An aerial photograph of a lush green landscape. The left side shows terraced agricultural fields with a grid-like pattern. The right side is dominated by a dense forest of palm trees and other tropical vegetation. The entire image is framed by a white background with faint, light blue contour lines.

SourceUp®

SOURCEUP COMPACT MANUAL

VERSION 0.2

Guidance for landscape initiatives to start
using the SourceUp Platform

SourceUp | June 2021

PREFACE

This document is a practical guide of the [SourceUp policy](#). It intends to help Compact initiators / secretariats to report through SourceUp, in their journey to become a Verified Sourcing Area*.

In this document, Compact stakeholders will find the evidence that needs be submitted to reach the different progress levels, examples of methodologies, as well as best practices. It will be continuously completed and improved as more cases and experiences from the ground are included. The content of this manual will be gradually replaced by a step-by-step guidance directly on SourceUp.

Please see our [SourceUp brochure](#) for more general information.

**SourceUp will be open for any landscape initiative, without necessarily needing to progress towards a Verified Sourcing Area.*

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GLOSSARY

TERM	DEFINITION
Advanced Sourcing Area	The second of the three progress levels a Compact can achieve within the SourceUp platform. Advanced progress level corresponds to a formalized Compact.
Basic Sourcing Area	The first of the three progress levels a Compact can achieve within the SourceUp platform. Basic progress level corresponds to a Compact in an initial phase, before formalizing the Compact. The first of the three progress levels a Compact can achieve within the SourceUp platform. Basic progress level corresponds to a Compact in an initial phase, before formalizing the Compact.
Buyers	Companies that source, process, and sell agri-commodities or products containing agri-commodities. This includes retailers, traders, and supply chain companies.
Committed Buyer	An intermediate or end buyer of agricultural and/or forestry commodities or products, who is supporting a Compact with preferential sourcing, funding and/or technical assistance.
Commitment	Pledges that Compact Partners and Committed Buyers formally agree to fulfil and/or endorse, in line with SourceUp Impact themes. The commitment is made tangible through the definition of Compact goals. Pledges that Compact Partners and Committed Buyers formally agree to fulfil and/or endorse, in line with SourceUp Impact themes. The commitment is made tangible through the definition of Compact goals.
Compact Partners	Stakeholders that collaborate to achieve the goals outlined in the Compact. The stakeholders can be signatories of the Compact or not.
Compact Priority Analysis	Process to identify material issues at the landscape level. Compact goals and Local Indicators should be a result of the Compact Priority Analysis.
Compact Products	Commodities and products produced within the area covered by a Compact, of which the producers are represented in the Compact
Compact Secretariat	The Compact Secretariat is responsible on a day-to-day basis for the implementation of the Compact strategy, governance procedures and working toward fulfilling the objectives set by the Compact Partners.
Core Indicator	Indicators that represent material sustainability issues and that all Compacts shall report against in order to reach Verified Sourcing Areas status

TERM	DEFINITION
Goals	A desired result that Compact partners agree to achieve, relevant to the SourceUp Impact themes and/or SourceUp fundamentals.
Governance	Governance comprises all norms, processes and bodies established for governing a Compact in an inclusive, efficient and transparent way.
Indicator	Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement of outcomes, to reflect the changes connected to a system, or to help assess the performance of a Compact
Jurisdiction	A territory or sphere of activity under a common legal authority: as used here this could be for instance a municipality, province, state, county, etc.
Project	A time-bound set of interventions contributing to the Goals set by the Compact, within the area covered by the Compact, involving multiple Compact Partners and involving or seeking to involve one or multiple Committed Buyers.
Progress levels	Classification that SourceUp uses to assess the maturity of a Compact. There are three progress levels: Basic, Advanced and Verified Sourcing Area.
SourceUp	A market mechanism that links jurisdictional multi-stakeholder coalitions addressing systemic issues in sourcing areas to commodity markets looking to source agri-commodities at scale in line with sustainability commitments.
Compact Manual	A guide for stakeholders in producing areas specifying the requirements for how to initiate, establish, implement, and monitor a Compact.
Stakeholder (Jurisdiction)	Individuals and/or groups with a social, political or economic interest in a Jurisdiction. Stakeholders may be direct or indirect beneficiaries of an activity and/or outcome and may, or may not, be part of the Compact.
Verified Sourcing Area	A Compact that has followed the SourceUp platform principles and fulfilled all requirements to be recognized as an established "Verified Sourcing Area" and has been validated by SourceUp global.



1. INTRODUCTION

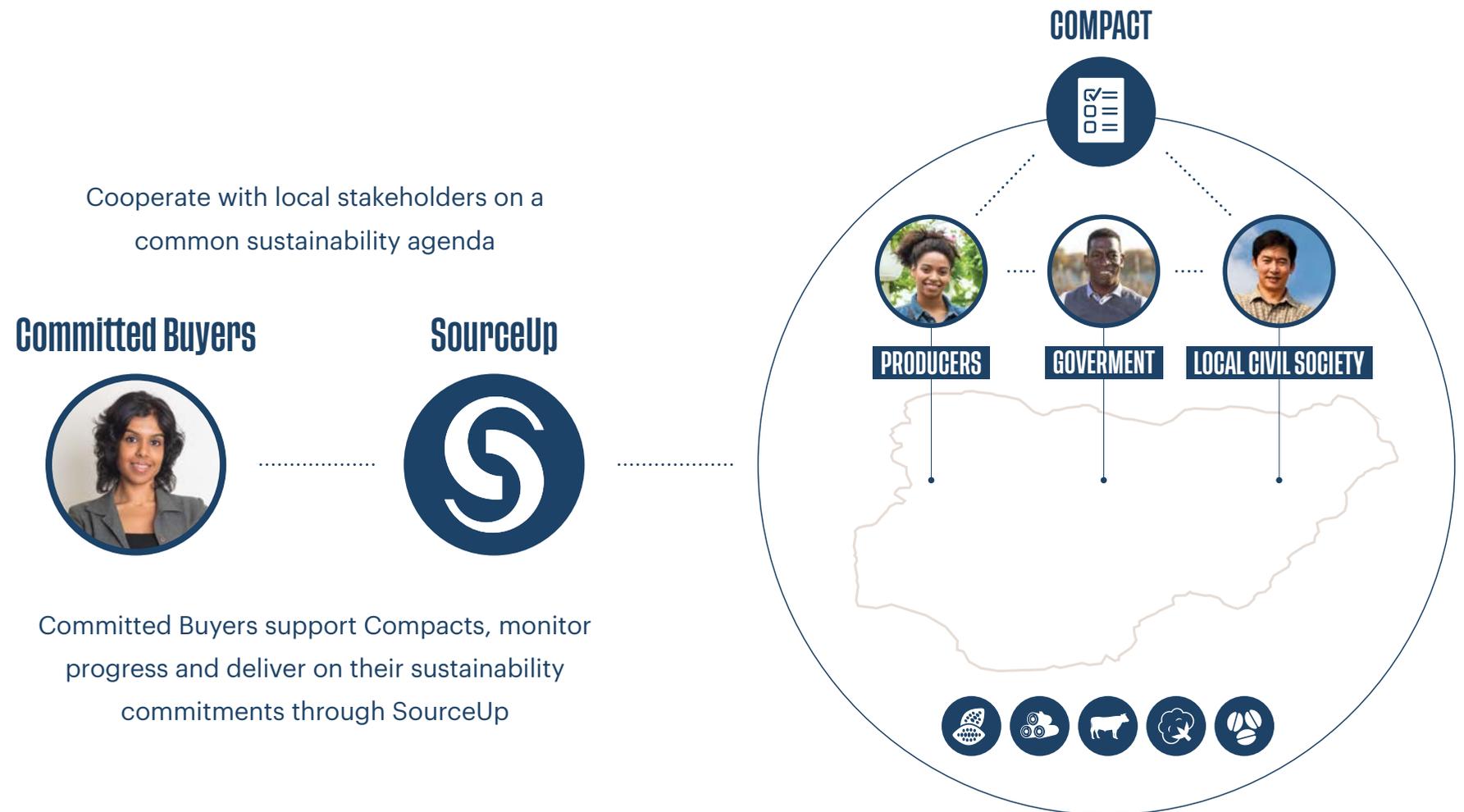
SourceUp is a new market mechanism that aims to lift the base sustainability level of agricultural landscapes while enabling sourcing in line with sustainability commitments at scale and progressing towards the Sustainable Development Goals.



WHAT IS SOURCEUP?

SourceUp is a new platform for companies and multi-stakeholder coalitions (**Compacts**) in producing regions to work together on sustainable agri-commodity sourcing. SourceUp is to be the go-to place for buyers of agriculture and forestry commodities and products wanting to engage in landscape-level sustainability efforts.

By using SourceUp, Compacts can mobilize funding from a broad range of users that are looking to invest in sustainable projects; offer more sustainable agri-commodities and gain recognition for their sustainability efforts.



VALUE PROPOSAL FOR TRADERS, BRANDS AND RETAILERS



1.

Leverage sustainability and social commitments at scale, beyond certified or niche product ranges.



2.

Find, or start, projects and compacts in key sourcing regions, in synergy with your sourcing strategy.



3.

Access reliable data that can be aggregated to CSR reports, in line with sustainability commitments and reporting frameworks.



4.

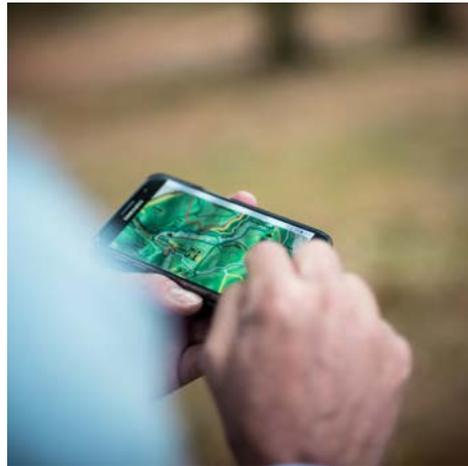
Strengthen your B2B or B2C communication with impact stories directly from the ground.



5.

Enhance your due diligence processes by collaborating with local stakeholders and peers sourcing from the same area.

VALUE PROPOSAL FOR LOCAL STAKEHOLDERS AND COMPACTS



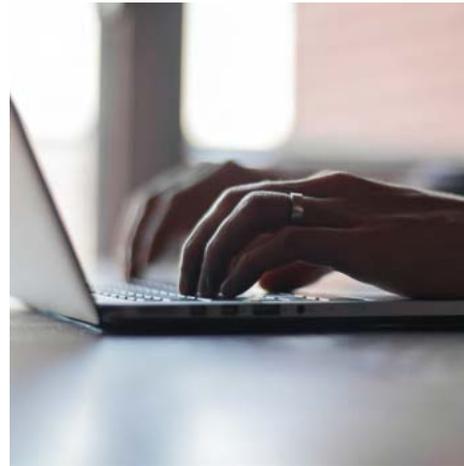
1.

Make the region visible to the SourceUp community of companies & organizations.



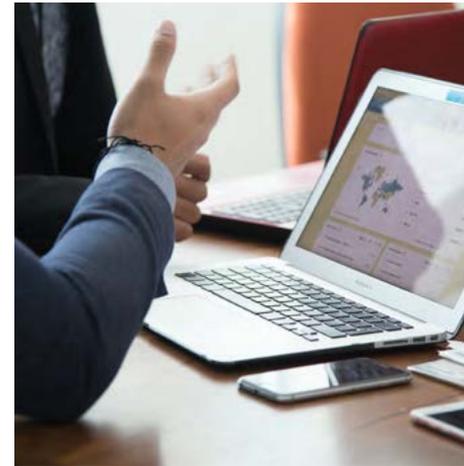
2.

Increase the reputation and branding of the region in terms of sustainability and ethical values.



3.

Mobilize financial support for sustainability projects at the landscape level.



4.

Cooperate with international companies and organizations to define the sustainability strategy.



5.

Plan a clear roadmap for your landscape initiative using the SourceUp progress levels.

COMPACTS

A **Compact** is a multi-stakeholder agreement to address sustainability challenges in a coordinated, timebound, and resource-committed manner across a sourcing area. The main stakeholders are the local government, local civil society organisations, and producers.

Based on the maturity of the Compact, SourceUp has defined three progress levels that will guide its development towards achieving the Verified Sourcing Area Status. The maturity level will be assessed based on the following elements:

What is a Compact about?



Stakeholder participation

The representation of local stakeholders in the Compact.



Reporting Completeness

The degree to which Compacts report against core indicators.



Level of Commitment

Sustainability and/or human rights topics addressed in the Compact agreement.



Progress

Performance of Compacts on the core indicators



Governance

Existence of a governance structure that ensures the principles of transparent and inclusive decision-making process.



Compact Outreach

Communication of the Compact with other local and regional stakeholders that are not part of the agreement



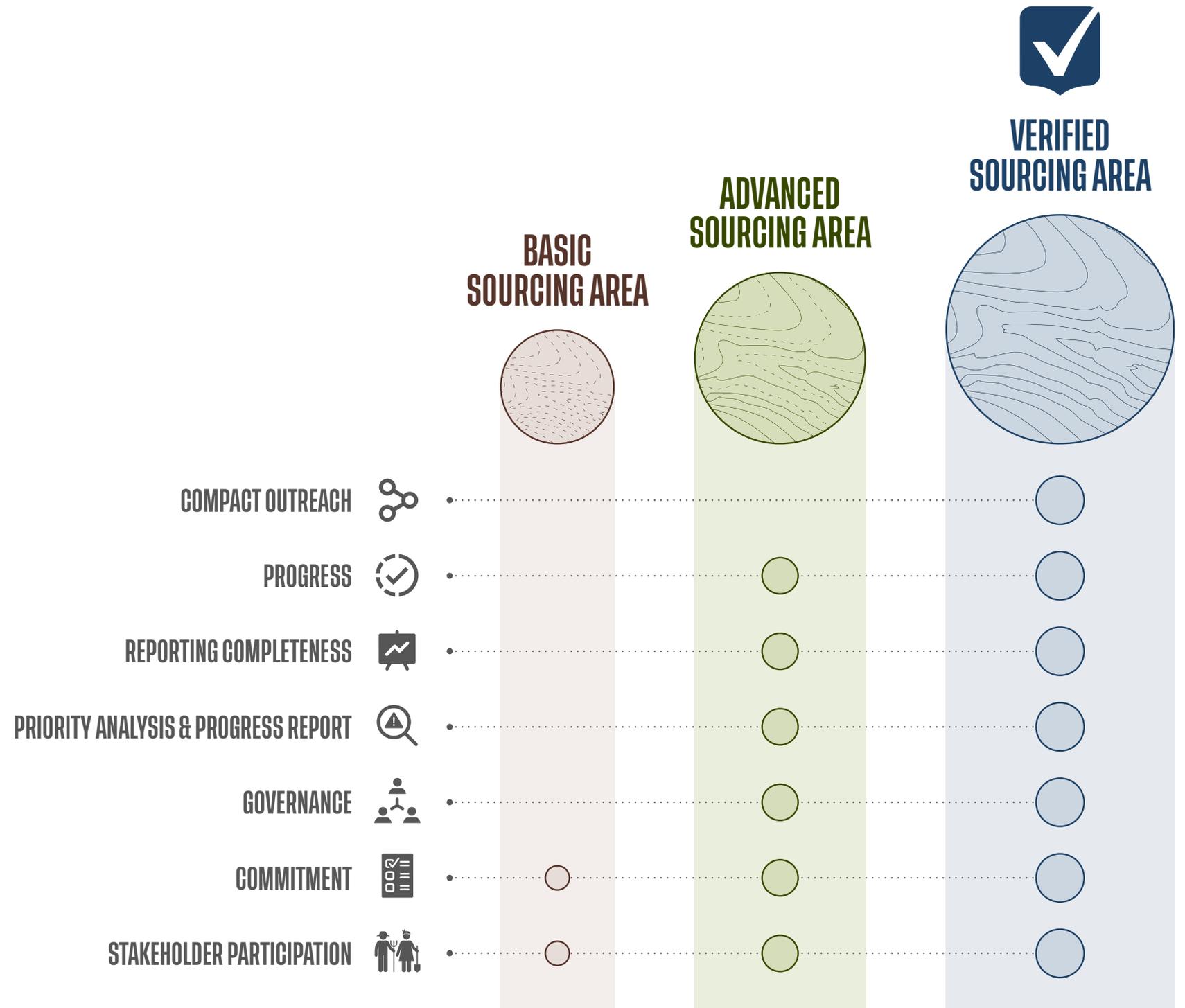
Priority Analysis

Analysis carried out by local stakeholders to address sustainability issues that are relevant in the regional context.

PROGRESS LEVELS

Landscape initiatives can report through SourceUp and, upon request, be ranked using three different progress levels.

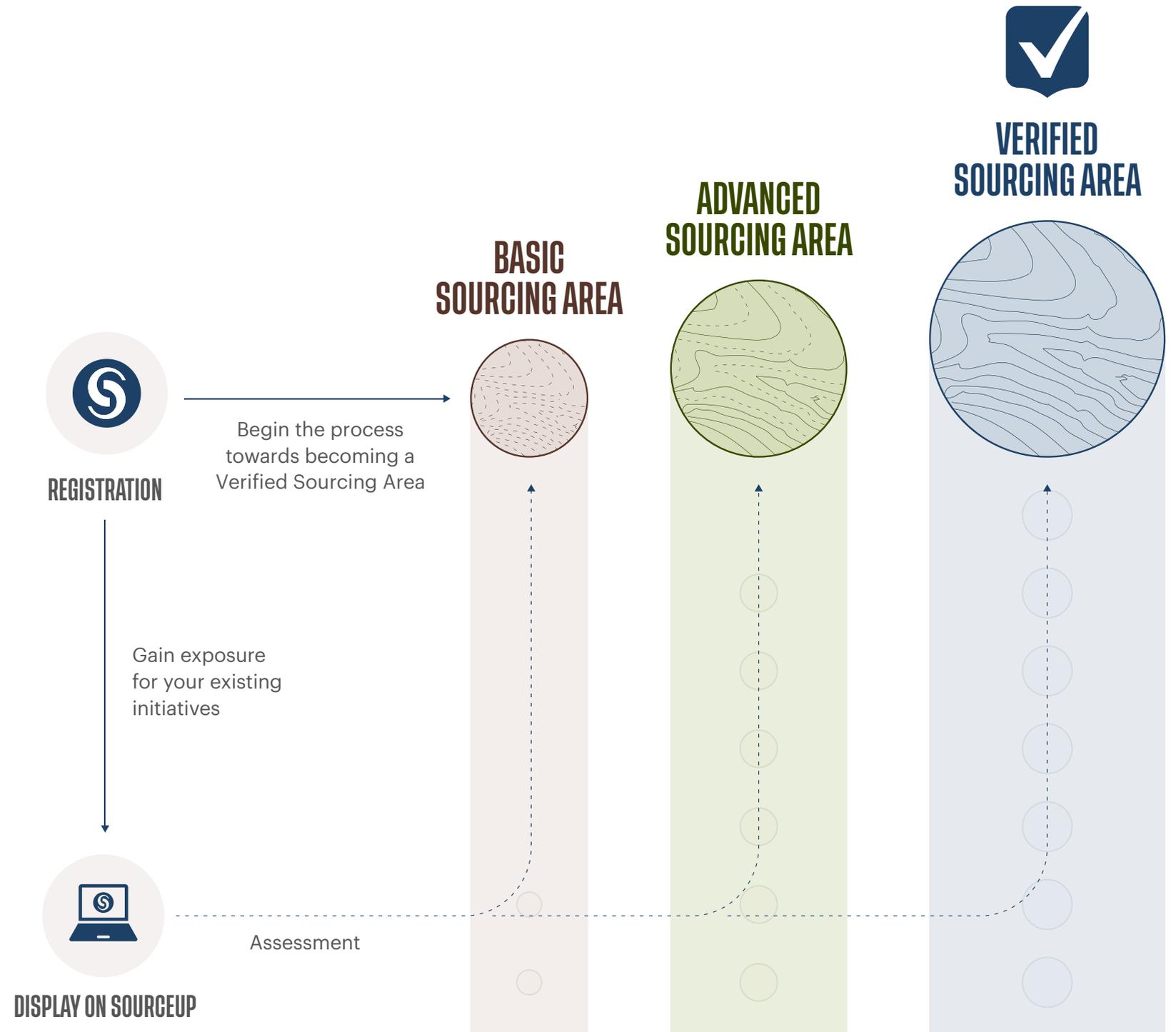
Following these progress levels will help Compacts prioritize their actions and projects, and can help buyers on decide how to support their strategic sourcing areas towards becoming a Verified Sourcing Area.



Can any Multi Stakeholder Initiative report through SourceUp, without aiming to become a Verified Sourcing Area?

Yes. Any multi-stakeholder initiative working at the landscape level can use SourceUp, become visible and look for support from the SourceUp community of buyers and other organisations.

To access the full benefits of the SourceUp model, the initiative can do a selfassessment through the platform and analyse in which SourceUp progress level it would be with the available information.



ENGAGEMENT WITH BUYERS

To become a Committed Buyer to a Compact, a company needs to choose one of the following Engagement Modes. This determines the type of support the company is giving.



Supporter	Sourcing Partner	Anchor Partner
<p>Benefits</p> <ul style="list-style-type: none"> ✓ Access and use sustainability KPIs & impact stories ✓ Communicate about project-level sustainability progress 	<p>Benefits</p> <ul style="list-style-type: none"> ✓ Access and use sustainability KPIs & impact stories ✓ Communicate about landscape-level sustainability progress 	<p>Benefits</p> <ul style="list-style-type: none"> ✓ Directly engage in local decision-making on sustainability in the Compact ✓ Access and use sustainability KPIs & impact stories ✓ Communicate about landscape-level sustainability progress
<p>Requirements</p> <ul style="list-style-type: none"> • Project Support 	<p>Requirements</p> <p>At least:</p> <ul style="list-style-type: none"> • Preferential Sourcing <p>Optional:</p> <ul style="list-style-type: none"> • Project Support 	<p>Requirements</p> <p>At least:</p> <ul style="list-style-type: none"> • Compact Support (financial or in-kind) <p>Plus at least one of the two following types of support:</p> <ul style="list-style-type: none"> • Preferential Sourcing • Project Support

Examples of support by companies

Compact Support

- Support better monitoring and measuring of progress, e.g., through sharing data
- Provide support to the jurisdictional initiative, e.g. expertise and staff resources, communications
- Participate in the jurisdictional initiative, e.g. on planning and alignment of interventions
- Support local governments in developing jurisdictional policies, tools, and investment strategies

Preferential Sourcing

- Align procurement specifications and supplier contract terms with jurisdictional goals and targets
- Institute preferential sourcing based on demonstrated progress in the jurisdiction.
- Offer better financing to enterprises engaging in landscape level action and implementing better practices: longer-term sourcing contracts, price floors or premiums, upfront financing

Project Support

- Support enterprise adoption of best management practices through training and extension services
- Enhance sustainability performance investment financial flows to producing enterprises
- Support additional/alternative livelihood activities and practices
- Facilitate technology transfer to producing enterprises
- Finance carbon credits or other ecosystem services realized

HOW TO START A COMPACT?

Any stakeholder can initiate a Compact and convene other local stakeholders to jointly develop and govern its implementation.

The initiator of a Compact may be a local government agency, CSO, private sector association or other organisation, although it is strongly recommended that the relevant government entity is involved at the beginning of the process. The Compact Initiator can register the Compact at any moment in SourceUp .

How can I get support ?

If you want help in setting up a Compact, SourceUp has a list of partner NGOs and companies that can help. Please reach out to partners@sourceup.org

Compact main responsibilities for secretariat or initiator

- ✓ Definition of local indicators following the criteria of [this policy](#)
- ✓ Regularly discussing and strategizing sustainability improvements for the jurisdiction
- ✓ Calculating baseline and reporting on SourceUp platform
- ✓ Manage complaints and disputes of Compact partners and affected other parties
- ✓ Communication with SourceUp Panel
- ✓ Maintaining the Compact profile on SourceUp including projects and impact stories





2. REGISTRATION ON SOURCEUP



Start using SourceUp and become visible in the platform is very easy. The first step is to fill in the [Compact registration form](#) and send it to info@sourceup.org



COMPACT GENERAL INFORMATION

The first step is to complete the [Compact Registration form](#), which will allow the Compact to be visible on SourceUp.

Then, information regarding the representativeness of the Compact should be submitted to provide an idea of the relevance of the Compact with regards to the whole landscape.

Representativeness information	
General information	<ul style="list-style-type: none"> Commodities and products of which the producers are represented in the Compact (=Compact Products) Economic output of the commodities represented in the compact as % of total annual agricultural economic output
Forests & Natural Resources	<ul style="list-style-type: none"> Land used to grow the Compact Products, as % of total agricultural and forestry land % of forest area and areas of native vegetation % of national deforestation happening in this jurisdiction
Livelihoods	<ul style="list-style-type: none"> Agricultural households involved in the production of Compact Products, as % of the total agricultural households
Labour	<ul style="list-style-type: none"> Workers and/or farmers involved in Compact Products, as % of the total

Documentation for living up to the criteria for building and designing the Compact can be uploaded on the SourceUp Platform as it is gathered or all together once all criteria for a level are met. Compacts are able to upload / edit the information directly on their site.

This is just an indication of the information that a Compact can submit to indicate its level of representativeness. Please reach out to info@sourceup.org in case you have any questions.

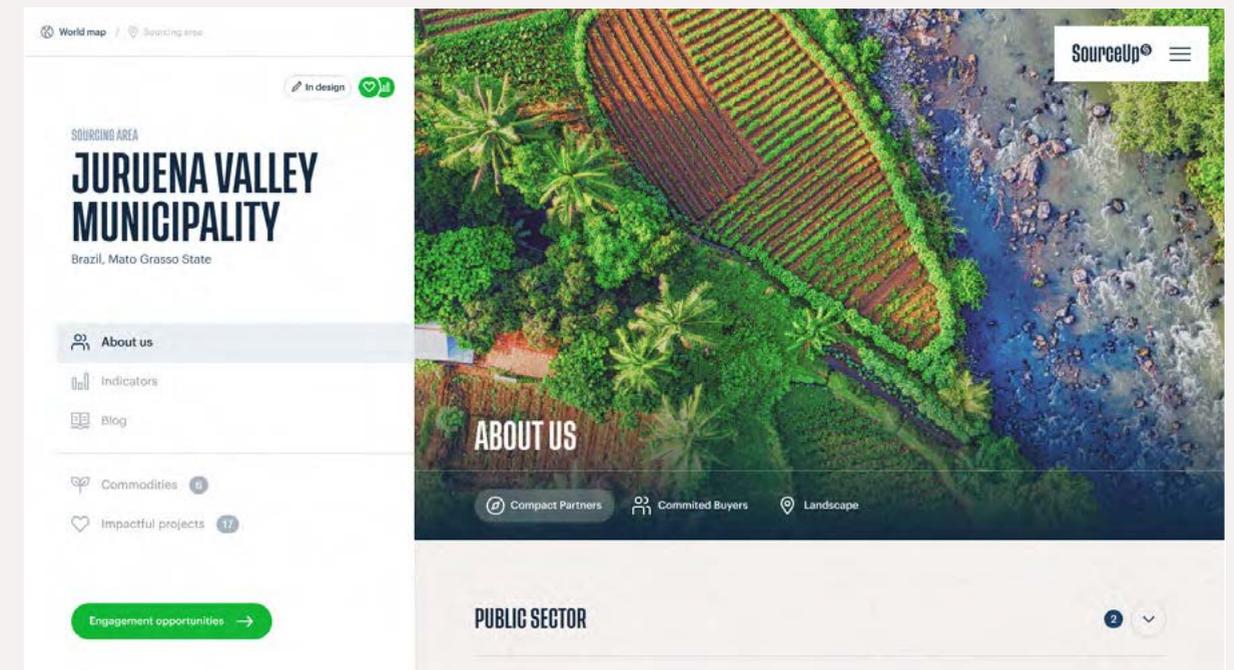
SUBMISSION OF EVIDENCE

Compacts are able to edit the description of the landscape, partners, goals, projects and indicators. The evidence submitted is assessed by SourceUp relevant panels (see “Validation and verification section”) for its relevance and completeness in relation to each progress level criteria.

The evidence submitted on the SourceUp Platform provides transparency and certainty for SourceUp Global as well as commodity buying companies and investors that the Compact is salient locally, obtained through sufficient safeguarding and preparation in its scoping, convening, goal-setting, and operationalisation.

The Compact starts monitoring their progress and uses the SourceUp Platform for verification and display of verified progress data to e.g. Buyers and donors. Submission of documentation and progress data on the SourceUp Platform requires digital approvals by Compact members. All uploaded content will remain available for all Compact members. All interaction between the Compact and SourceUp Global on documenting the process takes place through the SourceUp Platform. Figure 4 shows how the Compact’s dashboard looks like on the Online Platform.

Figure 4: Compact dashboard on the SourceUp Platform



VISIBILITY ON THE PLATFORM

SourceUp provides a safe, pre-competitive space for various stakeholders to collaborate and share information. SourceUp sets a base level of public transparency on information that is essential to achieve the public goods-objective of the platform (e.g. general description of the platform, partners). Beyond the base level of publicly available information, Compacts and Buyers have control over the visibility over the data they share on SourceUp, to various other users / user categories.

How will SourceUp use the data reported through the platform?

SourceUp may use aggregated, anonymized data for purposes of producing general insights which may be delivered as a paid service to clients, in order to support the financial viability of SourceUp.

SourceUp will not use or sell data contributed by its users unless it has explicitly asked permission to do so, through its terms of use.

The screenshot displays a web interface with a topographic map background. The main heading is "FIND CHANGEMAKERS IN SOURCING AREAS". Below this, there are three filter categories, each with a plus sign in a grey circle: "COMMODITIES", "LOCATION", and "SUSTAINABILITY THEMES". At the bottom of the interface, there is a navigation bar with a dark blue background, featuring a white circle with the number "19" and the text "Sourcing Areas" followed by a downward arrow.



PROJECTS

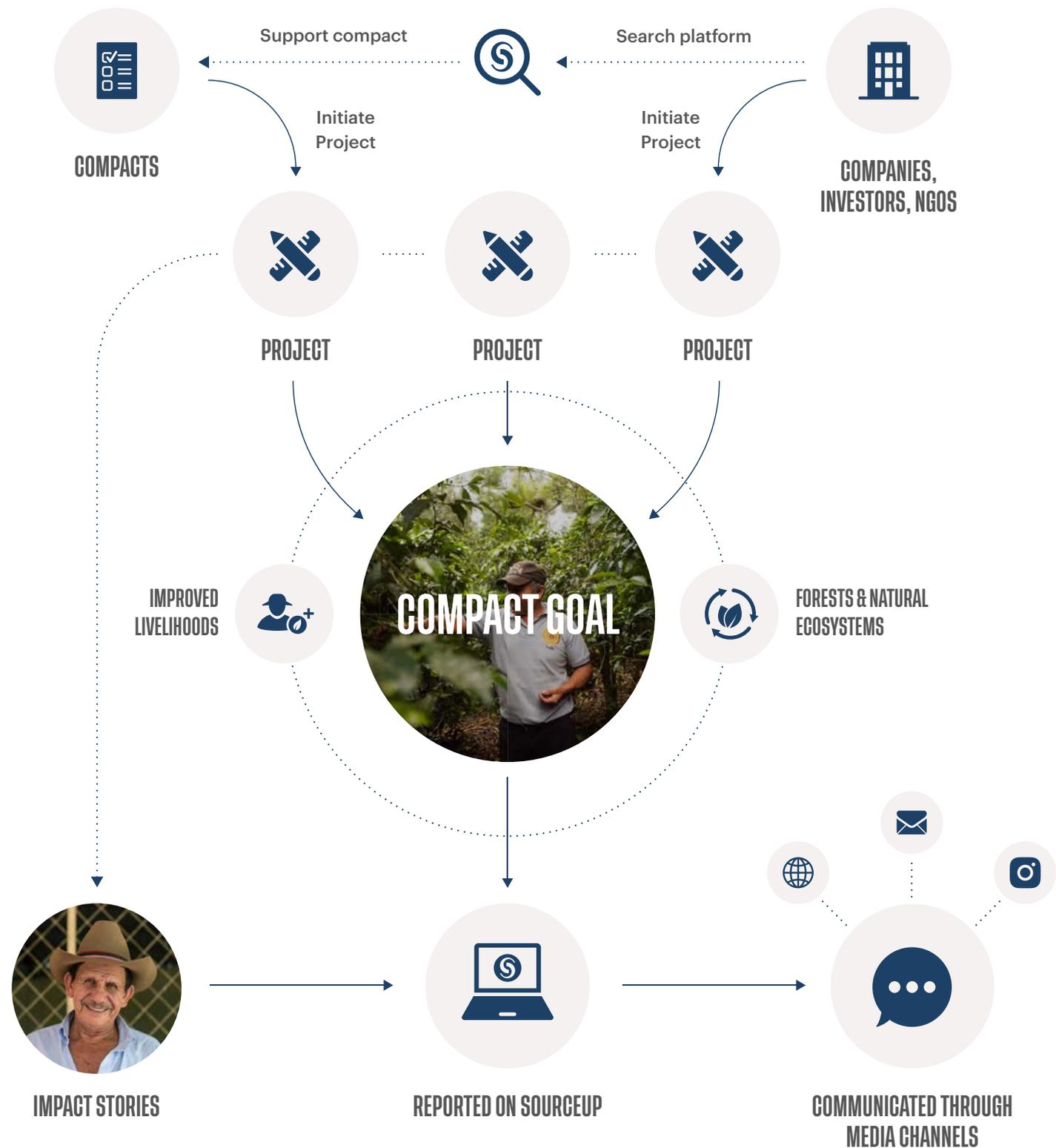
Projects are a key part of the engagement between Compacts and buyers and other organisations.

Projects are the tangible translation of the agreement signed by all Compact partners into specific, time-bound interventions.

A project can cover a sub-set of the Compact area, but should cover more than a single production unit and clearly contribute to Compact goals.

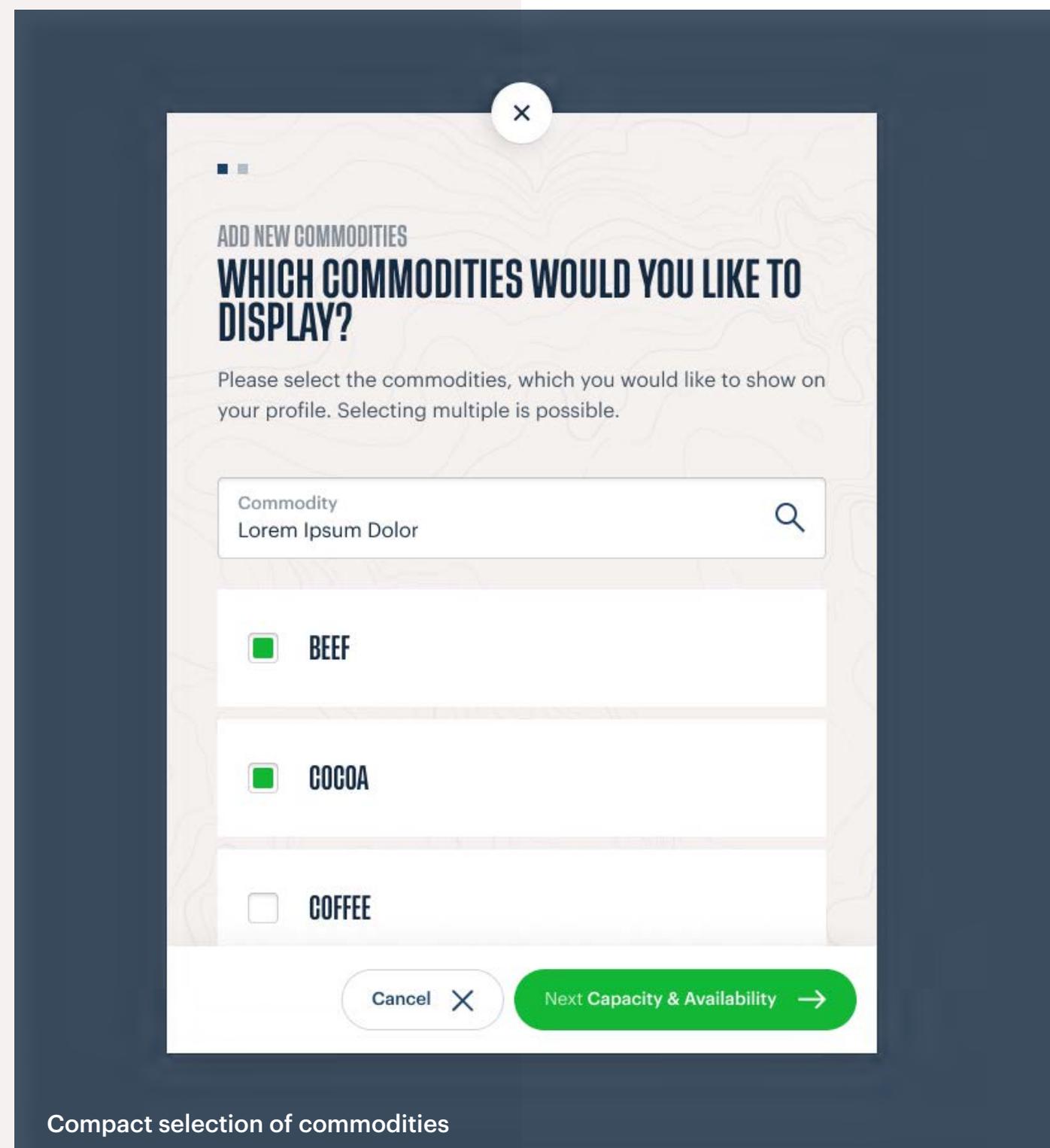
Compacts can upload a list of all past, ongoing and pending projects – or projects seeking for funding.

SourceUp will enable its users (e.g. buyers, traders, investors) to find relevant projects based on their sustainability or sourcing strategy.



To submit a new project, Compacts need to submit the following information:

Name	Title of the project
Target	Number of ha, trees, farmers, etc.
Commodity	Commodity or commodities affected by the project
Compact	Compact where the project will take place
Impact theme	Relevant impact themes based on SourceUp classification: Forests & Natural ecosystems, Labour, Livelihoods, Land Tenure
Relevant <u>SDGs</u>	Relevant SDGs improved by the project
Implementation partner	Partner/ partners in charge of implementing the project
Involved partners	Other partners involved in the project – e.g. funding partners, knowledge partners
Indicators/ metrics	Metrics or Indicators used to assess the success of the project
Duration	Estimated duration of the project
Minimum funding needed	Minimum funding required to start the project
Optimum funding	Optimum funding required to complete the project with all intended outcomes and quality criteria in place
Webpage	Webpage of the project, if available



Compact selection of commodities

IMPACT STORIES

Impact stories are key to communicate what is happening in the field, and as examples of the positive impact being brought by the Compact to the jurisdiction. Compact stakeholders will be able to use these stories in their own communication channels like social media, CSR reports or other. SourceUp will provide guidelines and resources to Compacts on how to communicate these stories, to ensure that the communication is consistent and relevant.

Explore / Sourcing Area

SOURCING AREA

DI LINH

Vietnam, Central highlands

 General information

 Our commodities

 Governance & Partners

 Our commitment

 Goals & Projects **9**

 Compact Updates

Engagement Opportunities

International coffee companies, including Jacobs Douwe Egberts, Louis Dreyfus
Vietnamese governments are going to work together to reduce water, fertilizer a
in coffee production areas in Vietnam. By 2025 deforestation related to coffee w
farmers' incomes will have increased by 30%.

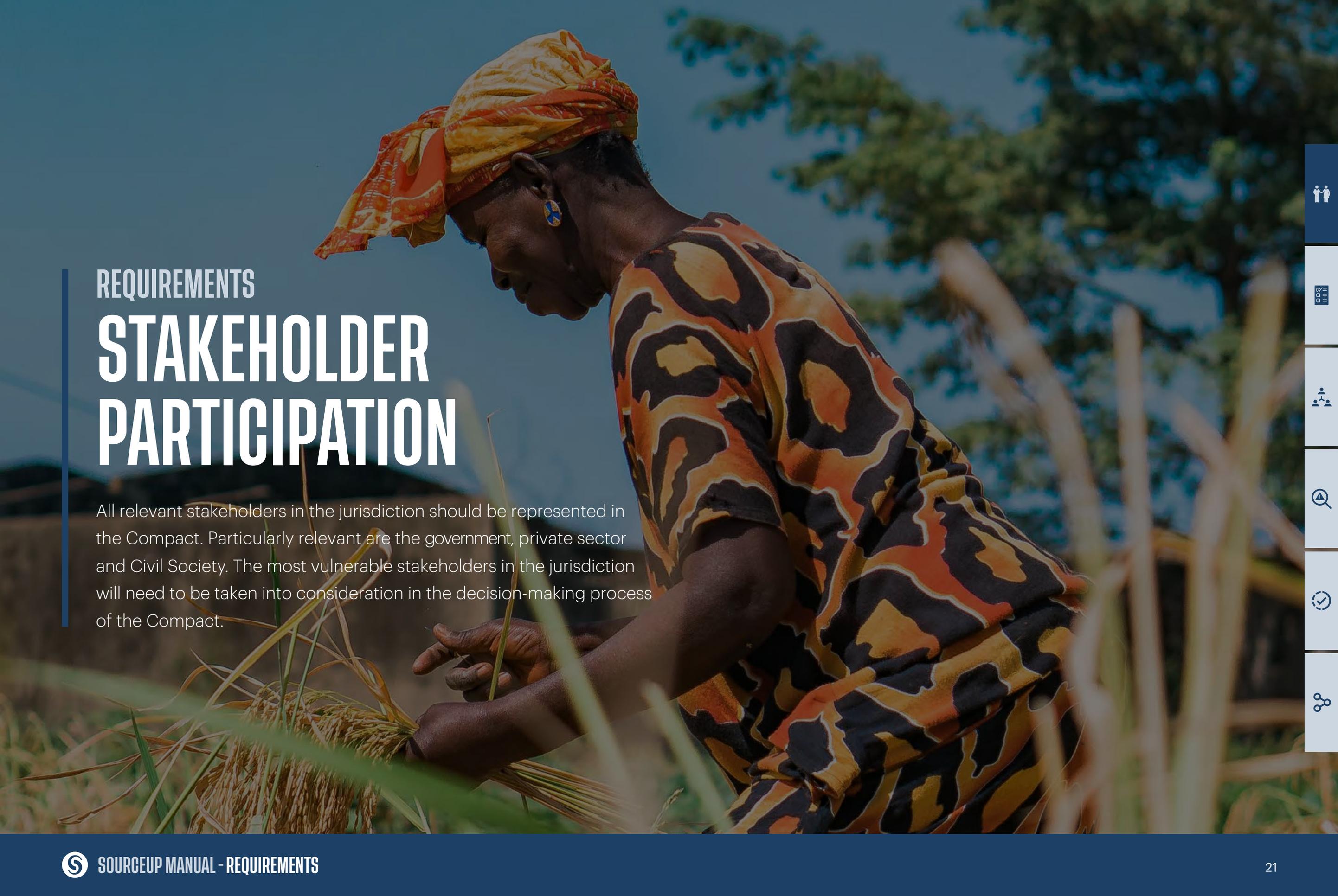




3. REQUIREMENTS



This section provides guidance on what evidence Compact stakeholders need to submit for each progress level, as well as examples of methodologies/ approaches that can be used. The minimum evidence listed for each of the criteria serves as the documentation against which SourceUp assesses whether the Compact lives up to the mandatory/minimum requirements for Compacts as reflected in the SourceUp Policy.



REQUIREMENTS

STAKEHOLDER PARTICIPATION

All relevant stakeholders in the jurisdiction should be represented in the Compact. Particularly relevant are the government, private sector and Civil Society. The most vulnerable stakeholders in the jurisdiction will need to be taken into consideration in the decision-making process of the Compact.



✓ 1. Basic Sourcing Area

- The Compact Initiator explores relevant local stakeholders that should form the Compact, particularly focusing on key decision-makers and affected communities. It is important to know that there may be one Compact Initiator, or several. A Compact Initiator can be Civil Society Organisation, the Government, or a private company.
- It is not needed, but strongly recommended that at least government officials are involved from the beginning of the process.

✓ 2. Advanced Sourcing Area

- To become an Advanced Sourcing Area, relevant government representatives, private sector and civil society need to be involved.

Entry requirements	Updating Freq.	Verification
<ul style="list-style-type: none"> • Compact Initiator has registered the Compact in the platform. 		
<ul style="list-style-type: none"> • Relevant government, at least 1 representative of producers/private sector, need to be visible on the Partners section of the Compact. 	 At least every 3 years	 Regional verification





3. Verified Sourcing Area

- The Compact has performed a stakeholder mapping according to established methodology. It is important that the most vulnerable stakeholders – workers, farmers and/or smallholders are equally represented.
- Based on the stakeholder mapping, key stakeholders are involved in the Compact (e.g., as signatories).
- All relevant stakeholders present in the Compact decision-making are now involved in and committed to the Compact.

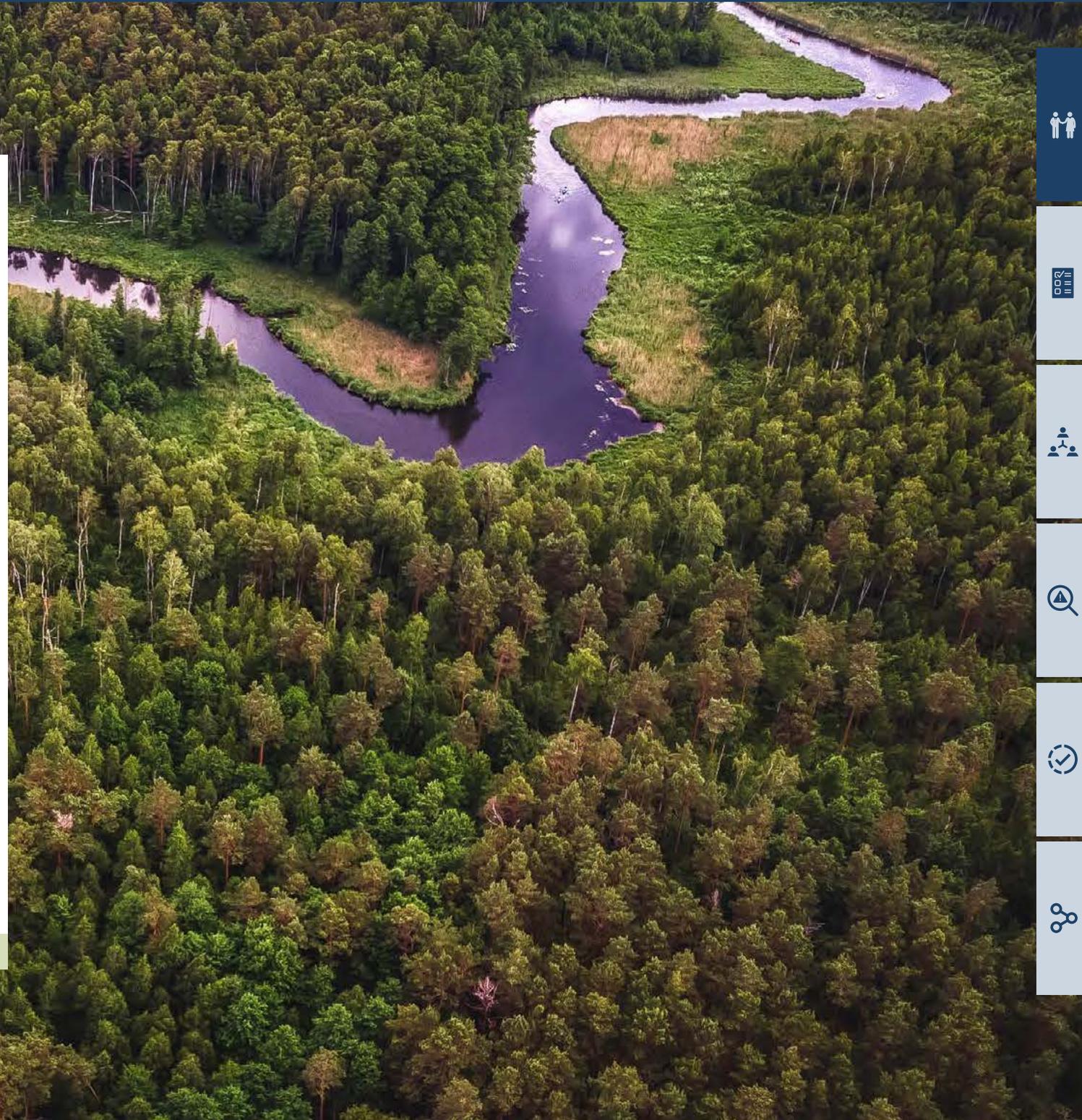
Entry requirements	Updating Freq.	Verification
<ul style="list-style-type: none"> • A systematic stakeholder mapping, following the guidelines below. • These relevant stakeholders are signatories of the Compact. 	 <p>At least every 3 years</p>	 <p>Regional verification</p>





GUIDANCE

- Guidance and tools as on p. 12 in [Care Nederland & Wetlands International A Landscape Approach to Disaster Risk Reduction in 7 Steps](#)
- [Overseas Development Institute, Stakeholder Analysis](#)
- [IIED's Stakeholder Influence Mapping](#)
- [Impact Forum's Steering Committee Toolkit](#)



REQUIREMENTS COMMITMENT

It is important that Compact partners agree on a common sustainability agenda, an agenda that addresses not only SourceUp Impact themes but also the respect by the Compact partners of fundamental human rights.





✓ 1. Basic Sourcing Area

- Compact Initiator and the relevant local government representative must have convened, together outlined an initial sustainability vision, and committed to design a Compact by signing a Letter of Intent (LoI) or Memorandum of Understanding (MoU).

✓ 2. Advanced Sourcing Area

- Relevant stakeholders must have committed to work together towards forming a Compact, incl. a joint sustainability vision in the form of a LoI or MoU and basic commitment to work towards achieving a more sustainable jurisdiction and respect Human Rights.

Entry requirements	Updating Freq.	Verification
<ul style="list-style-type: none"> • At least a Letter of Intent to join the Compact, by the Compact initiator and Government . 		
<ul style="list-style-type: none"> • At least government and Compact initiator are registered on the platform. • Memorandum of Understanding (MoU) / Letter of Intent (LoI) or similar document that mentions a commitment to respect fundamental Human Rights, reducing pressure on biodiversity loss and forest degradation. 	 At least every 3 years	 Local Validation



3. Verified Sourcing Area

- Commitment that addresses fundamental Human Rights and all [SourceUp Impact Themes](#) and/or promotion of SDGs.

Entry requirements

- All stakeholders to have signed a Lol/MoU that clearly states the duty to work towards the SDGs and/or SourceUp Impact themes, respecting the natural ecosystem and their commitment to Identify, Protect, Respect, and provide Remedy on Human Rights violations.

Updating Freq.


 At least every
3 years

Verification


 Regional
verification





GUIDANCE

- Commitment template, Annex 2
- [MoU template](#)

BEST PRACTICES

LoI/MoU as legally binding commitment

Where applicable, the MoU shall reference relevant national, regional, local, and international policies and principles which apply to Compact member companies/governments in their own activities and in those linked to them through their operations, products, or services by their business relationships (including all actors related through supply chains for relevant industries) for example:

- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights
- New York Declaration of Forests
- ILO Declaration on Fundamental Principles and Rights at Work
- United Nations Declaration on the Rights of Peasants and Other People Working in Rural Areas
- Code of conduct signed by all Compact signatories, reflecting the commitment and/or policy document adopted by individual parties

REQUIREMENTS

GOVERNANCE

Good governance requires mediation of the different interests on what is needed for sustainable human development and how to achieve the goals of such development.

A transparent and inclusive governance structure is fundamental towards a more sustainable jurisdiction.



✓ 1. Basic Sourcing Area

- Parties, usually led by the Compact Initiator and including at least the relevant government entity, should start discussing about the Compact's Governance structure, including establishing a Compact Secretariat.

✓ 2. Advanced Sourcing Area

- A Compact Secretariat shall be formed.
- Secretariat shall be chosen through a transparent and open process to all Compact Partners. The Compact Secretariat will coordinate the collaboration of Compact partners and strive to achieve alignment and agreement between these.
- The Compact Secretariat or similar body shall be responsible for the fulfilment of the requirements to achieve the different progress levels, and for coordinating the collection and submission of data to the SourceUp platform, and to establish communication with SourceUp bodies.

	Entry requirements	Updating Freq.	Verification
1. Basic Sourcing Area	<ul style="list-style-type: none"> Not required at this level. 		
2. Advanced Sourcing Area	<ul style="list-style-type: none"> A Secretariat is established, with clear procedures and responsibilities. This is described on the MoU/ Lol or in an independent document. 	 At least every 3 years	 Local Validation



3. Verified Sourcing Area

- The governance structure must involve representation of all the relevant stakeholders (see stakeholder participation), using a clear and inclusive decision-making process following the principles outlined on the SourceUp Policy.
- Clear roles and responsibilities shall be described, and that is efficient, inclusive, and capable of overcoming internal and external disputes and complaints.
- A grievance system needs to be in place for all internal and external complaints received, plus the actions that have been taken to address them.
- Additional organisational bodies may be defined with clear roles and responsibilities (e.g. advisory board, fundraising).
- Decision-making and voting process need to be balanced and transparent. Ensure no veto power for any member and equally weighted votes as well as clear procedures for decision-making. Publish records of decisions.
- Consequences for non-compliances need to be defined, with disciplinary procedures that apply in the event of a breach of the internal governance rules.
- Mechanisms for stakeholder consultation and participation need to be documented.
- The financial aspects of the Compact need to be clearly described and monitored, and disclosed to relevant stakeholders.

Entry requirements

- Description of the governance structure following the criteria on the left.
- The governance can be described as part of the MoU/Lol or as an independent document.
- Yearly report on complaints received and actions taken to solve them.

Updating Freq.



Yearly

Verification



Regional verification



GUIDANCE

- Impact Forum's [Steering Committee Toolkit](#)
- ISEAL [Making Credible Jurisdictional Claims ISEAL Good Practice Guide](#) p. 7

BEST PRACTICES

- A Code of Conduct, signed by all signatories, that reflects the Compact agreement and the individual responsibility of parties to it

REQUIREMENTS

PRIORITY ANALYSIS AND PROGRESS REPORTS

Beyond the focused, quantitative sustainability aspects addressed by the Indicators (next section), SourceUp requires Compacts to analyse and report on the SourceUp Impact Themes in a more broad, descriptive manner. SourceUp defines key aspects that should be addressed in these reports, with the objective to respond to the requirements of Committed Buyers and importing countries, in terms of supply chain sustainability policies and due diligence regulations.





✓ 1. Basic Sourcing Area

- No requirements at this level.

✓ 2. Advanced Sourcing Area

Basic priority analysis approved by local stakeholder and submitted to regional panel that addresses key drivers and potential solutions/ interventions at the jurisdictional level on:

1. Fundamental Human Rights violations
2. Deforestation and natural ecosystems degradation

Entry requirements	Updating Freq.	Verification
<ul style="list-style-type: none"> • Not required at this level. 		
<ul style="list-style-type: none"> • Basic priority analysis uploaded in the platform. 	<p>Yearly</p>	<p>Regional verification</p>





3. Verified Sourcing Area

Full priority analysis approved by local stakeholder and submitted to regional panel that addresses key drivers and potential solutions/ interventions at the jurisdictional level on:

1. Fundamental Human Rights violations
2. Deforestation and natural ecosystems degradation
3. Poverty and low income
4. Labour issues
5. Land tenure and land rights

The analysis should describe the findings as well as actions to provide remedy to issues/ victims. It should be performed on a yearly basis.

The Analysis should cover at least the points listed on the following page.

Entry requirements	Updating Freq.	Verification
<ul style="list-style-type: none"> • Full priority analysis uploaded in the SourceUp platform. 	 <p>Yearly</p>	 <p>Global verification</p>





Compact Annual report

The Priority Analysis is based on the Annual report conducted by the Compact Secretariat, with the participation of all Compact stakeholders. To become a Verified Sourcing Area, this report must cover all the points below. The report needs to be shared on the SourceUp platform.

IMPACT THEME	ASPECTS TO REPORT ON
Forests and natural ecosystems	<ul style="list-style-type: none"> • Analysis of key drivers of natural ecosystem degradation and forest loss • Challenges and opportunities related to forest and natural ecosystem management practices. • Challenges and opportunities related to forest and natural ecosystem management practices
Livelihoods	<ul style="list-style-type: none"> • Analysis of key drivers of poverty in agricultural households, and opportunities to eradicate poverty through these value chains • Challenges and opportunities related to increasing inclusion of marginalized people within the value chains of Compact Products
Labor	<ul style="list-style-type: none"> • Incidence of forced labour in the jurisdiction and analysis of causes • Status of policies and processes to eliminate forced labour¹, and related risks • Incidence of child labour in the jurisdiction and analysis of the causes • Status of policies and processes to eliminate child labour²

¹ All work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily. Adapted from <https://www.ilo.org/global/topics/forced-labour/definition/lang--en/index.htm>

² Work that deprives children of their childhood, their potential, and their dignity, and that is harmful to physical and mental development. It refers to work that 1) is mentally, physically, socially, or morally dangerous and harmful to children; and/or interferes with their schooling by depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work. Adapted from the [International Labour Association](#)



GUIDANCE

- [LandScale Landscape Situation Analysis](#)
- [CCBA Sustainable Landscapes Rating Tool](#)
- [WRI Assessing Forest Governance](#)
- [Materiality matrix](#)
- Human Rights Impact Assessment guidance, Annex 5.
- [UN Global Compact Corporate Goal Setting](#)
- [High conservation value: High Conservation Value Resource Network](#)
- [High carbon stock: HighCarbonStock.org Toolkit](#)

BEST PRACTICES - VERIFIED SOURCING AREAS

- Risk analysis conducted in consultation with non-Compact stakeholders in jurisdiction.
- Risk analysis performed by external party Full human rights impact assessment by external entity containing all the elements outlined in Annex 5.

REQUIREMENTS

REPORTING – PROGRESS AND COMPLETENESS

SourceUp has overall requirements regarding the reporting on core SourceUp Indicators ([see below](#)) as well as certain progress, regression, and stagnation requirements for Core Impact themes (see the [SourceUp Policy](#)). Other than that, SourceUp does not set minimum requirements in terms of at which speed the Compact should achieve certain levels of progress. Further, each project that the Compact will implement will have its own M&E framework incl. project- specific indicators to track implementation progress and prove impact.



✓ 1. Basic Sourcing Area

- No requirements at this level.

✓ 2. Advanced Sourcing Area

- Calculate the Forest & Natural ecosystem calculator, using the SourceUp Compact Diagnosis tool at least every 3 years.
- No loss of natural ecosystems of more than 10%, compared to the last year reported.

Entry requirements	Updating Freq.	Verification
<ul style="list-style-type: none"> • Not required at this level. 		
<ul style="list-style-type: none"> • In year 0: Compact diagnosis report validated by local stakeholders and regional panel. * More details to be provided in the SourceUp platform. • Reporting every 3 years on the indicator, with no loss of natural ecosystems o more than 10% with regards to the previous year reported. 	 See below	 Global verification





3. Verified Sourcing Area

Together with the SourceUp Core Indicators, SourceUp will provide a longlist of optional indicators which are also based on the SDGs or other frameworks, so that both the Compact and Committed Buyers can use all SourceUp indicators to report on SDG and other progress.

Compacts shall make use of established methodologies to determine baselines and report progress on the indicators – see guidance box below.

M&E system following SourceUp policy data quality criteria:

Selection of indicators, and per indicator:

- If proxies are used, an explanation of their relevance
- Data sources

Compacts can use other landscape frameworks and indicators that may be relevant to their context: e.g. LandScale, CCBA, LTKL, or CDP.

Entry requirements	Updating Freq.	Verification
<ul style="list-style-type: none"> • Calculate baseline on forests & natural ecosystem indicator, labour and livelihoods. • From year 3 at least all core indicators. • No regression by more than 5% in any of the core indicators compared with the last year reported. • Improvement in at least 1 indicator after 3 years on the baseline year. 	 <p>See below</p>	 <p>Global verification</p>



REPORTING – PROGRESS AND COMPLETENESS



IMPACT THEME	INDICATOR		REPORTING FREQUENCY	
			2. Advanced Sourcing Area	3. Verified Sourcing Area
 Forests and natural ecosystems	1.1	Conversion of natural ecosystems to other land uses, disaggregated by land cover type including restoration	Yearly	Yearly
	1.2	Proportion of agricultural area under Good Agricultural Practices or sustainable certifications.	-	3 year
 Livelihoods	2.1	Proportion of children (aged 4 - 15) in education	-	3 year
	2.2	Yearly (agricultural) net household income increase compared to national poverty line, and national living income benchmark when available	-	3 year
 Labour	3.1	Average hourly/weekly/monthly remuneration of agricultural employees, compared to national minimum wage, and regional living wage benchmark when available	-	3 year
	3.2	# or % of affiliated to unions or relevant workers' representation bodies	-	3 year
 Land Tenure	4.1	Proportion of total adult population with secure tenure rights to land, with legally recognized documentation	-	3 year
	4.2	Percentage of landscape with formalized land tenure right that has clearly defined boundaries shown in publicly accessible maps	-	3 year
	4.3	Number of new or continuing unresolved land or resource conflicts or grievances including those related to large scale land acquisitions	-	Yearly



GUIDANCE

Guidance on data collection:

ISEAL (2020) [Making Credible Jurisdictional Claims ISEAL Good Practice Guide](#)

WWF & ISEAL (2019) [Credible Assurance at a Landscape Scale](#)

Potential local indicators:

3KEEL and ISEAL (2020): [Performance metrics for key sustainability issues](#)

Deforestation: [LandScale indicator metrics for Natural ecosystem degradation](#)

Degradation: [LandScale indicator metrics for Natural ecosystem degradation](#)

Livelihoods: COSA & KIT [Guidance on calculating household income Version 1.](#)
The Living Income Community of Practice: [Measuring Living Income](#)

Living wage: IDH [Salary Matrix for a Living Wage Gap Analysis](#) and IDH [Living Wage Identifier](#)

REQUIREMENTS

COMPACT OUTREACH

Providing information about the Compact to non-partner local stakeholders and affected populations in the Jurisdiction(s) is vital. Therefore, to become a Verified Sourcing Area there needs to be an open communication channel with stakeholders that are not part of the coalition.





✓ 1. Design

- No requirements at this level.

✓ 2. Implementation

- Nothing required at this stage.

✓ 3. Verified Sourcing Area

The Compact should provide information about the Compact to non-member stakeholders and affected populations in the Jurisdiction(s), including through local programs, tailored to the needs of local groups, and should be offered in languages spoken most widely by local populations. This may be relevant to do already during the Compact's development.

Entry requirements	Updating Freq.	Verification
<ul style="list-style-type: none"> • Not required at this level. 		
<ul style="list-style-type: none"> • Have communication channels opened: e.g. webpage, local meetings open to the public, etc. 	<p>Yearly</p>	<p>Local Validation</p>





GUIDANCE

- Impact Forum's Steering Committee Toolkit
- [PCI Mato Grosso](#)



SUMMARY OF COMPACT REQUIREMENTS

ASPECT	PHASE					
	REGISTRATION	BASIC SOURCING AREA	ADVANCED SOURCING AREA		VERIFIED SOURCING AREA	
			REQUIREMENT	VERIFICATION	REQUIREMENT	VERIFICATION
 Stakeholder participation	Compact Initiator	Compact Initiator	Compact Initiator, government representative and producers (private sector)		All relevant stakeholders present in the Compact decision-making. As a minimum, Government, Local producers, Civil Society	
 Commitment	-	Active stakeholders have account registered on SourceUp and digital commitment of intent to join the Compact made	Basic commitment on promoting fundamental human rights, reducing pressure on forest loss and degradation		Commitment that addresses fundamental Human Rights and all SourceUp Impact Themes	
 Governance	-	-	Compact Secretariat established		Compact Secretariat established and all governance structures and processes to fulfil the principles of this policy defined. Yearly report on decisions and grievances	
 Priority analysis and progress report	-	-	Basic Priority Analysis		Full priority analysis	
 Reporting completeness	-	-	Year 0 - Forests & Natural ecosystems indicator Year 3 - Forests & Natural ecosystems indicator		Year 0 - Forests & Natural ecosystems indicator; Livelihoods or labour indicator Year 3 - All core indicators	
 Progress	-	-	No loss of natural ecosystems of more than 10%, compared to the last year reported		No regression by more than 5% in any of the core indicators, compared to the last year reported Improvement in at least 1 indicator after 3 years on the baseline year	
 Compact outreach	-	-	-	-	Provide information about the Compact to non-member stakeholders and affected populations in the Jurisdiction(s)	
VISIBILITY ON THE PLATFORM						

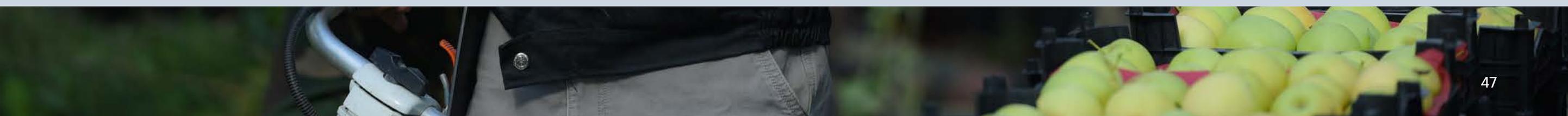
 Brief profile visible
  Fully visible
  Local verification
  Regional verification
  Global verification



4. SOURCEUP SMART VERIFICATION PROCESS



All information reported in the platform shall be validated by all Compact stakeholders. In order to become Advanced or Verified Sourcing Area, the information reported needs to be reviewed, validated or verified by the SourceUp Regional or Global panel.



THE COMPACT SELF-REVIEW

The Compact Self-review is a yearly meeting where Compact members come together to discuss progress on the targets and indicators. The objective is to review progress and provide clarifications in case there is no or limited progress on a target, discuss, and agree if there are issues that need to be addressed and/or targets to be adjusted, and to confirm data on indicators that is to be reported through the SourceUp Platform. The Compact members can confirm that they have reviewed the data through e-signatures on the SourceUp Platform.

The total packages of data and meeting minutes is stored on SourceUp, for review by the SourceUp Panel, further explained below.



THE PANEL REVIEW

The Panel Review will verify progress through documents submitted prior to the meeting, and a workshop where Compact members present their data on KPIs and processes to the Panel, and discuss progress, challenges, and learnings.

SourceUp has two levels of verification and validation, a regional validation carried out by the SourceUp regional panel, and a Global verification global, carried out by the Compact Global panel. The panels are currently under construction and more information will be announced in the SourceUp webpage in due course.



Objective

The panels is a small group of sustainability experts who review progress reported by Compacts. They verify what evidence is provided to the data that each Compact is reporting on their sustainability KPIs.



Composition

The Panel consists of five to eight people with the following composition: at least two external experts from NGOs and one from a Committed Buyer, one representative from SourceUp, and one representative from another Compact that is assigned by SourceUp.



Process

The Panel Review process will start with verification of documents and reports shared by the Compact. The panel review is conducted annually, and the results of the panel review will be made available on SourceUp.

VALIDATION AND VERIFICATION REQUIREMENTS

ASPECT	PROGRESS LEVEL				
	1. BASIC SOURCING AREA	2. ADVANCED SOURCING AREA		3. VERIFIED SOURCING AREA	
 Stakeholder participation	Validation by Compact partners	Review by regional panel		Review by regional panel	
 Commitment	n.a.	Validation by local stakeholders		Review by regional panel	
 Governance	n.a.	Validation by local stakeholders		Review by regional panel	
 Priority Analysis and progress report	n.a.	Review by regional panel		Verification by global panel	
 Reporting Completeness	n.a.	Review by regional panel		Verification by global panel	
 Progress	n.a.	Review by regional panel		Verification by global panel	
 Compact outreach	n.a.	n.a.		Validation by local stakeholders	



5. SOURCEUP AND OTHER FRAMEWORKS



As SourceUp is a neutral platform for landscapes initiatives, a Compact can report on SourceUp while using other frameworks. This section describes some of the relevant initiatives.



SOURCEUP AND OTHER FRAMEWORKS

SourceUp intends to be the go-to place for landscape level initiatives that want to connect with companies, investors or NGOs. SourceUp, through the SourceUp policy and this manual proposes a framework and guidance that actors willing to set up a landscape or jurisdictional initiative can follow. However, as a neutral framework, SourceUp can be used by other initiatives to communicate their impact, or their adherence to other frameworks.

SourceUp is actively collaborating with these initiatives to ensure consistency and avoid double reporting.

If you want to explore other partnerships, please reach out at info@sourceup.org



ANNEX 1. LOI/MOU TEMPLATE

[Logo of Party 1]

[Logo of Party 2]

[Logo of Party 3]

[Letter of Intent / Memorandum of Understanding]

[Name of Jurisdiction] COMPACT

[Letter of Intent / Memorandum of Understanding] between the [Name of Jurisdiction Entity], and [Private Sector Entities], [Civil Society Entities] for the development of the [name of jurisdiction] Compact.

Between:

[Name of Jurisdiction Entity], a [description legal entity] under the laws of [name country], registered with the [name registry] under number [registration number], having its registered office and its place of business at [address], [name country], in this matter duly represented by Mr./Mrs. [name representative], hereinafter referred to as the **"Name Party"**;

the **[Private Sector Entities]**, listed below, herein referred to as the "Private Sector", and;

the **[Civil Society Entities]**, listed below, herein referred to as the "Civil Society";

[Name Party], the Private Sector and the Civil Society hereinafter collectively referred to as the **"Parties"**.

The Parties understand this [Memorandum of Understanding (MoU) / Letter of Intent (LoI)] as a jurisdictional multi-stakeholder voluntary agreement to progress towards the Sustainable Development Goals of the [name of the jurisdiction], encouraging sustainable production, improving livelihoods, while protecting the environment. This subject matter of this [MoU) / LoI] is thus the formation of a multi-stakeholder coalition aimed at establishing cooperation and exerting the efforts required to promote actions that contribute to the sustainable development of the [name of jurisdiction], hereinafter the "Compact".

Now, the Parties have decided to conclude this [MoU / LoI] for the formation and development of the [name of jurisdiction] Compact according to the following visions:

1. Common vision

[BACKGROUND] [GIVEN THE FACT THAT]:

The Parties recognize:

- That a Compact is a multi-stakeholder agreement that sets sustainability goals in a commodity producing region which area of coverage is defined geographically by jurisdictional boundaries.
- [if applicable: That the [Name of Jurisdiction] Green Growth Plan [or other applicable document] of [DATE], and in particular the goals relating to [sustainable production [add details], improving livelihoods [add details], while protecting the environment [add details]] contribute to the promotion, development and implementation of plans that enable a well-balanced development in [Name of Jurisdiction]. These plans, which Parties intend to further detail in the operationalization of the Compact will not only contribute to the economy, but also have a positive social impact, while actively protecting natural resources that are critical to the future of [Name of Jurisdiction].] [If applicable: [complete by referring to any additional policy relevant to the agreement]].
- That the interest of the public, private and civil society sectors of the [Name of Jurisdiction], in [Name of Jurisdiction], to jointly advance discussions on objectives, goals and actions with the purpose of operationalizing the [Name of Jurisdiction] [Green Growth Plan / other relevant document/policy] and implementing the [Name of Other Relevant Legal Text] in [Name of Jurisdiction].
- That the joint effort of public, private, and civil society actors aims to bring positive results to [Name of Jurisdiction], by contributing toward the Sustainable Development Goals in [Name of Jurisdiction], encouraging sustainable production [add details], improving livelihoods [add details], while protecting the environment [add details], [add any other relevant targets or policy the LoI will contribute to] in [Name of Jurisdiction].

- The Parties also recognize that [complete by referring to any additional policy relevant to the agreement].
- The Parties recognize the interest of the public, private and civil society sectors of the [Name of jurisdiction], in [Name of Jurisdiction], to jointly advance discussions on objectives, goals and activities with the purpose of operationalizing the [Name of Jurisdiction] Compact’s strategy and implementing the [Name of Other Relevant Legal Text] in [Name of jurisdiction].
- In the light of the foregoing, the Parties hereby agree to develop policies’ alignment necessary for facilitating implementation of the Compact. Therefore, the Parties wish to outline the Compact’s vision, goals, targets, and their timelines as well as timelines for completing the governance system, deciding on roles and responsibilities, and defining the monitoring and evaluation system incl. indicators, as set out further in this [MoU / LoI].
- By signing this [MoU / LoI], the Parties endorse the SourceUp Policy (the “Policy”) and agree to collaborate according to the process requirements out by the Policy.

2. The Compact’s Goals and Targets

A. Goals

One of the key aspects of developing a Compact is for Parties to agree on ultimate goals regarding the four SourceUp Impact themes: (i) Livelihoods, (ii) Labour, (iii) Forest and Natural ecosystems protection, and (iv) Land tenure. Hence, the Parties are willing to make the necessary legal arrangements to implement the Compact and to establish the terms of their future cooperation in order to achieve the [vision/goals] within the four themes, as set out below.

- Livelihoods
 - [Vision] / [High-level goals description]
- Labour
 - [Vision] / [High-level goals description]
- Forest and Natural ecosystems protection
 - [Vision] / [High-level goals description]
- Land tenure
 - [Vision] / [High-level goals description]

B. Targets

In order to reach the goals outlined in Section A, the Parties wish to establish the following Targets that will constitute the reference base for defining later on a set of policies, strategies, activities and resources, including financial ones, which can be voluntarily reached by all Parties:

Livelihoods

- To [quantitative or qualitative target] by [20XX]
- To [quantitative or qualitative target] by [20XX]
- To [quantitative or qualitative target] by [20XX]

Labour

- To [quantitative or qualitative target] by [20XX]
- To [quantitative or qualitative target] by [20XX]
- To [quantitative or qualitative target] by [20XX]

Forest and Natural ecosystems protection

- To [quantitative or qualitative target] by [20XX]
- To [quantitative or qualitative target] by [20XX]
- To [quantitative or qualitative target] by [20XX]

Land tenure

- To [quantitative or qualitative target] by [20XX]
- To [quantitative or qualitative target] by [20XX]
- To [quantitative or qualitative target] by [20XX]

[Add any other relevant targets, e.g. local sustainability themes and risks]:

- To [quantitative or qualitative target] by [20XX]
- To [quantitative or qualitative target] by [20XX]
- To [quantitative or qualitative target] by [20XX]

[Add any other relevant targets, e.g. local sustainability themes and risks]:

- To [quantitative or qualitative target] by [20XX]
- To [quantitative or qualitative target] by [20XX]
- To [quantitative or qualitative target] by [20XX]

[Add any other relevant targets, e.g. local sustainability themes and risks]:

- To [quantitative or qualitative target] by [20XX]
- To [quantitative or qualitative target] by [20XX]
- To [quantitative or qualitative target] by [20XX]

3. Target implementation approach

In order to define and implement the voluntary targets, the Parties will carry out the necessary technical, scientific, legal and economic studies required as described in the SourceUp Compact Manual.

The Parties agree that targets set forth in this [MoU / Lol] are of a voluntary nature and are dependent on the effective availability of human, technical, institutional and financial resources for the performance thereof, and there are no sanctions or penalties in case the participating Parties fail to comply with the targets, whether in total or in partial. The voluntary nature of the targets does not apply however to any contractual obligations between the Parties and third-party entities related to donations and/or other financing, if such obligations have been committed under a separate, legally binding agreement.

As a way of making the implementation of the policies, measures, targets and activities viable, mechanisms of institutional governance will be set up for managing the Compact, as well as a formal structure for raising, receiving and investing the financial resources necessary for implementing the necessary activities.

Next to these goals and targets, the Compact signatories commit to addressing the basic sustainability principles related to child labor, forced labor, minimum wage, land rights, and deforestation risks.

Further, the Compact signatories commit to use their best efforts to endorse the UN Guiding principles of Human Rights which shall apply to Compact member companies/governments in their own activities and in those linked to them through their operations, products, or services by their business relationships (including all actors related through supply chains for relevant industries).

The policies, strategies, activities and resources for reaching the goals and targets established above shall be coordinated by the Parties – with considerable support from the public, private and civil society sectors and in line with [add relevant details, e.g. existing jurisdictional strategy or policy].

4. Governance

Within [X days] upon signing of this [MoU/ Lol], a governance structure shall be formed, following the arrangements below:

Deliberation, Management and Articulation Instance – The [Management Committee] will be created and will comprise of the signatory parties of this Compact as well as by some other institutions, including ones from [civil society], whose entry into this committee will depend on showing interest through being added to this Compact, and being approved by the majority of the [Management Committee]. One of the signatory institutions will be in charge of the secretary duties of this committee. The objectives of this [Management Committee] will be, among other things, to accompany, articulate, integrate activities and promote the monitoring of activities, including

those of the [Name of the Fund that could be set up to finance implementation of the Compact]. The [Management Committee] of the Compact will exert every effort with the aim of strengthening the [relevant public structures already in place, for example environment and agriculture municipal councils].

Executing Body - An [Executing Body] will be created, which will include nominated and/or appointed representatives of institutions and organizations of the public sector, private sector and civil society with duties and responsibilities to carry out strategies, policies, projects and activities with a view to implementing and achieving the objectives and goals of this Compact.

Grievance mechanism – The [Management Committee] will also define a grievance mechanism, specifying the accessible avenues for all external stakeholders to contact the [Management Committee], the mechanism for stakeholder concerns to be addressed effectively in a timely manner, as well as how stakeholder concerns and risk management will be monitored and reported upon.

Inclusivity policy - Indigenous people and smallholder farmers will be represented in the decision-making processes regarding the Compact.

5. Financial Sustainability Mechanism and Fund Raising

Initially, the implementation of strategies, policies, projects, and activities will be carried out by the very institutions that voluntarily sign this Compact, based on and in accordance with their budgetary and financial resources.

Within [X] days upon signing of this [MoU / LoI], a plan will be drawn up and a mechanism will be created by the Compact's secretariat for raising/managing the financial resources required to implement the strategies, policies, projects and activities of the Compact, pursuant to the following lines of action and structural principles:

- [Name of Fund] Sustainable Fund - is the Sustainability Mechanism for funding and management of financial resources of the Compact, the purpose of which is to mobilize and raise repayable and non-reimbursable public or private funds to support the execution of strategies, policies, projects and activities to achieve the Targets defined herein.
- The Fund will be governed by the [Management Committee] of the Compact, which will be responsible for establishing the guidelines and eligibility requirements for the use of the resources of the Fund, as well as for monitoring, evaluating and approving the documents related to the management of the Fund. The [Management Committee] may delegate specific assignments to a [Sustainability and Fundraising Chamber] or other institutional structure that the parties deem appropriate to fulfil of the said goals.
- [Sustainability and Fundraising Chamber] will be the body responsible for identifying and analysing projects and activities, as well as for contracting, managing, and monitoring these projects and activities.
- Executors – are the Compact and its Instances to the extent of their competencies, as well as public, private and civil society institutions supported with resources from the Fund to implement activities and projects linked to the Compact.

The legal nature, structure, functioning and other organizational definitions of the Fund will be discussed and agreed upon by the [Management Committee] of the Compact.

6. Monitoring and Evaluation

Within [X] days upon signing of this [MoU / LoI], the [Management Committee] will develop a transparent and credible plan to measure and monitor progress on the targets set in this [MoU / LoI] (“M&E System”). This will include identification of the organization(s) in charge of developing a monitoring and evaluation system, identification of the resources needed and sources of funding, as well as coordinating the measurement and monitoring activities (if and when such external organization will be chosen to conduct those activities).

7. Transparency Clause

- The Parties recognize that, given the nature of the subject and intentions of the Parties, this [MoU / LoI] and any subsequent legal arrangements are not of a confidential nature. The Parties recognize and agree that they intent this [MoU / LoI] and any subsequent legal arrangements to be released in the public domain and to be used for public announcements incl. on the SourceUp Online Platform.
- The purpose of this [MoU / LoI] is to set forth the understandings and intentions of the Parties regarding their cooperation for the Compact development. Notwithstanding any wording that might suggest otherwise, this [MoU / LoI] do not oblige the Parties to provide financial support of any nature, nor does it constitute a legally binding commitment by any Party. Any legally binding commitments may be agreed between the Parties in a separate document.

The Parties hereby agree to act in good faith and to comply with all the state laws and regulations of the [Name of Jurisdiction], of [Name of Jurisdiction] and the Laws of [Country].

The undersigned parties have executed this Compact:

[Place], [Date]

Relevant government

[Name legal rep]

[Position] - [Name of Entity]

Private sector

[Name legal rep]

[Position], [Name of Entity]

[Name legal rep]

[Position] - [Name of Entity]

Civil society

[Name legal rep]

[Position] - [Name of Entity]

[Name legal rep]

[Position] - [Name of Entity]

ANNEX 2. GUIDANCE ON CONDUCTING A HUMAN RIGHTS IMPACT ASSESSMENT

To ensure that all aspects of sustainability are covered by the Compact, it is essential to also understand the interaction between conservation, improved production and impacts on human rights of key stakeholders in the landscape. If a Human Rights Impact Assessment is not carefully designed and integrated into the design of a Compact, these may be overlooked, and the Compact may miss the opportunity to also deliver positive impacts and address negative impacts on people.

Human Rights Impact Assessments (HRIA) at the scale of a landscape level are an emerging field, as prior experience mainly consists of either in-depth assessments at the project, community, producer or plantation level, or at national scale. The guidance presented below is based on the discussion paper *Overview of key elements for an approach to respect human rights related risks and issues within a landscape initiative* by Proforest, LandScale, and SourceUp (2020).

This guidance provides the overall framework for **ensuring that human rights safeguards are embedded** in the design as well as implementation of a Compact.

Table 3 below provides further details for each of these 5 phases of the HRIA framework.

NOTE:

- The approach can NOT replace the individual responsibilities of companies operating and participating in the landscape programme that are committed to implement the United Nations Guiding Principles on Business and Human Rights (UNGPs)
- The approach should NOT replace the responsibilities of governments and their duty to respect and protect the human rights and fundamental freedoms of people.

The HRIA consists of the following phases:

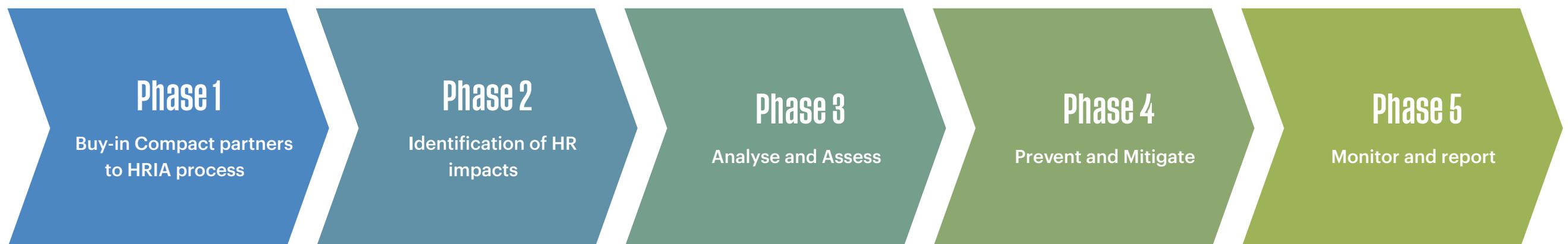


Table 3: Summary of activities for each phase in the HRIA process

ACTIVITY		MINIMUM REQUIREMENTS OF EVIDENCE
Phase 1 Buy – in Compact partners to the HRIA process		
Step 1.1	Aligning the Compact consortium – buy-in and commitment of the Compact consortium to the HRIA process	<ul style="list-style-type: none"> • Commitment of all members of the Compact to conduct HRIA and allocation of resources <ul style="list-style-type: none"> — Commitment to contract an independent expert (team) to conduct the human rights assessment
Step 1.2	Team composition – identify team member that will facilitate the human rights impact assessment	<ul style="list-style-type: none"> • Presentation and justification of the contracted expert, the assessment team composition and their capacity relevant to human rights
Phase 2 Identification of Human Rights impacts		
Step 2.1	Identification and initial understanding of the key stakeholders, rights-holders and human rights issues through a desk-based study	<ul style="list-style-type: none"> • Scoping study including: <ul style="list-style-type: none"> — List of identified rights-holders and other stakeholders — List of identified issues — List of sources consulted during the research
Step 2.2	Consultation of the identified stakeholders: i) Interview the key stakeholders ii) field-based consultation of rights holders	<ul style="list-style-type: none"> • List of key stakeholders and rights-holders interviewed • Summary of main findings and conclusions
Phase 3 Analyse and Assess		
Step 3.1	Analysis of the data and information collected during the stakeholder consultation	<ul style="list-style-type: none"> • Summary of analysis of data collected • List of rights-holders and other stakeholders that have been involved in the analysis
Step 3.2	Identification of the most salient issues in the landscape, based on severity and likelihood of the negative impacts on human rights.	<ul style="list-style-type: none"> • Methodology/scoring used to identify the most salient issues • Some form of evidence that rights-holders and other stakeholders consulted agree with the main findings and issues and confirm they perceive them the same

Phase 4 Prevent and Mitigate

Step 4.1	Identify minimum safeguards and enabling conditions that need to be in place	<ul style="list-style-type: none"> • Description of process and who was involved in the identification of minimum safeguards and enabling conditions <ul style="list-style-type: none"> — Summary of stakeholder engagement during this phase — Summary of decision-making process including how rights-holders have been engaged • Summary of identified enabling conditions and how this is expected prevent, mitigate or remediate negative human rights impacts and how (where relevant) existing systems would need to be adapted
Step 4.2	Agree on actions to prevent, mitigate and remediate where needed, considering the root causes	<ul style="list-style-type: none"> • Interventions are clearly communicated to the affected rights-holders. • An action plan describing specific interventions that address negative human rights impacts including clear milestones • Confirmation by rights-holders that they agree with and have been engaged in developing the action plan • Commitment by Compact to implement the interventions of the action plan

Phase 5 Monitor and Report

Step 5.1	Monitor progress on agreed interventions and outcomes, including the recommended good practices	<ul style="list-style-type: none"> • Monitoring results of the assessment for each identified intervention • Summary documentation of engagement with rights-holders and other stakeholders during this phase
Step 5.2	Being transparent and report on the progress against the action plan, including to affected rights-holders.	<ul style="list-style-type: none"> • Reporting of progress made to rights-holders and other relevant stakeholders • Annual public summary report on progress made against defined interventions and milestones

FAQs

What is SourceUp?

SourceUp is a platform for collaboration in supply chain sustainability, at the landscape level. It connects buyers of commodities with coalitions of stakeholders in regions producing these commodities, to jointly improve sustainability along the supply chain.

For what products and commodities can I use SourceUp?

SourceUp can be used for sourcing any kind of product or commodity that is produced by a Compact. For now, these include major agricultural and forestry products such as palm oil, soy, tropical timber, beef and coffee. You can search for your product of interest through the search function. New products will be added in the future. If you are looking to source any commodity not yet on SourceUp, please let us know.

Who is behind SourceUp?

SourceUp is a collaboration of various partners involved in supply chain sustainability and landscape initiatives, and it is powered by IDH, the Sustainable Trade Initiative. See [SourceUp Partners](#) for more information.

Can I get access to the Beta release of SourceUp?

We are currently testing the SourceUp platform with stakeholders who are already involved in a Compact, or who are helping to build the SourceUp platform globally. If you are interested in gaining early access and becoming a partner, please contact us at info@sourceup.org. We will let you know when you can access.

How does SourceUp relate to certification?

SourceUp is a platform for credible local action on sustainability, at the landscape level. It helps to address issues that cannot be addressed at the individual farm or producer level only, and is therefore complementary to certification. At SourceUp, we believe that the platform will also help to make certification and other forms of supplier assurance and engagement more focused, localized and efficient.

Can I actually buy a product or commodity on SourceUp?

SourceUp helps Buyers to find regions where products and commodities originate. The SourceUp platform does at the moment not facilitate the actual buying-selling transactions and logistics. But by connecting to a Compact, you will be able to access information about key producers within that area.

I am using another landscape framework or approach; Can I still report through the SourceUp?

Yes, multi-stakeholder initiatives using other frameworks can report through SourceUp. However, only those following the SourceUp policy will be able to achieve a Verified Sourcing Area status.

COMPACTS AND VERIFIED SOURCING AREAS

What is a Compact?

A Compact is a local multi-stakeholder coalition in a sourcing region with an agreement to address sustainability challenges in a coordinated, timebound, and resource-committed manner within a jurisdiction. The main stakeholders are the local government, local civil society organisations, producer groups/cooperatives, and traders.

Who can develop a Compact?

Anyone who has a presence in the region can initiate a Compact. The first step is to convene stakeholders to jointly develop and govern the implementation of a Compact. You can find detailed guidance and requirements to develop a Compact in the SourceUp Compact Manual. Once the Compact has been approved by SourceUp, the Compact is listed as “under implementation” on the platform.

What is a Verified Sourcing Area, and what is the difference with a Compact?

A Verified Sourcing Area is a Compact that has started reporting on all required indicators and processes described in the SourceUp policy; and that has received a positive review from the Global Panel that the information that is being reported, is credible. The SourceUp partners are currently testing and defining a few further criteria that need to be met, to be able to achieve the status of Verified Sourcing Area. These are expected to be published in the first half of 2021.

Are all the products coming from a Verified Sourcing Area, sustainable for sure?

No, the Verified Sourcing Area status of a Compact does not mean that all products coming from that area are sustainable for sure. But it does mean that there is a high degree of certainty that conditions are or will be improving. This may take some time, especially in areas where the challenges are greater. SourceUp wants to help companies to source from those areas too, while making sure that sustainability is improving.

COMMITTED BUYERS

How can I become a Committed Buyer?

You can become a Committed Buyer if your company is buying products from an area where there is a Compact, or you know that one of your suppliers is buying from that area. The current SourceUp beta is limited to companies who are already supporting a Compact. You can sign up to register your interest to support a Compact by sending an email to info@sourceup.org.

What are the advantages of becoming a Committed Buyer?

SourceUp offers many benefits to Committed Buyers. As a Committed Buyer, you will get a dashboard where you can monitor sustainability progress and action in your supply chain. You will receive updates from the Compacts and Verified Sourcing Areas that you are supporting. You are also able to showcase to your stakeholders, where you are sourcing from and what support you are putting in.

What are the engagement modes Anchor Partner, Sourcing Partner and Supporter?

Engagement Modes are a way to show how a Committed Buyer is supporting a Compact. A Buyer makes commitments of funding, in-kind resources, and sourcing to a specific Compact depending on the role it wants to play, the scale of impact it wants to achieve, and the availability of resources. The nature of commitment to a specific Compact may depend on whether the Buyer knows the exact sourcing area, have a local presence in the sourcing area, and the area's strategic importance to their business.

What does it cost to become a Committed Buyer?

The SourceUp Beta is reserved for companies who are already engaged supporting Compacts with preferential sourcing, financing of projects and technical assistance. The costs of becoming a Committed Buyer therefore depend on the support that is being provided to a Compact. Further details will be provided in Q2 2021.

SOURCEUP ORGANIZATION

How is SourceUp organized?

SourceUp will be registered as a Foundation under Dutch law, with a governance model that will allow the participation of relevant stakeholders in the development and subsequent updates of core processes and requirements, including those contained in the SourceUp Policy. Additional legal entities may be established in the future to accommodate the desired functions of SourceUp, including the ability to render services to companies.

How is SourceUp funded?

The development of SourceUp is currently being funded through IDH, the Sustainable Trade Initiative, by various public donors - see [SourceUp Partners](#). The development of Compacts and Projects is funded by various public donors and Committed Buyers, as listed on the pages of each Compact and Project.

EXPERT FAQs

What is the relationship between SourceUp and Verified Sourcing Areas?

SourceUp is the name of the initiative. Verified Sourcing Areas is a term given to those Compacts that meet a set of requirements described in the SourceUp policy. The name Verified Sourcing Areas was previously also used to describe the entire initiative.

Is SourceUp or Verified Sourcing Areas a standard?

No. SourceUp is a platform bringing together existing and new landscape and jurisdictional initiatives. SourceUp does set a number of requirements to be able to use and report on the platform, to ensure consistency. These include requirements to achieve the status of Verified Sourcing Area.

LANDSCAPE AND JURISDICTIONAL APPROACHES

How does SourceUp relate to landscape and jurisdictional approaches?

Compacts are in fact jurisdictional or landscape initiatives. SourceUp uses Compacts to ensure that these initiatives have a common core. SourceUp enables any Compact initiator who may have their own jurisdictional or landscape program to display their jurisdictional initiative with their own identity, as long as they fulfill certain requirements for Compacts.

SUPPLY CHAIN TRACEABILITY AND TRANSPARENCY

Does SourceUp offer traceability, and does it require a chain of custody?

SourceUp brings together different tactics that jointly improve transparency. First and foremost, this is done by connecting Buyers directly with local sustainability coalitions or Compacts, and making this visible on the SourceUp platform. A Committed Buyer who wants to demonstrate that commodities are indeed sourced from that area or from a particular producer within that area, will be able to do so by connecting the (chain of custody) evidence gained from their traceability service provider, to the SourceUp platform. In return, that Committed Buyer will be able to make stronger claims. Committed Buyers who do not currently have traceability services yet, will be able to use SourceUp to find a traceability service provider.

If SourceUp doesn't require end-to-end traceability, how do you know if a Committed Buyer is really sourcing from a Compact?

Committed Buyers have an intrinsic interest to ensure that they in fact have a supply chain connection to those Compacts they support. Depending on the commodity and geography, the nature of that connection may vary and may include an element of probability - just like mass balance systems do. SourceUp will also bring together different data sources, triangulating evidence from Committed Buyers' traceability systems (if they have them) and other data sources such as [Trase](#).



Global Steering Committee, including:



Development Partners:



Funding Partners:

