

Solidaridad

ANNUAL REPORT 2015-2016



PROGRAMMES

Targeted Areas of Project Implementation in India 2015-16



Project Title	Commodity	Project Working Areas (States)	Year (Start)
India Tea Sustainability Programme	Tea	Assam, Tamil Nadu, Kerala, West Bengal	April 2012
Water Efficiency and Sustainability in Agri Supply Chains	Sugarcane	Tamil Nadu (Water Project – Sugarcane)	January 2014
Water Efficiency and Sustainability in Agri Supply Chains	Soy	Madhya Pradesh, Maharashtra, Rajasthan (Water Project – Soy)	January 2014
Water Efficiency and Sustainability in Agri Supply Chains	Cotton	Madhya Pradesh, Andhra Pradesh, Gujarat, Karnataka, Tamil Nadu, Odisha (Water Project – Cotton)	January 2014
Water Efficiency and Sustainability in Agri Supply Chains	Tea	Nilgiri District Tamil Nadu (Water Project – Tea)	January 2014
Diagnostic Study of Kanpur Cluster	Leather	Kanpur, Uttar Pradesh (Water Project – Leather)	2015-2016

FOREWORD



I am pleased to present the Annual Report of Solidaridad Regional Expertise Centre (Solidaridad) for 2015-16.

Over the past few years SREC has grown to increasingly undertake innovative work in new sectors across the country.

Asia is witnessing a tremendous economic growth. During 2015, India emerged as the fastest growing major economy in the world. According to the World Bank, 70% of the world's middle class will reside in India and China by 2030 on account of this growth. This rapidly growing middle class is increasingly demanding more food, feed, fibre and fuel. Most of the food businesses are eagerly looking forward to cater to this increased demand. In order to do so, it requires almost doubling the present farming output.

However, what we are seeing is the phenomenon of a rapidly dwindling farmer base. For example, India has been losing more than 2,000 farmers every single day since 1991. The overall number of farmers has dropped by 15 million in the last 20 years. Most of the farmers are old people because the young generation does not think farming is profitable and have moved out of the villages. Major challenges like depleting ground water reserves, the reducing size of farm lands, climate change and low value addition is making farming unviable and unattractive to farmers.

In 2015, the sustainable sugar programme in India saved more than 150 billion litres of water across 8 mills through demand side efficiency at the farm. There was an increase in productivity of 5% on an annual basis across all the mills. This increase in yield and inter-

cropping provided increased income, at an average of \$1,200 to \$2,000 per annum/hectare.

The trustea programme for a local Indian standard for tea production that was developed and implemented by Solidaridad achieved a new record in 2015. Trustea emerged as the largest tea code in a country (India) with more than 227.3 million kilos of tea verified. The project reached out to 441 tea estates with 215,528 workers (50% women), and 13,578 smallholders working under Trustea sustainability standard guidelines.

Solidaridad is exploring opportunities to build a community initiative with castor farmers in Gujarat to optimize yield and reduce environmental impact. Additionally, a sustainability code for castor oil will be developed which will allow the Indian farmers to offer the first certified sustainable castor oil in the global market.

I also welcome the fact that Solidaridad continued to work under the ISO 9001-2008 system of efficiency in terms of quality of its work. It has set up a robust accounting system along with a Human Resource policy aligned with the requirements of Indian authorities and under the supervision of its Governing Board. With the basic framework in place, Solidaridad is well positioned to emerge as an effective organisation benefitting the marginalised and poor in India.

Shatadru Chattopadhyay
MANAGING TRUSTEE

MISSION

**Solidaridad seeks to combat structural poverty through sustainable agriculture and trade.
Solidaridad's mission is based on the following convictions:**

- **There is only one Earth, and it is our task to look after it for future generations**
 - **Poverty is degrading and should be eradicated from India**
- **The balance between 'growth' and 'distribution' can only be preserved if the poor themselves are agents of development.**

VISION

Sustainable production in agriculture and industry, combined with sustainable trade will make a significant contribution to combat poverty and in preserving people's environment, in the context of a global economy.

STRATEGIES

The increasing demand for food, feed, fibre and fuel has created a paradox. On one hand rising food prices lead to challenges for large numbers of people in the rural areas; on the other, the pressure created on the land to meet the demand threatens the biodiversity and carbon rich natural landscapes. Major Indian businesses and multinationals have heeded the call by Solidaridad, among others, to take responsibility and be part of the solution rather than be part of the problem.

As growth in agricultural productivity does not match growth in demand, increasing areas of natural habitat and volumes of irrigation water are being used to meet this demand, to a point where critical biodiversity, water and environmental regulation thresholds are exceeded, as documented in the UN Millennium Ecosystems assessment. At the same time, 75% of the world's poor live on farms that have extremely low productivity due to a combination of factors such as lack of access to inputs, poor planting material and/or environmental degradation. They usually have limited or no access to markets due to logistical or quality constraints. Better farming is key to reducing poverty and providing access to health and education for rural populations, as well as curbing migration to overcrowded cities. In many cases, crop yields and livestock densities can be increased using existing, proven technology while reducing the environmental impact and external inputs. This will lead to efficiency gains – improving incomes while avoiding unnecessary expansion and degradation.

Solidaridad believes that the necessary changes will have to be driven by collaborations between NGOs, market players and the government.

CORE VALUES

- **We believe in creating win-win solutions for sustainable development through cooperation and partnerships between CSOs, government and businesses**
- **We propagate a balanced approach towards social, economic and environmental aspects so that the needs of both present and future generations are safeguarded**
- **We take a value chain approach from producer to consumer, helping to integrate sustainable practices in agricultural farms and factories**
- **We create support for sustainable economic development, especially among citizens and consumers in the Global North and South**
- **We value integrity, honesty, openness, personal excellence, constructive self-criticism, continual self-improvement, and mutual respect within our organization**

PROGRAMMES

1. TRUSTEA PROGRAMME

INTRODUCTION

The trustea programme seeks to facilitate a locally developed and owned Indian tea code that is meaningful, cost effective and practical to implement without compromising on globally accepted core sustainability principles. From 2012 to end 2016 it looked to sustainably transform 400 million kg of tea, targeting 500+ factories and estates, 400,000 tea plantation workers and 32,000 smallholders.

During the period under review the key achievements and issues were as follows:



On Farm

1. 227.94 million kg of trustea certified tea available (cumulative achievement)
2. 250 tea estates and selling mark (including BLFs) trustea certified
3. 215,285 workers covered through certified estates of which 120,420 are female workers
4. 441 gap assessments of estates, BLFs and out grower's groups were conducted against the trustea code version - 2.0
5. 133,987.64 Ha area covered under trustea certification
6. 41688 small tea growers were covered through training around demo plots and bought leaf factories undertaking trustea implementation.
7. 13578 smallholders are certified under the trustea code of which 2311 are women smallholders

Off Farm

1. Communication guidelines to use trustea seal usage developed
2. 64 auditors trained on trustee code
3. Trustea sustainability plan developed
4. A common understanding to register trustea as a Section 8 company has been achieved
5. Trustea and RA cross compliance
6. Trustea code revision completed and version - 2.0 has been launched wef January 2015
7. Trustea web site has been upgraded and launched with a new design format
8. Chain of custody
9. Surveillance/control auditing: Reached a consensus to make use of trustea secretariat to coordinate the audit



PROGRAMMES

1. TRUSTEA PROGRAMME

The key performance indicators of the two implementing partners, Solidaridad and Ethical Tea Partnership (ETP), can be summarised as follows (as on 31 Dec 2015):

Key Indicators	Implementation Partners (As on December 2015; Cumulative)		
	Solidaridad	ETP	Total
Total volume of certified tea available (m kgs)	207.82	20.12	227.94
No. of gap assessments (Estate and BLF)	400	41	441
No. of tea estates and BLFs certified	231	19	250
No. of smallholders certified under Indian code	13578	0	13578
No. of women smallholders certified under Indian code	2311	0	2311
No. of workers reached (certified marks)	177556	37729	215285
No. of hectares under tea certified under Indian code	116659.72	17327.92	133987.64

Gap Assessments: A total of 320 gap assessments have been conducted during the year; 295 by Solidaridad and 25 by ETP (Cumulatively 400 by Solidaridad and 41 by ETP). These gap assessed entities had the potential to deliver over 400 million kilograms of certified volume of which 227.94 million has been achieved as on December 2015.

The key areas identified as gaps/ challenges during assessment of estates and BLFs are:

1. Personal protective equipment for spraying.
2. Hygiene stations in the factory
3. Washing stations for spraying squad
4. Filtration units/soak pits for waste water discharge from labour lines
5. Filtration units/sedimentation tanks for waste water discharge from labour lines and estate factories
6. Use of insect cutters in processing areas of factories
7. Bird proofing and rodent control
8. Lack of required documentation – policies and SOPs
9. Modifications in chemical and fertiliser stores for responsible storage, being mindful of hazards
10. Waste management on the estate – hospital, factory and lines
11. Absence of adequate training
12. Creation of buffer zone
13. Traceability viz, segregation process and end product when bought leaf is present in the system
14. Lack of understanding of benefits to go for trustea verification

Effective Collaboration

Hindustan Unilever, Tata Global Beverages and IDH-the Sustainable Trade Initiative, fund the programme and Solidaridad Asia is the lead implementing agency along with Ethical Tea Partnership. ETP is working for the 15% of the programme targets. The prominent international tea standard, Rainforest Alliance, is involved as technical advisor.

2. NUTRITION PROJECT — TEA

INTRODUCTION

The Nutrition Project was formulated with a mindset that without proper nutrition human beings cannot achieve their full potential. It helps break the intergenerational cycle of poverty, generates broad based economic growth and can lead to a host of benefits for individuals, families, communities and countries. Hygiene, on the other hand, refers to a set of good practices which can maintain good health and prevent the spread of disease. Washing hands with soap is found to be one such activity which prevents the spread of infectious diseases. In order to understand the current scenario, the level of nutrition intake and maintenance of hygiene, a pilot study was conducted whose outcome was that people lacked awareness regarding these issues. The learnings of the pilot study are used while scaling up the project on a large scale.

The overall goals of the programme are as follows:

1. To improve the nutrient adequacy of the diet of smallholder tea farmer families through the promotion of dietary diversity in their daily diet
2. To improve the hygiene status; paving the way for healthy hand washing habits and sanitized water use
3. To integrate good agricultural practices with beneficial nutritional and hygienic practices and impart practical training to the target

DURATION OF THE PILOT: 4 months

Outreach:

- Teagrowers: 2700
- Teagardens: 4

Partnership: Hindustan Unilever, as part of their sustainable living plan; GAIN (Global Alliance for Improved Nutrition), Soildaridad, and Catalyst Management Services (monitoring and evaluation agency) came together to work towards a common objective to improve the nutritional intake and hygiene conditions of workers.



Organizational Set-up and Trainings Offered:



A total of nine training modules were developed and training was imparted to a target group of workers by the field officers and master trainers.

Impact of the Project:

The effective target coverage, that is, people attending all the nine interventions, became 2253 (87.2%) due to: migration (4.3%), reluctance (4.2%), reward seekers (3.4%) and distant villages with a few lists of growers (0.7%). The percent of grower and worker covered was 67% and 33% respectively. As the number of households is 5 on an average for 40% of the target (worker category) and 4 for 60% (grower category) of the target, the farm families covered was 9764. The illiterates (29%) were taught by showing them pictures depicted in each poster. In this group 22% were vegetarian and 2.8% were Jharkhand migrants. Even pregnant women were covered in the studies. Pregnant women, lactating women, 21 kids below 5 years (1.9%) were offered special trainings. Awareness was also given on fortified food items as well as role of micro nutrients with special focus on iodine. Of the 2584 families, 1870 (83 %) families had kitchen gardens. Only 1026 (55 %) families sowed the seeds supplied. Water scarcity and wild animal intrusions were reiterated as major constraints for cultivation.

PROGRAMMES

2. NUTRITION PROJECT — TEA



3. WATER EFFICIENCY & SUSTAINABILITY IN AGRI SUPPLY CHAINS

Sugarcane



During 2015-16, the HUF funded project took the journey on sustainable sugarcane water efficiency to Tamil Nadu and Puducherry. The activities to promote identified on-farm water efficiency practices were taken forward with the newly registered farmers with greater emphasis on promotion of drip technology.

Two critical capacity building efforts were put up by the project viz:

- 1) Financial literacy training of drip farmers in partnership with IFC, and
- 2) Training of 1000 lead farmers on sustainable practices at the Sugarcane Breeding Institute of Coimbatore through a residential programme.

The water efficiency and sustainable sugarcane programme led to innovations for integrating on-farm water efficiency and good agricultural practices in the sugarcane supply chain. The programme helped in strengthening the farmer-factory relationship. The partner sugar companies took the lead in

bringing changes in their supply chain by directly addressing the issue of water consumption and environment friendly farming.

Benefit to Community

Helping the community to understand the change:

1. Efforts were made to help the community understand the change: In these trainings, farmers were exposed to best practices at the Sugarcane Breeding Institute and gained knowledge about various advantages and disadvantages of farm practices. Regular follow up was carried out on correct adoption of water conservation practices.
2. Results of these efforts were understood well by the community. There is a greater level of awareness amongst the farmers and the communities due to the project effort. What was initiated as part of the plugin project within the sugarcane sustainability programme in 2014, had taken the form of a campaign, and after two years, there is greater acknowledgment by sugar companies on water issues.

PROGRAMMES

3. WATER EFFICIENCY & SUSTAINABILITY IN AGRI SUPPLY CHAINS

Figure 1: Participation in Training and Awareness under EID Parry (Up to March 2016)

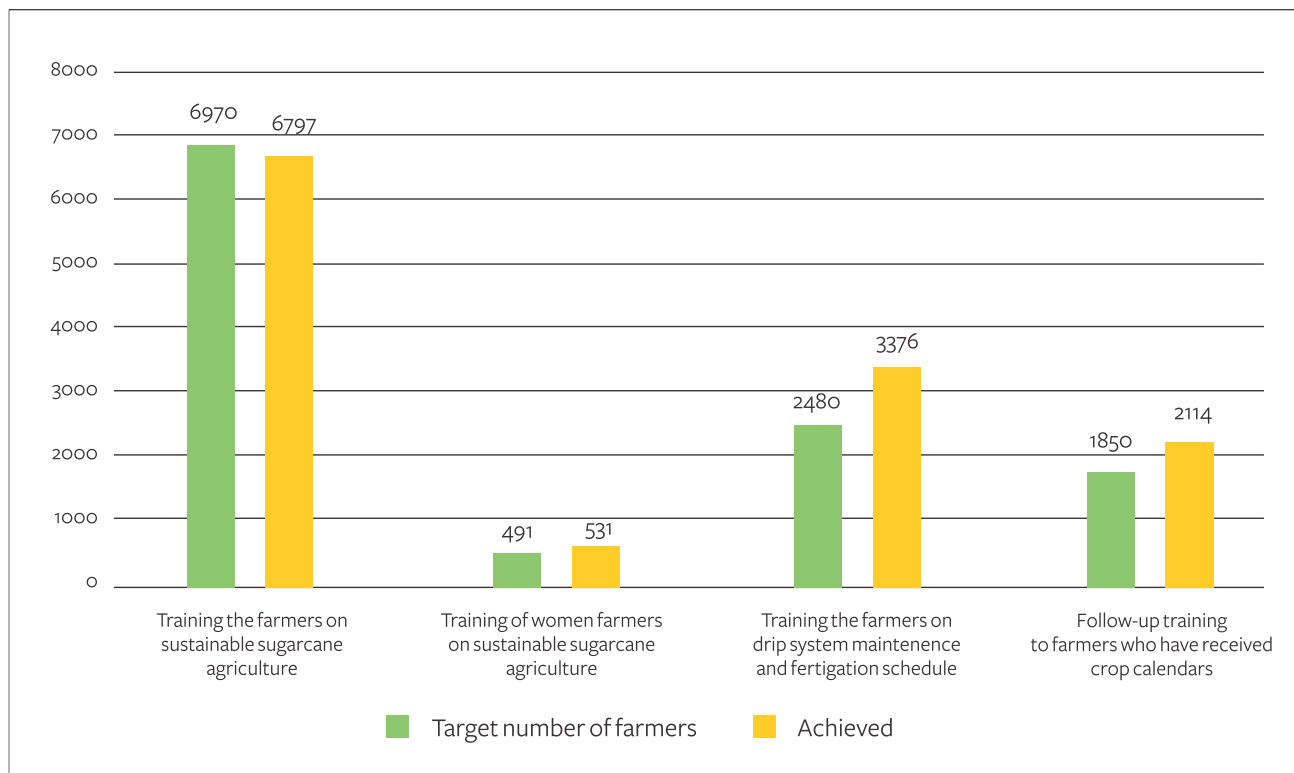
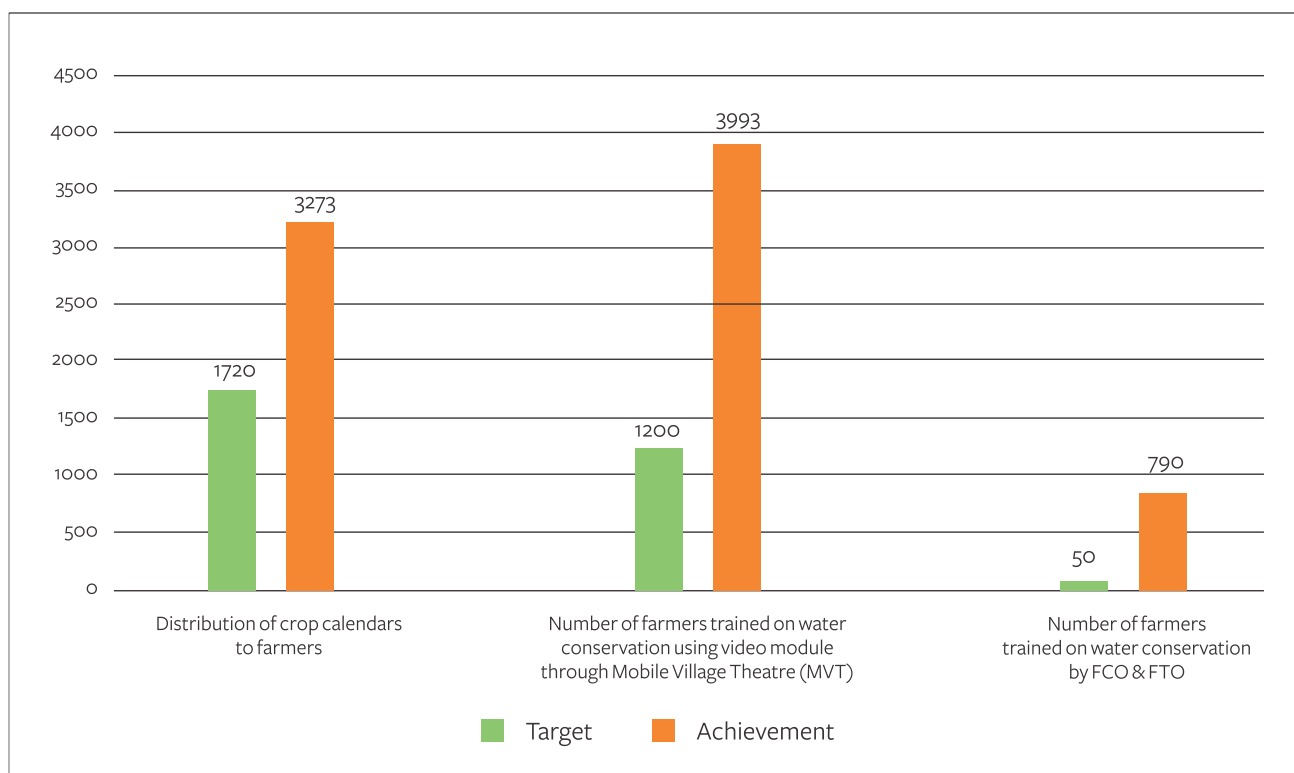
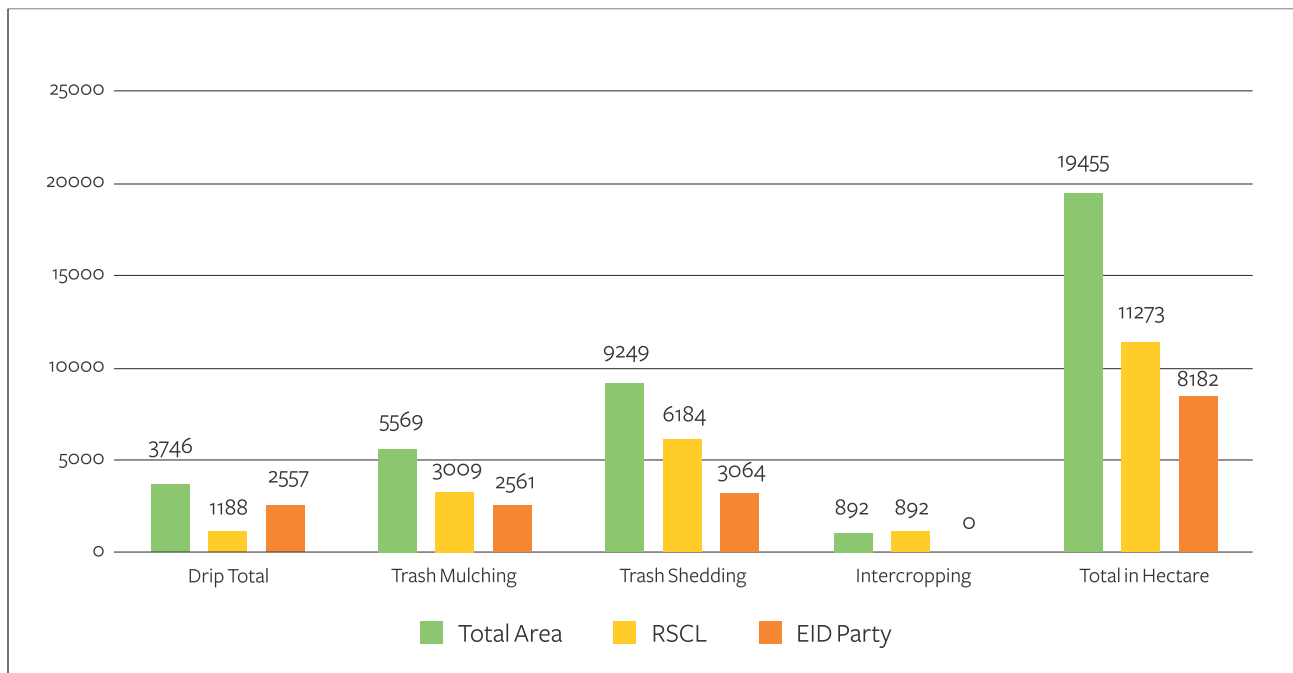


Figure 2: Training and Awareness under RSCL (Up to March 2016)



3. WATER EFFICIENCY & SUSTAINABILITY IN AGRI SUPPLY CHAINS

Figure 3: Adoption of Water Saving Practices: Actual Area Treated (April 2015 to March 2016)



As the package of practices was reaching out to the all types of farmers (small, marginal and large), the farmers felt confident of adopting these changes and gradually move towards efficiency. The conventional furrow farmers were able to shift to trash mulching and trash shredding technology as an immediate step rather than adopting high cost technology such as drip. The adoption of intercropping has also been significant among the farmers who see it as an additional benefit in the form of income as well as soil conservation.

Outcomes

The efforts resulted in bringing pragmatic planning amongst sugarcane farmers with good support from companies. The development of agricultural technical support services within the sugar mills command area provided services on good agricultural practices (trash mulching, composting, bio products etc.) to farmers at lower cost, which led to increase in the income levels and contributed to the rural livelihoods.

During 2015-2016, the project strengthened its activities to reach out to the sugarcane community on the issue of water savings and good agricultural practices. It included intensive campaigns and awareness in the field area involving farmer groups, and newspaper articles and display of water saving messages at the Panchayat levels. The campaigns were intensive in the Tamil Nadu districts of Theni in RSCL and Trichurapalli under EID Parry due to long standing droughts faced by the farmers in these districts. The project also developed region specific farmer educational materials (in Tamil), focusing on water and good agricultural practices.

40,000 small holders in the RSCL sugarcane supply chain adopted specific interventions in lieu of their current practices to efficient farming with emphasis on water savings. This behaviour change was facilitated by the business, which emphasised the need of responsibly produced inputs for their production. This was primarily achieved by reducing water losses on the farmers' fields. Measures involved judicious, timely, and more effective use of the water supply, capturing more water for transpiration and addressing unproductive evaporation. Structural measures, such as improving irrigation efficiency using micro-irrigation systems, were adopted by the farmers to save water and improve crop productivity. As a result, the programme has reached over 20,000 farmers through trainings and over 60,000 acres of land have been brought under multiple water saving practices.

PROGRAMMES

4. SOY



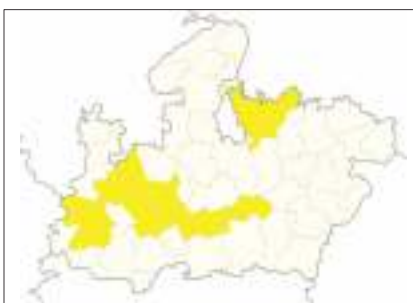
Solidaridad is supporting smallholder soy producers to produce more with fewer inputs, efficient use of land and water, and multi-stakeholder engagements, thereby improving livelihoods of a large number of smallholders, reducing poverty, enhancing societal relations and encouraging an ecologically sound supply chain with continual improvements towards inclusive sector transformation.

The programme has evolved as India's largest sustainable soy smallholders' programme with significant social, economic and environmental impact. The partnerships with Hindustan Unilever Foundation added value to the programme with increasing water efficiency in soy production. The partnership has allowed promoting optimization of water use in soy supply chains through demand side management interventions. The partnership is also made with leading stakeholders, like the Directorate of Soybean Research, for promoting lab to land concepts. Overall, the programme is directly supporting more than 1,00,000 smallholders in major soy growing states like Madhya Pradesh, Maharashtra and Rajasthan, with a broad network of stakeholders.



A skilled cadre of more than 2000 lead farmers was developed for a farmers-led extension system through training and demonstration. The adoption of practices analyzed through a systemic process of internal audit, reveals an 88% adoption of sustainable practices by farmers.

In 2015, 34,536 farmers were certified with RTRS in 45,935 ha of land that included 49,782 mt of RTRS soy. The demonstrations have resulted in a 34% average increase in soy yield while reducing the cost of cultivation with efficient use of land and water. The farmers are applying their learning in other crops grown in the cropping system. Use of bio-based agri-inputs has increased with safe and judicious use of chemicals and increased application of bio inputs like vermicompost. The innovative water use efficiency interventions demonstrated efficient use of water with water savings of 7.35 billion litres in 2014 and 10.54 billion litres in 2015.



Madhya Pradesh

Agar, Chhatarpur, Dewas, Dhar, Hoshangabad
Jhabua, Narshingpur, Sepore, Tikamgrah, Ujjain



Rajasthan

Pratapgarh



Maharashtra

Akola, Wardha

PROGRAMMES

4. SOY

Farmers are organized into groups and federated into Farmer Producer Organizations (FPOs) which are facilitating back and forth linkages with seeds, fertilizers, credits and market linkages. FPOs are able to directly approach to government institutions and market players to articulate their issues and concerns and this has given them the means and power to collectively bargain. FPOs have signed MoUs with industries to directly supply sustainable soy at better prices. Women are empowered through the extensive trainings in Self Help Groups and have gained skills in the technical aspects, with enhanced decision making, increased recognition of their work and labor – leading to equal wage for equal work. Farmer groups have also provided significant social benefits to their members such as enhanced community cohesion, addressing social evils, empowerment etc.

Producers are acquainted with innovative ICT tools like SMS/IVRS systems for timely communication and efficient delivery of relevant and customised information. These tools provide crop advisories and market information to farmers. An innovative Soy Mobile App has been developed that helps producers in analysing the performance of different adopted practices while estimating the yield and it also develops database for further research and development.

In addition, multi-stakeholders' involvement in the programme stimulated diversified stakeholders to develop a national level multi-stakeholder platform – National Platform for Sustainable Soy (NPSS) – in India. Leading stakeholders like the Directorate of Soybean Research, Ruchi Soya and Reliance Foundation, besides eminent agricultural universities, corporates, civil society organizations and farmers'



Collection of soil samples for soil moisture test

organizations are associated with the platform. It is focused towards multi-stakeholders' initiatives for systemic solutions and platform-led innovative programmes for inclusive soy sector transformation. Knowledge support has been extended to different stakeholders like civil society organizations, financial institutions, and industries like Vippy, to implement the sustainable soy programme with farmers and build a framework for corporate social responsibility.

Overall, Solidaridad's work through multi-stakeholder engagement has transformed markets and has had considerable positive social and environmental effects, with focused interventions on the water agenda. More new approaches will be incorporated through the multi-stakeholder platform to deepen and broaden these impacts. Our strategy, therefore, for the future would be based on a combination of continuity and innovation. This will be further based on an integrated farming system in soy cropping, with water use efficiency, strengthening of FPOs, rural entrepreneurship, introduction of the ICT platform, and enabling multi-stakeholders to promote the water agenda and transform the sector.



HUF CEO visit at Dewas, Madhya Pradesh field location



Sustainable Soy Week Celebration

5. DIAGNOSTIC STUDY OF KANPUR CLUSTER

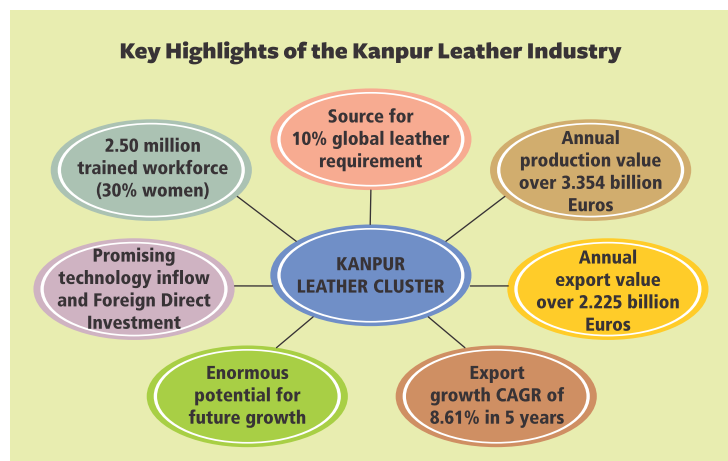
INTRODUCTION

Solidaridad REC, South and South East Asia launched its leather portfolio during 2015-16. It has been initiated by undertaking a diagnostic study of the "Kanpur-Unnao Leather Cluster". The objective of conducting the diagnostic study is to get an overview of the Kanpur-Unnao leather cluster including important economics, mapping of the challenges related to social and environmental sustainability and propose realistic solutions. The methodology adopted for conducting the study was through surveys and interactions with various members of the tannery clusters. Stakeholders like tannery owners, workers, local communities, industrial associations, regulatory authorities, research institutes, and people from academia, were surveyed. Apart from this, exhaustive secondary research was done before the project was put on board.

It is inevitable that some amount of waste is generated out of any industrial operations. With the Kanpur Leather Industrial Cluster being on the banks of the river Ganga, it emerged as one of the root causes for the pollution of river Ganga, because of the nature of its operations. Therefore, the decision of Solidaridad to expand into new sectors naturally gets inherent support and the attention of the leather industrial sector. Direct and indirect contribution towards "CLEAN GANGA" is sure to emerge as an added attraction which may lead to a good amount of national recognition irrespective of the quantum of achievements.

Summary about the Diagnostic Study

Kanpur is the 12th most populous city in India and the second largest industrial town in North India following Delhi. Kanpur's major attractions are the leather clusters located in and around the city. The majority of tanning units are situated in Jajmau which lies on the outskirts of Kanpur city. Other units are in the Unnao and Banthar industrial area in Unnao district situated about 20 km from Kanpur city. It is estimated that the overall turnover including domestic sales is approximately double that of its exports value. This sector provides direct and indirect employment to more than 2.5 lakh persons.



Problems

There are a number of problems and issues related to the social, technical, economic and environmental. The following section will highlight each of them in an extensive manner.

Technical: The machinery interface in the process is very limited and is not very complex. They are designed with simple operational ease to handle routine chemical processing. The major issues with the technical aspects are:

1. Chrome Based Tanning: The tanning process is mainly carried out through the use of dissolved salts, by way of chrome salt. But this Chromium (in the trivalent) residue in the waste discharge is the most dreaded pollutant for aquatic life.
2. Curing Hides: The wash out of salt present in the raw skins and hides in tanneries causes huge discharge of neutral salts.

Environmental: The leather industry has been traditionally considered a heavy polluting industry in the tanning and finishing stages of the chain. The key environmental effects of tanneries are as follows:

1. Effect on Groundwater: Wastewater and unused chemicals produced during washing, de-hairing, tanning and post tanning operations are washed into the natural drain and is one of the main pollution concerns for the leather industry. This is impacting the water quality of River Ganges as well as the groundwater.
2. Wastewater: The wastewater out of tanneries has very high levels of Biochemical Oxygen Demand (BOD), Chemical Oxygen Demand (COD), pH levels, Chlorides, Suspended Solids and Total Chromium.
3. Solid Waste: The presence of chromium in the effluent is a major concern as it causes bio-accumulation.

PROGRAMMES

5. DIAGNOSTIC STUDY OF KANPUR CLUSTER



Interaction between important stakeholders of the tannery cluster



5. DIAGNOSTIC STUDY OF KANPUR CLUSTER

Social: The social issues are generally confined to occupational health and safety and safety while handling the chemicals.

Occupational Health and Safety: There is vast scope to strengthen Occupational Health and Safety (OHS) measures in the leather/tannery sector. Foremost is the great need to educate workers to adopt better practices to avoid safety-related incidences. Selected workers should be trained in First Aid interventions and there should be a standard mechanism for health checkups of workers which has to be facilitated by their respective industry.

Safety in Use of Chemicals at Work: Access to safety information (MSDS) on hazardous chemicals is limited by the prevailing selling and distribution practices by local and international suppliers; the latter only catering directly to their major and important customers.

Challenges

1. Technical Barriers: The quality and character of leather is prone to change when the parameters of processing are altered. Therefore, a tannery may resist altering its operations to comply with environmental demands.
2. Small and Medium Enterprises: In most developing countries tanning operations is a family business, carried out in small to medium scale semi-mechanized units. Tanners in such units have little or no understanding of the complexities of leather processing. Lack of properly trained staff at different levels remains one of the crucial constraints.
3. Economic Barriers: In developing countries, the leather industry suffers from high cost of capital and rising inflation rates and imposition of high import duties on chemicals and machinery.
4. Inadequate Legislation and Lack of Monitoring Facilities: Law enforcement authorities usually lack skilled personnel to monitor performance of the installed treatment plants.
5. Social Barriers: Tanners are traditionally regarded as socially inferior because of the nature of their work. Consequently, there are difficulties in altering the mindset and structure of the industry.

Recommendations

Solidaridad is conceptualizing a potential project to strengthen the leather/ tannery value chain of the Kanpur-Unnao Leather Cluster through capacity building of relevant stakeholders on eco-friendly and innovative technologies and by the establishment of few pilots to demonstrate the best practices. Key recommendations are as follows:

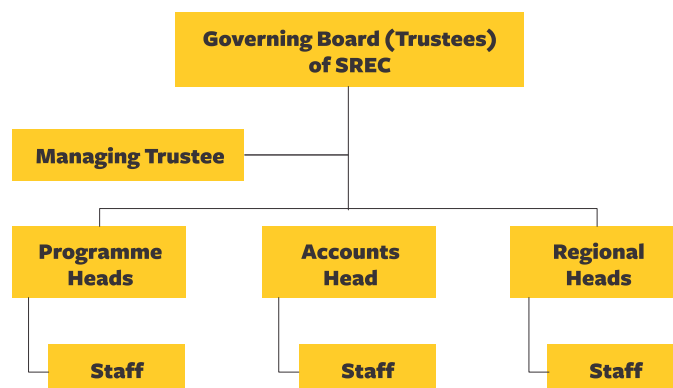
1. Engagement with the industrial stakeholders through establishment of a common platform or core group to plan and intervene on environmental sustainability.
2. Capacity building of relevant stakeholders on innovative eco-friendly processes in close coordination with national and international expertise.
3. Water Management: Addressing the needs for technological improvements in primary treatment at the unit level will help in efficient management of this crucial natural resource.
4. Chemical Management: Process management in tanning will help in bringing about efficient use of chemicals, its management and disposal.
5. Waste Management: The cuttings and small pieces of leather coming out of the manufacturing process, often end up in the waste stream. Economically viable products, such as dog chew, small leather items etc. can be made out of this in order to minimize the waste from these industries.
6. Occupational Health and Safety: Supporting the tanneries in meeting the environmental management systems and environmental audits like ISO14001, LWG, and OHSAS18001 etc.
7. Sensitize business entities to priorities and ensure environmental sustainability in their respective operations.

These interventions will help to address the major process-oriented and technical problems of the cluster. In addition to this, it will help in procuring desired respectable health and living conditions in and around Kanpur city. The interventions will look into efficient water stewardship, thereby, having positive impacts on the "NATIONAL MISSION ON CLEAN GANGA".

ORGANIZATIONAL STRUCTURE AND GOVERNANCE

Solidaridad in India is called Solidaridad Regional Expertise Centre (SREC). SREC is a NGO registered under the Indian Registration Act, 1908. The Certificate has been issued by Sub Registrar of Janakpuri, New Delhi under Section 60 of the Act with the registration number 17474 in additional Book No.4 Volume No. 12384 on pages 113 to 126 on 18th December 2008.

SREC satisfies the conditions of u/s 80G of the Income Tax Act of 1961 and is also registered under Section 12 A of the Income Tax Act of 1961.



HUMAN RESOURCE STAFFING AND MANAGEMENT

SREC has a well-defined Human Resource (HR) policy which attempts to document prevalent organizational practices and norms in a standardized format for user-friendly reference. The HR policy contains the key policies, goals, benefits and expectations of SREC and other information an employee will need in the course of seeking employment to the organization.

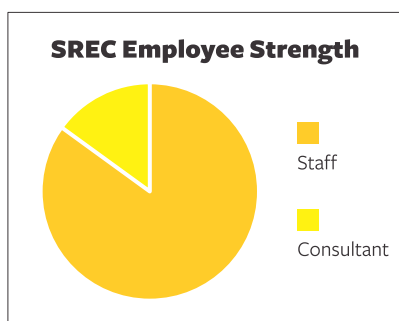
The emphasis is on:

- Devising a system that would result in an organizational climate conducive to developing the potential of human resources and providing opportunities for fulfilment
- Facilitating the implementation of human resource policies and practices in a clear and sensitive manner to enable the achievement of the mission of SREC
- Building an enduring foundation for professional relationships in the organization and ensuring continuity through the creation of a ready point of reference
- Ensuring that SREC continues to be an exciting, happy, secure and satisfying place for each and every one of us to work in and grow.

SREC believes the development of people is the prime responsibility of the organization and if an environment is created where individuals can develop their competencies, people can and will do their best.

SREC values the individual needs of staff and commits to providing an environment that facilitates a work and life balance. It would be our constant endeavour to explore alternatives in the ways of working – ones that embrace and harmonize all the important areas of our lives.

In order to be transparent and credible, SREC has in place a strong anti-corruption policy. SREC is guided by a well-articulated code of conduct book, which is handed over to each employee at the time of joining. Any corrupt practice by its staff is dealt with as per disciplinary measures provided in the HR policy and if it is by a partner, appropriate steps are taken – from bilateral discussions to legal remedies.

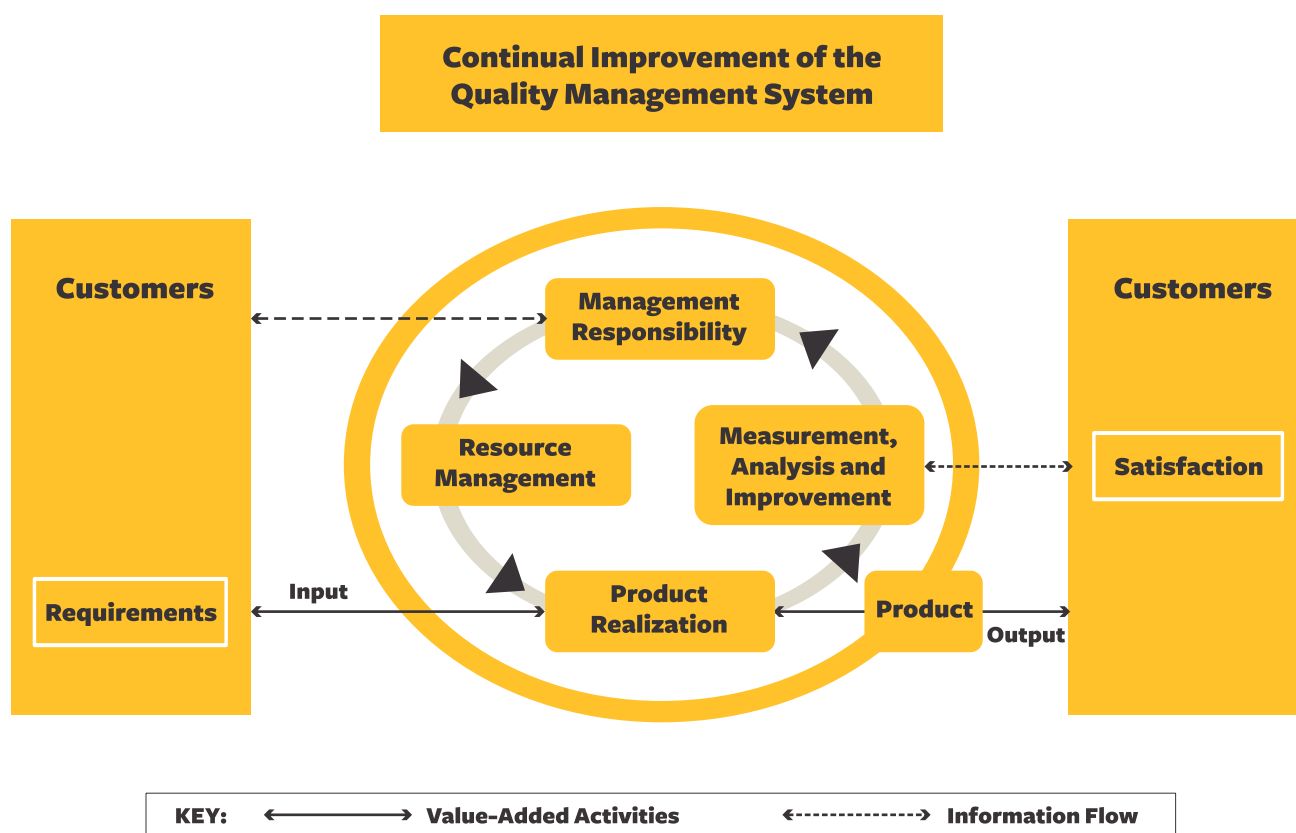


SREC is ISO 9001-2008 CERTIFIED

SREC has been certified under ISO 9001-2008, since 9th September 2009. The purpose of the certification is to follow a globally accepted quality management of work, in order to:

- Demonstrate our ability to consistently provide services that meet the relevant statutory and regulatory requirements of donors and beneficiaries.
- Enhance donors' and beneficiaries' satisfaction through effective application of the system, including processes for continual improvement of the system with the assurance of conformity to donor and applicable statutory and regulatory requirements.

DECISION MAKING PROCESSES IN SREC



Programmes are developed in SREC as per the following:

1. The programme team under supervision of the Managing Trustee develops Multi-Annual Strategy Plans (MASPs) within India. These MASPs are in line with local priorities and in conformity with Government plans.
2. The MASP is then placed for consultation before the Board of Trustees and inputs are collected.
3. The MASP serves as the basis for the preparation of Annual Plans by the Managing Trustee, which are again deliberated and approved by the Board of Trustees.
4. The overall responsibility of managing and implementing the programmes and projects in line with MASP lies with the Managing Trustee. The Managing Trustee further delegates this function to programme coordinators.
5. Each commodity has a coordinator or manager assigned in SREC who is overall responsible for the project implementation.
6. Each of the projects is registered by the Programme Support Officer (PSO) in the SREC under the overall supervision of the Manager – Accounts and Administration, who, along with the PSO, registers the project in a project database where a unique number is given to the project. With this number, the PSO makes a digital file where all the important documents of the project are saved. Each digital project folder is required to have at least the following elements:
 - Partner Assessment Form
 - Project Description and Project Contract
 - Payment Requests and Payment Records
 - Progress Reports and Evaluations
 - Working Documents
7. Every month a monthly staff meeting is organized in SREC to evaluate and discuss the progress of various programmes, and if necessary, corrective measures are taken. The key outcomes of the monthly meetings are documented and preserved in hard and soft copies. An annual overall report along with audited financial statement is prepared as well.

SOLIDARIDAD FINANCIAL SUMMARY FOR 2015-2016

Statement of Financial Position

	As at 31st March 2016
Funds & Liabilities	Rs.
– Trust Fund	10,000
– Capital Fund (Represented by Fixed Assets)	43,69,380
– Restricted Fund	4,31,547
– General Fund	82,19,158
– Current Liabilities & Provisions	18,14,371
	1,48,44,456
Property & Assets	
– Fixed Assets	
Gross Block	79,46,085
Less: Accumulated Depreciation	35,76,705
Net Block	44,69,380
– Current Assets and Loans & Advances	
Cash & Bank Balances	34,33,468
Other Current Assets	43,31,850
Loans & Advances	27,09,758
	1,48,44,456

Donors

Hindustan Unilever Foundation (HUF)
Hindustan Unilever Limited (HUL)
Prakruthi

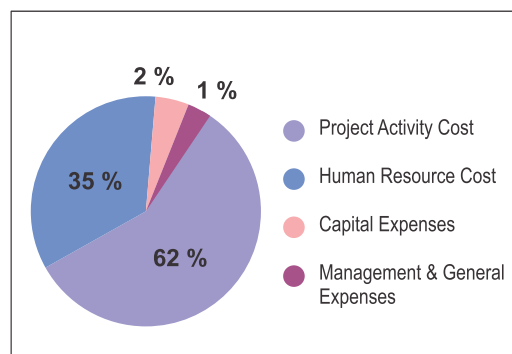
Tata Global Beverages Limited
AZB & Partners

Purpose

To implement the project on "Water Efficiency and Sustainability in Agri Supply Chains"
To implement the project on "India Domestic Sustainable Tea"
To facilitate certification activities for capacity building and sustainable livelihood for smallholder coffee growers and workers in India
To implement the project on "India Domestic Sustainable Tea"
Research on Statutory Living and Working Conditions of Workers in Tea Estates

Supplementary schedule of expenses – classified by nature of expenses

	2013-14	2014-15	2015-16
Project Activity Cost	78,30,231	3,04,76,270	3,30,61,468
Human Resource Cost	54,31,047	1,39,84,665	1,88,45,772
Capital Expenses	32,14,265	9,44,080	10,30,145
Management & General Expenses	2,16,471	9,71,395	7,06,031
Total	1,66,92,014	4,63,76,410	5,36,43,416



SOLIDARIDAD FINANCIAL SUMMARY FOR 2015-2016

Statement of Activities

	Financial Year 2015-16
Revenues	Rs.
Restricted Income (Grants & Donations)	2,16,28,735
Unrestricted Income	
Overhead Support	23,20,180
Interest from Bank	3,74,158
Others	7,43,287
	2,50,66,360
Expenses	
Programme Related Expenses	5,29,37,385
Management & General Expenses	7,06,031
	Total Expenses
	5,36,43,416
Surplus/(Deficit) for the Year	(2,85,77,056)
Earmarked Grants & Donations	(2,16,28,735)
Expenses out of Earmarked Grants	5,20,72,547
Transferred to Capital Fund	96,169
Changes in Net Assets	19,62,925

Extract of Independent auditors' report of the trustees of the Solidaridad Regional Expertise Centre

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the Balance sheet, of the state of affairs of the trust as at 31 March 2016, and
- In the case of the Statement of Income and Expenditure, of the excess of expenditure over income for the period from 1 April, 2015 to 31 March, 2016.

For Dhingra & Juneja
Chartered Accountants
Firm Registration Number: 018799N


Vikas Dhingra
(Partner)
Membership No: 099604

Date: 01.09.2016
Place: New Delhi







Asia's growing population (expected to reach 5.3 billion by 2050) is leading to shortages of land, water and energy. Solidaridad is taking an integrated approach, working with leading businesses to develop more efficient farming methods.

Solidaridad is dedicated to responsible food production to feed the growing world population and to providing the world with an alternative to fossil fuels like oil and gas.

Solidaridad is convinced that the agricultural sector can produce more efficiently so that it will be able to feed the world population in 2050, as well as supply energy to the industry; mining and industry need to switch to a responsible means of production; worker rights are respected and the environment is preserved for future generations, keeping intact its potential.

Solidaridad is involved in the Trustea programme which aims to establish sustainable production in the Indian tea market.

The Trustea programme seeks to facilitate a locally developed and owned Indian tea code that is meaningful, cost effective and practical to implement without compromising on globally accepted core sustainability principles. It seeks to sustainably transform around 500 million kg of tea, targeting 600+ factories, 500,000 tea plantation workers and 40,000 smallholders. Hindustan Unilever, Tata Global Beverages Limited and IDH – The Sustainable Trade Initiative, fund the programme and Solidaridad is the lead implementing agency along with Ethical Tea Partnership as the second implementing partner. The most prominent international tea standard, Rainforest Alliance, is involved as technical advisor.

The “Water Efficiency and Sustainability in Agri Supply Chain” programme is part of four agricultural supply chains of sugarcane, soy, cotton and tea spread across 38 districts in 10 states. The programme can save cumulatively 0.4 to 1 trillion litres of water in 3 years. The collaboration with HUF allowed to weave water as a common wave across the ongoing initiatives of Solidaridad and leverages on the existing networks and resources to enhance social return on investment for all the stakeholders.

The focus of the programme is on creating consciousness for the farmers; developing scientific methods like drip irrigation, capacity building of the farmers for good agricultural practices, and bringing in crop specific water use strategies.

A-5, Shankar Garden, First Floor
Main Najafgarh Road
Vikas Puri
New Delhi – 110018, India

Solidaridad