## PARTICIPANTS

- Adrienne Stork - Rainforest Alliance
- Amanda Peçanha Hickey, Bryson Ogden
- Andy White – IG Co-chair; RRG
- Andiko Mancayo - AsM Law Office (Indonesia)
- Anne Arvola, Fraboulet Jussila Sylvie - Finnfund
- Ben Bowie, Sophia Murday - TMP Systems
- Ben Cousin - Illovo Sugar
- Charlotte Goubin, John Nelson, Robin Barr Earthworm Foundation
- Charlotte van Andel - FMO
- Chris Brett – World Bank
- Chris Kidd, James Whitehead - Forest Peoples Programme
- Daphne Yin – Indufor NA
- Dawn Robinson, Esteban Figueroa, Justin Dupre Harbord, Langlang Tata Buana, Mike Senior - Proforest
- Helcio Souza - The Nature Conservancy
- Huichun Zhang – Chinese Chamber of Commerce of Mining, Minerals, and Chemicals
- John Mwaiseghe, Liz Alden Wiley – Community Land Act Now! (Kenya)
- James G. Otto – Sustainable Development Institute (Liberia)
- Julie Greene - Olam International
- Kate Mathias - Miro Forestry
- Mark Constantine – IG Co-chair
- Michael Abedi Lartey – Golden Veroleum Liberia
- Mina Beyan - SESDev (Liberia)
- Rebecca Darling - Newmont Mining
- Robert Cole – European Bank for Reconstruction and Development
- Roger Steinhardt - IKEA
- Sam Szoke-Burke - Columbia Center on Sustainable Development

## BACKGROUND

The Interlaken Group held a virtual meeting on June 17th to explore the benefits, potential, and challenges of leveraging community-based monitoring to improve field-level transparency around operations and investments for both businesses, NGOs, and communities. The webinar served as a continuation of the series that the Group agreed to undertake on May 14th to examine the effects of COVID-19 in global supply chains. As a first step, the Group decided to prioritize an examination of the issues inhibiting the monitoring of supply chains as a result of the pandemic, along with emerging practices and innovations.

Communities and citizens have been monitoring the issues impacting rural lands and forests, including in production landscapes, for centuries. Better organized community movements and wider access to technology mean that communities are more empowered than ever to monitor and communicate positive and negative impacts of supply chains and investments on rural lands, forests, and people. Though there are some isolated and promising experiences where community-led data and monitoring efforts are an active part of private sector supply chain and investment monitoring efforts, the modalities of community-based monitoring (CBM) of private sector operations are not well understood or widespread.

Emerging experience indicates that to effectively leverage CBM to deliver benefits for both communities and the private sector, that criteria could include that efforts are:

- Strongly legitimate and representative of the community as a whole;
- Independent, shielded from possible conflicts of interest;
- Self-organized and structured such that inputs can be sought or given as needed, outside of an investment planning or business operations cycle (i.e. a "live channel").

The objective of the webinar was to explore community-based monitoring as a concept, its strengths and weaknesses and potential applications, and to propose recommendations for broader adoption within supply chain and investment monitoring initiatives, and broader application for due diligence.

**OVERVIEW**

The chairs opened the meeting with a reminder of the objective of the discussion and the ground rules, and requested participants limit their interventions to one per organization. The agenda for the webinar followed, which centered around assessing three key questions:

1. What is Community Based Monitoring (CBM) and what does it look like in practice?
2. What are the advantages for communities and the private sector?
3. What have been the challenges to scalability, coordination across the chain, and mainstreaming these principles?

A panel of discussants was introduced to help reflect on the three key questions for five minutes from the perspectives of the private sector, CBM technicians, and communities. The following themes were highlighted by the panelists:

- There remains a significant gap between corporate commitments to respect land rights and realities on the ground due to an overreliance on self-reporting and other "paper based" techniques that are not truly independent.
- Communities monitor based on the issues that are relevant for them, therefore data compiled through these efforts is heterogenous. Companies and investors, on the other hand, require standardization of data sets to facilitate scalability and replicability.
- Community-collected information may not capture the full set of issues within a system or landscape. Rather, it can point companies toward areas for further verification or provide an early warning of burgeoning issues. While new technologies play a part, they cannot address the wider systemic issues that communities in production landscapes face, like asymmetric power-imbalances relative to the private sector and developing country governments.
- Communities are not monolithic or homogenous due to factors such as migration and ethnic and linguistic diversity. This is a challenge for companies and investors seeking to engage with local people but who require standardization. How can representation of all stakeholders be ensured?
- In the mining sector, companies have integrated CBM principles under a variety of arrangements to source local data on environmental and social impacts, which vary in degrees of independence. Examples include more empowered and embedded M&E departments, or through committed community engagement as in the case of Eagle Mine to crowd-source monitoring of water quality, among others.
- Some companies have used "black-box" funding mechanisms to anonymously procure local, community-based providers of service and avoid conflicts of interest, but these approaches are not widespread or well understood.

- Experience from Indonesia and Liberia: The main success factor in CBM lies in building community capacity to negotiate as equal partners with companies. Where successful, companies developed conflict resolution processes among local communities based on community monitoring data, and the two sides built trust over time. In Liberia, CSOs and NGOs played an important role representing community concerns to palm oil operators in the wake of a violation of community sacred sites by the company. A mobile app was used to report issues, which were then verified by a team of NGO partners and corporate sustainability staff.

After the panelists shared their initial remarks, the group roundtable discussion ensued, addressing the same prompts mentioned above. The following observations were made:
- There remains an over-reliance on grievance mechanisms, which means opportunities to avert issues early on are missed. Issues are discovered "ex-post" rather than addressed in advance.
- It might be useful to distinguish more regularly between monitoring and verification. Participatory systems have many advantages for monitoring, particularly when paired with an independent verification process. Companies continue to struggle to understand when data presented from communities is credible and identify when it indicates the presence of a systemic issue that needs to be addressed. A participant noted that companies do not like to fund initiatives that do not address their specific problems or to which they cannot directly attribute their efforts (issue with "black-box" funding) or track their performance over time. "Companies would rather work with a radical NGO than a competitor".
- There is a need to "widen" the pool of monitors, build CSO capacity to take on this function, and build trust over time. There is a desire to better understand some of the pitfalls with reliance on the available technologies.
- There is scope to leverage and engage with communities to "decentralize" due diligence responsibilities and requirements, though there are
- Governments have a critical role to play in empowering communities to monitor local supply chain and investment impacts. For example, community monitoring is undermined when the will of the government is too weak to ensure compliance, especially when there are vested interests in perpetuating local violations. In many countries (e.g. Guyana), governments have deputized communities to monitor the status of rural lands, incursions into customary territories, and even entry and exit across national borders.
- Common funding mechanisms which can capacitate local NGOs to support monitoring efforts may compromise independence, particularly as these organizations are often so resource constrained. There remain questions about the viability of "basket" funds, "black-box" mechanisms themselves, and the development of a shared platform for monitoring systems with a micropayment model so local NGOs can be paid for doing the work when it is needed.

**NEXT STEPS**

The chairs shared the potential next steps the Group will take to further progress the webinar series. Topics include the state of play of independent monitoring and how the Group can respond to the needs identified from the meeting. Additional questions that were posed in the closing reflections are:

1. How do we use this COVID moment to scale-up support for community-led approaches?
2. What role could each stakeholder group play to achieve wider adoption of empowering communities to provide data on local impacts and due diligence processes?
3. What can the Interlaken Group do to clarify these options?