



Kawari

Regranting Fund for Integrity
in Forest Carbon Markets



The Kawari Fund is a nimble, multi-donor fund working to ensure social integrity in the carbon market, thereby supporting actions to address climate change by protecting forests in ways that respect and uphold the rights of Indigenous Peoples and local communities (IPs and LCs). Launched in April 2023, **Kawari provides a trusted source of financial support in the carbon space for IPs and LCs** to, among other priorities, support the integration of safeguard requirements and processes in the design and implementation of jurisdictional forest carbon finance initiatives. While prioritizing IP- and LC-led grantees, the Fund also supports NGOs and can indirectly support governments working to achieve high-integrity emissions reductions. Kawari's emphasis is on achieving tangible, on-the-ground changes necessary for long-term transformations in forest governance.

www.kawari.earth

Core initial donors to the Fund include the Packard Foundation via the Climate & Land Use Alliance (CLUA) and the Hewlett Foundation. The Fund is open to resources from philanthropic, corporate, and public sector donors.

The Challenge & The Opportunity

Our planet is under threat as forests disappear across the globe, resulting in severe negative consequences for climate, biodiversity, and human wellbeing. Stopping and reversing deforestation is critical to achieving Paris Agreement goals and halting the loss of biodiversity, but we cannot end deforestation without supporting strong governance and stewardship in forest areas. This is not the work of non-indigenous governments alone: Indigenous Peoples and local communities (IPs and LCs) steward 36% of the world's remaining forests and much of the world's remaining biodiversity. Recognition of their human rights and pivotal role in forest protection is integral to solving the global climate and biodiversity crises.

The demand for carbon, and in particular for reduced emissions from deforestation and degradation (REDD+), could provide a transformative source of funding if designed and implemented in the correct way, not only for forest protection and restoration, but for furthering rights and leadership by IPs and LCs. Jurisdictional REDD+ efforts, because they involve subnational and national governments and typically span much larger crediting areas, have the potential to deliver these benefits at greater scale.

Leveraging the power and obligations of governments, they also have the potential to avoid many of the social and environmental integrity concerns seen in private, project-scale REDD+, because jurisdictional programs have access to a much broader set of tools to advance equitable and rights-based reforms in land use governance (e.g. licensing, land adjudication, policy and regulation, enforcement). Until very recently, J-REDD+ approaches were supported largely by public funds and institutions such as the World Bank, but they are gaining momentum in both the voluntary and compliance markets with the launch of the Architecture for REDD+ Transactions TREES standard in 2020 (ART TREES). Carbon credits certified under ART TREES are now coming online and at least 45 jurisdictions are currently developing forest emission reduction programs. The work of the Kawari Fund will increase the integrity of these credits.

The Integrity Council for Voluntary Carbon Markets (ICVCM) has set a global benchmark for high-integrity carbon credits. ART TREES, recently recognized as a high-integrity standard by the ICVCM, has also delineated detailed indicators for each of the internationally recognized REDD+ Cancún Safeguards. It is positive and promising that there is a growing set of principles and standards which recognize that upholding rights is integral to securing environmental and social benefits.





However, while standards are essential, they must be accompanied by sufficient funding and independent, non-biased institutional support to ensure they are implemented into concrete actions on the ground.

Appropriate consultation and consent processes with IPs and LCs and the partnerships and rights-based results arising from them, come with a cost. While it is the State's legal obligation to ensure the conduct of effective, meaningful and inclusive consultations with stakeholders, in some jurisdictions, including the manner in which international finance is provided, there are limited resources and capacity to ensure timely and appropriate consultations and consent processes, including their development of equitable and fair benefit-sharing agreements and grievance mechanisms. More financial resources are required to respond to expressed needs. Current levels of support are simply not enough. Furthermore, the process by which communities decide whether and how to engage in carbon market initiatives should be free of any undue pressure from external actors with an inherent interest in the transaction moving forward. Kawari's funds do not come with the condition that IPs and LCs agree to specific carbon-related transactions. Kawari's primary interest is that the processes and results associated with the design and implementation of carbon initiatives respect IP and LC rights. **An independent source of funding for IP and LC involvement in forest carbon initiatives can be a game changer benefiting the communities, governments, investors, and the planet.**

Indeed, while there is still room to strengthen international guidelines around the requirements of consultation, including Free, Prior, and Informed Consent (FPIC) processes, one of the greatest challenges is the interpretation and implementation of these rules and guidelines. **As long as funding is lacking to ensure genuine and fully informed agreements between governments and communities, jurisdictional programs risk violating rights which cause harms, invite grievances and diminish program success.** They also miss the important opportunity to situate IPs and LCs as not just potential subjects to be affected by a carbon initiative, but as meaningful contributing partners and leaders in project development and implementation.

Addressing this gap between standards and the "real world" requires not only funding resources, but people with the networks and expertise that truly understand and recognize IP and LC rights and their specific challenges, and who can build trust with IPs and LCs. The foundation of trust must be the starting point for these dialogues and negotiations to succeed.

The Solution: Kawari Fund

Responding to this need, the **Kawari Fund was launched in 2023 to promote and secure the rights and interests of Indigenous Peoples and Local Communities in jurisdictional forest carbon finance initiatives, and in doing so, increase the overall integrity of those initiatives.**

KEY FEATURES

Kawari provides a trusted source of funding to support the respect and promotion of IP and LC rights and interests in jurisdictional forest carbon finance initiatives.

Through targeted grants, Kawari works to enhance the skills and capacities of IPs and LCs, create an enabling environment that can ensure rights-based governance of the initiatives, **integrate safeguard requirements and processes in the design and development of such initiatives**, and support meaningful engagement with IPs and LCs that promotes human rights and respects self determination, while ensuring alignment with ICVCM’s high-integrity principles within carbon markets.

Kawari focuses on the implementation of IP and LC rights by helping to ensure that the enabling conditions for the exercise of rights are in place, including updated legal frameworks that can support IPs and LCs, and ensuring that IPs and LCs are aware of these rights, and where possible, driving and participating meaningfully in the very processes that may affect them.

Kawari prioritizes IP- and LC-led organizations as grantees. We support efforts by IPs and LCs to increase their capacities to receive international funding directly. We recognize that strengthening this capacity will take time, so where needed, Kawari will work with trusted partners previously identified by the IP and LC organizations to provide closer and more targeted technical assistance to accompany the implementation of activities that advance the objectives of Kawari.

Kawari understands that for sustainable climate actions to succeed, governments must be fully involved. As such, Kawari will strive to build bridges between communities and jurisdictional governments, and development and implementation of government-led, inclusive, rights-based stakeholder engagement plans.

As an independent multi-donor fund, Kawari functions like a blind trust. Buyers of carbon credits and donors can support the infrastructure for transactions without worrying about a perceived or real conflict of interest in the decision-making process of J-REDD+ initiatives, and therefore invest confidently in high integrity carbon markets (high in environmental *and* social integrity).

Kawari envisions a carbon market that respects and upholds rights and supports adequate representation and informed participation of IPs and LCs in the design and implementation of carbon initiatives. Kawari channels philanthropic, private and public sector funds to support processes that aimed at achieving environmental *and* social high integrity – benefiting communities and nature.

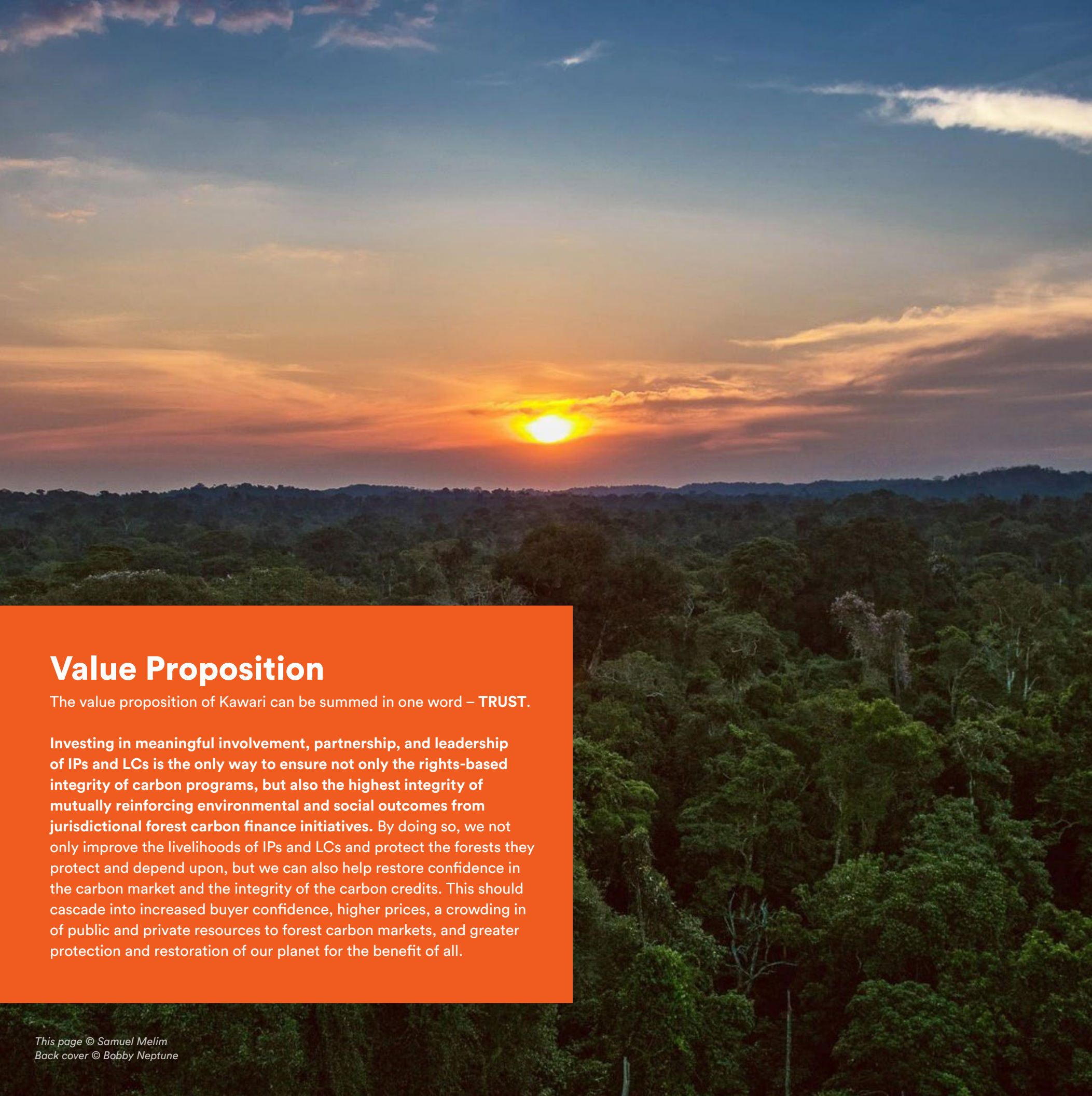
THE HOW

The Kawari Fund is operated, and its Secretariat hosted, by [Re:wild](#). **Re:wild maintains a broad network of regional and local partners currently spanning 84 countries, including national and international organizations, government partners, IPs, LCs and their organizations and alliances, and other grassroots organizations.** An Advisory Council, composed of global experts in climate finance, biodiversity, and Indigenous peoples’ rights, oversees the high-level functioning of the Fund, including setting its priorities and scope.

Kawari works with Re:wild regional staff, networks, and partners across the world to gather and ground-truth information on jurisdictions, needs, drivers of change, and most importantly, promising opportunities for promoting and securing rights and high integrity in forest carbon finance initiatives. Kawari can call on this broad network of local experts to give reliable advice and perspective on what is happening on the ground and to identify when a convergence of actors and circumstances are ripe for Kawari support.

In addition, The Kawari Fund coordinates and strives to align with the new Jurisdictional REDD+ Technical Assistance Partnership (JTAP) launched at COP28. This strong collaboration allows Kawari to participate and engage with partner organizations in the latest and up-to-date technical discussions on jurisdictional initiatives to identify where Kawari can help fill critical gaps in readiness and catalyze funding to accelerate large-scale conservation of forests while ensuring that IPs and LCs’ rights are recognized and respected. **Kawari aims to demonstrate that the right funding and timely intervention can produce the pilots and best practices that can give the climate finance field transferrable and scalable efforts replicable across other jurisdictions.**

Re:wild’s safeguards and robust operational systems ensure that Kawari funding is used efficiently and is well accounted for, and its years of experience granting to community-based organizations has resulted in granting mechanisms that allow for flexibility in the process, but do not lower the bar in terms of accountability for the funds received. **Measurable impacts and accountability are pivotal to Kawari’s success.**



Value Proposition

The value proposition of Kawari can be summed in one word – **TRUST**.

Investing in meaningful involvement, partnership, and leadership of IPs and LCs is the only way to ensure not only the rights-based integrity of carbon programs, but also the highest integrity of mutually reinforcing environmental and social outcomes from jurisdictional forest carbon finance initiatives. By doing so, we not only improve the livelihoods of IPs and LCs and protect the forests they protect and depend upon, but we can also help restore confidence in the carbon market and the integrity of the carbon credits. This should cascade into increased buyer confidence, higher prices, a crowding in of public and private resources to forest carbon markets, and greater protection and restoration of our planet for the benefit of all.

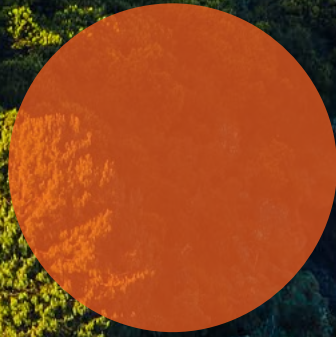
Grant-Making Strategy

Demonstrating the need, Kawari's first call for letters of interest (LOIs) in Sept 2023 yielded 89 LOIs from 45 jurisdictions. Initial grant-making involved small- to medium-sized grants in a wide set of jurisdictions to help strengthen IP and LC capacities and negotiating power, demonstrate the benefits of investments in social processes, consolidate an operational network around shared principles, and help open and demystify conversations around jurisdictional J-REDD+ for IPs and LCs as well as governments and other stakeholders. In its first year, Kawari made grants or commitments to IP- and LC-led organizations in 18 jurisdictions totaling over USD 1.1 million. For example, Kawari supported:

- COIAB to undertake capacity building with indigenous Peoples on climate change, carbon and jurisdictional REDD+ across the Brazilian Amazon;
- Ogiek People of Kenya, who have faced displacement from their land, to receive training on carbon markets and free, prior and informed consent (FPIC) protocols and develop education and communications materials about carbon initiatives;
- ECOPAR, in close collaboration with JTAP, to support the inclusion of Afro-descendant communities in Ecuador in the national REDD+ initiative and benefit-sharing plan;
- ANECAP in Peru to convene a regional workshop for the preparation of a concept note for a technical proposal on the first-ever "Indigenous Jurisdictional REDD+" program and to present this formally to ART during New York Climate Week.

In mid-2024, Kawari moved toward an active solicitation model. It plans to make larger investments in a smaller number of targeted jurisdictions, scaling up commitments on the basis of demonstrated work and relationships. The Fund will continue to identify opportunities where major gains in the advancement of IP and LC rights can be achieved through the engagement of a jurisdictional carbon finance program, and direct increased resources accordingly.

Proposals for medium to large grants will be solicited by invitation only. LOIs for Quick Action Grants can be submitted at any time through the Kawari website and will be awarded on a rolling basis. These smaller grants allow IPs and LCs to respond quickly to processes or developments that have urgent implications for their rights.



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