

Solidaridad



ANNUAL REPORT 2021

SOLIDARIDAD
THE NETHERLANDS

Cover photo: © Solidaridad/Bo Balsing

On Black Friday, Solidaridad organized a special protest action in Leiden, The Netherlands, to draw the attention of the public to the vulnerable position of the makers of our clothes. It involved 30 mannequins that symbolize the ‘stripped-down’ textile workers. They are holding signs with slogans about wrongdoing in the textile industry.



TABLE OF CONTENTS

CONTENTS	3
FREQUENTLY USED ABBREVIATIONS	4
1. PREFACE: FOLLOW THE MONEY	6
2. KEY FIGURES AND RESULTS 2021	7
3. CONTEXT: COMMITMENTS TO MORE SUSTAINABLE VALUE CHAINS	9
4. SPOTLIGHT ON A PARTNERSHIP: SOLIDARIDAD AND RABOBANK MAKE CARBON MARKETS WORK FOR SMALLHOLDER FARMERS	11
5. GOALS AND ACHIEVEMENTS	13
5.1 Our strategy	13
5.2 Annual Plan 2021	14
Delivery	14
Development & innovation	14
Connectivity	14
5.3 Policy Influencing	14
Supporting producer inclusive European legislation	14
Producers at the table	15
5.4 Corporate Engagement and Partnerships	15
5.5 Activating citizens to raise their voices	16
5.6 Supporting our network in accessing funding from donors directly	17
5.7 A catalyst for creating a learning organization	17
6. MISSION AND VISION	19
6.1 Statutory goals	19
6.2 Our Mission and Vision	19
6.3 Our Values	20
7. GOVERNANCE, RISKS & OPERATIONS	21
7.1 The global Solidaridad Network	21
7.2 Solidaridad Europe	22
7.3 Solidaridad the Netherlands	22
7.4 Solidaridad Germany	22
7.5 Report of the European Supervisory Board	22
Supervision	22
Management	24
Remuneration	24
7.6 Solidaridad staff	24
7.7 Risks and risk management	25
Trust first...	25
Our main risks	25
Risk management and control systems	25
7.8 Integrity and Code of Conduct	26
7.9 Environment	26

8.	FINANCE	27
8.1	Our finances	27
	Analysis of the results for 2021 in comparison to 2020 and the budget for 2021	27
	Historical summary	28
	Policy on assets and investments	28
	Key figures	28
8.2	Forward looking statements	30
	Annual budget 2022	30
8.3	ANNUAL ACCOUNTS	31
	 BALANCE SHEET ON 31 DECEMBER 2021	 31
	 STATEMENT OF INCOME AND EXPENDITURE FOR 2021	 32
	CASH FLOW STATEMENT FOR 2021	33
	GENERAL NOTES TO THE ACCOUNTS	34
	Guidelines for annual reporting	34
	Foreign currencies	34
	ACCOUNTING PRINCIPLES OF VALUATION AND DETERMINATION OF THE RESULT	34
	Tangible fixed assets	34
	Financial fixed assets	34
	Receivables	34
	Stocks and shares	34
	Other assets and liabilities	34
	Income and expenditure	34
	Taxation	34
	SPECIFIC NOTES TO THE ACCOUNTS	35
	SPECIFICATION AND BREAKDOWN OF COSTS BY CATEGORIES	49
	AUDITOR'S REPORT	52

FREQUENTLY USED ABBREVIATIONS

ASM	Artisanal and Small-scale Mining
B-Corps	Benefit Corporations
BCI	Better Cotton Initiative
CBF	Central Bureau on Fundraising
CSB	Continental Supervisory Board
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
EBoD	Executive Board of Directors
ESG	Environmental, Social and Governance
FTE	Full Time Equivalent
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit - German development organization
HR	Human Resources
HREDD	human rights and environmental due diligence
IDVO	Dutch lobby coalition for HREDD legislation
ISB	International Supervisory Board
KML	Knowledge Management & Learning
KPI	Key Performance Indicator
MASP	Multi Annual Strategic Plan
MFA/BuZa	Dutch Ministry of Foreign Affairs
MSI	Multi Stakeholder Initiative
NGO	Non Governmental Organization
NORAD	Norwegian Agency for Development Cooperation
NSO	Dutch Space Agency
PI	Policy influencing
PPP	Public Private Partnership
REC	Solidaridad Regional Expertise Centre
RVO	Netherlands Enterprise Agency - a Dutch government agency
SAC	Sustainable Apparel Coalition
SME	Small and Medium-sized Enterprises
UNGPs	UN Guiding Principles on Business and Human Rights

1

PREFACE: FOLLOW THE MONEY

Our work in 2021 has shown that European citizens are concerned about ongoing reports of human rights violations and environmental misconduct in places where their products are made. Research indicates that citizens across Europe strongly dislike to be part of a global economy where human rights are abused and the environment is polluted. And they start to understand the enormous lack of transparency in this matter.

Whilst consumer awareness is on the rise and increasingly more people are consciously looking for products free of misery, it's not a simple journey. Many supply chains are extremely complex and obscure, and citizens often lack the information to know where their purchased products have been made and under which conditions.

A promising development is that not only citizens and consumers are becoming more aware of and engaged with the stories behind our shopping basket. A growing number of companies are making an effort to be more transparent about the origin of their products and how they were made. There are a variety of B-corps (Benefit Corporations) trying to make a difference. They strive for and achieve high standards of social and environmental performance, transparency, and accountability. Encouraging is that a number of large global corporations are also increasingly taking new steps in creating more sustainable supply chains. And it's for example the cocoa sector - often plagued by scandals - where those challenges and opportunities are clearly visible.

While mainstream certification has brought some advantages to the cocoa sector over the past 15 years, this also comes at a cost, and doesn't take away the root causes of the critical issues at hand in the cocoa industry. The Cocoa Barometer by VOICE Network (a group of civil society organizations with a prominent role for Solidaridad) is a report on the state of sustainability affairs widely recognized in the cocoa sector, and shows how little progress has been booked over the past decades.

Chocolate lovers around the globe still eat a product that is predominantly made by extremely poor cocoa farmers in Côte d'Ivoire and Ghana. Moreover, poverty is also a root cause of other issues, such as deforestation, soil degradation and child labor. The Cocoa Barometer clearly shows that even when big business indicates their commitment to change, the situation for primary producers on the ground is not changing seriously. The market alone will not lead to solutions. That's not only true for cocoa. The Coffee Barometer, a report we published with another CSO consortium, tells the same kind of story. We also see similar things happening in for example the cotton, gold mining, and tea sectors.

Why does this situation persist? Follow the money! Value distribution in the cocoa sector is extremely unbalanced, and cocoa farmers are not even able to make a decent living if they apply good agricultural practices. That's why Solidaridad changed course in our 2021-2025 strategy: If market conditions generate problems which cannot be solved by the market actors themselves, governments should step in and regulate the market.

For this reason, Solidaridad calls for human rights and environmental due diligence (HREDD) legislation for corporations in the European Union. If Europe creates a level playing field for the cocoa and chocolate business to take responsibility for the problems in their supply chains, the most powerful actors are enforced to prevent and solve problems, and to compensate for any damage done. If this legislation is shaped in a smart way, most importantly through stimulating collaboration of buying companies with farmers and workers in cocoa, and ensuring a living income for these farmers, a new big step will be taken towards solving the issues still faced by producers.

Companies in the cocoa sector and civil society organizations joined forces in 2021 to advocate for effective due diligence legislation. Solidaridad strongly supports a joint lobby of CSOs and corporations in Brussels to make the legislation effective and impactful for cocoa producers.

Our focus in the years to come is clear: Making market actors pay for sustainability, facilitated by effective legislation and policies that support primary producers in low and middle-income countries who supply the European market. Only if the results of these measures will bring redistribution of value and wealth in the global economy, making sure no producer has to live below the poverty line, can we create change that matters.

Heske Verburg

Managing Director
Solidaridad The Netherlands

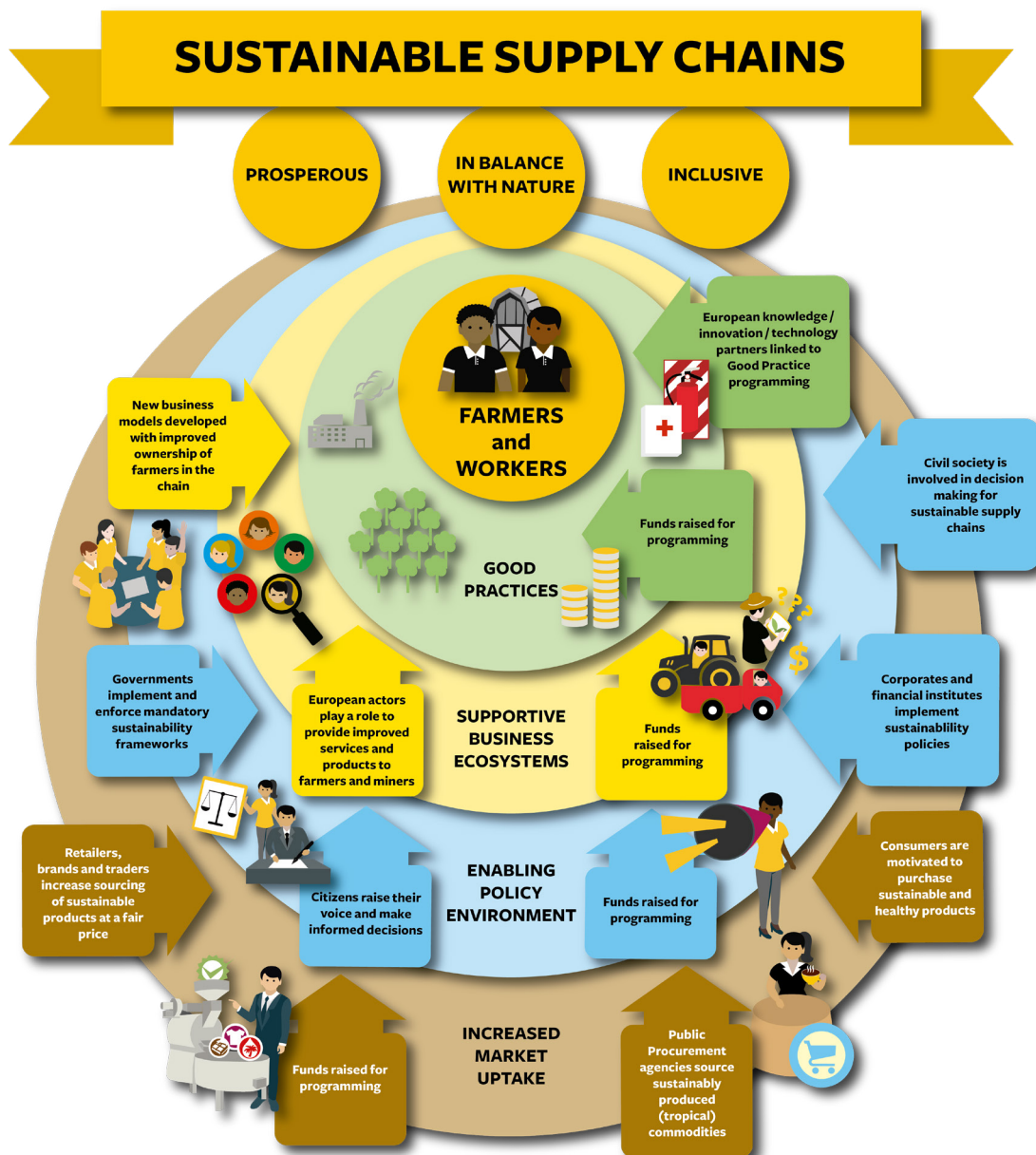


2

KEY FIGURES AND RESULTS 2021

SOLIDARIDAD EUROPE'S STRATEGY

Solidaridad Netherlands follows the strategy of Solidaridad Europe till 2025 (see paragraph 5.1), which is laid down in the Multi Annual Strategic Plan 2021-2025, and in tune with Solidaridad Network's global goals and strategy. The Theory of Change for Europe is graphically presented below.



STRATEGIC OBJECTIVES AND KEY PERFORMANCE INDICATORS

Solidaridad Europe has set five overarching strategic objectives to achieve the main strategic goals and defined eight Key Performance Indicators to monitor progress over the years. The KPI targets and results for 2021 are represented in the table and graphic below.

OVERARCHING STRATEGIC OBJECTIVES		KPIS	(CUMULATIVE) TARGET 2025	TARGET 2021	RESULT 2021
1	Regulatory frameworks and supporting policies are in place to ensure products sold at the European market are produced in a sustainable way	# and description of new and improved regulatory sustainability frameworks that Solidaridad contributed to	5	1	1(PI)
2	The private sector implements comprehensive policies and innovative inclusive business models, incorporating true costs, for truly sustainable sourcing, production, and investments	# and description of new and improved private sector policies and business models that Solidaridad contributed to	30	3	3(PI)
		# (and type of impact) of corporate partners that have improved their sustainability policies/practices and/or implement inclusive business models	60	42	45(CEP)
3	Citizens raise their voices to demand an economy in which goods originating from the Global South are produced sustainably	# citizens activated to demand an economy in which goods originating from the Global South are produced sustainably	80,000	10,000	16,186 (C&C)
4	A steadily growing and diversified stream of income is secured to ensure the implementation of Solidaridad's global MASP	# euros annual Solidaridad Europe income in 2025 ¹	EUR 62,500,000 ²	EUR 42,000,000	EUR 33,221,000
		% of Solidaridad Europe income which does not derive from Dutch government ³	50% ⁴	36%	21%
5	Solidaridad is a learning organization and a great to work where competent staff is equipped to jointly contribute to our mission	satisfaction score for great place to work	At least 75/100	At least 75/100	At least 75/100
		score on Learning Organization Review	At least 75/100	At least 60/100	64/100 (Baseline February 2021 was 59/100)

1 Includes ALL income for REC Europe, raised from all donor targets as well as any interest or any other income that may be.

2 Yearly income in 2025, not cumulative.

3 The Dutch government is defined as MFA/BuZa and any other potential ministry supporting our mission directly. It also includes RVO, NSO and other agencies set up by the government and with a mandate to implement Dutch government policy.

4 Baseline 36%.

3

CONTEXT: COMMITMENTS TO MORE SUSTAINABLE VALUE CHAINS



A palm oil farmer, Nigeria. © Solidaridad / Andrew Esiebo.

In Europe we are highly dependent on trade to fulfill our daily needs. Tropical commodities play a key role in our consumption patterns. No day passes without consumption of palm oil, coffee, cocoa or tea. Where would we be without the producers of those tropical commodities? After all, these commodities make up much of our daily food. What would we be wearing without the cotton farmers and workers in the garment industry? They produce our clothes. How would we communicate without the minerals in our mobile phones and laptops? Our daily well-being depends on billions of smallholder farmers, miners and workers in the agricultural, industrial and services sectors in developing producing countries outside of Europe.

The severe impact of the Covid-19 pandemic has shown all too clearly how unequal our global economy is. The European economic response to the pandemic was centred in the region, often lacking the nuanced conversation around the interconnectedness of global supply chains. Many products sold here are grown, made or mined far across our borders by people who have no fallback scenarios and are vulnerable to poverty. In particular, factory workers, smallholder farmers

and small-scale miners are affected severely by this.

European market actors extract too much value from local communities and ecosystems. In doing so, they do not take external costs into account, such as the use of natural resources, a fair price paid to the farmers, and a living wage. As a result, many farmers, workers and miners in producing countries live in poverty. In the meantime, our biosphere and atmosphere are degrading rapidly.

At the same time we see a clear upward trend in Europe towards social enterprises and the so-called Benefit Corporations (B-corps). These mostly smaller companies make sustainability a direct part of their business model. They are using business as a force for good and step away from profit maximization. Also some bigger companies are embracing stewardship models and are moving away from shareholder value towards stakeholder value. As Solidaridad we are enthusiastic to be working with them to set the scene for more inclusive business models.

Voluntary sustainability standards and initiatives have not led to sufficient impact. Supply chains are still troubled by deforestation, unsustainable practices, and poor livelihoods for farmers and workers, who face an increasing and costly monitoring burden and even exclusion. We must make sure that a smart mix of measures - legislation, voluntary initiatives, supporting policies - are in place to ensure all products sold on the European market are produced in a sustainable way. There is increasing political momentum in Europe for regulatory frameworks promoting sustainable production. As part of the EU's Green Deal, which seeks to make the EU economy sustainable, the European Commission is preparing legislation on human rights and environmental due diligence. This would require EU companies to conduct due diligence on these issues throughout their international supply chains. Solidaridad strives for regulatory frameworks that are truly contributing to more inclusive and sustainable supply chains. Such frameworks should prioritize the interests of farmers, miners and workers, whereby their voices are heard and their livelihoods are improved.

European consumers, mostly young and urban citizens, are increasingly aware and open to purchasing high-quality, sustainably sourced products. An increasing group of consumers (e.g. in Germany over half of the population; in the Netherlands 38%) are willing to pay more for sustainable products. At the same time, citizens are wary about sustainability claims

of brands. In the Netherlands, for example, 43% of citizens don't trust such claims. Existing certification labels don't help them either. For consumers it is difficult to understand that even buying certified products, where farmers receive a price premium (Fairtrade), still often does not cover the costs of environmentally-friendly production, and neither does it always ensure a decent livelihood for the producers. In the meantime, citizens have seen the price of a cup of coffee or a bar of chocolate rise over the years, and it is difficult to grasp the reality of the unfair distribution of value in the chain. As Solidaridad we engage with citizens to encourage them to hold policy makers accountable for the sustainability of the products sold on the European market.

Solidaridad Europe generates support and commitments for making international value chains more sustainable, with a focus on improving livelihoods of farmers, miners and workers in developing producer countries beyond Europe's borders. Developing mutually beneficial partnerships is the single most important aspect of our work in Europe. As such, we partner with hundreds of players across global value chains, from donors and companies to knowledge institutes and civil society organizations. With offices in the Netherlands and Germany, representation in the UK, and partnerships in various European countries, there are ample opportunities for us to explore, geared at influencing corporations, governments and citizens to take up and commit to more sustainable value chains.

4

SPOTLIGHT ON A PARTNER-SHIP: SOLIDARIDAD AND RABOBANK MAKE CARBON MARKETS WORK FOR SMALLHOLDER FARMERS



A coffee farmer in Nicaragua has switched to agroforestry practices. © Solidaridad.

Increasingly more European governments and companies are feeling the urgency of the climate crisis. Stricter European legislation is coming up and a growing number of companies strive to become climate neutral in their operations. Therefore, there's a growing demand for CO₂ compensation, and companies are looking for a practical solution to offset the CO₂ emissions they cannot avoid.

Up till now small-scale farmers in low and middle income countries have hardly received any payments for CO₂ sequestration on their land. It is difficult for them to access the international CO₂ market because the transaction costs and registration requirements of the trading platforms are too high.

Solidaridad and Rabobank have joined forces to provide a marketplace for smallholders who work in agroforestry, including coffee, cocoa, tea and other perennial crops. It shaped ACORN, a new carbon trading platform of Rabobank addressing the needs

of small-scale farmers: lower transaction costs and significantly higher carbon prices. At least 80% of the price goes to the farmer.

[Video: Maria Rosa Betancourt <https://www.youtube.com/watch?v=4DuavCkaoDQ>]

Thanks to earlier investments made by Solidaridad in rigorous data collection and monitoring systems in Colombian and Peruvian coffee climate programmes (financed by NORAD), we had a running start. For example, we were able to quickly onboard farmers to the platform and swiftly execute the first payments. The first pilots have also been successfully carried out in Nicaragua and Uganda. In 2021, we onboarded in total 3,024 farmers to the ACORN platform, who could sequester 16,682 tonnes of CO₂ with a total trading value of 300,000 euros. Currently, we are scaling operations in the four countries mentioned above, and additional pilot projects are being developed in Kenya, Indonesia and India.

Unlike many other carbon market platforms which sell the promise of the future growth of trees, ACORN only sells carbon already sequestered. The amount of CO₂ fixed in trees is measured independently by satellites. Solidaridad and Rabobank will also develop a method to bring soil sequestration to the market, i.e. the amount of soil organic matter being fixed in agroforestry systems.

The ambition of Rabobank is to connect 15 million smallholder farmers to the platform before 2030, of which 3 million in collaboration with Solidaridad as a preferred supplier to the platform. Solidaridad supports these farmers with registration, soil analysis and technical support. Through its trading platform, Rabobank works to ensure that the producers are compensated each year for the sequestration of greenhouse gasses.

5

GOALS AND ACHIEVEMENTS



The 40,000 signatures and a shopping bag with sustainable products were offered to Members of Parliament by representatives of the IDVO-coalition.
© Salvation Army - Leger des Heils/Jeroen van der Meyde.

5.1 OUR STRATEGY

We need systemic change. We need a new economy. An economy that works for the poor and the planet, an economy in which we pay for sustainability. For natural resource management, for living wages, for inclusivity. Solidaridad Europe's main strategic goal for 2025 is to make European market actors pay for sustainability, facilitating the transition to an economy that works for the poor and safeguards the planet for future generations.

Market actors in Europe should take external costs into account, i.e. the costs of production, a decent livelihood and the use of natural resources. We should consume in a sustainable way to facilitate sustainable production at the beginning of the various supply chains we work in. Central themes in our work are fair value distribution, decent work, natural resource management and sustainable consumption.

Tackling supply chain inequity requires a comprehensive and

multi-stakeholder approach. Through building partnerships, advocacy, media engagement, and fundraising, Solidaridad Europe is creating a supportive environment for meaningful policy changes and programme implementation around the world. Taking into account the role of Solidaridad Europe as the engine of the Network in terms of resource mobilization, we will ensure that donors continue to finance our sustainability solutions globally. Lastly, people and knowledge are our most important assets within Solidaridad, and we should guard them well.

Therefore, Solidaridad Europe has set the following 5 overarching strategic objectives to achieve our main strategic goal:

1. Regulatory frameworks and supporting policies are in place to ensure products sold at the European market are produced in a sustainable way.
2. The private sector implements comprehensive policies and innovative inclusive business models, incorporating

true costs, for truly sustainable sourcing, production, and investments.

3. Citizens raise their voices for more sustainable and inclusive value chains and demand an economy in which goods originating from the Global South are produced sustainably.
4. A steadily growing and diversified stream of income is secured to ensure the implementation of Solidaridad's global MASP.
5. Solidaridad Europe is a learning organization and a great place to work where competent staff are equipped to jointly contribute to our mission.

Innovations play a key role in facilitating all these ambitions which are instrumental for achieving systemic change. In Europe, Solidaridad is actively contributing to innovative solutions promoting transparency and traceability in global supply chains. Transparency by verified farmer data should lead to a fairer value distribution, taking external costs into account. We promote innovative, inclusive business models with increased ownership of farmers for truly sustainable sourcing, production, trade and investment.

We actively promote inclusivity as a vital factor of our work. Inclusive practices and policies - taking into account the role of and impact on women, youth, minority groups, people with disabilities, and other traditionally marginalized population groups - are essential in reclaiming sustainability as a practice that benefits everyone equally and creates lasting, positive change.

5.2 ANNUAL PLAN 2021

Solidaridad translates its mission and vision from the strategic plan into operational objectives in an annual plan. 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. The Annual Plan 2021 was drawn up by the management team and approved by the Supervisory Board, with the following primary focus areas:

DELIVERY

- Deliver on our programmatic commitments - including new partnerships such as the RECLAIM Sustainability! programme and the extension of the Practice for Change programme - and work towards the continuity of existing programmes and partnerships.
- Influence the European agenda, aligned with the EU Green Deal, to ensure an effective, inclusive smart mix of policies benefiting smallholders farmers, workers, miners and landscapes in the Global South.
- Deepen and strengthen our existing partnerships with individual and institutional donors, the private sector and civil society.
- Make sure our Solidaridad staff has the knowledge and competences needed to deliver on our strategic priorities.

DEVELOPMENT & INNOVATION

- Diversify and grow our fundraising sources, by strengthening and building donor relations across Europe (Germany, Nordics, UK, Switzerland, EU). It also involves working closely with the Climate Finance donor community, Foun-

dations, and building capacity to bid on service contracts. Moreover, we envision growing our individual donor base through, among others, the development of automated donor journeys.

- Europe is our playing field. We will pursue conversations with like-minded organizations in Europe to become strategic partners, or even a part of the Solidaridad Network.
- We will engage citizens and develop campaigns to activate government and private sector actors.
- We will work on further development of a suite of solutions to make the European private sector pay for sustainability. Solutions will focus on traceability and transparency; inclusive business models; market uptake of sustainably produced products and payment for sustainability services, and access to finance (PlusPlus).
- Learning is key to deliver on our promises. In 2021 we will work on the building blocks of a learning organization, reflected by learning plans, project teams prioritizing solutions, and the development of knowledge products.
- We will further develop internal processes to strive for a zero environmental footprint and to be able to start ESG reporting from 2022 onwards.

CONNECTIVITY

- Connectivity and visibility are key for succeeding in our objectives. We will continue to position ourselves as a thought leader in the field of inclusive, sustainable economic development, by being clearly visible in the public space. With strong branding, campaigns, appealing stories, publications, opinions and propositions, we will work towards showcasing leadership and uniqueness, amplifying the voice of the South and engaging with our stakeholders.
- We will further improve and professionalize the processes in the organization, also to ensure the internal preconditions are in place for smooth network cooperation despite Covid-19 limitations. Integrity and inclusiveness continue to be high on our agenda.

5.3 POLICY INFLUENCING

The Policy Influencing team is advocating for the adoption of international supply chain legislation that will have a positive impact on smallholder farmers, workers, miners and the environment. In 2021 the European Union took several important steps in the process of adopting legislation, and several of our recommendations on smallholder inclusiveness, and on partnerships between the EU and producing countries were included.

SUPPORTING PRODUCER INCLUSIVE EUROPEAN LEGISLATION

The debate in Europe on Corporate Social Responsibility is at an important crossroads: the possibility of holding companies internationally accountable for negative impacts in their supply chains has never been closer since the adoption of the UN Guiding Principles on Business and Human Rights (UNGPs) and the fifth revision of the OECD Guidelines for Multinational Enterprises in 2011. These guidelines require companies to exercise due diligence in their business oper-

ations. Worldwide governments endorse these guidelines and expect companies to implement them. However, in the past decade, it has become clear that governments' policy of self-regulation and voluntary action is insufficient.

Solidaridad is in favor of moving beyond voluntary sustainability initiatives only, and welcomes mandatory measures for corporations as part of a smart mix of measures to address issues in international supply chains. At the same time, we are concerned that such regulation might restrict EU market access for smallholder farmers, workers and miners if they are unable to meet the new requirements. We also see the need to adopt strong complementary measures in partnership with producing countries. 2021 was marked by several important milestones on this journey towards adopting regulatory frameworks that work for smallholder farmers, workers and miners in the Global South.

In November 2021 the European Commission proposed a legislative text on deforestation-free products. This legislation includes a standard to prohibit commodities from entering the EU if they are not free from deforestation. Without support, smallholder farmers will struggle to comply with the standards imposed by the regulation, ultimately resulting in losing access to the EU market. In the course of 2021, we continued to raise awareness of this risk and we proposed recommendations to policy makers during various conferences, webinars, consultations, papers, articles, letters and meetings. We teamed up with other CSOs and like-minded companies that are active in the EU lobby to leverage our influence and amplify our messages. The legislative text published in November includes some first concrete provisions regarding the impact on smallholders, and several of our recommendations were included in the proposal. In particular, it includes an obligation to conduct a general review of the impact of the regulation on smallholder farmers. It also requires the EU to have partnerships with producing countries in an effort to support smallholder farmers.

In March 2021 the European Parliament issued a request to the European Commission to put together a legislative proposal on corporate due diligence. Since 2020 we have advocated for the adoption of legislation in Europe to address human rights violations and environmental concerns outside of Europe. Based on our long experience we know that the lack of a living income and living wage for producers is a root cause of many human rights violations and environmental issues. So far, the corporate lobby has generally resisted to recognize a living income as a human right that should be covered by EU legislation. We have worked together with like minded NGOs around the globe in presenting the briefing [Legislating for Impact](#) to underline this message. We also worked on changing this in collaboration with our partners in the VOICE network. In this collective effort, five cocoa companies co-signed the joint position paper stating that the legislation should also contribute to achieving a living income for cocoa farmers, thus recognizing living income as an essential means of establishing a sustainable cocoa sector. Furthermore, we engaged in the textile sector, lobbying for legislation that addresses the challenges faced by textile workers. Together with the Policy Hub we provided recommendations to expand the scope of

the EU Strategy for Sustainable Textiles beyond circularity. Together with key stakeholders in the industry we stressed the importance of a holistic approach for this sustainability strategy, by combining social, environmental and commercial practices in the EU Strategy for Sustainable Textiles, with more attention for the impact on textile workers globally.

Our lobby and advocacy efforts were initially targeted at the EU only but in 2021 we also engaged in the political debate on legislation in the Netherlands. Shortly after the IDVO petition and the publication of our article on the lack of progress in Dutch legislation, the Minister of Foreign Trade and Development Cooperation announced the preparation of national legislation on human rights and due diligence in the Netherlands.

PRODUCERS AT THE TABLE

For many years Solidaridad has played an important role in a range of Multi Stakeholder Initiatives in various sectors. In these MSIs, we advocate for improved private sector policies that contribute to the transition to an economy that works for the poor and safeguards the planet for future generations. We believe that a direct representation of Solidaridad's target groups in the decision making processes of these MSIs is important. An example is our work in advocating for meaningful representation of smallholders in the RSPO Executive Board. As a result, in 2021 an Indonesian association of sustainable palm oil farmers was welcomed in the RSPO board. Another milestone is the 2030 strategy of the Better Cotton Initiative (BCI) which includes, for the first time, an explicit reference to farmer centricity and living income. Over the past years, through our BCI board membership, we have stressed the importance of adopting a farmer centric perspective when making decisions, and the updated BCI strategy is an important step forward in this process. Also in the discussions about the implementation of the EU Responsible Minerals Regulation that came into force in 2021 we brought perspectives and recommendations from producers to the table, based on a consultation process we undertook with 50 civil society organizations from across 20 mining countries.

5.4 CORPORATE ENGAGEMENT AND PARTNERSHIPS

2021 was not an easy year to close new partnerships, including securing corporate financial contributions. We focused on expanding and deepening our strategic partnerships with Henkel, Syngenta and Stahl, and on the implementation of 13 new public private partnerships that were approved in 2020 (8) and 2021 (5). We worked with 44 partners altogether on implementing sustainable policies and practices and on inclusive business models.

Highlights of our successes include the following:

- We began a new Farm2Bar project with Henkel. With a substantial additional budget from Henkel, we will build a fully traceable supply chain for the production of soap under their brand DIAL. Smallholder palm oil farmers are directly included and will benefit.
- With Kering we continued the women empowerment pro-

ject in mining communities in Ghana, supporting women in starting and strengthening their businesses.

- We worked on designing a sourcing model with a route to market for artisanal and small-scale gold mining (ASM) and its integration in the formal international market. We pitched this to several companies who are members of the Dutch Gold Covenant and collected 4 letters of intent to support this new sourcing model.
- We collaborated with many small Dutch startups, bringing innovative technical solutions to our field operations, such as Cooloo (they developed a circular concept to use leather waste streams); Salt Doctors (testing saline agriculture in Kenya); and Solynta (testing potato seeds among smallholder farmers in Mozambique). Although the results of these pilots have been positive, it has been and still is challenging to find funding to scale these promising interventions.
- We started a new project and now cover 80% of the leather clusters in India. Together with Stahl we involved other major suppliers of chemicals to create more sustainable practices in the leather industry in India and Bangladesh.
- Solidaridad is proud of our joint venture with Lendahand and Cordaid: the crowdfunding platform PlusPlus. PlusPlus supports smallholders by providing access to finance to agri and food SMEs. In the course of 2021, 18 agri and food entrepreneurs were funded by almost 500 crowdfunders. P4G approved another grant for scaling of the operation, with a focus on marketing, efficiency and data analysis.

Unfortunately, Covid-19 had a negative impact on our results in 2021. It was more difficult to get financial commitments, there was a slow down in project implementation, and less effective engagement during another year of working online. To mitigate these effects we worked on smaller but important and multiparty public private partnerships (PPPs), with a focus on sector collaboration, more digital training and tooling in our projects, and active participation in online conferences and workshops.

Most retailers and brands in the fashion industry saw their results come under pressure, and this slowed down their sustainability agenda. We were involved in two new PPPs geared at improving social and environmental challenges in the textiles supply chains. One of these is with Hunkemöller, Zee-man, America Today and Tricorp, focusing on environmental improvements, and the other one with Prenatal, Just Brands and Micro Fashion, working on improved due diligence.

5.5 ACTIVATING CITIZENS TO RAISE THEIR VOICES

The greatest success in 2021 was the collaborative citizen campaign that demanded the Dutch government to put in place Dutch legislation requiring companies to respect human rights and the environment in their value chains. This campaign resulted in 40,000 signatures offered collectively by a group of Civil Society Organizations to the Dutch parliament.

Despite Covid-19 restrictions hampering offline events and campaigns, there were ample opportunities in 2021 to create awareness among citizens and consumers of the need for inclusive and sustainable value chains. Solidaridad encouraged citizens to demand change from governments and brands. Throughout the year, we executed 7 campaigns⁵ in the Netherlands that reached a total of 6.3 million people, while motivating more than 16,000 people to take action.

[Together with the organizations in the IDVO coalition](#) we developed and executed a campaign that collected a total of 40,000 signatures that were offered to the Dutch Parliament. The campaign supported a joint lobby by the coalition to create a new Dutch law on Corporate Social Responsibility based on UN and OECD principles for Human Rights and Environmental Due Diligence. This has led to almost 11,000 impressions on Facebook, Twitter and Instagram, as well as 633 signatures.



The 40,000 signatures and a shopping bag with sustainable products were offered to Members of Parliament by representatives of the IDVO-coalition.



On [Black Friday](#) we organized a ‘protest’ campaign in the Netherlands to draw the attention of the public to the vulnerable position of the makers of our clothes. It involved 30 mannequins that symbolized the ‘stripped-down’ textile workers. They were holding signs with slogans about wrongdoing in the textile industry. The protest was linked to [research that we commissioned in the Netherlands](#). We reached 2.1 million people with this action and collected almost 2,000 signatures for EU legislation to tackle the problems addressed. Press engagement included national

5

Slogan campaign, Build Back Better campaign, 2x Socutera TV campaigns, IDVO campaign, Black Friday campaign, Bottom-UP campaign.

radio, trade magazines and regional newspapers. Interestingly, the Dutch research was also picked up in Germany, facilitated by the colleagues in our German office.

Apart from putting pressure on the public sector via citizens campaigns, the Communications & Campaigning team also called upon the private sector to start paying for sustainability. We did so through the promotion of the Cocoa Barometer⁶ published at the end of 2020, and the Coffee Barometer⁷ at the beginning of 2021. These publications had a potential reach of 1.1 billion⁸.

In the field of individual fundraising, we managed to secure €1.36 million from individual donors, companies, churches, foundations, and €1.35 million from the Dutch Postcode Lottery. We also supported the PlusPlus team to positively impact 8618 farmers and provide 87 new jobs.

While these results are very positive, we could have achieved even better results if Covid-19 and ensuing cases of conflict in the world had not impacted our work. For example, we had anticipated to facilitate a trade mission to Ethiopia (accompanied by press) and a consumer campaign around sustainable fashion in 2021. Unfortunately, as a result of Covid-19 and the continued civil unrest in Ethiopia, we had to postpone these activities to 2022.

The most important lesson of 2021 was to anticipate the risk of sudden Covid-19 related lock-downs that hamper the execution of physical campaigns and events. This means we always need to have an online back-up plan. Another lesson learnt is to focus on the summer period to organize events instead of the winter. We took this into account when drawing up our 2022 planning.

5.6 SUPPORTING OUR NETWORK IN ACCESSING FUNDING FROM DONORS DIRECTLY

In 2021 the Donor Relations Team kept relationships with partners strong despite operating in complex realities and supported the Solidaridad Network in accessing funding from donors directly.

Progress has been mixed mainly due to Covid-19. We have not had a good year on our main objective (growing and diversifying income). Despite celebrating some successes (RVO, Partnership for Green Growth), Covid-19 realities made it difficult to build relationships, particularly with new donors. They tended to stick to their existing partners, not opening up to new organizations like Solidaridad. In response to this we significantly invested in relations with European partner NGOs who have partnerships with these donors and explored how Solidaridad could add value to these partnerships. We also concluded that building partnerships with new donors, such as in Germany, takes time. Meanwhile, one of our key donor targets, the EU, did not issue a Call for Proposals in 2021, and

we faced the realities of having a caretaker government in the Netherlands. This meant there were fewer funding opportunities, including from the RVO.

With regards to managing partnerships with existing donors, progress was good. It did not help that we were not able to travel, also not with donors to project sites, but overall we made considerable progress. The first year of our Power of Voices partnership, supported by the Netherlands Ministry of Foreign Affairs, reaped first results and we kept implementation afloat in many countries, despite the difficulties there due to Covid-19 and in some cases conflict. Other successes included: we sailed through a complex EU evaluation for one of our projects in Ethiopia; our Norad-supported programme on avoiding deforestation in South America closed with achieving the large majority of its targets; and we organized a successful high-level event on one of our flagship palm oil programmes during the COP26 in Glasgow.

We celebrated various successes through our support to the fundraising drives of other Solidaridad offices. As a network we were able to anticipate the trend that donors increasingly want to fund NGOs directly in the producing countries. With DR support various contracts were signed by other RECs, such as a Danida-funded organic coffee proposal in Kenya (620K Euro), a WorldBank Dairy tender in Ethiopia (949K USD), and a GIZ/Olam-funded programme on Cotton in West Africa (3M Euro). With regards to climate finance specifically, we got close to winning a 12 million USD contract with the NAMA (Nationally Appropriate Mitigation Action) facility which was turned down due to a last minute change in policy by the donor. Furthermore, we supported approaches by our offices in Colombia, Uganda and Bangladesh to the Dutch Fund for Climate and Development.

Recognizing the mixed progress, but also believing in the decisions made in our five-year strategy, we conclude that 2022 will be a year of perseverance, focus and acceleration. And ultimately, of success.

5.7 A CATALYST FOR CREATING A LEARNING ORGANIZATION

The Knowledge Management & Learning (KML) team of Solidaridad Europe has played an important advisory and facilitating role in planning, monitoring, evaluation and learning processes in projects, teams and the organization as a whole. We played a leading role in the development of the baseline report for the five-year RECLAIM Sustainability! programme, a strategic partnership with the Dutch Ministry of Foreign Affairs.

2021 was a good year for the KML team. We achieved all our internal KPIs, have been able to add value with our PMEL advice in the development and implementation of projects and corpo-

6 Published in partnership with a group of 16 organizations coordinated by Voice Network.

7 Published in partnership with Conservation International, Hivos and Oxfam Belgium coordinated by Ethos Agriculture.

8 Cocoa Barometer (459 million), Coffee Barometer (636 million), measured through Meltwater

rate partnerships, and have been appreciated for it by the other teams at Solidaridad Europe. We are happy with the introduction of the team learning plans at REC Europe and a new global learning agenda in the Network. This is an indication of more attention to learning and a more strategic direction at the organization. Notably, the ISO auditor also complemented Solidaridad with our strong investment in design and development of knowledge systems to initiate and stimulate innovation.

The KML team created spaces for learning, reflection sessions after evaluations and the joint planning sessions during the Annual Retreat. In order to include external knowledge and perspectives we collaborated with external stakeholders: Wageningen University and Research, Van Hall Larenstein, University of Utrecht, Maastricht University, AidEnvironment and Avance.

We supported, developed and implemented a number of learning processes and products:

Theories of Change and monitoring frameworks for the successful Dream Fund application to the National Postcode

Lottery and for the corporate partnerships with Syngenta and Henkel.

Mid-term reviews and evaluations for the several larger programmes: NI-SCOPS palm oil Asia and Africa, the FOSEK food security project in East Africa and Bottom-Up a cotton and textiles project in Europe and Ethiopia.

Project fact sheets to capture results and lessons learnt in 80% of the projects of Solidaridad Europe.

Support to the teams at Solidaridad Europe in developing team learning plans.

In the course of 2021 we learned how to develop and communicate a set of KML advisory services for the organization resulting in a clearer focus for the team.

One of the monitoring challenges in our work at REC Europe is how to capture results in policy influencing and our contribution to it. In 2021, we agreed to pilot a new methodology for that: Outcome Harvesting. This was well received in the PI team, and will be tested in 2022.

6

MISSION AND VISION



Cocoa farmers, Ghana. © Chikis Studios

6.1 STATUTORY GOALS

Solidaridad Network has statutory goals aligned throughout the Network. The goals are all the same for Solidaridad Network, Europe and the Netherlands.

Solidaridad aims to support organizations in low and middle-income countries that systematically work to combat poverty. Solidaridad seeks to achieve this aim in various ways, including:

- strengthening producers' associations and other civil society organizations in low and middle-income countries that work towards the sustainable development of their economy;
- using the principles of Fair Trade and Corporate Social Responsibility to engage companies, banks and investors in the development of trade chains with added value for producers;
- engaging citizens and consumers and creating a support base in the church and society for sustainable economic development within the globalizing economic, political and

cultural relationships, through information campaigns focused on awareness raising and behavioral change;

- all in the broadest sense of the word.

6.2 OUR MISSION AND VISION

Our strategy in Europe is guided by the overall vision and mission of the Solidaridad Network.

Our vision is a world where all we produce and consume can sustain us, the planet 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.

We work for the same target group as all the other Regional Expertise Centres in the Solidaridad Network: small-scale

farmers, and workers on farms, in mines and factories in our focus supply chains in low and middle-income countries. Although in Europe we do not directly collaborate with these target groups, all our activities are aimed to make an impact for these - still often marginalized - groups, with a special emphasis on women and youth.

6.3 OUR VALUES

Whilst we work in more than 40 countries with eight independently managed regional offices, we share a commitment to a common set of values within the Solidaridad Network:

- **Solidarity:** we are faithful to the name of our organization in a deeply rooted solidarity with smallholder farmers, workers, and producers
- **Solutions:** we are pragmatic problems 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

7

GOVERNANCE, RISKS & OPERATIONS



Solidaridad Europe's staff gathered in Soesterberg for two days to create the new annual plan. © Solidaridad/Jaimi Nieli.

7.1 THE GLOBAL SOLIDARIDAD NETWORK

Solidaridad is an international network organization with offices across the globe. The Solidaridad Network consists of eight regional expertise centres located in Asia, South America, Central America, North America, Southern Africa, East and Central Africa, West Africa and Europe - each with their own specific expertise and focus. The interconnected network places a focus on decentralized responsibility and implementation by regional teams. Local knowledge, experience and vision are guiding principles. The network's interconnectedness is fostered by a global vision, strategy, programming, communication and internal quality control systems. Each part of the network contributes to the whole. The premise of the structure is that it promotes capacity building: strengthening Solidaridad teams in the region, enabling them to take control of supervisory tasks and to manage programming themselves. The regional Solidaridad teams cooperate with their partners on the planning, implementation, communication and evaluation of programmes, and on reporting their results. In line with its vision on local ownership and governance, Solidaridad created legal entities in Panama City, Nairobi, Hong Kong, San Francisco and Utrecht for its regional expertise centres. From these legal entities, funds are received for and allocated to the country programmes in the regions. The

legal entities also act as contract partners for development contracts per continent, serving as a financial and administrative organization, including the handling of internal payments and consolidating financial statements.

The regional operations are supervised by Continental Supervisory Boards (CSBs), which are legally registered in the same places as the continental legal entities. Solidaridad's five CSBs provide direct supervision to the regional centres and country offices. The CSBs consist of leaders in business, civil society organizations or academic institutions from each continent: North America, South America, Africa, Asia and Europe. Each of these continental organizations is connected with the Solidaridad Network Foundation in Utrecht, the Netherlands, through the delegation of supervisory board members to the International Supervisory Board, thus creating a global network.

The Executive Board of Directors (EBoD) is the main policy-making body, ensuring coherence between international commodity strategies and regional programmes. The EBoD is also responsible for the overall implementation of the international policy and commodity strategy. It consists of the managing directors from each regional expertise centre. The chair of the EBoD is the Executive Director of Solidaridad Network, Jeroen Douglas. The members of the Solidaridad

Executive Board of Directors in 2021 are: Shatadru Chattopadhyay (Asia), Mandla Nkomo (Southern Africa till July), Rachel Wanyoike (East and Central Africa and Southern Africa since July), Rebecca Kaduru (North America till March), Michaelyn Baur (Central America and North America since March), Isaac Gyamfi (West Africa), Heske Verburg (Europe), and Gonzalo la Cruz (South America).

7.2 SOLIDARIDAD EUROPE

Solidaridad Europe generates support and commitments for making international value chains more sustainable, with a focus on improving livelihoods of farmers, miners and workers in the Global South. Developing mutually beneficial partnerships is the single most important aspect of our work in Europe. As such, we partner with hundreds of players across global value chains: donors, companies, knowledge institutes and civil society organizations. With offices in the Netherlands and Germany, representation in the UK, and partnerships in various European countries, there are ample opportunities to influence corporations, governments and citizens to take up and commit to more sustainable value chains.

Foundation Solidaridad Europe (Stichting Solidaridad Europe) was founded on 14 December 2017 and is based in Utrecht, The Netherlands. The foundation is linked to Foundation Solidaridad Network (Stichting Solidaridad Network) and Foundation Solidaridad the Netherlands (Stichting Solidaridad Nederland), as well as to Solidaridad Germany (Solidaridad Deutschland eingetragener Verein).

The Continental Supervisory Board of Europe oversees the general affairs of Solidaridad in Europe and the Netherlands. In order to strengthen the collaboration in Europe four members of the board are also members of the board of Solidaridad Germany (see also paragraph 7.4).

The International Supervisory Board appointed H.F. (Heske) Verburg as the first Managing Director of Solidaridad Europe. Solidaridad Europe has no personnel.

7.3 SOLIDARIDAD THE NETHERLANDS

Solidaridad Foundation was founded on June 15, 1976 and is based in Utrecht, the Netherlands. In December 2017 Solidaridad formalized the new and updated statutes, in accordance with present circumstances and the statutes of Solidaridad Network, and changed the name to Solidaridad the Netherlands.

Solidaridad in the Netherlands is managed by a statutory director. H.F. (Heske) Verburg has been appointed as Managing Director per January 1, 2017 by the International Supervisory Board. The statutory director has the final responsibility for daily management and implementation of the programmes and activities.

7.4 SOLIDARIDAD GERMANY

Solidaridad Germany (Solidaridad Deutschland eingetragener Verein) was established on 8 February, 2018 and is based

in Freiburg, Baden-Württemberg, Germany.

Melanie Rutten-Sülz was appointed director of Solidaridad Germany by the Board of Solidaridad Deutschland e.V. as of 1 April, 2021. With a small staff of six people Solidaridad Germany is developing new partnerships with German companies and donors.

7.5 REPORT OF THE EUROPEAN SUPERVISORY BOARD

The Solidaridad Network aims to be an effective, influential and innovative learning organization with a reputation as one of the best organizations engaged in international development cooperation. This requires a wide range of checks and balances. In recent years, a fully operational supervisory structure for the network has been put in place. Our structure is intended to ensure that Solidaridad Network is a credible organization with a transparent, responsible, and cost-effective system of supervision that affirms Solidaridad's vision, programme and working methods. It is based on the following fundamental principles: promoting solidarity by means of global strategies for commodities; ensuring a high degree of autonomy for the regional expertise centres; maintaining a professional approach that maximizes the impact of Solidaridad's programmes; and a shared vision and mission.

SUPERVISION

Solidaridad's governance structure is based on the continental European governance model. This means, amongst others, a board with a two-tier structure, emphasis on dialogue with stakeholders and focus on achieving consensus. This governance model follows the subsidiarity principle. It aims to ensure that decisions are made as closely as possible to the deepest levels in the organization and that constant checks are made to verify that actions across the Solidaridad Network are justified in light of the possibilities available at the continental, regional or national level.

Our Continental Supervisory Board (CSB) oversees the general affairs of Solidaridad in Europe. The CSB consists of a minimum of three and a maximum of seven members. The CSB itself decides on the number of its members. The members of the CSB appoint one member to be the chairperson, or appoints an independent third party as the chairperson. Members of the CSB are appointed for a period of four years and can only be reappointed once. If a member has fulfilled the position of the chairperson of the CSB during a period of tenure, this member can be reappointed twice.

In 2021, our CSB consists of seven people who support Solidaridad's mission and who meet the requirements of the job profile drawn up by the board. One of the standing committees of Solidaridad is a financial audit committee, which is specifically responsible for overseeing the financial affairs of Solidaridad in Europe (as well as The Netherlands).

The CSB met four times in 2021 regarding the following topics: the 2020 Annual Report, the 2022 Budget, Solidaridad organizational strategy, strategic partnerships, European presence, large new contracts, and other relevant topics.

The audit committee (Carlos Alva Nieto (chair), Martin Staehle and Claire Gentil) advised the CSB on the annual financial accounts for 2021. The audit committee also advised the CSB on the budget for 2022.

To guarantee a separation of functions and to prevent conflicts of interest, no close relationships are permitted between members of the CSB, or between members of the su-

pervisory boards and management. In addition, no links are permitted between any of these members and an organization with which Solidaridad, in the normal course of its work, conducts transactions that can be valued in monetary terms.

The members of the CSB are listed in the following table, including their education and academic titles, term and positions held in 2021.

NAME	FUNCTION	END OF TERM	EDUCATION AND POSITIONS
Jan Karel Mak	Chair	December 2024 (second term)	<ul style="list-style-type: none"> • MSc Environmental Sciences • Chair Supervisory Board Energy Cooperative Association HilverZon (Hilversum) • President VideowindoW B.V. (Delft) • Chair University Fund Wageningen • Chair of Continental Supervisory Board of Solidaridad • Member International Supervisory Board Solidaridad • Member of Solidaridad Germany e.V.
Carlos Alva Nieto	Member	December 2023 (second term)	<ul style="list-style-type: none"> • MSc Supply Chain and Operations • MSc Chemical Engineering • Global Market Strategy Director, Nouryon Chemicals • Member of Continental Supervisory Board of Solidaridad • Member of Solidaridad Germany e.V.
Katrien Termeer	Member	December 2024 (second term)	<ul style="list-style-type: none"> • MSc Land Use Management, Wageningen University • PhD Public Administration, Erasmus University • Professor of Public Administration and Policy, Wageningen University • Member advisory council public administration and advisory council animal affairs Dutch Government • Crown appointed member of Social Economic Council (SER) • Member of Continental Supervisory Board of Solidaridad • Member of Solidaridad Germany e.V. till 1 april 2021
Claire Gentil	Member	June 2025 (second term)	<ul style="list-style-type: none"> • MSc Pure Mathematics (France) • MSc Mathematical Logic (Netherlands) • Chief Risk Officer, Region Netherlands & Africa (Wholesale banking), Rabobank • Member of Continental Supervisory Board of Solidaridad • Member of Solidaridad Germany e.V.
Martin Staehle	Member	March 2023	<ul style="list-style-type: none"> • MSc Political Economy • Former Managing Director of Research International (Germany) • Member of Continental Supervisory Board of Solidaridad • Member of Solidaridad Germany e.V.
Marion Kappeyne van de Coppello	Member	August 2023	<ul style="list-style-type: none"> • MSc International Public Law, Leiden University • Retired Diplomat of the Dutch Ministry of Foreign Affairs • Member of Continental Supervisory Board of Solidaridad • Member of Solidaridad Germany e.V. till 1 april 2021
Kajsa Johansson	Member	June 2024	<ul style="list-style-type: none"> • MSc Civil Engineering • University degree Development Studies • PhD Candidate Sociology • Counsellor/Head of Cooperation, Embassy of Sweden Maputo, Mozambique • Member of Continental Supervisory Board of Solidaridad • Member of Solidaridad Germany e.V. till 1 april 2021

Within the Solidaridad Network, the International Supervisory Board (ISB) is the highest level of international oversight. The ISB monitors policies, the quality of programmes, financial control of the Solidaridad Network and the performance of the Executive Board of Directors (EBOD). Direct supervision of the regional expertise centres (RECs) is

organized by continent. Each Continental Supervisory Board (CSB) is represented in the ISB thus enabling the ISB to focus on the interest of Solidaridad Network as a whole, instead of focusing on individual RECs. The ISB met two times in 2021. The five members of the ISB are:

NAME	FUNCTION IN THE BOARD	APPOINTED PER	REPRESENTING
Mariam Dao Gabala	Chair	22 June 2015 as chairperson, a member of the ISB since 18 December 2014	CSB Africa
Roxana Barrantes	Member	11 July 2018	CSB Latin America
Shahamin Sahadat Zaman	Member	19 December 2016	CSB Asia
Kannan Pashupathy	Member	5 June 2014	CSB North America
Jan Karel Mak	Member	10 December 2018	CSB Europe
Bernhard Roehrs (replacing Roxana Barrantes in 2022)	Member	10 February 2022	CSB Latin America

MANAGEMENT

Solidaridad in the Netherlands is managed by a statutory director, the Managing Director. H.F. (Heske) Verburg was appointed as Managing Director on January 1, 2017 by the International Supervisory Board. The statutory director has the final responsibility for daily management and implementation of the programmes and activities. Heske Verburg has been employed by Solidaridad since October 1, 2016.

From the start of the Foundation Solidaridad Europe on 14 December 2017, Heske Verburg was appointed as Managing Director.

Heske Verburg was one of the two board members of Solidaridad Germany until March 18, 2021.

Heske Verburg holds a seat on the advisory council of the Environmental Sciences Group of Wageningen University and Research and is a Board member of the Netherlands Food Partnership.

REMUNERATION

In accordance with Solidaridad's statutes, the members of the Supervisory Boards of Solidaridad receive no remuneration of any kind.

The CSB annually updates the policy on salaries for the management. The Dutch Guidelines for the Remuneration of Directors in Philanthropic Organizations (Adviesregeling Beloning Directeuren van Goede Doelen) are taken as guidelines in the evaluation. The latter proposes a maximum norm for annual incomes, based on certain criteria. The CSB concluded that the Director's position has a Basic Score for management positions (BSD) of 445 points, for which the full-time maximum annual income in 2021 is €125,011 (excluding the employer's pension contribution). The income of Heske Verburg for 2021 was €116,085 (excluding the employer's pension contribution).

The Continental Supervisory Board approved this Annual Report on 21 March 2022. Signed on original by:

Jan Karel Mak (chair)
 Carlos Alva Nieto
 Katrien Termeer
 Claire Gentil
 Martin Staehle
 Marion Kappeyne de Coppeloo
 Kajsa Johansson

7.6 SOLIDARIDAD STAFF

Solidaridad is an international network organization with a relatively new and culturally diverse staff. Our staff is the key factor for realizing the vision and strategy of Solidaridad. The HR strategy "Growth through Connection" reflects the common HR strategy at the network level. The implementation of HR policy and the related Performance Management and Talent Management take place at the regional level. This requires the strengthening of senior capacity in order to realize the innovation agenda and to foster the growth of the agenda.

Solidaridad strives to be a learning organization. Learning together also means creating a culture of cooperation, providing and receiving feedback, and allowing each other to learn and improve. In the past year, we have invested in HR to help employees and managers within Solidaridad to prepare, conduct and record discussions about performance, personal growth and improvements. Each year employees are invited by their manager for an individual planning meeting, performance and appraisal evaluations. Every year, the Managing Director has a planning, performance and appraisal evaluation with the chair of the Supervisory Board.

At the end of 2021, Solidaridad Netherlands employed 56 people (2020: 55); a total of 52.1 full-time staff is under contract

(FTEs). In 2020 this figure was the same. Solidaridad has its own salary structure, which is based on job descriptions. The tasks and responsibilities are described per job function. The functions are weighed on the basis of the following four characteristics: knowledge and experience, independence, social skills and risks, responsibility and influence. Solidaridad's salary policy follows that of the Dutch government. The average gross annual salary per FTE in 2021 was €62,049 (2020: €62,100).

The goal of the diversity policy is that Solidaridad's staff should reflect the European population wherever possible. Solidaridad in the Netherlands has 43 female and 13 male employees at the end of 2021 (2020: 40 female and 15 male). The average age is 42 years. Five employees left in 2021, and six new employees joined. The rate of absence due to sickness in 2021 was 2.8% (in 2020: 4.4%). The short absence (less than a week) was 0.6% (2020: 0.5%), medium absence was 0.5% (2020: 0.4%) and long absence (more than six weeks) was 1.7% (2020: 3.4%).

7.7 RISKS AND RISK MANAGEMENT

TRUST FIRST...

While Solidaridad's employees and partners work on the basis of reciprocal trust, management guards against individual abuses of this trust. Risks – and their consequences for strategy – are continually assessed. The board is aware that economic conditions can change quickly, politics can be unstable, and markets volatile.

Solidaridad has zero tolerance for fraud and corruption, meaning that Solidaridad staff members, all non-staff persons associated with Solidaridad, suppliers of goods and services, implementing partners and other responsible parties contracted by Solidaridad for a Solidaridad funded project are not to engage in fraud or corruption. All incidents of fraud and corruption have to be reported and will be assessed and as appropriate, investigated. Solidaridad will pursue rigorously disciplinary and other actions against perpetrators of fraud, including recovery of financial loss suffered by Solidaridad.

OUR MAIN RISKS

1. Reputational damage, for example, resulting from partnerships with companies. Solidaridad has internal guidelines for non-disclosure agreements (NDAs) and memoranda of understanding (MoUs) with companies.
2. Illegitimate use of grant funds, which requires repayment of obligations to donors. The budget is approved by the Managing Director, and the segregation of duties in the project management is appropriate. With large grants, the suitability of expenditure is investigated by an external auditor.
3. The economic climate and the willingness of private individuals to donate. Solidaridad maintains quality marks, and periodic external audits ensure compliance.
4. The effects of Covid-19 on achieving our objectives, but also on the wellbeing of our local staff and the farmers, min-

ers and workers we work with.

5. The unpredictability of government policies. Political decision-making – and available funding – are hard to predict, as are the political forces which affect partner companies. Solidaridad defines thematic areas and targets policy makers with the highest chance of success in the period to come.

RISK MANAGEMENT AND CONTROL SYSTEMS

Solidaridad manages risks at organizational, programme and project levels. Risks are assessed and response measures taken and monitored to mitigate and/or absorb the impact of a risk. Internal control procedures are in place to mitigate and/or absorb financial risks relating to potential misuse of funds (i.e. due to corruption, fraud, or theft), as well as for receiving, allocating and payment of funds. Financial management follows a low-risk strategy reserving funds for investments risks and potential losses.

Solidaridad is committed to transparency and the effective deployment of resources. It monitors project progress and the use of funds with a project management system. Operations are audited internally and externally, and outcomes are discussed with the management and the Continental Supervisory Board.

Solidaridad is certified under the ISO 9001:2015. The standard provides a quality management framework and ensures a philosophy of continual improvement. External auditors provide independent evaluations of the quality of each aspect of its operations. In addition, Solidaridad has been certified under the ISO PARTOS norm since 2015 (Partos Declaration 2015: version 2018), an add-on to ISO 9001:2015. This quality standard has been specifically designed for civil society organizations in the Netherlands, ensuring a philosophy of good governance, CSR, integrity and transparency.

If something is not to somebody's satisfaction, Solidaridad would like to be informed about this. Therefore, a complaints procedure is a part of our quality policy. The procedure is published on the Dutch and the global English-language websites.

As a charity, we are extra aware of the responsibility we have to spend money carefully. That's why we aim to achieve high quality on all fronts. Not only for ourselves, but also for our partners.

The Central Bureau on Fundraising (CBF) monitors all philanthropic bodies in the Netherlands and evaluates their management and policy, in order to increase the transparency of the charitable sector. Solidaridad is entitled to use the CBF quality mark and complies with its requirements. Per 2019 CBF is also monitoring the integrity system of Solidaridad (that includes a Code of Conduct and a complaints procedure) on behalf of the Ministry of Foreign Affairs.

The Dutch Association of Fundraising Organizations (Goede

Doelen Nederland) is the umbrella organization for philanthropic organizations that raise funds across the Netherlands. Its goal is to increase public confidence in fundraising institutions. Solidaridad upholds the principles of Goede Doelen Nederland in relation to respect, reliability, openness and quality.

Solidaridad is recognized by the Dutch Taxation Department as a charitable institution (ANBI), which means that donations and bequests to Solidaridad are not taxed. Donors can obtain income tax deductions for their contributions to Solidaridad.

External reporting includes an annual report and accounts, which are verified by an auditor and accompanied by an auditor's opinion. In 2015 the Continental Supervisory Board appointed Dubois&Co Registeraccountants as its external auditor. This appointment, which is reviewed annually, covers the audit of the annual accounts as well as those for various projects. Dubois&Co Registeraccountants does not provide any non-auditing (e.g. advisory) services.

7.8 INTEGRITY AND CODE OF CONDUCT

An integrity manager is responsible for the integrity system, i.e. developing and implementing tools that provide structural and formal procedures, and supporting a culture in which staff feel safe to work and speak up. The Code of Conduct is discussed during on-boarding and staff meetings to enable moral deliberations which provide meaning to the moral compass of Solidaridad. Staff can approach three Persons of Trust (one in the Netherlands, one in Germany and one contracted externally) to discuss any concern they have and seek counseling and/or support. Two formal reporting channels are available: one internal reporting process and two external channels, of which one is accessible through our website and one is a contracted party providing a public portal for anyone to file a report anonymously at <https://www.seehearspeakup.co.uk/>.

The Solidaridad Code of Conduct and the Whistleblower Protocol form the heart of the integrity system to prevent,

monitor, report and account for integrity. A Partner Code is included in the contracts. Procedures that ensure a satisfactory response to a complaint and guide an investigation into a report are in place. Solidaridad has zero tolerance for not acting. Solidaridad will vigorously pursue disciplinary or any other actions necessary against perpetrators of any inappropriate behavior.

In 2021 Solidaridad investigated two reports network-wide. One was concluded to be a discourse on a labor agreement and not a breach of integrity, and the other one a case of fraud. The latter proved that our recently revised protocols for reporting and conducting an investigation are working well. The employee concerned was fired after a disciplinary hearing was held, and steps have been taken to recoup the amount for which he is held liable. As a reaction to building our integrity system, people speak up and formal reports are made, which suggests that it is working. Pending the outcomes of a survey held, we will continue to improve building a moral compass that provides a safe place to work and safe participation in our projects.

7.9 ENVIRONMENT

Solidaridad minimizes the impact of its work on the environment as much as possible. We travel only when it is necessary. Furthermore, we do so by re-using materials wherever possible; purchasing sustainable products (office supplies with an eco-label, energy-efficient equipment, green energy, solar panels, and sustainably produced coffee and tea); separating waste for recycling; and digitally and electronically processing documents and thus limiting the use of paper. We will continue on this path and strive for a zero footprint.

Due to Covid-19 restrictions in 2021, Solidaridad's CO₂ emissions were limited to 24.4 tonnes. Our CO₂ emissions, as calculated by the Dutch Klimaatplein model, were compensated for €1,500 at a rate of 60 Euro per tonne CO₂ through the Banco offset scheme in South America. It supports the Coffee of the Future initiative aimed at storing carbon.

The development of a new ESG policy and reporting started in 2021, which will come into effect in 2022.

8

FINANCE



An employee is labeling coffee at the Kofinaf coffee mill in Kenya. © H.P. Alting von Geusau.

8.1 OUR FINANCES

ANALYSIS OF THE RESULTS FOR 2021 IN COMPARISON TO 2020 AND THE BUDGET FOR 2021

The total income in 2021 was € 33,190,891 a decrease of € 1,182,403 compared to 2020. Income from subsidies increased by € 1,209,863 compared to 2020, and was € 1,755,937 lower than budgeted. Income from other fundraising decreased by € 2,392,266 compared to last year, and was € 595,828 higher than budgeted.

The total expenditure in 2021 was € 33,163,327, which is € 1,983,906 lower than in 2020, and € 1,656,673 lower than budgeted. Of the total expenditure, € 32,323,462 was directly spent on our objectives. This has led to a positive result of

€ 69,392 in the statement of income and expenditure in 2021, where 2020 had a result of € 67,290. The result of 2021 is partially affected by the reserves for financing assets and innovations, leading to an addition of € 173,621 to the continuity reserve.

HISTORICAL SUMMARY

The table below shows the financial results for the past five years (in euro).

INCOME	2021	2020	2019	2018	2017
Fundraising	4,374,828	6,767,094	7,953,345	6,769,796	7,098,270
Subsidies	28,816,063	27,606,200	28,829,048	23,981,852	15,947,922
Other	-	-	-	759	-
Total income	33,190,891	34,373,294	36,782,393	30,752,407	23,046,192
EXPENDITURE					
Communication and information	497,064	573,690	757,116	626,840	754,089
Structural aid	31,826,398	33,700,017	35,193,604	28,826,815	21,511,093
Total expenditure on objectives	32,323,462	34,273,707	35,950,720	29,453,655	22,265,182
Costs of income generation	642,161	692,155	574,888	735,549	621,423
Costs of management and administration	197,704	181,371	179,870	186,016	173,622
Total expenditure	33,163,327	35,147,233	36,705,478	30,375,220	23,060,227
Result excluding interest	27,564	-773,939	76,915	377,186	-14,035
Interest and income from investments	41,828	841,229	188,123	164,068	237,297
RESULT	69,392	67,290	265,038	541,254	223,262

POLICY ON ASSETS AND INVESTMENTS

Solidaridad spent € 32 million on financing projects. These funds come from many different sources, including government contributions as well as donations from individuals, companies and institutions. Solidaridad has an asset buffer of € 7 million to cover any unexpected large fall in income. If funding is received and cannot immediately be usefully deployed in support of Solidaridad's objectives, since it takes time to prepare and implement projects, these funds are temporarily invested. Solidaridad's partners, suppliers and staff need to be sure that Solidaridad will always be able to meet its liabilities and donors and other funding bodies must be confident that the money they donate to Solidaridad is in safe hands. It is therefore extremely important that Solidaridad's assets are managed responsibly. Investment rules have been drawn up to ensure this is the case. These rules also stipulate that Solidaridad will comply with the Guidelines Financial Management for Charity Organizations prepared by the

Dutch Association of Fundraising Organizations (Goede Doelen Nederland). In view of the limited volume and complexity of the portfolio, Solidaridad manages its assets internally to reduce costs. By far most of the asset buffer is invested in savings deposits with socially responsible banks, currently with Triodos Bank.

KEY FIGURES

The costs of the organization's income generation as a percentage of the total income – is a calculation method to evaluate whether a fundraising institution is worthy of support. This indicator shows the proportion of the proceeds from fundraising that are used to generate these funds. Solidaridad aims for a (reasonably) stable proportion of maximum 4% unless it can be demonstrated that an investment in income generation will generate sufficient additional income in the future. The table below shows the income and income generation costs and the relevant percentages for the past five years.

	2021	2020	2019	2018	2017
Total income	33,190,891	34,373,294	36,782,393	30,752,408	23,046,192
Costs of income generation	642,161	692,155	574,888	735,549	621,423
<i>Costs of income generation as a percentage of income</i>	1.9%	2.0%	1.6%	2.4%	2.7%

Solidaridad calculates three ratios related to spending: the ratio of spending on the organization's objectives to its total expenditure, the ratio of its spending on income generation to its total expenditure and the ratio of its spending on management

and administration to its total expenditure. The tables below show the amounts Solidaridad spent on its objectives, income generation and management and administration and the resulting spending ratios, for the past five years.

	2021	2020	2019	2018	2017
Total expenditure	33,163,327	35,147,233	36,705,478	30,375,220	23,060,227
Amount spent on objectives	32,323,462	34,273,707	35,950,720	29,453,655	22,265,182
<i>Spending ratio spent on objectives</i>	97.5%	97.5%	97.9%	97.0%	96.5%

Solidaridad strives to achieve the highest possible, but at least 95%, spending ratio on the organization's objectives without endangering the quality of implementation of the projects.

The CBF has not set a minimum ratio, because this percentage depends to a great extent on the type of organization.

	2021	2020	2019	2018	2017
Total expenditure	33,163,327	35,147,233	36,705,478	30,375,220	23,060,227
Costs of income generation	642,161	692,155	574,888	735,549	621,423
<i>Spending ratio costs of income generation</i>	1.9%	2.0%	1.6%	2.4%	2.7%

Solidaridad aims for a (reasonably) stable proportion until 4% unless it can be demonstrated that an investment in income generation will generate sufficient additional income in the future.

	2021	2020	2019	2018	2017
Total expenditure	33,163,327	35,147,233	36,705,478	30,375,220	23,060,227
Management and administration	197,704	181,371	179,870	186,016	173,622
<i>Spending ratio management and administration</i>	0.6%	0.5%	0.5%	0.6%	0.8%

Solidaridad strives to achieve the lowest possible, with a maximum of 2%, percentage of management and administrative costs without endangering the quality of its operations.

SIGNING

The Managing Director composed this Annual Report and approved it on 21 March 2022. Signed on original by Heske Verburg.

8.2 FORWARD LOOKING STATEMENTS

ANNUAL BUDGET 2022

The budget for 2022 has been drawn up in the light of the objectives and priorities set out in our MASP (multi annual strategic plan) for 2021-2025 which has been developed in the course of 2020 and detailed in the Annual Plan for 2022.

The 2022 budget was approved in the meeting of the Supervisory Board held on 2 December 2021. The income and expenditure statement for this budget is summarized below (in euro).

INCOME	Budget 2022	Budget 2021
Income from individuals	925,000	925,000
Income from companies	968,000	1,130,000
Income from Dutch Postcode Lottery	1,350,000	1,350,000
Income from government subsidies	24,310,000	30,572,000
Income from related organizations	128,000	86,000
Income from other non profit organizations	592,000	288,000
Total income	28,273,000	34,351,000
EXPENDITURE		
Expenditures on achieving our objectives		
Communication and information	743,000	788,000
Structural aid	26,923,000	32,858,000
	27,666,000	33,646,000
Costs of income generation	967,000	970,000
Costs of management and administration	212,000	204,000
Total expenditure	28,845,000	34,820,000
Result excluding interest	-572,000	-469,000
Interest and income from investments	17,000	34,000
RESULT	-555,000	-435,000

The amounts shown in this budget for contributions from governments, companies, Dutch Postcode Lottery as well as the income from other Solidaridad offices, are based on donor contracts. The risk that this budget will not be achieved is limited to the extent to which these parties may not meet their contractual obligations. It is expected that supplementary commitments will be made during 2022 and that the budget will therefore be exceeded. The revenues from individuals, collection in churches, direct mail, inheritances and interest and income from investments are budgeted on the basis of historic values, taking current developments and trends into account. These sources of income are monitored on a monthly basis so that adjustments can be made if necessary. The expected expenditures include all expenditure relating to committed programme funding.

8.3 ANNUAL ACCOUNTS

BALANCE SHEET ON 31 DECEMBER 2021

(IN EURO AFTER ALLOCATION OF SURPLUSES)

ASSETS	2021	2020
Tangible fixed assets	120,771	123,599
Financial fixed assets	532,466	278,868
	653,237	402,467
Receivables, prepayments and accrued income	8,424,036	3,554,365
Stocks and shares	98	98
Cash and bank balances	3,962,921	9,458,997
	12,387,055	13,013,460
Total assets	13,040,292	13,415,927
LIABILITIES		
Reserves and funds		
RESERVES		
• Continuity reserve	6,975,541	6,801,920
• Reserve for financing operational assets	120,771	123,599
• Reserve for financing assets to meet our objectives	332,467	278,868
• Reserve for financing innovations	55,000	60,000
	7,483,779	7,264,387
DESIGNATED FUNDS		
• Designated funds for grants received	200,000	350,000
• Designated funds for grants from lotteries	65,000	65,000
	265,000	415,000
Long-term debts	199,999	-
Short-term debts	5,091,514	5,736,540
Total liabilities	13,040,292	13,415,927

STATEMENT OF INCOME AND EXPENDITURE FOR 2021

(IN EURO)

	ACTUAL 2021	BUDGET 2021	ACTUAL 2020
INCOME			
Income from individuals	1,199,620	925,000	1,040,064
Income from companies	1,202,751	1,130,000	673,190
Income from Dutch Postcode Lottery	1,350,000	1,350,000	1,546,320
Income from government subsidies	28,816,063	30,572,000	27,606,200
Income from related organizations	55,360	86,000	4,443
Income from other non profit organizations	567,097	288,000	3,503,077
Total income	33,190,891	34,351,000	34,373,294
EXPENDITURE			
Expenditure on achieving our objectives			
Communication and information	497,064	788,000	573,690
Structural aid	31,826,398	32,858,000	33,700,017
	32,323,462	33,646,000	34,273,707
Costs of income generation	642,161	970,000	692,155
Costs of management and administration	197,704	204,000	181,371
Total expenditure	33,163,327	34,820,000	35,147,233
Result excluding interest	27,564	-469,000	-773,939
Interest and income from investments	41,828	34,000	841,229
RESULT	69,392	-435,000	67,290
Allocation of surpluses			
Continuity reserve	173,621	-435,000	126,939
Reserves for financing operational assets	-2,828	-	6,733
Reserves for financing assets to meet our objectives	53,599	-	-181,382
Reserves for financing innovations	-5,000	-	-300,000
Designated funds for grants received	-150,000	-	350,000
Designated funds for grants from lotteries	-	-	65,000
Result	69,392	-435,000	67,290

CASH FLOW STATEMENT FOR 2021

(IN EURO)

	2021	2020
Cash flow from operational activities		
Surplus from the statement of income and expenditure	69,392	67,290
Depreciation	54,393	49,057
Changes in working capital:		
• Short-term receivables	-4,869,671	-315,563
• Short-term debts	-645,026	913,273
	-5,390,912	714,057
Cash flow from investment activities		
(Des) investments in tangible fixed assets	-51,565	-55,790
Changes in financial fixed assets	-253,598	181,382
Changes in stocks and shares	-	-
	-305,163	125,592
Cash flow from financing activities		
Changes in long-term debts	199,999	-
Changes in cash and bank balances	-5,496,076	839,649
Cash and bank balances		
Balance on 1 January	9,458,997	8,619,348
Balance on 31 December	3,962,921	9,458,997
Changes in cash and bank balances	-5,496,076	839,649

The cash flow statement has been drawn up using the indirect method. The cash and bank balances at the end of 2021 were € 5,440,351 lower than at the end of 2020. In 2021 Solidaridad pre-financed € 3 million for the PFC Extension contract and and € 2.2 million for the Ni-scops contract, both with the Ministry of Foreign Affairs, leading to the decrease of the liquidity at year end 2021.

GENERAL NOTES TO THE ACCOUNTS

GUIDELINES FOR ANNUAL REPORTING

The annual accounts have been drawn up in accordance with the Guideline for Fundraising Institutions (Richtlijn Fondsenwervende instellingen: RJ 650), which is part of the accounting standards produced by the Dutch Accounting Standards Board (Raad voor de Jaarverslaggeving).

FOREIGN CURRENCIES

Assets and liabilities in foreign currency have been converted at the exchange rates on the balance sheet date. Items in the statement of income and expenditure have been converted to euros using the exchange rate at the time of the transaction.

ACCOUNTING PRINCIPLES OF VALUATION AND DETERMINATION OF THE RESULT

TANGIBLE FIXED ASSETS

The operating assets are valued at purchase price minus annual straight-line depreciation based on the expected useful economic life. Purchases made in the reporting year are depreciated from the date of purchase.

FINANCIAL FIXED ASSETS

Advance payments and loans are valued at their nominal value, taking into account any risk that they may not be collectible. Participations that do not enable Solidaridad to exercise a significant influence on commercial and financial policies are valued at purchase price after deducting exceptional depreciations where applicable.

RECEIVABLES

After initial recognition the receivables are measured at amortised costs on the basis of the effective interest method. Gains and losses are recognised in the income statement through the amortisation process. Receivables are valued taking into account any risk that they may not be collectable.

STOCKS AND SHARES

Investments listed on the stock exchange and other investments are valued at their market value. Realized and unrealized price gains and losses are entered into the statement of income and expenditure.

OTHER ASSETS AND LIABILITIES

All other items in the balance sheet are, after initial recognition, measured at amortised costs on the basis of the effective interest method. Gains and losses are recognised in the income statement through the amortisation process.

INCOME AND EXPENDITURE

Income is accounted for in the year to which it relates. Expenditure is determined with due regard to the accounting policies for valuation as described above and is allocated to the accounting year to which it relates. Losses are accounted for in the year in which they can be anticipated. Income from inheritances is accounted for in the year in which the size of the inheritance can be reliably established based on the deed of division.

TAXATION

The annual accounts have been prepared under the assumption that the activities of Solidaridad are exempt from corporate income tax.

SPECIFIC NOTES TO THE ACCOUNTS

ASSETS

TANGIBLE FIXED ASSETS

A summary of the movements in tangible fixed assets is given below:

	FURNITURE	COMPUTERS	TOTAL
At 1 January 2021			
Cost	126,654	118,175	244,829
Depreciation	63,148	58,082	121,230
Book value at 1 January 2021	63,506	60,093	123,599
Changes in book value			
Additions	34,209	17,356	51,565
Disposal (costs)	-	-	-
Disposal (depreciation)	-	-	-
Depreciation	-22,437	-31,956	-54,393
Movement	11,772	-14,600	-2,828
At 31 December 2021			
Cost	160,863	135,531	296,394
Depreciation	85,585	90,038	175,623
Book value at 31 December 2021	75,278	45,493	120,771

The tangible fixed assets have been retained for our operations. The expected useful economic life for furniture is five year, therefore the depreciation is 20% per year. For computers the depreciation is 33% per year (expected useful life of three years).

FINANCIAL FIXED ASSETS

	2021	2020
Convertible Note Agreement Minexx LTD	45,000	-
Investment of Solidaridad in AgriCrowd B.V.	287,467	278,868
Loan to Wangara Green Venture Capital Company Limited	199,999	-
	532,466	278,868

The financial fixed assets have been retained for meeting our objectives.

Convertible Note Agreement Minexx LTD, United Kingdom

In October 2021 Solidaridad signed a Convertible Note Agreement of € 45,000 with Minexx LTD (United Kingdom). The money was transferred on October 22. If Minexx issues equity share in a qualifying transaction, within 18 months after withdrawing the amount, the amount and any accrued but unpaid interest thereon, will automatically convert into the equity shares at a conversion price equal to the lesser of the per share price (less a discount of 15%) paid by the purchasers of such equity shares in the Qualified Financing. The interest rate is 10% per annum and will be calculated on a daily basis.

Loan to Wangara Green Venture Capital Company Limited, Ghana

In 2021, with a loan received from Achmea Foundation, Solidaridad provided financial support to Wangara Green Venture Capital Company Limited. This loan is intended for regional service centers (RSC's) to improve their means of service delivery to farmers and contribute to the overall com-

mercial viability of their operations. The termination date is August 3, 2026 and partly repayment will take place from 2023 onwards. The interest rate is 7%.

Investment in AgriCrowd B.V., the Netherlands

In 2020 the private limited company 'AgriCrowd B.V.', also known as PlusPlus was set up by Solidaridad, Lendahand, Cordaid (ICCO at the time of establishment) and Truvalu. PlusPlus is an online platform that provides access to finance for small and medium sized agricultural and food businesses in emerging economies by connecting them to a crowd of investors in Europe. In emerging economies, there is a large number of enterprises, the so-called missing middle, who do not have access to finance. PlusPlus offers people in Europe the opportunity to create social and economic impact by investing in an agricultural or food business in Africa, Asia or Latin America.

Solidaridad holds 40% of the shares of the legal entity. Solidaridad agreed on € 400,000 shareholders' contribution to PlusPlus.

The movement of the participation in AgriCrowd B.V. is as follows:

At 1 January	278,868
Valuation up-date participation in AgriCrowd B.V. 2020	56,819
Result of the year 2021	-48,220
At 31 December	287,467

RECEIVABLES	2021	2020
Contribution Dutch Postcode Lottery	1,350,000	1,350,000
Final payment of grants and subsidies	6,835,882	1,716,171
Interest	11,679	23,084
Receivables from AgriCrowd B.V.	-	333,274
Receivables from other related parties	19,445	26,436
Prepaid expenses	106,158	15,204
Other receivables	100,872	90,196
	8,424,036	3,554,365

The receivables have mostly been retained for meeting our objectives. All receivables are due within one year. The increase of the receivables is related to timing of receiving and transferring funds. In comparison to 2020 Solidaridad requested less prepayments from donors due to the negative interest that was charged by the banks. 'Other receivables' in 2021 includes 2 inheritances which are not yet received.

STOCKS AND SHARES

The participations have been retained for meeting our objectives. Most participations of Oikocredit have been sold during 2014, the remaining participations are valued at market value on January 1st, 2022.

CASH AND BANK BALANCES	2021	2020
Cash	195	142
Bank accounts	1,705,277	6,708,675
Savings accounts	7,449	180
Deposits	2,250,000	2,750,000
	3,962,921	9,458,997

The bank balances have mostly been retained for meeting our objectives. For an amount of € 46,940, a bank guarantee has been given in favour of the lease of the office building and therefore this amount can not be freely available. All other checking and savings accounts are freely at Solidaridad's disposal. The breakdown of the various deposits is as follows:

BANK	AMOUNT	TERM	END DATE	INTEREST RATE
Triodos Bank #1	€ 500,000	Ten years	01-05-2022	3.5%
Triodos Bank #2	€ 500,000	Six years	18-12-2023	0.45%
Triodos Bank #3	€ 500,000	Seven years	18-12-2024	0.6%
Triodos Bank #4	€ 500,000	Eight years	18-12-2025	0.7%
Triodos Bank #5	€ 250,000	Eight years	18-12-2026	0.9%

LIABILITIES

RESERVES

By designating funds as reserves, the Continental Supervisory Board indicates how they intend to employ the resources available to them. Solidaridad has designated a continuity reserve, a reserve for financing operational assets and a reserve for financing assets to meet our objectives.

Continuity reserve

The movement in the continuity reserve can be specified as follows:

	2021	2020
At 1 January	6,801,920	6,674,981
Appropriation of the result	173,621	126,939
At 31 December	6,975,541	6,801,920

The continuity reserve is intended to cover short-term risks and to ensure that Solidaridad can continue to meet its moral and other obligations. Solidaridad bases itself on the concept of sustainable relationships with its partners and with its staff. The size of the continuity reserve is determined as a trade-off between the desirability of deploying as much as possible of our resources for our objectives and the need to maintain a healthy financial basis for the future. We are guided in

this decision by the Guidelines Financial Management for Charity Organizations prepared by the Dutch Association of Fundraising Organizations (Goede Doelen Nederland). Solidaridad is convinced a reservation of resources is desirable for the continuity of the support given to the charity's goals, and endeavours a continuity reserve of at least 1.0 where the Guidelines maximum is 1.5 times the annual costs of maintaining the operational structure.

In 2021 the ratio consists of 1.4 times the annual costs of maintaining the operational structure. For 2022 the budgeted costs for the operational structure are € 6,190,000 and at the end of 2022 the budgeted continuity reserve, taking the budgeted negative result into account, amount to € 6,500,000, i.e. 1.1 times the annual costs of maintaining the operational structure.

Reserve for financing operational assets

The reserve for financing operational assets is kept for the funds used to the benefit of the tangible operational assets and is valued against the book value of these assets. The movement is as follows:

	2021	2020
At 1 January	123,599	116,866
Appropriation of the result	-2,828	6,733
At 31 December	120,771	123,599

Reserve for financing assets to meet our objectives

The reserve for financing assets to meet our objectives is kept for the means used for the benefit of the financial fixed assets for the objectives and is valued at the book value of these assets.

	2021	2020
At 1 January		278,868
Addition: Convertible Agreement Minexx	45,000	
Addition: Result AgriCrowd B.V.	8,599	
Movement		53,599
At 31 December		332,467

Reserve for financing innovations

The reserve for financing innovations is for the means to invest in innovative themes of Solidaridad. The innovation themes are: gender, impact investment, digital solutions and landscape and climate innovations. The movement in the reserve for financing innovations is as follows:

	2021	2020
At 1 January	60,000	360,000
Appropriation of the result	-	-
Innovation expenses	-5,000	-300,000
Total movement	-5,000	-300,000
At 31 December	55,000	60,000

The innovation projects were selected through a predefined set of criteria and are mainly included in the project expenses through Solidaridad regional offices.

DESIGNATED FUNDS

Compared to the reserves, funds differ in the sense that not Solidaridad's Continental Supervisory Board, but a third party designates the funds. Within Solidaridad, that applies to the designated fund for grants. Designated fund had been created for the grants received from Flexiplan and the Dutch Postcode Lotteries.

	2021	2020
Flexiplan	200,000	350,000
Dutch Postcode Lotteries	65,000	65,000
	265,000	415,000

The movements in the designated fund for grants from Flexiplan is as follows:

	2021	2020
At 1 January	350,000	-
Less: payment to PlusPlus and coverage Solidaridad expense	-200,000	-
Less: payment related to EU WASH (REC ASIA)	-50,000	-
Appropriation of the result - extra donation ACORN Platform	100,000	-
Appropriation of the result	-	350,000
At 31 December	200,000	350,000

The movements in the designated fund for grants from Dutch Postcode Lotteries is as follows:

	2021	2020
At 1 January	65,000	-
Less: payments to projects	-	-
Appropriation of the result - Dutch Postcode Lotteries	-	65,000
At 31 December	65,000	65,000

The contribution from the Dutch Postcode Lotteries is received through ICCO Cooperation.

LONG-TERM DEBTS

Achmea Foundation

Soldaridad has signed a Loan Facility agreement of € 1 million with the Achmea Foundation. Solidaridad has signed an agreement with the intermediary Wangara Green Venture Capital Limited, a local financial intermediary in Ghana, so it can be borrowed out to regional service centers (RSC's). The objective of the agreement is for the RSC's to improve their means of service delivery to farmers and contribute to the overall commercial viability of their operations. An amount of €199,999 has been received from Achmea in 2021, the remaining amount will follow in 2022 and 2023. The termination date is August 3, 2026 and partly repayment will take place from 2023 onwards. The interest rate is 7%.

SHORT-TERM DEBTS

	2021	2020
Payments related to projects related parties	2,621,209	1,992,392
Payments related to projects	161,702	256,457
Payments related to AgriCrowd B.V.	58,759	250,000
Accrued expenses	173,427	155,848
Accrued personnel expenses	314,525	300,027
Grants received for coming years	1,432,220	2,740,083
Creditors	92,717	41,733
Social securities	52,916	-
Wage tax	184,039	-
	5,091,514	5,736,540

The payments related to projects increased in comparison to 2020 mostly due to payments to related parties. The timing of receiving funds from donors, mainly from the Ministry of Foreign Affairs (PFC programme) caused a slight delay in transferring funds to related parties.

CONTINGENT LIABILITIES AND CONDITIONAL RIGHTS

Rent contract

The office on 't Goylaan 15 in Utrecht is rented as of 2007. The agreement was extended in 2018 by 9,5 years until May 2028. The rent costs are indexed annually based on the consumer price index. The annual rent obligation is approximately € 210,000. The bank guarantee issued in respect of this rent is € 46,940.

Lease contracts

In December 2019 a new lease contract was signed for 3 years for two multifunctional printer-copiers. The fixed annual obligation resulting from this is in total approximately € 1,000.

Other liabilities

Solidaridad can be held liable until February 2022 by the purchaser of STIP B.V. for: claims in relation to a breach of guarantees for a maximum amount equal to 20% of the purchase price, and all claims under the agreement for a maximum amount of € 100,000. There are no indications of claims by the purchaser at the publishing date of this annual report.

Project Partners

Solidaridad the Netherlands has the following contingent, not legally commendable, commitments to project partners for support in the coming years. All mentioned commitments are financed by agreed donor grants for the coming years.

	2021
Agreed projects next year	1,578,596
Agreed projects after next year	857,189
	2,435,785

Solidaridad Network

Solidaridad the Netherlands has the following contingent, not legally commendable, commitments to other Solidaridad offices within the Network for support in the coming years. All mentioned commitments are financed by agreed donor grants for the coming years.

	2021
Agreed projects next year	643,758
Agreed projects after next year	-
	643,758

INCOME

INCOME FROM INDIVIDUALS	ACTUAL 2021	BUDGET 2021	ACTUAL 2020
Direct mail	895,490	825,000	795,249
Inheritances	304,130	100,000	244,815
	1,199,620	925,000	1,040,064

Income from individuals

The goal of our fundraising is to obtain financial resources for Solidaridad's work, in an efficient way, from a group of private donors in the Netherlands. Integrated multi-media PR campaigns, intended not only for fundraising but also for market development and public education, produce the best results. They contribute to awareness among donors, the business community and consumers regarding the origin of our products and how they are produced, and publicize the work of Solidaridad with its partners.

Sending a letter with a payment slip is still the most efficient way for Solidaridad to obtain donations. More donors are now using online banking to contribute, but the payment slip is still important to remind them of the urgency of their donation. In 2021 Solidaridad sent out six direct mails (2020: five) which were focused on regular individual donors.

Inheritances

Solidaridad receives regular inheritances and bequests, which (partly) consist of houses and/or investments. In 2021 more inheritances were received than budgeted and compared to 2020.

INCOME FROM COMPANIES

These are contributions from companies that support the development of sustainable chains of production. Many companies contribute to Solidaridad projects by donating via their affiliates' foundations. These amounts are listed in the category 'other non profit organizations'. The donations of the companies mentioned relate to funding to different projects.

The breakdown is as follows:

	ACTUAL 2021	BUDGET 2021	ACTUAL 2020
Henkel	260,000	260,000	150,000
BASF	115,722	130,000	43,894
Syngenta	335,856	491,000	113,060
Kering	23,841	-	-
Lanxess	34,743	203,000	90,388
Others (less than €100,000)	432,589	46,000	271,928
	1,202,751	1,130,000	673,190

The income from companies in 2021 was higher than budgeted and higher than in 2020. This is mostly due to postponed spending in 2020 as well as the start of new contracts in 2021.

Solidaridad signed the following major contracts with companies in 2021:

1. Syngenta Collaboration Agreement 2020-2025 for an amount of € 3,045,000, of which € 1,425,000 is subject to an evaluation in year 3 of the project. This contract started in 2021.
2. Henkel Partnership Agreement 2021-2025, for an amount of € 1,300,000.

INCOME FROM DUTCH POSTCODE LOTTERY	ACTUAL 2021	BUDGET 2021	ACTUAL 2020
Yearly contribution	1,350,000	1,350,000	1,350,000
Programmes	-	-	196,320
	1,350,000	1,350,000	1,546,320

Yearly contribution

Since 2009, the Dutch Postcode Lottery has made an important contribution to Solidaridad's work every year. The Dutch Postcode Lottery also mentions Solidaridad's projects in its television programmes and in national newspapers. In 2021, as well as in 2020, Solidaridad was granted € 1,350,000. The contract with the Dutch Postcode Lottery was renewed in 2018 for another five years.

Programmes

During 2015 the Dutch Postcode Lottery made an extra donation of € 3.0 million from its lottery income, enabling Solidaridad to expand its support for sugar cane growers, a three-year programme. Solidaridad spent the remaining balance of € 21,320 in 2020 on a different programme as Covid-19 response, in agreement with the Dutch Postcode Lottery.

In 2020 Solidaridad and ICCO received € 1,000,000 from the Dutch Postcode Lottery to support the crowdfunding platform PlusPlus. Of this donation Solidaridad received € 175,000 to make small and medium sized agrifood enterprises investment ready and ensure a solid pipeline for PlusPlus. A total of € 110,000 of this amount was spent in 2020. The remaining € 65,000 is included in the designated funds.

INCOME FROM GOVERNMENT SUBSIDIES

Government subsidies include all the project grants from various government agencies.

The agreements with the Ministry of Foreign Affairs has been made in relation to:

1. 'Strategic Partnerships for Lobby and Advocacy (AfC)'. The total amount agreed was € 32,000,000 for the period 2016-2020. This contract ended in 2020.
2. 'Practice for Change' (PfC). The total amount agreed is € 44,500,000 for the period 2016-2020. For this contract Solidaridad received an extension for two more years, for an amount of € 20,000,000. Additionally an amount of € 12,875,000 was granted for 'National Initiatives for Sustainable and Climate Smart Oil Palm Smallholders (Ni-scops) in Asia and Africa', for the period 2018-2023.
3. The grant of the Ministry of Foreign Affairs awarded from the Funding Leadership Opportunities for Women (FLOW II) framework to Simavi. Together with Simavi and Healthy Entrepreneurs, Solidaridad executes the 'Going for Gold' Programme. The total amount agreed for Solidaridad was € 2,996,993 for the period 2016-2020. This contract ended in 2020.
4. As of 2021 Solidaridad entered into a new agreement with the Dutch Ministry of Foreign Affairs: 'Reclaim Sustainability' for the period 2021-2025 with a contract value of € 53,712,412.

Solidaridad has different agreements with the Netherlands Enterprise Agency (RvO).

1. 'Increasing water use efficiency in sugarcane growing in India': The total amount agreed is € 2,414,387 originally for the period 2015-2019, however this was extended until September 2021.
2. 'Food security through improved resilience of small scale farmers': The total amount agreed is € 4,400,000 for the period 2013-2020. This contract is extended until the end of 2021.
3. 'Sustainable Food and Nutrition Security India' (SDGP) for a total amount of € 1,900,000 as of July 2019 until July 2023.
4. 'Circular Coffee from Peru' (SDGP): for an amount of € 1,462,291 for the period of 2019-2023.
5. 'Palm LAB - Palm Oil Labour Assessment Builder' (FVO): a total amount of € 292,663 for the period of January 2020 up and until December 2023.
6. 'Smart Farming, Healthy Food (Bangladesh)' (SDGP): an amount of € 1,959,813 for the duration of May 2020 up and until April 2025.
7. 'Intel4Value - Intelligent Value Chain Management Colombia' (SDGP): a total amount of € 1,071,000 for the period of October 2020 until October 2024.

As of 2021 Solidaridad is granted two new contracts with RvO:

8. 'Apparel Wage Risk Management Initiative' (FVO): an amount of € 306,171, for the period of January 2021 until January 2024.
9. 'Realising the Potential of Responsible ASGM Trade' (FVO): for a total contract value of € 473,327, for the period of 2021-2025.
10. 'Strengthening the Sustainability of the Shea Supply Chain in northern Ghana' (FVO): an amount of € 264,898 for the period of July 2021-June 2024.
11. 'Better Chicken for a Better Future!': a total of € 449,737.50 for the period of August 2021-July 2024.

Additionally, there are different agreements with the European Union:

1. 'Reaching the unreached estates and surrounding communities on equitable water, sanitation, and hygiene (WASH) for improved health and nutrition' in Sri Lanka. The total amount agreed is € 5,619,616 for the period 2017-2021.
2. The second agreement relates to the Green Tanning Initiative: 'Promoting technologies that reduce the environmental impact of leather processing and creating sustainable employment in the industry in Ethiopia' for a total amount of € 1,166,722 for the period of 2018-2020. Solidaridad received an extension for another year for this project from the EU.
3. 'Bottom Up!' a EU-garment programme for the period of 2019-2022, with a contract value of € 1,498,000.

In 2018 a contract was signed with the Norwegian government (Norad) for two programmes: ‘Mobilizing Asian and US Markets to reduce commodity-driven deforestation’ and ‘Back to REDD+’. The contract value is 63 million NOK for a period of 2018-2021. This contract ended in 2021.

In 2019 Partnership for Growth (P4G) granted Solidaridad an amount of \$ 963,070 for the period of October 2019-October 2021, to achieve a high growth and efficient crowdfunding platform for agriculture SMEs in emerging economies through PlusPlus. A no cost extension until the end of 2022 has been requested to P4G.

Solidaridad also signed a contract in 2019 with the Netherlands Space Office regarding ‘Geodata for Agriculture and Water (G4AW) Facility’. The grant amount is € 2,576,557

for the period of 2019-2022.

Within ‘Others’ are the following agreements with the Ministry of Foreign Affairs via UNICEF:

1. ‘Covenant on Garment and Textiles’ for an amount of € 85,050 for the period of 2019-2021. This contract ended in 2021.
2. ‘IMVO Covenant Responsible Gold’ for the period of 2019-2022, with a contract value of € 109,200.

The breakdown can be specified as follows:

	ACTUAL 2021	BUDGET 2021	ACTUAL 2020
Ministry of Foreign Affairs (AfC)	-	-	6,163,690
Ministry of Foreign Affairs (Pfc)	13,704,073	12,931,000	14,047,424
Ministry of Foreign Affairs (Reclaim Sustainability!)	10,351,567	10,701,000	-
Ministry of Foreign Affairs via Simavi (FLOW)	-	-	622,268
NORAD	426,482	1,831,000	2,827,591
Netherlands Enterprise Agency	1,643,598	2,766,000	827,635
European Union	1,422,319	1,138,000	2,143,922
Netherlands Space Office	775,726	834,000	826,301
Partnership for Growth (WRI)	386,386	272,000	53,156
Others	105,912	99,000	94,213
	28,816,063	30,572,000	27,606,200

Income from subsidies increased by € 1,209,863 compared to 2020, and was € 1,755,937 lower than budgeted due to postponed spending to 2022.

INCOME FROM RELATED ORGANIZATIONS

Solidaridad in the Netherlands receives contributions from other Solidaridad offices worldwide to achieve joint goals. The priorities are market development and market linkage. The breakdown is as follows:

	ACTUAL 2021	BUDGET 2021	ACTUAL 2020
East and Central Africa	27,889	86,000	-
Asia	27,471	-	4,443
	55,360	86,000	4,443

Solidaridad in East & Central Africa has signed 3 contracts with Solidaridad in the Netherlands, 2 for EU PACE and 1 related to DMDP Trace.

INCOME FROM OTHER NON PROFIT ORGANIZATIONS	ACTUAL 2021	BUDGET 2021	ACTUAL 2020
Faith based organizations	48,573	50,000	56,995
Achmea Foundation (Palm)	37,636	88,000	200,269
Achmea Foundation (Dairy)	100,789	106,000	207,276
Rabobank Foundation (Dairy)	57,849	-	-
Mastercard Foundation	88,776	-	2,609,258
Grants from other organizations	233,474	44,000	429,279
	567,097	288,000	3,503,077

Faith-based organizations

Since 2010 the income of the offertory schedules in churches is slowly declining.

Grants from organizations

These are donations from organizations that support the development of sustainable chains of production. Many companies contribute to Solidaridad projects by donating via their affiliated foundations to Solidaridad. These amounts should be read in relation with the category 'income from companies'. In 2021, less income was received from organizations than in 2020, mostly because of the ending of the Mastercard grant.

With the Achmea Foundation multiple contracts are signed:

1. 'Palm Oil RSC Activities Ghana' for the period of 2017-2020 and amounts to € 310,157. This contract was extended until mid 2021.
2. 'Dairy 2025: Climate Smart Dairy Farming': a total amount of € 999,130 for the period of 2018-2021. This contract was extended until October 2022.

3. 'Palm Oil Ghana Donation Agreement 2020-2023' for a total amount of € 286,233.

A contract is signed with the Rabobank Foundation regarding 'Dairy 2025: Climate Smart Dairy Farming' for the period of 2018-2021, with a contract value of € 200,000.

Solidaridad was granted USD 15 million for 2015-2020 from the Mastercard Foundation. This contract was extended until the end of the first quarter in 2021.

EXPENDITURE

EXPENDITURE ON ACHIEVING OUR OBJECTIVE: COMMUNICATION AND INFORMATION

Solidaridad conducts campaigns and communicates in a wider sense about sustainable economic development, in order to stimulate companies to act, to influence the public agenda and to win support from private donors.

	ACTUAL 2021	BUDGET 2021	ACTUAL 2020
PR and market development	24,608	175,000	74,966
Campaigns	223,825	268,000	193,650
Costs own activities	248,433	443,000	268,616
Operating costs	248,631	345,000	305,074
	497,064	788,000	573,690

For 2020 and 2021 Solidaridad was granted specific subsidies for campaigns.

EXPENDITURE ON ACHIEVING OUR OBJECTIVE: STRUCTURAL AID

Solidaridad works to create sustainable supply chains from producers to consumers. We do so in thirteen commodities: cotton, textiles, gold, cocoa, tea, coffee, fruits & vegetables, sugar, soy, palm oil, livestock, dairy and aquaculture.

Solidaridad in Europe

Solidaridad is an international network organization with 8 regional offices on 5 continents. The breakdown of projects costs in Europe is as follows:

	ACTUAL 2021	ACTUAL 2020
Projects via Solidaridad regional expertises centres	21,216,980	23,078,961
Project costs via the Netherlands	4,914,007	2,862,113
Projects via Solidaridad Network Secretariat	1,772,500	3,972,080
Total project costs	27,903,487	29,913,154
Operating costs in the Netherlands	3,922,911	3,786,863
	31,826,398	33,700,017

Operating costs

For notes to the operating costs please see “Specification and breakdown of costs by categories”.

Projects via Solidaridad regional expertises centers

The breakdown per Solidaridad office with their most important projects is as follows:

	ACTUAL 2021	ACTUAL 2020
PROJECTS IN SOLIDARIDAD EAST AND CENTRAL AFRICA		
Reclaim Sustainability! - Coffee (Uganda)	105,687	-
Reclaim Sustainability! - Coffee (Kenya)	165,624	-
Reclaim Sustainability! - Gold (Kenya)	219,591	-
Reclaim Sustainability! - Gold (Uganda)	150,559	-
Reclaim Sustainability! - Cotton & Textiles (Ethiopia)	139,126	-
Reclaim Sustainability! - Programme Coordination Unit	239,582	-
Reclaim Sustainability! - Global Expertise Team - Enabling Policy Environment	114,933	-
Kenya Horticulture for growth (H4G)	137,047	-
Food security through improved resilience of small scale farmers	602,594	474,726
LI Kilimanjaro transboundary landscape	-	213,036
Going for Gold Tanzania	-	229,797
Capacity enhancement	-	313,000
Better mill initiative Ethiopia	253,265	89,605
Green Tanning Initiative	179,147	150,000
Scaling Investments 4 Resilience of EA Coffee Producers	676,912	690,032
Bottom Up! Ethiopia	105,219	312,804
Uganda landscape & conservation project	-	151,824
Catalyst for Business Driven and Climate Smart Dairy Farming	60,666	55,415
Others (less than € 100,000)	487,367	279,478
	3,637,319	2,959,717

	ACTUAL 2021	ACTUAL 2020
PROJECTS IN SOLIDARIDAD CENTRAL AMERICA		
Reclaim Sustainability! - Coffee (Honduras)	219,049	-
Reclaim Sustainability! - Palm Oil (Honduras)	195,727	-
Reclaim Sustainability! - Global Expertise Team - Good Practices	132,500	-
An integrated landscape management approach in RACS, Nicaragua	298,177	145,080
From farm to landscape in Zona Litoral del Norte, Honduras	-	374,347
PanAmericana sugarcane in the Americas	372,891	30,362
Scaling CSA through investment in resilience of coffee production	176,197	-
Palm oil Nicaragua	-	82,013
Capacity enhancement	-	200,000
Mesoamerica (palm oil)	382,452	289,000
Others (less than € 100,000)	223,185	46,221
	2,000,178	1,167,023
PROJECTS IN SOLIDARIDAD WEST AFRICA		
Reclaim Sustainability! - Cocoa (Ghana)	188,010	-
Reclaim Sustainability! - Cocoa (Ivory Coast)	184,776	-
Reclaim Sustainability! - Cocoa (Sierra Leone)	155,626	-
Reclaim Sustainability! - Global Expertise Team - Supportive Business Ecosystems	162,500	-
Reclaim Sustainability! - Palm Oil (Ghana)	147,531	-
Reclaim Sustainability! - Palm Oil (Ivory Coast)	146,386	-
Reclaim Sustainability! - Palm Oil (Sierra Leone)	147,926	-
Reclaim Sustainability! - Gold (Ghana)	130,315	-
Henkel 2020-2023 (Nigeria)	200,000	-
Next generation cocoa youth programme	33,422	2,044,886
Sustainable gold landscape Ghana	-	115,200
Sustainable cocoa landscape Ghana	-	115,200
Golden Line Ghana	-	238,703
Oil Palm Service Providers	-	108,035
Capacity enhancement	-	142,500
Transformation of the cocoa and palm oil supply chains in Liberia	599,960	276,351
Improving access to services in mining sector in Ghana	370,040	238,553
Improving SH Productivity through BMP service provision by RSCs	-	56,352
Programme development	-	162,970
Satellite for Business (Sat4Business) - Ghana	237,771	271,091
National Initiatives for Sustainable & Climate Smart oil Palm Smallholders Ghana	425,881	604,420
National Initiatives for Sustainable & Climate Smart oil Palm Smallholders Nigeria	864,668	1,230,234
Others (less than € 100,000)	304,902	222,412
	4,299,714	5,826,907

	ACTUAL 2021	ACTUAL 2020
PROJECTS IN SOLIDARIDAD SOUTH AMERICA		
Reclaim Sustainability! - Gold (Peru)	330,778	-
Conductive policy environment for responsible small-scale mining	-	147,768
Capacity enhancement	-	229,000
Developing a collaborative and cost-effective technical assistance model	301,000	347,631
Enhancing the potential of the Sustainable Trade Platform	393,880	362,486
Responsible practices in the ASM Peruvian and Colombian gold sectors	238,642	154,324
D3S Platform Fund	-	225,000
Territorial organization and land use	-	108,289
Climate Smart Beef in Dry Chaco Paraguay	187,059	100,000
LI IN THE PARAGUAYAN CHACO		
Soy (Feeding the world)	-	94,000
Advocafe: Building capacity for non-competitive collaboration	-	94,000
Programme development	-	112,223
Norad - Back to REDD+ and Mobilizing Markets	341,200	2,126,849
Others (less than € 100,000)	120,642	350,626
	1,913,201	4,801,876
PROJECTS IN SOLIDARIDAD SOUTHERN AFRICA		
Reclaim Sustainability! - African Tech Hub	183,388	-
Reclaim Sustainability! - Tea (Malawi)	124,903	-
Reclaim Sustainability! - FARM Impact	176,000	-
Reclaim Sustainability! - Cotton & Textiles (MENA/ Egypt)	110,634	-
Reclaim Sustainability! - Cotton & Textiles (Mozambique)	185,793	-
Reclaim Sustainability! - Cotton & Textiles (Zambia)	183,849	-
Reclaim Sustainability! - Fresh Food (MENA/ Egypt)	122,472	-
Reclaim Sustainability! - Fresh Food (Mozambique)	131,934	-
Reclaim Sustainability! - Fresh Food (Zambia)	131,610	-
Developing a national standard for sustainable F&V in Mozambique	-	94,000
LI in Mazabuka region, Zambia	-	252,472
Livestock Global to Local agenda	-	106,959
Healthy Fruits & Vegetables for Africa	-	115,466
Grazing Lands, Livestock and Climate Resilient Mitigation in the Kafue Basin	300,000	126,100
Improving Product & Market Capacity of Smallholder F&V Farmers in SA	270,000	227,893
Southern Africa Towards Soy Bean Import Substitution	400,000	334,410
Sugarcane Programme for Southern Africa	-	235,980
Capacity enhancement	-	379,700
Programme development	-	95,315
Others (less than € 100,000)	101,511	214,481
	2,422,094	2,182,776

	ACTUAL 2021	ACTUAL 2020
PROJECTS IN SOLIDARIDAD NORTH AMERICA		
Global Expertise Team - Market Uptake	102,500	-
Next generation cocoa youth programme	34,582	238,091
Norad - Back to REDD+ and Mobilizing Markets	5,610	96,216
Others (less than €100,000)	-	50,000
	142,692	384,307
PROJECTS IN SOLIDARIDAD SOUTH AND SOUTH EAST ASIA		
Reclaim Sustainability! - Cotton & Textiles (India)	206,611	-
Reclaim Sustainability! - Cotton & Textiles (Indonesia)	112,520	-
Reclaim Sustainability! - Cotton & Textiles (Bangladesh)	248,120	-
Reclaim Sustainability! - Tea (India)	386,139	-
Building capacity on participatory decision making in Ganga basin	-	521,860
Sustainable soy landscape development in Central Java, Indonesia	-	235,000
Sustainable transformation of the Indonesian tea industry	-	216,576
Sustainable and inclusive shrimp business in Bangladesh	-	216,576
Capacity enhancement	-	253,400
WASH - Reaching the unreached estates and surrounding communities Sri Lanka	824,989	834,963
Organic Cotton in Maharashtra	249,970	282,000
Palm Oil India	139,648	94,002
Palm Oil Indonesia	325,026	87,000
India Sustainable Soy Project	331,900	117,500
Transforming Sugarcane Sector for Efficient & Sustainable Production in India	319,347	156,041
Trinitea (digital tool tailor-made for smallholders in Indian tea industry)	556,225	313,550
Asian Sustainable Palm Oil Network (ASPN)	-	94,000
Responsible Industrial Minerals	120,000	150,000
Back to REDD+ and Mobilizing Markets (China)	-	171,869
Global Market Transformation (China)	148,400	-
Reclaim Sustainability! - Cotton & Textiles (China)	204,913	-
Reclaim Sustainability! - Palm Oil (China)	136,610	-
Reclaim Sustainability! - Tea (China)	136,610	-
Others China (less than €100,000)	50,000	146,231
Programme development	-	216,437
Ni-scops Indonesia	692,660	534,649
Ni-scops Malaysia	700,007	669,318
Enhancing Indonesian Palm Oil SHs to Improve Sustainable Palm Oil Production	169,420	-
Sustainable Food & Nutrition Security & Transforming Smallholder Livelihood	307,000	-
Smart Farming, Healthy Food (Bangladesh)	-	105,491
Revitalisation through Market Pull and Policy Push	112,892	-
Others (less than €100,000)	322,775	339,892
	6,801,782	5,756,355
Total projects via Solidaridad regional expertises centers	21,216,980	23,078,961

Operating costs

For notes to the operating costs please see “Specification and breakdown of costs by categories”.

COSTS OF INCOME GENERATION	ACTUAL 2021	BUDGET 2021	ACTUAL 2020
Direct mail administration	64,250	25,000	46,764
Partnerships GDN and CBF	32,562	25,000	26,710
Fundraising campaigns	136,555	325,000	150,387
Operating costs	408,794	595,000	468,294
	642,161	970,000	692,155
<i>Costs of income generation as a percentage of income</i>	<i>1.9%</i>	<i>2.8%</i>	<i>2.0%</i>

For notes to the operating costs please see “Specification and breakdown of costs by categories”.

COSTS OF MANAGEMENT AND ADMINISTRATION

This contains only operating costs. For notes to the operating costs please see “Specification and breakdown of costs by categories”.

The management and administration costs include the following personnel costs: director, 0.2 FTE; secretariat, 0.2 FTE; HRM manager, 0.2 FTE; controller, 0.5 FTE; administrator 0.64 FTE; and quality officer, 0.2 FTE. Solidaridad strives to achieve the lowest possible percentage of management and administrative costs without endangering the quality of its operations.

SPECIFICATION AND BREAKDOWN OF COSTS BY CATEGORIES

EXPLANATION OF COST ALLOCATION

Operating costs are allocated to the various cost categories. The calculation method for 2021 is the same as the one used in 2020. The job descriptions for each member of staff are used to determine which parts of their work relate to the various categories. The general overhead is then allocated using the same percentage distribution as for the staff costs.

EXPENDITURE	OBJECTIVES		INCOME GENERATION	MANAGEMENT AND ADMINISTRATION	TOTAL 2021	BUDGET 2021	TOTAL 2020
	Structural aid	Communication and information					
Projects via Solidaridad offices worldwide	27,903,487	-	-	-	27,903,487	28,286,000	29,913,154
Communication	-	248,433	233,367	-	481,800	818,000	492,477
Personnel	3,500,342	221,849	364,759	176,407	4,263,357	4,882,000	4,110,733
Travel and accommodation	26,681	1,691	2,780	1,345	32,497	175,000	64,742
Premises	188,074	11,920	19,599	9,478	229,071	200,000	269,217
Office/general	163,157	10,341	17,002	8,223	198,723	399,000	247,853
Depreciation	44,657	2,830	4,654	2,251	54,392	60,000	49,057
	31,826,398	497,064	642,161	197,704	33,163,327	34,820,000	35,147,233

PERSONNEL	ACTUAL 2021	BUDGET 2021	ACTUAL 2020
Gross salaries	3,232,738	3,460,000	3,117,928
Social premiums	506,146	519,000	498,153
Pension expenses	434,853	623,000	398,322
Other personnel expenses	89,620	280,000	96,330
	4,263,537	4,882,000	4,110,733

Number of staff members

During 2021 the average number of staff members employed by Solidaridad, expressed as full-time equivalents (FTEs), was 52.1 (2020: 50.3).

Pension

Solidaridad has a service agreement with Centraal Beheer APF for a defined contribution pension scheme for its employees. Paid and to be paid premiums during 2021 has been charged to the profit and loss account of 2021.

Remuneration management

The Managing Director of Solidaridad Europe is, as in the Netherlands, Heske Verburg who was appointed as statutory director as per January 1, 2017 by the International Supervisory Board. The statutory director has the final responsibility for daily management and implementation of the programmes and activities. Her total salary for 2021 was € 134,584. The level and composition of this salary is based on the applicable regulations:

REMUNERATION OF THE MANAGING DIRECTOR	HESKE VERBURG	HESKE VERBURG
Year	2021	2020
Period in year	01/01 - 31/12	01/01 - 31/1
Hours	36	36
FTE factor	1.0	1.0
Contract type	Employment	Employment
REMUNERATION		
Gross salary	99,494	95,169
End of year allowance	8,233	7,899
Holiday pay paid in year	8,358	7,962
<i>Total</i>	<i>116,085</i>	<i>111,030</i>
Taxable benefits	-	-
Employers pension contribution	18,498	15,601
Total	134,584	126,631

Solidaridad provided no loans, advances or guarantees to the Managing Director.

As of January 1, 2013 the *Wet Normering bezoldiging topfunctionarissen publieke en semipublieke sector*, or WNT (law salary senior executives of public and semi-public sector) has been operative. The WNT is applicable for Solidaridad the Netherlands, the maximum for the development sector is € 191,000 for 2021. The remuneration of the Managing Director falls well within the guidelines.

REMUNERATION OF THE MANAGING DIRECTOR	HESKE VERBURG	HESKE VERBURG
Year	2021	2020
Period in year	01/01 - 31/12	01/01 - 31/1
FTE factor	1.0	1.0
Contract type	Employment	Employment
Remuneration	116,085	111,030
Remuneration payables in time (employers' share of pension costs)	18,498	15,601
<i>Total</i>	<i>134,584</i>	<i>126,631</i>
Remuneration maximum	191,000	189,000
Minus: unduly paid and not yet reimbursed	-	-
Total remuneration	134,584	126,631

Reason for acceptance/rejection exceeding maximum remuneration: Not applicable
Explanation of unduly paid and not yet reimbursed: Not applicable

Remuneration Supervisory Boards

In accordance with Solidaridad's statutes, the members of the Supervisory Boards of Solidaridad receive no remuneration of any kind. The boards consist of the following members during 2021:

	FUNCTION
Mariam Gabala Epse Dao	ISB member
Roxana Barrantes	ISB member
Shahamin Sahadat Zaman	ISB member
Kannan Pashupathy	ISB member
Jan Karel Mak	ISB and CSB member
Carlos Alva Nieto	CSB member
Katrien Termeer	CSB member
Claire Gentil	CSB member
Martin Staehle	CSB member
Marion Kappeyne de Coppello	CSB member
Kajsa Johansson	CSB member

INTEREST AND INCOME FROM INVESTMENTS	ACTUAL 2021	BUDGET 2021	ACTUAL 2020
Sale of shares AgroFair B.V.	-	-	634,750
Sale of shares STIP B.V.	-	-	145,000
Result of AgriCrowd B.V.	8,599	-	-
Interest	33,229	34,000	61,479
	41,828	34,000	841,229

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To: the supervisory board of Stichting Solidaridad Nederland.

A. Report on the audit of the financial statements 2021 included in the annual report.

Our opinion

We have audited the financial statements 2021 of Stichting Solidaridad Nederland based in Utrecht, the Netherlands.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Solidaridad Nederland at 31 December 2021 and of its result for 2021 in accordance with the 'RJ-Richtlijn 650 Fondsenwervende organisaties' (Guideline for annual reporting 650 'Fundraising Organisations') of the Dutch Accounting Standards Board) and the Policy rules implementation of the Standards for Remuneration Act (WNT).

The financial statements comprise:

1. the balance sheet as at 31 December 2021;
2. the statement of income and expenditure for 2021; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing and the Audit Protocol WNT 2021. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Solidaridad Nederland in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Compliance with rule against overlapping pursuant to the WNT not audited

In accordance with the Audit Protocol under the Standards for Remuneration Act ("WNT"), we have not audited the rule against overlapping as referred to in Section 1.6a of the WNT and Section 5(1)(n/o) of the WNT Implementing Regulations. This means that we have not audited whether an executive senior official exceeds the norm as a result of any positions as executive senior official at other institutions subject to the WNT, and whether the explanation required in this context is correct and complete.

B. Report on the other information included in the annual report.

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

- the management report;
- report of the supervisory board.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Management Board's report in accordance with Guideline for annual reporting 'RJ-Richtlijn 650 Fondsenwervende organisaties' (Guideline for annual reporting 650 'Fundraising Organisations').

C. Description of responsibilities regarding the financial statements

Responsibilities of the management and the supervisory board for the financial statements.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 'RJ-Richtlijn 650 Fondsenwervende organisaties' (Guideline for annual reporting 650 'Fundraising Organisations') and the Policy rules implementation of the Standards for Remuneration Act (WNT). Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the organisation's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing and the Audit Protocol WNT 2021, ethical requirements and independence requirements.

Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a foundation to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 31 March 2022

Dubois & Co. Registeraccountants

A.P. Buteijn RA