

RECLAIMING SUSTAINABILITY

CREATING AN ECONOMY THAT WORKS FOR ALL

Solidaridad strategy 2021 – 2025

CONDENSED VERSION



Solidaridad

CHANGE THAT MATTERS

This is a condensed version of Solidaridad's strategy for 2021-2025.

A full version with all references is available on the Solidaridad website.

SOLIDARIDAD VISION AND MISSION

Our vision is an economy that works for all: a world in which all we produce, and all we consume, can sustain us while respecting the planet, each other, and the next generations.

Our mission is to enable farmers and workers to earn a decent income, shape their own future, and produce in balance with nature by working throughout the whole supply chain to make sustainability the norm.



FOREWORD

As sustainability goes mainstream, more and more companies are keen to show off their credentials by adopting different types of certification, labels and ethical commitments. Analysing the emerging initiatives, we see an erosion of credibility. That's why we need to reclaim the concept. Sustainability is about prosperity, inclusivity and production in balance with nature.

Reclaiming sustainability is the start of an exciting journey. We want to bring sustainability back to the hundreds of millions of farmers, small scale miners and workers, who still face poverty, are dealing with growing inequality, and are struggling to absorb the blows of climate change. We want to bring sustainability back home.

Our new strategy for the period 2021-2025 builds on the 50-year journey this organization has been following towards an economy that works for all. We feel a strong sense of excitement about the ambition to give farmers and other producers a say and a share again in maintaining our planet's ability to safely support humanity.

The document before you is the result of a process that involved almost every staff member of Solidaridad and many external thought leaders in one way or another at some point in time. This process has been crucial in defin-

ing the ultimate goal of our work and the pathway towards success.

And we will also need your support going forward. If we care about sustainability, and care about the future of our companies, communities, and countries, we need to work together to create meaningful change in the lives of millions of farmers and workers throughout the world. Let's build a future in which communities of farmers and workers enjoy prosperity, inclusion, and a balance with nature – not in spite of their supply chains, but because of them.

We can't do this alone. We wouldn't have been able to achieve our results in the past without the warm support, financially or otherwise, of so many partners in so many forms. Thank you for that. We will need you on our side for the future as well. A future in which everyone can thrive. Let's do this together!



Mariam Dao Gabala

*Chair of the International
Supervisory Board*



Jeroen Douglas

Executive Director

RECLAIMING SUSTAINABILITY

Solidaridad strategy 2021-2025

FARMERS AND WORKERS FIRST

Farming may well be the most important job in the world. Where would we be without the producers of our food? On top of that, farmers can make all the difference when it comes to the future of our planet. They are the stewards of our soils, which are not just vital for food production, but also for climate mitigation. Their wellbeing is a precondition for biodiversity conservation. Farmers make crucial decisions on a daily basis that affect our societies and the environment as a whole.

Similarly, our daily well-being depends on billions of workers in the food, industry and services sectors. They produce our shoes, garments, smartphones, electric battery cars and jewelry. And, as the COVID-19 crisis clearly shows, the most vital jobs are often the worst paid. And it's not just about the workers themselves. The wellbeing of workers is also vital for their families, and communities they live in.



Farmers, workers, miners, and their families in poorer countries represent around half of the global population. They are at the losing end of global supply chains: farm work and labour is not rewarded by our economy. An average of just 4 to 7 percent of the retail price ends up in the hands of producers. As a result, they are forced to increase their productivity in an irresponsible manner, damaging the environment because they lack the knowledge and resources to produce in a sustainable way. They also suffer more than most from global climate change and have little say in the policies that determine their future. In sum, their chances of achieving a decent quality of life are limited and shrinking. For female farmers, youth, and indigenous groups, the situation is often even worse.

IT'S TIME FOR A NEW ECONOMY



The four biggest challenges of our time are sustained poverty, collapsing ecosystems, population growth, and inequality.

OLIGOPOLIES RULE THE WORLD

We live in a world of extreme inequality. The current economic model is failing. It's an economy of, by, and for the 1 percent. Today, only a few billionaires own as much as half of the planet's population. Oligopolies – enormous companies, only a few of them – have control over many of our global supply chains. While the powerful in the supply chain are getting richer, the producers in low and middle-income countries do not benefit from the increased prices at the consumer end.

Let's take coffee as an example: Thirty years ago, you would see many traders, roasters and brands on the global stage all hustling and competing. But today, as a result of intense mergers and acquisitions, the bulk of all coffee in the world is handled by only five global traders and five global brands. In these thirty years, turnover from coffee and coffee related products has multiplied by up to seven fold. But the price a coffee grower receives per pound of coffee is still around 1 US Dollar.

PERSISTENT POVERTY

This means that many farmers and workers have to live in poverty. While half of the world's working population is active in agriculture, the food system fails to provide most of these people with an adequate income. Three-quarters of all farmers live in poverty. About 78 percent of the world's poor people — close to 800 million people — live in rural areas and rely largely on farming, livestock, aquaculture and other agricultural work to put food on their plates and make a living. For example, 90 percent of cocoa farmers and related workers in Ivory Coast and Ghana are unable to make a daily income of above 2 US\$ per day per person. This is an example of a sector caught in a poverty trap, where business cases for farmers are way too thin.

COLLAPSING ECOSYSTEMS

Within 30 years our global population is going to hit 9 billion. In the same time, the demand for food is going to rise by more than 50 percent. If we don't change how the world farms, we will far exceed our planet's ability to safely support humanity. If you look at the planet from space, wherever you see green, that's vegetation

– and half of that space is already being used to grow our food. It is likely that this will only grow. This expansion of farming into what was natural vegetation means the loss of biodiversity, the impact on climate change, and on global nitrogen and phosphorus cycles has been enormous – and it will not improve without intervention.

CLIMATE CHANGE

Climate change is accelerating. Expanding agriculture is spurring this process, aggravated by soil degradation, deforestation and collapsing ecosystems. Farmers in low and middle income countries are the ones who are experiencing the effects of climate change first hand – with longer droughts, more extreme weather events, and less reliable production.

URBANIZATION

By 2050, 70 percent of our 9 billion world population will be living in urban centres, and they will be eating over 80 percent of the world's food. The cost to our environment of transporting that much material in and out of cities everyday will be high. We are also seeing worrying signals on nutrition and health. In many slums in the poorer countries, over 20 percent are becoming obese, and the number is growing rapidly. In this setting, when the next pandemic comes, the burden on our food and health systems could be much worse.

VULNERABLE EMPLOYMENT

Even before COVID-19, ILO calculated that 144 million people in poorer countries were unemployed and at least 800 million people worked in vulnerable jobs. We are waiting to find out how much larger this number will be. But even having a job may not give them peace of mind. Another billion workers around the world are part of the informal economy' with low-quality employment, inadequate social protection, and poor governance. These issues disproportionately affect migrant, agricultural, and younger workers. Women do much of the work, but get paid less and are underrepresented among business owners.

UNEQUAL PARTICIPATION

There is also persistent inequality in participation in the global economy. The ability to succeed in society is influenced by age, ethnicity and gender. It has largely left out women, minorities, and youth. Women have to deal with gender-based exclusion, prejudice and molest. Everywhere around the globe, the young generation has to pay the tremendous financial burden of the COVID crisis. And indigenous and traditional wisdom has been ridiculed, marginalized and at the verge of going extinct.

But communities cannot prosper unless everybody gets a fair chance to participate. In the rural communities women and youth can play a decisive role in improving their families' livelihoods and food security. There is a growing outrage in society about this inequality. Equality and racial justice has become an absolute necessity for governments and companies.

POLLUTION

Another key issue is environmental pollution. Water, air, and soil pollution cause roughly 40 percent of deaths worldwide, and coupled with human over population, have contributed to the malnutrition of 3.7 billion people, making them more susceptible to disease. A polluted environment is a polluted society — one we created and one only we can renew. Pollution occurs in many forms ranging from chemicals in the form of gases or liquids, noise, energy sources such as light or heat, or solids such as the types of waste that end up in landfills. Even naturally occurring substances, such as carbon dioxide and mercury — much used still in small-scale mining — can be considered pollution. All these types of pollution can have detrimental effects on the environment and all forms of life, including humans.

THIS IS THE DECADE FOR CHANGE

Within all this doom and gloom, there is also hope. The Sustainable Development Goals — our shared vision to end poverty, rescue the planet and build a peaceful world — are gaining global momentum. With just 10 years to go, an ambitious global effort is underway to deliver the 2030 promise — by mobilizing more governments, civil society, businesses and calling on all people to make the UN Global Goals their own. In September 2019, the UN Secretary-General called on all sectors of society to mobilize for a concerted decade of action of all stakeholders involved.

GROWING DEMAND FOR SUSTAINABILITY

We also see a gradual change in consumer behaviour and a trend towards more healthy and safe food. Accelerated by global pandemics like COVID-19, there is a growing demand for more locally produced food to reduce global dependencies. This may lead to shorter and localized supply chains, which reward farmers to produce ingredients for healthy diets, while taking care of the environment.

Another bit of good news is that a vast, growing group of consumers in Europe, Japan, and the US want to buy from purpose-driven brands that support sustainability. Consumers increase pressure on companies to show what they are doing to fight poverty and protect the environment.

In everything we do, small scale and family farmers, workers on farms, in mines, and in supply chains are at the centre. They drive our work, and our solidarity with them is not up for debate.

We want to create resilient communities around these farmers and workers in supply chains in low and middle-income countries.

RECLAIMING SUSTAINABILITY

It's clear that things need to change. For the last fifty years Solidaridad has been building experience to make these changes. Solidaridad helped to found the Fairtrade movement, and for decades have been developing innovative solutions to the problems within global supply chains. And with that experience we are now working at scale: over the last 4 years we have improved practices with 1.4 million producers, and 3 million more hectares of land are now being sustainably managed.

After 50 years of partnerships with every single actor in supply chains as diverse as textiles, soy, livestock, gold, sugar, and palm oil, we have learned a lot. We've learned that voluntary standards aren't enough. Remember the fairtrade mark? It was a great start, but it didn't create enough change.

Firstly, because the standards themselves need to be owned not by certification businesses that mainly service companies, but instead they should give way to producer-owned sustainability standards built on fair data. Perversely, sustainability is currently a burden on farmers – they are having to meet oligopoly standards that are set externally without the support to do it. We need to put a price tag on things like education, protection of ecosystems, workers rights, healthy soils, clean water. It should be clear that sustainability comes at a cost and that the burden of those costs should not be on the shoulders of the most vulnerable in the supply chain.

Secondly, the voluntary bit just doesn't work. There has to be a minimum expectation on sustainability that applies to everyone equally, and this can only take the form of mandatory frameworks enforced by governments around the world. You can't wait for others to do it first, we need to get going.

The majority of smallholder farmers, workers, and miners are still not earning a decent income. So while fair trade was a success, and we still work to increase consumer demand for sustainably produced products, more is needed to achieve real change. In our 2016-2020 strategy, we already moved beyond certification by working on the development of national sustainability standards and by offering digital farming solutions based on self-assessments, peer reviews, and continual improvements. In the coming years, we want to take it further.

It's time for a more fundamental approach to sustainability. We need to give farmers and workers ownership of sustainability again. We will urge companies and governments to walk the talk: it is not enough to express commitment toward sustainability. Things really need to change at the farmers and workers level! We will increase our commitment to monitor worldwide progress of sustainability, for example by publishing periodical reports on the state of smallholder farming in the world. Only sustainability that really changes realities for farmers and workers in a positive way can be considered genuine sustainability.



SOLIDARIDAD'S PYRAMID OF CHANGE

SUSTAINABILITY PRINCIPLES

When even sustainability initiatives designed to improve livelihoods are failing smallholder farmers and workers, we have to conclude that sustainability has lost its true meaning. There is no such thing as sustainability when the people who produce those goods live in poverty and when natural resources are not managed sustainably. We want to bring sustainability back to its owners: the producers. Sustainability needs to work through in their daily realities. It needs to translate into respect for people, planet and a fair share for everyone in the chain.

Therefore, we validate all our interventions against three core principles:



Prosperity: Interventions can only be truly successful if there is a business case for the producer. If there is no win for them, change will not last. This means that sustainability should result in more income for farmers and workers and in better jobs. More of what we spend in the shops should go to the people who produced it.



Balance with nature: This do-no-harm principle includes taking the effects of climate change into account, nature conservation, and better care for soil, water, and air. Whatever farming communities produce, and however they produce it, it should not degrade soil, water or air.



Inclusivity: Ensure that groups that are often neglected — like women, youth, and indigenous peoples — have equal opportunities to participate and benefit. We need to address the imbalance of power, and ensure that communities have genuine ownership, through established participation, influence, and the ability to affect change.

In our collaboration with everyone in the supply chain, we take these principles as the starting point. We can support companies with tools to help them in their sustainability efforts throughout the chain to meet all three core elements of sustainability.

The sustainability principles are not another standard, benchmark, or certification tool. It is a set of genuine sustainability variables, which reflect the voices from producers. Through a process of data gathering and sharing among producers (see farmer report), the sustainability variables are continuously shaped and informed by the producers themselves. We will develop tools based on these data, which can be used by both producers, supply chain partners and Solidaridad internally to measure their own performance on genuine sustainability. So that farmers and workers can enjoy prosperity, inclusion, and a balance with nature – not in spite of their supply chains, but because of them.

FARMER REPORT

As of 2022, we will also start publishing a regular status report on sustainability from a smallholder farmers' point of view, based on these principles and informing them at the same time. The periodic Solidaridad sustainability status report will become our flagship report to track the sustainability status of the smallholder farmers at a global scale community.

It provides us with a deep understanding of the sustainability and power dynamics inside supply chains. We will screen ownership, climate risk and inclusiveness at project design, and from there monitor and index the performance of smallholder farmers in time, based on clear key performance indicators. The underlying ambition is to bring back credibility to the concept of sustainability itself.

Linking the necessary data gathering to fair data principles will allow farmers to continuously shape their own sustainability future. While the status report is farmer-centric, it will also give the reader insights into the whole supply chain to which farmers are connected.

STRATEGIC PRIORITIES

We need a new economy. An economy that works for all, with a better balance between local economic development and globalization. This better balance — which we refer to as **glocality** — will require increased and renewed ownership of sustainability by farmers and workers.

In line with this, we have formulated three strategic priorities for the coming 5 years:

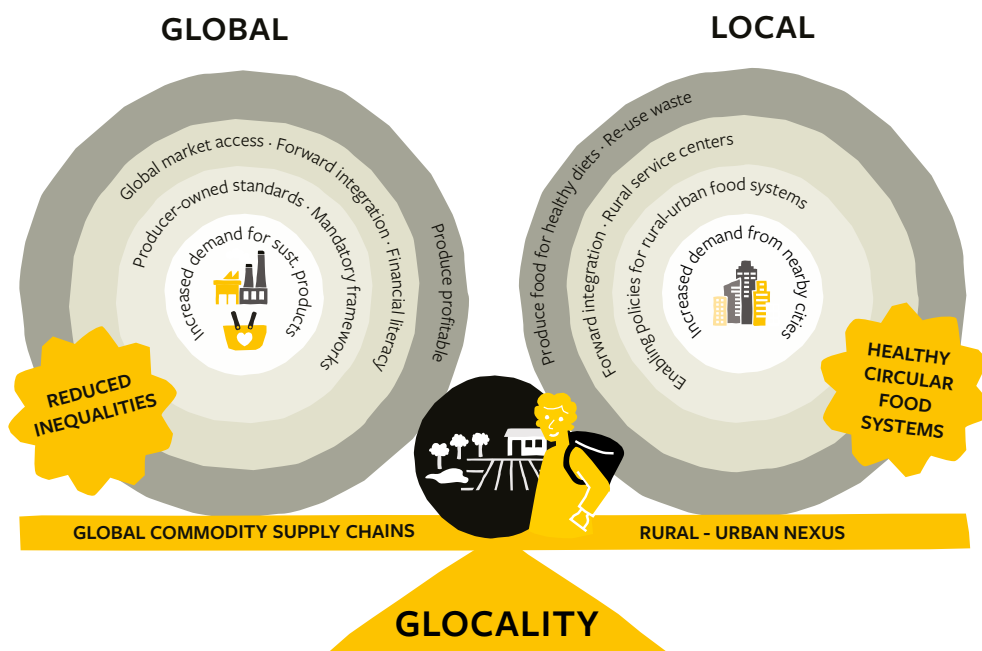
- More attention to mandatory standards and urge governments, finance institutions and companies to walk the talk
- Explicitly include nearby cities as growing sales markets for farmers and workers
- More attention to growing job vulnerabilities and the need for decent work, sustainable employability, and green job creation

These three priorities are translated into **three pathways for change**.

THE GLOBAL PATHWAY OF SECTOR TRANSFORMATION

Many farmers and workers are connected to global value chains. Through buyers and wholesalers, their products make their way to big global markets. This is particularly true for products like coffee, cocoa, tea, sugar, palm oil and soy.

The main problem within these big global supply chains is inequality: the powerful in the supply chain are getting richer, whereas the producer does not benefit from the increased value in their commodity chain.



A key objective in the pathway of sector transformation is therefore to decrease inequality in the supply chain and to ensure that farmers and workers earn a decent living income. The global pathway requires interventions at every level:

- Support farmers to adapt their products, diversifying, and improving quality to increase their chances to earn more from existing supply chains.
- Facilitate and stimulate farmers to own and run activities further up the supply chain, such as processing – and providing the skills and knowledge training they need to do so.
- Support governments of middle and low-income countries need to create their own visions and systems that create an internal movement to raise the floor of sustainability.
- Urge companies, governments and finance institutions to walk the talk.
- Refocus our partnerships away from fast-moving consumer goods companies who are not applying genuine sustainability standards, to companies with alternative ownership models who are using their benefits for the benefit of society.
- Continue to campaign for procurement of sustainably produced goods among governments, companies and consumers.

THE LOCAL PATHWAY OF RESILIENT LOCAL FOOD SYSTEMS

The COVID-19 pandemic has underlined the importance of a localized robust and resilient food system that functions in all circumstances, and is capable of ensuring access to a sufficient supply of affordable food from nearby farmers for citizens. Soon, over 80 percent of the world's food will be consumed in cities. Now, many of the food products consumed in these cities are highly processed industry products with lots of fat, sugar and salt, purchased from global sellers. If more people in these cities would be able to consume food that is locally grown and processed, fitting in a sustainable and healthy diet (such as the planetary health diet), it can have significant benefits:

- Consuming locally produced food will increase the income of nearby farmers
- Less food global food transport will reduce carbon emissions
- Increased intake of fresh products that fit in a healthy diet will reduce obesity and decrease diet-related diseases.
- Healthy diets are typically more sustainable
- Waste from cities can be re-used on farms, creating a circular food system

This pathway is particularly relevant in commodity sectors like fruits and vegetables and dairy.

Schools are an ideal environment to kickstart these local food systems and promote planetary health diets. Learning to eat healthy at a young age will have long-term effects and students will take their new behaviour home to their local communities. In many countries, students consume at least one daily main meal at school, making it an interesting market for local food products. Also other public institutions like hospitals and governments can

be interesting partners for stimulating demand for local products. At an estimated €50 billion annually, the total social food service market in the lower- and middle income countries is significant.

To establish resilient local food systems for healthy and sustainable diets we need interventions on all levels:

- Educate farmers on the need to diversify their product mix: farmers need to grow a broader variety of products targeted to local needs. Market demand for food products as part of a healthy and sustainable diet is increasing and driving significant change in the food market. This creates new opportunities for farmers, fishers and aquaculture producers, as well as for food processors and food services.
- Develop entrepreneurship among farmers to take up activities further up the local supply chain and off-farm, such as waste management, supplying seedlings or setting up farmer markets.
- Support farmers to produce circular: re-use waste from the cities, use and provide renewable energy, or create clean water.
- Bring different parties in the local food system together, to create a well-functioning system with the right policies in place, making sure everyone's voice is heard.
- Stimulate schools, hospitals and other public institutions to procure healthy, safe, sustainable, and locally produced food.

Solidaridad's goals are to reduce the environmental and climate footprint of the regional food systems where we work while strengthening its resilience in the face of climate change and biodiversity loss.



A local food system in which regenerative agriculture is combined with circularity

THE INDUSTRIAL PATHWAY OF IMPROVED LABOUR

This third pathway is committed to improving labour conditions for workers. This pathway is particularly relevant within the more industrial commodity sectors like mining and textiles and larger processing industries.

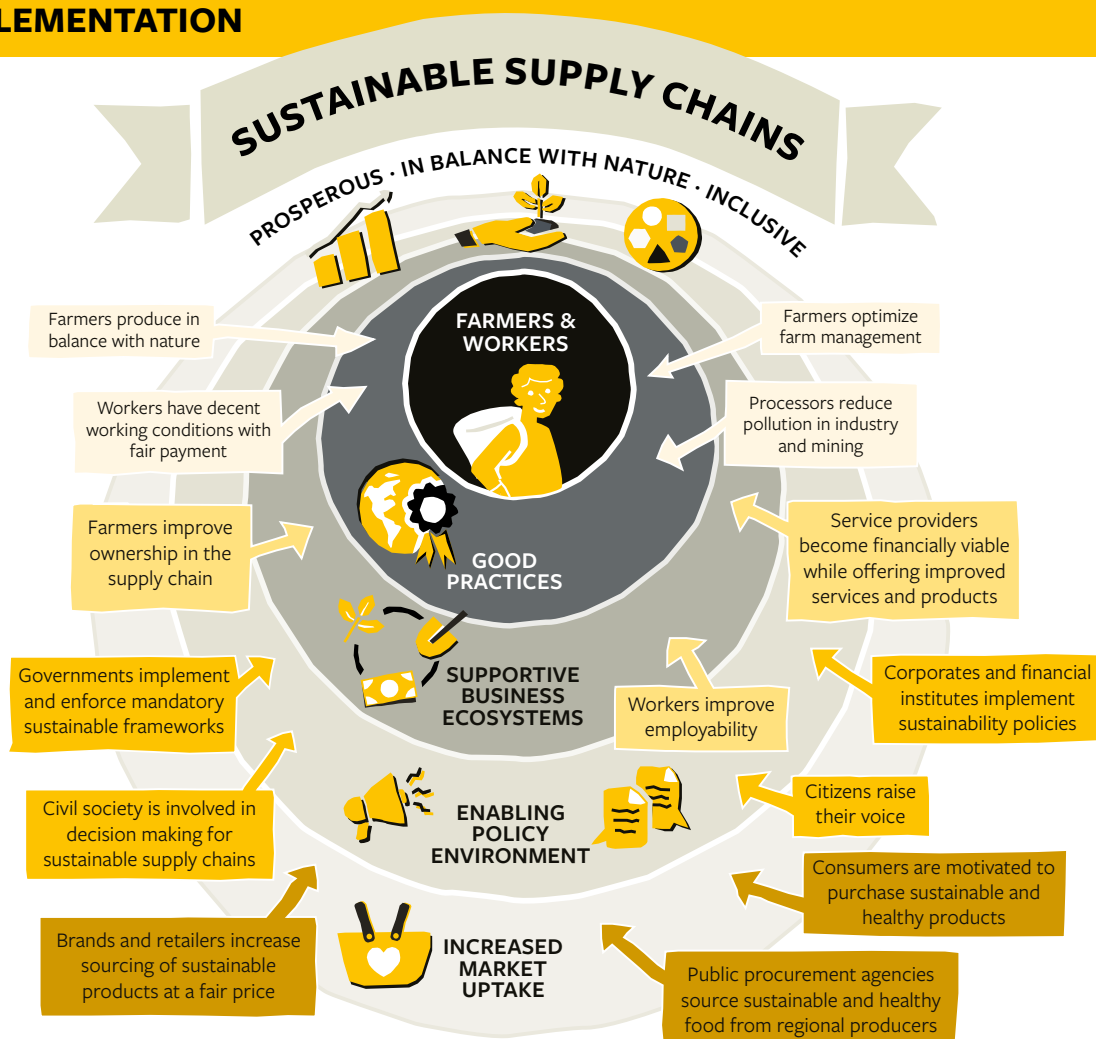
Our current economic system favours capital way more than it does labour. This is harmful to the wellbeing of communities. The need for decent work as a good practice is an understatement with half of the working world in vulnerable and poverty jobs. On top of that, many workers on farms, in mines, and in industry face the risk of losing their job as a consequence of modernization. With capital intensive technology, usually leading to automation, mechanization, and urbanization comes jobless growth. The fourth industrial revolution is coming in fast, and jobs are at stake.

Solidaridad will stimulate producers (farmers, factories, mine owners and companies) to offer decent work, safe working conditions, and true living wages for all workers, while paying special attention to the specific conditions and needs of women and youth. A few of our key interventions in this pathway include:

- Offer the right training and support for workers to find employability elsewhere, often in more meaningful jobs. We **improve employability** by offering training and retraining to young workforces to remain competitive with adequate skills.
- Thus far, we have tried to promote **decent work** mostly via voluntary sustainability standards. This has not brought the scale we are looking for. Mandatory standards and (digital) data solutions are needed to move decent work and working conditions beyond a compliance issue. We also work to create the necessary civic space to give voice to labourers, in particular women, in improving their job conditions.
- In particular in local circular food systems (see the local pathway) there is potential for the creation of **green jobs**. Solidaridad interventions can stimulate the creation of such jobs and increase the market for services or goods that benefit the environment or conserve natural resources. Think hereby of meaningful jobs in waste management, pollution reduction, alternative energy, reforestation, agricultural education, or ecology.

Within all these categories, specific attention will be required for women and youth.

IMPLEMENTATION



The implementation of our programmes to achieve genuine sustainability take place in **four intervention levels, measured through 14 key performance indicators:**

- The producer level: Good practices
- The business level: Business ecosystems
- The policy level: Enabling policy environment
- The market level: Market uptake

The four levels are integrally interconnected. Their overall goal is to build resilient communities through sustainable supply chains, in prosperity, balance with nature and inclusivity. Our main strategic pathways for change are cutting through all four levels in order to create an economy that works for all.



Solidaridad has a long history of training farmers to improve their practices. In the 2016-2020 strategic period, we trained no less than 1.4 million producers to adopt good practices.

Good practices refers not only to agriculture practices but include, for example, financial literacy, paying fair wages, protection of workers, good management practices and legal compliance. But also the use of digital solutions to enhance intelligence as a prerequisite for market and finance access. Everything we do on the farm or industry site falls under the area of good practices. Through our comprehensive programme of good practices farmers will improve their social, environmental, and economic performance.

OUTCOME: FARMERS PRODUCE IN BALANCE WITH NATURE

To prevent further degradation of soils, we will support farmers transitioning towards more resource-efficient, circular, and regenerative production methods. To protect our water quality, we will support farmers to improve water quality, reuse wastewater, and minimize the release of hazardous chemicals from agriculture. For clean air, we will organize learning and exchange on how to reduce harmful emissions, disposals and toxins in production.

To mitigate the effects of climate change, we will promote ways of agriculture that sustainably increase productivity, enhance adaptive capacity, and reduce or remove greenhouse gas emissions where possible. We will also promote climate smart practices that store more carbon dioxides, for example by using tree cover practices. We want to promote circular approaches to agriculture and help farmers to decrease their dependency on pesticides and

antimicrobials, reduce excess fertilisation, increase organic farming, improve animal welfare, and reverse biodiversity loss.

How we measure success:

- 2.8 million hectares are under sustainable management

OUTCOME: WORKERS HAVE DECENT WORKING CONDITIONS (IN AGRICULTURE, INDUSTRY AND MINING) WITH FAIR PAYMENT

As a network organization, we have teams on the ground — nearby farms, processing units, and mines. They will offer training to governments, mines and factory management and farmers on healthy and safe workplaces, gender inclusion, and equal opportunities creation. We also organize dialogue platforms and negotiation tables on specific ILO-conventions with expert organizations. In collaboration with international organizations and regulators, we will create awareness on workers rights, and the need for paying a true living wage.

How we measure success:

- 870,000 workers and miners have improved working conditions as a result of Solidaridad's support

OUTCOME: FARMERS OPTIMIZE FARM MANAGEMENT

On farm, a diversified portfolio of products to create supply for local markets is a wise entrepreneurial strategy de-risking market fluctuations and building more business relations and market opportunities. Solidaridad will help farmers optimize production and management practices on the farm by finding a new balance between the existing global Solidaridad commodities and the increasing demand to build local supply chains for healthy, fresh and safe food products to serve the nearby urban markets. Moving from good agricultural practices to good management practices is about defining your market strategy, and defining your finance options.

How we measure success:

- 900,000 farmers have farm income increase
- 940,000 farmers have improved productivity in kilograms or hectares

OUTCOME: PROCESSORS REDUCE POLLUTION AND WASTE IN INDUSTRY AND MINING

Solidaridad supports processors, such as miners, or processors in the leather or textiles industry, to implement efficient methods to reduce pollution of soil, water, and air. We support processors to improve water quality and minimize the release of hazardous chemicals from their activities. We train service suppliers to treat and reuse wastewater and organize matchmaking with factories, mills or mines. Water efficiency expertise to address scarcity is being organized from around the globe via the broad network of Solidaridad contacts. And just as with farmers, we also organize learning and exchange for processors on how to reduce harmful emissions, disposals and toxins. Solidaridad also looks for options with processors to intensify the use of local renewable energy away from deforested charcoal and other highly air-polluting emitters.

How we measure success:

- 5,000 processors (factories, mines, mills) have applied pollution reduction measures as a result of working with Solidaridad

SUPPORTIVE BUSINESS ECOSYSTEMS



Farmers and workers depend on their surrounding business ecosystem partners, such as service suppliers, input providers and off takers. Farmers can only make a transition towards more professional and profitable business if they can count on a strong and supportive business ecosystem.

OUTCOME: SERVICE PROVIDERS BECOME FINANCIALLY VIABLE WHILE OFFERING IMPROVED SERVICES AND PRODUCTS TO FARMERS AND MINERS

For smallholder farmers to achieve higher levels of efficiency and profitability, affordable quality inputs and services are essential. To increase and improve producers' access to proper quality inputs and services, including finance, Solidaridad will continue to support small and medium service and input providing businesses. We will support these SMEs in the business ecosystem of the farmer by: 1) providing business support services to professionalize their operations and governance, 2) providing access to finance, 3) providing access to clients (linking them to farmers and miners who can use their services), and 4) supporting them in making their services and products more gender and youth friendly.

How we measure success:

- 300,000 farmers and miners obtain new or improved services from the service providers supported
- 700 service providers have increased turnover

OUTCOME: FARMERS IMPROVE OWNERSHIP IN SUPPLY CHAINS

We stimulate farmers to expand their business towards increased ownership in supply chains. So instead of just producing the raw product, farmers should be supported to also gain ownership in activities closer to the end consumers market. Think hereby of processing, packaging, wholesale or transport. A good example

are the farmers' markets where farmers sell their products directly to the consumers. This way, they can get a better margin on their products and increase profits. We also actively look for entrepreneurs further up the chain from farm to fork who are willing to increase ownership for farmers in their companies.

How we measure success:

- 250,000 farmers/miners have become co-owners of service provision businesses (input provision, processing, aggregation) as a result of Solidaridad's support

OUTCOME: WORKERS IMPROVE EMPLOYABILITY

For many farmers, who only own small pieces of land, farming will never become a profitable business. Also, farm workers are among those struggling hard to survive and fear redundancy as a result of modernization. Despite all our efforts, some farmers and farm workers will need to find employability elsewhere. We want to help them with this. Therefore, we train and retrain workers to acquire new skill sets. The objective is to improve their overall employability towards high skilled, more decent, and better paid jobs. And by encouraging them to become business-savvy in developing and managing enterprises related to local food systems (see the local pathway) we can, in collaboration with investors and other business partners, create green jobs. This will create more value for their local communities, rather than giving it all away to far-distanced shareholders. Specific attention will be paid to youth in this area.

How we measure success:

- 300,000 farm workers take on new jobs as a result of Solidaridad's support

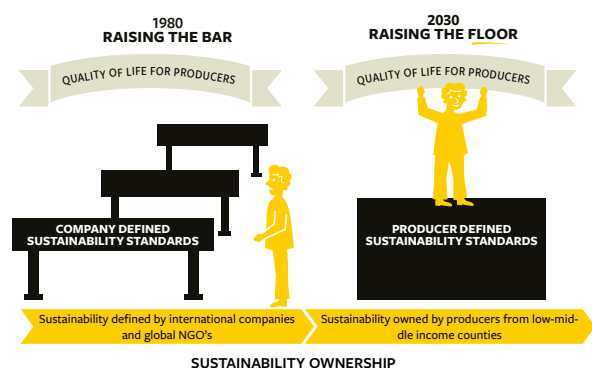
ENABLING POLICY ENVIRONMENT



Supportive policies can come in many forms. They include both formal and informal, voluntary and mandatory codes, standards, regulations, policies, norms, and practices. While voluntary improvements are great, more mandatory policies and structures are often needed to bring things to real scale. Supportive policies can help to bring the late majority on board, once the few early innovators have shown the benefits of certain sustainable practices. Ideally, there is a smart mix of mandatory, voluntary, national, and international measures that are needed to foster business respect for human rights.

In all our policy work, we aim to expand the influence of producers and producing countries on inclusive sustainability policies. Currently, many internationally established sustainability guidelines and due diligence standards are too much dominated by western countries. Poor producers often cannot always comply with the high entry criteria. National standards put more focus on including producers, moving the ownership and influence of sustainability standards from the big companies to the producers. So we shift from raising the bar for producers, to raising the floor of sustainability by developing and strengthening national standards and mandatory policy frameworks.

OUTCOME: CIVIL SOCIETY IS INVOLVED IN PARTICIPATORY DECISION MAKING PROCESSES RELATED TO SUSTAINABLE SUPPLY CHAINS



Our staff will bring civil society to the table in multi stakeholder platforms, giving them space to voice their opinion and ensuring that their views are heard. On top, we help with the formulation and implementation of concrete action points for change.

This will amplify the voices of producers and their stakeholders and help to gradually reform sustainability from an establishments' toy, to a lived experience from those who are seeking freedom of speech.

How we measure success:

- 200 civil society groups have improved their involvement in decision making as a result of Solidaridad's support

OUTCOME: CITIZENS RAISE THEIR VOICE

Citizens can play an important role in pressuring the public and private sector. Solidaridad aims to mobilize, activate, and engage citizens to change norms about decent work, natural resource management, fair value distribution, and sustainable consumption and to influence the policy agenda on these topics. Solidaridad will do this through awareness raising campaigns, social movements and publications, addressing, for example, value distribution in the supply chains, gender norms, and production practices.

How we measure success:

- 70 campaigns to mobilize and activate citizens to raise their voice
- 150,000 individuals are activated and mobilized to raise their voice

OUTCOME: GOVERNMENTS AT GLOBAL, REGIONAL, NATIONAL, LOCAL LEVEL IMPLEMENT AND ENFORCE MANDATORY SUSTAINABILITY FRAMEWORKS

Governments play a growing role in shaping sustainability outcomes in their jurisdictions and in implementing comprehensive legal and regulatory frameworks. Particularly national standards have the potential to free vulnerable producers from being captured by powerful oligopolies who endlessly raise the bar with new sustainability guidelines, and leave millions behind. Solidaridad's role will be to ensure that these standards do raise the floor of sustainable production: inclusive, in balance with nature, and bringing prosperity to the producers, also the hard to reach.

Our active network on lobby, advocacy and policy influencing spans from local, via regional, and national into the international realm. Solidaridad will also lobby larger trade blocs, such as the European Union, and use its position in roundtables and other industry platforms to influence on all levels in parallel.

How we measure success:

- 70 new or improved mandatory sustainability frameworks are established as a result of working with Solidaridad

OUTCOME: CORPORATES AND FINANCIAL INSTITUTES IMPLEMENT SUSTAINABILITY POLICIES

The outdated idea of having only one success measure, profit, needs to end. We want to partner with CEOs and investors so they can lead this change, and move away from false product claims to genuine sustainability policies, and from elite controlled supply chains to inclusive ownership models.

We look for entrepreneurs and financial institutes who truly believe in inclusive shareholder models with the aim to redistribute the created wealth back to the beneficiaries as partnering shareholders. We also pilot and support new forms of engagements with corporations such as social enterprises, steward corporations, and hybrid enterprises. All with the aim to empower farmers and workers in obtaining capital assets, ownership, and ultimately more control over their own destiny.

We will also encourage corporates to pay a true price: the market price, plus the unpaid external costs. This includes hidden costs like pollution, or negative effects of damage to the environment for future generations. True price should also guarantee a decent income for producers. This should be more than the official standards for living income which are often so low that people can hardly survive on it.

How we measure success:

- 100 corporates and financial institutes Solidaridad supported have implemented sustainability policies according to Solidaridad's Sustainability principles

MARKET UPTAKE



In order for sustainable practices to become truly successful, there needs to be a demand for sustainably produced products. That is why we also work on the demand side of the market. Historically, we have worked with private companies in international supply chains and consumers in Europe, and the US. In the next 5 years, we expand our scope to local consumers in the global south, especially in the (mega)cities, and to local private companies and governments in their role of public procurers.

OUTCOME: RETAILERS AND BRANDS AND PUBLIC SECTOR INCREASE SOURCING OF SUSTAINABLE PRODUCTS AT A FAIR PRICE

We want to see companies walk the talk and increase their sourcing from sustainable supply chains of products grown and produced in low- and middle-income countries and we want them to pay a fair price for it. We will encourage front running companies to show their leadership, influencing the sector to a higher standard. We will support retailers and brands to increase sourcing of sustainable products with a traceability solution, providing transparency on external costs, making use of digital tools and verified fair farmer data leading to a more fair value distribution.

How we measure success:

- 20% volume is sourced sustainably by brands Solidaridad is working with

OUTCOME: CONSUMERS ARE MOTIVATED TO PURCHASE SUSTAINABLE PRODUCTS

Consumer spending drives almost 70 percent of the economy of high-income countries. A growing group of consumers in Europe, Japan, and the US say they want to buy from purpose-driven brands that support sustainability. This has led to a growth in sustainability labels. However, the vast majority are not consistently shopping in line with these values. It is our job as sustainability professionals to carve out a new, clear path so that people can shop in a way aligned with their preferences for a sustainable, healthy planet.

To this end, we will develop campaigns and provide information aimed at increasing awareness and knowledge about sustainable products among consumers in high-income countries. Reputation plays an important role here, and media engagement and public campaigns will help to publicly praise brands that are well on their way, while calling upon those who need to change faster.

How we measure success:

- 4.2 million individuals are activated and mobilized to purchase sustainable products

OUTCOME: PUBLIC PROCUREMENT AGENCIES SOURCE SUSTAINABLY PRODUCED FOOD PRODUCTS FOR HEALTHY DIETS FROM REGIONAL PRODUCERS

Public procurement covers a large part of the market. Governments and state-owned enterprises like hospitals and schools can be an important driver for sustainable production by purchasing sustainably produced goods, from nearby circular food systems. This will not only reward farmers and local food businesses, but also the health of many people on unhealthy diets in urban slums.

How we measure success:

- 40 public agencies purchase locally produced food products for healthy and sustainable diets as a result of Solidaridad's work

ACCELERATING THROUGH INNOVATION

Innovation is the key to success for any organization and vital for growth, but for Solidaridad it is also the only way to solve some of the imminent and persisting problems we are facing. Innovation is not a goal in itself. It can only be truly successful if it is profitable for its users, easily replicable, not too costly, and improving the efficiency or impact of what we are already doing. It's also crucial that it creates traction with supply chain partners, citizens, and the donor community.

We focus our efforts in the areas where we feel that our current solutions have not reached sufficient speed at scale, more specifically: global sector transformation, creating decent work, and leveraging the potential of local urban markets. It is in these areas, that we need innovation that accelerates change most.

We have a number of innovations in mind:

Innovation to embed **Fair Labour**: creating global training tools to increase employability and commitment to labour rights, and training workers to take on green jobs.

Innovation to establish **Fair Food Systems**: build localized circular food systems by using our solutions in the areas of sustainable food production, food security, and processes for reusing waste.

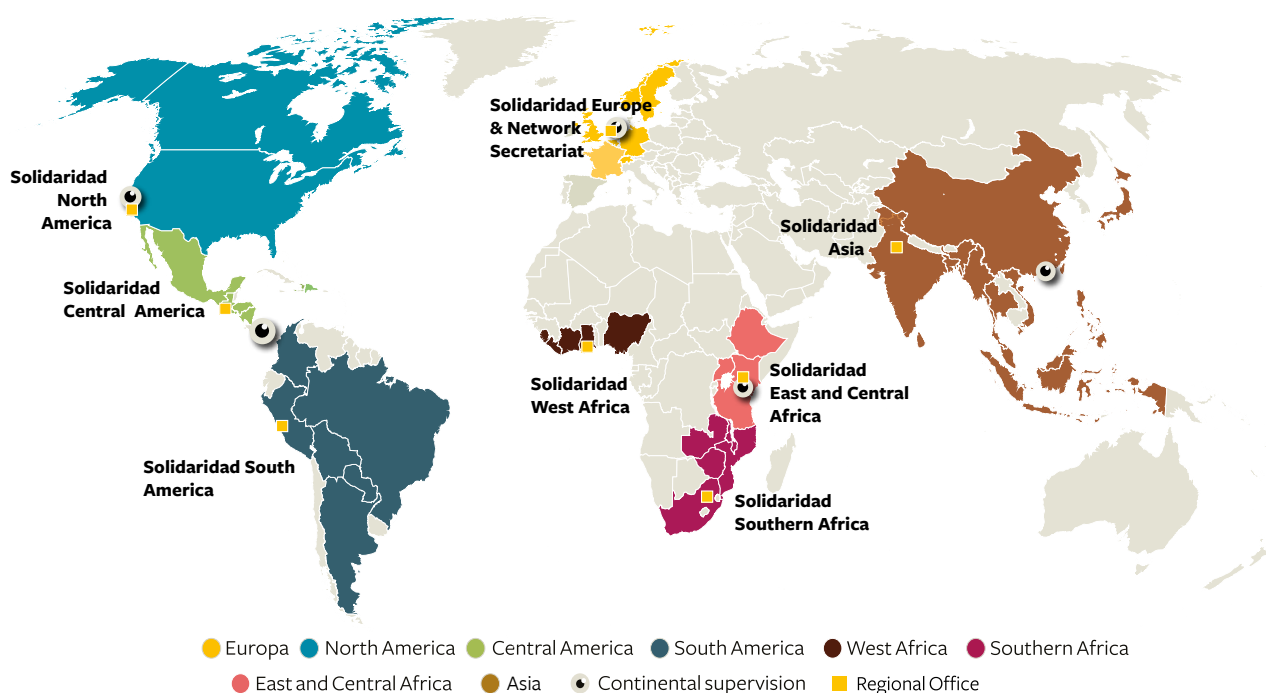
Innovation to stimulate **Fair Ownership Models**: by bringing company or supply chain control back into the hands of mission and purpose-oriented owners, we aim to improve the ownership perspectives for farmers and workers in the supply chain.



All these innovations, coming together in our house of innovation, are underpinned by our central innovation — **Fair Data**. This is a movement to let producers reap the benefits of their data. Fair Data can give producers a source of income, and a stronger ownership of their work, and their capacity for resilient sustainability, but coupled with local incentive programmes these technologies can also increase yields, and create new secure work opportunities. And most importantly, it helps them tell their story. The voice of our farmers, our workers, our miners is only enhanced when we value not just the materials they deliver, but everything they are contributing. It is this voice, that we like to share with the world through our periodical status report on the state of the world's smallholder farmers.

These innovations, especially supporting grassroots data ownership, is about acknowledging just how much we rely on perhaps the most important job in the world; being a farmer or a worker in the food supply chain.

ORGANIZATION



Solidaridad is well positioned and prepared to take these huge challenges forward. With over fifty years of experience in developing solutions to make underprivileged communities more resilient, we currently work in **forty countries**, on five continents, through eight independently supervised regional offices. In Africa, Asia and Latin America, we implement innovative projects on the ground. In Europe, North America, China, and Japan, we build relations with donors and corporates, and support the implementation with campaigns, fundraising, corporate engagement, knowledge management, and policy influencing.

We take pride in having ample capabilities in our regional teams to truly make the difference in remote rural areas. With our boots and brains on the ground, we can reach the unreachable. And with our broad expertise and multiple service support, we can become the one stop shop for farmers, workers, processors, and miners.

The network is supported by a secretariat which is providing global guidance and support on strategy standards, guidelines and policies, and innovation. Our organizational structure, principles and values, HR, Communication and Project Monitoring and Evaluation are also all optimally geared towards the effective implementation of this strategy.

We have a **robust framework for integrity** in place with a code of conduct, a whistleblowing protocol, reporting procedure, investigation protocol and a victim support and protection policy. To make the integrity framework easily accessible for staff members and beneficiaries, the content will be contextualized in the different continents, countries and cultures we work in.

OUR CORE VALUES

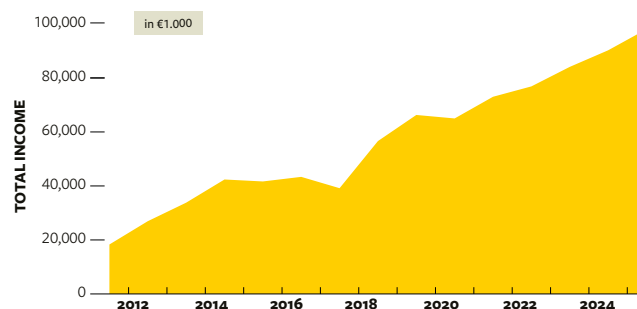
- **Solidarity:** We are faithful to the name of our organization in a deeply rooted solidarity with the poor
- **Solutions:** We are pragmatic problem solvers
- **Impact:** We are impact-driven and fully committed to achieve change that matters
- **Interdependence:** We are dependent on each other and on the planet, so we need to collaborate
- **Innovation:** We believe continuous learning and development adds value and leads to positive change
- **Inclusivity:** We believe everyone has the potential to contribute and the right to be heard
- **Integrity:** We adhere to the highest ethical principles and professional standards

Also for **solid financial management and control** we have the necessary systems well in place. We work with one global financial system that is interconnected with our main information system and able to deliver smart management information to all levels in the organization. We have a well functioning risk management system and internal control and review teams. We remain committed to the principles of fairness and transparency for establishing an organizational culture that thrives on excellence, next to a robust organizational control and integrity strategy.

Learning is an integral and important part of overall strategy and leadership in Solidaridad. We strive to create **a culture of learning** that allows staff and the organization as a whole to improve, learn and grow.

All programmes and projects that will be developed as part of this strategy will be developed following **a systematized approach** of planning, implementation and monitoring, evaluation, and assessment and analysis. In order to monitor and measure the effectiveness of our work, we have set 13 global outcome indicators on which we consistently collect data - when possible through digital tools. In 2022, a mid-term review of this strategy will take place to review the theory of change, assess progress, and collect evidence and learnings on the main assumptions. An end evaluation is planned in 2025 to analyze the impact of Solidaridad's work in this strategic period and inform the new strategy post 2025.

Solidaridad aims to reach a revenue of around **€ 100 million in 2025**. In order to make an impact at scale, we need a certain size. The projected income will be generated from official development aid, embassies, multilateral organizations, private sector companies, endowments, other philanthropic organizations, legacies, and private gifts.



WE NEED TO DO THIS TOGETHER

We share our ambition for a better world with the UN Sustainable Development Goals. Our key focus is SDG1: No poverty. Our strategy also focuses on SDG2: Zero hunger and SDG 8: Decent work and economic growth. We also contribute significantly to SDG12: Responsible consumption and production. In all interventions, we also have interference with: SDG 5 (gender equality), SDG 10 (reducing all forms of inequality), SDG11: Sustainable Cities and Communities, SDG13: Climate Change, SDG 17 (partnerships for SDGs).

Globalization has moved wealth across the globe, away from where it matters. Ultimately, it is in our communities that we create the conditions that allow each of us to flourish. This is where we live and belong; where we have our land, family, and jobs. Collaborating with you, we want to create resilient communities around the farmers and workers in supply chains in low and middle income countries.

- Resilient communities that are inclusive, in balance with nature and are prosperous.
- Resilient communities in which people have a say in their own future, produce within planetary boundaries, and earn a decent income, and
- Resilient communities where the relationship with both global supply chains and local urban markets is healthy and sustainable.

We have to make this happen — together. Or else the poverty trap, and the broken market, will keep these unsustainable practices going until there's no working soil, no sustainable climate, and no future for farmers and workers.

We have run out of time to talk about how important this is – we know what to do, now we have to do it together. Let's take the first step, work in partnership, and create an economy that works for all.

Solidaridad Network Secretariat

't Goylaan 15

3525 AA Utrecht

The Netherlands

Tel: +31 (0)30 2759450

Email: info@solidaridadnetwork.org

For more information about Solidaridad,
please visit our website and follow us on
Twitter, LinkedIn, or Facebook.



WWW.SOLIDARIDADNETWORK.ORG