

## Sources of Financing

When the stone audits and certification according to the ISES 2020 Standard were established it was agreed with suppliers and buyers to take over the financing system which turned out to be well suited in other industries like carpet manufacturing, textiles & garments, leather, handicrafts, jewellery, etc. This system is totally financed by private sector companies who want to be certified in a reliable and sustainable way by an independent organisation. Its main characteristics are

- the involvement of the supply side,
- payment of the buyers for safeguarding social and environmental compliance,
- coverage of the costs for the audit and certification activities,
- financial support for sustainable social activities benefitting children, women and sick persons.

In addition it was agreed that the members of the board and of advisory groups are working principally free of charge.

Based on the existing experience it was decided that

- suppliers pay 0.25% of the fob value of their exports,
- buyers give 1% of the respective deliveries; also on fob value,
- groups of buyers/ associations who regularly want to be audited and certified according to ISES 2020 can get a discounted price of 0,75% for the audit and certification process if they have at least five members.

The payments are made normally twice per year on the basis of the value of the shipped containers. The collected amounts are used for the auditing work and related administrative costs. The standard owner is responsible for the payment of taxes in India and in China. The surplus between income and costs is used for socially and environmentally beneficial activities for improving the livelihood of the less privileged groups of the society. In this context IGEP is running ten schools (incl. one boarding school): 6 in Uttar Pradesh, 3 in Jharkhand and 1 in New Delhi with together about 3000 children. In addition, a small health centre and several projects for vocational training and for the empowerment of women and their families are financially supported by the certifications in the stone sector.

In 2021 the income earned shall be utilised in the ratio of 50% of this amount is for cost of Social projects, 40% for Auditing cost of the staff carrying out the audits and certifications and 10% for covering the administrative costs. This corresponds to the utilization of funds during the years before. It is planned to keep up these shares also in future and - if possible - to slowly increase the percentage for social and ecological activities.

### Fund Utilization

