

# Solidaridad

## ANNUAL AND LONG TERM PLANNING

### STRATEGIC PLANNING

In March 2016, Solidaridad launched AMBITION 2020, its new strategy for inclusive and sustainable economic development, at a network-wide meeting in Ghana. The launch of Solidaridad's strategy was supported by the presence of Ghana's Minister of Finance, and the Deputy Director - General for International Cooperation at the Dutch Ministry of Foreign Affairs. Private and public partners of Solidaridad and representatives of all Solidaridad expertise centres were informed in detail about the new strategy which is aimed at engaging supply chain actors in innovative solutions to make production more sustainable. In his opening speech the executive director of the Solidaridad Network described the main goals, strategies and solutions Solidaridad will use in the coming years.

### A 21ST CENTURY CIVIL SOCIETY ORGANIZATION

With this new strategy, Solidaridad positions itself as a 21st century civil society organization with a solution and market-oriented focus. Markets are becoming legitimate channels for social and ecological change. Solidaridad is not a watchdog. What fits us better is the role of the guide dog and we need to avoid becoming a lap dog. Solidaridad is a critical partner defending the public goods for future generations.

### MARKET TRANSFORMATION IS THE DRIVING CONCEPT

Most market processes are part of the problem, so we have to turn business practices into part of the solution. The driving concept for this is market transformation. Markets can only produce more desirable social and ecological outcomes through the interaction between good governance, corporate social and ecological responsibility and innovative civil society contributions. Public-private sector partnerships will be increasingly important for leveraging change.

### CHALLENGES TO OVERCOME

Both the population and consumption per capita are expected to grow rapidly for decades to come. By and large, these growth patterns outpace efforts to reduce negative impacts. One of the most pressing examples of growth outpacing sustainability is climate change. Attempts to reduce greenhouse gas emissions have been estimated to be seven times too slow to compensate for rapidly increasing consumption. Ecological challenges are increasingly interlinked on a global scale due to the intensity of the use of land, water and energy. In general, inequality in our world is growing. The 63 multibillionaires at the top of the income ladder hold wealth equal to the annual income of the 3.5 billion people at the bottom. The increasing disparity between rich and poor should inspire us to choose another – more inclusive - model of growth based on participation. Participation is key. Social inclusion – leaving no one behind – based on a broad pro-poor growth strategy.

## THEORY OF CHANGE

Solidaridad designed a Theory of Change and defined Result Areas for the 2016-2020 period:

- good practices
- robust infrastructures in agriculture, mining and industry
- landscape innovations
- enabling policy environments.

These four Result Areas contribute to two overarching aims: sustainable and inclusive sectors, and sustainable landscapes. At the highest level, the result chain has to contribute to more sustainable and inclusive social, environmental and economic development. Good practices in agriculture will remain a focus point for Solidaridad's work in the years to come. We can only make a difference in the field by directly working with farmers.

## BRINGING CONTINUITY AND INNOVATION

Solidaridad has defined a strategy based on continuity and innovation. The factor of continuity is related to optimization of production, smart and sustainable practices and doing "more with less". A big challenge is to create a more robust infrastructure for agricultural production. An intervention that goes beyond farm level is urgently needed. Good practices at the production site are of great value but not sufficient, sustainable or lasting. They have to be embedded in robust agricultural infrastructures, sustainable landscapes and enabling policy environments.

## INNOVATIONS IN SOLIDARIDAD'S STRATEGY

Inclusive development starts with women. Solidaridad will renew and improve its gender inclusion strategies. By choosing inclusive development, society can tap into the unused potential of women by offering them fair chances. Diversity – gender diversity – gives better results, better decision making and better cooperation. Women are better at giving the benefits of their work back to their communities and families. New technologies like Rural Horizons will enable Solidaridad to reach speed and scale in its programming. The information technology revolution will allow us to switch from compliance to continual improvement, from codes of conduct to incentives from peer comparison. Your neighbour's better performance is a strong incentive for improving your own practices and shows the business case of sustainability more clearly than an auditing report. Grants will be linked to credits and impact investments. Influencing the direction and the flow of capital, credit and investments is decisive for the future. The challenge is to link grant funding to decisions that bankers and investors make. Only blended funding will allow us to bring scale and speed to our programmes.

## SCALE IS AN IMPORTANT FACTOR IN AGRICULTURE

Good practices helped smallholder farmers escape from extreme poverty, but they remain poor. There are 500 million smallholder farmers in the world who sustain 2.5 billion people. Farm size is still going down. In Africa in the last decade, farm size has gone down from 2.4 to 2.1 hectares and is increasingly too small for a decent living. Children of farmers choose for a difficult life in rapidly growing megacities. The average age of farmers has reached 60 years in many regions. Small is often not beautiful. Monocultures will be difficult to manage in more sustainable landscapes addressing issues of expansion, soil fertility, fossil energy and water use. The dilemma is small is not beautiful, but neither is big. Solidaridad sees a big challenge for agriculture in general with a need for doubling the production in the

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next 30 years while agriculture has no money or young people to take over, which creates serious doubts about the future.

## **ONE OUT OF TEN FARMERS WILL STAY IN BUSINESS**

We have to be realistic: the final picture will be that only one out of ten farmers will stay in business and the 50 million remaining family farms will produce five times more than the 500 million farms do today. New regulations start with registered land ownership, succession rules that prevent fragmentation, special planning and re-allotments. It starts with helping entrepreneurial small farmers to lease or buy the land from neighbouring farmers. This process has to be embedded in policies to create alternative jobs for those who are leaving their farms like in the processing industry and in agricultural services.

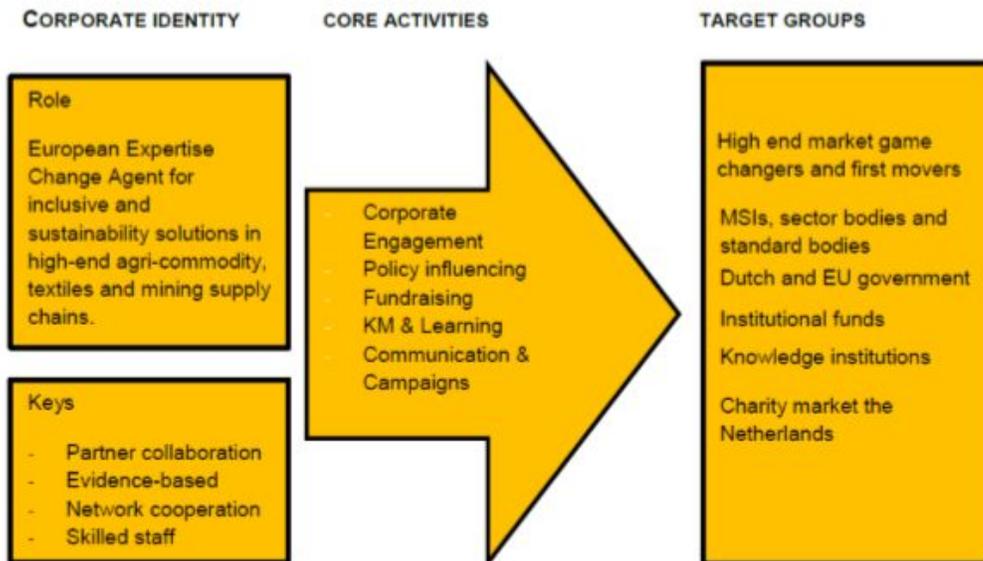
## **REGULATION CAN BENEFIT FRONTRUNNERS**

Through policy influencing, Solidaridad is hoping to encourage regulations that make sustainability the legal norm. This is an important step in the transition to sustainable societies. In doing so, our business partners will be rewarded for their frontrunner role. By creating a level playing field through regulation, governments can involve those who were unwilling to meet voluntary standards on sustainability.

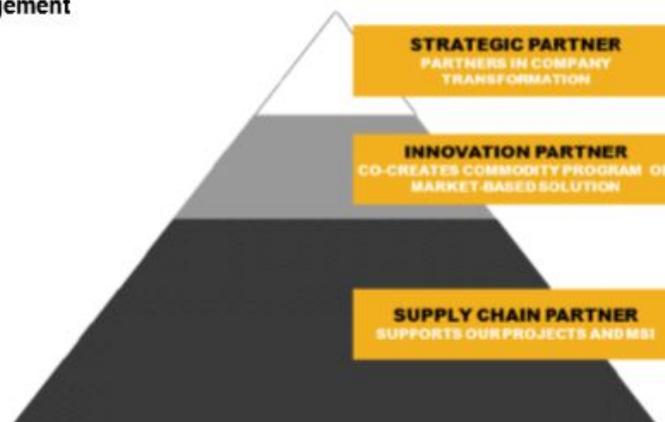
## **SOLIDARIDAD IN EUROPE**

There are two main ambitions for Solidaridad in Europe for the period 2016-2020. The first ambition is to strengthening Solidaridad's presence in Europe. Solidaridad has a strong and respected history and profile in the Dutch society as a result of more than 45 years of successful cooperation with companies and with Dutch civil society organizations and government. However, this Dutch identity must now be expanded and embedded in a broader European structure and operation. This will entail a gradual process of expansion of European activities, in which structure will follow strategy, and in which benefits and costs are balanced by using a pragmatic approach. The end goal is a stronger European network of relations with companies and donors. Ambition 2 is a clear focus on core activities: having transferred the project-cycle-management responsibilities to the other regional expertise centres in the previous period, a clear focus on and dedication to the five core activities of Solidaridad in Europe will be a key factor for decision making on programming for the next period.

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## Corporate engagement



Solidaridad engages with businesses that show leadership, have innovative capacities, build credibility and invest in long term commitment and transformation either directly with supply chain parties or indirectly with technical or financial service providers. By 2020 3 strategic partnerships are expected to contribute to sustainable transformative and inclusive supply chains. 6 innovative partnerships are expected to contribute to the development and implementation of new market based solutions and 36 supply chain parties for the full range of commodities and geographic scope are supported in their change towards sustainability.

## POLICY INFLUENCING

Now that sustainability is becoming more mainstream, involvement of governments at different levels is becoming a more important precondition in promoting inclusive sector transformation. Building on the track record of evidence-based policy influencing through dialogue engagement with policy actors at national and global level will continue and expand. By 2020 global multi-stakeholder initiatives in cotton & textiles, cocoa, palm oil and sugar cane have become more inclusive and Dutch government policy on

responsible trade and business is more effective in support of sustainable practices in cocoa, oil palm, textiles and gold.

## **DONOR RELATIONS (FUNDRAISING)**

The growth and diversification strategy aimed at support from donors for an annual turnover of € 30 million by 2020 will continue focussing on liaison building and long term partnership building with new and existing government donors, the EU, multilateral organizations, private foundations, companies and the public. New business models are key in the future of sustainable development and innovation. Credits and equity, focussing on impact investments are increasingly important in order to diminish dependency on public funds and to be able to scale our programmes.

## **COMMUNICATIONS AND CAMPAIGNING**

Strong corporate positioning built on authenticity, integrity, and transparency, and effective communication built on real life stories will contribute to attract, bind, and enhance partners and consumers in sustainable solutions. Doing important work is only half the battle. Informing and inspiring others to join us is essential for ensuring that improvements continue.

## **KNOWLEDGE MANAGEMENT & LEARNING**

Solidaridad's strategy in Europe is based on three components: Knowledge Management, the Learning Organization and Research & Development alliances and projects. Investing in a knowledge management system and staff embracing and using the system for information sharing is key being part of the network organisation. Staff members will be supported in mandate, competences and incentives in support of continuous improvement and to accelerate innovation. Next to contributing to global learning themes such as sustainable landscapes, gender and impact investments, specific learning themes will be developed on partnerships, business models and Communities for Change in which staff members and external partners will learn, develop and innovate together. 5 strategic partnerships will be built with reputable knowledge centres to develop a knowledge arrangement linking research to practices in the field. Additionally and 4 research and development projects with multiple stakeholders are expected to contribute to accelerating evidence-based innovation and upscaling.

## **ANNUAL PLANNING**

Based on this long term Strategic Plan the Annual Plan has been prepared. The strategic plan shows how Solidaridad translates its mission and vision into operational objectives and has been drawn up by the management and approved by the Supervisory Boards. The annual plans are a translation of the multi annual strategic plan into more specific objectives, desired results, activities and budgets. A context analysis and evaluation of the previous annual plan serve as guidelines in preparing the next annual plan. The Annual Plan has been drawn up by the management and approved by the Supervisory Boards.