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PURPOSE

The Interlaken Group (IG) met virtually on January 25, 2022. The purpose of the meeting was to identify priorities for the IG's agenda in 2022 to advance private sector support for secure community land rights. The co-chairs opened the meeting with introductions, welcomed Stanley Kimaren of ILEPA, Barbara Wettstein of Nestlé, and Helen Ripmeester of Oxfam to the Steering Committee, and welcomed Solange Bandiaky-Badji and Eliana Olais to the IG secretariat.

CONTRIBUTIONS FROM THE IG STEERING COMMITTEE

Prior to the meeting, the IG Steering Committee convened to develop a list of potential priority areas of focus in 2022, which were shared with the group to help guide the discussion.

The Steering Committee recommended that the IG:

Advance and Leverage Ongoing Community-based Monitoring (CBM) Initiatives. Collectively
adopt, leverage, and promote forthcoming CBM guidance as a tool to help implement sustainability
commitments. Explore application of the approach to support compliance with emerging legislation
in the EU, UK, and US.

The Steering Committee suggested that the IG explore potential contributions to the following areas:

- Achievement of Global 2030 Climate and Conservation Goals. Adjust objective, outcomes sought by IG to clearly align with global environment and development targets for 2030.
- Clarifying Land Rights Risks in Carbon Markets. Provide a space for dialogue with companies and investors interested in carbon offsets in forest areas, to lay out land rights risks and discuss approaches to engage with rights-holders to mitigate and prevent conflict.

• Implementation of 2030 Private Sector Sustainability Commitments. Convene a working group of interested companies and investors focused on the land-related challenges of implementing 2030 sustainability commitments.

ROUNDTABLE DISCUSSION

The co-chairs led a tour de table inviting the group to share their perspectives on the following questions:

- 1. What do you see as the emerging major trends with implications for collective land tenure and private sector sustainability commitments in 2022? (i.e., what is keeping you up at night?); and
- 2. What does this suggest for the Interlaken Group's strategy and priorities in 2022? (*i.e., what would you have us do?*).

The following main ideas emerged from the discussion:

Companies and investors are seriously integrating community land rights into their work.

- An increasing number of companies are making commitments to end deforestation and establish
 thorough due diligence, risk assessment and monitoring systems to ensure recognition and respect
 for local communities' customary land rights and compliance with Free, Prior, Informed Consent
 (FPIC) throughout supply chains. Dedicated working groups within industry association like the
 Consumer Goods Forum and Palm Oil Collaboration Group are working together to tackle these
 issues.
- There is increasing recognition among companies and investors that land rights are not just a human rights issue but are also closely linked to climate and conservation outcomes. Broader recognition of secure collective land rights as a cross-cutting solution is an opportunity to break down silos and elevate this issue towards achievement of 2030 private sector climate, conservation, and development commitments.

Identifying the linkages between community land tenure, supply chains, and carbon.

- Recent research has clarified the <u>status of community rights to forest carbon</u> in key tropical forested countries, but understanding of the associated risks is uneven across corporate and investor practitioners.
- Secure land tenure was identified as critical not only to the carbon offsets market, but also for 'insetting' within landscapes, where secure rights are associated with successful agro-forestry schemes, tree planting, and other initiatives, and where due diligence is required.
- There is an interest in learning how communities can and should be involved in the carbon markets
 and projects. It was acknowledged that with the high demand from the private sector to offset
 and/or inset, that it is a critical time to clearly define the arrangements to ensure that FPIC is
 respected, that communities are included in the design of projects, and positioned to benefit from
 them.
- New private sector climate risk tools and climate adaptation action plans linked to nature-based solutions are starting to emerge, and it is important that these tools incorporate an approach that is inclusive of community land rights.

Addressing these land rights, climate, and conservation issues at the national level remains
complex. In the Mekong, some state forests represent important areas to conserve forests and
remaining biodiversity, yet there are substantial customary claims in these areas that have not
been delineated or are not recognized. Exclusionary policies to conserve risk have significant
impacts on the food security and livelihoods of customary rights-holders who use these areas for,
often, shifting cultivation.

Compliance with the shifting legislative landscape and ambitious sustainability policies requiring respect for community land rights.

- There is broad interest to explore strategies to comply with emerging legislation at the EU-level and
 in countries requiring human rights due diligence and prohibiting deforestation associated with
 products imported into these markets, as well as with new benchmarks for the financial sector like
 the International Sustainability Disclosure Standards. In Asia, new guidance on customary land
 tenure is emerging through ASEAN.
- Development finance institutions (DFIs) and multilaterals are challenged to comply with updated, progressive sustainability policies, for example, shifting from "no net loss" biodiversity standards to "no loss".

Compliance with new laws, sustainability policies, and commitments to eliminate deforestation, conserve biodiversity, and support community rights are meeting at the jurisdictional level.

- The requirement to engage closely with formal and customary rights-holders has had implications for how practitioners are undertaking baseline assessments and impact monitoring in jurisdictions. There are ongoing initiatives to develop new key performance indicators and other metrics to capture the local social and environmental impacts of supply chains, both positive and negative. Some organizations are exploring how to approach FPIC at a landscape scale. Many are considering community-led approaches and data to support impact monitoring.
- Participants are advocating for a supportive enabling environment for communities to engage and
 participate in landscape or jurisdictional initiatives but note that this is often challenging because it
 is unclear the requirements or conditions for communities to participate.
- Participants noted that implementing and complying with FPIC can be complicated by its treatment
 (or not) in national law and policy. It continues to be a challenge to find competent local support to
 engage on social issues. The group was invited to check out the social license platform, a platform
 that connects companies with social experts in country.

Though secure community land tenure is seen as a climate, conservation, development, and sustainability solution, there are few mechanisms and/or administrative arrangements to channel financial support to rights-holders or balanced spaces in which to engage with communities.

The existing administrative arrangements that most companies, investors, and donors utilize to
allocate funding or contracts are generally not "fit for purpose" for channeling support directly to
community-based organizations. Local organizations have the demonstrated capacity to conserve
and manage natural resources, but often lack the capacity to comply with heavy administrative

- requirements. This represents a critical challenge for companies and investors seeking to engage more closely with communities towards achieving climate, conservation, and development goals.
- There are compelling emerging <u>examples</u> of new public-private-community partnerships that yield
 new sources of supply, contribute to local livelihoods, secure rights, and reduce deforestation.
 Participants noted that these arrangements require significant time (years) to arrange and to
 capacitate communities to engage, negotiate, and manage funds and resources, but the results
 may represent part of the new paradigm to leverage supply chains and portfolios to contribute to
 the global good.

Interlaken Group Agenda for 2022

Based on the recommendations from the IG and the steering committee, we recommend the following outcomes and outputs for 2022:

- 1. Interlaken Group participation and communication is enhanced.
 - Internal communication (1) More frequent touchpoints with the Interlaken Group to include quarterly newsletters and other relevant content posted on the Interlaken Group website; and (2) quarterly updates with the Steering Committee.
 - Outreach Increased information-sharing among participants of the Interlaken Group regarding multi stakeholder dialogues, events, tools, frameworks etc. related to private sector support for community land rights.
 - Participation (1) an in-person meeting with the Interlaken Group either the 7, 8, or 9 of September in London; and (2) short dialogues to include one or two of the following key topics during the year:
 - Carbon rights;
 - EU legislation and compliance challenges;
 - Landscapes and monitoring frameworks / KPIs and associated challenges
 - Expansion Incremental participation of key stakeholders from new institutions (upstream companies, IPLC networks, ESG managers or data providers).
- 2. Corporate guidance on community-based monitoring is completed, launched, and leveraged.
 - Communications/marketing strategy to include (1) a press release and launch of the guidance prior to the next Interlaken Group in person meeting in September; (2) a resource page for interested stakeholders to learn how to incorporate CBM; and (3) leveraging platforms where Interlaken Group participants are active like the POCG and Consumer Goods Forum to promote community-based monitoring guidance and initiatives.
 - Local monitoring initiatives are advanced and piloted with companies, civil society, and communities.
- 3. Assess opportunities for the Interlaken Group to advance tenure reforms at the national level.
 - Needs assessment to identify opportunities for the Interlaken Group to engage at the national level in Peru, Malawi, Laos, Liberia, and Indonesia.

NEXT STEPS

- The consultant team developing the corporate guidance will meet with the IG this spring.
- The Secretariat will be in touch with participants to deliver the above agenda.
- The IG will gather for an in-person meeting either the 7, 8, or 9 of September in London.