

Local know-how for lasting solutions

SNV Strategic Plan
2019–2022



SNV



We lift up incomes and access to basic services

We make a lasting difference in the lives of people living in poverty, helping them raise incomes and access basic services. Driven by the Sustainable Development Goals, we are dedicated to a society in which all people are free to pursue their own sustainable development and no one is left behind. This commitment to equity directs us to focus on gender and youth.

We apply our know-how to deliver results at scale

Local presence and know-how to realise effective solutions

We apply practical know-how to support people living in poverty. By connecting our global expertise with our extensive and longstanding in-country experiences, we help realise locally owned solutions. And we do so in more than 25 countries worldwide.

Expertise in three sectors

We are experts in agriculture, energy, and water, sanitation and hygiene (WASH). Our services include advice, brokering and stakeholder engagement, advocacy, fund management, results-based financing and delegated management.

Impact through direct results and systems change

Our projects directly benefit millions of people. At the same time, our projects also drive systems change – strengthening institutions and kick-starting markets to help many more people work their way out of poverty, well beyond the scope of projects.

We commit to operational excellence

We are proud to be a not-for-profit organisation, implementing our mission exclusively through project financing. This requires us to work efficiently and to invest in operational excellence every day.

Foreword

SNV has remained relevant over its 53-year history by adapting to a rapidly changing world. In 2017, we successfully completed the transition from dependence on subsidies from the Netherlands government to breaking even based exclusively on revenues from project financing. We are well positioned to scale up our impact.

In this new phase, the aim in all we do is to create direct results and to bring about systems change. Where markets and governments fail to create the conditions for people living in poverty to increase their incomes and to obtain access to basic services, we aim to build bridges to span the gap. We will do this by kick-starting markets, supporting government service delivery, and improving government and market accountability.

Our new Strategic Plan spans four years, from January 2019 to December 2022. It takes a medium-term perspective and describes how we will position ourselves to continue beyond the 2022 horizon.

We will remain a global premium organisation with a local presence. Our decentralised structure with the vast majority of our staff residing in Asia, Africa and Latin America remains our distinctive feature. We constantly learn about what works and what does not work. This enables us to adapt our global know-how to local contexts. It also enables us to adapt interventions during implementation as circumstances change.

Through the projects we will implement in this four-year period, we aim to improve the quality of life of 20 million people in low-income and lower-middle-income countries in Africa, Asia and Latin America. We will also significantly contribute to systems change in agriculture, energy and WASH sectors in at least 21 countries.

Ensuring that all our interventions are high quality is an intrinsic part of our mission. We are deliberate in what we do, where we do it, and how we do it. The quality assurance systems we are putting in place and investments in making knowledge flow to and from the frontline, together with upgrades to our primary project process, will help us strive to continuously improve.

Meike Van Ginneken

Chief Executive Officer

SNV at a glance

Who we are

SNV Netherlands Development Organisation is a not-for-profit international development organisation. We have a long-term, local presence in over 25 countries in Asia, Africa and Latin America. Our team of 1,300 specialists and generalists, nationals and internationals, males and females, young and more seasoned colleagues are the backbone of SNV. Only five percent of our team is based in the Netherlands, the country where we were established 53 years ago.

We provide practical know-how to make a lasting difference in the lives of people living in poverty by helping them raise incomes and access basic services. We use our extensive on-the-ground track record to apply and adapt

our expertise to local contexts. We constantly renew our expertise with innovative global knowledge and lessons learned from practice. This adds to our value proposition and distinguishes us from local service providers.

We aim for premium quality. We have made a deliberate choice to focus on just three sectors: agriculture, energy and WASH. We work in selected countries where we build long-term partnerships and learn to speak the language – literally and figuratively. In all we do, we aim to make a difference by implementing projects that create direct results and bring about systems change.

We extensively collaborate with partners that complement and reenergise us, such as knowledge institutes, private consultancy firms and non-governmental organisations. We invest in market-based approaches and work extensively with the private sector. We are a trusted partner of local and national governments.

SNV Netherlands Development Organisation is a not-for-profit entity established under Dutch law. SNV USA has a separate legal status as an independent 501 (c) 3 entity.

Our average turnover between 2016 and 2018 (our last strategy period) was approximately €110M and showed an upward trend. We will strive to grow our business to a turnover of €150M by 2022.



Where we work

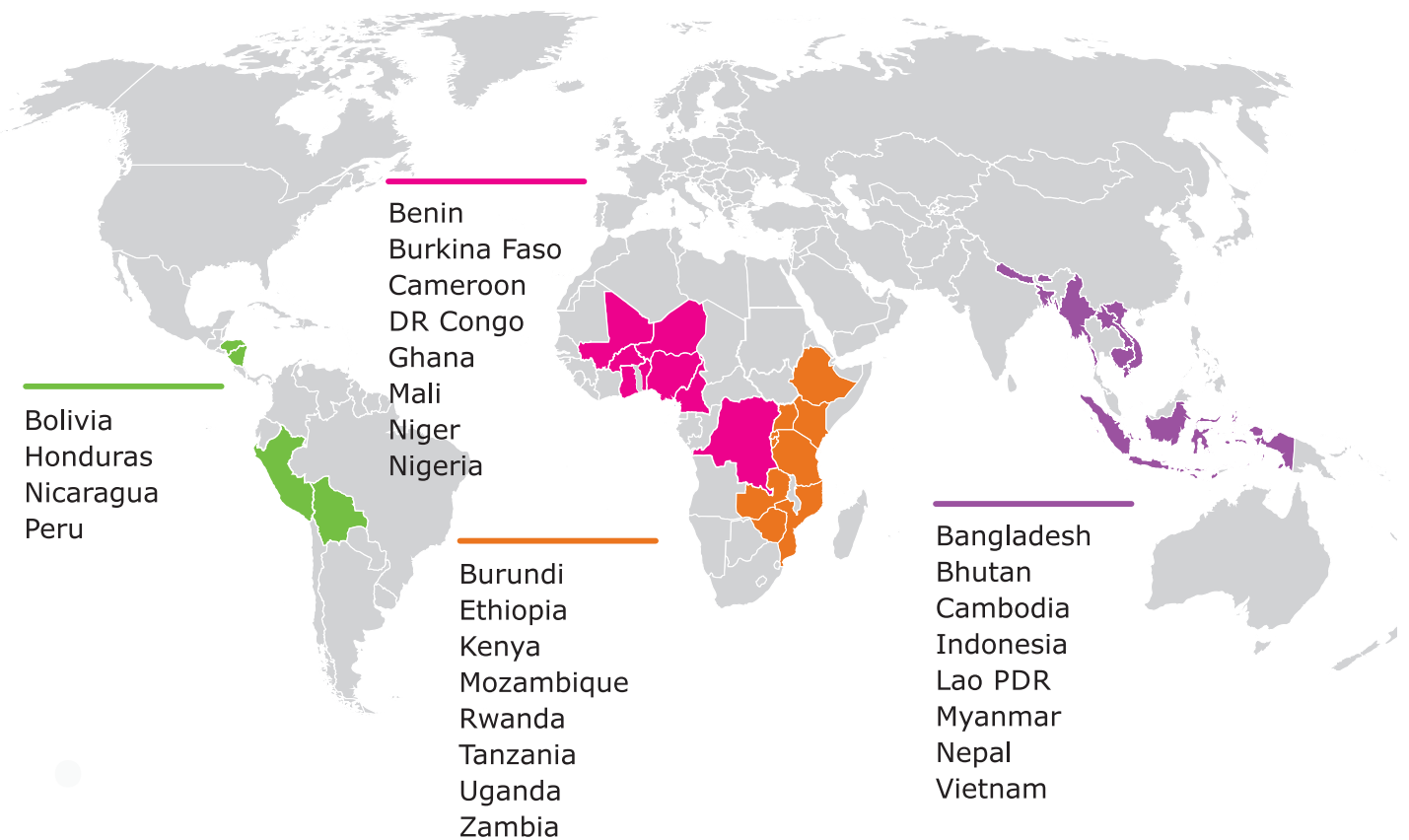
We only work in low-income and lower-middle-income countries where our expertise has added value and can make an impact, we can safeguard the security of our staff, and we have a solid financial outlook. Our regional coverage is sub-Saharan Africa, Asia and Latin America.

Most of our country programmes are business units headed by a

resident country director. A few country programmes report to a country director in a neighbouring programme country.

As we start the new strategy period, we have a presence in 28 countries. In the first year of the Strategic Plan, we will start up in three new countries (Burundi, Myanmar and Nigeria) and wrap up our activities

in Bolivia and Peru. Each year, we will review our country programmes to ensure they continue to be relevant and add value. However, we expect a mostly stable footprint in 2019–2022 given the importance of local rooting of our programmes. We are increasingly working in fragile environments and are expanding our know-how on how to work in these areas.



What we do

Our work focuses on three sectors: agriculture, energy and WASH. By continuing to focus on these interconnected areas, and adapting and expanding our approach within them, we will reach more people and continuously improve the quality of our work. Within these three sectors we have defined eight products. During the Strategic Plan period, we will further deepen our expertise in these products. Increasingly, our projects span products and take an integrated approach to sustainable development.

“ We will assure high quality expertise within our three sectors.”

Our sectors and products



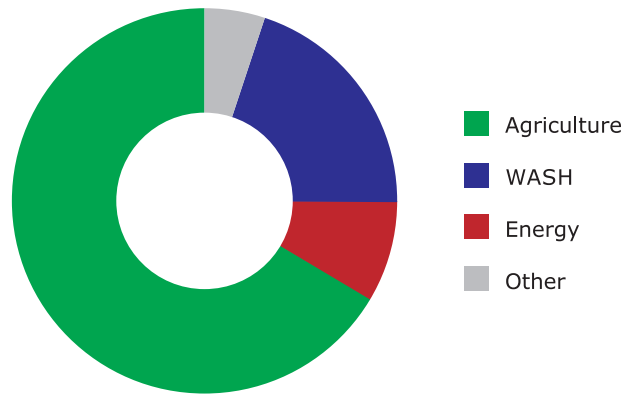
How we fund our work

We are proud that we implement our programmes entirely through project funding awarded by public development agencies, foundations, multilateral development banks, governments and the private sector. The majority of our projects are financed through grants from public development agencies but we increasingly implement service contracts with governments, bilateral or multilateral donors, and other entities. We have successfully diversified our financing base over the past years. Our largest donor, the Netherlands government, now provides approximately one-third of our financing. We have successfully entered the American donor market through our affiliate SNV USA.

In the new strategy period we will continue to diversify and grow our portfolio. We will also continue to increase the average size of our projects to allow us to more actively shape our portfolio and enhance efficiency. The (European bilateral) grant market will remain our most important source of financing. EU Delegated Cooperation, in partnership with the Netherlands government, is our main growth opportunity in the grant market.

In this strategy period we will invest in increasing our financing from targeted tender markets.

Volume of signed contracts 2019–2022, by sector



“ We integrate gender at the design stage so that our projects reach women and men. ”

Our impact: Direct results and systems change

The world is getting less poor. Low-income countries are becoming middle-income countries. Yet, poverty persists and inequity is rising. Even in middle-income countries, people are at risk of being left behind. By 2030 half of the absolute poor will live in fragile states. Reaching those who still live in poverty will require an extraordinary effort.

In and out of the box

Our projects do not just deliver direct results, but also influence markets and governance processes to function better.

Development aid is structured in projects, "boxes" in time and space. This is a convenient way to administer activities. However, breaking the low-income poverty trap requires a focus on systems change beyond the time and space boundaries of individual projects. We will change by doing, emphasising systems change while at the same time continuing to create results by improving people's lives within the time and space boundaries of our projects.

Direct results

We help women and men to improve their livelihoods. This includes increasing people's incomes and increasing their resilience to climate change so livelihoods are stable.

We help people to get access to new or improved services, such as energy, water, sanitation and hygiene, and nutritious food.

Measuring direct results

In this strategic period (2019–2022), we aim to improve the quality of life of 20 million people.

This is an aggregate of the direct results of our projects. We use defined, consistent impact indicators to standardise measuring and reporting. Wherever possible we use internationally recognised methodologies.

Systems change

We will design and implement projects so that they contribute to changing the underlying systems which trap people in poverty and so that they help to overcome market and government failures. We will do this by kick-starting markets, supporting governments and other actors to improve their service delivery, and improving government and market accountability. We will select projects that provide opportunities to create sustainable, large-scale impact.

Kick-start markets

We have found that value-chain approaches and public-private partnerships in agriculture, energy and WASH can help overcome market failures. SNV will help to kick-start

markets by supporting businesses to grow and to innovate, by creating demand and encouraging behaviour change among consumers, and by supporting governments to improve enabling environments.

Support government service delivery

Support for governments – and their service providers – recognises that the public sector provides the vast majority of water, sanitation and energy services around the world. Governments also play a frontline role in funding agricultural research, improving nutrition and enhancing climate resilience. SNV supports public institutions to modernise, and to develop and implement effective policies.

Improve government and market accountability

Informed citizens can select and sanction leaders based on performance. Informed customers can pressure private enterprises and public service providers to improve goods and services and to deliver value for money. SNV helps to generate credible data and to build the capacity of civil society to use data to advocate. New information technologies are a game changer. We encourage people to use information to hold governments and enterprises accountable.

Market and government failures

Market failure refers to situations in which the allocation of goods and services in a free market is not efficient. Efficient markets enable people to have productive jobs or sell what they produce, and to pay reasonable prices for the goods and services they need. Across the world, women and men living in poverty are often not served well by markets. Also, negative externalities, such as environmental impacts, are often not fully addressed.

Governments intervene to overcome market failures. By putting in place appropriate policies, taxes, subsidies and regulations, and implementing them effectively, governments can correct markets in which public and private interests diverge, and ensure that all people can benefit. Governments are also duty-bound to provide basic services and public goods. However, government interventions can fail because they may not have sufficient knowledge, skills or resources, may be captured by vested interests or hampered by corruption.

Measuring success in systems change

Creating systems change is complex – especially in the fluid and unpredictable situations SNV works in. We will report the results of our efforts to bring about systems change

by narrating what we did and why what we did was the right thing to do (or not) in the circumstances. Through these narratives, we will show how, from 2019 to 2022, SNV will significantly contribute to systems change in agriculture, energy and WASH in at least 21 countries.

How do we define success?



When additional financial resources are leveraged



When we kick-start markets that sustain themselves

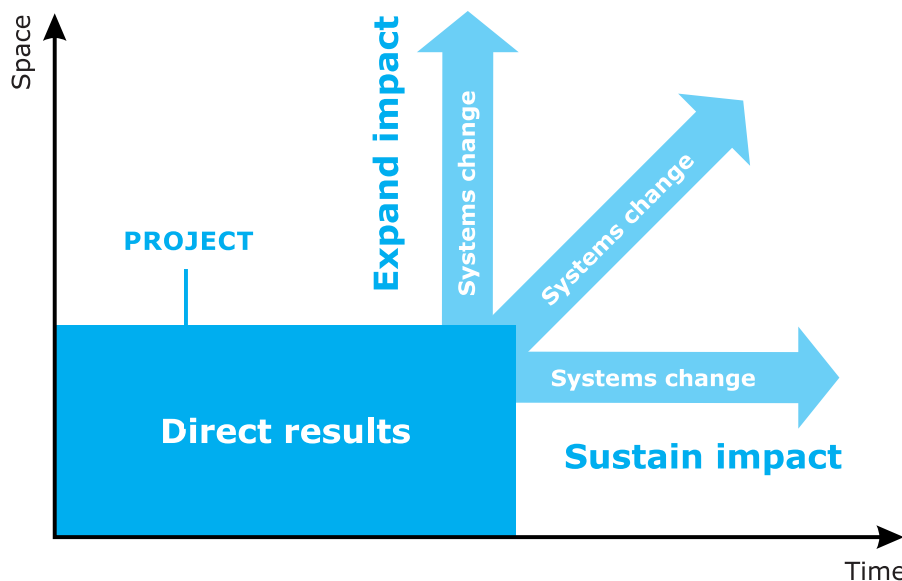


When governments and others adopt our approaches



When we change rules/norms/the new normal

A focus on systems change



Focus on practical know-how

SNV bridges the gap between theory and practice, between policy ambitions and effective implementation at scale. We implement approaches that are tailored to local needs as we believe that countries and communities themselves should be the owners of change. With appropriate knowledge and resources, they can implement and maintain their own sustainable solutions to end poverty. Our know-how services include advice, brokering and stakeholder engagement, advocacy, fund management, results-based financing and delegated management.

Advice

Advisory services are core to SNV's programmes. Our advice aims at strengthening capacity in the public sector and civil society to respond to national and local priorities and to address systemic constraints in agriculture, energy and WASH. Our advice also responds to demand from private entrepreneurs, such as farmers, agri-businesses, energy companies and masons, to strengthen their businesses and services. We also advise public authorities to develop and implement policies, target investments effectively and operate services efficiently.

Brokering and stakeholder engagement

We often play a brokering role – anchored in our belief that eradicating poverty and addressing complex problems is possible when local and national governments, the private sector, civil society and communities cooperate and act collectively. SNV works to bring these often poorly connected or conflicting parties together. We ensure local ownership and allow local actors to shape and drive their own agendas and assume responsibility for leading development processes.

Advocacy

We influence governments, civil society and other actors to improve policies and regulations by advocating for the application of our know-how and showing the results of the approaches we use. Our advocacy is embedded in our other activities and is evidence-based. We partner with applied policy research institutes to complement our field experience. We also strengthen the capacities of civil society organisations to engage in contextualised policy dialogue. Advocacy has long been an implicit part of SNV's work but has gained more explicit prominence in projects in the past few years. We do not engage in issue-based advocacy at a global level.



Fund management

Access to finance helps entrepreneurs to mainstream innovations into their activities at scale. We manage funds on behalf of, and in cooperation with, local and national governments. We will expand the volume of our grant management. The unique value that we add is that we combine grants with our expert advisory services. In this strategy period, we will increasingly leverage commercial financing. Building our financial analysis expertise is a condition *sine qua non* for this. We already apply our technical and local know-how to partner with financial institutions providing loans and guarantees. We will start to engage in more structural partnerships with financial institutions. We will consider taking limited financial risk ourselves.

Results-based financing

SNV has a strong track record in results-based financing (RBF, also known as output-based aid or payment by results) to scale up service provision, particularly for energy, and sanitation and hygiene services. RBF can maximise the value for money international donors and governments obtain by paying for services only upon delivery of agreed results. This shifts the delivery risk from financiers to service providers. Providing limited incentives that are phased out over time has proven to be a powerful means to attract private firms to expand service provision. SNV's role in RBF schemes includes designing RBF incentive schemes, providing services ourselves (being paid on the basis of results), and administering RBF projects (paying incentives to others following verification of results).

Delegated management

We design, roll out and manage development initiatives on behalf of governments or donors. And we do so in ways that establish and build national and local ownership and engage our strong network of local service providers. We apply our long-term, in-country presence and international knowledge network to develop new approaches and to adapt proven approaches to local contexts. Our delegated management does not involve managing major construction projects.

“ The learning that comes from hands-on involvement is much richer than any consultancy firm can offer. ”





Agriculture

Developing sustainable agricultural production is at the heart of the Sustainable Development Goals (SDGs). Poverty, hunger, malnutrition and climate change are complex challenges that require a paradigm shift in agriculture. Value chains and food systems need to become more inclusive, efficient and diverse, as well as nutrition-sensitive and climate smart, to ensure that people have access to food at affordable prices and opportunities to shift to healthier diets.

As agriculture is primarily driven by the private sector we take a market-based approach. We will make a significant contribution to systems change in at least 16 of the countries where we work by kick-starting and strengthening agricultural markets in selected commodities. We will deploy our tested tools and approaches – such as using a food systems lens to identify key bottlenecks, developing inclusive business models, working with public-private partnerships and launching innovative finance – to address the root causes of why markets fail to meet the needs of people living in poverty.

This approach will help farmers to grow more food sustainably, will create jobs at different stages of value chains, will put women and youth at the centre of development,

and will strengthen the climate resilience of both farms and markets. We will endeavour to help farmers and agri-businesses to secure (soft) loans to expand their businesses by working with financial institutions to make financing available on reasonable terms and by working with farmers and agri-businesses to develop sound business cases.

In agriculture, our projects will contribute to achieving the SDGs through inclusive value chains, sustainable nutrition for all, and climate and business. In our agricultural projects, we will use our balancing benefits approach to close the gender gap. This approach addresses the root causes of unequal development, such as inequitable norms, and unequal access to resources and market opportunities.

Targets for agriculture 2019–2022



1.3 million
people with increased resilience to climate change



7.5 million
people with increased income



700,000
people with increased food and nutrition security

“ Our value-chain approach helps kick-start markets that will sustain themselves and grow over time. ”



Inclusive value chains

We will consolidate our inclusive value chains portfolio, focusing on smallholder farmers, and small- and medium-sized agri-businesses. We will help enterprises to strengthen their supply chains, use resources more efficiently and to become competitive while ensuring environmental sustainability. Support for businesses will involve strengthening their supply chains by bolstering working relationships between producers, processors, distributors, small-scale farmers and service providers. Our focus will be on seven commodities: dairy, livestock, horticulture, cassava, coffee, cacao and palm oil. We will focus on these commodities because of their economic importance in the countries where we work, the economic opportunities they provide for those living in poverty and their potential for export markets.



Sustainable nutrition for all

We will grow our sustainable nutrition portfolio. Our projects tackling malnutrition will encourage diverse, more nutritious diets. We will build local capacity to trigger demand for diverse diets by working with communities, raising awareness on the risks of stunting, and enabling them to create solutions to improve local hygiene and nutritious behaviour. We will also empower local authorities to continue to implement this community work. On the supply side we will help smallholder farmers to diversify into nutrient-rich vegetable and food crops. By working to understand the multiple factors involved in improving nutrition, we will learn how best to induce behavioural change. In particular, we will focus on the influence of gender relations on nutrition.



Climate and business

Our projects on climate and business cut across agriculture and energy. We are growing our work on climate-smart agriculture through a number of transformational projects that could make a large-scale impact. We bring together value-chain actors – authorities, research partners and investors from the private and public sectors – to speed up the adoption of proven, climate-smart agricultural practices and business solutions that address both adaptation and mitigation along value chains. We also incubate innovation to contribute to increasing the spectrum of measures to build climate resilience.

Energy

Globally, close to a billion people live without electricity. In 2016, 2.8 billion people still relied on low quality biomass, coal and kerosene for cooking. Cooking with biomass has a negative effect on more people than AIDS and malaria combined. Modern sustainable energy technology is crucial to human well-being and a prerequisite for economic development.

Taking a market-based approach, SNV works with public and private partners to develop energy markets for bio-digesters, clean cooking and off-grid electricity. In the four years 2019 to 2022, we will significantly contribute to systems change in eight countries by kick-starting sustainable energy markets. Clean cookstoves and bio-digesters reduce indoor air pollution and related health hazards, decrease carbon emissions and help households, in particular women, save time and money. Bio-slurry generated from digesters is a potent organic fertiliser and is often referred to as 'brown gold'. Powered by solar and other renewable energy, our projects will offer households, businesses and institutions off-grid electricity. Our programme focuses on energising rural households and small businesses. We will expand our work in informal refugee settlements. SNV will enhance its work on the productive use of energy in selected agricultural value chains, including through mini-grids, for example for solar pumps for irrigation, cooling for storing milk or other perishables, and processing purposes.



Sustainable energy markets

Our work on biogas markets applies our decades-long expertise to specific local market conditions. We have also established a track record in introducing improved cookstoves and off-grid electricity solutions. Our approach is anchored in market research. Based on our local know-how and as appropriate, we combine demand creation, technical and business advice for entrepreneurs, incentives to distribute quality products, support to government agencies to run market-based energy programmes and advice to improve enabling environments. We offer early-stage grants and results-based financing to help de-risk commercial investments and incentivise companies to engage in underserved areas. Alongside, we advocate for more funding for decentralised energy services, for the removal of regulatory barriers to make the energy sector more attractive to business investors and for national quality standards.

Targets for energy 2019–2022



1.9 million
people with access to off-grid solar



2.5 million
people with access to improved cookstoves



585,000
people with access to bio-digesters



Opportunities for youth employment

In this strategy period we will scale up our work on creating job opportunities for young people across agriculture, energy and WASH. Our opportunity for youth employment (OYE) approach includes creating employment opportunities (pull), basic skills training (push), and market placement and enterprise

development (match). We help young people to find jobs by getting our network of companies in agriculture, energy and WASH interested in offering vocational training and on-the-job learning, and offering concrete employment opportunities. We will also help young people to fulfil their entrepreneurial aspirations by developing their skills and knowledge through training, facilitating access to money to set themselves up, and by coaching them in leadership and business skills.

Target for youth employment 2019–2022



250,000

young women and men have improved (self) employment





Water, sanitation and hygiene (WASH)

Access to safe water and sanitation is a human right. Governments are the duty bearers of the progressive realisation of this right in their jurisdictions. Worldwide, 2.4 billion people are still without basic sanitation, and more than 600 million people are without safe drinking water. Our projects will continue to support local, district and national governments to progressively realise the right to safe water and sanitation for all citizens.

In the strategic period 2019–2022, we aim to contribute to sustainable change in WASH service delivery systems in at least 19 countries. We will do this by building professional, organisational and inter-institutional capacity to deliver environmentally and financially sustainable rural and urban WASH services – for households, schools and health facilities. We will encourage change and innovation from within. An example of this is the integration of housing, tax and sanitation information, and district- and provincial-wide planning for WASH. We will help public authorities target investments effectively and operate services efficiently, and we will improve the accountability of service providers and regulators. This work

will be founded on evidence-based research that we conduct jointly with government, the private sector and civil society. Our programmes will create the conditions and capacities for private-sector engagement in WASH and, where appropriate, will strengthen their ability to deliver long-lasting WASH services that are accessible, affordable and reliable. We will also build capacities for long-term behaviour change in hygiene, occupational health and safety, and compliance with safety standards.

Furthermore, we will help strengthen the capacity of civil society in advocating for WASH services, and we will encourage collaboration between stakeholders and public authorities.

Targets for WASH 2019–2022



2 million
people with access to (at least) basic sanitation



2 million
people with access to (at least) basic drinking water



1 million
people practising handwashing with soap after defecation





Sustainable sanitation and hygiene for all

We work together with local authorities to develop area-wide sanitation service delivery models for their jurisdictions. Our aim is to create and/or change WASH systems. This is done using a hands-on approach, working collaboratively towards improved sanitation and hygiene, and continuously reflecting and learning. The approach creates demand for sanitation services, develops sanitation supply chains in rural areas, builds capacity for behaviour change and strengthens WASH governance systems. Over the past five years this integrated approach has proven successful in more than 160 districts in 18 countries. We place users at the centre of our efforts: households, schools, health facilities and public places. Understanding users, and their diversity of needs, is essential for sustainable sanitation.



Urban sanitation and hygiene for health and development

In urban areas we work on city-wide inclusive sanitation services for all. In partnership with city authorities and utilities, we aim to change the way in which human waste is managed. We address the needs of diverse populations, encompass all parts of the sanitation service chain and recognise that different geographical areas will require different service delivery models. We guide stakeholders through a process of informed choice regarding technologies, finance strategies, regulation and service delivery models that discusses trade-offs, in particular regarding low-income groups and slum residents. Working with the private sector, we develop financially viable, sustainable business models for the treatment, re-use and safe disposal of human waste, and we work with communities on service models that are safe and affordable.



Area-wide rural water supply services

We pursue an integrated rural water supply approach that looks at the sustainability of services across districts, and responds to changing communities. We endorse performance standards for water operators, irrespective of whether they are private, public or community run. Our work contributes to solving service issues relating to water, including the continuity of water services, equal access to water points, water quality, sustainability of services and resilience to extreme events (climatic and social). We work with local stakeholders to develop appropriate management models and post-construction support for districts that are embedded in local WASH governance structures and supported by evidence-based behavioural change campaigns.

“ We help governments better target investment and operate services efficiently. ”

Rolling out the Strategic Plan

Hundreds of SNV staff contributed to this plan through face-to-face country consultations and through global electronic consultations. The consultative nature of the strategic planning process forms the basis for the rollout of this plan across the organisation. This is a plan for all of SNV. Our work is done in and with the communities we serve. We will continue our current decentralised governance model which empowers country directors and maximises the proportion of our staff located on the frontline of our interventions.

We have carried out substantial background analytics on our portfolio and organisational developments for this plan. We have developed an outlook for the future by examining the changing environment we operate in. The analytics not only provide an evidence-based foundation for deciding what kind of an organisation we want to be. They are also important as we step up monitoring progress on our projects, collect evidence of what works and what does not work, evaluate the data and learn from our results.

Rolling out this Strategic Plan is as much a culture shift as it is a policy shift. The Managing Board and the extended management

team will take a strong leadership role in championing a shift towards integration so that our portfolio becomes more than the sum of our projects. As SNV transitioned to project financing, our emphasis, rightly, was on ensuring that our business units (project teams, country teams) recovered their costs. This emphasis has served us well, as evidenced by our positive financial net result in 2017. As a next step, we will more actively share know-how and staff across projects and countries.

We are forming cross-unit project teams to work on priority activities to kick-start the implementation of the Strategic Plan. Priorities include an update of policies and

procedures governing our project cycle; data reliability and reporting; strengthening strategic staffing; and rolling out leveraging finance and systems change approaches.

We will become more efficient and will unceasingly invest in developing operational excellence. We will continue to constantly update our expertise with state-of-the-art global knowledge. Investing in monitoring will strengthen our evidence of what does and does not work. The quality assurance systems we are putting in place will support full accountability to those whose lives the projects are intended to benefit and those entrusting us with their funds.

“In developing operational excellence, the significant and varied skill set of our staff is our premium resource. They are what sets us apart.”

“‘Know-how’ is a term for practical knowledge on how to accomplish something, as opposed to ‘know-what’ (facts), ‘know-why’ (science), or ‘know-who’ (communication).”



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