Principles of Community Monitoring

A PATH FOR COMPANIES AND INVESTORS TO STRENGTHEN HUMAN RIGHTS AND ENVIRONMENTAL DUE DILIGENCE AND SUPPORT COMMUNITY TENURE IN LAND-BASED SECTORS

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INTERLAKEN GROUP

RIGHTS + RESOURCES

CONTENTS

Cover photo: North Sumatra, Indonesia. Photo by Jacob Maentz for RRI.

ACKNOWLEDGMENTS

DISCLAIMER

ABBREVIATIONS AND ACRONYMS

AFi   Accountability Framework initiative

CBM   Community-based monitoring

CSM   Community-supported monitoring

CSR   Corporate social responsibility

CSO   Civil society organization

FAO   Food and Agriculture Organization of the United Nations

FPIC   Free, Prior and Informed Consent

HREDD   Human rights and environmental due diligence

OECD   Organisation for Economic Co-operation and Development

UNGPs   United Nations Guiding Principles (on Business and Human Rights)

VGGT   Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security

EXECUTIVE SUMMARY

Companies and investors in land-based sectors have a responsibility to respect human rights and the legitimate tenure rights of Indigenous Peoples, local communities, and Afro-descendant Peoples (IPs, LCs, and ADPs). These responsibilities are evident in international frameworks, national laws, emerging regulation, industry best practices, and the social and sustainability policies and commitments made by progressive companies and investors. As a result, comprehensive human rights and environmental due diligence (HREDD) processes are required for companies and investors to proactively assess the potential impacts of their enterprises on collective rightsholders and establish measures to prevent, mitigate, and remedy potential harms tied to their business operations, supply chains, and investments. Secure tenure and the effective engagement of local rightsholders are critical to the success of HREDD, and community monitoring provides a pathway to building reciprocal and rights-based relationships that bridge the divide between communities and companies/investors.

Community monitoring (CM) refers to a process in which IPs, LCs, and ADPs assess and collect data on business operations that may affect their lands, territories, resources, rights, cultures, and livelihoods. Communities utilize this data to inform and shape business practices, prevent/address negative human rights and environmental impacts, and hold companies and investors accountable to crucial laws and standards. Where partnerships are developed, CM can help companies and investors improve their compliance with these laws and standards, including their internal policies and commitments, as well as reduce operational and reputational risks. Most importantly, CM supports more direct, balanced, and rights-based partnerships between communities and companies/investors, which are required to continually respect the legitimate tenure rights and self-determination of IPs, LCs, and ADPs—rights that are intrinsically tied to achieving global climate and biodiversity goals and associated corporate sustainability agendas.

In response to this burgeoning opportunity, this document shares emerging ideas, principles, and good practices to socialize the concept of CM among companies and investors in land-based sectors, as well as outline steps they can take to meaningfully engage with IPs, LCs, and ADPs to monitor and respond to the potential environmental and human rights impacts of their operations, supply chains, or investments.

PRINCIPLES & EMERGING PRACTICE

As elaborated in the text, CM arrangements should 1) respond to local contexts; 2) secure and maintain FPIC in all community engagements; 3) ensure transparency; 4) build mutual trust and accountability; 5)

promote broad and effective participation of rightsholders; 6) align with relevant regulatory frameworks; 7) respect human rights; and 8) commit to zero tolerance for violence and reprisals. Within the context of HREDD, these principles are reflected in the following practices:

1. **Understanding the local context:** Understanding communities' lived experiences and the local governance context of a project is important for building trust. Community resource mapping (or participatory mapping) can help companies and investors understand these context-specific factors and potential impacts.

2. **Information sharing:** Power asymmetries in information access between companies/investors and communities have traditionally seeded mistrust. Maintaining transparency by making relevant information accessible to rightsholders (e.g., concession agreements, risk assessments, GIS information) is fundamental to upholding the right to FPIC and will improve the process and outcomes of CM.

3. **Approach communities as rightsholders:** Regardless of whether community-held lands are formally recognized by the state, companies and investors should respect all legitimate tenure rights. This requires approaching communities as rightsholders, which means establishing procedures to ensure ongoing compliance with FPIC; engaging with representative bodies, including women, youth, and minorities within communities; and seeking the support of trusted third-party actors, as needed.

4. **Take a legal empowerment approach:** CM arrangements should be situated within a country's legal and regulatory framework. Community paralegals or trusted legal experts should be enlisted to help demystify, translate, and/or interpret complex technical and legal information for communities.

5. **Develop fair community monitoring agreements based on FPIC:** CM agreements (e.g., a signed memoranda of understanding) should be negotiated fairly and governed by co-designed arrangements that set clear terms, outline

mutually agreed goals, and comply with the right to FPIC. For instance, rightsholders should have the ability to give/withhold consent at any time, including who can access and utilize community data and/or traditional knowledge.

6. **Clarify roles and responsibilities of implementation:** CM should be implemented by local rightsholders to ensure results are positioned within the context, priorities, traditional knowledge, and lived realities of communities, although companies and investors may be invited to provide practical support (e.g., facilitating access to technology, investing in capacity-building, promoting inclusivity).

7. **Heighten HREDD in high-risk contexts:** In operating environments with significant risks (e.g., corruption, violence against land/environmental/human rights defenders, ongoing land conflicts with communities), companies and investors should put proactive measures in place to assess and mitigate these risks, such as anonymous reporting mechanisms and zero tolerance policies.

8. **Establish funding arrangements that maintain independence:** Financial support may be needed to sustain CM activities, and when appropriate/requested, CM agreements may include funding support or financial incentives from the company or investor for data collection and reporting.

9. **Act on the results of community monitoring and verification processes:** CM is only as effective as the actions taken to prevent or address the issues raised. Mutually agreed protocols should be designed for responding to complaints, co-developing solutions with affected parties, and documenting and sharing results with concerned parties. These protocols should be transparent, accessible, and effectively communicated with participating communities and other stakeholders.

10. **Link community monitoring to accountability systems:** Grievance redress mechanisms should be easily accessible, responsive, consultatively designed, incorporate local conflict resolution practices, and be made as pragmatic as possible for the communities involved. This includes publishing noncompliance protocols for company/

investor stakeholders and proactively sharing information on how to use the system, particularly among women, minority groups, environmental/human rights defenders, and other at-risk groups.

11. **Pursue systemic responses:** Companies and investors should identify/understand the patterns and underlying causes of sustained negative impacts (such as insecure community land tenure) to develop proactive policies and processes to address these issues in a systematic manner.

12. **Invest in sustaining and scaling up monitoring systems:** Companies and investors must address practical resourcing and capacity needs to continue reaping the operational and reputational benefits of CM, beginning within specific landscapes and expanding at larger scales across supply chains and portfolios.

Community monitoring is a key tool for companies and investors to improve HREDD and respond to the local realities that customary, collective rightsholders face. It also gives companies and investors the opportunity to directly support the recognition and realization of community land rights and livelihoods as a pathway to mitigate the social and environmental impacts of their operations and investments. While CM has the potential to further empower communities to influence the supply chains and investments impacting their land rights and livelihoods, this document is only a starting point: There are many examples around the world of community monitoring arrangements—often using different terminology but fitting within the framing and principles elaborated in this text— but more piloting, case studies, and research are required to mainstream this approach.

This document was produced by the Interlaken Group, a leading platform for individual leaders from the corporate, investor, development finance, civil society, and rightsholder communities to advance private sector support for community land rights. For more information and materials on CM, please see the Interlaken Group's Community Monitoring Resource Hub at: www.interlakengroup.org/community-monitoring.

Community women patrol a national park in North Sumatra, Indonesia. Photo by Jacob Maentz for RRI.

INTRODUCTION

1.1 CONTEXT

Companies and investors, including those engaged in agriculture, forestry, infrastructure, and other land-based sectors in the forested world, have a responsibility to respect human rights and the legitimate tenure rights[1] of Indigenous Peoples, local communities, and Afro-descendant Peoples (IPs,[2] LCs,[3] and ADPs[4]). These responsibilities are enshrined in international normative frameworks such as the United Nations Guiding Principles on Business and Human Rights (UNGPs);[5] OECD Guidelines for Multinational Enterprises; OECD Due Diligence Guidance for Responsible Business Conduct: the UN Declaration on the Rights of Indigenous Peoples;[6] and the CFS Voluntary Guidelines on the Responsible Governance of Tenure (VGGTs).[7]

In addition, private sector actors at all levels are making an increasing number of sustainability and human rights commitments, whose achievement is predicated on strengthening and securing the land tenure rights of IPs, LCs, and ADPs. These include commitments to achieve net-zero emissions, eliminate deforestation from supply chains, support rural livelihoods and human rights, respect legitimate land tenure rights, uphold the right to Free, Prior and Informed Consent (FPIC), and address violence against land, environmental, and human rights defender.[8]

Upcoming mandatory regulations, such as the European Union's proposed Corporate Sustainability Due Diligence Directive (CSDDD) and regulation on deforestation-free products,[9] are reinforcing the provisions of international frameworks, private sector commitments on human rights and the environment, and the importance of engagement with collective rightsholders for compliance.

Fulfilling these obligations generally requires that companies and investors adopt their own corresponding policies and set up systems for conducting human rights and environmental due diligence (HREDD) across their operations and investments. HREDD processes are critical mechanisms through which business actors assess, prevent, and lower the risks of their operations or investments harming local peoples' rights or the environment, and remedy any harm that has not been prevented.[10]

Engagement of local communities who may be affected by company operations is essential for effective HREDD processes.[11] FPIC, or the right of Indigenous Peoples and other customary rightsholders to give or withhold consent to actions that will affect them, is also well-established as applying to all aspects of community–company interactions.[12] HREDD and FPIC commitments are increasingly being adopted in corporate and investor policies, which must then be integrated in subsidiaries' operational policies and/or harmonized with those of suppliers to affect operations on the ground.

Across many rural and forested landscapes, the groups most likely to be negatively impacted by land-based private sector operations are IPs, LCs, and ADPs, especially women and girls. These communities often hold customary rights to traditional lands and resources impacted by companies and investors that may or may not be recognized under statutory law.[13] Globally, IPs, LCs, and ADPs have customary rights to at least 50 percent of the world's land and forest areas, yet they hold legally recognized rights to less than 20 percent, and even less in key forest and commodity areas like the Congo Basin, West Africa, and Southeast Asia.[14]

Yet stronger IP, LC, and ADP land tenure rights reduce investment risks and contribute to achieving the positive environmental and livelihoods outcomes[15] elaborated in private sector sustainability commitments.[16] If communities' voices are not heard or considered in company investment decisions and operations, this can lead to severe impacts on them, affecting their land rights, environments, cultures, and ways of life.

According to related literature and experts consulted for this report, the ways that HREDD processes are currently implemented often do not meet best practice standards and can constrain the effective engagement of IP, LC, and ADPs. These constraints include:

➤ For current HREDD assessments and reporting, companies and investors rely either on self-reported information from their suppliers or investees, audit reports from third party providers, or certification from voluntary standards (such as the RSPO). This self-reporting can be out of date, not "ground-truthed,"[17] and/or does not capture local peoples' perspectives and concerns.

➤ Where a company, investor, or third-party verifier does send teams to the field to engage with local people on environmental and social impacts, these teams tend to decide who to consult, and on what issues, based on a limited understanding of local contexts. This can lead to bias or gaps in the information that is gathered.

➤ Much of the available guidance for HREDD work is not well suited for use by industry. Critics of existing materials claim that they are often theoretical, too academic, overly prescriptive, or just too long, making them inaccessible to general company staff.

At the same time, however, communities themselves are well-positioned to collect, and in many cases are already collecting, ground-level data and information on the social and environmental impacts of private sector operations in their localities. The findings of this research indicate that the capacity of local communities to collect and catalogue data on social and environmental impacts is both under-appreciated and under-utilized.

Communities initiate monitoring initiatives for a variety of reasons, but a major motivating factor is the

defense of land tenure from encroachment, especially if there were previous land tenure disputes with companies, investors, or other outsiders. From a company and investor standpoint, community-sourced data can better predict and prevent negative impacts of local operations or investments before they occur. Often, a company only learns about community concerns (such as land issues) after problems have already happened, for example, when reported through the company's existing grievance procedure. This gap in information is frequently correlated with a lack of connection between company due diligence mechanisms, monitoring systems, and community knowledge.

On the other hand, actively seeking out data and information in partnership with local communities can help companies and investors ensure compliance with FPIC standards, international obligations, and their own human rights and environmental commitments, as well as produce concrete pathways to collaboration with rightsholders to secure legitimate land tenure and contribute to local livelihoods.

1.2 PURPOSE AND HISTORY OF THIS DOCUMENT

This document shares emerging ideas, principles, and good practices for realizing the potential of community monitoring to ensure private sector actors' compliance with international human rights and environmental laws and frameworks, and with their own policies and commitments. It describes practices that companies can integrate into their operations to meaningfully engage with rightsholders while monitoring the potential environmental and human rights impacts of their operations, supply chains, or investments. The main text is supplemented by case studies to describe how community monitoring is unfolding in practice in developing countries in land-based sectors.

The document was developed by the Interlaken Group, a leading platform for individual leaders from the corporate, investor, development finance, civil society, and rightsholder communities to advance private sector support for community land rights.

Interlaken Group participants work together to identify emerging challenges constraining progress to clarify and secure community land tenure in the developing world and achieve related elements in the broader corporate and investor sustainability agenda. The Rights and Resources Initiative (RRI) coordinates the Interlaken Group and created it in collaboration with leadership from the International Finance Corporation in 2014.

During a 2020 webinar series, the Interlaken Group identified community monitoring as a promising avenue to address persistent disconnects between the on-the-ground realities of communities impacted by supply chains and infrastructure investments and the commitments made by global companies, investors, and development finance institutions. Meanwhile, implementation and reporting challenges — including land tenure violations — were becoming even more acute with disruptions to monitoring, due diligence, and FPIC processes due to the Covid-19 pandemic.

To develop the principles and practice included in the document, the Interlaken Group commissioned a desk review of relevant literature and tools, followed by interviews with corporate, investor, CSOs, and community leaders within the Interlaken Group and RRI networks. As literature on community monitoring remains limited, much of the effort was devoted to gathering insights from interviews. A multi-stakeholder steering committee also weighed in to advise on the design of the document and to support the interview process.

1.3 TARGET AUDIENCE

This document is designed for companies and investors with supply chains or investments at risk of causing environmental and social harm to communities impacted by their operations. This includes many land-based commodity production sectors with intensive impacts, such as industrial-scale agriculture, plantation forestry, mining, and fossil fuel extraction, as well as the infrastructure and renewable energy sectors.

It also includes sectors using these resources and the financial institutions that fund their production and

use. Under the UNGPs, all companies and investors, regardless of their position in the supply chain, have responsibilities to respect human rights and the obligation to leverage HREDD as a tool to prevent and address potential harm done to local peoples.[18]

Specifically, this paper targets the following audiences:

➤ **Upstream companies:** Land-based commodity producers and project implementers who engage with communities directly at the level of project development or production and are responsible for progress reports against supply chain or investment commitments. Upstream and production companies often have more immediate control over human rights and environmental impacts, and therefore direct responsibility, because they operate on or near Indigenous and other rightsholders' lands and have regular interactions with communities affected by their operations. Since this document is concerned with operations at risk of impacting local rightsholders' lands, livelihoods, and environments, "upstream companies" may include a range of actors, from individual producers to commodity traders with vertically integrated supply chains.

➤ **Downstream companies:** Companies positioned further down the supply chain, from raw material origin to stages closer to final sale and consumption (for example, global consumer companies sourcing land-based commodities), have responsibilities to ensure that suppliers (direct and indirect) comply with environmental and human rights obligations. Downstream companies may also cause or contribute to impacts that they have responsibility to remediate or help remediate.

➤ **Investors:** Project and/or development finance institutions investing in land-based projects have responsibilities to ensure that investees comply with environmental and human rights obligations. They often are required to monitor and report against environmental and social frameworks and have made commitments to uphold fundamental human rights; respect IP, LC, and ADP land tenure; prevent violence against land, environmental and human rights defenders; ensure respect for women's human rights; halt deforestation and land conversion; and prevent environmental degradation and biodiversity loss, among others. Additionally, investors may cause or contribute to impacts that they have responsibility to remediate or help remediate.

In addition to these primary, private sector audiences, this document also aims to provide useful information for rightsholder communities on how their own monitoring efforts can influence company systems to address existing issues, prevent future negative impacts, and contribute to stronger local rights and livelihoods.

North Sumatra, Indonesia. Photo by Jacob Maentz for RRI.

2. UNDERSTANDING COMMUNITY MONITORING

2.1 WHY COMMUNITY MONITORING?

International frameworks, national laws, emerging regulation, industry best practices, and company policies and commitments on HREDD require companies and investors to proactively assess the potential impacts of their enterprises on collective rightsholders and put measures in place to help prevent, mitigate, and remedy potential harms tied to their business operations, supply chains, and investments.

Central to best practices in fulfilling these commitments is the need to engage with local rightsholders and stakeholders to increase the accuracy and responsiveness of human rights impact assessments, implementation measures, and monitoring.

As described above, experience shows that self-reporting by subsidiaries, direct and indirect suppliers, and recipients of financing, often fails to accurately reflect the lived experiences of communities on the ground. As a result, these reporting approaches may fail to capture key issues such as historical land claims and disputes, the broad spectrum of community livelihood or cultural activities that may be affected, and inter- or intra-community boundary disagreements.

Existing company systems often rely on grievance data as their main source of information about community disaffection, which means the information has arrived too late to prevent harm. Companies can benefit from having access to more information from communities outside of the grievance framework, including advance notice of problems as they arise; and thus, enhanced capacity to proactively address potential problems.

This document uses the term **community monitoring (CM)** to describe processes undertaken by communities to assess and track issues affecting their lands, territories, resources, rights, cultures, and livelihoods. CM can inform and shape all components of HREDD processes—including up front risk assessment, systematic respect for the right to FPIC in community engagements, the collection of information related to impacts, development of remedies, and tracking of the effectiveness of response measures (see Box 1). These various actions are referred to herein as "monitoring," as all are part of efforts to monitor conditions and impacts on community lands and/or fulfilment of business HREDD commitments.

It should also be noted that where CM is undertaken to help inform an FPIC process, a community's agreement to engage in monitoring does not equate to their consent to the company's commencement or continuation of operations.

Community engagement with HREDD processes to inform and influence company and investor actions can result in assessments that more accurately reflect communities' lived experiences and concerns, resulting in response measures that better protect their rights and environments. If done well, this can open new channels of communication and information sharing between communities and companies that enable the company or investor to adapt and improve its business operations and adherence to HREDD commitments over time.

2.2 TYPES OF COMMUNITY MONITORING

Two different strands of CM arrangements relevant to improved supply chain and investment performance have emerged.

BOX 1. "WAYS COMMUNITY MONITORING CAN CONTRIBUTE TO HREDD CYCLE"

1. Improving the proactive and ongoing identification of potential and actual human rights and environmental impacts, such as through rightsholder mapping and better understanding of context-specific issues, particularly in impact assessment processes which are required prior to commencement of operations, and which inform initial FPIC discussions;

2. Strengthening ongoing FPIC processes by integrating information generated by communities themselves in impact and benefit assessments;

3. Improving understanding of priority issues and impacts to be addressed (e.g., according to their severity, likelihood of occurrence, and remediability);

4. Determining appropriate and effective response measures to potential or actual impacts that center the analysis and views of rightsholders;

5. Tracking and evaluating the effectiveness of measures and responses to address human rights and environmental impacts, including remediation processes;

6. Monitoring and reporting on operations' activities and impacts;

7. Validating contributions to local development; and

8. Improving company communication and reporting on HREDD-related policies with affected rightsholders and the wider public.

1. **Community-based monitoring (CBM):** CBM refers to self-determined monitoring that is led by affected communities, rightsholders, and/or community organizations as an expression of their right to self-determination and self-governance. CBM is entirely independent from the operations and activities of a company or investor. CBM initiatives are defined and led by communities and their supporting organizations who decide not only what to monitor and how, but also how to act on the information that is gathered. The data and information that communities undertaking CBM gather can be qualitative or quantitative and can support efforts toward ensuring accountability.[19] Data useful for assessing the human rights and environmental performance of land-based investments and operations may comprise only a small part of a CBM initiative. CBM data may or may not be shared with companies, depending on the decision of the communities.

2. **Community-supported monitoring (CSM):** CSM refers to a process in which local communities and interested companies or investors have agreed to collaborate to collect and share data to improve due diligence and local outcomes. In this case, companies may support CSM with logistical or funding support, including developing protocols with communities about what data to collect and how to use it. Existing information collected through existing CBM initiatives may form the basis for CSM, but only with the FPIC of communities.

For the purposes of this document, **the general term *community monitoring* (CM) refers to community-supported monitoring initiatives,** while recognizing that communities may choose to share data from community-based monitoring initiatives with companies or investors on agreed terms.

2.3 BENEFITS OF COMMUNITY MONITORING

As described above, the overall benefit for companies and investors of supporting CM, where communities so desire, is to improve their compliance with international frameworks, national laws, emerging regulations, and company commitments on human rights and environmental issues. For communities, the primary benefits of community monitoring are the ability to inform and shape business operations that may be affecting them, prevent negative human rights and environmental impacts, and help hold companies accountable by monitoring companies' compliance with their own supply chain, human rights, and sustainability commitments. Unpacking this further, some of the benefits of CM are:

➤ **More complete and accurate information on the operational impacts that a company may be causing, contributing to, or is directly linked with.** The democratization of data-gathering processes offers the potential for access to more accurate and granular information on human rights and environmental implications or impacts. Traditional knowledge systems and collective community action can contribute perspectives and information that companies and investors likely do not have access to, and thus represent an important source of data for monitoring a project or company's impacts. Examples could include tensions or disputes within the community, reports of improper tree cutting, or the incidence of wildlife and plants important for local livelihoods and food security. Many existing risk assessment systems are inadequate due to a lack of information and improving these with CM data is a major incentive for companies to invest in supporting the collection of this data. CM also complements other information gathered as part of ongoing company HREDD systems.

➤ **More cost-effective and timely information.** Gathering accurate social data is typically resource and time intensive as it is harder to access through remote means. Typical company verification exercises require extensive staff time and logistical support to reach affected areas. During these missions, it is common for verification teams to miss out on talking to the full range of stakeholders and to operate within time constraints that limit information sharing and gathering. This in turn limits local stakeholders' understanding of, and engagement in, the monitoring process. In contrast, establishing a trusted source of ongoing feedback

from communities on the ground through CM can be cost-efficient, better align the timeframes of community and company monitoring, and result in important operational and reputational advantages.

➤ **More streamlined information flows along supply chains.** Community-sourced data can be used to triangulate secondary information gathered by a company or investor with the perspectives of affected rightsholders on relevant issues and the effectiveness of measures taken to address them. It can also be used to direct data to different levels in a management hierarchy. For example, senior managers may not want to see the details of small complaints but may ask to see reports or data concerning potential land disputes, problems that are often invisible to them through traditional staff channels. In some sectors and geographies, bad news does not move upward from staff to senior managers because it may be perceived as suggesting that lower-level managers are not doing their job properly. Meanwhile, at the individual estate or investment level, operational staff will have purview over all grievances because they are able to address most of those without reference to their manager (see Case Study 1: Palm Oil). Furthermore, CM data can be used to triangulate or verify self-reported data from suppliers, both on the adequacy of the supplier's processes for respecting IP, LC, and ADP rights as well as their reporting of impacts and grievances.

➤ **More frequent and constructive dialogues and collaborations.** Many companies and investors currently rely on periodic stakeholder forums as their main point of contact with communities. CM can help maintain more formalized communication and build trust over time by enabling more regular information sharing opportunities between communities and companies or investors, and by companies and investors responding to this data. Where communities have information on social and environmental outcomes that are not yet at the level of grievances, more regular exchanges can help prevent grievances from emerging.

➤ **Improved relationships and outcomes.** The interest in community monitoring for companies and investors can go beyond "simple" data collection and access to information. Accessing community-based data can open opportunities for new rights-based approaches and open dialogue, increased protection for communities' rights over their land, territories and resources, improved potential to find solutions to emerging environmental and human rights issues in line with community priorities, and increased opportunities for communities to benefit from investments.

➤ **Strengthened traditional knowledge and management systems.** In CM, traditional knowledge systems may contribute alongside new technologies to systematic monitoring and documentation of the state and use of natural resources, lands, and human well-being, as well as outside pressures and the potential threats associated with them. CM can thus contribute to validating local knowledge and strengthening existing community resource management systems.

➤ **Strengthened awareness and advocacy.** When IPs, LCs, and ADPs engage in monitoring, they are likely to gain greater access to information about obligations under applicable laws and existing policies and commitments designed to ensure respect for their rights. Additionally, these communities acquire tools that strengthen their capacity to call attention to issues affecting them, including respect for their rights to lands, territories, and resources.[20]

➤ **Strengthened IP, LC, and ADP land tenure and livelihoods.** Company engagement through monitoring arrangements and the resulting information on local conditions and challenges that collective rightsholders face can yield a shared understanding of how companies and investors can directly support communities to secure their rights. For example, based on a monitoring arrangement, companies and investors can support communities to undertake participatory mapping of customary areas. In states where IP, LC, or ADP tenure rights are not statutorily recognized, the first step toward legal recognition is agreeing to and respecting the bounds of customary territories with local peoples. It is an opportunity to leverage the private sector's political capital to directly support tenure recognition. With access to information on community lands, companies and investors can protect and respect community rights in their own operations.

And similarly, grassroots information on the status of communities' local livelihoods in sourcing areas can provide the starting point for more productive community–company dialogue on economic development.

2.4 CHALLENGES TO COMMUNITY MONITORING PARTNERSHIPS

Along with the clear benefits described above, several challenges must be overcome for successful CM partnerships. Our research and interviewees highlighted the following challenges:

➤ **Overcoming mistrust and conflict**. Communities may have previous negative experiences with investment, development, and/or government actors that inform their outlook and attitude toward private sector operations, as well as efforts to conduct CM. There may be a lack of trust between companies operating at the ground level and communities that have experienced negative environmental and human rights impacts, including due to a lack of or inadequate FPIC. There may also be ongoing grievances or land conflicts between communities and private sector, development, or government entities.

➤ **Power asymmetries**. As with almost all aspects of private sector–community relationships, there are likely to be profound power asymmetries between companies, investors, and community counterparts to a CM partnership. Communities may not be able to trust or engage with relevant government agencies in the same way that companies and investors can, or access information as easily. While enhanced collaboration around CM can help re-calibrate relationships on a more equal footing, companies and investors will need to be cognizant of their relative power and contribute to re-balancing through transparency, accountability, and respect for community rights and communities' self-determination.

➤ **Safety concerns in gathering and using community data.** Linked to power asymmetries and historical conflicts, there can be serious risks for communities and monitors if monitoring results upset the local balance of power. Conflict and intimidation are already widespread, as evidenced in the high levels of threats and violence perpetrated against community members defending their human rights and environments.[21]

➤ **Intra-community power dynamics.** Relying on community-gathered data for HREDD processes can run into challenges of voice and representation within communities. Community norms and power dynamics may mean that the views and experiences of women or marginalized groups are less visible in community monitoring. Local interests not necessarily aligned with wider community goals for the monitoring initiative could attempt to derail the collaboration. Historically, it has often been challenging for companies or investors to identify those that rightfully speak for, and are representative of, the community to validate data as accurate and trustworthy.

➤ **Ownership and control of sensitive data.** Companies and investors may also be reluctant to engage with local communities on monitoring efforts as CM projects can generate information that is sensitive and not within the control of the company.

➤ **Incorporating data into existing risk assessment and accountability systems**. Some interviewees shared concerns about how CM information is incorporated into existing company risk assessment and accountability systems, many of which are well developed. This includes challenges around technology. While CM data can greatly strengthen the accuracy and responsiveness of company systems, frameworks and the data that is collected must be aligned with existing corporate and investor systems to ensure integration. At the same time, corporate and investor risk assessment and accountability systems should be adjusted to integrate community-sourced data.

➤ **Resourcing and capacity concerns**. There are practical challenges associated with building and supporting the capacities of communities to engage in effective monitoring, as well as the capacity and training of teams within institutions to receive, integrate, and act on CM. These capacity issues should include how to sustain and institutionalize CM initiatives in the medium and long

term. Monitoring efforts require financial resources but finding arrangements to overcome potential conflicts of interests, for example, if a company or investor is providing support to the community to independently monitor, can be challenging.

➤ **Scaling community monitoring.** Downstream companies and investors may have supply chains or portfolios spanning multiple continents and thousands of suppliers. As a result, scaling CM while ensuring robust and detailed engagement of local actors is a considerable challenge. Specifically, interviewees cited challenges with determining where CM would be appropriate or effective, and how to prioritize areas for supporting CM given limited resources and capacity. Furthermore, there is the issue of confidentiality, or how CM data would be securely shared between communities and a downstream company without compromising legally or commercially sensitive information that was gained by bypassing the accountable suppliers.

Walking through an oil palm plantation, Liberia. Photo by Isabel Albee.

3. EMERGING PRINCIPLES AND GOOD PRACTICES

3.1 PRINCIPLES FOR COMMUNITY MONITORING IN HUMAN RIGHTS AND ENVIRONMENTAL DUE DILIGENCE

The following section presents emerging principles and good practices that can help interested companies and investors ensure that CM for HREDD is effective and protects community and environmental rights. Principles and practices are drawn from interviews and the literature review undertaken to prepare this document, but particularly from the Accountability Framework initiative's Operational Guidance[22] and effectiveness criteria for non-judicial grievance mechanisms described in the UNGPs.[23] Other useful resources for companies and investors are delineated in Annex I. Based on these findings, community monitoring systems should involve the following information in the table:

Principle	Description
Respond to local contexts	The design and implementation of a community monitoring arrangement should set forth clear objectives, account for community capacity levels and local political realities (such as power asymmetries and risks to local monitors), and respect communities' traditions and cultural norms.
Secure and maintain FPIC in all community engagements	In keeping with rights to FPIC for activities affecting their lands, resources, and traditional knowledge, rightsholders should have the ability to give or withhold consent for community monitoring processes, including any uses of their traditional knowledge. Communities' right to FPIC is essential for an effective HREDD process, and therefore crucial for accessing and utilizing community data.
Ensure transparency	Openness and honesty are key to successful relations between rightsholders and operators/project managers. What each party involved understands by "transparency" should be discussed, agreed upon, and well-documented. This includes establishing clear communication channels, governance processes, and data sharing mechanisms.
Build mutual trust and accountability	Adhering to the principles in this list should foster the trust necessary to develop and implement community monitoring programs. Community monitoring arrangements should be developed and implemented according to mutually determined terms and within an agreed upon governance structure. Governance should ensure representation of all groups, guarantee equal decision-making powers, and outline the terms of exit clauses if the agreement is considered as not upheld by either party.
Promote broad and effective participation of rightsholders	The process should promote broad and effective participation of rightsholders, including different groups within communities (e.g., Indigenous Peoples, women, youth). Rightsholders should be empowered to engage in CM and benefit from it, including through access to open dialogue with companies and investors, and decision-making authority on actions to address adverse impacts of operations or investments.
Align with relevant regulatory framework(s)	Community monitoring systems should comply with relevant national and international human rights and environmental frameworks. All national and international regulations and frameworks applicable to company operations should be fully disclosed and accessible in culturally appropriate languages and formats.
Respect human rights	This should include the rights specific to Indigenous Peoples, local communities, Afro-descendant Peoples, and women, and particular attention to the rights of vulnerable groups.
Commit to zero tolerance for violence and reprisals	Companies and investors seeking to integrate community data into their HREDD process should make an explicit commitment to zero tolerance for violence and reprisals against land, environmental, and human rights defenders through clear policies and actions. These should include special considerations for operations located in conflict, post-conflict, and high violence areas, areas with high levels of corruption, repression of civil society and/or a lack of freedom of the media.

3.2 EMERGING ELEMENTS OF GOOD PRACTICES FOR COMMUNITY MONITORING IN HREDD

UNDERSTANDING THE LOCAL CONTEXT

Understanding communities' lived experiences, including the history and origins of protracted land conflicts, negative impacts on livelihoods, and infringements on land rights is important for establishing and building trust with them in general, and developing effective community monitoring systems.

Conducting community resource mapping (or participatory mapping) can be helpful to understand the extent of customary land claims and how communities depend on resources, gauge potential impacts of project or company operations, and consider the various perspectives held by different individuals and groups within a community.

Understanding the local governance context of a project or company's operations is also essential. In places with weak rule of law, corruption, or poor implementation of legal protections, communities may be hesitant to trust companies or investors. This is particularly important in countries where violence against land, environmental, and human rights defenders is high or on the rise (see case study on rubber in Annex 1).

INFORMATION SHARING

It is important to acknowledge the likely power asymmetries in information access among companies and investors interested in community monitoring, governments, and communities. While private sector actors may have easier access to information such as concession maps, government contracts, or environmental impact assessments, communities may not enjoy the same ease of access to important legal or project documents. This asymmetry can play a significant role in seeding mistrust. As one civil society representative stated, **"Full disclosure is necessary to avoid a full breach of trust."**

Maintaining transparency by making relevant information accessible to rightsholders is fundamental to upholding the right to FPIC and will improve the process and outcomes of CM. For example, this should include sharing information on the terms of concession agreements, contracts with government agencies, the results of environmental and social impact assessments, relevant technical and legal documents, GIS information, and company HREDD-related policies and commitments. An accountability gap will likely emerge if companies keep relevant assessments and monitoring reports confidential. Where publishing sensitive information may increase risks to communities, companies should put provisions in place to anonymize data.

APPROACH COMMUNITIES AS RIGHTSHOLDERS

The process of community engagement and the point of community entry is pivotal for establishing trust and developing effective cooperation for community monitoring. Increasingly, companies and investors understand that when seeking to operate in areas within or affecting community-held lands, regardless of whether these areas are formally recognized by the state, they must respect all legitimate tenure rights, including communities' customary and statutory land rights. In practice, this means engaging with communities as rightsholders and valid counterparties to company operations.

> *In terms of building trust, the community entry point is critical. Approaching rightsholders openly and honestly in the beginning is essential to building trust.*
>
> —*Civil society representative, Liberia*

Approaching communities as rightsholders involves **establishing procedures to ensure ongoing compliance with the right to FPIC**, including in relation to CM efforts.[24] Without the consent to operate, companies and projects may incur material, operational, legal, regulatory, and reputational risks, as well as contribute to conflicts with communities and adverse environmental and human rights outcomes.[25] Therefore, it is in companies' clear interest to engage rightsholders directly. Respect for the right to FPIC during

community engagements provides an opportunity to develop strong protocols to protect community monitors and to regulate the use of community collected information.

Engaging with rightsholder communities' representative bodies when initiating discussions on CM is an important component of respecting the right to FPIC. These may include elected leaders, women's groups, traditional leaders, and community elders. Initial contacts via community-based organizations may be another way for companies and investors to approach communities as rightsholders. Legally recognized and well organized Indigenous and community networks exist in many countries and regions and represent points of contact for companies and investors.[26]

Companies should also ***actively seek the perspectives of women, youth, and minorities within communities*** by utilizing cultural and gender-sensitive approaches to foster meaningful participation in development and agreement on community monitoring plans and approaches. Ongoing engagement with representative bodies at the community level presents opportunities to empower communities to meaningfully contribute to the oversight of company operations and impacts. When conflicts arise, working with community bodies and within local norms and customs can help resolve them faster.

The process of community entry and engagement may benefit from the ***support of trusted third-party actors***, such as local CSOs or community paralegals (see next section), and communities may request this. Local CSOs can help facilitate discussions with communities about the objectives, guidelines, and terms of CM; support validation of the tools used for collecting data; interface with local government agencies when relevant; and interpret complex technical and legal information for local peoples, using their specialized skills and local roots.

In addition, civil society representatives offer expertise relevant to the specific contexts or issues that usually arise in the process of engaging communities. Such third parties can also hold and manage financial resources for communities as a buffer between community monitors and the company or investor.

Third-party non-state actors should be nominated and agreed upon by the community and the company. A framework could be set up to determine which organizations accompany the CM process with key competencies and skills such as technical, financial, understanding of local contexts, or experience with FPIC.

TAKE A LEGAL EMPOWERMENT APPROACH

It is important to situate community monitoring within a country's legal and regulatory framework. This means that while companies and communities consider the objectives, guidelines, and terms for the collection and use of data, there should also be a discussion about relevant legal and regulatory frameworks that apply to a project or company's operations and communities' rights.

Community paralegals can help demystify, translate, and interpret complex technical and legal information for communities such as environmental and social impact assessments (ESIAs), licensing agreements, concession agreements, regulatory and legal frameworks applicable to company operations and impacts, and companies' legal requirements and voluntary commitments. To ensure clear understanding, companies and investors should consider supporting communities to hire legal experts of their own to assist in the CM process.

DEVELOP FAIR COMMUNITY MONITORING AGREEMENTS BASED ON FPIC

Whether communities are already monitoring and have expressed willingness to share data, or monitoring will begin with the community–company partnership, setting clear terms for a CM engagement and establishing agreements that comply with the right to FPIC is essential. Community monitoring and data sharing with companies must be negotiated fairly and governed by co-designed agreements.

As an Indigenous leader from Indonesia stated, there must be a clear roadmap and process agreed upon by communities and companies about CM's objectives, guidelines, and terms. A Liberian civil society

representative explained, based on experiences supporting rural communities impacted by palm oil operations, that the presence of a signed memoranda of understanding between communities and companies made it easier to monitor progress on commitments.

Before drafting or entering into an agreement with communities, the goals of each party should be clearly and transparently shared. Companies and investors should seek to understand the communities' goals for engaging in monitoring, state what their own goals are for receiving community data, how they intend to use it, the expectations communities should have regarding the outcomes of the community-supported monitoring process, and how they will share relevant information and data with them. Third parties such as legal advisors (see above) could be involved and relied upon to help facilitate these discussions and negotiations if they are chosen freely and agreed upon by communities.

Where communities are conducting CBM, companies and investors can similarly seek to understand the goals, intentions, and expectations of this process, with the acknowledgement that communities may or may not agree to engage.

In Kenya, a civil society representative recommended that before CM begins, the methodology and tools used for monitoring should be validated with communities. This process should address how data will be collected, what format will be used for collection, who owns the data, and who decides how it will be used.

When communities collect data, it is important for them to determine the data collection process and retain ownership over the data. However, if communities and companies agree upon a participatory monitoring process, then the data may be jointly owned and governed by contract. If the CM process involves traditional knowledge, then the terms of its use and relevant protections should also be defined and agreed upon. Ultimately, if companies and communities can be forthcoming about their objectives for engaging in CM and there is clarity regarding the collection and purpose of community data, there will be less discrepancy about how the data should subsequently be used.

Data ownership and use is also relevant for accountability. Should the response and actions based on CM be insufficient or fall short of agreements made, communities must retain the right to use data to obtain remediation and redress. Furthermore, companies' ownership and use of data should respect the confidentiality and safety concerns of the communities engaged in monitoring.

The initiative's governance should be clearly defined, including respective parties' roles and responsibilities, relevant timelines, and who has authority to make decisions about publication of outputs. The resulting agreement to guide the monitoring initiative should include provisions, mechanisms, or procedures for the following:

➤ How findings from the monitoring will be used by the company and investor, and how responses will be communicated;

➤ Mitigation of violence, intimidation, and reprisals against community monitors and community members;

➤ Provision of capacity building, technology, and monetary compensation for time and resources the communities put into monitoring; and

➤ Terms for exiting the initiative if relationships break down during the project.

By taking part in CM that respects the right to FPIC, both parties will be involved in designing the approach, in agreeing upon objectives and rules, and in the elaboration of agreements that will govern the process fairly.

CLARIFY ROLES AND RESPONSIBILITIES OF IMPLEMENTATION

Once the terms are set and agreed upon, the CM system will be implemented by Indigenous, local, or Afro-descendant Peoples. Data collectors or community monitors should be from the implementing communities to ensure that the results from the monitoring arrangements are positioned within the context and lived realities of IPs, LCs, and ADPs and to further build trust.

Community monitors should be knowledgeable about the local situation and able to draw on traditional

> *Indigenous Peoples [and traditional communities] experience nature differently from the state and private sector actors. We perceive nuances in environmental change differently. Community-based monitoring should be robust enough to try and reflect the nuances of the perspectives and experiences of communities. Collective memory is essential in appreciating the slow onset of changes in the environmental landscape. A [private sector] assessor will not be able to appreciate the slow onset of changes in the environmental landscape compared to communities that are collecting data intergenerationally.*
>
> *—Indigenous civil society representative, Kenya*

knowledge on the terms decided by the community. Communities should be free to choose local monitors. In certain circumstances, due to safety considerations, data may need to be anonymized to protect the identities of community members who provide testimonies or information, especially in high-risk contexts.

Local representative bodies, community paralegals, local CSOs, and others will often play roles in supporting the CM process, which should be documented in the CM agreement. Companies can provide practical support to CM processes, which may include facilitating access to technology, investing in capacity-building of local monitors, and encouraging participation

BOX 2. "THE ROLE AND RIGHTS OF INDIGENOUS, AFRO-DESCENDANT, AND LOCAL COMMUNITY WOMEN AND GIRLS IN COMMUNITY MONITORING"

A critical component of any community monitoring arrangement is the equitable participation of women and girls within Indigenous, Afro-descendant, and local communities. They are essential in forest management and food production in many Indigenous and local communities, and women's tenure rights have been positively linked to household food security and economic well-being in developing economies. Yet, the specific tenure rights of women—who comprise half the population of the world's Indigenous Peoples and local communities—are seldom recognized by national laws and often overlooked in global funds for community tenure and forest management. At the community level, gender discrimination can also result in the exclusion of women from positions of power; therefore, it is critical that CM systems are embedded with gender-equitable decision-making processes, as well as indicators linked to specific benefits for women and girls.

In many low- and middle-income countries, national laws on the rights of Indigenous, Afro-descendant, and local community women to inheritance, community membership, community-level governance, and community-level dispute resolution consistently fail to meet the requirements of international law, such as under the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW), or non-binding international guidance and commitments, such as under the VGGT and the Sustainable Development Goals. In the absence of adequate legal protections, discriminatory practices against Indigenous and local community women are often enabled and perpetuated. The failure to recognize their tenure rights not only jeopardizes the livelihoods of women and their families, but it also threatens the advancement of entire communities. For companies and investors committed to delivering social or "forest positive" benefits, systematizing the participation, benefits, and respect for the rights of women and girls in community monitoring schemes is essential to achieve an enduring impact on community livelihoods.

In addition to inadequate legal protections, there is also a considerable gap in community tenure and forest management funding reaching Indigenous and local women-led initiatives. Recent research analyzing bilateral and multilateral donor support for community tenure and forest management between 2011–2020 found that only 27 percent of

funding included keywords related to gender in the project description. Furthermore, only 17 percent of the USD 270 million invested annually in IP, LC, and ADP tenure and forest management went to activities that specifically named a local rightsholder-led organization. While more research is needed, these two findings suggest that far less than 17 percent of funding pledged to forest management and land tenure is directly reaching local, Afro-descendant, and Indigenous women on the ground, although the importance of women in achieving economic and environmental goals is undeniable. For community monitoring to be successful, companies and investors must ensure that adequate resources reach women to meaningfully and equitably contribute to, and benefit from, community monitoring arrangements.

Understanding the context-specific and intersectional barriers women and girls face in realizing the rights and benefits of tenure security is crucial to the success of any community monitoring scheme. Gender-inclusive strategies must be embedded into monitoring frameworks, questionnaires, indicators, and decision-making protocols to achieve equitable and sustainable livelihoods outcomes for women, which has lasting co-benefits for their families and communities – outcomes integral to the "forest positive" commitments made by progressive companies and investors. Overall, a gender-inclusive community monitoring system not only provides companies and governments with the data to address discriminatory outcomes within communities, but also secures women a seat at the table to determine how their lands are utilized and how they wish to benefit from the wealth of resources in their ancestral territories.

Moving forward, it will be important to continue to elaborate and deepen the connections between gender equity, livelihoods, and community monitoring. A suggested next step is to collate community monitoring case studies that center the participation of women and gender-inclusive benefit sharing mechanisms, synthesizing key insights for future application.

For more information on the importance and status of tenure rights for women within Indigenous, Afro-descendant, and local communities, please refer to: Power and Potential: A Comparative Analysis of National Laws and Regulations Concerning Women's Rights to Community Forests; and for corporate recommendations and guidance on equitable tenure practices, including on gender considerations in company and investor interactions with communities, please refer to: Respecting Land and Forest Rights: A Guide for Companies.

and representation of all groups in the communities, including women and youth.

HEIGHTEN HUMAN RIGHTS AND ENVIRONMENTAL DUE DILIGENCE IN HIGH-RISK CONTEXTS

If an operating environment has significant levels of corruption, high or rising levels of violence against land, environmental, and human rights defenders, and/or ongoing protracted land conflicts with communities, companies and investors should put proactive measures in place to assess and mitigate these risks.

In the context of CM, such heightened HREDD should include a focus on protecting the security and safety of community monitors who may be vulnerable to violence, intimidation, reprisals, or harassment when

collecting or reporting data on potential violations linked to a project or company's operations. This may involve taking additional steps to ensure the safety and security of the individuals and groups collecting data and information, including providing opportunities for anonymous reporting and taking specific steps to prevent gender-based violence.[27]

Developing and publishing zero tolerance policies and protocols for violence (including gender-based violence), intimidation, reprisals, criminalization, and murder of land, environmental, and human rights defenders, as well as of individuals and groups engaging in community monitoring, can help in building trust with communities. It is also important to educate staff about the importance of putting such protections in place. Companies should apply this heightened HREDD to their own operations as well as across their

supply chains, including to suppliers, contractors, and joint venture partners. Investors should also apply these heightened measures to investment projects and across investment portfolios.

ESTABLISH FUNDING ARRANGEMENTS THAT MAINTAIN INDEPENDENCE

Financial resources to support CM activities are critical for success.[28] Few CM efforts that have been documented are self-sustaining, as all require technical knowledge, community organizing, and time. In some instances, agreements between communities and companies can include funding support or financial incentives from the company for data collection and reporting.

One example is the "blind trust" concept employed by Kumacaya to direct company funds into independent monitoring.[29] In such cases, financial support will impact the real and perceived independence of local groups, and so the rules governing this must be agreed upon in advance.

Some communities and local organizations may refuse to receive funding directly from companies because of concerns that this would compromise their independence. In certain instances, this has involved setting up systems to deliver funds to community monitors via trusted local organizations acting as escrow agents. Local organizations, if trusted by communities and provided with a mandate, may also act as intermediaries to translate the data collected so that it can be interpreted by companies and investors. In all cases, communities should be aware of who is funding the work and who is benefiting from it.

ACT ON THE RESULTS OF COMMUNITY MONITORING AND VERIFICATION PROCESSES

One of the most frequent and consistent points of feedback received in discussions with community and civil society leaders was that CM should lead to greater accountability from companies and investors for preventing or addressing environmental and human rights impacts that may arise due to a project, investment, or company's operations and supply chain.

As an Indigenous leader in Indonesia explained, *"At the end of the day, information is not the answer to the root of the problems [faced by communities]. Information alone cannot solve these problems. Systems are required. The objective of community-based monitoring should be to help achieve remedy at the grassroots level."*

Communities and companies should act upon available CM information as agreed. When a producer company or investee receives information about a potential or ongoing human rights or environmental issue linked to its operations or investment, they should directly respond to the affected party to agree on the best way forward. The company should document the resulting agreements and share them with all concerned parties.

Where certain information warrants further verification or investigation, the onus is on the producer company or investee to act. In all cases, companies and investors should provide feedback to communities on how the findings of CM have been addressed following established channels of communication to ensure that the use of CM data is transparent to rightsholders.

Similarly, downstream companies and investors should review CM reports and related information received to remain up to date on impacts linked to their supply chains, projects, or investments or other downstream activities that may be contributing to these impacts. Companies and investors should investigate any report of non-compliance and follow up to ensure effective grievance redress and remedy. Downstream actors should leverage their position to encourage suppliers or investees to engage with communities, respond to monitoring findings, and improve practice.

LINK COMMUNITY MONITORING TO ACCOUNTABILITY SYSTEMS

Given the consistent feedback from communities on the objectives of CM, companies and investors should ensure that grievance redress mechanisms are easily accessible as a tool for communities to pursue accountability. While one aim of community monitoring is to promote ongoing communication that prevents grievances from arising, or enables

their early resolution, grievance mechanisms must still be put in place. These community-level grievance mechanisms should be accessible to and supportive of women and minorities, which includes providing/ communicating accessible information on how to use them. If grievances are documented through community data or become known through monitoring, IPs, LCs, and ADPs should have access to practical ways to seek redress for environmental and human rights violations.

Accessible and responsive grievance redress mechanisms can prevent greater conflict with communities (and therefore mitigate potential risks), allow for remedy of violations or negative impacts linked to company operations, and maintain trust in ongoing community monitoring.

As one Indigenous civil society leader from Kenya explained, "The foundation for community-based monitoring is mutual trust through a partnership of mutual respect. One key element is a meaningful grievance redress mechanism, which should be consultatively designed and as accessible and pragmatic to local communities as possible."

To achieve this, grievance redress processes should incorporate local conflict resolution practices, wherever possible. In cases where grievance redress mechanisms and processes were viewed as one-sided and did not correspond to local governance structures, conflicts tended to persist, and grievance resolution was viewed skeptically by communities.

In Liberia, civil society leaders explained that in disputes between a palm oil company and local communities, *"Grievance mechanisms were dictated unilaterally and did not reflect existing structures on the ground."*

Companies and investors should ensure alignment with the effectiveness criteria of the UNGPs and elements of AFi Principle 9 when developing grievance redress mechanisms linked to or integrating CM. Companies and investors should seek to define and design processes consultatively with communities, incorporate local practices for conflict resolution where relevant and possible, and allow for engagement with representative community bodies. Grievance redress policies and processes should specifically seek to protect community monitors and land, environmental, and human rights defenders through tangible commitments to zero tolerance for violence, intimidation, and murder.

Companies should also clearly communicate the process for accessing grievance redress to communities. It is important to discuss and agree upon the terms, scope, and process for grievance redress with communities as part of the community engagement and entry process. Grievance redress processes should be transparent and timely, allow for independent verification, refer to companies' legal obligations and policies, clearly articulate protocols in instances of noncompliance, and provide for remedy and restitution where applicable.

Companies should publish noncompliance protocols that clearly articulate thresholds and metrics for the suspension and termination of suppliers that violate companies' existing policies, national laws, and international frameworks. Similarly, investors should publish noncompliance protocols within reasonable timeframes that clearly articulate thresholds and metrics for the exclusion of loans, underwriting services, or investments.

PURSUE SYSTEMIC RESPONSES

When community monitoring (or a grievance procedure) identifies a human rights violation and/or environmental damage linked to operations or investments, the company or investor's response should move beyond individual cases to address larger systemic issues. While cases will be unique in certain ways and require specific responses, they should not necessarily be treated as isolated incidents. Rather, companies and investors should seek to understand existing patterns of sustained violations linked to specific contexts or industries and develop proactive policies and processes to address violations in supply chains in a systematic manner.

Among others, one key systemic issue currently driving human rights violations and environmental damage is insecure community land tenure. Companies

and investors can use CM information to define specific ways to work with community partners to support the recognition of tenure rights. Addressing the wider governance conditions for the respect and recognition of these rights, in turn, reduces HREDD risks for company and investor operations and yields opportunities to enhance company or investment contributions to local livelihoods.

Using the findings from CM to inform a systemic approach can better position companies and investors to prevent operations or projects from contributing to negative environmental and human rights outcomes, mitigating potential operational, legal, regulatory, or reputational risks, and ensuring compliance with international frameworks, company policies, and industry best practices.

INVEST IN SUSTAINING AND SCALING UP MONITORING SYSTEMS

Where companies have long-term investments, sustaining ongoing CM efforts can help to ensure that the benefits of CM can be realized and, as relevant, scaled up over the medium and long term. Companies need to address practical resourcing and capacity needs to continue reaping the operational and reputational benefits of community monitoring within specific landscapes and—especially for downstream companies and investors—at larger scales across supply chains and portfolios.

With regards to human and financial resources:

➤ While local monitors lead data collection in a CM system, downstream companies and investors should have dedicated personnel with clear assigned roles and responsibilities in monitoring data collection, validation, use and reporting.

➤ While downstream companies will play a predominant role, upstream companies with extensive, complex supply chains and investors with large portfolios may also need to increase or evolve staff and resourcing. This capacity may be required to effectively oversee comprehensive due diligence mechanisms and to address any environmental and human rights issues proactively or responsively. Ultimately, efforts to prioritize compliance with international frameworks, national laws, and various industry best practices will benefit from suitably staffing and resourcing environmental, social, and governance due diligence efforts.

➤ Company and investor monitoring staff should receive adequate training, including training on the rights of IPs, LCs, and ADPs, and on the specific challenges faced by women and youth in communities, and allocate sufficient funding for implementing monitoring programs.

With regards to governance:

➤ In addition to the dedicated governance structure for each CM effort, establishing a representative and accountable governance structure for all the CM activities a company is involved with can help ensure their continuity, success, and expansion. Companies can create a steering committee composed of rightsholder representatives (women and men), company staff, and experts. Clear rules should be put in place to determine roles and responsibilities and ensure balanced decision-making power.

➤ Such a governance structure can serve as a forum for facilitating rule-setting, monitoring, and learning on CM activities, and can potentially take on a third-party role in managing CM funds and addressing disputes.

BOX 3. "THE ROLE OF TECHNOLOGY IN COMMUNITY MONITORING OF SUPPLY CHAINS"

Technology now has a central role in most aspects of supply chain management, and its influence on CM continues to grow. For example, in the case studies included in Annex 1 of this document, technology was central to the success of the CM effort. In the palm oil case study, most of the information exchanged between communities, community leaders, the company, and senior management relied on WhatsApp communication, an application already used by billions of people across the world. WhatsApp was also used in the palm oil example for community monitoring of CSR delivery and complemented by centralized grievance reporting in an online database powered by Dropbox.

In the rubber case study, the NGO used a specially developed grievance reporting software and ruggedized phone hardware to systematize information collection by communities and aggregated it for the NGO campaign. Their bespoke approach for the rural environments where information was being collected required manual data downloads; now, data sharing is more commonly achieved via the Internet, especially with the constant improvements in mobile phone network coverage.

There exist diverse examples of technology being used to increase consensual access to community information to help guide company decision-making. The most basic and well-known is via participatory mapping by companies in full and equal collaboration with communities in advance of land development, an essential activity if companies want access to land while respecting FPIC and protecting human rights. Participatory mapping also represents one way to support IPs, LCs, and ADPs in strengthening their tenure rights. As discussed elsewhere in this document, the quality of such processes is better when they are guided by clear FPIC protocols governing data collection and use. Other CM technology systems use icon driven hardware to enable non-literate people to collect field observations, for example, the Excite program in Cameroon. Most other approaches are based mainly on text inputs, and almost all now enable the recording of photos, film, or voice recordings. Timby and Kobo Toolbox are just two examples. Epicollect is a free app that allows all these elements to be incorporated into user-designed data interfaces with automatic online data collection and map generation. Communities in Latin America are using the StoryMaps platform to document and map land-based conflicts driven by companies. Companies may also use such approaches to help communities—the intended beneficiaries of company corporate social responsibility—to monitor delivery of community development projects in their areas, like in the palm oil case study.

Experiences over the past decade with such approaches has increased the overall cost-effectiveness of data collection, especially for CM in and around commodity producing areas. The management and use of this data are key to the success of CM in delivering high standards at production estate level, at the local company office and management level, as well as up the supply chain through the mill and into the brands. Some CM initiatives automatically centralize data from multiple community monitors into one database, which makes management and data analysis easy for administrators.

However, this can be disempowering for monitors engaged in local struggles, and who need to also use the data. Other systems segregate data by user at different levels throughout the company, ensuring access to different parts of the data is strictly controlled according to need and agreed upon data sharing protocols. Some CM data systems enable local data users to maintain, access, and use the data that they or their local team has collected, while others working at scale may need to access wider data sets, including other communities. Most CM data management requires outside skills and support, and therefore why most initiatives are supported either by companies or non-governmental organizations. Initiatives to increase the capacity of local groups to take on these tasks directly will help extend its effectiveness and use in the medium and long term.

Indigenous women in rural Peru. Photo by Omaira Bolanos for RRI.

4. CONCLUSION

The purpose of this document is to share emerging thinking, principles, and practice to leverage CM to improve HREDD and ensure compliance with international human rights and environmental frameworks, as well as with companies' and investors' own related policies and commitments. Some 2 billion collective rightsholders claim half of the world's land and forests. Respecting these communities' legitimate tenure rights and self-determination is critical to achieving global climate and biodiversity goals, and associated corporate sustainability agendas, yet there have historically been few avenues for interested companies and investors to engage with them.

More direct and balanced partnerships with IPs, LCs, and ADPs are required if companies and investors are to meaningfully contribute to global goals and comply with their own sustainability commitments and obligations. Community monitoring is a key tool for companies and investors to respond to the local realities that customary, collective rightsholders face and to improve HREDD. It also gives companies and investors the opportunity to directly support the recognition and realization of community land rights and livelihoods as a pathway to mitigate the social and environmental impacts of their operations and investments.

However, this document is only a starting point. While there are many examples around the world of community monitoring arrangements in supply chains, investments, and associated HREDD processes—often using different terminology but fitting within the framing and principles elaborated in this text—the approach is not yet mainstream. Several areas for further exploration could be prioritized to help support interested companies and investors to operationalize CM and advance legitimate tenure rights. These include:

➤ **Development of case studies to elaborate emerging and current practices from companies, investors, and communities.** One priority area is identifying specific cases and unpacking the history of how companies and investors in different sectors have gone about the process of engaging with IPs, LCs, and ADPs to co-develop a CM arrangement. Another area for case studies could focus on how companies and investors have responded to data resulting from a CM arrangement to support the recognition of community land rights and livelihoods. Sharing case experiences on how companies, investors, and communities have successfully collaborated to build their respective capacities to monitor and integrate data into existing monitoring and verification systems would also be useful. Other items could include elaborating the role of governments in CM arrangements and innovations to link field level data to other levels in the hierarchy.

➤ **Development of specific guidance for companies, investors, and communities (and their supporting organizations) to develop CM arrangements and integrate and respond to results.** The process to develop this document revealed that there is very little guidance specific to community monitoring of supply chains and investments for HREDD. Existing guidance and best practices to implement FPIC and other related concepts do exist but are often not specific to CM. Guidance that builds on the principles elaborated in this document would be helpful for interested companies and investors to take forward commitments to pilot CM in their supply chains or investments. Guidance should also ensure specific elements related to the participation and safety of Indigenous, local community, and Afro-descendant women.

➤ **Multi-stakeholder dialogue between leaders from private sector, civil society (including women's organizations), government, and IPs, LCs, and ADPs to explore and identify opportunities, demand, and risks to advance CM arrangements.** Rightsholder networks in key tropical forested and developing countries are increasingly organized, resourced, and engaged in global, regional, and national forums to advance climate, biodiversity, and sustainable development goals. Securing and realizing IP, LC, and ADP tenure rights to customary land and forests is a key dimension of these discussions. Companies and investors should sit with leaders from these networks and their supporting organizations, alongside representatives from national or local government, to identify areas of collaboration and to clarify the specific demands of both sides.

➤ **Elaborate options for downstream companies and investors to scale CM across global supply chains and portfolios.** Numerous contributors to this document noted that a key concern with implementing CM were the financial and operational challenges associated with implementing an approach requiring robust local engagement across footprints comprising thousands of suppliers. More analysis is required to identify practical ways to leverage existing technology and capacity, and to overcome the capacity gaps within the private sector and communities. Additionally, assessments to determine how and where to prioritize CM will help to scale and accelerate its adoption across supply chains and investments.

➤ **Explore how CM can be used by companies and investors in landscape and sector initiatives.** Many companies are now supporting and/or implementing local initiatives to address issues over a defined geographical area or legal jurisdictions in collaboration with stakeholders from other companies and suppliers, government, civil society, and communities. These initiatives cover more than just the operations of one company or supplier but could benefit from community monitoring of their social and environmental performance, as well as help to ensure these initiatives are not causing any

unintended consequences. Companies are also engaging in global sector initiatives to develop tools and approaches for addressing systemic issues—like deforestation or worker safety—in land-based sectors. CM could be introduced as an approach for sector initiative support and pilot testing. This would be particularly relevant for downstream companies supporting landscape and sector initiatives to meet their supply chain commitments.

More frequent and effective partnerships among companies and investors, Indigenous, Afro-descendant, and local community rightsholders, states, and civil society—underpinned by stronger legitimate land tenure—are required to achieve global 2030 climate and biodiversity targets. Such partnerships are also necessary to meet corporate and investor commitments to eliminate deforestation in their supply chains, respect human rights, support local livelihoods, and to comply with international normative frameworks and emerging mandatory policies on HREDD and corporate sustainability.

Community monitoring is a tool to support more balanced partnerships among these stakeholder groups, yielding data on local social and environmental conditions as experienced by collective rightsholders who have historically been neglected in traditional approaches to HREDD or remained invisible due to unrecognized community tenure rights, among others. This document provides a first step to socialize the concept of community monitoring among companies and investors in land-based sectors, as well as toward developing the basis for rights-based partnerships required by the private sector to change practice, by communities to advance livelihoods, and by the world to mitigate climate change and conserve biodiversity.

Barú community territory in Cartagena, Colombia. Photo by William Martinez for RRI.

ANNEX 1. CASE STUDIES

The following case studies were prepared to show how CM is taking shape for companies and investors. Cases 1 and 2 are fictional to preserve confidentiality but were drawn from a combination of real-life examples of companies responding to or integrating community-sourced data into their decision making. The monitoring framework described in Case 3, though specific to the Indonesian palm oil sector, reflects a source of technical guidance for companies and investors interested in implementing CM, and which might be easily adaptable to other sectors and countries.

CASE STUDY 1. "PALM OIL"

A new multinational commodity production group took over a company with an established palm oil mill and three adjoining palm oil estates. The new CEO of this group subsidiary discovered that the company's relations with communities had been difficult for a long time, due both to complaints about historical plantation developments going back decades and the poor implementation of company corporate social responsibility (CSR) projects that were supposed to benefit communities. Up until then, the company's grievance process depended largely upon complaints shared either in the form of letters addressed to a senior manager by a community leader or by information placed in suggestion boxes located at the mill and plantation sites; these boxes were rarely, if ever, used.

In line with its overall group policy, the new CEO decided to establish a new grievance mechanism based on principles of anonymity and accessibility, and this change was associated with the creation of a new job post—a community lead (CL)—to help investigate and resolve complaints. The CL was charged with meeting regularly with all impacted communities to introduce and inform them about the new grievance process, reporting back to the CEO about the issues concerning local peoples, and helping to find solutions to the complaints logged in the new system. The CL was then made responsible for overseeing CSR planning and delivery, including community monitoring of project implementation and delivery using community mobile phones and cameras.

Under the new arrangement, recorded complaints from communities to the company initially multiplied, likely due to the increased availability of the company's new grievance mechanism. At the beginning, the seriousness of the complaints, for example, over historical land conflicts, meant that the CEO had to become directly involved in resolving them, including paying compensation and other costs. This led the CEO to make many operational changes within the company, and over time, the number and seriousness of the complaints fell. This is partly because the community team—and communities directly—fully informed the CEO about local attitudes and grievances, and so were able to help the company avoid causing conflicts, for

example, through their control over the plantation expansion program or other departments.

One key factor in the success of this story was the increased number of information channels opened between local peoples and the company, including senior managers. Additionally, using different CM mechanisms, such as the grievance mechanism accessible to communities, CL community engagement, networking efforts and reporting, and the community-based CSR monitoring were also instrumental. The visibility of the resulting information from these sources, by multiple levels of the company's hierarchy up to the CEO (and group owner), was also important because it fostered early awareness of local problems before they were escalated. This proactive approach and increased responsiveness of behalf of the company toward resolution and CSR investments helped build trust with local peoples, leading to increased information sharing between civil society and companies.

CASE STUDY 2. "RUBBER"

A rubber plantation and mill were privatized, and one of the new management's key performance indicators (KPIs) included incentives to expand the plantation area, which had only developed 20 percent of the total lease area to date. This concession overlapped with dozens of Indigenous communities practicing small agriculture including rice paddy and corn, and artisanal logging, hunting, and fishing across the wooded valleys of what they considered to be their customary areas based on more than 100 years of recorded history. The company's initial attempts to expand production led some of the local peoples to resist, reluctant to give up their land. Consequently, a national NGO became involved in the dispute between the company and the communities. Letters of grievance to senior managers quickly multiplied, and the NGO launched a public campaign.

The NGO also set up an independent CM project that included a provision to community monitors of ruggedized phones with software to enable the recording of geo-referenced and time-stamped information, which had to be downloaded manually by NGO staff. The

collected data on community concerns was then held centrally by the NGO and not shared with the company. The company continued its traditional CSR program that included annual planning meetings between community leaders and sustainability staff, and which was one of the main opportunities for communities to air their concerns directly to the company.

Despite this, the company continued to try to develop new plantation areas in areas adjoining community lands, provoking more complaints from communities about the process and leading to damage to company property and police involvement. Subsequently, a media article and news report were published where the NGO involved presented a map and cited statistics related to dozens of conflicts with communities on the ground in the company's operational areas related to land, labor, CSR, and the "criminalization" of local campaigners. The company management refuted this, citing that they had recorded only three major community grievances—two of which they claimed had already been resolved—and statistics summarizing the investments it had made in communities. The NGO responded by releasing community testimonies backing up their claims.

Eventually, a major client for the company's rubber supply decided to cut it off as a supplier, citing the reported human rights violations as a major factor. Only then did the company reach out to the NGO and impacted communities requesting dialogue. These dialogues ultimately included participation by the CEO who expressed company interest in developing a mechanism for sharing CM data from the NGO and communities. However, while the dialogues are ongoing, the process continues to consume a considerable amount of company, NGO, and community energy, and the plantation expansion plans remain stalled.

Importantly, this long-established company management structure had weak connections to local communities, and they were therefore blind to what was going on the ground. Their reliance on formal grievance procedures was used as a bureaucratic defense rather than as a potential source of useful information and problem sharing. The lack of knowledge about what was going on locally meant that the company was incapable of preventing problems before they arose, or even before they themselves caused them.

The contrast between the company and the NGO's approach is obvious. The NGO worked directly with communities to empower them to establish their own CM system, and then they used the data from communities to construct an effective campaign that prevented the company from moving forward with its expansion plans. Although it was the communities who led and controlled the data collection process, the NGO had full consensual access to this information as well as the resources to follow up and confirm details. A recent external assessment estimated that most of the grievances lodged against the company in the first phase of their new system implementation could have been avoided if the company had better access to community information beforehand.

CASE STUDY 3. "COMMUNITY MONITORING IMPLEMENTATION IN INDONESIA: MONITORING COMMUNITY RIGHTS TO FOOD AND LIVELIHOOD"

AsM Law Office, in collaboration with Indigenous leaders, developed and piloted a community monitoring framework in important palm oil sourcing areas in Sumatra, Indonesia. The purpose of the tool is to evaluate the fulfillment of community rights to food and livelihoods within the business and human rights frameworks adopted by local palm oil companies and/or required by their buyers and the State.

The framework provides a step-by-step guide for each party to organize a community monitoring arrangement and to gather data to support a recovery mechanism, benefit sharing, and conflict reduction toward securing community land rights and improving local food security and livelihoods. Even though the framework in this case was implemented by communities alone, it was designed to also be adopted by companies. It is easily adaptable to integrate with existing technology for data collection and management.

The Indigenous groups in the pilot area in Sumatra lack formal rights to their customary territories, which overlap concessions directly linked to the palm oil supply chains of leading brands making Forest Positive commitments. There is a history of conflict and deforestation driven by insecure community tenure, and poverty and food insecurity are pervasive among local peoples. Communities hold that the land was acquired and cleared without their free, prior, and informed consent. Despite these asymmetries, many of the companies producing in this area are RSPO certified.

The innovation behind the monitoring framework is that it connects specific elements of corporate commitments to the guiding frameworks and standards on livelihoods and food security, to principles, criteria, and indicators in forms that may be collected by communities and companies alike. The framework draws, for example, upon the UN Guiding Principles, the FAO VGGT, the definitions and principles of good practice outlined under the Accountability Framework initiative, and provisions of Indonesian law. In this sense, the tool acts as a "bridge" accounting for capacity gaps between the on-the-ground experiences of local peoples and the specific responsibilities of companies to contribute to local food security and livelihoods. The output is a snapshot of the local realities of a project that, as elaborated in this larger document, are frequently missing from traditional impact assessment and HREDD.

The framework boils down to a set of specific and equivalent checklists, one appropriate for communities and one appropriate for companies. Indicators for companies are accompanied by suggestions on tools to verify data and the appropriate respondent from within corporate staff. Where the responses for communities and companies do not align, this then represents areas for further dialogue and negotiation. For instance, see annex table for an example assessing how or if communities have been involved in any company plans to identify and/or address its impacts on local land rights and food security.

As noted, this framework has been implemented without the engagement of local companies and the resulting data, per the guidance itself, have been used to support advocacy. The demands of communities, based on the results, are notable, reflecting the idea that the fulfillment of food and livelihood security is often at the core of conflicts in difficult-to-resolve land

disputes. The community are asking for the local company to:

➤ Provide options for community participation in production of palm oil out of the land that has already been developed;

➤ Provide compensation and restitution for the use of the community's customary territory;

➤ Engage in direct formal negotiations with the community about benefits sharing and legal obligations;

➤ Ensure communities have provided FPIC for each operating step; and

➤ Restore and give open access to the community to their sacred sites and forests in and around the concession areas.

For more information, please refer to Community Monitoring of the Rights to Food and Livelihood, available on the Interlaken Group's Community Monitoring Resource Hub at www.interlakengroup.org/community-monitoring

Principle	Criteria	Indicator—Community (y/n)	Indicator—Company (y/n)	Verification Tools	Respondents
P.5. The company integrates respect for the rights of communities to food and livelihoods in its operations.	C5.1. The company plans to address its operational impacts on tenure rights and livelihood systems of IPs, LCs, and ADPs related to food security, covering dimensions of food availability, adequacy, affordability and access, and sustainability.	Q31. Has the community ever been invited by other persons appointed by the company (consultants, not the company's employees) to record the land rights of people living in or around the company's business locations?	P.3., C3.1. | 3.1.1., Q10. Has the company assessed its operation's impact on the community's food security before investing?	Impact assessment document	Sustainability unit or department
		Q32. Has the community ever been invited by other persons appointed by the company (consultants, not the company's employees) to record the livelihood systems of people living in or around the company's business locations?	P.3., C3.1. | 3.1.1., Q11. Has an independent expert performed the impact assessment of the company's operations?	Impact assessment document	Sustainability unit or department
		Q33. Has the company ever invited the community to discuss the loss or reduction of the community's livelihood as a result of the company's operations?			

ANNEX 2. RELEVANT LITERATURE, EXISTING TOOLS, AND GOOD PRACTICES

COMMUNITY MONITORING FRAMEWORKS

➤ Community Monitoring of the Rights to Food and Livelihood in the Indonesia Palm Oil Sector (AsM Law Offices, 2023). Available at: www.interlakengroup.org/community-monitoring.

RIGHTS- AND COMMUNITY-BASED SOLUTIONS

➤ Can Community Monitoring Save the Commons? Evidence on Forest Use and Displacement (Eisenbarth et al., 2021). Available at: https://doi.org/10.1073/pnas.2015172118.

➤ The Concept, Practice, Application, and Results of Locally Based Monitoring of the Environment (Danielsen et al., 2021). Available at: https://doi.org/10.1093/biosci/biab021.

➤ Discussion Paper: Ground-truthing to Improve Due Diligence on Human Rights in Deforestation-risk Supply Chains (Forest Peoples Programme, 2020). Available at: https://www.forestpeoples.org/en/ground-truthing-to-improve-due-diligence.

➤ Community Voice in Human Rights Impacts Assessments (Oxfam America, 2015). Available at: https://s3.amazonaws.com/oxfam-us/www/static/media/files/COHBRA_formatted_07-15_Final.pdf.

➤ Closing the Gap: Rights-based Solutions for Tackling Deforestation (Forest Peoples Programme, 2018). Available at: https://www.forestpeoples.org/en/node/50213.

➤ Reimagining Data and Power: A roadmap for putting values at the heart of data (The Data Values Project, Global Partnership for Sustainable Development Data, 2022). Available at: https://www.data4sdgs.org/reimagining-data-and-power-roadmap-putting-values-heart-data, with additional tools, resources, and frameworks at https://www.data4sdgs.org/sites/default/files/file_uploads/Reimagining%20data%20and%20power%20-%20Annex.pdf.

EFFECTIVE DUE DILIGENCE AND THE ROLE OF COMMODITY TRADERS, THE FINANCIAL SECTOR/MSI

➤ Beyond Social Auditing (Business & Human Rights Resource Centre, 2021). Available at: https://www.business-humanrights.org/en/big-issues/labour-rights/beyond-social-auditing/.

➤ Human Rights Impact Assessment Guidance and Toolbox (Danish Institute for Human Rights, 2020). Available at: https://www.humanrights.dk/tools/human-rights-impact-assessment-guidance-toolbox.

- Addressing Indirect Sourcing in Zero Deforestation Commodity Supply Chains (Erasmus et al., 2021). Available at: https://doi.org/10.1126/sciadv.abn3132.

- Deforestation-Free Finance Roadmap (Global Canopy, 2021). Available at: https://guidance.globalcanopy.org/roadmap/.

- Deforestation Tools Assessment and Gap Analysis: How Investors Can Manage Deforestation Risk (Hindsight Consultancy for KLP, Storebrand, and Rainforest Foundation Norway, 2020). Available at: https://www.regnskog.no/en/news/how-investors-can-manage-deforestation-risk.

- Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance (MSI Integrity, 2020). Available at: https://www.msi-integrity.org/not-fit-for-purpose/.

- The ESG Mirage (Bloomberg, 2021). Available at: https://www.bloomberg.com/graphics/2021-what-is-esg-investing-msci-ratings-focus-on-corporate-bottom-line/?sref=jjXJRDFv.

EXISTING PRACTICAL GUIDANCE AND PROCESSES FOR COMMUNITY ENGAGEMENT AND PARTICIPATION IN CORPORATE DUE DILIGENCE

- Stepping Up: Protecting Collective Land Rights Through Corporate Due Diligence (Forest Peoples Programme, 2021). Available at: https://www.forestpeoples.org/en/en/stepping-up-due-diligence.

- Enabling Voices, Demanding Rights: A Guide to Gender-sensitive Community Engagement in Large-scale Land-based Investment in Agriculture (IISD and Oxfam, 2018). Available at: https://policy-practice.oxfam.org/resources/enabling-voices-demanding-rights-a-guide-to-gender-sensitive-community-engagem-620474/.

- Community-based Human Rights Impact Assessment tool (Rights & Democracy Canada, 2011; revised Oxfam, 2021). Available at: https://hria.oxfam.org/home/hria/landing.

- Land Rights Standard (RRI, 2021). Available at: https://rightsandresources.org/the-land-rights-standard/.

- Community-Driven Operational Grievance Mechanism (EarthRights International, 2015). Available at: https://media.business-humanrights.org/media/documents/files/documents/OGM_Discussion_Paper_-_ERI_SOMO_-_Mar_2015.pdf.

- Human Rights Due Diligence Library of Tools (Palm Oil Collaboration Group). Available at: https://palmoilcollaborationgroup.net/hrdd-library-of-tools.

- Kumacaya (Earthworm Foundation, 2017). Available at: www.kumacaya.org.

- High Carbon Stock Approach (HCSA) Social Requirements and Implementation Guidance (High Carbon Stock Approach, 2020). Available at: https://highcarbonstock.org/hcsa-social-requirements-documents/.

- Common Guidance for the Identification of High Conservation Values (HCV Resource Network, 2017). Available at: https://www.hcvnetwork.org/library/common-guidance-for-the-identification-of-hcv-english-indonesian-french-portuguese.

- Common Guidance for the Management and Monitoring of High Conservation Values (HCV Resource Network, 2018). Available at: https://www.hcvnetwork.org/library/common-guidance-for-the-management-and-monitoring-of-hcv.

- Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (FAO, 2022). Available at: https://doi.org/10.4060/i2801e.

- Respecting Land and Forest Rights: A Guide for Companies (The Interlaken Group and Rights and Resources Initiative, 2019). Available at: https://doi.org/10.53892/ILQS7086.

- OECD Due Diligence Guidance for Responsible Business Conduct (OECD, 2018). Available at: https://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf.

➤ Free, Prior and Informed Consent: Guide for RSPO members (Forest Peoples Programme and RSPO Human Rights Working Group, 2015). Available at: https://www.forestpeoples.org/sites/fpp/files/publication/2016/01/rspo-free-prior-and-informed-consent-fpic-companies-2015-english.pdf.

➤ Respecting Free, Prior and Informed Consent: Practical Guidance for Governments, Companies, NGOs, Indigenous Peoples and Local Communities in Relation to Land Acquisition (FAO, 2014). Available at: https://www.fao.org/3/i3496e/i3496e.pdf.

ASSESSMENT FRAMEWORKS

➤ Corporate Human Rights Benchmark (World Benchmarking Alliance). Available at: https://www.worldbenchmarkingalliance.org/corporate-human-rights-benchmark/; For the Agricultural Products, Apparel and Extractives Industries (2020). Available at: https://assets.worldbenchmarkingalliance.org/app/uploads/2021/03/CHRB2020MethodologyAGAPEX.pdf

➤ Certification and Performance Standards, such as the Roundtable on Sustainable Palm Oil (RSPO): https://rspo.org/as-an-organisation/our-standards/; Forest Stewardship Council (FSC): https://connect.fsc.org/certification/certification-system); International Finance Corporation (IFC): https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards; among others.

ENDNOTES

1. This document refers to the "legitimate tenure rights" as opposed to solely "customary rights," as the former is more inclusive, comprising customary rights as well as the rights of IPs, LCs, and ADPs that are dependent on land for their livelihood, but do not have ancestral or customary rights. This is terminology in line with the Food and Agriculture Organization's (FAO) Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT), available at: https://www.fao.org/3/i2801e/i2801e.pdf.

2. There is no formal definition of "Indigenous" under international law, and social movements of Indigenous communities are often regionally specific and diverse. For the purposes of this guide, we do not advance a specific, singular definition. Per the UN Permanent Forum on Indigenous Issues, it is best to identify (as opposed to define) Indigenous communities considering the following: "Self-identification as indigenous peoples at the individual level and accepted by the community as their member; historical continuity with pre-colonial and/or pre-settler societies; strong link to territories and surrounding natural resources; distinct social, economic or political systems; distinct language, culture and beliefs; form non-dominant groups of society; resolve to maintain and reproduce their ancestral environments and systems as distinctive peoples and communities."

3. Similarly, there is no official definition of "local communities." Further guidance on how this term is understood and expressed can be found in regional processes, such as the recent Criteria to Identify and Protect Local Communities developed in Latin America, and in the diverse regional and national experiences shared within the Report of the Expert Group Meeting of Local Community Representatives within the Context of Article 8(j) and Related Provisions of the Convention on Biological Diversity (UNEP/CBD/WG8J/7/8/Add.1). In the latter report, see specifically paragraphs 17-21 and the list of common characteristics presented in Advice and recommendations arising from the Expert Group Meeting (pp. 12-13). Retrieved from: Rights and Resources Initiative. 2022. The Land Rights Standard. Washington, DC: Rights and Resources Initiative. Available at https://rightsandresources.org/wp-content/uploads/Land-Rights-Standard_Updated-04-2022.pdf.

4. The term "Afro-descendant Peoples" refers to individuals, groups of individuals, or people descended from African persons—most commonly in the context of post-slavery populations in Central and South America but not restricted to there—who traditionally and primarily hold resource rights at the community-level. The UN human rights system has elaborated on the rights of these individuals, groups, and peoples through a dedicated Working Group on Persons of African Descent, among other processes (RRI. 2022.)

5. Office of the United Nations High Commissioner for Human Rights. 2011. Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework. New York and Geneva: OHCHR. Available at: https://www.ohchr.org/sites/default/files/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf.

6. United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). 2007. Arts. 21, 22. G.A. Res. 61/295, U.N. Doc. A/RES/61/295. Available at: http://www.un.org/esa/socdev/unpfii/documents/DRIPS_en.pdf.

7. Food and Agriculture Organization of the United Nations. 2022. Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security. First revision. Rome: Food and Agriculture Organization of the United Nations. doi: 10.4060/i2801e.

8. See, for example: The Climate Pledge; Consumer Goods Forum's Forest Positive Coalition; Tropical Forest Alliance Agriculture Sector Roadmap; Norges Bank Investment Management's expectations for respect for human rights in supply chains; and recent revision of the European Investment Bank's Environmental and Social Safeguard Framework to contribute to sustainable development and inclusive growth, among others.

9. For more details on forthcoming policies, please visit the European Commission website at https://environment.ec.europa.eu/topics/forests/deforestation/regulation-deforestation-free-products_en and https://commission.europa.eu/business-economy-euro/doing-business-eu/corporate-sustainability-due-diligence_en.

10. United Nations Special Rapporteur on Human Rights and the Environment. 2022. Policy Brief No. 3: Essential elements of effective and equitable human rights and environmental due diligence legislation. New York and Geneva: United Nations. Available at: https://www.ohchr.org/sites/default/files/documents/issues/environment/srenvironment/activities/2022-07-01/20220701-sr-environment-policybriefing3.pdf.

11. OHCHR. 2011.

12. Free, Prior and Informed Consent (FPIC) is established in the UN Declaration on the Rights of Indigenous Peoples, and it is increasingly recognized that the principles underlying FPIC are also relevant to non-Indigenous communities as well.

13. Customary land and resource rights are patterns of long-standing land and resource usage in accordance with Indigenous Peoples' and local communities' customary laws, values, customs, and traditions. These rights are a collective human right of Indigenous Peoples and local communities that exists whether a title from the State has been issued or not.

14. Rights and Resources Initiative. 2015. Who Owns the World's Land? A Global Baseline of Formally Recognized Indigenous and Community Land Rights. Washington, DC: Rights and Resources Initiative. doi: 10.53892/NXFO7501.

15. Oldekop, Johan A., Katharine R. Sims, Birendra K. Karna, Mark J. Whittingham, and Arun Agrawal. 2019. Reductions in Deforestation and Poverty from Decentralized Forest Management in Nepal. Nature Sustainability 2(5): 421–428. doi: 10.1038/s41893-019-0277-3; Alden Wily, Liz. 2021. Challenging the State: Devolutionary Tenure Transitions for Saving and Expanding Forests. Human Ecology 49(3): 285–295. doi: 10.1007/s10745-021-00231-2.

16. Locke, Anna, Lou Munden, Joseph Feyertag, and Benedick Bowie. 2019. Assessing the Costs of Tenure Risks to Agribusinesses. doi: 10.13140/RG.2.2.25888.81925; Rights and Resources Initiative and The Munden Project. 2012. The Financial Risks of Insecure Land Tenure: An Investment View. Available at: https://rightsandresources.org/wp-content/uploads/2014/01/doc_5715.pdf.

17. For more information about the actual situation on the ground, gathered by primary or secondary sources that are independent of companies in the supply chain, as opposed to paper-based compliance indicators and company self-reporting, see Discussion Paper: Ground-truthing to Improve Due Diligence on Human Rights in Deforestation-risk Supply Chains (Forest Peoples Programme, 2020), available at: https://www.forestpeoples.org/en/ground-truthing-to-improve-due-diligence.

18. Davis, Rachel. 2021. "Legislating for Human Rights Due Diligence: How Outcomes for People Connect to the Standard of Conduct." Shift Project. Available at: https://shiftproject.org/hrdd-outcomes-standard.

19. As summarized by the International Observatory on Participatory Democracy and the Community-Based Monitoring Systems International Network, CBM is "a tool for improved local governance and participatory decision-making that promotes greater transparency and accountability." For more information, see: International Observatory on Participatory Democracy. 2013. Basic Principles of Community-based Monitoring. Barcelona: International Observatory on Participatory Democracy. Available at: https://www.oidp.net/docs/monitoring/CommunityBasedMonitoring.pdf.

20. Farhan Ferrari M, de Jong C., Belohrad V.S. 2015. Community-based monitoring and information systems

(CBMIS) in the context of the Convention on Biological Diversity (CBD). Biodiversity 16(2–3): 57–67.

21. Global Witness. 2021. The Last Line of Defense: The Industries Causing the Climate Crisis and Attacks Against Land and Environmental Defenders. London: Global Witness. Available at: https://www.globalwitness.org/en/campaigns/environmental-activists/last-line-defence/.

22. Accountability Framework initiative (AFi). 2019. Operational Guidance on Monitoring and Verification. Accountability Framework initiative. Available at: https://accountability-framework.org/operational-guidance/monitoring-and-verification/.

23. See the UNGPs Effectiveness Criteria. Available at: www.ohchr.org/sites/default/files/Documents/Issues/Business/Accountability-and-Remedy/GRAM-presentation-effectiveness-criteria.pdf and www.ohchr.org/sites/default/files/2022-01/arp-note-meeting-effectiveness-criteria.pdf.

24. Colchester, Marcus, Sophie Chao, Patrick Anderson, and Holly Jonas. 2015. Free, Prior and Informed Consent: Guide for RSPO members. Moreton-in-Marsh: Forest Peoples Programme. Available at: https://www.forestpeoples.org/sites/fpp/files/publication/2016/01/rspo-free-prior-and-informed-consent-fpic-companies-2015-english.pdf; Food and Agriculture Organization of the United Nations. 2014. Respecting Free, Prior and Informed Consent: Practical Guidance for Governments, Companies, NGOs, Indigenous Peoples and Local Communities in Relation to Land Acquisition. Governance of Tenure Technical Guide No. 3. Rome: Food and Agriculture Organization of the United Nations. Available at: https://www.fao.org/3/i3496e/i3496e.pdf.

25. Locke et al. 2019; Rights and Resources Initiative and The Munden Project. 2012.

26. Consider, for example, the Mesoamerican Alliance of Peoples and Forests (AMPB) in Mesoamerica; the Coordinator of Indigenous Organizations of the Amazon River Basin (COICA) and its constituent bodies in the Amazon and Andes; the Network of Indigenous and Local Populations for the Sustainable Management of Forest Ecosystems in Central Africa (REPALEAC) in Central Africa; the African Women's Network for Community Management of Forests (REFACOF) supporting community women across Africa; and the Asia Indigenous Peoples Pact (AIPP) in Southeast Asia, among many others.

27. For more information on the threat of gender-based violence often faced by women environmental and human rights defenders, see chapter 5 (pgs. 73-85) available at: https://portals.iucn.org/library/sites/library/files/documents/Policy-Matters-Issue-22-vol3.pdf, as well as other resources and case studies available at: https://genderandenvironment.org/libraries/.

28. The Columbia Center on Sustainable Investment prepared a useful review of opportunities, challenges, and mechanisms to finance support for communities around land investments. See: Columbia University. 2019. Innovative Financing Solutions for Community Support in the Context of Land Investments. Available at: https://ccsi.columbia.edu/sites/default/files/content/docs/publications/CCSI-Innovative-Financing-report-Mar-2019.pdf.

29. Earthworm Foundation. 2020. Kumacaya: Lessons from Two Years of Bridging Civil Society and Business. Seattle: Earthworm Foundation. Available at: www.earthworm.org/uploads/images/Kumacaya-PDF.pdf.

ABOUT THE INTERLAKEN GROUP

The Interlaken Group is a multi-stakeholder forum composed of individuals from leading companies, investors, international organizations, and civil society groups. It is convened by the Rights and Resources Initiative (RRI). The group first convened in 2013 at an international conference sponsored by RRI, Helvetas, Oxfam, and IUCN on Scaling Up Strategies to Secure Community Land and Resource Rights. The discussions focused on insecure land tenure in land acquisitions and the roles of companies and investors in addressing these challenges while protecting the rights and livelihoods of existing rights holders. The Interlaken Group has since continued to collaborate to identify and implement practical ways that companies and their investors can support improved land governance and the land rights of rural populations. Individuals from the following organizations have participated in the Group's process: *AgDevCo, Asia Indigenous Peoples Pact, AsM Law Offices, British International Investment, Centre pour l'Environnement et le Développement, Coca-Cola, Columbia Center on Sustainable Investment, DEG, Earthworm Foundation, EBRD, EIB, FCDO, Finnfund, FMO, Forest Peoples Programme, GIZ, Global Witness, IDH, IFC, IKEA, Illovo Sugar, Indufor North America, Landesa, Miro Forestry, Nestlé, New Forests, Olam International, OPIC, Oxfam, PepsiCo, PIDG, Proforest, Proparco, Rabobank, Rainforest Alliance, Rio Tinto, SIDA, Stora Enso, Swedfund, TMP Public, Unilever, USAID, World Bank, and CIFOR.* The Group's meetings are held under the Chatham House Rule. For more information, visit www.interlakengroup.org.

ABOUT THE RIGHTS AND RESOURCES INITIATIVE

The Rights and Resources Initiative is a global Coalition of 21 Partners and more than 150 rightsholders organizations and their allies dedicated to advancing the forestland and resource rights of Indigenous Peoples, Afro-descendant Peoples, local communities, and the women within these communities. Members capitalize on each other's strengths, expertise, and geographic reach to achieve solutions more effectively and efficiently. RRI leverages the power of its global Coalition to amplify the voices of local peoples and proactively engage governments, multilateral institutions, and private sector actors to adopt institutional and market reforms that support the realization of their rights and self-determined development. By advancing a strategic understanding of the global threats and opportunities resulting from insecure land and resource rights, RRI develops and promotes rights-based approaches to business and development and catalyzes effective solutions to scale rural tenure reform and enhance sustainable resource governance.

RRI is coordinated by the Rights and Resources Group, a non-profit organization based in Washington, DC. For more information, please visit www.rightsandresources.org.

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