Land Rights and the Role of Business

20 October 2015 at 10 am EDT
## Agenda

1. **Welcome Remarks**
   - Shubha Chandra, *UN Global Compact*

2. **Responsible Investments in Land: An Overview**
   - Darryl Vhugen, *twentyfifty*

3. **Land Rights and the Role of Business: A NGO Perspective**
   - Lukasz Czerwinski, *Landesa*

4. **The Coca-Cola Company’s experience on Land Rights**
   - Genevieve Taft, *The Coca-Cola Company*

5. **Q&A**

6. **Resources and Closing Remarks**
   - Alexandra Tarazi and Shubha Chandra, *UN Global Compact*
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Example: Question for John Doe: What are land rights?
Relationship between the UN Global Compact’s Principles and the Guiding Principles

HUMAN RIGHTS

Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2 make sure that they are not complicit in human rights abuses.

LABOUR

Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4 the elimination of all forms of forced and compulsory labour;
Principle 5 the effective abolition of child labour; and
Principle 6 the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7 Businesses should support a precautionary approach to environmental challenges;
Principle 8 undertake initiatives to promote greater environmental responsibility; and
Principle 9 encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.

The same minimum requirement to RESPECT human rights as in the Guiding Principles

Voluntary opportunity to also SUPPORT human rights through:

- core business
- strategic social investment / philanthropy
- public policy advocacy
- partnerships / other forms of collective action
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Responsible Investments in Land - An Overview

Darryl Vhugen
twentyfifty
Responsible Investments in Land - Background

- Huge recent demand for land in emerging markets.
- Land is often cheap, operating expenses in some developing countries are low and governments are eager.
- But there are substantial risks, especially in settings where land rights are often weak, unclear and poorly governed.
- Land is profoundly linked to livelihoods, culture, social structures and norms and access to food, water and shelter. Can have great cultural significance.
- Local people who have been displaced and impoverished can undermine the project. Costs can be very high.
- Increasingly, shareholders, financiers, customers (throughout the value chain) demand responsible investment practices.
- This goes beyond corporate social responsibility. Respecting land rights is essential to effective risk management and long term financial success.
Respecting Land Rights

- Private sector actors increasingly aware and committing to action.
- Evolving situation, similar to what has happened previously with other social issues such as human rights, labor rights, the environment.

Best practices:
- Purely private projects that require involuntary displacement should be avoided.
- Understand existing land rights situation; recognize rights. Cannot always rely on government information.
- Conduct assessment of adverse impacts to rights holders and related business impacts to the project. Look for mitigating measures.
- Consult and negotiate meaningfully with the local community. Collaborate and seek consent.
- Establish grievance mechanisms and help settle disputes.

- Wherever possible, invest in the people not just in the land. Make them your partner.
The Bottom Line

• No universally recognized human right to land but land acquisitions expose businesses to significant risks of violating human rights to food and adequate housing, especially where governments take land and evict the inhabitants.

• Investments that undermine the security of local people by displacing them or depriving them of livelihoods are unlikely to be profitable over the long term.

• They also create enormous reputational risk throughout the value chain.

• Corporate land policies and supply chain procurement practices should reflect a commitment to respecting land rights.

• “Land purchases which ignore the interests of local communities and the local landscapes are both morally wrong and commercially short-sighted.” Mark Bowman, Managing Director, SAB Miller.
Publicly Available Useful Resources

- Voluntary Guidelines on the Responsible Governance of Tenure of land, fisheries and forests in the context of national food security. (FAO; Committee on World Food Security http://www.fao.org/docrep/016/i2801e/i2801e.pdf)

- Responsible Governance of Tenure: A Technical Guide for Investors. (FAO-to be released shortly)


- Twentyfifty India land rights Q & A. http://twentyfifty.co.uk/cmsAdmin/uploads/webinar-questionnaire_001.pdf
Thank you

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October 20, 2015

Land Rights and the Role of Business: An NGO Perspective

Lukasz Czerwinski
Landesa and its commitment to strengthening socially responsible investments in land

**Landesa**

**Mission** is to secure land rights for the world’s poorest people.

**Center for Women’s Land Rights** ensures that women have secure rights to land.

**Corporate Engagement:**
Help investors meet their commitments to socially responsible land investments and/or compliance with standards like the VGGT, RAI, and AU Guiding Principles.
Landesa’s perspective on the universe of guides for socially responsible investments

While there are numerous well intentioned guides for socially responsible investments, they have proven insufficient for a variety of reasons:

• **Lack of clear implementation guidance (i.e. VGGT, AU Guiding Principles, etc.):** Many of the available mandates do not provide practical guidance on how to operationalize the standards, particularly with an acknowledgement of financial and other capacity restraints.

• **Absence of gender and community-level considerations:** Many of the standards are agnostic on the issue of gender and remain silent on community-level challenges, resulting in a lack of equal treatment of women and other vulnerable community members.

• **Insufficient government capacity to meet governance responsibilities:** Many governments lack the capacity to fulfill the governance responsibilities assigned to them by the VGGT and other international or regional guidelines. This isn’t surprising because some governments lack the capacity to even meet the land-related governance obligations called for by their own existing laws and policies.
Incentivizing companies to integrate land rights protections throughout their business operations and supply chains

**Threshold Issues:**

- Many corporations lack the insights and expertise to navigate the less than ideal land governance vacuum when attempting to meet their commitments or comply with principles like the VGGT.
- Lack of governance infrastructure, social support systems, education, etc. in communities limit their ability to negotiate equitably with a corporation.
- The effect that intra-household issues have on a company’s ability to ensure that women are equal beneficiaries.
- Corporate land rights policies or commitments are sometimes seen as optional CSR initiatives.

**Challenging but critical journey**

- Improved land rights protections for women and men
- Strengthened governance frameworks
- Reduced land-related risk for corporations

NGOs have an important role to play
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UN Global Compact
Land Rights
Webinar

The Coca-Cola Company’s experience on Land Rights

Genevieve Taft
October 20, 2015
Who we are

• World’s largest beverage company
• Operating in 200+ countries
• No. 1 provider of sparkling beverages, ready-to-drink coffee and juices and juice drinks
• 3,500+ beverages globally; 500+ brands
• Nearly 25% of our portfolio is low- and no-calorie
• Nearly 275 bottling partners
• 900+ Manufacturing Plants
• 700,000 system employees
• Reach more than 20 million business outlets where our products are sold
Universal Declaration of Human Rights, 1948

2002
SGP Program Begins

2006
UN Global Compact

2007
Human Rights Statement; WRP

2010
Danish Institute for Human Rights Gap Assessment

2011
U.N. Guiding Principles on Business and Human Rights

2014
Human Rights Policy; Roll-out Land rights commitment

2015
U.N. Guiding Principles Reporting Framework
**Human & Workplace Rights**

**Defining what we stand for**

- Human Rights Policy
- Supplier Guiding Principles

**Communicating what we stand for**

- Online training
- Journey website resources
- Supplier trainings

**Measuring our progress**

- Quarterly scorecard
- Annual sustainability report
- Board commitments
Supplier Guiding Principles & Human Rights Policy

HRP/SGP based upon:

- UN Global Compact
- Universal Declaration of Human Rights
- ILO’s Declaration on Fundamental Principles and Rights at work

HRP/SGP Elements:

- Laws and Regulations
- Child Labor
- Forced Labor
- Abuse of Labor
- Freedom of Association and Collective Bargaining
- Discrimination
- Wages and Benefits
- Work Hours & Overtime
- Health & Safety
- Environment
- Business Integrity
- Grievance Procedure and Remedy
- Management Systems
- Demonstration of Compliance
- Stakeholder Engagement (WRP)
- Land Rights
TCCC Commitment on Land Rights and Sugar – November 2013

- Conduct third-party due diligence studies beginning in Colombia, Guatemala, El Salvador, Honduras, Brazil, India, and Mexico
- Convene stakeholder dialogues
- Within three years, disclose all sourcing countries for cane sugar and publish the names of all direct cane sugar suppliers.
- Commit to zero tolerance for illegal land
- Join Roundtable on Sustainable Palm Oil (RSPO).
- Increase peer, supplier, trader and cross-sector platform engagement
Respecting human rights is fundamental to the way we conduct our business
Country Human Rights Due Diligence Studies

- Focused on risks in our sugar supply chain in the areas of:
  - Child Labor
  - Forced Labor
  - Land Rights

- The work is to be completed before 2020 and will cover our sugar supply chains in:
  - Countries listed on the US TVPRA for child and forced labor in sugar
  - Our top 16 Sourcing Countries
  - Countries where the Coca-Cola system has equity in the sugar industry

- 28 countries identified (Initial studies: Colombia and Guatemala published in March 2015)

- The output serves as a baseline for action plans

- Studies are posted on Coca-Cola Journey
Methodology

Stakeholders
Interviews across government, civil society and the private sector

Desk Research
Extensive document research

Mills
Field visits to mills

Supply Chain:
Field visits to sampled farms

Workers
On-site workers interviewed

Publish & Ongoing Stakeholder Dialogue
Engage stakeholders in results
**Audit Protocol**

- Demonstrate compliance with applicable laws
  - Documents related to ownership or leasing of land
  - Demonstrate compensation to owner/lessor
- Demonstrate grievances are being constructively engaged in good faith.
  - Dispute resolution mechanism
- Be able to demonstrate community buy in (adherence to FPIC)
- Adopt written policy
- Demonstrate consideration for alternatives to land acquisition
Training and Awareness Raising

- Internal awareness raising
- Audit firm training
- Peer company engagement through AIM-PROGRESS
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Resources

- **Poverty Footprint Tool** (Oxfam/UN Global Compact)

- **Indigenous People’s Rights and the Role of Free, Prior and Informed Consent** (UN Global Compact/Shift)

- **Advancing Responsible Business Practices in Land, Construction, Real Estate Use and Investment** (UN Global Compact/RICS)
A UN Global Compact/RICS resource to advance responsible business practice throughout the land construction and real estate lifecycle
The sector’s life cycle has significance for all four of the UN Global Compact issue areas:

- Human rights
- Labour
- Environment
- Anti-corruption
## Full-length document: key elements

<table>
<thead>
<tr>
<th>Stakeholder Relevance Map</th>
<th>Life Cycle Issue Heat Map</th>
<th>Action Items &amp; Specific Actions</th>
<th>Benefits &amp; Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good Practice Examples</td>
<td>UN Resources &amp; Tools</td>
<td>Issue Glossary</td>
<td>Key Building Blocks of a Responsible Business Strategy</td>
</tr>
</tbody>
</table>

*[Image: UN Global Compact logo and RICS logo]*
<table>
<thead>
<tr>
<th>Issue</th>
<th>Development</th>
<th>Real Estate Use</th>
<th>Recovery</th>
</tr>
</thead>
</table>
| Land governance | • Transparency and anti-corruption  
• Respecting workers’ rights  
• Environmental stewardship  
• Quality of planning, design and construction | • Transparency and disclosure  
• Environmental stewardship  
• Treatment of tenants and communities  
• Health, safety and wellbeing of building occupants  
• Decent work & human rights within the value chain | • Strategic site-use re-evaluation  
• Refurbishment and retrofitting  
• Waste management, resource conservation, recycling  
• Brownfield regeneration  
• Land recovery and rehabilitation of site |
Development Phase and Real Estate Use Phase

1. Land governance:
   - Acquisition
     - impact of land prices on development decisions, costs and affordability
     - establishing land ownership (tenure)
     - effect of inadequate land use management on communities
   - Indigenous peoples
     - need for effective engagement and consultation
     - risk of forced displacement and resettlement away from traditional lands
     - potential for negative economic, social and environmental impacts
   - Right to housing or adequate living conditions
     - assessing the potential impacts on existing settlements
     - achieving balanced land agreements
     - protecting human rights

5. Land recovery and rehabilitation of site:
   - Compulsory acquisition
     - potential of significant disruption with social and economic costs
   - Invasive/introduced species
     - risk of damage and threat to native plant communities, wider biodiversity and in extreme cases, public health
   - Soil contamination and public health issues
     - contamination of soil from previous use or general dilapidation
     - need for specialist expertise to isolate and remove contaminants
   - Health and safety
     - health and safety is often ignored with sometimes fatal results
Download a copy of
‘Advancing Responsible Business Practices in Land, Construction and Real Estate Use and Investment’:

www.rics.org/responsiblebusiness

or www.unglobalcompact.org

... and submit a good practice case study
Thank you!

- Shubha Chandra, Manager, Human Rights, Legal & Policy, UN Global Compact chandra@unglobalcompact.org
- Darryl Vhugen, Land Tenure Investment and Policy Consultant, darryl.vhugen@twentyfifty.co.uk

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