



STX Input to the Article 6.4 Supervisory Body

Meaningful engagement of Indigenous Peoples and Local Communities (IPLC) in Article 6.4 Mechanism

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Introduction

We are STX, a company that is a leading global environmental commodity trader and climate solutions provider. For over 15 years, STX has been at the forefront of the global transition towards a low-carbon economy.

STX acknowledges and appreciates the commendable efforts made by the UNFCCC Secretariat, participating Parties, the Article 6.4 Supervisory Body (A6.4 SB), Observer Organizations, and Non-party stakeholders in the operationalization of the Article 6.4 mechanism.

We are highly enthusiastic about the organized public consultation aiming for the meaningful involvement of Indigenous Peoples and local communities (IPLC) within the Article 6.4 mechanism. This initiative, launched by the UNFCCC Secretariat in response to decision 3/CMA.3, paragraph 5 (h), and the request made during the sixth meeting of the Supervisory Body (as outlined in paragraph 34 of the SB 006 meeting report), is of particular significance.

In connection with the request for input on facilitating meaningful engagement with Indigenous Peoples and Local Communities (IPLC), we place utmost importance on the eleventh preambular paragraph of the Paris Agreement. This paragraph is further emphasized in decision 3/CMA.3, which pertains to the rules, modalities, and procedures governing the mechanism established by Article 6, paragraph 4, of the Paris Agreement (specifically in paragraph 242).

STX's input aligns with the proposed questions in the call for input and is structured into three key sections:

1. **Addressing Current or Anticipated Challenges:** This section delves into the existing or foreseen challenges that IPLCs might encounter or are currently facing when engaging with the Article 6.4 mechanism.
2. **Enhancing Communication Modes:** The second section focuses on the modes of communication that can facilitate more effective dialogue between the Supervisory Body and Indigenous communities.
3. **Promoting Meaningful Long-term Engagement:** The final section revolves around the promotion of long-term, meaningful engagement and active participation by IPLCs in the Article 6.4 mechanism.

This structure aligns with the outlined goals of the consultation, providing a comprehensive response that addresses key aspects of IPLC involvement.



General Overview

Indigenous Peoples play a critical role in conserving the Earth's biodiversity, with approximately 80 percent of the world's remaining biodiversity under their stewardship. Recent studies highlight that lands managed collectively by Indigenous Peoples and local communities contain at least a quarter of all above-ground carbon in tropical and subtropical forests. They possess invaluable ancestral knowledge and expertise to adapt to, mitigate, and reduce the impact of climate change and natural disasters.¹ However, many Indigenous Peoples worldwide face extreme poverty and lack formal recognition of their lands, territories, and natural resources. Consequently, they often lag in receiving public investments in basic services, infrastructure, access to justice, and participation in political processes. These challenges make Indigenous Peoples more vulnerable to the consequences of climate change and natural hazards.

A significant portion of Indigenous lands is under customary ownership, but many governments officially recognize only a fraction of these territories as belonging to Indigenous Peoples. This situation leads to conflicts, as land tenure remains insecure, environmental degradation continues, and economic and social development lags. These issues endanger Indigenous cultures, vital knowledge systems, and the ecological health of their environments, upon which they depend.

In the context of carbon sequestration, Indigenous Peoples and Local Communities (IPLC) hold immense value as guardians of forests.² However, they often lack the necessary understanding of various carbon market models and how they can benefit from them. IPLC sometimes feel pushed aside or confronted by carbon projects or REDD+ initiatives on their lands, as the technical and complex language used in these discussions is often inaccessible. The use of jargon and unfamiliar business models further complicates their engagement. Consequently, obtaining Free, Prior, and Informed Consent (FPIC) from Indigenous Peoples becomes a challenge. In situations where project development proceeds without proper consultation, conflicts may arise, and Indigenous Peoples' customary rights may be overlooked. It is imperative to step back and reevaluate the engagement strategy with IPLC, considering the existing factors and conditions.

First, the issue of land ownership creates ambiguity in government representation of IPLC consent. Many Indigenous representatives' express concerns about the risks carbon credit projects pose to their rights, including self-determination, FPIC, and access to lands, territories, and resources.³ Indigenous Peoples propose local recognition of customary land tenure, such as land titles or certificates, to provide them with land security and incentives for land investment, which can also reduce deforestation.⁴ However, not all Indigenous Peoples receive recognition from local governments, leading to conflicts. This indicates that governments may not always be the best mediators for IPLC perspectives and voices. Encouraging local governments to collaborate within a neutral coalition could provide a more balanced and impartial approach.

¹ [Indigenous Peoples Overview \(worldbank.org\)](https://www.worldbank.org/en/indigenous-peoples/overview)

² <https://www.forestpeoples.org/en/report/2023/carbon-markets-forests-rights-explainer>

³ [03 Indigenous Peoples' Rights and Carbon Markets WEB\[54\].pdf \(forestpeoples.org\)](#)

⁴ [The Benefits of Stronger Indigenous and Community Land Rights | World Resources Institute \(wri.org\)](#)



Second, the underrepresentation of IPLC in government authority due to educational inequalities and the lack of elected Indigenous representatives hampers their voices from being heard.⁵ Establishing an Indigenous Constitutional body to represent their voices in the state's parliament would ensure that Indigenous concerns are central to government decision-making. However, supporting education and knowledge initiatives is vital to involve IPLC in the decision-making process. Therefore, focusing on projects that involve Indigenous Peoples while enhancing their education is crucial for better engagement with IPLC in the future.

Third, having a neutral body or trusted individuals/institutions within the state to facilitate communication with IPLC can foster better engagement. Identifying organizations and local NGOs that have worked with Indigenous Peoples or supported them can aid in recognition and communication. These organizations are also geographically closer to IPLC, making communication more efficient. Their role, however, should be limited to facilitating and bridging communication with IPLC, as local perspectives serve as the primary gateway to engaging stakeholders.

In summary, it is essential for the Subsidiary Body for Scientific and Technological Advice (SBSTA) to gather more input from stakeholders. Moreover, it is imperative to focus on engaging IPLC in carbon market projects, ensuring that they are not just informed but actively involved and protected. The aspirations, customs, beliefs, and land connections of IPLC are vital components of successful carbon projects, and their inclusion is crucial for the sustainability and success of these initiatives.

Submission Details

The Supervisory Body encourages Indigenous Peoples, local communities, or groups that work with Indigenous Peoples and local communities to provide inputs on how to meaningfully engage with them on the work of the Supervisory Body and the mechanism. The submission could include input, for instance, on:

1. What are the current or anticipated challenges Indigenous Peoples and Local Communities (IPLC) face in engaging with the Article 6.4 mechanism?

Ensuring Indigenous People and Local Community (IPLC) Participation in Carbon Development Projects

First and foremost, one of the crucial aspects when engaging with Indigenous People and Local Communities (IPLC) is their active involvement in project development. It is not enough for IPLC to merely be informed and consulted at the project's inception; their participation and engagement throughout the project's development are paramount. IPLC should have a say in activities that may impact their land, forests, and territories due to project development. For example, in the implementation of REDD+ projects, IPLC should be part of the discussion and activity selection to ensure that chosen activities align with their needs, promote economic growth, and preserve their customary beliefs and practices related to forest stewardship and biodiversity.

⁵ [Evidence from New Zealand shows an Indigenous Voice to Parliament will 'put race at the centre' of government decision making, according to a new report by the Institute of Public Affairs | Sky News Australia](#)



It is essential to prioritize IPLC's customary beliefs and considerations when selecting activities that support carbon sequestration and emission reduction goals. During the introduction and consultation process, great respect should be shown for their cultural values and environmental protection practices. Therefore, support from local authorities, NGOs, coalitions, or organizations working closely with IPLC should be encouraged to facilitate their involvement. IPLC should not be passive consultants but active participants in project development, especially considering their role as stewards of the forest and biodiversity.

Land Tenure Issues

Another critical consideration is addressing land ownership issues and improving the maintenance of IPLC livelihoods. One of the most detrimental effects of carbon development projects is when land legality is in dispute, leading to uncertainty regarding project development and IPLC livelihoods. To prevent conflicts and threats to community livelihoods, we strongly recommend that the SBSTA emphasize legal aspects. It is vital to recognize that "land, territories, and related resource rights are of fundamental importance to indigenous peoples since they constitute the basis of their economic livelihood and are the sources of their spiritual, cultural, and social identity. Without access to and respect for their rights over their lands, territories, and natural resources, indigenous peoples' distinct cultures and the possibility of determining their own development and future become eroded."⁶

Transparency regarding land access and ownership is crucial for the smooth operation of carbon development projects, especially with respect to local culture and land tenures. This means that the SBSTA should provide an additional checklist to ensure the legal ownership of land is as transparent as possible to mitigate future conflicts. However, the legal aspects and land tenure ownership are sometimes not clearly defined or issued by the government, causing delays in projects. Thus, we urge the SBSTA to prioritize land tenure issue resolution by encouraging governments to take immediate action. Additionally, while addressing land ownership and transparency, it is important to ensure that the projects benefit IPLC at the grassroots level.

Selection of Simple Words for Communication

Simplifying key terms and jargon is essential to help IPLC better understand and prevent miscommunications. The complex jargon associated with carbon markets and key terms such as REDD+ often hinders local stakeholders and IPLC from understanding and effectively engaging with these projects. IPLC, as the most affected in their local territories, may become victims of the project rather than beneficiaries due to this lack of understanding. Therefore, it is highly encouraged to involve IPLC in consultations through trusted local partners, such as local NGOs, community leaders, and authorities, who have a closer connection to and better understanding of the engagement process. Conducting specific research on local customs and Indigenous People's beliefs should also be promoted to enhance understanding and appreciation of their customs, traditions, and contributions.

⁶ [ea85011b-7f67-4b02-9399-aaea99c414ba \(ifad.org\)](https://www.ifad.org/.../ea85011b-7f67-4b02-9399-aaea99c414ba)



2. What mode of communication could facilitate better dialogue between the Supervisory Body and Indigenous communities?

Ground-level coalition to better strengthen the connection and facilitate communication.

The establishment of ground-level coalitions is crucial for facilitating engagement and communication with Indigenous Peoples and Local Communities (IPLC). Given that IPLCs primarily communicate and engage with local stakeholders and government authorities, it is only logical to connect with ground-level coalitions as the primary networks for collaboration.⁷ The SBSTA should strongly encourage the use of local networks to develop projects and share information aimed at facilitating communication.

A coalition or platform serves as a medium comprising a collective of organizations and institutions that utilize a shared platform to discuss vital matters, including knowledge sharing, capacity building, learning, and discussions pertaining to marginalized communities. An organizational coalition consists of individuals who, despite their ongoing differences, collaborate to achieve mutually beneficial goals. In the context of IPLC engagement, such coalitions play a pivotal role in providing IPLC with improved and more accessible connections on the ground.⁸ These coalitions focus on strengthening and upholding support for IPLC within the local community. A robust coalition is believed to empower IPLC with enhanced participation, equal status for Indigenous People and country representatives, self-selection of Indigenous People representatives following their own procedures, and effective management of adequate funding and contributions to support the coalition's functions.

Sharing equal values and safe zone of communication through coalition.

When choosing a leader for the coalition, it is advisable for the decision to be made collectively by coalition members, including Indigenous People. This inclusive approach promotes broader participation and equitable decision-making. The coalition's strength lies in its diversity, as it is not a single entity but a group of organizations and actors working together. Local community members are also integral to the process, demonstrating the potential for IPLC engagement. Furthermore, the inclusive and open nature of the coalition as a shared platform for learning and aligning with each organization's goals and agendas makes it possible to accommodate Indigenous People's cultural and customary laws within the coalition's activities.

To effectively engage with IPLC, it is imperative to employ local customary systems for discussions and communication. This entails making more significant efforts to approach IPLC, moving beyond modern communication methods such as mobile phones, the internet, or traditional messaging. Creating a safe and accommodating space that respects their views and comprehends IPLC's perspectives within carbon business models is essential. The optimal approach is to engage through a local coalition, as it provides the means to facilitate effective communication while respecting Indigenous People's customs and values.

⁷ [Countries Give Voice to Indigenous Peoples through New Platform | Local Communities and Indigenous Peoples Platform \(unfccc.int\)](https://unfccc.int/news/countries-give-voice-to-indigenous-peoples-through-new-platform-local-communities-and-indigenous-peoples-platform)

⁸ [So What Exactly Is a “Coalition” Within an Organization? A Review and Organizing Framework - Murad A. Mithani, Jonathan P. O’Brien, 2021 \(sagepub.com\)](https://www.sagepub.com/journalsPermissions.nav?path=/journals/indigenous-peoples-justice/article-abstract/10.1177/1080180X211011111)



3. How would you envision meaningful long-term engagement and active participation from Indigenous Peoples and local communities on the work of the Supervisory Body and the mechanism?

Increase commitment to work together and to protect the environment under the Public Private Partnership Mechanism.

Furthermore, it is essential to garner support from markets to further foster and sustain IPLC involvement. Therefore, a strong entry for Public Private Partnership is significant to support the development. The potential of network that are able to work together in a coalition can also ease the access of investment and market that support the IPLC. Additionally, the transparent distribution of incentives and side payments can be greatly beneficial. A coalition, being a complex network of organizations, requires financial support to ensure its effective operation. This funding will not only ensure the coalition's sustainability but also bolster the commitment of its members, as support from various parties can advance their collective objectives. Side payments can also serve as rewards that motivate current members to remain loyal to the coalition. However, it is imperative to maintain the coalition's credibility by striking a balance between existing project development in the area. This necessitates well-defined actors, structures, and processes to uphold this equilibrium.

Indigenous Peoples can contribute significantly by leveraging their customary and local perspectives to the group coalition. The role of Public-Private Partnerships (PPPs) will further fortify the coalition's continuity and endeavors as well as involve the IPLC. However, it is of paramount importance to uphold the targeted aspects and goals of the coalition throughout its operation to ensure that the IPLC's involvement remains central and effective.