BEYOND OFFSETS: WHAT DO WE MEAN BY RIGHTS-BASED, REAL SOLUTIONS?

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INTRODUCTION

The Ene River in Peru. Image by Rainforest Foundation UK

Rainforest Foundation UK, Forest Peoples Programme and Fern co-published Beyond Offsets: People and Planet-Centred Responses to the Climate and Biodiversity Crisis in 2024.[1] The report aimed "*to help put forest peoples back at the centre of discussions on financing the preservation of forests by exploring non-market approaches (NMAs) and the contribution they can make to addressing climate change and biodiversity loss*".

The Paris Agreement on climate change acknowledges the centrality of traditional knowledge in overcoming the negative impacts of climate change,[2] and Beyond Offsets noted, "*Forests can play a significant role in climate mitigation, but too often the very people who are central to maintaining forests and the carbon stocks and biodiversity they contain have been absent from the design and implementation of initiatives to deliver this*".

The global Convention on Biological Diversity (CBD), through the Kunming-Montreal Global Biodiversity Framework (GBF), also "*acknowledges the important roles and contributions of Indigenous Peoples and local communities as custodians of biodiversity and as partners in its conservation, restoration and sustainable use*".[3]

This note builds on Beyond Offsets and proposes a positive – rights-based, real solutions – alternative to the term 'non-market approach'. It then sets out the kinds of practical approaches that are meant by this, but for which there is a need for vastly improved provision of resources, including but not restricted to financial resources. It offers this positive description to all those working to promote and support rights-based approaches to climate and biodiversity finance. In particular it focuses on the financing of these approaches, and draws inspiration from specific innovative funding initiatives, the Forest Tenure Funders Group (FTFG) and Forests, People, Climate (FPC). It ends with some examples of funding mechanisms from these initiatives and others.

1 David Young, 2024, Beyond Offsets – People and Planet Centred Responses to the Climate and Biodiversity Crisis; https://loggingoff.info/wp-content/uploads/2024/06/Young2024-BeyondOffsets-RFUKFPPFern.pdf

2 UNFCCC, 2015, Paris Agreement, Article 7.5; https://unfccc.int/sites/default/files/resource/english_paris_agreement.pdf.

3 CBD, 2022, Kunming-Montreal Global Biodiversity Framework, CBD/COP/DEC/15/4, Clause 7(a); www.cbd.int/doc/decisions/cop-15/cop-15-dec-04-en.pdf.

Cover photo: Women harvest lemongrass in the Chisapani Community Forest. Image by Chandra Shekhar Karki/CIFOR/Flickr



Canopy of lowland rainforest in Sabah, Borneo, Malaysia

WHAT TO CALL IT?

'Non-market approaches' is the term used by the United Nations Framework Convention on Climate Change (UNFCCC), for example in Article 6.8[4] of the Paris Agreement and the NMA platform.[5] It is also used in the GBF, for instance its Target 19,[6] so there are good reasons to refer to it. In contrast, the UNFCCC describes market–based approaches as those that "*enable the transferability of mitigation outcomes, whereby mitigation outcomes generated by one entity can be used by another entity, as in emissions trading systems and crediting programmes*".[7]

But 'NMA' is a non-definition as it seeks to define itself by what it is not. More positively, what we want is:

A rights-based approach to actions and finance that will deliver real solutions to the climate-and-biodiversity crisis and to the peoples and communities affected by it.

This means an approach that:

- Acknowledges the mutually supportive relationship between protection of climate and biodiversity on one hand and of human rights on the other.
- Promotes and respects the rights of Indigenous Peoples (IP), as articulated in the international human rights framework, including to lands, territories and resources, self-determination and free, prior and informed consent (FPIC).[8] In both

4 UNFCCC, 2015, Paris Agreement, Article 6.8; https://unfccc.int/process-and-meetings/the-paris-agreement/article-6/article-68.

5 UNFCCC, NMA Platform, accessed 12 June 2026; https://unfccc.int/process-and-meetings/the-paris-agreement/cooperative-implementation/Article-6-8/nma-platform/main/non-market-approaches.

6 CBD, 2022, Kunming-Montreal Global Biodiversity Framework, CBD/COP/DEC/15/4, Clause 13.1, Target 19, op. cit.

7 UNFCCC, 2014, Framework for various approaches [relevant to the design and operation of market-based and non-market-based mechanisms], Technical Note, FCCC/TP/2014/9. https://unfccc.int/resource/docs/2014/tp/09.pdf.

8 See, for example, UNDRIP, 2007, Articles 3, 10, 19, 26 and 32; https://social.desa.un.org/sites/default/files/migrated/19/2018/11/UNDRIP_E_web.pdf; and International Human Rights Treaties and jurisprudence by key UN Human RIghts Bodies. For an overview of the main international law references and legal sources, see Annex 2 of Accountability Framework Initiative, 2025, Operational guidance on respecting the rights of Indigenous Peoples and local communities; https://accountability-framework.org/the-accountability-framework/download-the-full-framework/downloads/download/operational-guidance-respecting-the-rights-of-indigenous-peoples-and-local-communities/; and Cathal Doyle & Jill Cariño, 2013, Making Free, Prior & Informed Consent a Reality, Indigenous Peoples and the Extractive Sector; https://fpic.info/media/library/resources/making-free-prior-informed-consent-reality-indigen/Making_Free_Prior___58xYzEn.pdf. https://www.academia.edu/3615087/Making_FPIC_a_Reality_Indigenous_Peoples_and_the_Extractive_Sector

the climate change and biodiversity contexts, IPs have strongly defended these rights and made calls for "*the creation of finance and funding mechanisms that are designed by and directly accessible to Indigenous Peoples from all regions*"[9] and that are "*culturally appropriate*".[10]

- Promotes and respects the rights of other peoples and communities with collective customary governance and/or tenure systems, who govern these wholly or partially under customary law and who maintain their own political, social, cultural, and economic institutions (e.g. some local communities (LCs) and Afro-descendant (ADs) peoples and communities).[11]

- Offers real solutions: those that lead to rapid, deep and sustained reductions in global greenhouse gas emissions and biodiversity loss.[12] In contrast, "*Carbon offsetting provides little or no guarantee of permanence; scant evidence of additionality; does not deliver reductions at scale; and there is no space for them in the carbon budget*".[13] Biodiversity credits and offsets are similarly flawed regarding permanence, additionality, leakage and inflated baselines; and furthermore they are inextricably linked to biodiversity destruction and fail to consider ecosystem integrity.[14]

- Recognises that climate and biodiversity finance is not charity: Industrialised countries, including high-emitting corporations domiciled in these, who are responsible for a large amount of the harm to climate, biodiversity and rights have a responsibility to contribute proportionately to the costs of addressing these harms, in line with the principles of 'common but differentiated responsibilities' and 'polluter pays'.
Several international instruments make reference to these imperatives.
15 Furthermore, the Intergovernmental Panel on Climate Change "*has made clear the need for climate finance to be new and additional to official development assistance, and not at the cost of achieving the Sustainable Development Goals*".[16]

- Promotes stable, adequate and predictable climate and biodiversity finance: support that is continuous (i.e. stable) and predictable, rather than at the whim of market-driven prices, private sector priorities or project horizons, and which more directly, more equitably and to a greater extent, reaches communities living in and protecting rainforests and other critical ecosystems.

9 International Indigenous Peoples Forum On Climate Change (IIPFCC), 2023; IIPFCC Opening COP 28 Plenary Statement https://static1.squarespace.com/static/5627862ce4b07be93cfb9461/t/656a56b09a48df1517a78f6a/1701467824810/IIPFCC+OPENING+COP+28+PLENARY+STATEMENT+NOVEMBER+30+2023+DUBAI+FINAL.pdf

10 See e.g. the IIFB's working group on resource mobilisation: https://iifb-indigenous.org/our-work/iifb-working-group-on-resource-mobilization/

11 See for example Accountability Framework Initiative, 2025, op. cit., pp. 6-8.

12 UNFCCC COP26 (Glasgow), 2021, Glasgow Climate Pact (1/CP.26): "limiting global warming to 1.5°C requires rapid, deep and sustained reductions in global greenhouse gas emissions"; https://unfccc.int/sites/default/files/resource/cp2021_12_add1E.pdf.

13 David Young, 2024, Beyond Offsets, op. cit.

14 Friends of the Earth International, 2024, The biodiversity market mirage; www.foei.org/wp-content/uploads/2024/10/04-FoEI-Biodiversity-offsets-report-full-rlr-online-only.pdf.

15 UNFCCC COP13 (Bali), 2007, Decision 2/CP.13, Reducing emissions from deforestation in developing countries – approaches to stimulate action; **https://unfccc.int/resource/docs/2007/cop13/eng/06a01.pdf**. COP16 (Cancun, 2010) Decision 2/CP.16, The Cancun Agreements – Outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention; **https://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf**. COP19 (Warsaw, 2013) Decision 9/CP.19, Work programme on results-based finance to progress the full implementation of the activities referred to in decision 1/CP.16; **https://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf**.

16 David Young, 2024, Beyond Offsets, op. cit., citing IPCC, 2022, Working Group report, Investment and Finance, part of the Sixth Assessment Report to assess scientific, technical, and socio-economic information concerning climate change; www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_Chapter15.pdf. See also IIED,2022, The Case for a Functional Definition of Climate Finance; https://unfccc.int/sites/default/files/resource/IIED_ClimateFinanceDefinition_May2022.pdf. And Observatório do Clima et al, 2025, Climate Finance under the UNFCCC: Pathways for Scaling Up, Improving Quality, and Restoring Trust https://unfccc.int/sites/default/files/resource/BB1.3T_Observatio_et_al_Sep.pdf.



DESCRIBING A RIGHTS-BASED APPROACH THAT WILL DELIVER REAL SOLUTIONS

A community meeting in Mpama, Democratic Republic of the Congo. Image by Rainforest Foundation UK

The actions needed to deliver the approach described above are as follows. This framework progresses from rights recognition (at the top) leading to territorial security, stewardship, livelihoods, and, ultimately, self-determined financing. They should be accompanied by technical support, be developed equitably and operated efficiently, including through sustained civil society engagement.

1. Effective and equitable participation: Strengthen participation in local, national, and international decision-making processes, including support for the participation and leadership of women, youth and other marginalised groups. Protect land and environmental defenders and strengthen mechanisms for accountability and justice. Strengthen regional and global Indigenous and community networks.

2. Land and forest tenure reform: Create the legal, policy, and institutional conditions necessary for secure recognition and protection through support for national land and forest tenure reform processes that strengthen legal recognition of customary tenure systems and collective territorial rights and ensure that this recognition is mirrored in sectoral laws, such as on conservation, wildlife, mining and forestry.

3. Recognition, documentation and territorial security: Enable communities to secure formal recognition of their territories and strengthen their ability to defend and manage those territories, including through mapping, boundary demarcation, documentation of customary land use and governance systems, title registration, community-based monitoring, territorial planning, and legal support to assert, defend, and formalise rights.

4. Local governance and forest stewardship: Strengthen long-term sustainability of community institutions and governance systems for integrating traditional knowledge into territorial management, land-use planning, ecosystem conservation and restoration, benefit-sharing and climate adaptation. This should include core institutional strengthening, organisational governance, fiduciary systems, and absorptive capacity.

5. Sustainable livelihoods and forest economies: Strengthen sustainable, rights-based economic opportunities that reinforce territorial rights, ecosystem integrity, and traditional knowledge and economies, including community forestry enterprises,

market access and sustainable value chains, and climate-resilient livelihood diversification.

6. Direct finance, community institutions and self-determined development: Increase the proportion of resources that are controlled, influenced, and governed by forest communities, including support for Indigenous- and community-led regranting mechanisms, as well as actors who support communities/local organisations who have minimal or no formal institutional structures to put in place enabling conditions for accessing funding directly (e.g. via organisational development support and setting up bank accounts).

This framework is largely based on themes and strategies guiding financial and other support adopted by the Forest Tenure Funders Group (FTFG, comprising 39 government and philanthropic donors) and Forests, People, Climate (FPC, comprising 19 philanthropies). These and other similar guides from international civil society actors are provided in the box below for information.

Other categorisations of areas to strengthen local control over land and forests, alongside economic development

- FTGF uses five themes:[17] policy reform, formal tenure, territorial defence, livelihoods, international advocacy, and 'other' (referring to funds that weren't disaggregated by other five themes).
- FPC has four focus areas within its IP, LC and AD strategy:[18] human rights, tenure rights, community-led stewardship, and direct financial support.
- CLARIFI, the Community Land Rights and Conservation Finance Initiative, has six thematic priorities:[19] tenure security, advocacy and legal support, conservation and resource management, organizational capacity, environmental / human rights defenders, indigenous and local economies, and gender justice.
- The Tenure Facility reports against 12 thematic areas: [20] gender equality, conflict resolution, local institutions, norms, and plans, mapping and monitoring, use of courts and police, partner organisation capacity (financial and non-financial), policy reform, partnerships, consultations and FPIC, communities of practice, and influencing funding.
- Shandia, the IP fund monitoring platform, includes:[21] governance and rights, securing and managing territory, livelihoods and economy, social and cultural, and emergency response.

17 Derived from FTFG, 2026, Indigenous Peoples and Local Communities Forest Tenure Pledge – Annual Report 2025-26; https://www.tenurepledge.org/ftfg-annual-report-2025.pdf

18 FPC, 2023, Cross-cutting strategy on Ensuring Rights Recognition, Tenure Security, and Forest Stewardship (Focus area 2 of 9); www.forestspeopleclimate.org/wp-content/uploads/2025/09/IPLCAD_FPC_StrategySummaries.pdf. The nine strategies are Brazilian Amazon, Indigenous Peoples, Afro-descendants, and local communities, Indonesia, enabling conditions, supply chains, strategic communications, Congo Basin, private finance, and carbon markets integrity.

19 CLARIFI – Our Work, accessed 21 May 2026; www.clarifirights.org/our-work/.

20 Tenure Facility, 2025, Annual Report 2024 Appendix; https://view.publitas.com/the-tenure-facility/the-tenure-facility-tenure-facility-annual-report-appendix-2024/.

21 Shandia, 2025, Annual report 2024; https://globalalliance.me/wp-content/uploads/2025/11/shandia-annual-report-2024.pdf

FTFG provides data on disbursements (including formal allocations and commitments), totalling roughly US$500 million in 2023, 2024 and 2025 (see table). FPC reports it disbursed US$173.2 million in 2024. A separate analysis estimated that in 2024, funds from governments to IP, AD, & LC tenure rights totalled US$384 million, whereas that from philanthropic organisations was US$50 million.[22]

Tenure Facility does not break down expenditure across these but reports total disbursements in 2024 of just under US$30 million.[23] CLARIFI has not yet published any annual reports to show how much funding it has disbursed across these.

None of the funders report on the extent to which funding is open-ended as opposed to project-based. FTFG is structured around the notion of pledges, such as the renewed pledge at the Belém climate COP, for US$1.8 billion over 2026-30.[24] FPC channels grants from its member organisations. So there is a risk that pledges or grants go down as well as up.

FTFG THEME	FUNDS DISBURSED OR COMMITTED (US$ MILLION)			
	2022	2023	2024	2025
Policy reform	17	27	26	47
Formal tenure	30	55	48	41
Territorial defence	137	165	163	157
Livelihoods	136	184	195	164
International advocacy	27	16	20	14
Other	43	70	66	63
Total	390	517	518	486

FTFG fund allocations 2022-2025

22 RRI and RFN, 2025, State of Funding Report 2025; https://dashboard.pathtoscale.org/blog/state-of-report.

23 Tenure Facility, 2025, From Roots to Canopy – Annual Report 2024; https://view.publitas.com/the-tenure-facility/tenure-facility-annual-report-2024/.

24 FTFG, 2025, COP30 Indigenous Peoples, local communities, and Afro-descendant communities Forest and Land Tenure Pledge; www.tenurepledge.org/cop-30-pledge.



Through their women's forest initiative, Pgakenyaw women, Thailand, have established biodiversity zones for food and herbal medicine, organised seed exchanges to support rotational farming, and engaged elders to pass indigenous knowledge to younger generations. Support from the Forest Visions initiative has enabling PASD to expand the work of the Women's Forest Network into new communities. Image by Pgakenyaw Association for Sustainable Development (PASD), Thailand

EXAMPLES OF INNOVATIVE FUNDING MECHANISMS

This section offers a few examples of funding mechanisms that seek to align with the requirements of a rights-based approach. It demonstrates growing momentum for non-carbon market financed mechanisms but more resourcing and longer-term commitments are still required.

DIRECT ACCESS FINANCE

Direct access finance is an important element in both FTFG and FPC approaches. FPC includes it as one of its four focal areas whereas FTFG includes it in a separate analysis of delivery mechanisms. FTFG reports that 7.2% of overall funds were channelled this way in 2025, but the split between philanthropic organisations (25% of their funds) and governments (0.6%) is significant.[25] Governments continue a preference to channel funds through multilateral and international organisations and to struggle to make access to funding easier, whereas philanthropic organisations can be more nimble.

The Shandia platform aims to collate and share information on funds distributed through direct access finance through eight national or regional IP-led funds. It doesn't report on disbursements by activity area but overall data for 2024 is in the table.

FONDS	2024-5 REPORTING
Fondo Amazonia por la Vida (Amazon for Life Fund)	Received US$10 million from the Green Climate Fund in 2024, the only fund to access multilateral climate finance directly.
Fondo Territorial Mesoamericano (FTM, Mesoamerican Territorial Fund)	Received nearly US$1.2 million in 2024, of which 76% was allocated to direct access finance (and the remaining 24% to operations).
Indigenous Peoples of Asia Solidarity (IPAS) Fund	Disbursed a total of US$664k in the year to November 2025.
Nusantara Fund (Dana Nusantara), Indonesia	Received US$10.1 million in 2024-5.
Podáali Fund, Brazilian Amazon	Managed a total of approximately US$3.8 million in 2024.
REPALEAC Fund, Central Africa	Still in early/pilot phase so no specific disbursement figure reported.
Rutî Fund, Roraima, Brazil	No total disbursement figure reported, but 25 grants ranging from US$5k to 30k were awarded.
Fundo Jaguatá, Brazil	Still in pre-operational phase so no disbursement figure reported.

Shandia reporting on IP-led funds in 2024-5

25 FTFG, 2026, Annual Report 2025, op.cit. /

UNCONDITIONAL TRANSFERS

Unconditional cash transfers are cash-based programmes provided to individuals, families or communities, without imposing behavioural conditions on recipients.[26] Although this could be a type of direct access finance, neither FTFG nor FPC report on unconditional direct access finance versus that with some donor influence over what it is spent on; FTFG describes its donor-members as "co-designing projects and proposals, regranting funds, and providing technical expertise and other support".[27]

Cool Earth has sought to shift to unconditional payments, de-linked from measurements of forest preservation, and is piloting this with six Indigenous communities in Peru[28] through a combination of payments to a community fund and to individuals.[29] This "*is funded from philanthropic giving, but the initiative is based on the concept of a universal basic income, which could redistribute public finance through fixed payments or linked to GDP, for example*".[30] Equal Right, campaigning for a universal basic income, has formed a partnership with Cool Earth to promote cash for conservation.[31]

Forest Peoples Programme's *Forest Visions* initiative also entails unconditional transfers to peoples and communities wanting support to protect their rights and forests. Forest Visions directly supports "*Indigenous Peoples and forest peoples to realise their visions for their lands and territories…*" providing "*multi-year commitments of completely flexible funding, combined with a tailored package of support to strengthen partners' organisational and strategic resilience (including both funding as well as in-kind strategic and organisational development support and mentoring)*".[32] FPP currently supports up to ten partners with US$20,000 unrestricted grants each year and is looking for new allies and collaborators to scale up and increase the funding channelled through these direct and unrestricted grants. The aim is to scale to at least US$1.5 million a year which would enable Forest Visions to support 30 partner communities or peoples with grants of up to US$40,000 annually.

PAYMENTS FOR FOREST COVER

Some measure of tenure security is a prerequisite for these schemes, but otherwise they offer wide flexibility when it comes to what the funds are used for. As a form of results-based payment they may also require an independent validation entity, typically also the controller of the funds. Examples are:

- RFUK and RFN payments for forest cover. Communities are paid on a sliding scale for maintaining forest cover in their community forests in line with their simple management plans and internal governance structures (rights-based). The initiative focuses on practical, community-driven approaches to forest conservation and sustainable management using accessible forest monitoring tools and protocols rather than complex carbon accounting methodologies that few people

26 Global Alliance against hunger and poverty, Policy Instrument – Unconditional cash transfer, accessed 19 May 2026; https://globalallianceagainsthungerandpoverty.org/policy-instruments/unconditional-cash-transfer/

27 FTFG, 2025, Annual Report 2024, op.cit.

28 CoolEarth, 2021, Unconditional Cash Transfers (UCTs) for Rainforest Protection; www.coolearth.org/wp-content/uploads/2022/11/UCTs-for-Rainforest-Protection-Strategy-2022-26.pdf.

29 Cool Earth, Unconditional cash transfers, accessed 19 May 2026; www.coolearth.org/radical-solutions/cash-giving/.

30 David Young, 2024, Beyond Offsets, op. cit.

31 Cash for Conservation, accessed 12 June 2026; www.cashforconservation.org/about.

32 FPP, What is Forest Visions?, accessed 19 May 2026; www.forestpeoples.org/our-work/priority-initiatives/forest-visions/.

understand. The four-year, CAFI-funded initiative is grant-based. However, payments are intended to serve partly as bridge financing to mobilise investment in forest-friendly, self-sustaining livelihood infrastructure, while also exploring additional funding sources to ensure long-term sustainability.

- Payment for Stewardship, Liberia. A fixed payment of US$1.50 per hectare per year, paid in advance into the community fund of the community owning the forest, and supported by technical assistance in forest patrols, small business women's savings and loan schemes and technical support for community governance and decision-making systems.[33] This initiative is currently funded through development assistance but is designed to evolve into self-sustaining, adequate and predictable funds for forest communities.

- Brazil's Tropical Forests Forever Facility (TFFF). A per hectare per annum payment. As this operates on a national scale, it's unclear - especially in contexts where ownership of, or right to occupy and use, forests is not codified, how much goes to customary landholders. The design of the IP and LC committees will also play a key role in the extent to which the planned 20% of payments can reach forest stewards. The payments may also not be predictable; the investment strategy still needs to be reviewed but it relies on market movements, making the yields (and the forest payments) uncertain.[34]

CONCLUSION

A rights-based approach that delivers real solutions provides a more positive and accurate framework than the term 'non-market approaches'. It recognises that securing rights, territories, governance and livelihoods for Indigenous Peoples, Afro-descendant peoples and local communities is fundamental to addressing the climate and biodiversity crisis.

Many of the approaches described in this paper are already working. The priority now is to scale up stable, adequate and predictable support, including greater direct access to finance and longer-term funding commitments.

Nationally Determined Contributions[35] and National Biodiversity Strategies and Action Plans[36] are recognised accountability mechanisms whereby individual countries commit to actions to mitigate and adapt to the climate-and-biodiversity crisis. They therefore could provide a clear channel for reporting and celebrating progress on rights-based approaches that deliver real solutions to the crisis and to the peoples and communities affected by it.

33 See Pierce, 2025, Paying the People – Liberia's Novel Plan to Save its Forests, for a description; https://e360.yale.edu/features/liberia-forest-payment-scheme.

34 See WRI, 2025, The Tropical Forests Forever Facility Could Finally Finance Nature Conservation. Will Funders Back It?, for a description; www.wri.org/insights/financing-nature-conservation-tropical-forest-forever-facility.

35 UNFCCC, Nationally Determined Contributions (NDCs), accessed 22 June 2026; https://unfccc.int/process-and-meetings/the-paris-agreement/nationally-determined-contributions-ndcs

36 CBD, National Biodiversity Strategies and Action Plans (NBSAPs), accessed 23 June 2026; www.cbd.int/nbsap.