbon projects often have differing impacts on women and men, with a disproportionate, negative impact on women's economic well-being, livelihoods, land rights, and societal roles. While carbon certification standards mandate respect for human rights, including gender equality, they lack specific guidance on achieving gender equality. TPI provides an opportunity to explore how to address cultural and structural barriers to women's equality, ensuring their meaningful participation, benefit sharing, and consent in carbon projects.

TPI faces risks and challenges for women in Awajún communities due to existing gender inequalities. CI's efforts to address gender risks have led to successful women's leadership and agroforestry programs. However, gender issues remain widespread in these communities, where men control economically valuable land uses, while women are often relegated to lower-income activities. This dynamic is exacerbated by land leasing practices dominated by men. The social baseline studies and field assessments revealed that women's participation in community decision-making is limited by family obligations and women's views are often ignored in meetings, rendering their participation in decision-making less meaningful.

Tackling gender issues is challenging but feasible, and successful conservation requires ensuring safety and justice for community members, regardless of gender. Since 2013, CI has made significant efforts to address gender risks and promote women's empowerment in Shampuyacu and other Alto Mayo communities. Despite these efforts, women remain marginalized and face systemic barriers that limit their full participation and benefits from TPI. The project's scope—reaching all 16 Awajún communities represented by FERIAAM—presents an opportunity to build on CI's successes and drive gender-transformative change.

Conclusions and Lessons Learned

TPI demonstrates the complexity and promise of carbon as a source of long-term funding and support for Indigenous communities to thrive through more sustainable governance of land and resources. CI and FERIAAM have taken the first steps towards gaining the consent of communities to participate in a carbon project that, if successful, will increase ecosystem health and protect biodiversity within Alto

Mayo region while supporting a resurgence in Awajún culture, institutions, and socio-economic well-being. Through community meetings and consultation with leaders, the co-proponents have received community approval to proceed with TPI. The difficult work ahead is to demonstrate the economic viability of the plan to use carbon finance to supplant incomes from land leasing, establish and support governance structures that will enable the smooth and transparent operations of TPI, and overcome the communications and logistical challenges of implementing TPI across the 16 communities.

Doing so will require careful navigation of layers of complexity and diverse community and environmental circumstances amid rapidly developing processes and project-driven timelines that may have little to do with community expectations or time needed for ecological or economic change. At the present time, there is little evidence to base decisions on. This report identifies several tensions and raises some questions yet to be answered.

This study demonstrates the complexity and promise of carbon as a source of long-term funding and support for Indigenous communities to thrive through more sustainable governance of land and resources, and points to the following conclusions:

FPIC is necessary but not sufficient to ensure full realization of Indigenous Peoples' rights and development of carbon projects that support sustainable, thriving communities over the long-term.

Specific guidance is needed to ensure that carbon project developers implement FPIC more effectively.

Carbon certification standards tend to stop at requiring FPIC, while saying virtually nothing about what FPIC means in practice, leaving it up to proponents and verification bodies (individual consultants/audit teams) to interpret and evaluate FPIC implementation. With no binding mechanism for accountability and enforcement, and variable standards for assessing whether safeguards are adequate, the safeguards provide no guarantee that harm has been avoided in practice.

Practice guidance on FPIC for carbon projects should be developed and should include:

- A process of continuous, multi-directional information sharing that supports iterative design,
- Adaptation to changing social, economic, and environmental contexts, views of community participants, and external pressures in a community,
- Advice on approaches to work with and support often-complex traditional leadership structures while ensuring that projects are gender-equitable, transparent, and accountable, and
- Cases and examples of concrete actions and steps that result in socially responsible conservation (and particularly Indigenous-led carbon projects).

Requirements for meaningful consultation and consent (including FPIC) apply to any project proponent (including Indigenous organizations).

The standards offer no guidance on what is required to fulfill FPIC in the context of *Indigenous-led* carbon projects. As discussed in this report, such standards were developed to safeguard communities against risks arising from projects that impact their rights or that might result in physical, environmental, economic, or other harms.

These risks are present in carbon projects regardless of the identity of the proponent: communities can be left worse off as a result of a project, and some individuals within a community, such as women, may more at risk than others. The standards should therefore be the same as for carbon projects not led by

Indigenous organizations in order to avoid the risks and protect the rights of affected men and women while also bolstering the legitimacy and success of projects.

Realizing socially responsible carbon projects may require fortification of Indigenous or local-level governance or the development of complementary governance structures or processes at the project level.

Achieving rights-based economies requires the development of solutions that must be led by communities and must ensure the respect for communities' rights of self-determination, culture, and cosmovision. Participation in carbon projects can render communities vulnerable to economic uncertainties due to market changes. Accountable, transparent, and effective governance structures are important to support communities' ability to withstand and adjust to such uncertainties.

Carbon projects can form part of community-driven, sustainable land and forest management where projects are:

- Coherent with community priorities and plans
- Respectful of rights, culture and cosmovision
- Supported by community-driven plans, protocols, and governance structures
    - Based on FPIC—including meaningful engagement with the above

Overall project success and legitimacy require navigating complex communal and individual land tenure practices, especially in connection to benefit sharing.

Land tenure risks can be especially challenging to parse where the legal framework for Indigenous land rights presumes and recognizes collective tenure arrangements that may differ from traditional and contemporary tenure practices and norms.

Respecting Indigenous norms for land and resource government is a requirement for carbon projects under VCS v4.5 and other standards. Land rights assessment is essential to identify impacts (at both the individual and communal levels), potential conflicts, and to inform the design of effective incentives over the life of the project.

Differences between traditional or written norms and contemporary practices could be relevant to the overall success and perceived legitimacy of the project over time. Assessing risks and impacts that could result from a long-term change in land use and management is a recommended best practice and should inform design to ensure that the conservation-oriented rules under TPI are respected and implemented.

Land tenure and benefit sharing complexities need further attention:

- How to manage communal-benefit projects with individual impacts
- How to analyze land tenure and risks associated with it
- How to negotiate/design benefit sharing mechanisms
- How to maintain project legitimacy in the long term

Gender equality is difficult to achieve but it is essential that proponents work to advance equal participation, benefit sharing, and overall well-being of women through carbon projects.

Through its work in the Alto Mayo communities CI has shown that it is possible to make positive changes in the face of entrenched and pervasive discriminatory norms that limit and threaten women's well-being. Such successes require targeted programming that is based on careful risk assessment and that is committed to adaptive project design and management that work to understand and address the root causes of inequality.

What does it take to ensure socially responsible carbon projects?

The absolute cost of developing and implementing socially responsible carbon projects—projects that meet requirements for fully respecting the rights of communities to FPIC—is relatively high, particularly where the enabling framework for the exercise of rights is weak. The recommendations in this report constitute the minimum set of actions necessary to meet the standard, adhering closely to the requirements under VCS and CCBS and, where applicable, suggesting actions that may go beyond these requirements in order to mitigate potential risks to the project or communities. A question worth pursuing further is whether buyers will be willing to pay a premium for carbon credits that are generated responsibly, and whether that will ultimately be enough to ensure that communities see a return on their investment to sustain their vision for thriving by living in harmony with their own values and vision for forestland management.

1. Introduction

In the global effort to meet the urgent challenges of climate change, carbon financing mechanisms hold promise as a way to strengthen Indigenous tenure rights and stewardship of tropical forests while reducing carbon emissions in line with United Nations Framework Convention on Climate Change (UNFCCC) targets. The decades since the origin of global carbon markets have seen a proliferation of carbon projects, with many cautionary examples of negative impacts on human rights and the environment, as well as a deepening understanding of and innovation in the design, implementation, and monitoring of such projects to ensure that they can deliver on the promised positive impacts on people, climate, and nature.

Investment in carbon projects has focused most intensively on tropical forests, which account for an estimated 55 percent of global terrestrial carbon stocks.[1] These forests are also essential to the identities and livelihoods of Indigenous and forest-dwelling communities.[2] The legal recognition and secure land and forest tenure rights of Indigenous Peoples, local communities, and Afro-descendants are essential to achieving carbon storage and emissions reduction efforts.[3] Yet even where their rights are legally recognized and documented, communities face challenges to realizing their rights in the context of commercialization of land and forest resources, including through carbon projects.[4] The implementation of carbon projects in Indigenous territories introduces a complex array of challenges and opportunities for protecting and strengthening the rights of Indigenous Peoples and ensuring that carbon projects advance the cultural, economic, environmental, and social priorities of communities whose land and forests are so critical to meeting the global challenges of climate change.

Globally, there is demand for greater respect and accountability for social and human rights impacts of carbon projects that lead to positive outcomes for Indigenous Peoples and local communities. As legal frameworks, carbon certification standards, and organizational safeguarding policies catch up, they increasingly include requirements aiming to ensure that carbon projects respect rights and enhance social and economic benefits to communities.

Whether these social carbon standards will result in better outcomes for communities is not yet known: we know that many projects certified under these schemes have resulted in serious abuses and failures for communities and forests.[5] One potential reason is that standards lack detailed guidance about how to meet the requirements, particularly with respect to navigating cultural contexts and identifying and overcoming barriers to equitable participation and decision making to ensure that the rights of communities are respected. Detailed information about the practices and results of projects certified

[1] Sze, J. S., Carrasco, L. R., Childs, D., & Edwards, D. P. (2021). Reduced deforestation and degradation in Indigenous Lands pan-tropically. Nature Sustainability, 5(2), 123–130. https://doi.org/10.1038/s41893-021-00815-2.
[2] Arianti, F. (2023). Blog, "Indigenous Land Stewardship Keeps Forests Standing," Rainforest Action Network, February 13, 2023. https://www.ran.org/the-understory/indigenous-land-stewardship-keeps-forests-standing/
[3] Rights and Resources Initiative (2020) Estimated area of land and territories of Indigenous Peoples, local communities and Afro-descendants where their rights are not recognized, https://doi.org/10.53892/UZEZ6605.
[4] Knight, R. (2020) The Challenge of Protecting Community Land Rights: An Investigation into Community Responses to Requests for Land and Resources. https://www.land-links.org/wp-content/uploads/2020/02/Challenge-of-Protecting-Community-Land-Rights_Executive-Summary_web.pdf.
[5] Burton, J. & J. Keenan. (forthcoming). A literature review of the social performance of carbon-offsetting projects with special reference to Indigenous participation.

under enhanced schemes is also lacking. Monitoring and reporting are costly, and requirements under the standards do not mandate the level of disclosure that would support learnings about challenges and good practices to overcome those challenges.

A global shift in mindsets is recentering forestland restoration and conservation efforts within a framework in which Indigenous Peoples and local communities—rather than external project promoters—drive decisions about land and forest use, embodying a respect for Indigenous rights to self-determination and a recognition that forest management outcomes for carbon capture and avoided deforestation improve under Indigenous management. Efforts to integrate social safeguards into carbon standards have yet to catch up: standards for consent of communities must be conceived of and articulated differently because Indigenous People must be the drivers and owners of these systems.[6] These challenges, and the market-based responses that seek to address them, require careful consideration of how to ensure that Indigenous-led carbon projects respect rights and what arrangements for project governance and decision-making will be best able to support community buy-in, sustainable and successful projects, and thriving communities over the long-term.

This report presents the findings of an early-stage study of an Indigenous-led carbon project in the Alto Mayo region of Peru. The Tajimat Pujut Initiative (TPI) aspires to use carbon finance as a tool to support vital conservation and restoration efforts in the Alto Mayo region while renewing and strengthening community health, leadership, and economic well-being. The project exemplifies the challenges inherent in designing and implementing projects at the intersection of global climate goals, Indigenous rights, and responsible project governance. Through this study, we explore the process of establishing the project to date and its alignment with community rights and expectations, as well as organizational and global objectives.

The study was initiated under the Community-Smart Consultation & Consent (CSCC) project, a partnership of Landesa, Conservation International, the Centre for Social Responsibility in Mining, and RESOLVE, aiming to strengthen and scale inclusive and effective natural resource governance by improving community-smart consultation and consent practices of all stakeholders. This study is a collaboration between BHP Foundation's Natural Resource Governance Program (which funds CSCC) and its Environmental Resilience Program (which has funded CI's Alto Mayo Awajún Communities Landscape Project and TPI).

Our analysis and findings aim to support the ongoing development and self-determination of the Alto Mayo communities, offer actionable insights and recommendations for project partners, and contribute to the broader discourse on responsible carbon initiatives.

[6] See Rights and Resources Initiative (2023) The Land Rights Standard: Principles for best practice for recognizing and respecting Indigenous Peoples', local communities' and Afro-Descendant Peoples' land and resource rights in landscape restoration, management, conservation, climate action, and development projects and programs. https://rightsandresources.org/land-rights-standard/.

2. Background and Context

This study occurs in the context of significant and rapid changes in global approaches, systems, and policies related to conservation and development. Compared to sectors such as mining, agriculture, and conservation, carbon projects themselves are relatively new, with many unknowns and a lack of established practices. In many places, there is not clear policy on who has the rights to the carbon in the first place. For communities, carbon projects present an opportunity to derive economic stability from forest and land stewardship, yet the commercialization of intangible products such as carbon and biodiversity can be conceptually challenging to communicate, and technically demanding to design, implement, and monitor. The development and implementation of carbon projects in Indigenous territories presents particular challenges and opportunities for Indigenous communities and requires attention to ensure respect for the land and resource rights of Indigenous Peoples.

Carbon markets are also rapidly developing as nations and corporations intensify their commitments to lowering carbon footprints and achieving net-zero targets. The urgent global challenge of climate change has sparked a growing focus on protecting and restoring forests, particularly in rural tropical areas.[7] Well-managed forests act as carbon sinks, trapping excess carbon from the earth's atmosphere and yielding myriad long-term economic and climate-related benefits.[8] Policies aiming to achieve the dramatic reductions in greenhouse gas (GHG) emissions needed to meet global targets advocate for nature-based solutions to reduce carbon emissions and expand protected areas. With over 40 percent of all terrestrial protected areas and ecologically intact landscapes on Indigenous lands, the rapid growth of carbon markets and carbon projects present a challenge and an opportunity for securing land, carbon, and forest rights, livelihoods, and the cultural survival of Indigenous Peoples.[9]

Secure rights of Indigenous Peoples to their land and resources are a fundamental right and a critical pathway to achieving global efforts to address climate change, land and habitat degradation, and biodiversity loss. Recent research has shown that forests that are held and managed by rural and Indigenous Peoples are associated with improved outcomes for carbon storage, biodiversity, and rural well-being.[10] In Peru, evidence suggests that land titling of Indigenous territories significantly reduces forest disturbance and clearance.[11] In Brazil, areas where Indigenous residents were granted full collective property rights over their lands experienced markedly (66%) lower deforestation rates between 1982 and 2016.[12] At the same time, these healthier ecosystems can better support rural

[7] Sze, J. S., Carrasco, L. R., Childs, D., & Edwards, D. P. (2021). Reduced deforestation and degradation in Indigenous Lands pan-tropically. Nature Sustainability, 5(2), 123–130. https://doi.org/10.1038/s41893-021-00815-2.
[8] Veit, P. (2021) 4 Ways Indigenous and Community Lands Help Fight Climate Change. Rights and Resources Initiative website. https://www.wri.org/insights/4-ways-indigenous-and-community-lands-can-reduce-emissions
[9] Garnett, et al. (2018). A spatial overview of the global importance of Indigenous lands for conservation. https://www.cifor-icraf.org/knowledge/publication/6991/.
[10] Fischer, *et al.* Community forest governance and synergies among carbon, biodiversity and livelihoods. *Nat. Clim. Chang.* 13, 1340–1347 (2023). https://doi.org/10.1038/s41558-023-01863-6.
[11] Blackman, et al. (2017). Titling indigenous communities protects forests in the Peruvian Amazon. PNAS 114 (16) 4123-4128. https://doi.org/10.1073/pnas.1603290114
[12] FAO and FILAC. 2021. Forest Governance by Indigenous and Tribal People. An Opportunity for Climate Action in Latin America and the Caribbean. Santiago.

communities' livelihoods and sustenance, reducing displacement, food insecurity, and poverty in the long-term.[13]

Yet this positive result is far from assured: reports from across the world show that land and human rights violations related to carbon projects are common, with Indigenous Peoples losing their livelihoods and ability to enjoy their traditional lands and resources without sharing in the benefits from the sale of carbon from their territories. Rising concern about carbon markets has led Indigenous rights advocates and representatives to call for global moratoria on forest carbon trading.[14]

The rapid growth of carbon projects brings about considerable uncertainty and confusion surrounding market dynamics and the development of needed regulatory frameworks, mechanisms to ensure traceability, integrity, and integration with national and global systems, and reliable, clear, and adequate methodologies for supporting positive social, economic, and environmental outcomes. While developing more slowly than carbon projects are materializing, regulatory and safeguarding frameworks are evolving to meet demands for higher integrity and traceability. Importantly, free, prior, and informed consent (FPIC) to actions impacting their land, territories or rights is both a right of Indigenous Peoples and a tool in respecting their other rights. FPIC applies beyond carbon projects to any sort of project that impacts Indigenous Peoples and their natural resources and is recognized in international declarations and treaties and various national laws. More recently, FPIC has made its way into voluntary carbon market standards, albeit in a more ambiguous manner than some other sectors.

The growing recognition of the need for inclusive, equitable, and sustainable approaches that respect the rights and knowledge of Indigenous communities has prompted an increase in emphasis on Indigenous-led or co-created projects, where Indigenous communities are the drivers of their own resource management and development decisions from the outset. Conservation International (CI) is committed to empowering societies to be more responsible stewards of global biodiversity and supports conservation initiatives that are designed and led by Indigenous Peoples and local communities. TPI is one of the first Indigenous-led initiatives co-implemented by Conservation International (CI) in Peru.

It is important to note that the current standards for carbon projects were not designed with an Indigenous-led or co-developed project approach in mind, and instead presume that an external entity will solicit consent of the rights-holding community to participate in the carbon project. As this development and conservation model—in which the role of communities is limited to accepting or receiving project proposals coming from external agents—gives way to models that center sustainability initiatives in the context of Indigenous self-determination, active land stewardship, and rights-based economics, there is a need for better frameworks and clear guidance to support Indigenous leadership and co-creation of carbon projects, while ensuring that community members have voice in decisions and can benefit from projects.

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[13] Evans, M. (2020). Blog – "Respect for Indigenous land rights key in fight against climate change." Forest News https://forestsnews.cifor.org/67515/respect-for-indigenous-land-rights-key-in-fight-against-climate-change?fnl=en%20m.

[14] Cannon, J. (2023) Blog - Indigenous-led coalition calls for moratorium on terrestrial carbon trade. Mongabay News. https://news.mongabay.com/2023/12/indigenous-led-coalition-calls-for-moratorium-on-terrestrial-carbon-trade/.

This study enables a unique view of the complexities of Indigenous-led development as TPI project partners work together to navigate different systems and frameworks and adapt to nuanced socio-cultural, legal, and economic realities on the ground. It identifies gaps and limitations of current practices, emphasizing the necessity for adaptive and responsive implementation. It also offers insights into opportunities to better support Indigenous-led and co-created conservation and development initiatives.

Against the backdrop of increasing global attention on carbon projects, and a growing demand that such projects are designed and delivered to demonstrably safeguard the social, environmental, and economic rights of communities—including through fulfilment of the FPIC standard—TPI offered a timely opportunity to better understand what works well and what could be improved in the design of Indigenous-led carbon projects. This study was designed to draw concrete lessons about consultation and consent that could be put into action in the current project and beyond.

2.1 Case study

2.1.1 Alto Mayo, Peru and Awajún communities

The Alto Mayo landscape in the San Martín region of Peru covers approximately 780,700 hectares, and comprises the broad valley of the upper Mayo River, with the Cordillera Cahuapanas to the northeast and the higher slopes of Cordillera Central of the Andes to the southwest. The landscape is home to about 244,000 people, including members of the Awajún ethnic group (approximately 6,500 people), a non-Indigenous population composed of local people whose descendants have resided in the area for generations, and migrants from the Andes who arrived in the area within the last 30 years following construction of a highway into and through the valley. Located at the intersection of the Andean cloud forests and the Amazonian lowland rainforests, it is an area with exceptionally high biodiversity. In recent decades, the region has experienced high levels of deforestation and forest degradation, as well as a decline of traditional land and forest management practices among the Indigenous population.

The reductions of both forest cover and traditional land management practices stems from the expansion of conventional agricultural practices in the valley—which is particularly well suited to various cash crops, including rice in the broad, fertile bottomlands and cacao and coffee in the upland areas — as well as demographic pressures on Indigenous communities given the large and expanding non-Indigenous population in the area. For at least the past 30 years, following state policies promoting commercial agriculture in the region, Awajún communities in the Alto Mayo have been renting an ever-increasing share of their land to migrant farmers, who have cleared the forests to establish long-term monocultures.[15]

The Alto Mayo Awajún communities are not equally exposed to this deforestation and demographic pressure. Communities located near the highway (and river) have faced particularly acute pressures from migration and agricultural expansion, and are thus much more deforested. Meanwhile, those communities located further upland but still within reach of road networks face lower but increasing

[15] Sarmiento Barletti, J.P., Begert, B. & Guerra Loza, M.A. (2021) Is the Formalization of Collective Tenure Rights Supporting Sustainable Indigenous Livelihoods? Insights from Comunidades Nativas in the Peruvian Amazon. International Journal of the Commons. 15 (1). doi:10.5334/ijc.1126.

pressure, particularly from migrants seeking to grow coffee and cacao. Finally, the more remote Awajún communities located along the crest of the Cordillera Escalera along the Loreto-San Martín border have, to date, faced relatively little development pressure, resulting in essentially all of their forest cover remaining intact.

Sixteen of the region's 17 Awajún communities[16] are united under the leadership of the Regional Awajún Indigenous Federation of the Alto Mayo (FERIAAM), an Indigenous organization that represents the demands and interests of these communities within the national structure for Indigenous governance and advocacy. Each community is governed by elected leaders through legislatively-established governance structures (see Section 4.5.1.2). Through these structures, communities elect to participate in the FERIAAM federation. FERIAAM leadership is elected by and accountable to the communities that it represents, and membership of communities in FERIAAM is voluntary.

2.1.2 History of CI-Peru's work in Awajún communities

CI-Peru's engagement in the Alto Mayo began in 2007, when CI began a sustainable landscape initiative in the region, with the main objective of promoting a development model that is profitable and beneficial for local residents while also protecting nature.[17] While this work initially focused on non-Indigenous communities, in response to higher levels of deforestation there, Awajún leaders invited CI to support their communities as well. In 2013, CI first began working in the Awajún community of Shampuyacu to support restoration of their native forests, along with women's empowerment and recovery of ancestral cultural practices. In 2015, with funding from CI's global headquarters, CI-Peru began to work with additional Awajún communities and adapted CI's Conservation Agreement[18] model to the context of the Awajún communities. The primary aim of the Conservation Agreements is to reach a voluntary compromise with communities in which they agree to refrain from environmentally harmful activities, such as deforestation or leasing the land for agro-chemical intensive monocrops, and instead engage in reforestation and/or conservation of their forests. In exchange, CI agrees to provide support for environmentally sustainable sources of income. In the case of the Awajún communities, the focus was primarily on integrating culturally compatible economic activities to provide alternative sources of income that could replace the income received from renting out their communal lands for agricultural uses. In communities that have developed a Life Plan,[19] CI's support has been aligned with the vision established by the community in its Life Plan in order to further ensure cultural compatibility and

[16] Three of the sixteen communities that make up FERIAAM are located in the Loreto region, in the area adjacent to the Alto Mayo landscape. Even though not technically part of the Alto Mayo landscape, in historical and cultural terms, they are part of the Alto Mayo Awajún.

[17] CI's work in the region was initially focused on the Alto Mayo Protected Forest, a designated natural protected area along in the western portion of the Alto Mayo landscape (see Figure 1). That work is distinct from CI's engagement with Awajún communities in the Alto Mayo valley, and is therefore not the focus of this report, despite occurring in a nearby location.

[18] Kane, C. (2018) *What on Earth is a 'conservation agreement'?* 20 February 2018. Conservation International. https://www.conservation.org/blog/what-on-earth-is-a-conservation-agreement.

[19] 'Planes de vida', or Life Plans, are the primary strategic planning instruments used by Indigenous communities in many parts of the Amazon Basin. Developed through a collective and participatory process, Life Plans represent a community's own vision for their future. See: Velásquez Landmann, M.E. & Macedo Bravo, M. (2016) *Plan de Vida. Guía para la Planificación Colectiva*. Lima, Ministerio de Cultura del Perú. https://centroderecursos.cultura.pe/es/registrobibliografico/plan-de-vida-gu%C3%ADa-para-la-planificaci%C3%B3n-colectiva.

community acceptance. Examples of economic activities that CI has supported in Awajún communities include:

- technical support for sustainable cultivation of agroforestry crops such as cacao, coffee, and vanilla;
- support for commercialization of produce, including food crops and medicinal plants; and
- support for community-based ecotourism.

In the ensuing years, scaling of this work was limited by lack of funding. Eventually, in 2019, with funding from BHPF, CI was able to significantly expand this work to include engagement with eight Awajún communities over a five-year period (2019-2024).[20] The successful experience of early-engaging communities, such as Shampuyacu, demonstrated the potential of this model for producing positive community and conservation outcomes and led additional Awajún communities to express interest in collaborating with CI. However, sustaining these activities, while also expanding the project to additional communities, would require an additional, sustainable funding source.

2.1.3 Tajimat Pujut Initiative (carbon project)

In the years leading up to 2020, FERIAAM was approached by several 'carbon prospectors'—companies seeking to enter into agreements to sell carbon credits generated from Awajún communities' territories, and making bold statements about the benefits they would provide to the communities. Wary of companies seeking to take advantage of Indigenous communities, FERIAAM rejected these offers. [21] During this same period, FERIAAM was also working to advance their aspirations of reforestation, conservation, and cultural revitalization. By this point, they had observed how the cycle of renting an ever-increasing share of Awajún lands for cash income had left many of their communities with minimal forest cover. As communities traditionally dependent upon the forest, this loss entailed an undermining of their food security as well as their cultural integrity. FERIAAM was thus seeking a means to enable communities to shift away from dependence on renting, toward a more sustainable economic model aligned with their cultural values. Struggling to find sufficient funding for such efforts, they understood clearly the need for a source of sustainable financing that was also compatible with their aspirations, and carbon projects seemed to present such an opportunity.

Consequently, in 2020, FERIAAM decided to explore the possibility of undertaking a carbon project in Awajún communities. Having developed trust in CI over their years of work in the region, FERIAAM decided to approach CI to discuss the potential of co-developing such a project. In 2021, FERIAAM received approval from the Awajún Congress, the decision-making body composed of the jefes, or chiefs, of each of the constituent communities, to proceed with pursuing a carbon project.

[20] The eight Awajún communities involved in the BHPF-funded work (2019-2024) are: Alto Mayo, Alto Naranjillo, Cachiyacu, El Dorado, Huascayacu, Morroyacu, Shampuyacu, and Yarau.

[21] Each community is the titleholder to its respective territory. This means that the communities are the ones that would need to enter into any such agreements, following the processes required by the community bylaws (*estatutos*). The Jefe/Pamuk (chief) of the community would be the legal representative who would sign the agreement. While FERIAAM was approached by companies and has the ability to convene and make proposals to communities, any agreement for use of community land or resources would be with a community. For reference, Conservation Agreements are signed by the Jefe of the community in question as well as by the FERIAAM president.

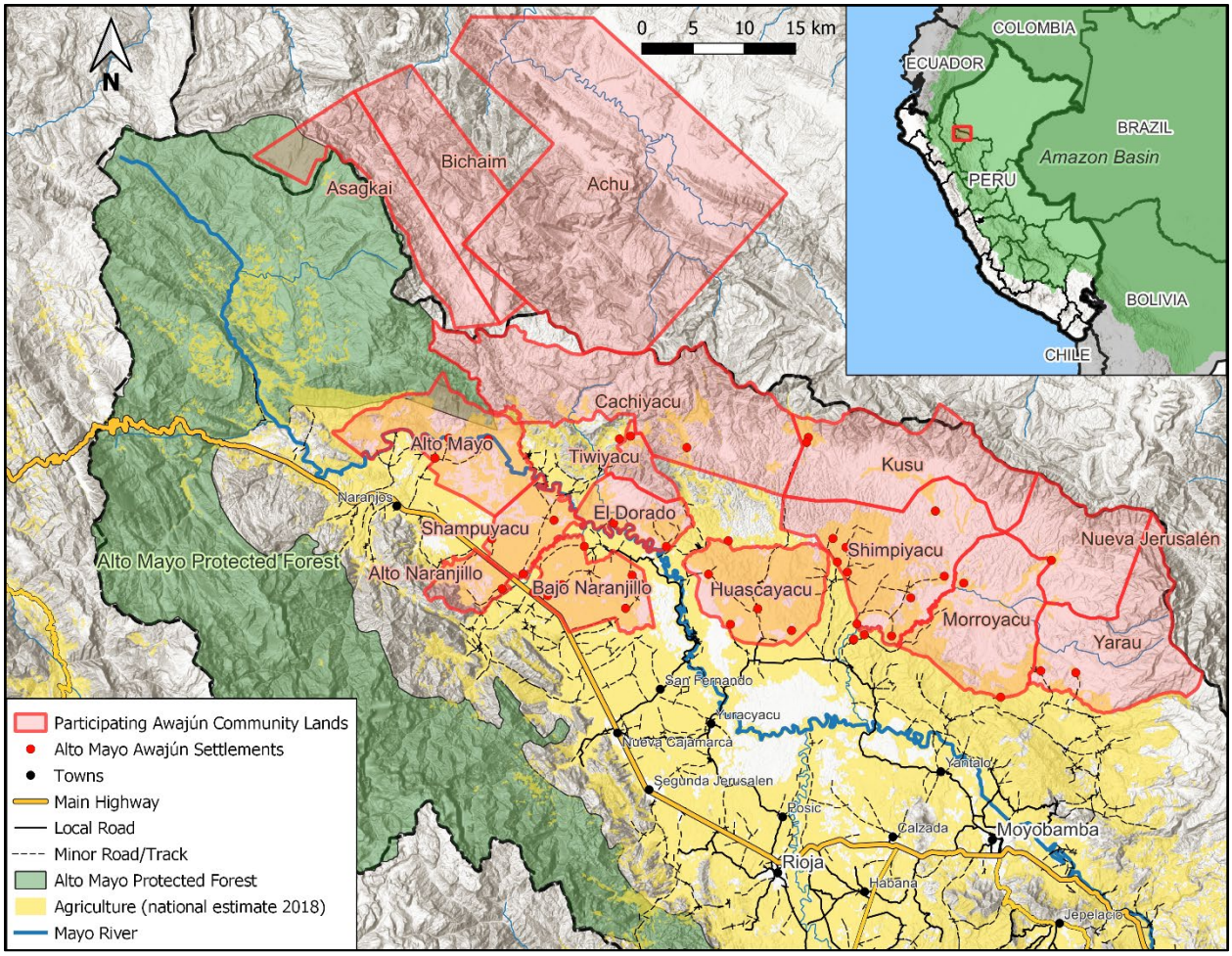

Figure 1. Map of TPI Project Area (Source: Landesa)

The result of this was the launch of TPI,[22] a grouped carbon project[23] that aims to provide a longer-term funding source to support this work of reforestation, conservation, and cultural revitalization to support environmental, social, and economic well-being in the 16 Awajún communities which FERIAAM represents. The land title holders (and therefore the owners of associated carbon rights) for this carbon project are these 16 communities, each of which holds a collective land title as a *Comunidad Nativa*, with a combined area of 2,355 km^2. The project aims to generate carbon credits through a combination of Reduced Deforestation and Forest Degradation (REDD+) and Afforestation, Reforestation, and Revegetation (ARR) activities.

[22] Registered with Verra as "Tajimat Pujut - Restoration and Conservation of the Alto Mayo Awajún Forests" https://registry.verra.org/app/projectDetail/VCS/4749

[23] Under the Verra Verified Carbon Standard (VCS), a grouped project "combines multiple project activities into a single, combined project that adds new instances over time. Using VCS requirements for grouped projects, a project proponent may avoid undergoing a full validation for each new instance added to the project. This can allow projects to scale up over time and reduce transaction costs." https://verra.org/grouped-projects/. In the CI-FERIAAM project, each community is considered as a different project activity that may be added as the project fulfills necessary requirements in that community.

The draft Project Description Document (PDD) of TPI lays out six strategies that the initiative will focus on in order to reduce deforestation and increase reforestation to comply with the selected carbon standard (Verra's VCS v4.5):[24]

1. ***Strengthened governance for better management of the Alto Mayo Awajún territory****: through capacity building for internal planning and decision-making, at both the community level and intercommunal levels, including around transparency and inclusivity of governance.*
2. ***Promote the planning and management of the Alto Mayo Awajún territory****: by promoting the development of life plans in each community.*
3. ***Conservation of forests and restoration of degraded areas in the Alto Mayo Awajún territory****: by the control and surveillance from each community to prevent deforestation, by propagating and planting seedling for ecological restoration, and by supporting farmers within Awajún communities to adopt successional agroforestry practices—all based on agreements between FERIAAM and each of the communities, which will describe the benefit distribution mechanism agreed with them.*
4. ***Diversify income through sustainable economic activities in the Alto Mayo Awajún territory:*** *by promoting income diversification through economic activities that do not cause deforestation or a negative environmental impact. All the activities of this strategy will be presented to the communities as part of the benefits provided as a result of this project; that is, they are part of the benefit distribution mechanism.*
5. ***Promote the strengthening of the cultural ties of the Alto Mayo Awajún people with its territory and forests:*** *by re–establishing and strengthening the connection of the Alto Mayo Awajún people with its territory and forests and recovering traditional knowledge from community elders for sharing with Awajún youth.*
6. ***Elaborate and implement project safeguards:*** *which will allow the project to start and be implemented with the approval from all stakeholders, particularly the communities. This strategy includes the activities to properly communicate information about the project in the communities so the decision to participate is made based on as much information as possible.*

In practice, the launch of TPI as a carbon project represents a continuation of CI's prior work in the communities, with a few key distinctions:

- **FERIAAM as Primary Project Proponent** Although FERIAAM was previously a partner associated with CI's work, under TPI, FERIAAM is the lead partner (the primary project proponent, with CI as co-proponent). FERIAAM is playing a key facilitating role in the design, negotiation, and implementation of the project. CI's primary role as co-proponent is to provide technical and development assistance during the design and implementation process for the commercialization of carbon credits together with FERIAAM, with technical support from several partners. CI will also initially support with financial administration and management for subcontractors for delivery of services to communities, while supporting FERIAAM to increase its

[24] Adapted from: Fundación Conservación Internacional (2023) *TAJIMAT PUJUT - El buen vivir - Restauración y conservación de los bosques Awajún del Alto Mayo [Draft Project Description Document]*. https://registry.verra.org/mymodule/ProjectDoc/Project_ViewFile.asp?FileID=103307&IDKEY=n8723kjnf7kjandsaslmdv09887vaksmrmnwqkjoiuanfnfuq0s142460353.

administrative capacity so that FERIAAM can fully assume these responsibilities in the coming years.

- **Self-sustained funding model** Whereas CI's prior work in the Alto Mayo Awajún communities was funded solely by grant funding, under TPI, the sale of carbon credits will be a major source of funding for the reforestation, conservation, cultural revitalization, and sustainable livelihoods work.
- **Expanded scope to include all 16 communities** While prior work included eight Awajún communities, the additional funding stream from carbon credit sales will enable the expansion of this reforestation, conservation, cultural revitalization, and sustainable livelihoods work to all 16 FERIAAM communities.
- **Communities sign agreements with FERIAAM that establish limitations on land use and expected benefits** Previously, communities signed Conservation Agreements with CI, in which they committed to refrain from certain environmentally damaging practices in exchange for CI's provision of inputs and technical support for sustainable sources of income. Under TPI, communities sign Participation Agreements (and, later, are expected to sign benefit sharing agreements) with FERIAAM in which they agree to participate in the Initiative, which requires conserving and/or reforesting certain portions of their lands and refraining from certain environmentally damaging practices, in exchange for support for their needs, particularly for sustainable sources of income (in both cases, agreements are to align with each community's Life Plan).

Component	CI's prior work with Awajún communities	Tajimat Pujut Initiative
Timeframe	2013-2020	Crediting period: 2021-2050
Leadership	CI is the implementing organization, FERIAAM is consulted as the representative organization of the beneficiaries.	FERIAAM is the primary project proponent, with CI as co-proponent.
Funding	Philanthropic (grant) funding 2016-2023	Sale of carbon credits will be a major funding source, complemented by philanthropic funding sources including BHPF funding (to date during early stages of TPI) and public funding (e.g. Peruvian government funds or USAID funding for the Amazon Business Alliance).
Scale	Initially one community, later up to eight communities	All 16 FERIAAM communities
Agreements	Communities sign Conservation Agreements with CI.	Communities sign Participation Agreements (and, later, benefit sharing agreements) with FERIAAM.

Activities	Support for sustainable alternative sources of income, such as inputs and technical support for agroforestry production, support for commercialization of produce and development of ecotourism	Initially a continuation and expansion of the prior activities; may evolve in response to community needs

Table 1. Overview of distinction between TPI and CI's prior work with Awajún communities. Note: the distinction is not absolute, as there has been a transitionary period from the prior work into TPI.

Having made this distinction, it is worth emphasizing: particularly for Indigenous communities, carbon projects are not an end in themselves, but rather can be a strategic tool providing an alternative and sustained source of funding to support a range of activities and investments in a community. Evidence suggests that rights-based approaches, governed by Indigenous communities' own institutions and supported by external organizations, hold the greatest promise for achieving positive outcomes for both forests and the communities dependent on them—particularly in contexts with supportive legal frameworks and where communities have secure land tenure.[25] This vision mirrors that of the Amazon Indigenous REDD+ (RIA) initiative, which urges proponents to adopt a holistic and rights-based management approach rather than seeking to address deforestation in isolation.[26] TPI aligns with this guidance by promoting a holistic vision for improving the quality of life of the Awajún people through the conservation of their forests, reforestation of degraded areas, and promotion of sustainable agriculture—a vision which is centered on Awajún culture and autonomy.

2.1.4 Participant communities

As discussed in section 2.1.1, the 16 Awajún communities participating in TPI have faced varying levels of deforestation and demographic pressure, based in large part on their position relative to the highway and the river. Each Awajún community has a varying amount of remaining intact forest and area of land to be reforested. In the context of a REDD+ carbon project, this means that the proportions of reforestation and avoided deforestation/degradation in each community will differ.

[25] Dawson, N.M., Coolsaet, B., Sterling, E.J., Loveridge, R., Gross-Camp, N.D., Wongbusarakum, S., Sangha, K.K., Scherl, L.M., Phan, H.P., Zafra-Calvo, N., Lavey, W.G., Byakagaba, P., Idrobo, C.J., Chenet, A., Bennett, N.J., Mansourian, S. & Rosado-May, F.J. (2021) The role of Indigenous peoples and local communities in effective and equitable conservation. *Ecology and Society*. 26 (3), 19. doi:10.5751/ES-12625-260319.

[26] In response to early carbon projects in Peru which did not respect Indigenous rights, AIDESEP—a national organization that represents 64 indigenous peoples' groups in the Peruvian Amazon, including Awajún communities—developed RIA in 2010 to lay out a vision for implementation of REDD+ in their territories in a way that respects their rights, worldviews, and ancestral knowledge. In 2011, RIA was taken up by the Coordinator of the Indigenous Organizations of the Amazon River Basin (COICA)—the Indigenous organization representing over 500 Indigenous communities from across the nine countries of the Amazon Basin—to promote the approach across the Amazon region. The original proposal has been further developed by AIDESEP and COICA into a Methodological Guide adapted to the Peruvian Amazonian context:
AIDESEP & WWF (2022) *Methodological Guide for the Operability of the Amazon Indigenous REDD+*: Based on AIDESEP and COICA. https://aidesep.org.pe/wp-content/uploads/2022/01/methodological-guide-operability-amazon-indigenous-redd.pdf.

Community	Total Area (ha)	Population (Source)	Year Titled	% of Area Still Primary Forest	Road Access	Plan de Vida? (Organization which facilitated)
Shampuyacu	4919	653 (CI)	1975	12.2%	Yes	Yes (CI)
Bajo Naranjillo	7376	No data	1975	14.3%	Yes	No
Huascayacu	10704	621 (CI)	1975	17.4%	Yes	Yes (CI)
Alto Mayo	11085	801 (CI)	1975	36.4%	Yes	Yes (CI)
Alto Naranjillo	3621	460 (CI)	1975	42.6%	Yes	Yes (CI)
El Dorado	4539	279 (CI)	1975	43.4%	Some sectors	Yes (FERIAAM)
Shimpiyacu	15593	181 (BPDI)	1975	53.8%	Some sectors	No
Morroyacu	14123	196 (CI)	1975	76.0%	Some sectors	Yes (CI)
Cachiyacu	29444	105 (CI)	1996	90.4%	No	Yes (CI)
Yarau	15807	156 (CI)	1992	91.3%	Some sectors	Yes (FERIAAM)
Tiwiyacu	2905	No data	2000	91.3%	No	Yes (FERIAAM)
Kusu	18468	39 (BPDI)	2000	97.4%	No	Yes (FERIAAM)
Achu	62096	105 (BPDI)	2002	97.5%	No	No
Nueva Jerusalen	9166	40 (BPDI)	1993	98.2%	No	No
Bichaim	13285	No data	2009	99.1%	No	No
Asagkai	12075	No data	2010	99.1%	No	No

Table 2. Communities participating in the Tajimat Pujut Initiative.

In addition to differences in the extent of intact and degraded forests, participant communities also differ in the extent of their exposure to and experience working with CI and FERIAAM. While all 16 Awajún communities are now TPI participants, some have been working with CI since 2013 (see section 2.1.2), while other communities are interacting with CI for the first time. This diversity of (a) familiarity with CI (and FERIAAM), (b) maturity of activities falling within the umbrella of Tajimat Pujut, and (c) experience with conservation and restoration projects in general is relevant for this study and project implementation in that it signals a range of awareness, preparedness, and trust among project participants who will engage with and benefit from TPI differently. These differences have implications for communities' level of understanding of the Initiative (and the carbon component in particular), FPIC of communities to participate in the carbon project, and carbon project governance.

2.1.5 Certification strategy

TPI will follow the nesting rules[27] of the Government of Peru, and is being developed, validated, and verified under Verra's Verified Carbon Standard (VCS) v4.5. The project also intends to be validated and verified with Verra's Climate, Community, and Biodiversity (CCB) Standard.[28] See Section 4 for a detailed discussion of relevant requirements of these standards.

[27] The nesting process is currently being designed by the Ministry of Environment; TPI will follow these rules once they are formally approved, until which time, it will follow whatever is the official approach approved by the Peruvian government. Nesting refers to aligning the accounting of GHG emission reductions and removals across scales by integrating the accounting frameworks for different types of REDD+ projects to harmonize climate benefits of land-use activities, manage leakage, and enforce environmental safeguards. (Climate Focus, n.d.)

[28] The CCB Standards represent assurance that a given project is delivering tangible climate, community, and biodiversity benefits, signaling that the project and resulting credits are "high integrity."

3. Study Approach

3.1 Aims of the Applied Research

This study set out to identify:

1. Elements required for meaningful consultation and consent and how these support the sustainability and success of socially responsible carbon projects;
2. Gaps and limitations in the project approach and in the requirements and available guidance in verification standards; and
3. Insights and opportunities that show potential to advance environmental sustainability and conservation and rights-based economic development via Indigenous-led carbon.

The resulting recommendations aim to provide actionable insights and recommendations for CI-Peru and FERIAAM for potential improvements to its project design and implementation approach, and to contribute to the broader discourse on carbon initiatives, natural resource governance, and Indigenous Peoples' self-determination.

3.2 Analytical framework

The analytical framework for this study derives from the principle that fulfilling FPIC requirements is necessary but not sufficient to realize community rights in the context of carbon projects, and that the full recognition and protection of community rights requires analysis and action across the project lifecycle that go beyond FPIC. The framework was developed through a review of a number of standards and best practices for realizing social benefits and safeguarding community rights in the context of carbon projects, in particular the Conservation International Social and Environmental Safeguard System (CISS) and Verra VCS v4.5 and CCB Standards.

The timing of the study, which took place early in the project, towards the end of the design phase of TPI, informed the scope of the study, which omits some important elements of FPIC and responsible carbon projects, such as monitoring and dispute resolution. This focus on the design stage of the project also sets the study apart from the audits and evaluations that will take place over the course of project implementation.[29]

3.3 Approach

In order to achieve these aims and objectives, Landesa's research drew on analysis of primary and secondary data on the development, implementation, and outcomes of the Awajún TPI.

Prior to primary data collection, the Landesa team reviewed CI project documents and institutional guidelines, community bylaws, Life Plans, Conservation Agreements, and laws and policies relevant to carbon and Indigenous communities in Peru. Secondary research also included a review of reports and

[29] At the time of the study team field visit, 12 of the 16 communities had formally agreed to participate in TPI, and the project was listed in the Verra Registry as "Under Development" pending validation.

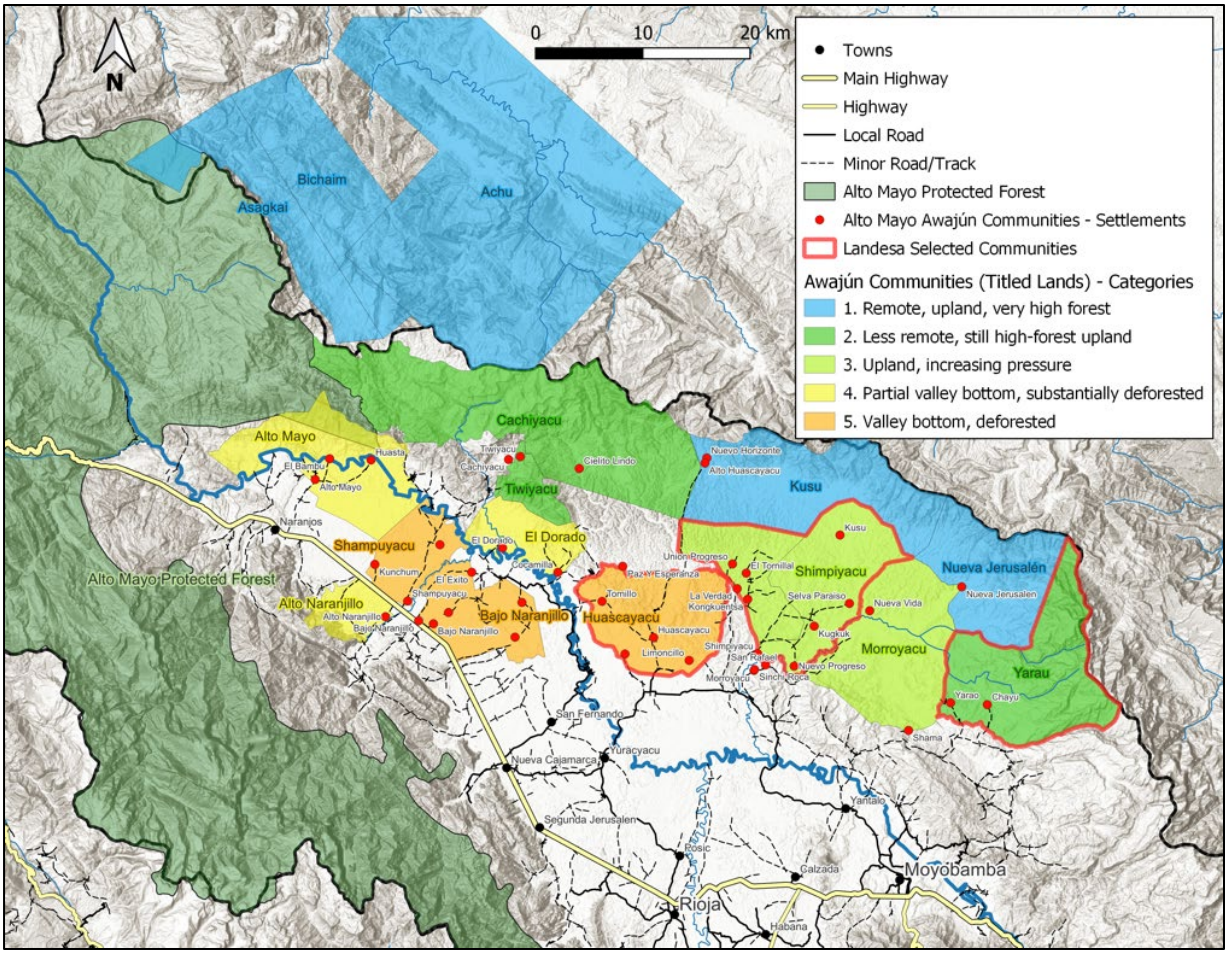

Figure 2. Map showing characteristics of TPI communities and sites selected for Landesa study (Landesa map created for site selection and preparation of methodology).

published materials on the cultural, political, and economic context in the project implementation area. CSRM reviewed literature and certification databases and registries to provide a global perspective on Indigenous-led carbon project governance to assist with benchmarking the Awajún TPI.[30]

Following the secondary research, the team undertook a phase of primary research with community members and key informants. The primary data sources included focus group discussions (FGD) and key informant interviews (KII). FGD and KII were conducted remotely by video conference with CI project staff, a gender consultant with experience and expertise working in the project communities, and FERIAAM. These remote interviews took place from November 2023 to January 2024. Interviews and focus groups were used to elicit qualitative perspectives on the overall project approach and activities to date.

In-person FGD were carried out with community members (men and women from *centrales* and annexes, and community leaders) from three Awajún communities: Huascayacu, Shimpiyacu, and Yarau

[30] Resulting literature review to be published on CSRM Publications webpage (forthcoming). Cited as: Burton, J. & Keenan, J. (2024) *A literature review of the social performance of carbon-offsetting projects with special reference to Indigenous participation.* Centre for Social Responsibility in Mining, The University of Queensland.

from February 5-16, 2024. These communities were selected for the field study in consultation with FERIAAM and CI using a selection framework that considered: the extent of primary forest, proportion of deforested area, proportion of land rented out, whether or not there was a Conservation Agreement in place, and the duration of CI's engagement in that community. The selection process also took into account factors such as the accessibility of the community given the timing of the field study.

KII were conducted in the communities to complement the informational base, as well as with CI Peru staff, FERIAAM representatives, the executive director of AIDESEP (a national organization that represents 64 Indigenous Peoples' groups in the Peruvian Amazon, including Awajún communities), representatives from the Regional Environmental Authority of San Martín, and representatives from the Ministry of Environment of Peru.

In view of the early stage of implementation of TPI activities, questions were framed to support an understanding of the overall approach and activities undertaken to date in terms of consent and consultation, communication, governance and decision-making, benefit sharing, gender inclusion, and skills and capacity needs. Questions were designed to be open-ended to permit interviewees to share their perspectives, experiences, and understanding of what had happened under TPI so far, as well as their hopes and aspirations for the project.

3.3.1 Limitations

Desk review and field interviews for this study took place relatively early in the development of TPI: the project had been registered with Verra and was awaiting validation; 12 of the 16 communities had considered and voted to participate in the Initiative; and key elements of the project—including the benefit sharing mechanism—had yet to be developed. By design, this study was not an audit nor an assessment against a standard; such reviews will take place later in the project. In this study, the research team looks to certification standards to understand the requirements that they impose on proponents, how these requirements are understood and evaluated, and where compliance with the standards may fall short of ensuring that social benefits are realized and rights are respected. The research team did not have an opportunity to review the Project Description Document (PDD), which had, at the time of the study, been submitted to Verra and project validation was still pending.

Though CI was fully supportive of the study and openly shared documentation from the carbon project and other projects that led to the development of TPI, an exhaustive review of every document produced over more than ten years of work was beyond the scope of this study. As such, the research team recognizes that its review and recommendations for improving the approach may not account for key processes, discussions, and analyses that were not described in available documentation.

4. Key Elements of Socially Responsible Carbon Projects

4.1 Free, prior, and informed consent (FPIC)

Free, prior, and informed consent (FPIC) is a key consideration relevant for those proposing any kind of activity impacting Indigenous Peoples and their land. FPIC is embedded in Indigenous Peoples' right to self-determination and is intrinsically linked with Indigenous rights to self-governance, culture, and collective rights to territories and resources (FAO 2014; Barelli 2012; Kennedy & Keenan 2023). FPIC is recognized in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the International Labor Organization (ILO) Convention 169 and is affirmed in many national laws and industry standards. FPIC provides for a process through which Indigenous Peoples can shape their own social, economic, and environmental development and take decisions affecting their lands, territories, and other resources.

FPIC goes beyond consulting Indigenous Peoples and seeking their consent to a proposed project or policy: it is also a process by which Indigenous Peoples can hold independent and collective discussions, consider and take decisions at their own pace and through their own forums and approaches, and assert their own vision and values for land and resource use. This process must ensure that these communities receive accessible and objective information about all aspects of the project that will or could potentially affect them, their lives, or their environment (Andersen, 2011; Kennedy & Keenan, 2023). For project implementors, FPIC can be defined as a framework for ensuring that the rights of Indigenous Peoples are guaranteed in any decision that may affect their lands, territories or livelihoods as described in Conservation International's Manual - 'Guidelines for applying Free, Prior, and Informed Consent.' (Buppert and McKeehan, 2013).

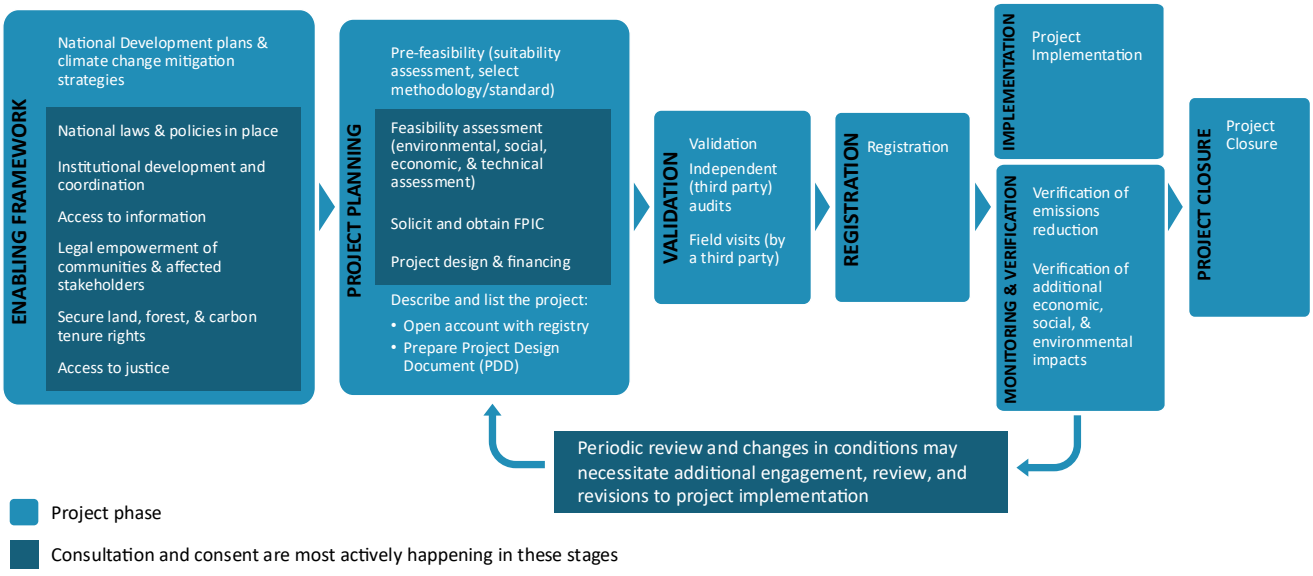

Figure 3. Socially Responsible Carbon Project Lifecycle (Graphic developed by Landesa)

Importantly, FPIC embodies and works as a safeguard for a number of human rights. Operating in "the spirit of FPIC" means recognizing and supporting the expression of these rights over the course of a

project lifecycle. FPIC is not a one-time decision: formal consent must be secured at several stages throughout the life of a project. This means requesting formal consent prior to the beginning of operations, prior to changes to the project, and prior to closure of the project (Kennedy & Keenan, 2023). For this, it is necessary to engage proactively and respectfully, in accordance with agreed protocols or processes, so communities are informed, their knowledge and preferences are incorporated into ongoing operations, and conflicts or grievances are meaningfully addressed (Kennedy, Martin, & Lee, 2021).

Experience shows that fulfilling FPIC requirements is necessary but not sufficient to realize community rights in the context of carbon projects. Full recognition and protection of community rights to self-determination and sustainable development require functional enabling frameworks, including well-functioning governance institutions at the community and national levels, attention and action to ensure gender-equitable processes and outcomes, and the identification and adequate mitigation of risks to rightsholders.

Landesa's document review and literature scan and discussions with CI therefore identified four relevant themes on socially responsible carbon relevant for understanding TPI as it nears the completion of the project design phase: (1) rightsholder identification and risk assessment; (2) consultation, engagement, and consent (including FPIC); (3) community and project governance; and (4) gender equality.

Rightsholder identification and risk assessment	Secure land tenure and clearly identified rights to carbon are essential for communities making long-term, often inter-generational, commitments regarding their land use. Carbon projects work by providing incentives and rewards to interest holders that result in behaviors (forest resource management) that generate GHG benefits. To be effective, proponents must understand the opportunity costs borne by these interest holders, in order to design incentives and rewards that will effectively motivate rights holders to adopt and sustain the desired actions over the life of the project. To do this well, a project must know who is impacted, what they are being asked to give up in exchange for participating in or agreeing to a project, and what will motivate them to make this change, and offer benefits to rights holders that they consider to be worth the exchange. Such an assessment must consider how these risks and impacts might differ for men and women, so that the design and implementation of the project will result in gender-equitable outcomes.
Consultation, Engagement, and Consent	FPIC is much more than an opportunity for communities to say 'yes' or 'no' to a proposal: properly executed FPIC processes ensure that communities' rights of self-determination and governance of their land and natural resources are protected, respected, and realized. Getting to FPIC requires meaningful consultation and engagement processes that take stakeholder views into account through ongoing, multi-touch, multi-directional communication. This allows rights holders and stakeholders to shape the process, vision, and decisions regarding a proposed use of their land and resources, resulting in equitable and positive outcomes for project stakeholders.

Community and Project Governance	Functional and robust structures for community-led decision-making and project implementation, including the management of proceeds from the sale of carbon credits, are essential not only for the successful implementation of a project, but also for ensuring that communities' rights of participation in decision-making, and their ability to influence, object to, and benefit from a project over time are fulfilled.
Gender Equality	Women's ability to engage in and share in the benefits of carbon projects is linked to legal and customary land rights and tenure regimes, as well as social norms and expectations. The roles of women and men in the household and community—and their uses of land and forest resources in particular—are generally complementary but different. Thus, they require separate attention when designing and implementing carbon projects. There is a growing body of evidence that directly including women and girls into carbon and climate projects can result in better carbon and climate mitigation outcomes, promote gender equality, and improve overall project sustainability.[31,32] Gender inclusion is critical to ensuring that project design benefits from women's unique knowledge and voice, and that carbon projects do no harm and result in equitable community benefits for all community members.

Table 3. Themes considered in the current study

4.2 Conservation International social and environmental safeguards

Conservation and development organizations, including CI, are increasingly expected to demonstrate high standards of project governance, including ensuring due diligence via environmental and social safeguard processes. CI has recently introduced new policies to align with these expectations, aiming to avoid or mitigate adverse environmental and social impacts and enhance the project's overall benefits for people and nature.

CI developed the Environmental and Social Safeguards System (also known as the CI Safeguard System, or CISS) that is now applied to all CI projects as of July 1, 2022. The CISS contains four policies, ten standards and procedures, and other guidance tools to create a comprehensive framework on risk management and the promotion of human rights. The objectives of the CISS are to strengthen programming, avoid adverse impacts, strengthen CI and partner capacities, and ensure full and effective stakeholder management. These safeguards are applied in addition to other standards, such as the VCS and/or the CCB.

[31] FCPF (2016) Leveraging Co-benefits between Gender Equality and Climate Action for Sustainable Development. Forest Carbon Partnership Facility. https://www.climateinvestmentfunds.org/sites/cif_enc/files/leveraging_co-benefits_between gender_equality_and_climate_action.pdf

[32] IFC (2023) Exploring Opportunities for Women Entrepreneurs Driving Climate Solutions: A Discussion Note. International Finance Corporation (IFC). https://www.ifc.org/content/dam/ifc/doc/2023/exploring-opportunities-for-women-entrepreneurs-driving-climate-solutions.pdf.

As of the beginning of 2023, CI has aimed to bring its projects into alignment with the CISS, including most new carbon projects. As part of this effort, the CI-Peru project team will complete an Environmental and Social Safeguard Screening Form to determine the level of risk, and in turn, the scope of appropriate mitigation actions.[33] A project categorized as medium or high risk would be required to complete an Environmental and Social Impact Assessment (ESIA). The CI project has committed to developing, at minimum, a gender plan and a limited accountability and grievance plan.

4.2.1 CI's Environmental and Social Safeguard System

Similar to VCS v4.5 and CCB, the CISS is made up of four policies that outline a framework, establishing requirements for risk management and the promotion of human rights when implementing a project. However, and as with VCS v4.5 and CCB, the requirements are not context-specific or prescriptive in terms of the necessary outcomes that need to be observed during the lifecycle of a project in order to determine if a requirement for a socially responsible project has been fulfilled. For instance, the requirement of FPIC as an iterative process throughout the project is not made explicit in the standards, and there is no requirement that consultation and consent are sought and obtained at each instance during implementation of a carbon project before moving into the next project implementation step. [34]

4.3 Social safeguards under carbon standards

In response to concerns about their effectiveness and the prevalence of risks to communities' human rights and well-being, voluntary carbon market certification standards integrating social safeguards to ensure that communities' rights are protected and that projects that impact or make use of communities' land and forest rights result in meaningful, positive benefits to communities. At a minimum, this means that projects must respect rights of communities to FPIC. As in other sectors, what this means in practice is not clearly defined in carbon standards.

In general terms, most voluntary carbon standards and multilateral guidelines for REDD+ call for respect for the land and resource rights of Indigenous Peoples, customary land rights holders, and local communities, and many refer to the rights of Indigenous Peoples recognized under UNDRIP. Many standards, for instance, require FPIC in cases where Indigenous communities will be displaced by a project, although not all standards have specific guidelines on how to carry out consultations.

Verra's VCS v4.5 and CCB Standard outline requirements for designing and monitoring projects, as well as the requirements for validating and verifying carbon reductions and removal. These requirements include mandatory statements that seek to ensure that project proponents respect the rights of involved and/or affected communities.

VCS v4.5 (October 2023) builds upon previous iterations and provides the standard for GHG emission reduction and removal projects and programs. Compared to previous versions, VCS v4.5 has more robust requirements for linking project activities to the United Nations Sustainable Development Goals (3.17), stakeholder engagement in communities where carbon reduction and removal projects are being proposed (3.18), and safeguards for those local stakeholders (3.19).

[33] CI Proposal to BHP Foundation (2022)

[34] See Annex 2.1 – CISS Environmental and social impact assessment, management, and monitoring.

CCB serves as a complementing verification to ensure projects are suitable to local conditions and are likely to achieve social and ecological benefits. The CCB cannot be used to quantify carbon emissions alone and as such, cannot issue carbon credits. Instead, the CCB contains required and optional standards for climate, community, and biodiversity benefits that, if fulfilled, are then included with any carbon credit in a GHG registry.

The table in Annex 2.2 presents requirements under VCS 4.5 and implementation guidance and CCB requirements in terms of consultation, engagement, and consent (including FPIC); rightsholder identification and risk assessment; governance; and gender equality.

4.4 Gender Risks and Impacts in Carbon Projects

Projects and investments that change how land is used and managed, or that make land more economically valuable, can have unintended negative impacts on women. Carbon projects, by requiring changes in rules for land and forest use, may result in a loss of livelihoods or land access for women, who tend to be more reliant than men on commonly held resources.

In many customary settings, women face barriers to equal land rights and tenure security. Women are less likely to own land, and land that they do have is less likely to be documented. Where women do have rights to land, that land is often of lower quality than land held by men. This has particular relevance to forestland restoration projects, which often target degraded land or land that has lost economic value, and therefore may disproportionately affect land that has been allocated to women.

Developing a gender analysis and action plan that identifies risks and impacts for men and women, avoids and mitigates risks and negative impacts, and takes into account differences in education, language, access to media, mobility, and household roles is a critical important step in ensuring gender-inclusive and equitable project design and implementation.

4.4.1 Who is a community member

Community norms about membership in a community may present additional barriers to women's inclusion in carbon projects. Women may not automatically be considered to be "members" of a community, which can be a prerequisite for participating in community governance and accessing benefits. This can impact benefits that are allocated directly to individuals, such as the right to participate in certain activities or the receipt of financial or in-kind support from a carbon project, as well as communal benefit streams: if women are not considered to be members of a community, they are unlikely to be included in decision-making on how community benefits are used (World Bank 2021, at 26).

Limited ownership and documentation of women's land rights can also impact whether women are counted among stakeholders to a project, limiting their participation, voice, and ability to share in decisions and benefits in a project. A global study of Forest Carbon Partnership Facility (FCPF) projects concluded that achieving equitable outcomes for women in carbon projects requires that women have socially- and legally-recognized rights to own land, *even where carbon benefits are not linked to land*

ownership, because women's livelihoods "often depend on household land, and collective and household land rights are usually intertwined."[35]

Land titling and formal recognition of rights are bureaucratic processes that are more likely to be handled by men. Across the world, men tend to be the public face of the family, while women are responsible for the household. In many cases, this means that women are less likely to frequent the public spaces that are the sites of meetings or offices where government identification cards or land titles are obtained.

Advocating for community by-laws that protect women's membership and participation rights can help to overcome these barriers to women's inclusion in project processes and benefits.

4.4.2 Who makes decisions

In many collective or communal tenure systems, decisions about land allocation are limited to a single representative, leader, or group of representatives, and these decision makers overwhelmingly tend to be men. While rules about allocation of rights, including those rights and rules related to forest land management, differ significantly among communities, in the majority of cases, women are less involved than men in land and resource management, governance, and decision-making.[36] Even where women are included in governance and decision-making around a carbon project, their participation is limited to the project level: community discussions and decisions around land and forest use and management remain dominated by men. Women's lack of access to information and training on how to participate in the governance of collective land and land titling programs can further limit their ability to have full and robust rights.

Overcoming these challenges will require project activities designed to communicate the value of women's participation in forest management to men and women in each community, to support the mindset change required to shift norms of gender roles, representation, and leadership. Quotas, improving women's forest-derived livelihood options, and building women's capacity to participate in governance roles, can also help to overcome these cultural barriers.

4.5 Carbon rights and social safeguards for carbon projects in Peru

4.5.1 Framework for carbon projects in Peru

Peru is one of the 198 Parties to the United Nations Framework Convention on Climate Change (UNFCCC), which was adopted in 1992 and came into force in 1994. Under the UNFCCC, in 1997 the Kyoto Protocol was signed, coming into effect in 2005 with the aim of stabilizing emissions of greenhouse gases (GHGs). In the same year, during the development of the Conference of Parties 11 (COP), the mechanism for Reducing Emissions from Deforestation and Degradation (REDD+) was discussed and approved (GIZ, 2014). Peru's Ministry of Environment (MINAM) is responsible for developing the required technical capacities for implementation of REDD+ and is the entity in charge of

[35] World Bank. 2021. Gender Equity in Land and Forest Tenure in REDD+ Programming: Synthesis Report. at 8.
[36] *Id*.

implementing guarantees of respect and protection of the rights of Indigenous Peoples and local communities (GIZ, 2014), including the development and enforcement of REDD+ safeguards (see Annex 2.3 – Peru REDD+ Safeguards).

4.5.1.1 Land and forest rights of communities

The Peruvian Constitution (1993) recognizes the right of native communities to communal land ownership (art. 88-89). It also determines native communities are autonomous legal entities that can decide on their governance and land use. The law distinguishes between Indigenous Peoples and native communities ("*comunidades nativas*"): the latter are the governance bodies legally recognized by Peruvian law as title holders of communal land.

The Ministry of Agriculture and Irrigation (MINAGRI) is the authority that recognizes the legal personality of native communities, and grants land deeds to communities.[37] The National Registration Office (SURNAP), oversees both the registry of the native communities ("*Registro de Personas Jurídicas*") and their territories ("*Registro de Predios*").

The Law on Native Communities and its regulation (1978, 1979) define communities' internal governance bodies: the General Assembly, which is the highest authority and is composed by all the members of the community or "*comuneros*"; and a Board or "*Junta Directiva,*" which includes a president, a secretary, and a treasurer.[38] In general, native communities have the right to define their own internal rules (community bylaws (*estatutos comunales)*) for decision-making processes, as well as land use, access, and control within communities.

4.5.1.2 Community governance and decision-making

The Constitution recognizes the right to communal property over lands (Art. 88), the legal personhood of Peasant and Native Communities and their autonomy of self-organization, communal labor, and the free use of their lands (Art. 89), and communities' jurisdiction over activities conducted within their territories (Art. 149). Collective land rights are also recognized in the Law of Peasant Communities (No. 24656) and the Law of Native Communities (No. 22175). These laws grant communities the right to obtain collective titles, with rights that are imprescriptible and guaranteed against seizure.

The Native Community Law and its regulations recognize Indigenous communities and establish a structure for community governance (*see box on Awajún Community Governance*). The regulations

Awajún Community Governance

The communities are organized in small towns called *centrales* and hamlets known as *anexos*. Each community has a chief (*Pamuk* or *Apu*) who is usually a man; a council (*Junta Directiva*); a general assembly (*Asamblea Comunal*), which is made up of all the community members; and a community police. Those authorities are based in the *centrales*; *anexos* can also have their own coordinator, a board or council, police, and resources, and can take their own decisions on some topics concerning internal administration. Usually, the participation of people from the *anexos* is limited due to their distance from the *centrales*.

Under the law, each native community has the right to define its internal rules for decision-making and land use, access, and control. These rules are defined in each community's bylaws (*estatutos*).

[37] Reglamento de la Ley referida a la inversión privada en el desarrollo de actividades económicas en tierras del territorio nacional y de las comunidades campesinas y nativas, 2009, arts. 24-25.
[38] Ley de Comunidades Nativas y de Desarrollo Agrario de las Regiones de Selva y Ceja de Selva, 1978; Reglamento de la Ley de Comunidades Nativas y de Desarrollo Agrario de las Regiones de Selva y Ceja de Selva, 1979.

establish the structures of community governance, providing that a General Assembly (*Asamblea General*) made up of all members of the community, is the highest authority. Each community is to establish and record its own decision-making process by developing bylaws that are in alignment with its traditional rules. The Board (*Junta Directiva*) is the administrative authority responsible, and usually consists of a president, a secretary, and a treasurer.

The members of Native Communities are called *comuneros*. The regulations for the Native Community Law provide that all those who are born in a community are members, as well as those who reside in a community permanently, but defer to the membership requirements laid out in each community's bylaws. These bylaws tend to describe c*omuneros* as those born in the community, the children of *comuneros*, and those approved/accepted by the General Assembly (e.g., mestizos[39] who have had a stable home with a *comunero* for more than two years). Communities also differentiate between active and passive *comuneros*. The active comuneros are those who can vote in the General Assembly, while passive *comuneros* cannot. Passive *comuneros* are residents under the age of 18 and those who have committed crimes/offenses and whose rights have therefore been suspended.

Community governance bodies (Chief, council, general assembly, and policy) are based in the centrales. Annexes can also have a coordinator, a board or council, police, and their own resources, and can take their own decisions on topics concerning their internal administration. Usually, the participation of people from the annexes in events and meetings in the central is limited due to distance. The communities each have their own bylaws, and many have developed community life plans (*Planes de Vida*).

Each community determines its own processes for decision-making and means of sharing information. The General Assembly is the body that decides on issues that can affect the whole community and chooses representatives for issues involving the whole community. Typically, the General Assembly gathers every few months unless there is an urgent or special issue to discuss, in which case an 'extraordinary' meeting will be called. The bylaws establish quorum and voting requirements for meetings. Usually, decisions at the *General Assembly* are taken by a simple majority vote of more than 50% of the *comuneros* present at the meeting. Bylaws also define categories of decisions that carry consensus or supermajority voting, such as a decision to expel or punish a community member.

4.5.1.3 Carbon rights

Under Peruvian law, forests and forest ecosystem services, including forest carbon sequestration and storage, are part of the national patrimony, and forest holders have the right to access to the benefits of those ecosystem services. The Forestry and Wildlife Law recognizes the exclusive right of native communities to the use of forest ecosystem goods and services, within their titled or transferred lands. Native communities have autonomy to manage their communal land and forests according to traditional practices[40], through their General Assembly and internal regulations or bylaws (*estatutos*).[41]

[39] Persons of mixed European and Indigenous ancestry; mestizos comprise the majority of Peru's population.
[40] Subject to certain restrictions, namely: If forest resources are to be harvested for commercial use (for sale outside of the community), a harvesting plan has to be approved by the forestry authority (Ley Forestal y de Fauna Silvestre, 2011, art. 82); if forest is to be cleared in order to convert the land use to agriculture, according to the law, this must also be approved by the competent authority (Ley Forestal y de Fauna Silvestre, 2011, art. 38).
[41] Ley Forestal y de Fauna Silvestre, 2011, art. 79.

Peru's national Law on Mechanisms of Payment for Ecosystem Services was approved in 2016. The law defines ecosystem services as "those direct and indirect economic, social and environmental benefits that people obtain from the good functioning of ecosystems, such as water regulation in basins, maintenance of biodiversity, forest carbon sequestration and storage," and created a Registry of Mechanisms for the Payment for Ecosystem Services. This Registry, which is managed by the Ministry of Environment (MINAM), has the purpose of validating, regulating, and supervising the mechanisms of payment for ecosystem services.[42] The law specifies that native communities are among the beneficiaries from the compensation mechanisms regarding the ecosystems in their territories.[43]

The Framework Law on Climate Change was passed in 2018 to regulate adaptation and mitigation measures. The law reinforces the importance of Indigenous People's participation in national climate policy and includes a definition of safeguards in REDD+ projects, a national registration office of initiatives on carbon sequestration, and another department collecting information on REDD+ safeguards.[44] The law and related regulations are still in the process of development and implementation.

4.5.2 Indigenous Amazonian REDD+ (RIA)

Indigenous Amazonian REDD+ (RIA) is an initiative that supports Indigenous Peoples' demands for the titling of approximately 1,240 native communities in Peru as a means to advance territorial tenure security and the inclusion Indigenous rightsholders in sharing co-benefits of REDD+ carbon projects. The Coordinator of Indigenous Organizations of the Amazon River Basin (COICA), a transnational network representing nine national Indigenous federations across the region, together with AIDESEP, developed Peru's RIA in 2011.

For carbon projects conducted with Indigenous Peoples or on their lands and forests, the RIA asserts that national REDD+ strategies, programs, and projects must comply with FPIC, not only as a requirement for the implementation of the REDD+ initiative, but as the means to 1) ascertain whether consent is reached or not; and 2) realize communities' right to develop their own development strategies in accordance with ILO Convention 169 (Article 7) and Article 23 of the UNDRIP (AIDESEP & WWF, 2022).

The RIA initiative puts forward long-term 'Vida Plena' plans as a tool through which communities can define their priorities, including whether or not they will consider REDD+ programs and the role they might have, placing carbon finance as a tool that can be used to accelerate the community's fulfillment of its objectives as defined through their own, self-determined plans (e.g., Life Plans and forest plans). According to RIA, considering a carbon project in these plans is closely linked to the compliance of FPIC because it is through these plans that Indigenous Peoples define their objectives, priorities, and strategies to realize their own cosmovision and interests (AIDESEP & WWF, 2022).

[42] Ley de mecanismos de retribucion por servicios ecosistemicos, art. 9, num. 9.1.
[43] Ley de mecanismos de retribucion por servicios ecosistemicos, 2014; Reglamento de la Ley de mecanismos de retribucion por servicios ecosistemicos, 2016.
[44] Decree N. 013-2019-MINAM, art 5.27.

5. Findings and Discussion

This study set out to identify good practices and effective approaches to ensure meaningful consultation and consent in Indigenous-led carbon projects through a detailed understanding of the processes, activities, and context for the design and implementation of TPI. In particular, the study sought to identify:

- Elements required for meaningful consultation and consent and how do these support the sustainability and success of socially responsible carbon projects.
- Gaps and limitations in the project approach and in the requirements and available guidance in verification standards.
- Insights and opportunities that show potential to advance environmental sustainability and conservation and rights-based economic development via Indigenous-led carbon.

As stated previously, though this study was not an assessment against a standard, we look to certification standards to understand the requirements that they impose on proponents, how these requirements are understood and evaluated, and where compliance with the standards may fall short of ensuring that social benefits are realized and rights are respected.

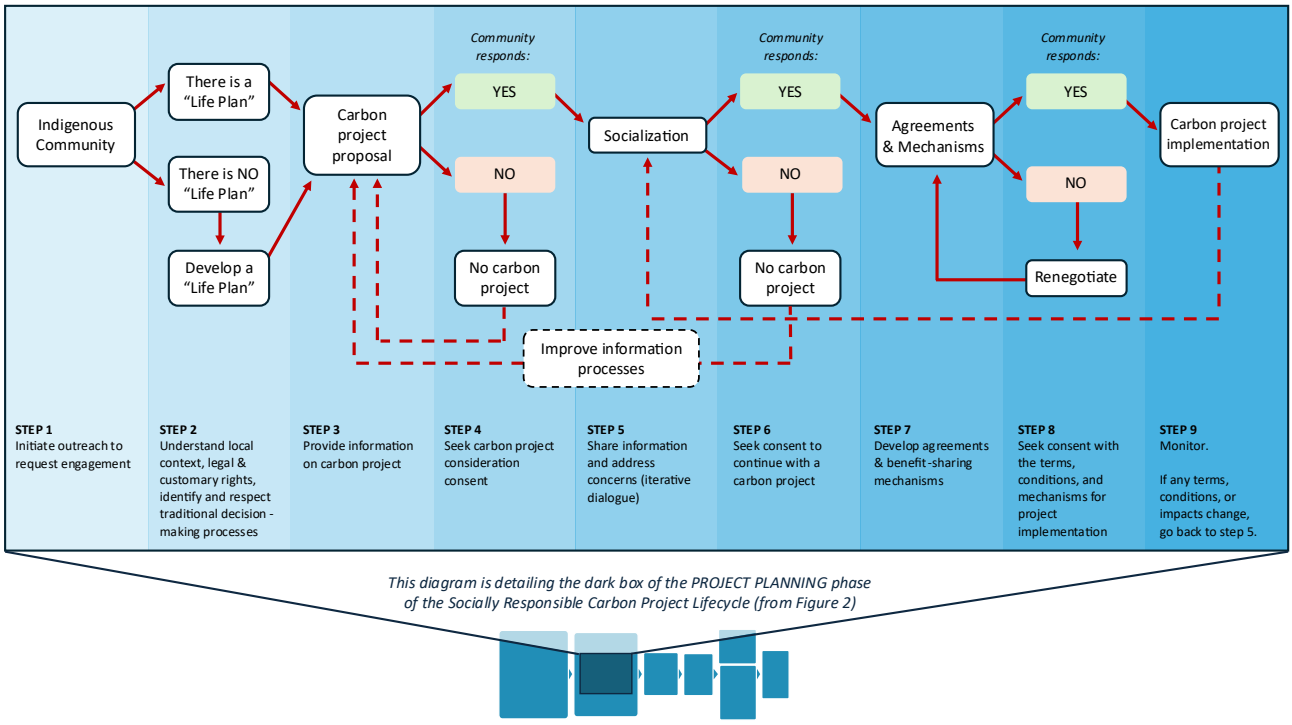

Figure 4. Consultation and Consent: Process for Carbon Projects Impacting Indigenous Communities in Peru. Diagram compiled based on authors' analysis.

In this section, we present the key findings, grouped around four key themes. These themes are necessary for responsible carbon and are especially relevant to the planning and design stage of a project.

5.1 Rightsholder identification and risk assessment

Identifying rightsholders and assessing risks that could arise out of carbon projects is essential to socially responsible project design, and a requirement of carbon standards, including Verra's VCS v4.5 and CCB Standards. Project proponents should carry out a land and resource rights assessment that begins with an identification of stakeholders who will be impacted by project activities, including their legal or customary tenure rights, noting any demographic or socio-economic shifts anticipated and the location of rightsholders and their territories.[45]

Rightsholders are likely to have a range of rights over different areas in a community, and these rights may be 'nested.' For instance, communities (a village or multiple villages) may hold collective rights to an overall territory, within which individual villages may hold preferential rights for the use of villager members, with families holding their own rights to specific farmlands, hunting grounds, fishing areas, or specific and valued trees. A land tenure assessment provides essential information to inform how the proponent will approach engagement, consultation, benefit sharing, and consent processes in project design, implementation, and monitoring.

Once stakeholders are identified, proponents must recognize, respect, and promote the protection of the rights of these groups[46] and must identify any negative impacts to ensure that project activities do not result in net harm to the environment or communities. In defining risks for the purpose of the risk assessment, proponents should identify the risks for stakeholders to participate in the project, including food security impacts, land loss, loss of yields, negative impacts on livelihoods, and climate change adaptation.[47]

Regarding rights identification and risk assessment, the study sought to understand:

(1) How did CI and FERIAAM work to identify rights and assess risks?
(2) What risks could arise that could negatively impact the rights of men, women, and communities affected by the project?
(3) What issues might arise as a result of these risks and what might project proponents do to mitigate or avoid these issues?

5.1.1 Findings: Rightsholder identification and risk assessment

CI's long-term experience working in project communities and FERIAAM's role as a leader and representative of communities provide a strong foundation for understanding community dynamics, stakeholders, and potential impacts of the Tajimat Pujut Initiative. Over the course of its longer-term engagement on forest conservation and livelihoods projects, CI has undertaken various stakeholder analyses and risk assessments;[48] for its part, FERIAAM understands and is responsible for supporting community governance processes – including those related to land tenure rights – and has first-hand

[45] VCS v4.5 sec. 3.18.1.
[46] VCS v4.5 sec. 3.19.17.
[47] VCS v4.5 sec 3.19.5.
[48] The first social baseline study (2022) covered the following communities (including annexes): Alto Mayo, Shampuyacu, Alto Naranjillo, Huascayacu, and Morroyacu. A second baseline study (2023) covered the communities and (centrales and annexes) of El Dorado, Cachiyacu, and Yarau.

knowledge of community dynamics, land and forest use, and decision-making and consultation protocols and pathways in the communities.

(1) Addressing differences between communal land rights and individuals' perceptions is important to support project success and effective benefit sharing.

The Constitution recognizes the right to communal property over lands (Art. 88), the legal personhood of Peasant and Native Communities and their autonomy of self-organization, communal labor, and the free use of their lands (Art. 89), and communities' jurisdiction over activities conducted within their territories (Art. 149). Collective land rights are also recognized in the Law of Peasant Communities (No. 24656) and the Law of Native Communities (No. 22175). These laws grant communities the right to obtain collective titles, and each of the 16 participant communities in TPI holds collective title to its land.

These laws further provide that each community has the right to determine its own rules for the allocation and management of land within its territory; such rules are defined in each community's Bylaws and administered by legally-defined community governance structures (*jefe*, *junta directiva*, and General Assembly). Awajún community Bylaws describe a system of communal land tenure, with areas defined for specified uses, and individual parcels allocated to families or individuals.

In Awajún communities, land is held at the community level, with some land—such as forestland—designated and used communally, and other parcels of land allocated to individuals or families.[49] Such parcels are allocated by the *jefe*, either automatically when a community member reaches the age of majority, or by an individual request. The rules for land management vary among communities, but in general, individuals who have received land hold it in perpetuity, and are able to pass it on to their children, clear it and use it as they choose, and alienate it on a temporary basis (for instance, by leasing the land out in exchange for payments in cash or in kind).

It was therefore appropriate that CI identified land rights at the community level and developed the project approach in line with the understanding that communal land tenure is universally practiced in Awajún communities. Data collection through community interviews confirmed that there are categories of land to be managed communally and there is a high level of clarity about individuals' rights to land allocated for household use.

However, while the project design (and FERIAAM's statements) asserts the view that individual rights to any parcel are secondary to underlying collective rights, in practice, the research team found that many individuals hold the view that they are owners of the land that they—or their parents or grandparents—have been allocated. There appears to be considerable diversity among communities in terms of how individual land rights, and particularly rights to forest, are understood. For instance, though FERIAAM consistently confirmed that land is held collectively, community members expressed varying views on the extent and nature of individual vs. communal tenure rights in each community. In addition, rules for inheritance, access, and other elements of land tenure varied among communities.

Demographic pressures and changes to land availability due to the high proportion of leased land in some communities may also be driving changes in how community members access land, and the rules about how (and for how long) they may use that land. For instance, in Huascayacu, there is no

[49] It is worth noting that in some communities with high forest cover, such as Yarau, land allocated to individuals can and often does include uncleared forestland.

communal forest area in either the central community or the annexes. Effectively all of the community's land has been allocated to individuals, and each person can conserve forest within their own parcel. The parcels are passed down within families—parents divide their parcel to pass as inheritance to their children. In Yarau, women FGD respondents stated that, due to an increase in population, though the norm was that every community member was supposed to be allocated 75 hectares of land, in reality, some had been allocated much larger parcels, while many had far less than this amount

These differences reflect a variation in individual community members' ability to access land, which suggests that TPI's impacts—both positive and negative—could vary substantially among individuals in each community.

(2) Contemporary tenure practices should be considered in project design and benefit sharing arrangements.

A number of Conservation Agreements[50] have been signed between communities and FERIAAM/CI; these agreements include program commitments to the communities and specify how benefits will be distributed to beneficiaries in terms of tree planting, technical assistance, and inputs for sustainable agricultural systems.

Though the benefit sharing mechanism has not been fully designed and lacks specificity on the distribution of incentives, the vision most consistently discussed by FERIAAM during the research team's study visit was that funds from the sale of carbon credits would support communal needs prioritized in their Life Plans and would not be distributed to individuals.

Project reports[51] take care to clarify that references to land 'belonging' to or 'owned' by families or individuals refer to community land ceded to a family but that remains community-owned land. This is accurate under the law: the land is titled as community land. FERIAAM, as Indigenous leaders, and CI, through long-time work and partnership with communities, understand the community tenure system, but did not carry out formal tenure studies to support a definitive understanding of the tenure system *as practiced and understood among community members*. Though the social baseline assessment did not include a targeted land tenure assessment, it did seek to understand some elements of forest use and ownership. A clear analysis of individual rights and tenure arrangements in each community does not appear to have been completed.

CI has confirmed that this distinction between the fact of communal land ownership and the practice of individual allocation will be reflected in the benefit sharing mechanism that is being designed for the carbon project.

(3) Conservation Agreements and capacity building can be effective tools to enhance fiscal responsibility and project success.

Through the Conservation Agreements, benefits from ARR activities have been discussed and agreed upon in four communities. These benefits are designed to generate incentives for the restoration of

[50] Landesa team reviewed the Conservation Agreements signed between FERIAAM and Yarau, Alto Mayo, and El Dorado Community; and between CI Peru and Alto Naranjillo and Shampuyacu. Shampuyacu, Morroyacu, and Cachiyacu also have Conservation Agreements in place with CI/FERIAAM. As of June 2024, agreements had not yet been concluded with any additional communities.

[51] For example, CI-Peru, Report to BHP Foundation Half-Year Report Y4, FN 4.

1,000 hectares of land in the communities of Alto Mayo, Alto Naranjillo, Shampuyacu, and Huascayacu by end of 2024.[52]

For these activities, CI pays individual parcel holders within the community for each day of work on reforestation activities.[53] Beneficiaries receiving support to cultivate vanilla, coffee, and cacao are paid for each day of work spent on the cultivation of these plants until the plants start producing, after which beneficiaries receive income on their own from the sale of the produce.

To avoid social risks and negative household impacts, and to ensure that the benefits generated are shared by families, rather than just one individual, payments for community labor are paid 50% in cash and the other 50% in food provisions. To address the challenge of mismanagement of money within households, CI partner organizations are running workshops on financial management.

CI, through its project partners, also provides technical support and inputs such as seedlings. In this, the program is diversifying beyond cacao, vanilla, and coffee, to ensure food security by supporting diverse food production in individual farms (*aja*) and have also been working with women on producing handicrafts.

Overall, community members and project beneficiaries have a positive view of the Conservation Agreements model, which rewards individuals for their efforts on their individual parcels. Community members expressed an interest in the expansion of such activities.

5.1.2 Discussion: Rightsholder identification and risk assessment

(1) Land tenure practices warrant careful attention to ensure that the project design and structure for benefit sharing aligns with individual stakeholders' expectations to support the success of the project.

Differences between tenure rules as written and in practice and high levels of variation among communities in terms of land access and availability are highly relevant to the overall success and perceived legitimacy of the project. While it is important to note that the research team did not hear any mention by community members of any conflict or disagreement over land allocation or land designated as community land, and no respondents described any disputes about an individual's underlying right to use individual land to participate in CI's reforestation activities, these dynamics warrant careful study and consideration in designing the benefit sharing mechanism, communications efforts and in implementing the project over time. Assessing risks and impacts that could result from a long-term change in land use and management is a recommended best practice and should inform design to ensure that the conservation-oriented rules under TPI are respected and implemented.

(2) Identification of land rights and a careful assessment of the land tenure system as practiced may be needed to support the design of equitable benefit sharing arrangements at the communal level.

The vision most consistently discussed by FERIAAM during the research team's study visit was that funds from the sale of carbon credits would support communal needs prioritized in their Life Plans and would not be distributed to individuals. While this is a sound approach, it is worth considering lessons learned from other REDD+ programs, which found that, while community members may gain value from

[52] Project report to BHP; February 15, 2024, interview with CI staff (notes on file with authors).
[53] Under the current agreements, parcel holders are paid 500 soles per hectare, three times per year.

benefits shared across a community, projects can also inadvertently impose hardships on some smallholders by restricting the use of forest resources. Importantly, these restrictions do not impact everyone's rights in the same way, and the impact of the rules are likely to fall hardest on those who are poorer, landless, and women, as these groups tend to rely on communal forest resources for a greater percentage of their income and livelihoods.[54] One study found that, in many cases, "the funding generated through REDD+ that actually makes it back to participant communities has generally been insufficient or too delayed to make up for restrictions or to incentivize conservation."[55] CI and FERIAAM are aware of these issues: to avoid identified risks of disproportionate impacts on poorer community members and others who rely more heavily on the forest for their subsistence, REDD+ will not prohibit traditional uses of the forest; rather, prohibitions on clearing the forest and renting out the land bar the most destructive uses.

In cases where individuals have been allocated forested land, restricting the permitted uses of this individual land, for instance through Conservation Agreements signed at the community level in exchange for anticipated benefits that are distributed at the community level, could result in uncompensated losses borne at the individual level without consent. Given that the project will have differing impacts on land use, with uses on forested land restricted, and restoration and reforestation activities targeting partially or completely deforested land, and that a certain amount of the impacted land has been allocated to individuals or households, clear rights identification—to ascertain the nature of individuals' land rights to the specific parcels impacted—is essential (and required by the VCS standard).

An analysis of individual rights and tenure arrangements should be carried out and shared with communities to support engagement and consent processes to ensure that the rights of individuals whose rights are impacted by the project are respected.

As an assurance mechanism, it is recommended that the project seek a Global Level for its CCB validation by responding to requirements of GL2 Exceptional Community Benefits. CCB suggests this for a project that is a community-led and implemented on land that they manage. By following GL2 requirements, the project should demonstrate that it delivers equitable well-being benefits to community members, including short- and long-term benefits and enhancement of security and empowerment of community members. It also should demonstrate that benefits are shared equitably not only with community members but also across groups within communities, ensuring that equitable benefits also flow to more marginalized and/or vulnerable households and individuals within them.

5.2 Consultation, engagement, and consent

Best practice for projects and investments impacting land and resource rights of Indigenous Peoples emphasizes that ongoing communications that include full and candid disclosures of risks, impacts, benefits, and any new information about these risks and impacts, is imperative to ensure the success of

[54] Haya, B. K. et al. (2023, September 15). Quality assessment of REDD+ carbon credit projects. Berkeley Carbon Trading Project. https://gspp.berkeley.edu/research-and-impact/centers/cepp/projects/berkeley-carbontrading-project/REDD+.
[55] Id. at 14.

projects over time (Proforest & Landesa, 2023; ICIN, 2020; USAID, 2015). At the early stage of a project, communications should include information about:

- How communities' and individuals' land and resource rights and uses will be impacted
- What benefits they can expect to receive in exchange for the use of/loss of use of their land and resources
- What impacts are likely to result (positive and negative)
- Who is in charge and what to do in case of any issues

An additional, emerging expectation advanced by some Indigenous critics of carbon projects is that FPIC processes adequately inform communities about the implications of participating in voluntary carbon markets (VCM) and the potential that a carbon project might support greenwashing by companies that are responsible for significant carbon emissions. Such a disclosure and discussion are considered to be necessary so that communities can have the full picture of the financial, ethical, and environmental impacts of their participation, and can decide whether they want to receive funds from such a source.

This study sought to understand:

(1) What steps and actions had FERIAAM and CI taken to engage and consult with communities, and to request and secure their consent to participate in the project?
(2) What did community members and leaders understand about the project (what were they consenting to when they agreed to participate)?
(3) In particular, what did community members and leaders understand regarding benefits that would result from their agreement to participate?
(4) How was their consent given, and was it meaningful (did they have the option to decline to participate)?
(5) To what extent did the process ensure that women were included in the engagement, consultation, and consent processes?

5.2.1 Findings on consultation, engagement, and consent

(1) Consultation, engagement, and consent processes have been carried out through existing community governance structures

As discussed in detail in Section 2, TPI builds upon CI's prior conservation and sustainable livelihoods work with Awajún communities of the Alto Mayo region that began in 2013, deepening and expanding those activities and transitioning overall leadership from CI to FERIAAM. The design of the Initiative is based on CI's integrated approach to forest conservation and restoration that links to sustainable community livelihoods, and is a holistic approach that supports multiple, interrelated activities that may not be easily understood by communities as a single project to which a community might consent or decline to participate. The technical complexity and terminology of carbon projects can further challenge communications efforts.

In light of these complexities, the timing and content of information sharing, engagement, and consultation activities is perhaps less obvious—but no less important—than for a new carbon project proposed by an external proponent. The intention on the part of CI/FERIAAM to sell carbon credits on higher-integrity carbon markets may diminish this risk somewhat. However, it should be noted that the perception remains among some Indigenous rights advocates that carbon credit transactions are

fundamentally risky due to their widespread use by companies or nations to reduce net emissions on paper without decreasing actual emissions. It remains to be seen if efforts to mandate that buyers take action to reduce their emissions as a prerequisite to purchasing high-integrity carbon will be enforced and implemented sufficiently to mitigate this risk.

TPI's consultation, engagement, and consent activities work through six structures, described in Table 5 below.

Key actors in TPI Consultation, engagement, and consent processes	
FERIAAM	As the representative leadership body for 16 Awajún communities, FERIAAM is the lead proponent of the project and leads activities related to community engagement and consultation, with technical and logistical support as needed from CI as co-proponent.
Awajún Congress	A decision-making body composed of community leaders specifically appointed by the community assemblies from each of the 16 communities. FERIAAM must seek approval from this group for important decisions affecting all the communities
Community governance structures	The project engages with the structures of community leadership established under Peruvian law. Jefes/Pamuks are the elected leaders of each village; General Assemblies hold ultimate decision-making authority regarding decisions about community land and resources. Procedures for decision-making, including voting requirements, membership and voting rights within the community, and documentation rules are established in each community's bylaws (estatutos).
Project promoters	Promoters support information collection and dissemination in each community. Promoters are men and women community members who apply and are hired and equipped by FERIAAM, with support from CI. This is a new role that had not, at the time of the field study, been actively deployed in the communities.
Project partners (subcontractors)	Private enterprises and local organizations lead delivery of livelihoods, agroforestry, and governance capacity-building activities.
CI staff	CI staff carries out information sharing and engagement as part of ongoing program activities.

Table 4. Actors responsible for consultation, engagement, and consent in the Tajimat Pujut Initiative.

Noting that CI activities have been ongoing in some communities for many years, some of the engagement activities discussed in this section build on this prior program work and activities. Interviews with community members and leaders revealed that, despite general distrust of NGOs, there is trust in CI due to their long-term involvement in the area and their history of following through on commitments to communities. FERIAAM, for its part, was created in 2006 and therefore has been representing these communities for nearly two decades. This is important to note because the history of

interactions and the resulting relationship between a proponent (in this case, co-proponents) and a community can determine the extent to which there is mutual trust and understanding, which can determine the effectiveness of consultation and engagement efforts.

FERIAAM and CI have carried out a series of consultation, engagement, and consent activities since TPI began in January 2021. In addition to special meetings called for a single, stated purpose (e.g., introduction of the TPI concept), regular community meetings and engagement platforms associated with existing CI activities have facilitated engagement efforts supportive of FPIC objectives.

The process for consultation and consent to participate in TPI began with an Awajún Congress—a meeting held in Moyobamba involving FERIAAM and the leaders of each of the 16 communities, as well as CI in this case. At this meeting, FERIAAM and CI described the vision of TPI and the anticipated benefits that could result from adopting better land and forest management practices. The main points of this discussion were framed in terms of reforestation and restoration of the forest, restoring culture, cultivating medicinal plants, adopting more sustainable agricultural practices, and putting an end to land leasing. The message shared with leaders was that TPI would support the community to be able to conserve forests and reclaim a better quality of life for communities. The community leaders agreed to support the process at this meeting, approving FERIAAM and CI to proceed.

Having received approval through the Awajún Congress, TPI consultation and engagement followed a multi-step process in each community. First, for each community, two 'promoters' were selected to work with FERIAAM and CI and to learn more about TPI so that they could support the process of socialization and facilitate community members' understanding of the initiative. After these promoters were selected, FERIAAM and CI gathered with the community's leaders (*junta directiva* and annex coordinators) and promoters to explain the vision for the initiative, including what they are trying to achieve through the initiative, and what it would mean for each community.

Once the community's leaders agreed to continue with the consultation process, each community leader called a General Assembly meeting to present and discuss the concept, respond to questions and come to agreement, and call a vote on whether the community agrees to participate. According to each community's bylaws, in order for a meeting to go forward as a General Assembly with decision-making authority, attendance had to meet quorum requirements established in that community's statutes; in Awajún communities, a majority of active community members must be present at the meeting for it to go forward. In cases where attendance did not reach quorum, FERIAAM and CI proceeded with the gathering simply as an information meeting, and the General Assembly for decision to participate was convened at a later date. Similarly, in cases where communities have additional questions or require further internal discussion, additional General Assembly meetings were held. This was the case in at least two communities, which required several meetings in order to reach agreement and support a vote to participate. A community's decision to participate is recorded as an act or addendum to the community bylaws.

Less structured outreach and discussions about TPI have taken place through communities' communications channels (which is the responsibility of the board of directors (*junta directiva*) of each community), project promoters, FERIAAM, and CI.

It is important to note that the frequency of engagement in some communities has been lower than as described above due to logistical challenges. Most communities are accessible via road and several have

cellular service, permitting regular contact and visits from FERIAAM, but some more remote communities are multiple days' walk from the nearest road, and in some cases the residents of these remote communities relocate seasonally, presenting significant challenges to community engagement. As a result, FERIAAM visits to these remote communities are less frequent, and hence longer, than to the more accessible communities.

(2) Communities and leaders understand the key principles and types of activities envisioned under TPI but lack details about implementation and next steps.

Overall, the field assessment found that community members and leaders were supportive of the Initiative, but generally lacked detailed knowledge about the Initiative and how it would be implemented. When asked what TPI means, community members gave a range of answers. A number of community members seemed not to realize that "Tajimat Pujut" referred to a program, and instead described how they interpreted the term *tajimat pujut*, which can be understood as 'good life' or 'life in abundance.' In most FGD, respondents first described *tajimat pujut* as "going back to the way things were before" or returning to their ancestral lifestyle, and to having a healthy environment and community. At least one leader expressed the view that using the term led to an unhelpful interpretation that the vision was to try to go back to less complicated times, instead of embracing reality and meeting the challenges of modernity on the Awajún community's terms. Some respondents expressed the view that the term was confusing because the true aim was to retain the positive and healthy elements of Awajún traditions and livelihoods while selectively integrating desired elements of mestizo society to define a contemporary and thriving Awajún society.

When asked what it meant to participate in TPI, however, men, women, and leaders tended to respond with a fairly accurate description of the key elements of the communities' agreement: improving the community's welfare by ceasing land rentals, adopting improved agricultural practices, working to conserve and restore the forest, limiting hunting and fishing, and recovering ancestral practices (e.g., use of medicinal plants).

These responses reflected an accurate understanding of what communities had committed to by signing up for the Initiative, as well as a more general sense of the kinds of benefits, as described by FERIAAM, promotors, and CI staff. These expected benefits included a range of direct and indirect benefits, such as capacity development and technical support for improved agricultural production, the recovery and improved protection of forests, the revitalization of Awajún culture, and increased economic, social, and environmental sustainability. One respondent from FERIAAM said *'Tajimat Pujut is not just forests, it is everything. It is rebuilding a sustainable life.'*

These anticipated benefits corresponded to the general vision of a return to a better way of life; more specific benefits corresponded to ongoing livelihoods and agroforestry support underway through CI project programming. Though many community members expressed uncertainty about how they would maintain their living without the income from renting (and while also reducing their hunting and not clearing forest), only one respondent, who had been trained by CI as a project promoter, referred to any expected income or inflow of funding from the sale of carbon credits. No other respondents discussed carbon as a component of the project or a potential source of income from TPI. Follow-up interviews with FERIAAM and CI confirmed that, as the benefit sharing mechanism for managing proceeds from the sale of carbon had not yet been designed at the time of the field study and given the difficulty of communicating about the technical details of a carbon project to audiences unfamiliar with the subject

and with particularly with lower levels of education, communications with communities had not yet gone into detail about carbon or carbon revenue. Instead, communications had focused on the vision for a path to sustainability and prosperity through better agricultural practices, forest stewardship, and intact and supportive cultural institutions and traditions, as well as the practical implications in terms of the sacrifices required.

(3) Communities lack adequate information about benefit sharing.

As discussed in Section 2, to ensure conservation of forests and restoration of degraded areas in the Alto Mayo Awajún territory, FERIAAM and Awajún communities have signed Conservation Agreements.[56] These agreements formalize the mutual commitments of each community and FERIAAM to support the realization of their shared conservation and restoration aims. Such agreements are distinct from the Benefit Sharing Mechanism through which proceeds from the sale of carbon credits will be managed and disbursed. This latter mechanism is still being designed by FERIAAM and has not been discussed with communities.

Conservation Agreements signed between Yarau Community and FERIAAM,[57] and between Alto Mayo Community and FERIAAM,[58] describe a benefit distribution for families participating in sustainable economic activities,[59] which include collective and family benefits in terms of technical assistance and inputs; trainings, capacity development, and internships; and support with communal benefits including a tree nursery, restoration activities, and cadastral information, among others. However, these details of each party's commitments fall short of describing a benefit distribution mechanism as anticipated in the VCS standard.

For instance, the Conservation Agreements do not spell out how TPI will respond to non-compliance by individuals participating in cacao cultivation: Section 7 of the Agreement provides that incentives will be withheld at family or communal level, which would mean that an individual's noncompliance would negatively impact the whole community. In addition, Conservation Agreements do not provide a reference to a clear model that community members can follow or a clear pathway to participation that will enable them to access the incentives. The Agreements further provide that additional incentives will be provided to the community to recognize the efforts of the community members, but do not spell out when these details will be made known or what efforts might trigger the award of such incentives. However, there is no distinction between compliance with the commitments and what can be considered as 'efforts' that can earn such recognition. Finally, and in terms of processes, the existing Conservation Agreements do not outline any clear steps that guide the community to know how to receive the benefits outlined under the Agreements. For instance, among the benefits listed in the

[56] Since 2015, CI has used Conservation Agreements to encourage the adoption of improved practices in Awajún communities; Conservation Agreements establish terms for payments and other benefits that participants will receive in exchange for their participation. Participation in the carbon project is established through Participation Agreements that are signed between FERIAAM and each community. In these Participation Agreements, the community agrees to participate in the project, and formally authorizes FERIAAM to represent the community in dealing with their carbon rights. See Section 2.1.3.

[57] Agreement signed November 10th, 2023.

[58] Agreement signed November 16th, 2023.

[59] In each Agreement, Annex 1 lists participants (at the household level) in sustainable economic activities, and includes relevant details about each participant, their parcel size, and the areas under restoration or cultivation relevant to the Initiative.

Agreements is the commitment to deliver 20 workshops, trainings, or internships. It is not clear how this will be operationalized, who will benefit first, what the timeline for delivering on this promise is, what specific requirements must be met before the benefit has been earned, or who will provide or implement it, etc. For comparison, according to the UN-REDD Programme, a benefit sharing mechanism must present "the principles, model, and processes developed and applied to distribute benefits, both direct and indirect, of project activities, including project funding, between the different project participants and stakeholders."[60]

Under Verra VCS and CCB Program requirements, proponents must submit a Project Description Document (PDD) using the "VCS and CCB Project Description Template". Section 2.5.8 of the template ("Benefit Sharing Mechanism") requires that, "Where the project impacts property rights…[the proponent must] describe the project's benefit sharing agreement, demonstrating that smallholders/community members have fully and effectively participated in defining the decision-making process and the distribution mechanism for benefit sharing."[61] The PDD has been submitted to Verra but was not available for review by the study team. The benefit distribution mechanism was among the key topics discussed during Landesa's interview with FERIAAM representatives.[62] During this meeting, FERIAAM shared that the design of the mechanism had not yet begun and acknowledged that its design may not be complete until the end of 2024 or later, stating that the mechanism was technically complicated and was taking a long time to develop. According to CI and FERIAAM, CI is providing technical support and input to FERIAAM, who bears responsibility for developing the mechanism. According to CI and FERIAAM, the potential sale of carbon credits and resulting income have not been discussed with communities, pending the development of the benefit sharing mechanism. Interviews with community members and leaders confirmed that this was the case. FGD and KII respondents expressed excitement about TPI, but generally lacked a clear understanding of the details of the Initiative, particularly about the distribution of benefits.

As of February 2024, community members lacked knowledge or information about the benefits and distribution of benefits under the Initiative. This clearly indicates that FERIAAM/CI have not engaged sufficiently to meet this standard. This presents risks to the project's viability: in agreeing to participate, individuals and communities are consenting to allow their property, efforts, and community assets to be used in exchange for a range of benefits. As the basic terms of the agreement, these benefits should be made plain prior to a request for decisions to participate. Without this clarity, enforcement (through sanctions), incentives, and alignment of expectations could be challenging to achieve. A lack of transparency risks giving rise to misunderstandings and mistrust and could undermine project proponents' efforts to establish a sense of shared purpose and collaboration.

Ongoing engagement and communication are needed to ensure that communities have access to detailed information about benefit sharing under the initiative, at which time community members should be able to review, shape, and consent to the benefit sharing mechanism.

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[60] UN-REDD website. (2024). Glossary. Citing Plan Vivo Standard (2012) Glossary [Draft for Consultation], *accessed at* https://www.un-redd.org/glossary/benefit-sharing-mechanism.

[61] CCB & VCS Project Description Template. CCB Version 3.0, VCS version 4.3. Available at https://stg.verra.org/wp-content/uploads/2024/02/CCB-and-VCS-Project-Description-Template-CCB-v3.0-VCS-v4.3.docx.

[62] Interview date: February 8th, 2024. Notes on file with authors.

(4) Communities agreed to participate in TPI by majority vote.

Communities decided to participate in TPI through unanimous vote by each community's General Assembly, which is the appropriate venue and process for seeking consent in the Awajún context, as established in each community's bylaws. In field interviews, respondents expressed a high level of interest in participating in TPI and confirmed that presentation of TPI and the proposal for communities to participate had been communicated through a during a community assembly.

In community interviews, some respondents stated that there had been multiple assemblies to discuss the proposal, while others reported that there was only one assembly in their community to discuss the topic. Some respondents also stated that, while each community approved by vote of the participants present at each assembly (as required by the bylaws), those community members who did not approve of the proposal declined to participate in the assembly (so their objections were not recorded or discussed in these meetings). Notably, a number of respondents remarked that there are some in the community who voted to approve, but who do not fully trust in the Initiative; FERIAAM confirmed that there are likely some in the community who are not supportive of the decision. The field team noted that this dynamic was more apparent in communities where leasing was more widespread. Community members referred to this resistance as stemming mostly from opposition to prohibitions on leasing and the loss of income that would result. This may render enforcement a challenge, and points to the importance of ongoing engagement and information sharing to renew and reconfirm consent as the project moves forward.

(5) Despite targeted efforts to ensure women's participation in project decision-making processes, persistent norms in communities continue to limit women's meaningful participation.

Previous project reports caution, and field interviews confirmed, that women's participation in meetings in the community is generally quite low.[63,64] Women are limited in their ability to engage in meetings due to competing time commitments for fulfilling duties in the home. Their level of education tends to be lower than that of men, and they are therefore less able to access written information and may be less likely to understand more technical information presented.

CI and FERIAAM took steps to ensure that women would be present at community meetings, and specifically requested input from women during the meetings. In field interviews, women reported that they did participate in meetings about TPI. Despite these efforts, however, women expressed that, in general, they feel that participating in discussions in the communities is a waste of time because women's voices are not heard or respected by leaders, who are overwhelmingly men. Many women in

[63] CI-Peru Social Baseline reports (2023 and 2024) Survey and analysis of information for the project "Forest Conservation, Territorial Management and Local Economic Development in the Awajún Indigenous Communities of the Alto Mayo Landscape". (*hereinafter* "Social Baseline Report"). Internal project documents. On file with authors.
[64] CI has undertaken two studies on GBV in the project area, both carried out by Promsex, a Peruvian feminist research and advocacy NGO. The first study was developed in support of the project "Addressing gender-based violence (GBV) in the Shampuyacu community", funded by USAID under the RISE CHALLENGE initiative; with BHP Foundation funding, CI commissioned a second study in 2023 to expand the research into more communities. Citation: PROMSEX (2023). Estudio sobre la tolerancia social de la violencia basada en género (VBG) en las comunidades nativas awajún Huascayacu - Alto Naranjillo - Morroyacu - Yarau, provincia de Moyobamba, región de San Martín. (hereinafter "GBV study"). On file with authors.

FGD said that they are able to speak freely in community meetings, but that doing so is meaningless, because their opinions are not valued, and men do not consider women's ideas or views.

5.2.2 Discussion: consultation, engagement, and consent

(1) Life Plans are an emerging best practice for meaningful communications and consent.

The development of Life Plans, Bylaws, Participation Agreements, and Conservation Agreements combine to establish a needed foundation for a meaningful communications and consent process. Life Plans establish a potentially important framework for participatory community self-governance and land and resource use planning that is separate from any proposed project or investment. The TPI design approach, which aligns proposed project activities with the content of communities' Life Plans, will help to ensure that what is proposed will be acceptable to those communities. The Life Plan should be understood as a blueprint to provide structures and priorities for future decisions; on its own, a Life Plan does not equate to consultation and consent particular to a specific project and should not be conflated as being equivalent to or sufficient to satisfy FPIC. In concentrating efforts to support each community to develop Life Plans, TPI aligns with recommendations from regional Indigenous advocates, the national Indigenous representative body, and best practices for supporting meaningful decision-making and rights-based conservation. At the time of the field study, six of the sixteen participant communities had yet to develop Life Plans. Development of plans in these communities should be a near-term priority of TPI.

(2) Ongoing and clear communications about benefits is a priority.

Ensuring that communities understand and that expectations are aligned with the Initiative will require particularly strong communications over the short-term, especially over the course of designing and sharing the benefit sharing mechanism with communities. More targeted engagement is advisable in advance of the expiration of each community's 'grace period' for land leasing in 2028-2030 (depending on the community).

Considering that the activities from TPI will have an impact in terms of resource usage and management (i.e., prohibit land rentals for forest conservation and restoration), it is strongly suggested that the project amends or complements the Participation Agreements with a complete benefit sharing section and/or agreement. Satisfying the standard for consultation and consent related to benefit sharing will require that the project seeks and obtains the agreement of communities to a benefit sharing mechanism that is: appropriate to the local context; consistent with applicable national rules and regulations and international human rights and standards; consistent with customary rights; agreed upon by the involved/affected communities; and shared in a culturally appropriate manner. In addition to these requirements, it is recommended to consider aspects such as:

- Defining and clearly framing beneficiaries by categories;
- Establishing and communicating clear eligibility criteria for receiving benefits from carbon proceeds;
- Clearly distinguishing—in the agreement, and in communications about benefits—between monetary and non-monetary benefits that connect with the different beneficiary groups;
- Clearly distinguishing between monetary benefits and incentives (to motivate or encourage), rewards (recognize historical practices such as forest protection and non-conversion), and compensation (labor invested for project activities); and

- Designing and obtaining the approval of the community of a proper benefit sharing mechanism to administer the flow and distribution of benefits that considers all the above as well as clear roles considering the governance structure of the project.

5.3 Community and Project Governance

Effective governance at both the community and project levels is crucial for ensuring that carbon projects respect rights and achieve their climate objectives. Well-functioning community governance structures are especially vital for supporting meaningful consultation and consent processes. Such structures provide a well-defined system for decision-making, accountability, and transparency, which are essential for fostering genuine engagement with Indigenous communities. By respecting traditional governance systems and acknowledging local power dynamics, project proponents can address potential challenges and support authentic participation. At the community level, inclusive governance practices ensure that consultation processes are truly representative and solicit and honor individuals' input through locally legitimate processes for community decision-making. At the project level, robust governance mechanisms maintain transparency and accountability, ensuring that projects adhere to agreed-upon terms and effectively meet their climate goals. Integrating strong governance practices increases the likelihood that Indigenous-led carbon projects will achieve their environmental objectives while upholding the rights and aspirations of Indigenous communities.

A significant challenge for project proponents is that carbon certification standards often assume the presence of well-established governance frameworks but typically do not explicitly address governance issues. These standards rely on the assumption that functional, accountable governance structures are already in place to facilitate stakeholder engagement and decision-making. In practice, however, many communities encounter governance challenges, such as weak leadership, limited authority of formal bodies, and inconsistent enforcement of rules, which can complicate the implementation of these standards. Consequently, while certification standards expect robust governance as a given, the actual situation on the ground often reveals gaps that can hinder meaningful consultation and consent processes. Project proponents must therefore assess and address these governance gaps, designing project governance frameworks that effectively integrate with and support existing community structures to meet the specific needs and dynamics of each community. This approach is crucial for ensuring successful project implementation and compliance with certification requirements.

Adding another layer of complexity, there is a common assumption among both Indigenous-led carbon project proponents and evaluators that governance issues are inherently resolved simply because a project is led by Indigenous leaders. This presumption can overlook the nuanced and often challenging realities faced by Indigenous communities. While Indigenous leadership brings invaluable cultural insights and local knowledge, it does not automatically equate to flawless governance practices. The assumption that Indigenous-led projects are free from governance challenges can lead to insufficient scrutiny and support for addressing underlying issues such as fragmented leadership, varying levels of authority, and gaps in community engagement, capacity, and resources. As a result, these governance challenges may remain unaddressed, potentially undermining the project's success and its ability to fully respect community rights and achieve its climate goals.

The study sought to understand:

(1) How do community governance structures work to support meaningful consultation and consent processes?
(2) What risks related to governance could arise that could negatively impact the rights of men, women, and communities affected by the project?
(3) What governance issues might arise as a result of these risks and what might project proponents do to mitigate or avoid such issues?

5.3.1 Findings: community and project governance

(1) Community governance structures are respected in principle, but community members lack confidence in leaders and view them as limited in their power to enforce decisions.

As discussed previously, CI-Peru and FERIAAM engaged with the *junta directiva*, General Assembly, and the jefe/Pamuk. These structures are recognized under the law, and communities confirmed that these structures of leadership are the appropriate decision-making bodies. However, it is important for project proponents to consider that these structures may lack authority in the eyes of community members and may not be viewed as the true leaders of a community.

For instance, in Huascayacu, one respondent from Tornillo (an annex of Huascayacu central) commented that "There are norms about use of land, but some authorities don't follow it. They break the rules. There is weakness of leadership. How do they expect community members to follow the rules if the leaders themselves are breaking them?" Similar concerns were raised in each of the communities in the study.

Field interviews found that most community members agreed that the elected leaders were their representatives, and no respondent expressed a view that these leaders were illegitimate, but in all three communities, enforcement of decisions by elected leaders was found to be limited. For instance, in one community, leaders were unable to enforce a decision to censure a community member who had unjustly rendered his spouse homeless, despite unanimous agreement of the General Assembly on the appropriate action to be taken.

The issue of favoritism was raised in interviews with community members in Huascayacu, with some respondents expressing the view that the benefits generated through CI's project were primarily enjoyed by individuals with links to the previous Pamuk. These respondents also stated that these power dynamics also limited sharing of information. In particular, they asserted that since the original General Assembly in which TPI was socialized and the community voted to participate, subsequent information about TPI was shared in meetings which were only open to those who were already beneficiaries of CI's existing activities in the community.

Some respondents expressed the view that elected leaders lacked true power, and that the real decision makers were individuals who, by virtue of being from the original/founding lineages, exercised more authority in the communities. It should be noted that the structure for community governance and decision-making does not derive from the Awajún Indigenous tradition, but rather was prescribed by law. The Law on Native Communities and its regulation (1978; 1979) define communities' internal governance: the General Assembly is the highest authority and is composed of all the members of the community or "*comuneros*," led by a Board or "*Junta Directiva.*" Through their bylaws, communities define their internal rules for decision-making processes, as well as land use, access, and control within community land. While, in principle, these rules reflect the embedded cultural practices and therefore

transmit the authority and legitimacy of community norms, in practice, many communities adopt bylaws that are copied and pasted from elsewhere and may not be reflective of community norms or readily enforced by elected officials. This issue was discussed in the social baseline study and was confirmed through the Landesa field interviews.[65]

CI's approach in the Alto Mayo demonstrates strategies that respond to identified weaknesses in the governance structures by taking measures to strengthhen the legitimacy and capacities of elected leaders and respect for decisions taken in community assemblies.

(2) Leaders' capacity limitations may challenge successful oversight and implementation of project over the long run.

Limited capacity of leaders and correspondingly low community confidence in leaders was observed in field assessment communities and cited in the social baseline assessment. The baseline (2022) reported that 56% of respondents did not think leaders were performing well, citing misuse of funds, self-serving activities, and theft of money. Poor coordination and poor management capacity were also mentioned as a negative aspect of community governance.

While community members and leaders were candid about challenges with enforcing decisions and sanctions for violations of community bylaws, respondents generally reported a high level of confidence in the process, citing the bylaws as the appropriate source of applicable rules, and a fairly consistent understanding of the respective roles of Pamuks, communal police, and FERIAAM in addressing different types of issues.

Leaders, while seen as legitimate, nevertheless may lack the authority or ability to enforce agreements adopted through consultation and consent processes. This means that, even where an FPIC process is thorough and complete in a community and the community has agreed to participate in the Initiative, this commitment may not withstand challenges or competing incentives to use the land in violation of agreements.

The social baseline assessment (2023) identified this issue, suggesting a link between low levels of understanding of the rules and processes of governance and a community's ability to resolve disputes. The assessment authors noted that "although there is a high level of participation in community assemblies, only 50% of those surveyed know their community's bylaws and the functions of their community authorities. In this sense…the procedures for resolving internal problems that afflict the community and the responsibilities of community leaders in different issues are not clear."[66]

(3) Communications gaps limit timely and complete information sharing between FERIAAM, community leaders, and community members.

Men and women community members consistently stated that, while they had received *some* information about TPI, the information was not very detailed, and they did not feel that they had been adequately informed about the Initiative. The initial communications about TPI relied on community

[65] Social Baseline Report - Product 3 (June 2023)
[66] Producto 3 Informe Final – AI-generated English translation, p. 24.

leaders to share information with community members. This capacity gap resulted in less-than-complete communications.

Some respondents noted that levels of participation and active discussion of proposals during community assemblies varies among communities and suggested that leaders in some communities are not as engaged and therefore community members are also less interested and participative. In some communities, though the leaders request input and sharing of doubts and ideas in assemblies, when individual community members raise concerns or issues, they are not addressed and do not influence the decision. One community member gave the example that he asked questions in the assembly about how income lost due to the prohibition on leasing would be replaced through the Initiative. However, he was told to just vote to support the Initiative and that the details would be explained to the community later.

In interviews with the study team, FERIAAM acknowledged that community leaders do not transmit information in a timely and adequate way, and that communication issues remain a significant capacity challenge that needs to be addressed.

(4) Governance challenges—particularly related to sharing information and resources—may be particularly pronounced in the annexes.

Communications issues may be more pronounced for community members in the annexes. As noted in the social baseline (2023), all community members, including those from each annex, are welcome to participate in each community's Communal Assembly that takes place in the central community. However, in some cases, the distance between the central community and the annex limits the participation of annex members. The conditions and quality of communication vary among communities, and community members from some annexes stated that they are at times not informed of all the meetings and/or decisions that concern the community.

5.3.2 Discussion: community and project governance

(1) Projects should assess the legitimacy and strength of governance structures in each community and take measures to strengthen structures where appropriate.

While CI and FERIAAM are actively working on approaches to support leadership capacity building to address capacity issues among community leaders, the short terms of leaders—both at the community level and for FERIAAM—present a further challenge. For instance, under the bylaws of Yarau, a member of the *junta directiva* serves a two-year term and may only be re-elected for one additional term. The terms of the current board of FERIAAM will conclude this year, which poses a significant risk for the Initiative's continuity at this critical moment in the rollout of TPI.

(2) Develop a separate governance structure to guide implementation of the carbon project.

Because these constraints derive from the legitimate community governance structures and processes, overcoming these challenges may require developing a separate governance structure to guide the implementation of the carbon project. Such a structure could derive from and be embedded within the community governance structure but could be developed in a way that better accommodates the requirements of the Initiative, for instance, by allowing for longer terms for technical roles and facilitating the more robust communications, management, monitoring, and fiscal functions that are required to ensure the long-term success and sustainability of the project. See case examples from Loru Forest and Vida Manglar in Table 3 (see Annex 1).

5.4 Gender Equality

The impacts and benefits of carbon projects, and how those impacts and benefits are experienced and shared, often differ for women and men. Changes in land uses and rights, such as those that accompany a carbon project, can result in unintended impacts to women's economic wellbeing, livelihoods, land rights, and position in society. Differences in how women and men participate in community land governance and decision-making can also impact project design, including how projects analyze risks and identify impacts, with potentially significant negative impacts on women's participation and benefit sharing from a project.

Carbon certification standards do not explicitly call out gender equality requirements, nor do they offer guidance for implementation and adherence to the standards. Carbon certification standards require that project proponents respect human rights in accordance with universal instruments relating to human rights in project design and implementation. These instruments affirm women's right to equality in the enjoyment of all their rights, including the right to access, use, and benefit from land and resources and participate in community land and resource governance.

In practice, this means that project proponents are left without clear guidance on how to ensure that carbon projects respect women's rights and do no harm to their social, economic, or physical well-being. In the case of TPI, CI's longstanding commitment to working to ensure gender equality in its conservation activities offers an important opportunity to better understand:

(1) What can a project proponent do to overcome cultural and structural barriers to women's equality in a given context?
(2) How well do these efforts work to ensure women's meaningful participation, benefit sharing, and consent to carbon projects?

5.4.1 Findings: Gender equity

(1) Access to land and benefits derived from land and resources are sources of inequality in Awajún communities.

The community context in which TPI is being implemented presents a number of risks and potential challenges for women. Over the course of its many years working in the Alto Mayo region and in its engagement with Awajún communities, CI has made targeted efforts to identify and address gender risks and to ensure that women benefit from its programs in the short- and long-term. These efforts have resulted in successful women's leadership, livelihoods, and agroforestry programs that continue to grow in the communities, with positive results for women's agency and well-being. Specifically on TPI, CI assessed barriers to women's participation in programming and risks to their overall wellbeing, including through a diagnostic study on attitudes towards GBV in four Awajún communities (2023), and as part of the project social baseline studies (2022 and 2023).

While not a focused study on women's land rights and forest management decision-making, the GBV study[67] highlighted land tenure dynamics having particular relevance to the carbon project. Access to

[67] PROMSEX (2023). Estudio sobre la tolerancia social de la violencia basada en género (VBG) en las comunidades nativas awajún Huascayacu - Alto Naranjillo - Morroyacu - Yarau, provincia de Moyobamba, región de San Martín. On file with authors. CI has undertaken two studies on GBV in the project area, both carried out by Promsex, a

land and benefits derived from land and resources are sources of inequality in Awajún communities, with men controlling the land uses with greater economic potential, and women relegated to unpaid or low-income activities. This persistent dynamic has the result of limiting women's access to other activities that could support their economic and social independence and autonomy in these communities. The study noted that these inequalities have been exacerbated by the proliferation of land leasing in the communities, which is dominated by men, resulting in men having more money than women in Awajún communities. The study characterizes this division in gender roles and power asymmetry as nearly universal in Awajún communities, and notes that it was amplified in households in which women lack access to land, such as is the case for women who originate from outside the communities to marry a community member.

(2) Both time constraints and being ignored limit women's participation in community decision-making.

The baseline collected information concerning the division of labor, decision-making, participation in communal assemblies and access to benefits, and the land inheritance system in the project implementation communities. This study found that two factors limit women's participation in community decision-making: first, women's time constraints due to their family obligations limit their participation in General Assembly meetings; and second, although women may attend meetings and sign their names to convey their assent to an initiative, women are generally not active participants in community discussions and decision-making and their input tends to be ignored in the Assembly. All the community and annex chiefs are men, and in general the boards of directors are also mostly male.

The field assessment confirmed these issues, with women nearly-universally stating that, though they participate in community meetings, women's voices are ignored: decisions about community governance are the domain of men. Their participation in the meetings was not without value, however: women who participated in the meetings about TPI were generally as well-informed as male participants about the initiative, agreements regarding restrictions on leasing, and the timeline for the Initiative.

5.4.2 Discussion: Gender equality

(1) Gender equity efforts must be ongoing and active through all project aspects.

Since its first engagement in Shampuyacu in 2013, CI has taken important steps to identify and address risks to women's well-being and meaningful participation in benefits of their project activities, with obvious and impressive results in terms of the extent of programming that specifically aims to elevate women's empowerment, wellbeing, and voice in the communities, and its consistency and diligence in integrating gender into its programs (see Text Box: Nuwas Forest).

Yet the challenges are great: women remain marginalized, physically and economically threatened, and may face weaker rights and land and resources that could further limit their ability to share in the promised benefits of TPI. Despite significant progress made in promoting women's leadership and participation in Shampuyacu, across the Alto Mayo, women continue to face systemic barriers that limit their ability to fully engage in and benefit from the project.

Peruvian feminist research and advocacy NGO. The first study was developed in support of the project "Addressing gender-based violence (GBV) in the Shampuyacu community", funded by USAID under the RISE CHALLENGE initiative; with BHP funding, CI commissioned a second study in 2023 to expand the research into more communities.

Nuwas Forest - CI's efforts to increase women's participation in decision-making and engagement in conservation and sustainable livelihoods

CI has been working with a group of Awajún Indigenous women in the Shampuyacu community since 2013. CI's project aimed to improve women's ability to protect the forest and increase their incomes by increasing women's participation in ecotourism and the production of a medicinal plant tea. The project risk assessment found that the intended project-driven changes would limit women's ability to fulfill their traditional role in society, which put them at a higher risk of GBV because these changes in gender roles had not yet been accepted by many men in the community.

To address these issues, CI supported women to negotiate for nine hectares of land to be set aside for 70 Indigenous women to grow native and medicinal plants. The "Nuwas Forest" has since become an important space for maintaining ancestral knowledge and passing on traditions, while providing a safe space for women to connect and share knowledge and experiences and allowing women to generate their own income through the production of handicrafts, cassava, and herbal teas.

The goal of this project was to contribute to a shift in social norms and beliefs about women's and men's roles in society, the acceptability of violence, and community processes for dealing with these incidents. As of 2022, the project had:

- Trained 70 women on their legal rights, prevention of sexual violence, development of informal support systems for GBV survivors, and sexual and reproductive health,
- Engaged with approximately 50 local male leaders and spouses of the Nuwas Forest women to discuss positive masculinity, human rights, and how to support survivors of violence, and to help them understand the impact this violence has on the community and economy,
- Built the capacity of CI staff, FERIAAM, and civil society organization partners to respond appropriately to incidents of GBV,
- Engaged local officials to improve awareness of GBV prevalence within an Indigenous context, and
- Conducted a study of social tolerance towards GBV in the Shampuyacu community.

These efforts resulted in a number of successes and important learnings that can and should be applied to TPI and other similar projects.

Project summary adapted from USAID (2022) Conservation of the Alto Mayo Landscape without Gender Violence: *Conservation International Final Report*, https://genderandenvironment.org/rise-peru-ci-report/.

The study's findings underscore the need for ongoing, active efforts to ensure that gender equity is embedded in every aspect of the project, from land rights and resource management to decision-making and economic opportunities. The scale of TPI, covering all 16 Awajún communities, offers an important opportunity to catalyze the positive impacts of the Nuwas Forest project to fuel gender-

transformative change while achieving the forest conservation and restoration objectives of the project. Two key lessons from the Nuwas Forest project are particularly resonant: (1) just because an issue is difficult to tackle does not mean that change is impossible; and (2) people-based sustainable conservation will not succeed if the people in communities are not safe, if they cannot find justice or support in their own community, and if cultural norms prevent their participation in project activities and related decision-making.[68]

(2) Project design should include a gender risk assessment.

The project demonstrated the necessity of gender risk assessment in project design to ensure that women's voices are not only heard but also heeded in community governance and project decisions, and that the project benefits women and does not result in harm to women or others in the community.

Given these findings, further study could include a more detailed examination of the intersection between gender, land tenure, and community-based carbon projects. In the near-term, CI and FERIAAM should work to develop specific strategies to overcome the identified barriers to women's participation and meaningful inclusion in TPI. Continued commitment to gender equity will not only enhance the project's outcomes but also contribute to the broader goal of sustainable and inclusive community development.

[68] USAID (2022) Conservation of the Alto Mayo Landscape without Gender Violence: Conservation International Final Report, https://genderandenvironment.org/rise-peru-ci-report/.

6. Conclusions and Lessons Learned

This study of TPI demonstrates the complexity and promise of carbon as a source of long-term funding and support for Indigenous communities to thrive through more sustainable governance of land and resources. CI and FERIAAM have taken the first steps towards gaining the consent of communities to participate in a carbon project that, if successful, will increase ecosystem health and protect biodiversity within Alto Mayo region while supporting a resurgence in Awajún culture, institutions, and socio-economic well-being. Through community meetings and consultation with leaders, the co-proponents have received community approval to proceed with TPI. The difficult work ahead is to demonstrate the economic viability of the plan to use carbon finance to supplant incomes from land leasing, establish and support governance structures that will enable the smooth and transparent operations of TPI, and overcome the communications and logistical challenges of implementing TPI across the 16 communities.

The Initiative provides several useful lessons for ensuring that communities' rights to consultation and consent are appropriately protected and that the processes of engaging with and soliciting consent of communities result in the lasting commitment and support by communities and community leaders that is necessary for such projects to succeed:

FPIC is necessary but not sufficient to ensure full realization of Indigenous Peoples' rights and development of carbon projects that support sustainable, thriving communities over the long-term.

Respect for the FPIC rights of communities is important but cannot on its own ensure that carbon projects will respect communities' rights and ensure that they benefit from the sale of carbon credits. Realizing socially responsible carbon projects requires a functional enabling framework for identification and exercise of rights; targeted attention to identify and overcome barriers to women's rights, participation, and benefit sharing; well-functioning and supported local and project governance structures and processes; and effective rights identification and risk assessment.

Specific guidance is needed to ensure that carbon project developers implement FPIC more effectively.

Carbon certification standards tend to stop at requiring FPIC, while saying virtually nothing about what FPIC means in practice, leaving it up to proponents and verification bodies (individual consultants/audit teams) to interpret and evaluate FPIC implementation.

With no binding mechanism for accountability and enforcement, and such variable standards for assessing whether safeguards are adequate, the safeguards provide no guarantee that harm has been avoided in practice. They are presented as a backstop to avoid harm but are limited in their effectiveness.

These limitations to VCS safeguards are inherent to the standard: each project's implementation context determines what constitutes proper implementation. Further, whether the consultation process created a space for meaningful and inclusive dialogue with affected communities versus a one-sided presentation of project information to a non-representative group invited by the

developer may depend on the expertise and resources available. Overall, safeguards are implemented within existing power structures and political realities.[69]

Good practice conclusion: FPIC must be a process of continuous, multi-directional information sharing that should support iterative design and implementation that is responsive to changing social, economic, and environmental contexts; views of community participants; and external pressures in a community.

Requirements for meaningful consultation and consent (including FPIC) apply to any project proponent (including Indigenous organizations).

The standards offer no guidance on what is required to fulfill FPIC in the context of *Indigenous-led* carbon projects. As discussed in this report, such standards were developed to safeguard communities against risks arising from projects that implicate and impact their rights or that might result in physical, environmental, economic, or other harms.

These risks are present in carbon projects regardless of the identity of the proponent: communities can be left worse off as a result of a project, and some individuals within a community, such as women, may be more at risk than others. In many contexts, decisions taken by leaders may not be reflective of the input of all affected community members and may not consider the best interest of the collective: the risk of elite capture of benefits, favoritism, and influence by powerful individuals remains. Such dynamics can mean that benefits resulting from the use of community resources may be shared unevenly.

Such risks can result in failed projects, the abuse of individuals' rights, and ultimately, the degradation of communities and the diminishment of individuals' rights and wellbeing.

Further, the line between projects that are Indigenous-led and those that are not Indigenous-led can be blurry. A presumption of a less-stringent standard for Indigenous-led projects could present an easy loophole for projects to avoid scrutiny. Such a loophole could be easily exploited by bad actors and could also make it too easy for proponents who are less focused on or aware of socially responsible practices and meaningful FPIC implementation to coast by without being held accountable.[70]

Good practice conclusion: The standard for meaningful consultation and consent should be the same for Indigenous-led and other projects in order to avoid the risks and protect the rights of affected men and women while also bolstering the legitimacy and success of projects.

[69] Haya, B.K., et al. (2023) Quality Assessment of REDD+ carbon credit projects. Berkeley Carbon Trading Project. https://gspp.berkeley.edu/assets/uploads/page/Quality-Assessment-of-REDD+-Carbon-Crediting.pdf

[70] This is demonstrated by a recent example from a controversial carbon project in Brazil, in which an unscrupulous carbon project promoter was caught doing just that: *"Have the leaders tell their people that they sought a company and contracted it to consult them on how to do the project," Greene wrote to one employee in June 2022 in one of several WhatsApp messages reviewed by The Post. "Not that they were approached."* Source: McCoy, T., Ledur, J., & Dias, M. (2024, July 24). How 'carbon cowboys' are cashing in on protected amazon forest. *The Washington Post*. Retrieved August 29, 2024, from https://www.washingtonpost.com/world/interactive/2024/brazil-amazon-carbon-credit-offsets/.

Realizing meaningful consultation and consent to support the development of socially responsible carbon projects may require fortification of Indigenous or local-level governance or the development of complementary governance structures or processes at the project level.

Achieving rights-based economies requires the development of solutions that must be led by communities and must ensure the respect for communities' rights of self-determination, culture, and cosmovision.

Life Plans and similar instruments that embody community-driven prioritization and planning hold promise as a tool for supporting meaningful consultation and consent to socially responsible carbon projects. CI and FERIAAM are off to a positive start and have secured the consent of participant communities to participate in the Initiative. The development of Life Plans, Bylaws, Participation Agreements, and Conservation Agreements plays an important role in this process and, if adopted more systematically, could provide a solid foundation for transitioning from 'project' status to one of community-driven, sustainable land and forest management.

Life Plans and similar instruments that recruit the interest and participation of communities in creating their own clear visions for the use of their land and resources hold promise as a way to support Indigenous self-determination and meaningful processes of evaluating, shaping, and deciding how and whether to participate in any proposed carbon or other investment or project. Aligning proposed project activities with the content of communities' Life Plans, as CI has begun to do, therefore helps to ensure that what is proposed will be acceptable to those communities. This can be an important enabling condition for FPIC.

Supporting community preparedness (by supporting the development of Life Plans) should be built into proponents' projects, and the market should bear the cost of these supportive measures. Evidence shows that the results of forest management for carbon storage and avoided emissions are best when land and forests are under the management of Indigenous Peoples.[71,72,73] Proponents should anticipate that realizing socially responsible carbon projects is a process that will require added time and resources to get right. The market should expect to support (through premiums on carbon credits or through direct investment) the development of these solutions to result in the global aims of carbon mitigation and respect for rights of Indigenous Peoples.

Opportunity for further study: More research is needed to identify and share cases and examples of concrete actions and steps that result in socially responsible conservation (and particularly Indigenous-led carbon projects).

[71] Fa, J.E., Watson, J.E., Leiper, I., Potapov, P., Evans, T.D., et al. (2020) Importance of Indigenous Peoples' lands for the conservation of Intact Forest Landscapes. *Frontiers in Ecology and the Environment*. 18 (3), 135–140. doi:10.1002/fee.2148.

[72] Veit, P., Gibbs, D. & Reytar, K. (2023) *Indigenous Forests Are Some of the Amazon's Last Carbon Sinks*. https://www.wri.org/insights/amazon-carbon-sink-indigenous-forests.

[73] Osborne, T., Cifuentes, S., Dev, L., Howard, S., Marchi, E., Withey, L. & Santos Rocha da Silva, M. (2024) Climate justice, forests, and Indigenous Peoples: toward an alternative to REDD + for the Amazon. *Climatic Change*. 177 (8), 128. doi:10.1007/s10584-024-03774-7.

Overall project success and legitimacy require navigating complex communal and individual land tenure practices, especially in connection to benefit sharing.

Land tenure risks can be especially challenging to parse where the legal framework for Indigenous land rights presumes and recognizes collective tenure arrangements that may differ from traditional *and contemporary* tenure practices and norms. Respecting Indigenous norms for land and resource government is a requirement for carbon projects under VCS v4.5 and other standards. Land rights assessment is essential to identify impacts, potential conflicts, and to inform the design of effective incentives over the life of the project.

In Awajún communities, land is held at the community level, with some land—such as forestland—designated and held communally, and other land allocated to individuals or families. Traditional practices derived from the settlement patterns when the Awajún first came to the Alto Mayo. Secondary literature reviewed in this study suggests that traditional tenure rules among the Awajún were more individualistic than communitarian. With the passage of the Law on Native Communities in 1978, these traditional rules were supplanted by state-prescribed institutions for local governance, with tenure rights of communities documented under community title. This history is relevant because it suggests that the interpretation of Awajún tenure as communal is legally correct and may be (legitimately) supported by leaders and others within the community *while also being at odds with individual and communal assumptions and practices* about how land is allocated and what underlying rights obtain to a particular parcel.

For instance, though FERIAAM respondents were consistent in confirming that land is held collectively, community members expressed varying views on the extent and nature of individual vs. communal tenure rights in each community. In addition, rules for inheritance, access, and other elements of land tenure varied among communities.

These differences could be relevant to the overall success and perceived legitimacy of the project over time. Assessing risks and impacts that could result from a long-term change in land use and management is a recommended best practice and should inform design to ensure that the conservation-oriented rules under TPI are respected and implemented.

Gender equality is difficult to achieve but it is essential that proponents work to advance equal participation, benefit sharing, and overall well-being of women through carbon projects.

Through its work in the Alto Mayo communities CI has shown that it is possible to make positive changes in the face of entrenched and pervasive discriminatory norms that limit and threaten women's well-being. Such successes require targeted programming that is based on careful risk assessment and that is committed to adaptive project design and management that work to understand and address the root causes of inequality.

The successes also show that making positive change is possible but requires long-term investments in a community. Such positive changes can yield positive outcomes in terms of productivity, land and

forest restoration, strengthened leadership by women and men, and stronger and more effective and accountable institutions.

CI's efforts are rooted in a commitment to equality, and to ensuring that projects do no harm to participants or affected communities. They are also based on the theory that increased equality and participation by women in natural resource governance, land-based decision-making, and community leadership results in better outcomes in terms of conservation, economics, and sustainability. There is some evidence in the literature that investing in gender equality and women's empowerment can result in better conservation and poverty reduction outcomes.[74] More evidence is needed to demonstrate how and whether efforts to ensure gender equality in terms of participation and decision-making result in more gender-equitable outcomes in carbon projects.

Opportunity for further study: Given CI's work on gender, TPI presents an opportunity to measure and build the evidence base on how work to support and empower women can support project effectiveness and carbon mitigation outcomes.

Overall conclusions: What does it take to ensure socially responsible carbon projects?

The cost of developing and implementing socially responsible carbon projects—projects that meet requirements for fully respecting the rights of communities to FPIC—is very high, particularly where the enabling framework for the exercise of rights is weak. The recommendations in this report constitute the minimum set of actions necessary to meet the standard, adhering closely to the requirements under VCS and CCBS and, where applicable, suggesting actions that may go beyond these requirements in order to mitigate potential risks to the project or communities. A question worth pursuing further is whether buyers will be willing to pay a premium for carbon credits that are generated responsibly.

Recognizing the economic implications of developing and implementing socially responsible carbon projects is paramount. Transitioning from one-off actions to meet standards under the eyes of the verifiers to iterative processes that prioritize community rights incurs costs for the project. This report offers recommendations aligned with VCS and CCB standards while advocating for additional measures to bolster community rights under Peruvian context. However, it is crucial to acknowledge that these enhancements entail greater investments in social and human capital. This elevated cost might be manifested in a higher per-unit cost of carbon transacted, justifiable through an augmented social value associated with each unit of carbon. However, it could also signify a vital investment aimed at mitigating future risks, safeguarding the project's longevity. The repercussions of neglecting to address social and human risks early in the project are substantial, as evidenced by the Surui Forest Carbon Project Case (see Annex 1).

The monetization of carbon presents particular challenges regarding the content of communications with communities. The terminology is often technical and unfamiliar to rural community members and difficult to effectively translate into local languages. Additionally, carbon monetization as a concept can seem more abstract and less tangible than other types of valuations, further challenging effective and clear communication. But as the field study demonstrated clearly, communities understand quite clearly

[74] UNFCCC (2023) Five reasons why climate action needs women. Blog post. https://unfccc.int/news/five-reasons-why-climate-action-needs-women.

when there are changes to how they can use their land and forest, and the risks, impacts, intended benefits, and compensation that they can expect should be communicated equally clearly. This can help to ensure that expectations are aligned with the Initiative over the short-term and longer term.

At the early stage of a project, communications should include information about:

- How communities' and individuals' land and resource rights and uses will be impacted
- What benefits they can expect to receive in exchange for the use of/loss of use of their land and resources
- What impacts are likely to result (positive and negative)
- Who is in charge and what to do in case of any issues

Carbon projects impact resource usage and management of individual and community forests. Satisfying the standard for consultation and consent related to benefit sharing requires that a project seeks and obtains the agreement of communities to a benefit sharing mechanism that is: appropriate to the local context; consistent with applicable national rules and regulations, and international human rights and standards; consistent with customary rights; agreed upon by Indigenous Peoples and local communities; and shared in a culturally appropriate manner. The details of all benefits and how they will be delivered to communities should be shared with as much clarity as possible to fulfill these standards and ensure that communities are able to make informed decisions that align with their own priorities and interests.

Annex 1: Good Practices and Cases

Table 6. Lessons from forest carbon projects that have centered community interests. Cases in this table derived from Burton and Keenan (2024). A literature of the social performance of carbon-offsetting projects with special reference to Indigenous participation (on file with authors).

Case	Aspect of Interest	Lesson
The Loru Forest Project Case, Vanuatu	Community involvement & collaboration Informed participation Free, Prior, and Informed Consent	Required involvement and collaboration at key project activities or outcomes: • Required involvement (work directly with participants) for: ○ Education about Payment for Environmental Services. ○ Development/application of technical specifications to measure PES benefits. • Required collaboration (partner with participants) for: ○ Formation of a Project Owner group to participate in project design. ○ Establish legal Project Owner group. ○ Determine respective roles and responsibilities of Project Owners and Project Coordinator. ○ Development of benefit sharing arrangements. ○ Development of Land Management Plan Secured informed participation through educational activities that took 4 years: • 2012-2013 – Climate change, REDD+ and land use planning. • 2014 – Governance, Money story training and Business Planning. • 2014-2015 – Identifying gaps and implementing Land Management Plan, managing financial procedures, and nursery development. Decisions that triggered FPIC and/or required a mandate: • Register a legally constituted Project Owner entity to act on behalf of land/resource user rights holders. • Agreement with the terms and conditions of project PES Agreement and Programme Agreement. • Agreement to Nakau Management Plan (land management plan) including project boundaries and management regime for the project area. • Agreement for the Project Description (PD) to be submitted for validation.
The Surui Forest Carbon Project Case, Brazil	Individual vs. community interests	First Indigenous-led conservation project financed through the sale of carbon offsets. First project to receive a Gold certification from the Climate, Community & Biodiversity Alliance (CCB). The project dramatically reduced deforestation within the territory during the first five years of operation (2009-2014). Carbon offset proceedings allowed to finance six sustainable community development initiatives.

		Unfortunately, in 2018 the project was suspended. Although the project received near-unanimous support from community members, it was undermined by a small community contingent pursuing their own individual interests.
The Vida Manglar Carbon Project Case, Colombia	Stakeholder collaboration and project governance	Project governance has generated local and institutional capacities for forest management, rehabilitation, and restoration and promoted the implementation and strengthening of alternative productive activities. Project governance: • Executive Committee – private sector + community organizations + government representatives – In charge of: the administration and distribution of financial resources; acquisition of additional funds; negotiation of carbon certificates; selection of project activities; identification of actors and their roles within the project framework; determination of the general and specific objectives of the project; design the project schedule; and hiring verifiers and accompaniment during the verification process. • Technical Committee – private sector + community organizations + government representatives + educational representatives – In charge of providing coordination and technical support to the executors of the project and to monitor that activities are being carried out. • Consultation Bodies – government representatives & community associations and service providers – Bodies consulted to validate the decisions made by the committees, establishing strategies of information, dialogue, and joint construction of the project.
The East Kalimantan Jurisdictional Emissions Reduction Program Case, Indonesia	Benefit sharing arrangements	Key considerations when developing a benefit sharing arrangement: • Define and frame who are the beneficiaries by setting categories and building the corresponding rationale based on key roles and responsibilities. • Consider an eligibility criteria for beneficiaries to be eligible to receive benefits from the project on the requirement for playing their roles and delivering their responsibilities. • Set conditions for payment and the responsible party to manage these. • Distinguish between project specific monetary and non-monetary benefits, connecting with the different identified beneficiary groups. • Distinguish how some monetary benefits may be used to incentivize roles and responsibilities, while other monetary benefits may be used to reward historical actions. • Clearly state how benefits will be distributed considering project costs and different sources of funding; as well as how the net benefits will be distributed proportionally according to the different type of beneficiaries, their roles, and their responsibilities. • Provide clear explanation about the processes for benefit distribution.

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