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The Paradox of Inclusion: Public–Private Partnerships and Participation in Carbon Credit Governance

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Abstract

This report examines the paradox of inclusion in carbon credit governance, with a particular focus on the role of public–private partnerships (PPPs) in shaping participation practices. While international climate frameworks frequently emphasize inclusiveness and collaborative governance, this study investigates how such notions are constructed in institutional discourse and how they are reflected in practice.

Drawing on a qualitative approach that combines document analysis and empirical observations from OECD COP30 sessions, the analysis reveals that inclusiveness often functions as a legitimizing narrative rather than a guarantee of meaningful participation. The findings suggest that governance arrangements structured through PPPs may shape and constrain participation, privileging institutional and technocratic actors over local stakeholders.

By highlighting the gap between discourse and practice, this study contributes to a critical understanding of the limitations of current carbon credit governance and its implications for equitable participation.

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1 Introduction

Climate finance has emerged as a central instrument in addressing global environmental challenges, particularly in the context of mitigation and adaptation efforts (Global Tipping Points, 2025). Among these instruments, carbon credit programs have gained prominence as mechanisms that seek to generate economic value from forest conservation and sustainable land management, often framed within broader discourses of inclusiveness and participation.

Despite this framing, the implementation of such initiatives frequently relies on public–private partnerships, which play a key role in translating global policy objectives into local practices. While these arrangements are presented as enabling collaborative and inclusive governance, they may also shape the conditions under which participation occurs, potentially privileging certain actors over others.

The Amazon region, as a critical site of biodiversity and carbon storage, exemplifies these dynamics. In countries such as Bolivia, efforts to engage with international carbon credit mechanisms have highlighted the challenges of aligning global sustainability agendas with local realities. These include institutional complexity, limited capacity among local stakeholders to navigate technical frameworks, and governance arrangements that may constrain meaningful participation.

This study examines the paradox between the discourse of inclusiveness embedded in carbon credit governance and the forms of participation that emerge in practice, with particular attention to the role of public–private partnerships in shaping this relationship.

1.1 Research Question

How do public–private partnerships in carbon credit governance construct inclusiveness, and to what extent is this reflected in actual participation practices?

In exploring this question, the report examines how public–private partnerships contribute to the construction of inclusiveness in carbon credit governance, while also shaping the conditions under which participation occurs. It analyzes the extent to which these institutional arrangements enable or constrain meaningful engagement, and how the emphasis on technical expertise may obscure underlying power asymmetries. This approach allows for a critical assessment of the gap between inclusiveness as a policy discourse and its realization in practice.

1.2 Expected Contribution

Through a qualitative approach, including document analysis and empirical observations, this study contributes to the literature on carbon credit governance by critically examining how inclusiveness is constructed within public–private partnerships and how this construction relates to actual participation practices. It demonstrates that institutional discourses of inclusiveness do not necessarily translate into meaningful engagement, but may instead function as legitimizing narratives that obscure underlying power asymmetries. By highlighting this gap, the study contributes to a more nuanced understanding of the limitations of current governance arrangements and their implications for equitable participation, particularly in contexts where governance arrangements tend to favor technocratic actors over local stakeholders.

2 Context of the Internship

Norgensis is a consultancy firm that operates at the crossroads of international and national law, business compliance, and public policy. The firm is dedicated to addressing complex socio-environmental, territorial, and jurisdictional challenges. Its work encompasses environmental consulting, compliance assistance, and the management of environmental permits. Moreover, Norgensis actively engages in litigation and advisory services related to environmental justice, sustainable development, and green finance.

During my internship at Norgensis (an experience that has been pivotal in reinforcing my academic training in International Politics and Governance) I was involved in projects directly tied to climate finance and carbon market dynamics. More specifically, the internship provided exposure to the challenges of translating institutional discourses of inclusiveness into locally meaningful participation practices. In several projects, I assisted in analyzing the legal and regulatory frameworks underpinning carbon finance in Bolivia and participated in discussions on public–private partnerships to expedite access to international funding mechanisms.

The firm’s approach is characterized by a commitment to ethics and sustainable value creation, ensuring that environmental, social, and governance (ESG) criteria are integrated in its work. During my placement, I was tasked with reviewing policy documents, contributing to analytical reports, and participating in remote sessions with international institutions such as the OECD and private investors.

These activities heightened my understanding of the tensions between formal discourses of inclusiveness and the actual conditions of participation for Indigenous and local communities within global carbon financing schemes.

At a broader level, Norgensis operates against a backdrop of increasingly complex global and regional governance structures in which environmental protection and economic development often stand at odds. The firm is particularly active in advising on strategies that seek to balance the imperatives of market-driven approaches with the need for a robust ethical and community-centered framework in environmental policy.

This context provided a rich field of study for my internship, allowing me to explore firsthand the complexities of implementing international climate finance initiatives at the local level.

3 Literature Review

The literature on climate governance and carbon finance has increasingly emphasized the role of participation and inclusiveness as central principles in the design of environmental policies. However, existing research also points to significant tensions between these normative commitments and their practical implementation.

Rather than providing an exhaustive overview, this section focuses on key contributions that help explain how inclusiveness is constructed, legitimized, and operationalized within governance arrangements. In particular, the review is organized around three interconnected dimensions: the discursive construction of inclusion, the role of public–private partnerships in structuring participation, and the institutional conditions that shape how inclusion is implemented in practice.

By focusing on these dimensions, the literature review establishes the analytical foundation for examining the gap between inclusive discourse and participation outcomes in carbon credit governance.

3.1 Discourse, Power and Inclusiveness

Contemporary analyses of governance increasingly emphasize the role of discourse in shaping political and institutional realities. Rather than merely reflecting objective conditions, discourse operates as a productive force that defines what is considered legitimate, possible, and desirable within a given policy context.

The work of Michel Foucault provides a critical foundation for understanding this relationship between discourse and power. For Foucault (1972), discourse is not simply a neutral medium of communication, but a mechanism through which power operates by producing knowledge and establishing regimes of truth. These regimes determine which actors are recognized as legitimate participants and which forms of knowledge are considered valid within institutional settings.

From this perspective, concepts such as “inclusiveness” cannot be taken at face value as purely normative categories. Instead, they must be analyzed as discursive constructions that perform specific functions within governance frameworks. The promotion of inclusiveness may signal openness and participation, while simultaneously structuring the conditions under which participation is possible.

This insight is particularly relevant in the context of climate governance, where inclusiveness is frequently invoked as a guiding principle. Institutional actors emphasize stakeholder engagement and community participation, yet these concepts are embedded within discursive frameworks that privilege certain forms of knowledge and participation over others.

As a result, discourse can both enable and constrain participation. While it may open spaces for engagement, it also defines the boundaries of acceptable participation, often favoring actors with technical expertise or institutional access. Inclusiveness thus emerges not as an objective condition, but as a structured and uneven field shaped by power relations.

This perspective provides a critical lens for analyzing the gap between formal commitments to inclusion and their practical realization, forming a key component of the paradox examined in this study.

3.2 Public–Private Partnerships and Participation

Public–private partnerships (PPPs) have become a central governance mechanism in contemporary climate finance, particularly in the implementation of carbon credit programs. These arrangements are commonly framed as collaborative structures that bring together public institutions, private capital, and diverse stakeholders to address complex environmental challenges. Within policy discourse, PPPs are frequently presented as instruments that enhance efficiency, mobilize resources, and enable inclusive, multi-actor participation.

However, critical scholarship suggests that PPPs should not be understood as neutral or inherently inclusive governance tools. Rather, they constitute institutional arrangements that actively shape the conditions under which participation occurs. As highlighted by Daugbjerg & Feindt (2017), policy frameworks often rely on integrative discourses that portray collaboration between public and private actors as mutually beneficial and socially inclusive. This framing tends to normalize the role of private actors within governance, presenting their involvement as both necessary and desirable.

At the same time, PPPs operate within broader political–economic structures that condition participation. Access to decision-making is not evenly distributed, but mediated by financial resources, technical expertise, and institutional positioning. Consequently, actors with greater economic and bureaucratic capacity are more likely to influence governance processes, while smaller or less institutionalized actors face structural barriers to meaningful engagement.

Moreover, PPPs rely on complex administrative and contractual frameworks that both enable coordination and impose constraints. While these structures facilitate interaction across sectors and scales, they also introduce procedural and technical requirements that limit accessibility. Participation is thus not only expanded but also regulated, privileging specific forms of engagement aligned with institutional and market logics.

This dynamic is particularly visible in carbon credit governance, where PPPs act as intermediaries between global policy frameworks and local implementation. In performing this boundary-spanning role, they simultaneously enable resource mobilization and reproduce asymmetries in power and participation.

Understanding PPPs in this way shifts the analytical focus from collaboration as an ideal to participation as a structured process. Rather than assuming that partnership leads to inclusiveness, this perspective highlights how PPPs can simultaneously enable and constrain engagement, contributing to the broader paradox of inclusion identified in this study.

3.3 Inclusiveness and Participation in Climate Governance

Inclusiveness has become a central normative principle in contemporary climate governance, frequently invoked in international frameworks as a condition for legitimacy, accountability, and effective policy implementation. Global institutions emphasize stakeholder engagement, local participation, and community empowerment as essential components of sustainable development strategies. Within this discourse, inclusiveness is framed as both a moral imperative and a functional requirement.

However, a growing body of literature highlights persistent tensions between these normative commitments and their practical realization. While policy frameworks promote inclusive participation, empirical studies show that influence within governance processes remains unevenly distributed.

Participation tends to favor actors with access to technical expertise, financial resources, and institutional networks, thereby limiting the capacity of local and Indigenous communities to engage on equal terms.

This gap between formal inclusion and substantive participation is particularly evident in climate finance mechanisms. These systems rely on complex administrative, financial, and technical infrastructures that, while designed to ensure efficiency and accountability, also create barriers to participation. Standardized procedures and technical requirements privilege specific forms of knowledge and engagement, often marginalizing locally grounded practices and alternative epistemologies.

In this context, participation must be understood not only as access, but as influence and agency. The presence of multiple stakeholders within governance frameworks does not necessarily imply equitable participation, as the terms of engagement are shaped by institutional logics and procedural constraints. Inclusiveness, therefore, may function as a symbolic construct that enhances legitimacy without fundamentally altering underlying power relations.

By situating inclusiveness within these dynamics, the literature points to the need to move beyond questions of who is included toward an analysis of how inclusion is structured. This perspective provides a critical bridge between discourse and institutional practice, allowing the present study to examine the paradox of inclusion in carbon credit governance, where commitments to participation coexist with persistent limitations in practice.

3.4 Synthesis of the Literature

Taken together, these strands of literature provide a complementary perspective for understanding the dynamics of inclusion in climate governance. While discourse-oriented approaches highlight how inclusiveness is constructed and legitimized, analyses of public–private partnerships reveal how participation is mediated through institutional arrangements. At the same time, critical perspectives on climate governance underscore the gap between formal inclusion and substantive participation.

By integrating these insights, this study adopts a multi-dimensional analytical approach that examines how inclusion is simultaneously produced through discourse, shaped by epistemic frameworks, and structured through institutional mechanisms. This integrated perspective forms the basis for the theoretical framework developed in the following section.

4 Theoretical Framework

To analyze the paradox of inclusion in carbon credit governance, this study adopts an integrated theoretical framework that combines discursive, epistemic, and structural perspectives. Rather than treating these dimensions as separate, they are conceptualized as interrelated mechanisms through which participation is produced, legitimized, and constrained within governance processes.

This approach enables a multi-layered analysis of how inclusiveness is constructed in policy discourse, reinforced through knowledge systems, and embedded in institutional arrangements. By integrating these dimensions, the framework provides a coherent basis for examining not only the presence of participation, but the conditions that shape its scope and limits.

4.1 Discourse and Legitimization

At the discursive level, this study draws on the work of Kennet Lynggaard (2019) and Daugbjerg & Feindt (2017) to examine how policy narratives construct and stabilize legitimacy within climate governance.

Lynggaard's discourse-analytical approach highlights that governance narratives are not neutral representations of reality, but strategic constructions that shape how problems, actors, and solutions are defined. Discourse, in this sense, plays a central role in determining what counts as legitimate participation and who is recognized as a relevant actor within governance processes.

Complementarily, Daugbjerg & Feindt (2017) emphasize the role of integrative discourse in policy-making, where potentially conflicting objectives—such as economic growth and environmental protection—are framed as mutually reinforcing. This “win-win” narrative is particularly salient in climate finance, where inclusiveness is presented as compatible with market-based mechanisms.

Taken together, these perspectives suggest that inclusiveness should not be understood as a descriptive feature of governance, but as a discursive construct that performs a legitimizing function. By framing participation as inherently collaborative and beneficial, discourse contributes to stabilizing governance arrangements while potentially obscuring underlying tensions and asymmetries.

This perspective is central to the present study, as it allows for a critical examination of how narratives of inclusion operate not only to describe governance processes, but to legitimize them, thereby contributing to the paradox of inclusion identified in carbon credit governance.

4.2 Power, Knowledge and Technocratic Authority

At the epistemic level, this study draws on Bent Flyvbjerg (1998) to analyze how power operates through knowledge and expertise within governance processes.

Flyvbjerg challenges the assumption that rationality and technical knowledge are neutral, arguing instead that they are deeply embedded in power relations. In policy contexts, what is presented as “objective” or “evidence-based” often reflects the dominance of particular actors and knowledge systems, shaping both problem definitions and acceptable solutions.

In the context of climate governance, this insight is particularly significant. The increasing reliance on technical instruments (such as carbon accounting, financial risk assessment, and certification standards) privileges expert-driven rationalities that define the terms of participation. As a result, local, experiential, and Indigenous forms of knowledge may be marginalized, not through explicit exclusion, but through the epistemic frameworks that determine what counts as valid knowledge.

This perspective shifts the analysis of inclusiveness from a question of access to one of epistemic recognition. Participation is not only about being present in governance processes, but about whose knowledge is considered legitimate and whose voices are rendered invisible.

Applying this lens allows the study to critically examine how technocratic authority structures participation, contributing to the paradox of inclusion in carbon credit governance.

4.3 Structural Governance and Bounded Inclusion

At the structural level, the analysis draws on Paster (2015) and Lindstrøm (2018) to examine how governance arrangements shape and constrain participation.

Paster’s political economy approach highlights the structural dependence of policymakers on business interests, emphasizing how institutional frameworks tend to align with the priorities of capital. Within this context, participation is not neutral but conditioned by economic viability, meaning that actors are included insofar as they contribute to market-oriented objectives.

Lindstrøm (2018) provides a complementary perspective by examining how inclusion is operationalized within institutional settings. Her concept of bounded or instrumental inclusion highlights how participatory mechanisms can incorporate marginalized actors without fundamentally redistributing power. Participation becomes structured, managed, and constrained within predefined institutional boundaries.

Together, these perspectives reveal that inclusion is not only discursively constructed and epistemically mediated, but also structurally organized in ways that reproduce existing hierarchies. Governance arrangements define both the scope and limits of participation, shaping who can influence outcomes and under what conditions.

This structural lens is essential for understanding the paradox of inclusion, as it demonstrates how participation can be formally expanded while remaining substantively constrained.

4.4 Public-Private Partnerships as Boundary-Spanning Mechanisms

Building on the discursive, epistemic, and structural dimensions outlined above, this study conceptualizes public-private partnerships (PPPs) as boundary-spanning mechanisms that connect global governance frameworks with local implementation contexts.

PPPs operate at the intersection of public authority, private capital, and local participation, mediating between different institutional and epistemic domains. While they are framed as inclusive and collaborative arrangements (Daugbjerg & Feindt, 2017), they are simultaneously shaped by technocratic rationalities (Flyvbjerg, 1998) and embedded within institutional structures that condition participation (Paster, 2015; Lindstrøm, 2018).

This positioning makes PPPs inherently ambivalent. On the one hand, they enable coordination, resource mobilization, and cross-sector collaboration. On the other, they structure participation through financial, technical, and administrative requirements that privilege certain actors over others.

Understanding PPPs as boundary-spanning mechanisms allows for a more nuanced analysis of their role in climate governance. Rather than acting as neutral connectors, they actively shape the terms under which global policies are translated into local practices, mediating both inclusion and exclusion.

As such, PPPs play a central role in producing the paradox of inclusion: they expand participation in formal terms while embedding it within institutional and epistemic conditions that limit its transformative potential.

5 Methodology

This study adopts a qualitative and critical research approach to examine how inclusiveness is constructed and operationalized within carbon credit governance. Given the focus on discourse, participation, and institutional arrangements, a qualitative design is particularly suited to capturing the interpretative and context-dependent nature of governance processes.

To address the research question, the study combines document analysis, participant observation, and semi-structured interviews. This multi-method approach enables a comprehensive examination of how public-private partnerships shape participation and how discourses of inclusiveness are translated into practice.

While the research benefits from direct exposure to empirical settings through the internship and participation in OECD sessions, it is important to acknowledge the researcher's positionality. Being embedded within a consultancy environment and engaging with institutional actors may influence both access to information and the interpretation of governance practices.

Rather than constituting a limitation, this positioning is understood as a source of analytical insight, allowing for a deeper understanding of how discourses of inclusiveness are produced and experienced in practice. At the same time, a critical perspective has been maintained throughout the analysis to ensure that empirical observations are not taken at face value, but examined in relation to broader power structures and institutional dynamics.

5.1 Research Design

The research follows a qualitative and interpretative design aimed at exploring the relationship between discourse, institutional arrangements, and participation within carbon credit governance. Rather than testing causal relationships, the study focuses on how meanings are constructed and how governance practices are shaped in context.

A case-oriented approach is adopted, drawing on empirical material from OECD COP30 sessions and internship-based observations. These are complemented by document analysis and interview data, allowing the study to capture both formal policy narratives and their practical implications.

The design is guided by a critical perspective, which seeks to uncover how inclusiveness is not only promoted as a normative principle but also structured through specific institutional and epistemic conditions. This enables the analysis to move beyond description and focus on the mechanisms that enable, constrain, and mediate participation.

5.2 Data Collection

The study draws on three qualitative data sources: document analysis, participant observation, and semi-structured interviews. This combination allows for a triangulated understanding of both institutional discourse and empirical practices.

Document analysis focuses on policy reports, institutional publications, and materials produced in the context of OECD COP30 sessions, providing insight into how governance frameworks frame inclusiveness and participation.

Participant observation was conducted during OECD sessions, enabling the analysis of how discourse is performed in real time, including the framing of issues, priorities, and interactions among actors.

Semi-structured interviews complement these sources by capturing how practitioners interpret governance dynamics and participation processes. The flexible format allows for in-depth exploration of key themes while maintaining comparability across responses.

Together, these data sources provide a robust empirical basis for analyzing how participation is constructed and structured within carbon credit governance.

5.3 Data Analysis

The analysis combines thematic and discourse-oriented approaches. Thematic analysis is used to identify recurring patterns across the empirical material, including references to inclusiveness, participation, collaboration, and financial mechanisms. These themes provide an initial structure for organizing and comparing data from different sources.

Building on this, discourse analysis serves as the primary analytical lens. The focus is not only on what is said, but on how concepts are framed, what assumptions underpin them, and how they shape the conditions of participation.

The analysis is guided by the theoretical framework developed in this study. Drawing on Lynggaard (2019) and Daugbjerg & Feindt (2017), it examines how governance narratives function as legitimizing devices. At the epistemic level, Flyvbjerg (1998) informs the analysis of how technical expertise defines valid knowledge and participation. At the structural level, Paster (2015) and Lindstrøm (2018) are used to assess how institutional arrangements condition inclusion.

This integrated approach enables the study to move beyond descriptive accounts and examine how inclusiveness is constructed, mediated, and constrained within governance processes.

6 Analysis and Discussion

This section presents an integrated analysis of the empirical material, drawing on OECD sessions, documentary sources, and interview data. The discussion is structured around the analytical framework developed in this study, focusing on the discursive, epistemic, and structural dimensions through which inclusiveness is constructed and operationalized.

By combining multiple sources, the analysis examines how governance narratives are translated into practice and how participation is shaped within institutional and policy contexts.

6.1 OECD Sessions: Discursive, Epistemic and Structural Analysis

The OECD sessions provide a central empirical entry point for examining how inclusiveness is articulated within global climate governance. As institutional arenas where policy discourse, expert knowledge, and governance practices converge, these sessions offer valuable insight into how participation is framed and structured.

The following analysis examines two sessions through the integrated theoretical framework, focusing on how discursive narratives, epistemic authority, and structural conditions interact to shape the terms of inclusion.

a) Session 1: Financialization of Biodiversity

The OECD session “Unlocking Private Action for Biodiversity through Development Finance” provides a key empirical case for examining how inclusiveness is constructed within carbon credit governance (see Appendix A for full session description).

The session brings together representatives from international organizations, development finance institutions, and private actors, illustrating the central role of public–private partnerships in shaping contemporary environmental governance.

From a discursive perspective, the session frames biodiversity loss not as a contested political issue, but as a technical and financial challenge. Concepts such as “nature-positive outcomes,” “enabling conditions,” and “mobilizing private finance” reflect what Daugbjerg & Feindt (2017) describe as an integrative discourse, where environmental and economic objectives are presented as mutually reinforcing. This framing depoliticizes potential tensions between conservation and growth, constructing a narrative of synergy that legitimizes the involvement of financial actors in environmental governance.

At the epistemic level, the session demonstrates a strong reliance on technocratic expertise. Drawing on Flyvbjerg (1998), the prominence of terms such as “strategic finance,” “policy signals,” and “de-risking mechanisms” illustrates how rationality operates as a form of power. Biodiversity is rendered legible through financial metrics and risk calculations, privileging expert-driven knowledge while marginalizing alternative forms of understanding, including local and Indigenous perspectives. In this context, participation is conditioned not only by access, but by the ability to operate within a specific epistemic framework.

Structurally, the session reflects a governance model in which public institutions become dependent on private capital. As highlighted by Paster (2015), the emphasis on “mobilising private finance” and “crowding in investment” signals a shift in policy responsibility toward market actors. Participation is thus shaped by financial and institutional capacity, reinforcing asymmetries between global institutions and local stakeholders. Inclusion becomes conditional upon alignment with market-oriented objectives, rather than a mechanism for redistributing power.

Taken together, these discursive, epistemic, and structural dimensions reveal how the session constructs an image of inclusive governance while simultaneously structuring participation in ways that privilege technocratic and financial actors. This dynamic exemplifies the paradox of inclusion identified in this study, while underlying power relations remain structurally embedded.

Analytical Level	Author / Framework	Core Concepts	Manifestations in the OECD Session	Analytical Interpretation
1. Discursive (Policy Integration & Legitimation)	Daugbjerg & Feindt (2017) – Discursive Institutionalism & Policy Integration	Integrative discourse, win-win framing, meta-governance, synergistic narratives	The session's language of "nature-positive outcomes," "enabling conditions," and "long-term development goals" frames biodiversity and finance as mutually reinforcing rather than contradictory. Ecological concerns are discursively aligned with economic rationality.	The OECD reproduces a rhetoric of coherence that legitimizes market-based mechanisms as the natural solution to ecological crises. Biodiversity is rendered governable through financial instruments, depoliticizing its ethical, distributive, and conflictual dimensions.
2. Epistemic (Power / Knowledge Dynamics)	Flyvbjerg (1998) – Rationality and Power	Phronetic rationality, technocratic authority, knowledge as power	Speakers (Horrocks, Blaquier, Held) emphasize "strategic finance," "policy signals," and "evidence-based instruments." Quantification, metrics, and expertise substitute for political contestation in defining "rational" biodiversity action.	Power operates through expertise: the OECD and development finance institutions function as epistemic authorities that define biodiversity's value and the legitimate means of its protection. Moral-political questions are translated into issues of efficiency, risk management, and scalability.
3. Structural (Business Power & Political Economy)	Paster (2015) – Business Power & Political Economy	Structural dependence, instrumental power of capital, corporate influence	Recurrent emphasis on "mobilising private finance," "crowding in investment," and "de-risking mechanisms" signals the prioritization of investor confidence over ecological autonomy or regulation.	A structural asymmetry emerges: biodiversity is reframed as an asset class. Development finance acts as an intermediary that aligns global capital accumulation with environmental legitimacy, positioning private actors as "partners" rather than objects of regulation.
Together, these three dimensions show how the OECD constructs a multi-level governance script where discourse (integration), expertise (rationality), and capital (structure) converge. "Inclusion" of private actors functions symbolically, legitimizing existing hierarchies while presenting them as collaborative solutions.				

Table 1: Analytical framework of Session 1, integrating discursive, epistemic, and structural dimensions to examine how biodiversity finance is framed within the OECD session.

b) Session 2: Indigenous Inclusion

The OECD session "Indigenous Economies of the Forest: Pathways for Stewardship and Shared Value" provides a complementary case for examining how inclusiveness is constructed within climate governance (see Appendix B for full session description).

In contrast to the financial framing observed in Session 1, this session foregrounds Indigenous communities as central actors in sustainable development, emphasizing themes of stewardship, cultural identity, and shared value.

From a discursive perspective, and drawing on Lynggaard (2019), the session constructs a narrative of inclusive governance that aligns ethical recognition with economic rationality. Indigenous participation is framed as both morally desirable and economically productive, particularly through concepts such as "reshaping forest value chains" and "building diverse economies." This framing reflects a layered discourse in which inclusionary language coexists with developmental and market-oriented logics. The OECD positions itself as a facilitator of dialogue and knowledge exchange, reinforcing its institutional legitimacy while presenting governance as a process of coordinated collaboration.

At the structural level, however, this inclusion is mediated through predefined institutional frameworks. Drawing on Lindstrøm (2018), the session reflects what can be described as bounded or instrumental inclusion, where participation is enabled but remains constrained within existing governance arrangements. References to “capacity building,” “financial literacy,” and “inclusive markets” suggest that participation is conditional upon adaptation to institutional norms, rather than based on a redistribution of authority. Indigenous actors are incorporated as contributors to governance processes, but within parameters that preserve existing hierarchies of expertise and decision-making power.

This dynamic shows how inclusion operates simultaneously as recognition and regulation. While Indigenous communities are acknowledged within the discourse, their participation is structured through institutional mechanisms that limit their agency. As a result, inclusiveness supports institutional legitimacy while maintaining asymmetries in participation, reinforcing the paradox identified in this study.

Analytical Dimension	Lynggaard (Discourse & Legitimacy)	Lindstrøm (Structure & Inclusion)
Primary function	Legitimation of OECD authority through moralized, inclusive rhetoric	Operationalization of inclusion through bounded participation
Epistemic framing	Moral-technocratic synthesis: inclusion as modernization	Instrumental inclusion via capacity-building and market access
Role of Indigenous actors	Symbolic co-protagonists in governance narrative	Functional contributors within hierarchical frameworks
Underlying power dynamic	OECD as narrator and arbiter of legitimacy	OECD as structural gatekeeper and regulator of inclusion
Outcome	Stability of institutional authority	Maintenance of hierarchical participation under an inclusive façade

Table 2: Comparative analytical framework of Session 2, contrasting discursive (Lynggaard) and structural (Lindstrøm) perspectives on Indigenous inclusion.

An illustrative example of the limits of inclusion emerged during the session when technical difficulties prevented Lydia Fernandes, a representative of a local community, from effectively contributing to the discussion. While formally included as a panelist, her intervention was largely inaudible, reducing her participation to a symbolic presence rather than a substantive contribution.

This moment highlights how inclusion can fail not only at the discursive or structural level, but also through practical and infrastructural constraints. It reinforces the argument that participation is not guaranteed by formal representation alone, but depends on the conditions that enable actors to be effectively heard within governance spaces.

c) Cross-Session Analysis: The Convergence of Discursive and Structural Logics

While Sessions 1 and 2 appear to emphasize different dimensions of climate governance, financial mobilization in the former and Indigenous inclusion in the latter, a closer analysis reveals a shared underlying logic. Both sessions construct narratives of inclusiveness that operate within similar discursive, epistemic, and structural frameworks, ultimately reinforcing the same patterns of participation and authority.

From a discursive perspective, both sessions rely on integrative narratives that reconcile potentially conflicting objectives. In Session 1, this takes the form of aligning biodiversity protection with financial investment, while in Session 2 it appears as the alignment of Indigenous recognition with economic development. In both cases, inclusion is framed as compatible with existing governance models, rather than as a transformative challenge to them. This reflects what Daugbjerg & Feindt (2017) describe as integrative discourse, where tensions are neutralized through the construction of “win–win” solutions.

At the epistemic level, both sessions privilege forms of knowledge that are aligned with institutional and technocratic rationalities. In Session 1, this is expressed through financial expertise and risk-based reasoning, while in Session 2 it appears through the language of capacity building, knowledge transfer, and institutional coordination. In both cases, participation is conditioned by the ability to engage within specific epistemic frameworks, reinforcing Flyvbjerg’s (1998) argument that rationality operates as a form of power.

Structurally, the sessions reveal different modalities of inclusion that nonetheless produce similar outcomes. Session 1 emphasizes market-based participation through private investment, while Session 2 promotes institutional inclusion through capacity building and integration into governance frameworks. However, as suggested by Paster (2015) and Lindstrøm (2018), both approaches reflect forms of conditional participation, where inclusion is structured in ways that preserve existing hierarchies. Actors are incorporated into governance processes, but without fundamentally altering the distribution of authority or decision-making power.

Taken together, these findings demonstrate that the apparent differences between financial and Indigenous inclusion are less significant than their shared reliance on discursive legitimation, epistemic control, and structural constraint. This convergence highlights how inclusiveness functions as a mechanism for stabilizing governance arrangements rather than transforming them, reinforcing the paradox of participation within existing power relations.

6.2 Beyond OECD: Extending the Analysis

The Global Tipping Points (GTP) 2025 report provides a broader institutional perspective that reinforces the patterns identified in the OECD sessions. While the report emphasizes the urgency of addressing systemic climate risks and highlights the importance of inclusive governance, its approach reflects similar discursive, epistemic, and structural dynamics.

At the discursive level, the report promotes a narrative of integrated and coordinated action, where diverse actors are called upon to contribute to global solutions. However, as in the OECD sessions, this inclusiveness is framed within a language of alignment and consensus, which tends to downplay potential conflicts and power asymmetries.

At the epistemic level, the report relies heavily on scientific expertise, modelling, and risk-based analysis to define priorities and policy responses. While this provides a necessary basis for understanding climate tipping points, it also reinforces the authority of expert knowledge in shaping governance agendas, limiting the scope for alternative forms of participation.

In structural terms, the report situates participation within existing governance frameworks, emphasizing coordination among international organizations, states, and knowledge actors. Although the importance of engaging local communities is acknowledged, their role remains largely embedded within pre-existing institutional arrangements, rather than as a source of autonomous decision-making power.

Taken together, the GTP report reflects a broader pattern in climate governance, where inclusiveness is articulated as a guiding principle, but operationalized through institutional and epistemic structures that constrain meaningful participation. This reinforces the paradox identified in this study, extending it beyond specific institutional settings to the wider architecture of global climate governance.

6.3 Ground-Level Perspective: Interview with Daniel Guevara

The interview with Daniel Guevara, Director of Norgensis, provides a ground-level perspective that contrasts with the institutional narratives analyzed in the OECD sessions. While global governance frameworks emphasize inclusiveness and participation, Guevara's account highlights the practical limitations of these claims in the implementation of climate finance initiatives.

From a discursive perspective, his observations directly challenge the legitimacy of institutional narratives. As he notes, there is "a discourse of inclusion which, in practice, sustains bureaucratic structures rather than generating concrete solutions." This statement reflects the gap identified in the previous analysis, where inclusiveness functions as a legitimizing device rather than a transformative practice.

At the epistemic level, Guevara's critique underscores the dominance of technocratic rationality in shaping governance processes. The complexity of international certification systems and the inaccessibility of institutions such as the World Bank illustrate how participation is mediated through expert-driven frameworks. In line with Flyvbjerg (1998), this reinforces the idea that knowledge systems are not neutral, but serve as mechanisms through which power is exercised.

Structurally, his account provides concrete evidence of the asymmetries embedded in climate governance. The observation that "80% of resources are consumed in bureaucracy and only 20% reach the intended beneficiaries" illustrates how administrative and institutional processes absorb resources that are nominally intended to support local actors. Participation is therefore not only limited, but materially constrained by the structure of governance arrangements.

Furthermore, Guevara emphasizes the importance of direct, localized forms of engagement, arguing that genuine inclusion must involve specific individuals and communities rather than abstract categories of participation. This perspective highlights the limitations of multilevel governance structures, which, while designed to coordinate across scales, often create distance between decision-making processes and local realities.

Taken together, this ground-level perspective not only reinforces the paradox of inclusion identified throughout the study, but also makes its practical implications visible. It shows how inclusiveness, while institutionally promoted, is experienced as constrained, uneven, and often ineffective in delivering tangible outcomes for local actors.

6.4 Public–Private Partnerships and Boundary-Spanning

The findings from the OECD sessions, the GTP report, and the interview evidence point to a central mechanism shaping the paradox of inclusion: the role of public–private partnerships (PPPs) as boundary-spanning arrangements within climate governance. While PPPs are frequently presented as tools for enhancing collaboration and mobilizing resources, their operation reveals a more complex dynamic.

In principle, PPPs are designed to bridge the gap between global policy frameworks and local implementation by connecting public institutions, private actors, and community stakeholders. This boundary-spanning function is central to contemporary climate governance, where coordination across multiple levels and sectors is required. However, the analysis shows that this bridging role is uneven and often constrained by the very structures it seeks to connect.

From a discursive perspective, PPPs are framed as inherently inclusive and cooperative arrangements, reinforcing narratives of partnership and shared responsibility. This aligns with the integrative discourse identified in the OECD sessions, where collaboration is presented as a solution to complex environmental challenges. However, as the empirical analysis demonstrates, this framing tends to obscure the asymmetries embedded in these arrangements.

At the epistemic level, PPPs are shaped by technocratic forms of knowledge that define the terms of involvement. As seen in both institutional discourse and ground-level experience, engagement within these partnerships requires alignment with specific technical standards, financial models, and administrative procedures. This reinforces the dominance of expert-driven rationality, limiting the ability of local actors to participate on equal terms.

Structurally, PPPs institutionalize forms of conditional participation. While they create formal opportunities for inclusion, access to decision-making processes is mediated by financial capacity, institutional positioning, and compliance with bureaucratic requirements. As a result, PPPs often function less as mechanisms of empowerment and more as frameworks that reproduce existing hierarchies of power and influence.

The concept of boundary spanning helps to clarify this tension. Actors operating at the intersection of global and local governance are expected to translate policies, mediate interests, and facilitate engagement. However, as highlighted in the interview data, these actors are frequently constrained by institutional demands and conflicting expectations. Rather than transforming governance structures, they often become intermediaries within existing systems of control.

Taken together, these dynamics reveal that PPPs play a dual role within climate governance. On the one hand, they enable coordination and resource mobilization; on the other, they structure participation in ways that limit transformative change. This ambivalence is central to the paradox of inclusion, where mechanisms designed to enhance participation simultaneously constrain it.

6.5 Synthesis: The Paradox of Symbolic Inclusion

The analysis conducted across institutional discourse, empirical observations, and ground-level experience reveals a consistent pattern in the functioning of climate governance: the coexistence of inclusive narratives with structurally constrained forms of participation. This tension constitutes what this study conceptualizes as the paradox of inclusion.

Across the OECD sessions, inclusiveness is articulated through integrative discourses that align environmental protection with economic development and stakeholder participation. Similarly, the GTP report reinforces this framing by promoting coordinated and inclusive approaches to addressing climate tipping points. At the discursive level, inclusion operates as a central legitimizing principle, signaling openness, cooperation, and shared responsibility.

However, when examined through epistemic and structural lenses, this inclusiveness appears significantly limited. Participation is mediated by technocratic knowledge systems that privilege expertise, quantification, and administrative rationality. As demonstrated in both institutional settings and the interview data, access to decision-making processes is conditioned by the ability to navigate complex technical and bureaucratic frameworks, reinforcing Flyvbjerg's (1998) insight that rationality functions as a form of power.

Structurally, governance arrangements, particularly through public–private partnerships, embed participation within institutional and financial constraints. While these mechanisms create formal opportunities for inclusion, they simultaneously reproduce asymmetries between global institutions, private actors, and local communities. As a result, participation is often conditional, selective, and unevenly distributed, reflecting the dynamics identified by Paster (2015) and Lindstrøm (2018).

The empirical evidence illustrates how these dynamics are reproduced across different levels of governance, revealing the systematic nature of the gap between institutional commitments and operational realities.

Taken together, these findings demonstrate that inclusiveness in carbon credit governance is not simply a matter of expanding participation, but of understanding how participation is structured and constrained. Inclusion functions as a mechanism of governance that stabilizes existing arrangements by incorporating diverse actors without fundamentally redistributing power.

The paradox of inclusion, therefore, lies in the coexistence of formal openness and substantive limitation. While actors are increasingly invited to participate, the terms of their participation remain shaped by institutional logics that limit their influence. This suggests that inclusion should be understood not as a transformative process, but as a structured feature of contemporary climate governance.

7 Conclusion

This study set out to examine how public–private partnerships (PPPs) shape participation within carbon credit governance, and why inclusiveness, while prominently promoted in international climate frameworks, does not consistently translate into meaningful participation for local actors.

The analysis demonstrates that this gap is not incidental, but structurally embedded in the way climate governance is organized. Across institutional discourse, policy frameworks, and empirical observations, inclusiveness emerges as a central principle of legitimacy. However, rather than functioning as a mechanism of empowerment, it operates within a set of discursive, epistemic, and structural conditions that constrain participation.

Taken together, these dynamics explain the paradox of inclusion identified in this study: the coexistence of expanding participation in formal terms and persistent limitations in substantive influence. Inclusion, in this sense, functions less as a transformative process and more as a structured feature of contemporary climate governance.

These findings carry important implications for the design of climate finance mechanisms. If inclusiveness is to move beyond symbolic recognition, greater attention must be given to the conditions under which participation takes place. This is further illustrated by empirical observations, where even formally included actors may face practical constraints that limit their ability to effectively participate. Addressing these limitations requires reducing bureaucratic barriers, decentralizing decision-making processes, and enabling more direct forms of local participation in governance structures, particularly in contexts where a significant share of resources is absorbed by administrative processes rather than reaching local beneficiaries.

This study is subject to certain limitations. The empirical analysis relies primarily on institutional observations and a single in-depth interview, which may not fully capture the diversity of perspectives across different actors and contexts. In particular, the absence of additional voices from local stakeholders or other private sector actors limits the extent to which the findings can be generalized.

Future research could address these limitations by incorporating a broader range of empirical cases and perspectives, including more direct engagement with local communities and actors operating at different levels of governance. Such approaches would further enrich the understanding of how inclusiveness is experienced and negotiated in practice.

Ultimately, addressing the paradox of inclusion requires a shift from viewing participation as a formal requirement toward understanding it as a question of power, access, and institutional design. Only by confronting these underlying structural dynamics can climate governance move toward more equitable and effective forms of participation.

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