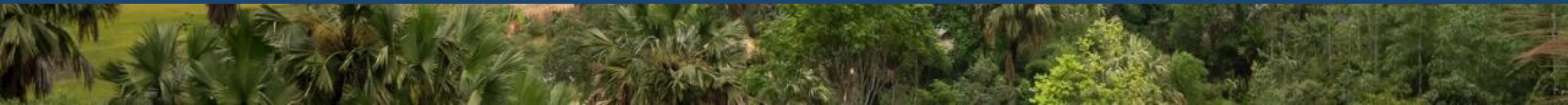




**Verified
Sourcing
Areas**

**A new market mechanism to lift the
sustainability level of entire landscapes**





AGENDA

- **Welcome & Introduction**

Webinar guidelines

- **The Challenge**
- **A new Market Solution**
- **VSA Compacts**

Break for questions

- **Committed Buyers**
- **VSA Enablers**

Break for questions

- **VSA readiness pilots**
- **Q & A session**



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Guidelines on questions

- **2 in-between questions sessions**
 - 5-10 min each
 - Post in Q&A box during presentation
 - Upvote others' questions
 - Questions will be read out loud
- **Q&A session**
 - Max. 30 min
 - Post in Q&A box during Q&A session
 - Moderator unmutes question owner to repeat the question



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Webinar will be recorded



The Challenge



Socio-environmental challenges continue to exist despite various sustainability efforts



Companies find it difficult to source in line with their sustainability commitments



Stakeholders in sourcing areas do not leverage on each other's strengths

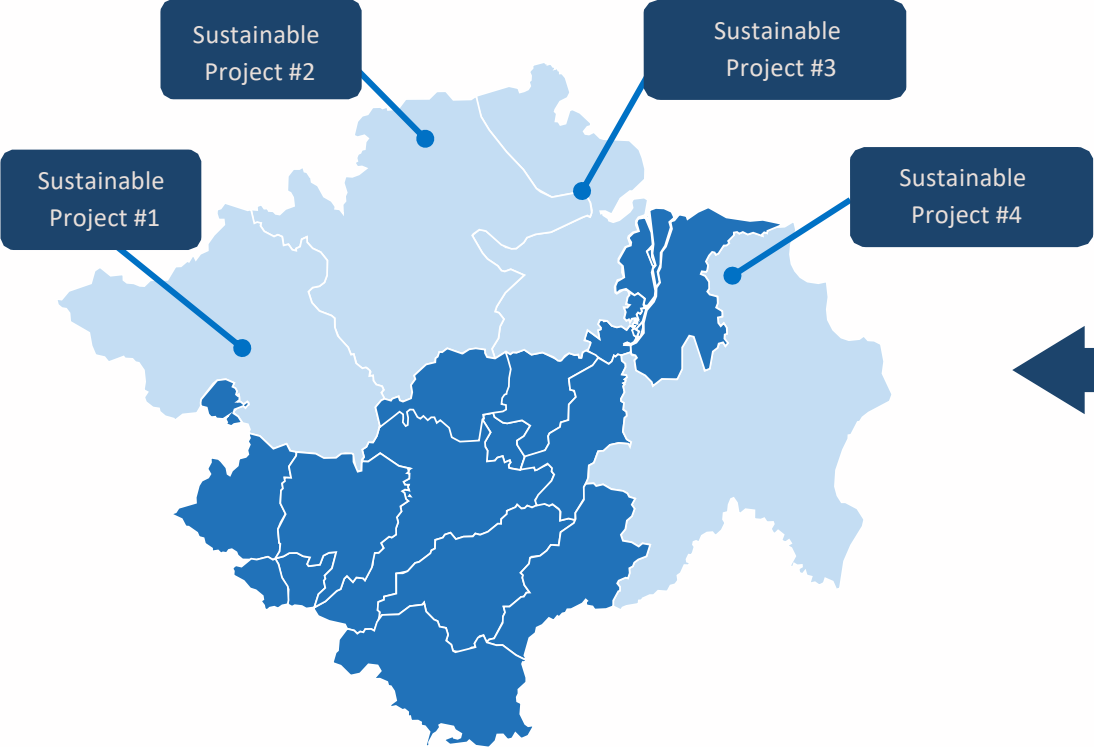


Relevant, accurate and reliable data on sustainability and impact is not available easily



An evolution of landscape approaches to sustainable sourcing

Fragmented approaches leads to isolated projects



Landscape/jurisdictional approaches



For illustration purposes only - South Sumatra Province, Indonesia



A new market solution

VSA Platform

The VSA online platform connects Committed Buyers to coalitions of stakeholders in sourcing areas



Committed Buyers can support Compacts, monitor progress and deliver on their sustainability commitments



Committed Buyers

These coalitions consist of farmers, producers, government and civil society who have jointly agreed on a Compact



Compact



Design Principles

Continuous improvement



Local & inclusive



Integrity




Market based



Ease of use



The Value Proposition of the VSA Model



Shared Information



Tangible Impact



Inclusive Collaboration



Neutral Platform **Reliable Data**



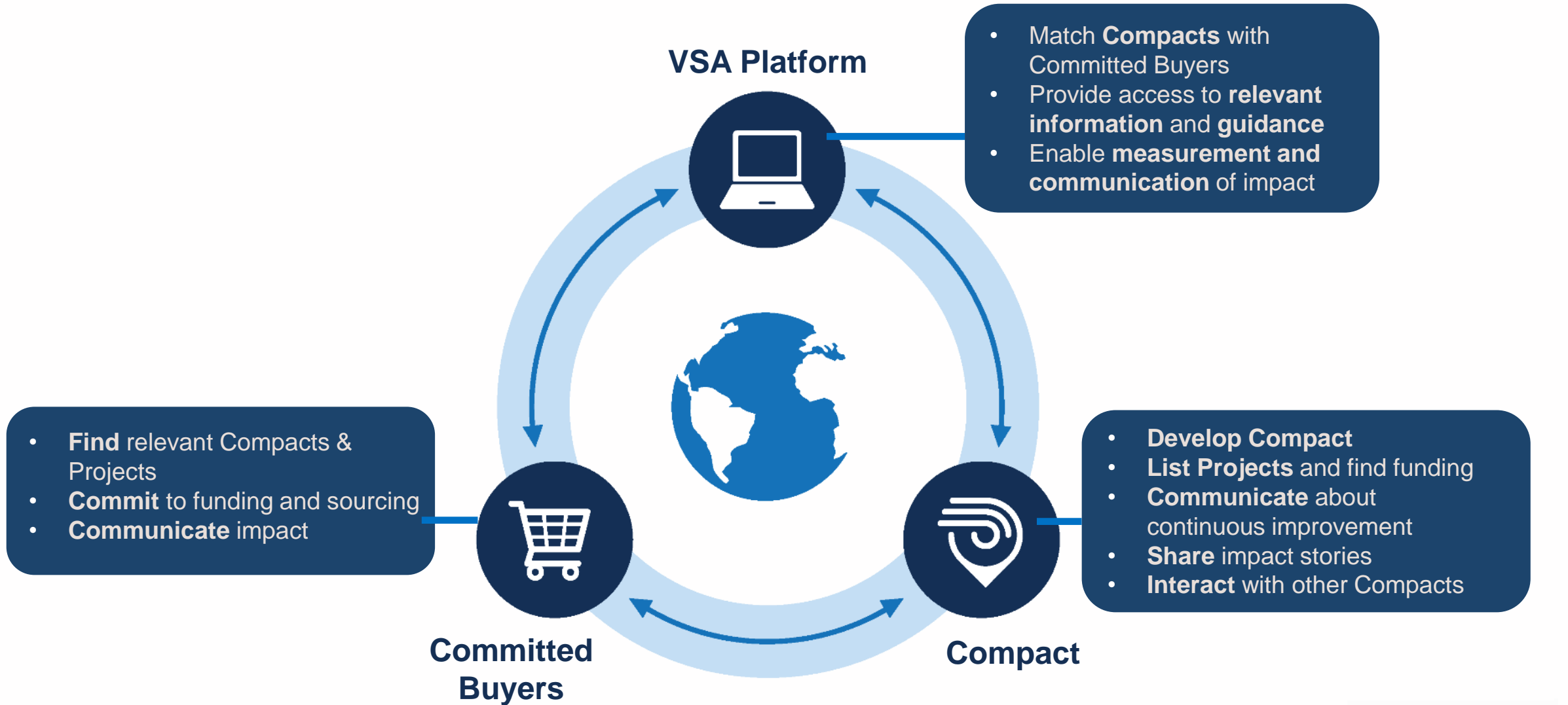
Landscape Approach **Credible Claims**



Government Link **Unlocking Finance**



VSA Online Platform to connect Buyers and Compacts



VSA Online Platform to connect Buyers and Compacts



Explore Compacts & Initiatives | Impact stories | How it works | About | FAQ

Login | Sign up | EN-UK

Search []

Sourcing area + | Sustainability themes + | Commodity +

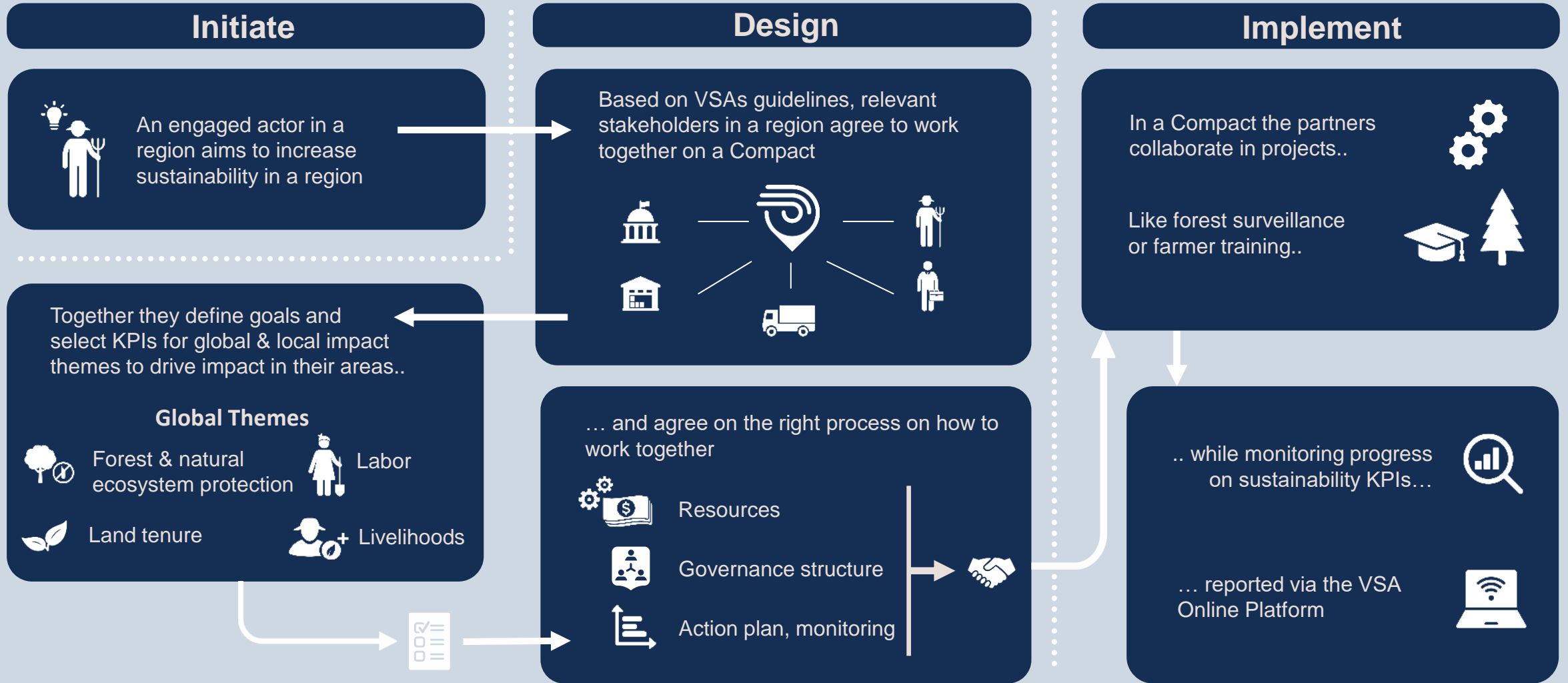
Highlights

Juruena Valley Municipality
Brazil, Mato Grosso State • 15 goals • 24 Initiatives

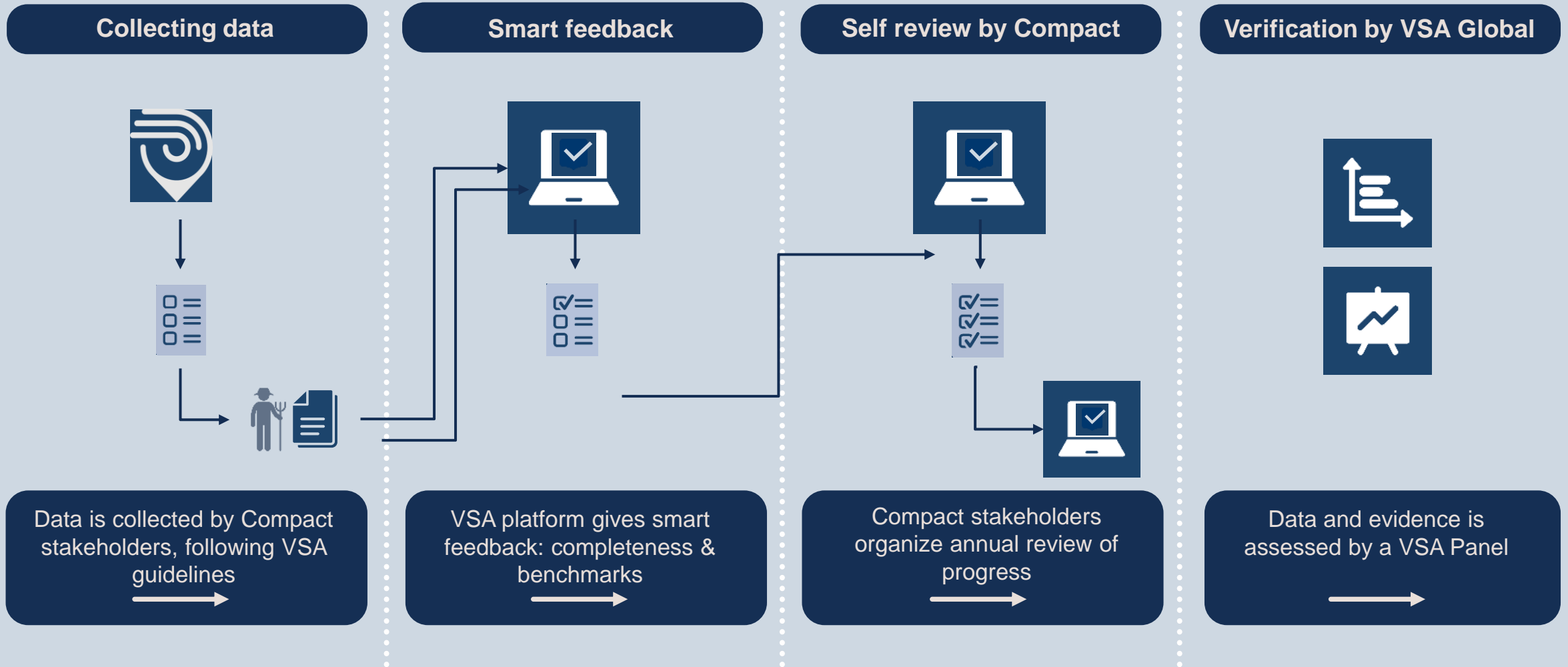
Map showing various sourcing areas across the globe.



How Compacts are made



Building trust | Verification



Verified Sourcing Areas brings Buyers closer to the field



A single solution across agricultural commodities



Clarity on what is really happening in the areas of origin



Consistent metrics on sustainability & impact linked to SDGs



A way to work through structural local partnerships, including government



An opportunity for brand with purpose



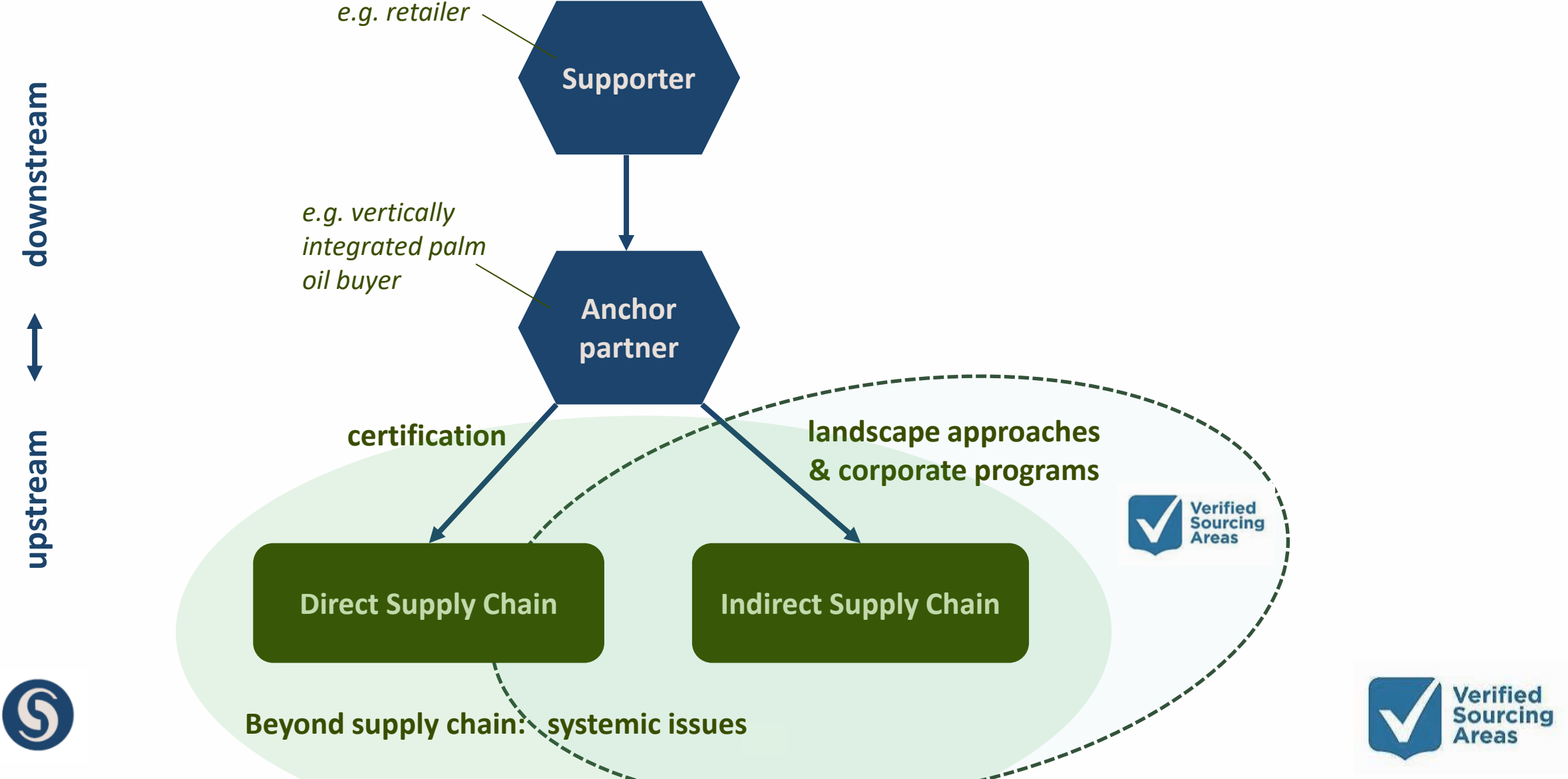
Engagement Modes for Buyers



| Commitment | Anchor partner | Sourcing partner | Supporter |
|--|----------------|------------------|-----------|
| Funding or in-kind support to organize a Compact | ✓ | - | - |
| Sourcing commitment | ✓ | ✓ | - |
| Fund projects | ✓ | ✓ | ✓ |



How VSA fits into a Buyer's sustainability strategy: example



Transparency and Traceability



A comprehensive, two-way approach to transparency focused on actors and areas



Combining various tactics to increase transparency: disclosure, connections, traceability



Traceability is on demand: when relevant & required by Buyer, recognized by VSA



The value proposition of the VSA model - unpacked



Producers

- Higher volumes, better contracts, more commitment from international partners
- Compliance with buyers' expectations in an efficient way
- Knowledge hub with technical information



Traders

- Access to products with better socio-environmental specs
- Compliance with evolving environmental expectations of buyers & consumers
- Offer sustainability services to both producers and buyers
- Better communication with local administration through compact



Government

- Increased investments, revenues & economic activity
- Increase sustainable development in the whole region / jurisdiction
- Communicate socio-environmental impact to stakeholders globally
- Purpose driven and transparent cooperation with farmers / cooperatives



Brands

- Deliver on sustainability commitments across all commodities
- De-risk the supply chain in an efficient way
- See what is happening on the ground and generate content for your brands
- Invest on projects in sourcing regions



Enablers



NGOs

- Steer the development of VSA at the global level
- Help to initiate & grow Compacts
- Use VSA platform to recognise good performers and fast movers



Service Providers

- Deliver tailored services to Buyers & Compacts
- Including traceability, farm-level monitoring, carbon accounting, etc.
- Access a broader audience and help build the VSA Platform




Funding Partners


- Contribute to build VSA Platform and Compacts
- Co-finance Projects
- Provide strategic & technical guidance



Verified Sourcing Areas in practice



 Active Compact

 Initiating / Design phase



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra
Swiss Confederation
Federal Department of Economic Affairs,
Education and Research DARE
State Secretariat for Economic Affairs SECO



DANIDA





● Oil Palm Smallholders Plantation at Seomadam, Aceh, Tamiang



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun Svizra
Swiss Confederation
Federal Department of Economic Affairs,
Education and Research DAEF
State Secretariat for Economic Affairs SEDA



DANIDA



Indonesia, Aceh, Aceh Tamiang District

Key commodities

- Palm oil

Themes



- ✓ Deforestation
- ✓ Productivity
- ✓ Sustainability improvements in palm oil production
- ✓ Land tenure
- ✓ Labour practices



Partners & Companies

- ✓ Aceh Tamiang District government
- ✓ Palm Oil Business Association of Aceh (GAPKI Aceh)
- ✓ Aceh Tamiang Farmers and Fishermen Group Association (KTNA)
- ✓ Forum Konservasi Leuser (FKL)
- ✓ Forest Management Unit (KPH) Region III, Aceh

Committed Buyers: Musim Mas, Unilever, PepsiCo

Selected Compact goals

- Reduce deforestation rates by 50%
- Establish an integrated monitoring system at jurisdiction level
- Increase areas of ecosystem recovery to 50%
- Enhance protection of forest areas and the Leuser Ecosystem (KEL)
- Increase land legality by 30%
- Increase production of sustainable palm oil by 30% through intensification



Brazil, Mato Grosso, Juruena Valley Municipality

Key commodities

- Beef, Dairy, Timber, Soy

Themes



- ✓ Deforestation
- ✓ Dairy and Crop Productivity
- ✓ Restoration of degraded pastureland
- ✓ Land tenure registration
- ✓ Technical Assistance and Rural Extension



Partners & Companies

- ✓ City Council of Juruena
- ✓ PCI Strategy MT
- ✓ Mato Grosso Sustainable Municipalities Program
(and more)

Committed Buyers: Marfrig, Carrefour, Cargill

Selected Compact goals

- Recuperate 61,296 ha of low-productivity pastureland by 2023
- Increase livestock production by 20% by 2023
- Increase the grain planting on degraded pastureland, 3,000 hectares by 2023
- Maintain 60% of forest vegetation in accordance with the Forest Code
- Eliminate illegal deforestation by 2020
- Register 100% of rural properties with the SIMCAR



Vietnam, Lam Dong, Lac Duong District

Key commodities

- Coffee (arabica), Pepper

Themes



- ✓ Deforestation
- ✓ Coffee agricultural practices, productivity, and quality
- ✓ Income increase and poverty reduction
- ✓ Land ownership and ethnic minorities' access to land
- ✓ Labour rights
- ✓ Gender equality

Partners & Companies

- ✓ People's Committee of Lac Duong District
 - ✓ Ministry of Agriculture and Rural Development: Plant Protection Department and Crop Production Department
 - ✓ Man. Board of Da Nhim Watershed Protection Forest
 - ✓ Netherlands Development Organization (SNV)
(and more)
- Committed Buyers: Jacobs Douwe Egberts (JDE)



Selected Compact goals

- Poverty reduction goals
- Inclusion of ethnic minorities
- Maintain forest cover on the total forestry land area of 85% by 2025
- Conserve 3,000 ha of soil with shading, windbreaks and intercrops by 2025
- Grant land ownership certificates covering 3,000 ha and ensure that 95% of ethnic minority households have agricultural land for production



About Verified Sourcing Areas

Credits & Thanks to

VSA Global Steering Committee, including:



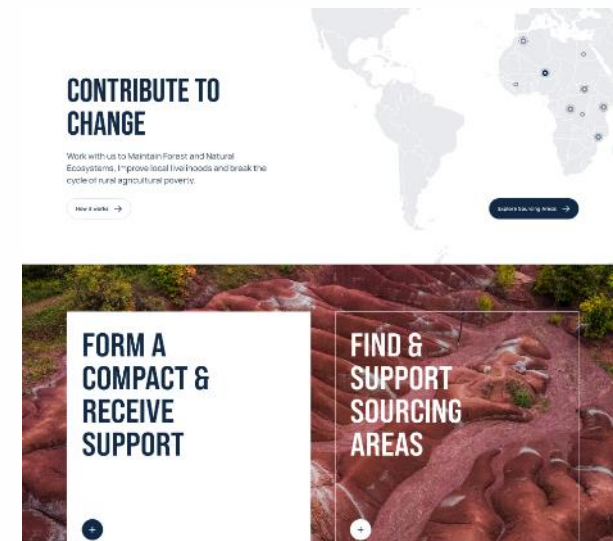
Partners:



Funding:



Coming up



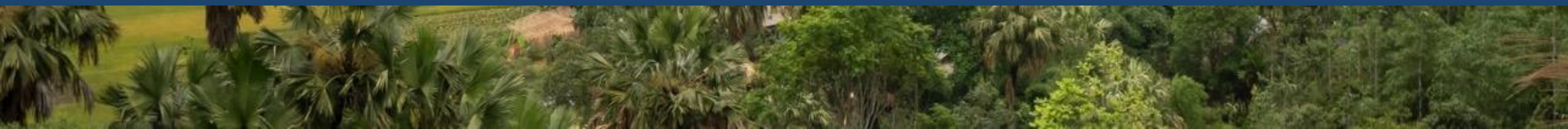
... stay tuned by registering for the VSA newsletter on www.verifiedsourcingareas.org





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Questions: Ask us anything!





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Thank you!

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