

SNV



SNV in 2019

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.

SNV Annual Report and Annual Accounts 2019

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SNV improved
the lives of
6.3 million
people living
in poverty.

Message from the Supervisory Board



As it entered a new strategy period, SNV saw a strong growth in revenues and in order intake in 2019.

The Supervisory Board appreciates the improvements in uniformity and conformity of project execution. This enabled SNV to realise a small positive net result while generating its income entirely from projects. And first and foremost it enabled SNV to realise its lasting solutions. Not only did we see a year-on-year increase in the number of lives that SNV improved, we also noted how SNV brought about systems change to address underlying causes of poverty.

As SNV enters the corona pandemic period, the organisation is experiencing high levels of trust from the communities, governments, firms, and partners it works with and the donors that finance SNV's projects.

The Supervisory Board would like to express its gratitude to all who worked to create impact at scale. The commitment and professionalism of staff members around the globe continues to be an inspiration in these turbulent times.

KOOS RICHELLE, CHAIRMAN

ON BEHALF OF THE SUPERVISORY BOARD
JUNE 2020

Message from the CEO


This Annual Report looks back on 2019, which was a very successful year for SNV Netherlands Development Organisation. The world has changed since the end of 2019 and SNV is changing with it.

The COVID-19 crisis makes our work in helping people living in poverty to raise their incomes and access basic services even more imperative. 2020 will be the first year since 1998 that the global rate of poverty increases. The millions of people who are living in poverty face the greatest risk of the COVID-19 pandemic and the economic crisis it triggers. We are continuing to provide practical know-how to make a lasting difference. We do this in new and innovative ways. We adapt in small ways – by implementing our activities while social distancing – and in big ways – by adjusting our projects to support governments and companies in these challenging times.

2019 feels like a distant past. Still, it is important to pause and celebrate the success we had. We helped to improve the lives of 6.3 million people living in poverty through increased incomes and access to basic services. This is a significant increase from prior years, which is no surprise as our programmes are growing.

I remain convinced that our most important impact is not just in our direct results but in how we change systems from within. Our explicit focus on systems change means that our projects help many more people work their way out of poverty, well beyond the scope of projects.

This is why we made systems change a central tenet of our 2019-2022 Strategic Plan. In this annual report, you can read how our projects influence markets and governance processes to function better by kickstarting markets, supporting governments and other actors to improve their service delivery, and improving government and market accountability. These examples show how our local know-how and on-the-ground engagement of our teams in combination with our top-notch international knowledge create lasting solutions.



We lift up
incomes and
access to basic
services

I am also proud of how SNV continued to improve itself in 2019. We transcribed our tacit sector knowledge. We managed our portfolio more proactively thanks to better and more timely data. We introduced a new performance management system. We streamlined our annual planning and reporting cycle including regular hard-close exercises. These investments in operational excellence helped us realise a positive financial net result in 2020. Ultimately, they helped us achieve our impact on the ground.

SNV went into the uncertainty of the corona pandemic and the immense socio-economic shifts it causes from a position of strength. SNV is well-positioned to help communities respond to the crisis and become more resilient. Our long-term presence in over 25 low-income and lower-middle-income countries means we acted quickly and customised our



approaches to local circumstances. Indeed, in the past three months, as the pandemic moved through the countries we work in, first in Asia and then in Africa and Latin America, our teams remained operational in all countries we call home.

I am deeply impressed by how our teams are creative in continuing to work with communities, firms, local civil society and governments while physically distancing in order to protect our communities, staff, and partners.

We will need this creativity and stamina in the remainder of 2020 and beyond. As the crisis evolves, so will our approaches. We ensure the continued delivery of our existing project interventions. We work with our donors to assess implications of the pandemic and adjust our projects. We will design new projects to mitigate the deep impact of the corona crisis. In its 54-year history, SNV has shown tremendous agility. We have renewed ourselves and will do so again.

2019 was an exceptional year. 2020 will be exceptional in a different way. SNV will continue to work towards a society in which all people are free to pursue their own sustainable development and no one is left behind.

MEIKE VAN GINNEKEN, CHIEF EXECUTIVE OFFICER

ON BEHALF OF THE MANAGING BOARD



SNV provides
local know-how
**for lasting
solutions.**

SNV in 2019

In 2019, SNV helped improve the lives of **6.3 million people** living in poverty through increased incomes and access to basic services. At the same time, we made significant contributions to systems change in five countries.

2019 was the first year of implementing our new 2019-2022 Strategic Plan. Our results were in line with the targets we set to improve the lives of 20 million people and to significantly contribute to systems change in the agriculture, energy and WASH sectors in 21 countries from 2019 to 2022. We also made considerable steps towards operational excellence and solidifying our position as a global premium development organisation with a strong local presence.

Our footprint

In 2019, we worked in 29 countries in Asia, Africa and Latin America. We have been in most of these countries for many years, have built long-term partnerships and speak the language – literally and figuratively. Our portfolio in Sub-Saharan Africa remains the largest, comprising of 78% of expenditure and 76% of 2019 order intake.

In 2019, the number of staff worldwide increased by five percent and at the end of 2019 we were 1,373 people strong. This team of specialists and generalists, nationals and internationals, males and females, young and more seasoned colleagues are the backbone of SNV. Our staff expanded fastest in East and Southern Africa. Six percent of our team is based in The Netherlands, the country where SNV was established 54 years ago.

Our approach

We apply practical know-how to support people living in poverty. We attained agriculture results in 21 countries, energy results in 13 countries and WASH results in 17 countries. 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 use our extensive on-the-ground track record to apply and adapt our expertise to local contexts – which distinguishes us from global consultancy firms.

Our long-term in-country presence is the basis of our local credibility and our alliance building with and between stakeholders. We extensively collaborate with partners that complement and re-energise 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 to local and national governments.

We create 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 kickstarting markets to help many more people work their way out of poverty. We thus sustain and expand the impact of these projects for the years to come. This annual report outlines how we significantly contributed to systems change in some countries whilst sowing the seeds for systems change in many others.

Our sectors: agriculture, energy and WASH

Our continued focus on agriculture, energy, and WASH allowed us to deepen the quality of our work. Many of our projects span across sectors and have an integrated approach to sustainable development.

“We change by doing and our direct results and contributions to systems change are intrinsically linked. Together, they create sustainable and large-scale impact.”



Our agriculture programme helped improve the lives of 2.0 million people in 2019. The SNV agriculture programme contributes to the Sustainable Development Goals (SDGs) through a private sector, market-based and innovation-driven approach. In 2019, our projects supported 1.7 million people through increased income. SNV integrates its interventions across agriculture value chains, nutrition and climate adaptation. Our food and nutrition security programme matured in 2019 and improved food access and nutrition security for 0.3 million people.

In 2019, 25,000 young people gained new employment through SNV projects. In this report, we highlight how the government of Ethiopia incorporated the use of Farmer Field Schools and the development of commercially-viable spray services in its horticulture policy, how SNV supported Ghana to become an exporter of quality produce, and how SNV helped to transform dairy sector in Kenya and Uganda. Our intake of new projects in agriculture exceeded expectations so we project continued growth of our agriculture portfolio.

We stepped up on our climate and business programme. Among others, we entered a consortium to manage the Dutch Fund for Climate and Development. The bulk of impacts will be created in years to come. In 2019, we helped make the livelihoods of 27,000 people more climate resilient.

Our energy programme helped improve the lives of 1.2 million people and reduced greenhouse gas emissions by close to 600,000 tonnes. The SNV energy programme contributes to the SDG 7 target to ensure access to affordable, reliable, sustainable and modern energy for all. Our project focus on providing people with off-grid electricity, clean cookstoves, and biogas. In addition to these direct benefits, our energy portfolio helped develop sustainable energy

markets. Our intake of new projects in energy was on target.

Our WASH projects reached 3.1 million people in 2019. Our projects resulted in 2.0 million people gaining access to, and use of, sanitation, and 0.9 million people gaining access to basic drinking water supply services. In addition, close to 0.7 million people commenced handwashing with soap. Our commitment to leaving no one behind translates to a focus on universal access with an explicit focus on schools, health facilities and last mile service provision. Our contribution to SDG 6 (ensuring availability and sustainable management of water and sanitation for all) goes well beyond the number of people who benefit directly from our projects. Our projects supported the development of public institutions and built markets that will ultimately provide many more people with WASH services. A good example of this is the way in which our support to effective local organisations and new financing mechanisms underpinned a steep increase in reliability of rural water supply services in Ethiopia. We continue to deepen our work on small towns and city-wide urban sanitation services. For instance, SNV contributed to systems change in Bangladesh by introducing city-wide sanitation including a sanitation tax to leverage finance. This created a new normal for sanitation in the city of Khulna that other municipalities are now starting to replicate. The intake of new projects in WASH was below target and needs more attention.

Changing the systems which trap people in poverty

Only by changing underlying systems, can we break the low-income poverty trap that millions of people find themselves trapped in. This is why we design and manage our projects so they do not just deliver direct results, but also contribute to systems change to create sustainable, large-scale impact. SNV significantly contributed to systems change in five

countries in 2019 and supported systems change in many more.

Our on-the-ground presence and top notch international knowledge helped kickstart markets and services, ranging from dairy and vegetables, to cookstoves and solar systems, to desludging of latrines and septic tanks. In doing so, we leveraged additional financial resources for companies and governments. We work closely with governments and others. Our approaches are often adopted by others and become the new norm. We do not only influence governments and the private sector to change their behaviours. We also work at the household level on behaviour change – whether on hygiene, nutrition, use of cookstoves, or gender roles within the household. SNV helps generate credible data on climate and natural resources, prices of food, energy and water service delivery, food safety and nutrition and to build the capacity of civil society to use data to advocate and hold leaders accountable. Informed customers can pressure private enterprises and public service providers to improve goods and services and deliver value for money. The ultimate test of our success is when we create a new normal in which all people can pursue their own sustainable development.

A focus on evidence and learning

SNV is a global, premium organisation with strong local presence. In 2019, we invested in subscribing our tacit knowledge in agriculture, energy and WASH. Our decentralised set-up and the vast majority of our staff residing in Asia, Africa and Latin America remain 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. SNV actively contributed to the global body of knowledge on sustainable development.



We bring a field perspective and hands-on experience in implementing innovative solutions at scale. Our knowledge agenda is a two-way street where we also invite other development and research agencies to contribute to our programmes and knowledge products.

Increase in income and working towards a sustainable break-even

2019 was another year of growth. Our consolidated income grew to €142M. This was above the set target of €137M and represents a 15% year-on-year increase. The majority of our projects are financed through grants from public development agencies. We increasingly also implement service contracts with governments, multilateral donors, and other entities.

We signed €184M worth of new contracts in 2019. With this, we exceeded our annual target of €170M. The agriculture sector accounted for 76% of the total 2019 order intake, WASH for 3%, and energy for 21%.

Our net result was €0.3M. This positive result is the result of our increased focus on uniformity and conformity in the execution of our projects.

Looking forward

As this annual report goes to press, the world is in the middle of the COVID-19 pandemic. The pandemic is a health crisis, a food crisis, and a socio-economic crisis in one. Our work will only become more relevant given the challenges the countries we work in are facing. In the coming years, we will continue to blend our global agriculture, energy, and WASH expertise and local know-how to lift 20 million people's incomes and access to basic services. While creating these direct results, we will more explicitly focus on systems change. We will continue to invest in our people, in know-how and in the primary process of project implementation in order to bring SNV to the next level.



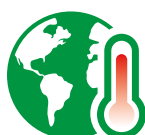
2019 in numbers

The quality of life improved of **6.3 million people**

Agriculture



1,748,000
people with
increased
income



27,000
people with
increased
resilience to
climate change



328,000
people with
increased
food and nutrition
security

Energy



61,000
people with
access to
biodigesters



448,000
people with
access to
improved
cookstoves



691,500
people with
access to
off-grid solar



25,000
young women and
men have improved
(self) employment

WASH



2,039,000
people who gained
access to (at least)
basic sanitation

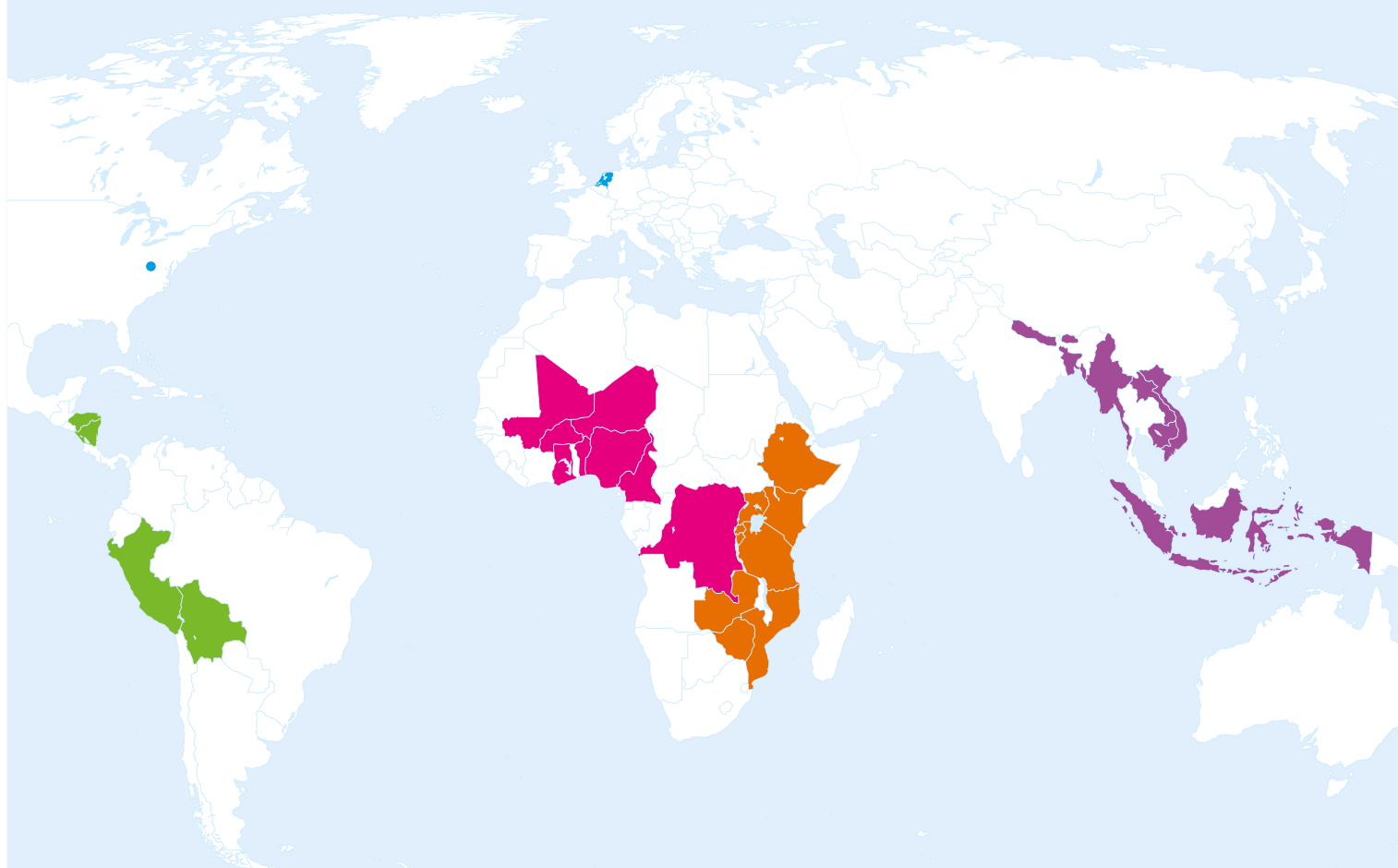


929,000
people who
gained access to
(at least) basic
drinking water

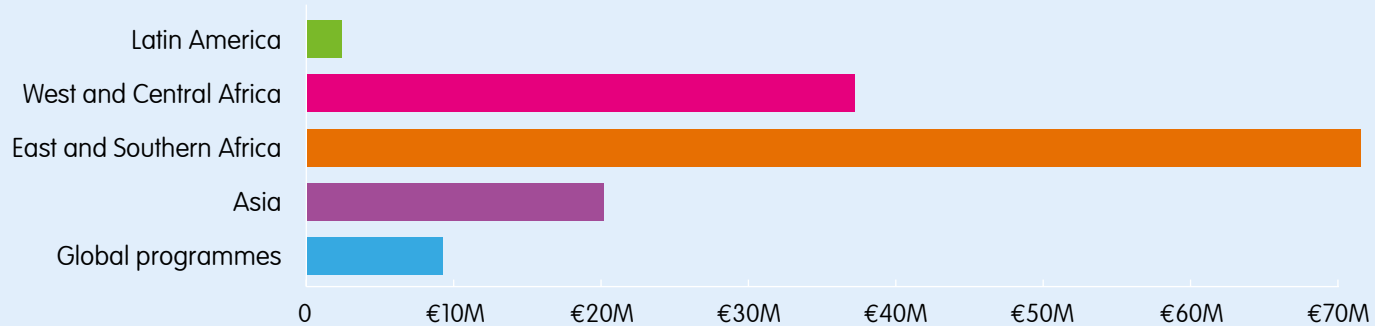


657,000
more people
practising
handwashing
with soap after
defecation

Our footprint



Volume by region



Latin America

Bolivia
Honduras
Nicaragua
Peru

West and Central Africa

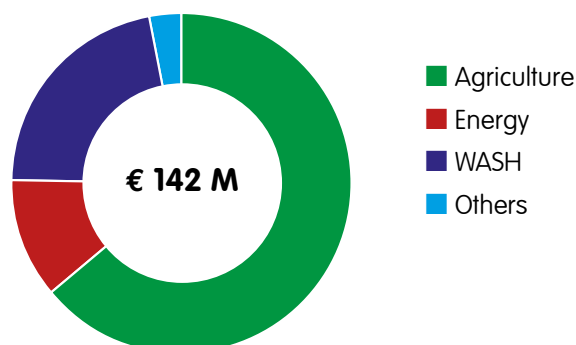
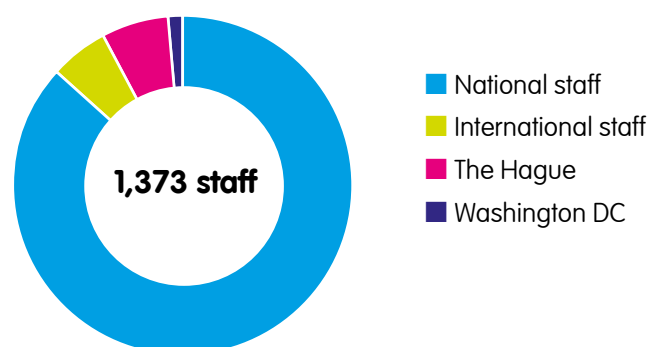
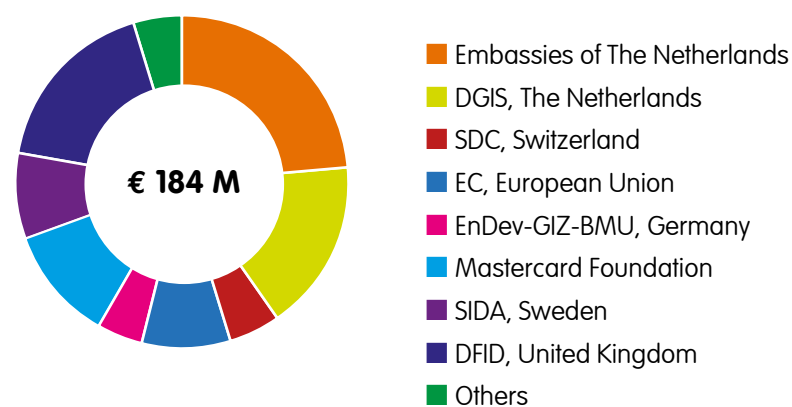
Benin
Burkina Faso
Cameroon
DR Congo
Ghana
Mali
Niger
Nigeria

East and Southern Africa

Burundi
Ethiopia
Kenya
Mozambique
Rwanda
Tanzania
Uganda
Zambia
Zimbabwe

South and South East Asia

Bangladesh
Bhutan
Cambodia
Indonesia
Lao PDR
Myanmar
Nepal
Vietnam

Volume by sector**Our team****Order intake by source of financing**



**2.0
million**

people's lives were
improved.

Agriculture

SNV implements a large and diverse agriculture programme. In 2019, we improved the lives of **2.0 million people** through increased income, food security, and climate solutions. The majority of those (1.7 million people) benefitted through increased income.

SNV created direct results in agriculture in 21 countries. The total number of lives improved fell short of our target of 2.6 million people, largely due to challenges in the accurate planning and measurement of the diverse impacts of our projects.

Our agriculture portfolio contributes to increased income, increased resilience to climate change and increased food and nutrition security. At SNV, we work with private and public sector actors to take up and implement the use of successful processes, technologies and models to realise systems change and sustainable impact at scale. We focus on small-holder farmers willing and able to implement farming-as-a-business, as well as the small and medium agricultural enterprises that are essential to transforming agricultural value chains. We improve dietary practices and nutritional outcomes by addressing consumer demand, social and behaviour change, improved food supply, market development, and governance.

Our projects explicitly addressed gender and social inclusion by ensuring equal access to and control over resources for vulnerable groups. For instance, 12,000 women farmers and entrepreneurs in Vietnam and Kenya increased their incomes with support of the Enhancing Opportunities

for Women Enterprise (EOWE) Programme, funded by DGIS. Through the project, SNV established seven women's business advisory and information centres and supported governments to make twenty separate agricultural and climate-related policies more gender sensitive.

In 2019, we spent €91M on agriculture projects, which amounts to 64% of our total project expenditure. The agriculture order intake continued to grow. The €140M worth of new contracts we signed was well above our target. New projects on inclusive value chains and youth employment dominated. New contracts were concentrated in Sub-Saharan Africa.

Inclusive Value Chains

SNV develops competitive, inclusive, and sustainable agricultural value chains. We strengthened sustainable intensification for smallholder and medium-sized producers through market development of inputs, technologies and services, knowledge transfer and extension. We increased access to financial services for producers and agri-businesses. We worked with local and national government to develop policies and institutions through public private dialogues and evidence-based advocacy. We tweak our market development approach to local circumstances and different commodities based on

"Our agriculture portfolio contributes to increased income, increased resilience to climate change and increased food and nutrition security."

market systems analysis. We continue to refine our approach during implementation as we incorporate lessons learned through monitoring and evaluation.

In 2019, we supported the development of 750 agribusinesses and private firms to innovate and tap into market opportunities while addressing development challenges for poor farmers. An example of this is the SIDA-funded Innovation Against Poverty (IAP) project in Cambodia, Zambia, Uganda and Ethiopia. At the end of 2019, the project created more than 20,000 jobs (of which 57% are women) and created access to basic goods and services for more than 700,000 people (of which 54% women). This was done through 25 business cases that leveraged €8.3M in private sector investment.



We implemented horticulture projects in Bangladesh, Cambodia, Ethiopia, Ghana, Kenya, Laos, Mali, and Rwanda. In 2019, we finalised the first phase of the HortiLife project in Ethiopia, funded by the Embassy of the Kingdom of the Netherlands (EKN). Through the project, SNV trained 10,000 farmers and established over 500 Farmer Field Schools. This resulted in a doubling of horticultural yields with net income increasing from US\$4,200 to US\$11,100 per hectare. The project significantly contributed to systems change which will sustain and expand results going forward.

“SNV develops competitive, inclusive, and sustainable agricultural value chains including horticulture and dairy.”

SNV implemented dairy projects in Ethiopia, Kenya, Tanzania, Uganda, and Zambia. The Inclusive Dairy Enterprise project (TIDE), funded by EKN Uganda, is a typical example of how we support inclusive and competitive dairy sectors. The project engaged along the dairy value chain and enabled 10,000 farmers to increase their income by shifting from extensive to a semi-intensive dairy farming. The project established school milk programmes which have become a national benchmark with 300,000 children over 1,000 schools receiving locally produced milk. Based on a positive evaluation, EKN Uganda and SNV developed a second phase to increase the direct results and to deepen the systems change.



Climate and Business

In 2019, SNV made the livelihoods of 27,000 people more climate resilient. SNV focuses on making agricultural and energy systems more climate smart by changing business behaviour, leveraging finance and establishing a conducive enabling environment.

SNV joined a consortium that won and initiated the €160M DGIS-funded Dutch Fund for Climate and Development (DFCD). The partnership connects the expertise of SNV and WWF The Netherlands with the power to mobilise investments of FMO and Climate Fund Managers. DFCD provides life-cycle financing from nascent business ideas to implementation. The project will mobilise up to €1B in private sector investments for climate adaptation.

The Mangroves and Markets project in Vietnam (financed by German Ministry for Environment, Nature Conservation and Nuclear Safety) ended in 2019. It introduced a new policy on Payments of Ecological Services through which

€220,000 was paid out to farmers. Local governments now have the basic policies in place to scale up activities. The Mangroves and Market project is also an example of how we train farmers in sustainable and climate resilient agroforestry practices as over 5,000 farmers were trained of which over 3,000 were certified in sustainable production and mangrove protection. Similarly, the SIDA-funded Sustainable Integrated Land Management Solutions project in Zambia trained nearly 27,000 smallholder farmers in practicing sustainable and climate resilient agroforestry practices. The Vietnam Emissions Reductions Pilot (part of the multi-donor AgResult initiative, managed by Deloitte Fund Management) expanded sustainable rice farming to over 24,000 smallholder farmers. New technologies resulted in a 15-20% cost reduction, 8-23% yield increase and 10-13% greenhouse gas reduction.

We prioritize and adjust climate adaptation measures based on data on how climate change impacts food production.



We have invested in developing and rolling out climate risk analysis tools for major food value chains. This analysis identifies business opportunities for private firms, small and medium enterprises and cooperatives to invest in climate smart agriculture. For instance, the Climate Resilient Agribusiness for Tomorrow (CRAFT) project, funded by the Netherlands Ministry of Foreign Affairs, uses this approach to increase the availability of climate smart foods for the growing population in Kenya, Tanzania and Uganda.

Sustainable Nutrition for All

In 2019, SNV helped improve food access and nutrition security for 328,000 people. SNV's work on Sustainable Nutrition for All (SN4A) increases the food system lens by integrating nutrition in inclusive value chain projects. SNV applies both a demand and supply side strategy to address food and nutrition insecurity. We focus on the ways a household's production may affect the diets and nutrition of women and children, mainly through eating their own produce. Improvement in nutritional

outcomes are affected by gender roles within households. SNV engages men and women within the community to review and address intra-household decision making on food production, expenditure, consumption and allocation; access to resources and women's time and workload that often affect care practices. We create demand for healthy nutrition through triggering, social and behaviour change communication. We improve food supply and market development of safe, affordable and nutritious diets year-round.

We work closely with sub-national governments. Local governments have adopted our approach in Uganda and Zambia. This is an example of SNV creating systems change by establishing new norms where stunting is no longer invisible. In 2019, a mid-term review on the SDC-funded SN4A programme in Zambia and Uganda concluded that "the project has made impressive progress in a relatively short time frame and behaviour change can be clearly observed on the ground. A strong basis for a supportive governance framework has been laid out supporting implementation, sustainability and scaling."

Opportunities for Youth Employment

In 2019, 25,000 young people gained new employment through SNV projects. 82% found employment in agriculture, and the remainder in the energy sector. In many countries, our agriculture projects contributed to systems change. 45% of the young people we supported were women. SNV's youth employment portfolio has grown rapidly over the last year, and we now have projects in eight countries (Tanzania, Niger, Mali, Zambia, Zimbabwe, Mozambique, Ethiopia, Ghana)

"Our projects tackling malnutrition encouraged diverse, more nutritious diets. Nutrition is a vital part of many of our inclusive value chain projects. We integrate gender at the design stage so that our projects reach both women and men."

financed by the EU, SDC, MasterCard Foundation, SIDA, and EKNs.

SNV helps young people find jobs through our network of companies in agriculture, energy and WASH which offers concrete employment or enterprise development opportunities (pull). This complements teaching interested youth basic life and leadership skills and on-the-job learning (push), and market placement, financial mediation and enterprise development (match). SNV ensures that youth are coached for up to two years. We learned over the last year that we need a more explicit focus on access to finance by working with financial institutions and applying a mix of financing options e.g. saving and lending groups, youth credit-guarantee facilities, starter kits and 'blended' finances. In Ethiopia, youth groups now have access to loans at an average of €16,000 enabling their enterprises to diversify and scale up. We enhanced the number of women we reached by specifically focusing on women-led enterprises and women's leadership skills.



**1.2
million
people**

gained improved
access to energy.



Energy

Our energy programme reached **1.2 million people** in 13 countries in 2019. This is on target. The vast majority of this relates to people with new access to sustainable and affordable energy. We also reduced emissions by the equivalent of 570,000 tonnes of CO₂.

In 2019, we spent €16M on energy projects, which amounts to 12% of our total project expenditure. Energy order intake in 2019 was €37M, which was just below our target. Main financiers of new projects were DFID and EnDev.

The main focus of the SNV energy programme is sustainable energy markets. Our work on climate and business and opportunities for youth employment also include energy projects. SNV's work in energy aims to achieve universal access to affordable and sustainable energy by 2030 (SDG7). According to the International Energy Agency, the world will fall short of meeting this target by 2030 at the current rate of progress. Those still lacking access are increasingly concentrated in Sub-Saharan Africa. The number of people without access to clean cooking remains just under 3 billion as population growth is outpacing annual growth in access.

Sustainable energy markets

We develop markets for biogas, clean cooking and heating, as well as for off-grid electrification.

SNV supported programmes installed over 15,000 biogas digesters in 2019. Under the DGIS-funded Africa Biogas Partnership Programme (ABPP), which ended in 2019, over 70,000 digesters were installed. In addition, capacity

building support was provided to various stakeholders in countries. The EU-funded Biogas Dissemination Scale-Up Programme in Ethiopia supported the installation of nearly 4,000 domestic biogas digesters in 2019. Two large-scale biogas digesters were successfully piloted, at a nunnery and a cattle farm.

SNV projects supported the dissemination of approximately 125,000 improved cookstoves in 2019. An example is our EnDev-financed Tanzania Improved Cook Stoves project that improved access and sustained use of appropriate cooking technologies for nearly 34,000 peri-urban and rural households in 2019 by coaching local entrepreneurs through successive stages to develop their rural markets. Through the project, we developed a multi-purpose stove capable of using both firewood and charcoal.

SNV is a leader in results-based financing as a powerful instrument to increase access to energy and extend off-grid solar markets into underserved areas. Our EnDev-financed project in Kenya contributed significantly to our global impact by providing over 140,000 off-grid electrification systems out of a total of nearly 160,000 systems SNV projects sponsored globally. We are extending these results in Kenya

through the Kenya Off-Grid Solar Access Project of the Ministry of Energy, financed by the World Bank. In 2019, we ran a first Call for Proposals for results-based financing and received the first loan applications for the Solar Debt Facility. We use a similar approach in the DFID-funded BRILHO Energy Africa Mozambique project which will improve and increase energy access to 1.5 million people and 15,000 businesses over five years.

Productive use of energy for agriculture

SNV supports the productive use of energy for irrigation, cooling, drying and milling in various agricultural projects. An example is the Climate Resilient Agribusiness for Tomorrow (CRAFT) project in Kenya, Uganda and Tanzania funded by DGIS.

In the CRAFT project, SNV integrates renewable energy and energy efficiency solutions in its work with agribusiness and supports energy service providers that offer climate resilient solutions for farmers, cooperatives, and SMEs along the agriculture value chains.



**3.1
million**

people gained access
to water, sanitation
and hygiene
services.



Water, Sanitation and Hygiene

Our water, sanitation and hygiene (WASH) activities reached **3.1 million people** in 17 countries in 2019. Our projects resulted to 2.0 million people gaining access to, and use of, sanitation, and over 0.9 million people gaining access to basic drinking water supply services. An additional 0.7 million people now practice handwashing with soap after defecation. We outperformed our targets on all those indicators.

In 2019, our WASH programme continued steadily, with expenditure of €31M on projects (22% of total project expenditures). Many programmes entered full implementation stage, resulting in richer quality results and a thorough examination of what it takes to pragmatically ensure lasting results in all settings. Order intake for WASH in 2019 was €6M, which was below the target we set ourselves.

Our contribution to SDG 6 (ensuring availability and sustainable management of water and sanitation for all) goes well beyond the number of people who benefit directly from our programme. Our projects support the development of public institutions and build markets that will ultimately serve many more people with WASH services. SNV embraces the increased recognition that service delivery must be both environmentally and financially sustainable.

Sustainability of results remained at the core of our work in 2019, along with heightened attention on gender equality and social inclusion. Enhanced understanding of how

“We contributed to SDG6 by providing access to millions of people and by supporting the development of public institutions and markets that will ultimately serve many more people with sustainable WASH services.”

gender, poverty and disability intersect, and the effect they collectively have on services and exclusion is key to our commitment to ‘leave no one behind’. Our focus on universal access (access to WASH services for everyone, everywhere) responds to the 2.3 billion people globally who still lack access to basic sanitation, and more than 800 million people who still do not have access to an improved drinking water source. Strengthening of our work in disability included signing of a new partnership with CBM Australia, and seven of our WASH project countries receiving customised training and backstopping

specifically around this topic. We explicitly focused on the safe management of services, including in schools, health facilities and last mile provisions. The role of governments as duty bearers for the human right to water and sanitation continued to be the basis of our work. We stepped up in the area of climate change, publishing new work with our partner UTS-ISF, and actively participated in multiple global sector dialogues on this topic. Our focus will now move to articulating practical adaptation at country level.

Sustainable Rural Sanitation at Scale

Through the combined efforts of the multi-country DFID-funded Sustainable Sanitation and Hygiene for All (SSH4A) Results project and the DGIS-funded Voice for Change Partnership (V4CP) project, Ghana celebrated its first open defecation-free (ODF) district in Nandom. Nepal celebrated country-wide ODF, a remarkable achievement and one to which SNV meaningfully contributed through our SSH4A work over the past 10 years in 17 of Nepal’s 77 districts with major funding



provided by DFAT, DFID and DGIS. Late in the year, Cambodia declared its fourth ODF district with the fifth to follow very soon. In Indonesia, Metro city and Lampung Selatan district were declared ODF in 2019.

Our work at scale in rural sanitation confirmed and reinforced the importance of area-wide improved access to sanitation and hygiene for all. Through the SSH4A Results project, we contributed to systems change at the national level. In Ghana, we supported the formation of a national Alliance for WASH Advocacy (A4WA), bringing together civil society organisations and networks. The A4WA supported the Government of Ghana in the revision of its Environmental Sanitation Policy and National Environmental Sanitation Strategy and Action Plan.

In Nepal, we supported the national Total Sanitation Guidance and further planning for the sustainability of sanitation services. In Cambodia, we worked with the Ministry of Rural Development on new guidelines for faecal sludge management in rural sanitation. In Rwanda, we supported the Ministry of Health in its review of the Community Based Environmental Health Promotion Programme (CBEHPP) guidance and road map. The Nepal Health

“SNV’s urban sanitation work is city-wide but does not favour any one technology. Towns and cities will require multiple systems to reach universal sanitation access.”



and Hygiene Activity, improved WASH and electricity infrastructure, infection prevention practices, and hygiene behaviour at 50 health care centres across five districts with funding from USAID. In Bhutan, within the national programme, we supported the integration of WASH into Health Care Facilities, and in Zambia, Honduras and Tanzania, we increased our advocacy for the same.

Our targeted learning activities focused on approaches across full districts and province areas rather than pockets of population. Our country teams worked with, and learned from, each other through facilitated learning events, cross-country learning, and practical support. Examples include Zambia staff assisting those in the Mozambique team to develop more durable DIY toilet options; Indonesia staff supporting Uganda on their

behaviour change communication; Tanzania staff supporting Ethiopia on rural sanitation supply work; Uganda staff assisting the Ghana team in reaching the last mile towards ODF; and Bhutan staff guiding the Laos team in strengthening their work on gender equality and social inclusion.

Pilots initiated in 2019 focussed on mainstreaming disability inclusion across more countries, ward-level sanitation, emptier models, and re-use.

Urban Sanitation: intensifying informed choice activities around investments

In 2019 we worked on city-wide sanitation services in 20 cities across five countries (Bangladesh, Indonesia, Nepal, Tanzania, and Zambia). This work was undertaken with funding from BMGF and DGIS.

“Our work at scale in rural sanitation confirmed and reinforced the importance of area-wide improved access to sanitation and hygiene for all.”

Further urban WASH work was also undertaken within projects in Ethiopia, Ghana, Kenya, and Mozambique.

Our Urban Sanitation and Hygiene for Health and Development (USHHD) projects intensified work on ‘informed choice’ of urban sanitation investments. Informed choice activities included processes looking at different technology options for treatment in low-income areas and – in some cases – re-use. Feasibility and design processes followed informed choice interventions and resulted in cities now including new infrastructure within their own annual budgets. Examples include the city of Bandar Lampung in Indonesia where a new mechanical treatment plant will be constructed in 2020 at a cost equivalent of €900,000 - funded entirely from the city’s own budget. The city of Tasikmalaya, also in Indonesia, strengthened operations of their existing plant, increasing its effluent quality up to the national standard.

SNV’s urban sanitation work is city-wide but does not favour any one technology. Rather, we expect that in medium and larger-sized towns, multiple systems will be necessary to cover all areas. In line with this, SNV Bangladesh completed a suitability analysis and mapping of Khulna city, which provided information for zoning with a combination of sewer, non-sewer, DEWATS, and other options for the City Corporation and utility.

Building on this, a detailed analysis for ward strategies for low-income areas was also developed. In Zambia, we commenced working with other stakeholders to develop a statutory instrument for on-site sanitation at the national level.

Occupational health and safety of sanitation workers was a common area of work in all our USHHD projects, including registration and training of workers, conventions and collective provisions such as health insurance.

Area-wide Rural Water Supply Services

In 2019, we worked on area-wide rural water services in more than 50 districts across six countries. Whilst our rural water supply services portfolio is smaller in size than our rural and urban sanitation work, it excels in innovative approaches.

In Ethiopia, the Inspiring Water Entrepreneurship project in Tigray region (funded by the AFAS Foundation) created employment for youth in repair and maintenance services for rural water supply systems. In the Oromia region, the Fred Hollows Foundation-funded WASH for Trachoma project transformed the approach to Trachoma by combining improved water supply construction, rehabilitation and management with behavioural change on facial cleanliness and handwashing. Similarly, in Uganda, the ADA-funded Improving Water Supply Sustainability project commenced introduction of new modalities for organising and financing preventive maintenance to address functionality and sustainability in rural water supply services. In Mali, the RVO-funded UDUMA public-private-partnership project worked with the private company Vergnet-Hydro to deliver a permanent, high-quality,

and affordable water service to residents of the Sikasso region. In Kenya, we concluded the DFID-funded Climate Resilient Water Services (CREWS) project, successfully introducing new public-private-community partnerships and performance-based contracting.

Innovation in management models for rural water supply services cannot be seen in isolation from the political and sectoral developments of the countries in which they operate. For example, within the DGIS-funded OmniDelta Non-state Actors Fund in Benin, new ways to engage in water supply needed to be found following the centralisation of services into a single national company. In Nepal, the DFAT-funded Inclusive and Sustainable Rural Water Supply services project is developing decentralized service delivery models for water supply within the newly federalised government structure of Nepal.

In rural water supply, we also provided technical assistance to national programmes. In Mozambique through the GoTAS (SDC funded) and CEDES (DFID funded) projects, we supported the decentralisation of WASH services and built the capacity of local government to deliver drinking water supply services to more than 40,000 people living in the rural provinces of Niassa, Nampula and Zambezia. This included training and mentoring in the management of water supply construction contracts, and the development of processes to monitor ongoing sustainability and quality of the service provided. We successfully piloted the AquaRating tool of the IADB with the association of water operators in Honduras. This experience is now being shared at the national level with the regulator and other stakeholders.

Changing the systems which trap people in poverty

Our projects do not just deliver direct results. They also contribute to changing the systems which trap people in poverty. Our projects influence markets and governance processes to function better by kickstarting markets, supporting governments and other actors to improve their service delivery, and improving government and market accountability. We focus on projects that provide opportunities to **create sustainable, large-scale impact**.



When additional financial resources are leveraged



When we kick-start markets that sustain themselves



When government and others adopt our approaches



When we change rules/norms/the new normal

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. For us, direct results and systems change reinforce each other. We 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.

The deep on-the-ground engagement of our teams in combination with our (access to) top notch international knowledge helps to change systems from within. Whether it is sanitation tax collection, water supply spare part provision, farmer extension, SME business development, dairy service markets, or horticulture business platforms, we build models that are driven by local actors, fit in the institutional and political setting, can be locally financed and shift prevailing mindsets. We connect these proven local solutions to national governments and often see policy makers adopt our approaches. With the combination of our feet-on-the-ground and international reputation, we are a trusted discussion partner at the strategic and policy level. We help to build enabling conditions,

policies, financing arrangements, protocols and capacities that help sustain and further scale improvements beyond the individual project.

Creating systems change is complex – especially in the fluid and unpredictable context we work in. In 2019, we mainstreamed the use of four success parameters into our project development and implementation: leveraging finance, kickstarting markets, institutional embedding with government and others, and creating a new normal by changing rules and norms. These parameters have proven to be a pragmatic way to make systems change more tangible.

The parameters also help us narrate the results of our efforts to bring about systems change, clarifying what we did and examining why what we did was the right thing to do (or not) given the circumstances. In the five country narratives below, SNV significantly contributed to systems change along at least two, often three or four, of these parameters. Many other examples of systems change are mentioned throughout this annual report. Creating systems change is an incremental process and we are on track to reach our target to significantly contribute to systems change in agriculture, energy and WASH sectors in 21 countries by 2022.

Bangladesh: How city-wide sanitation was adopted by users, local governments and private service providers

SNV contributed significantly to systems change in Bangladesh by leveraging finance and influencing governments to adopt our approaches. This created a new normal for sanitation in Khulna, a city with approximately one million people. In heavily populated Bangladesh, management of human excreta from toilets is an enormous challenge. City-wide collection is essential to improve health and reduce stunting, but often difficult to organise due to a lack of finance and government capacity. In Khulna, SNV with the support of the Bill and Melinda Gates Foundation, assisted the City Corporation to develop a realistic plan for city-wide coverage of human waste collection. The plan includes the increased coverage of slums, as well as decentralised networks and treatment systems for areas not connected to the main sewerage. The execution of these activities is financed by loans from the Asian Development Bank. In addition, the plan looked for pragmatic models to collect local sanitation tax. In a related effort, the local municipality of Jhenaida was supported to develop a similar tax. After three years of



work on fair collection practices and protocols, the sanitation tax is now implemented. In two years, more than €46,000 was collected, with annual projections of €38,000 for future years. The revenue is ring-fenced for expansion of sanitation facilities, in particular, treatment works. Other municipalities are now starting to replicate these taxation practices.

Ethiopia: How the government adopted our approaches to leverage finance and kickstart markets

SNV contributed significantly to systems change in Ethiopia by leveraging finance, kickstarting markets, and governments adopting our approaches in several sectors.

In Ethiopia, spare parts for rural water supply systems are traditionally provided by governments. However, when problems occur, average downtime is two months – a period in which communities resort to unsafe water sources. Through the AFAS Foundation-funded IWET project, SNV helped eight district governments establish private local service providers to open spare part shops. As a result, downtime has been reduced to an average of three days. To complement, water committees are

strengthening financial management and moving towards annual service contracts with service providers, while micro-finance institutions have started to provide loans to them. Thus, effective local organisations and new financing mechanisms are underpinning a steep increase in reliability of services (and subsequent health effects).

SNV also supported important shifts towards farmer-centred extension in Ethiopia as a basis of more productive and commercially-viable value chain development. In the EKN-funded dairy project, EDGET/BRIDGE the conventional top-down extension by government officials was complemented with the formation of groups of 25 like-minded farmers. These groups became the nucleus for providing specialised dairy knowledge, tailored support including business aspects, and improving linkages to input and output markets. SNV used a similar approach in its EKN-funded HortiLife project. A Farmer Field School model was introduced with similar advantages for the horticulture sector. This model allows rapid learning between farmers. The Ethiopian Ministry of Agriculture has incorporated the use of Farmer Field Schools and the development of commercially viable spray service providers in its horticulture policy and is providing structural government finance for the Farmer Field School model.





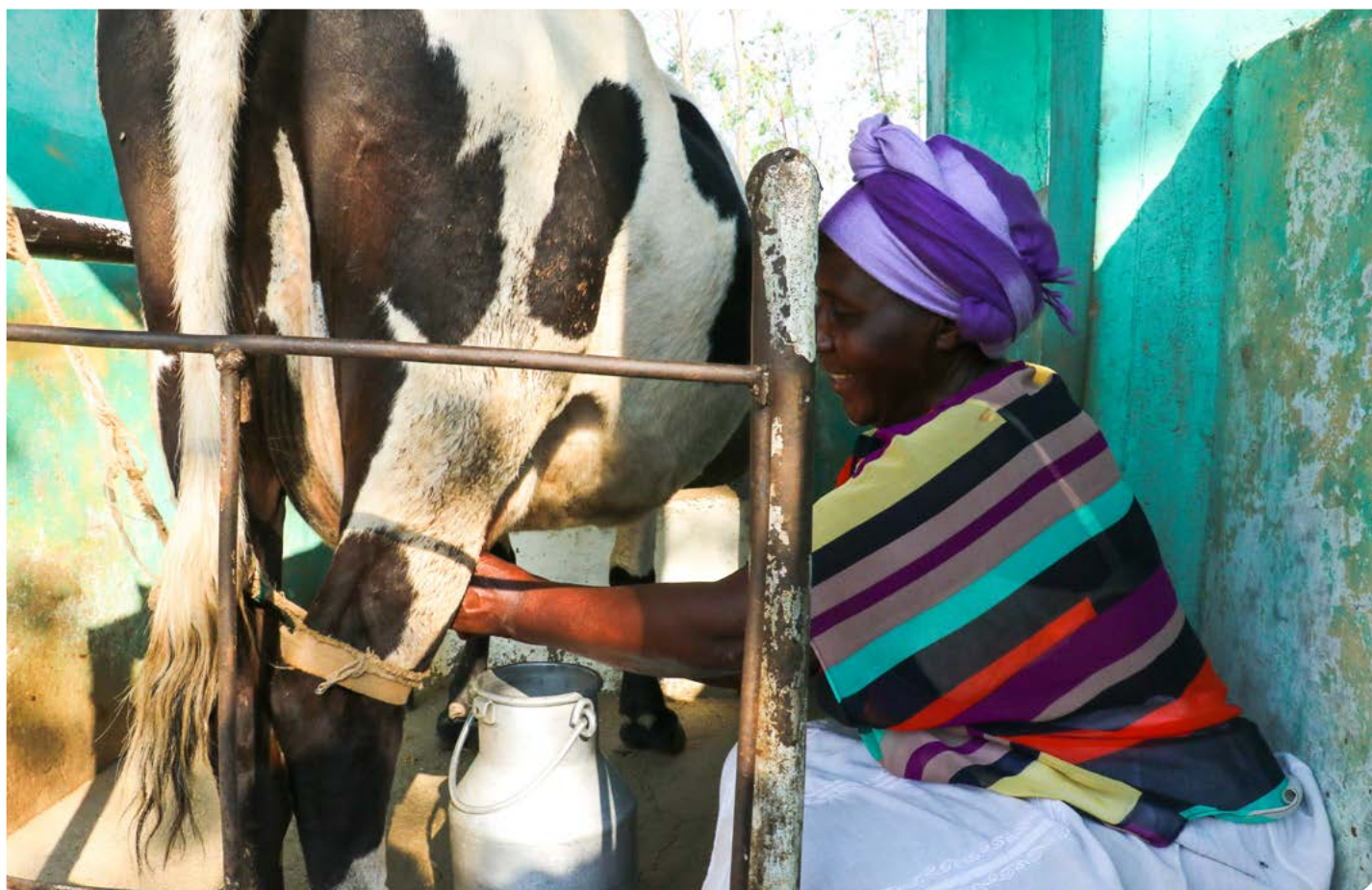
Ghana becomes an exporter of quality produce

In Ghana, SNV contributed significantly to systems change in the horticulture sector by leveraging finance and kick-starting markets. These changes are now being scaled up as the Government of Ghana adopts new approaches introduced by SNV. In Ghana, a growing horticulture sector serves the domestic market (with onions and tomatoes for example) and has commenced exporting fruits and selected vegetables, especially to the EU. Through the Horti-Fresh project, with financial support from DGIS, SNV and partners are not only improving production techniques and business opportunities, but also strengthening the organisation of government and private institutions so the sector can better steer its own development. The Horticulture Business Platform, set-up by a predecessor project, is now well-established and has implemented a series of successful advocacy initiatives towards the Ghanaian Government. In particular, the Food and Drugs Authority has been strengthened to monitor horticultural produce. This enabled the lifting of the EU export ban that had been imposed due to food safety issues. The Ministry of Agriculture has embraced the initiative to establish a Horticulture Development Authority to lead sector coordination and engage stakeholders for high level dialogue. A new Food Safety & Certification Taskforce has been initiated. Next to these institutional initiatives, a major building block for sustainability and scaling is the leveraging of local finance for technical and business initiatives - specifically internally generated company funds, shareholders equity and bank financing.

Kenya: Kickstarting a forage market invigorates the dairy value chain

In Kenya, SNV contributed significantly to systems change in the dairy sector by leveraging finance and kickstarting a market for forage as a first step towards transformation in the dairy sector. The EKN-financed Kenya Market-led Dairy Programme successfully kickstarted a market for high quality forage in some of Kenya's most important milk sheds. It boosted demand and supply, establishing a viable service provider sector for different farmer segments with 30 small-scale Service Provider Enterprise groups established [and 7 crowding-in], and three viable medium-scale agricultural contracting services established [and 10 crowding-in]. Between 2017-2019, private investments worth €700,000 were leveraged and 60,000 tons of silage were produced - with production growing rapidly. Today, an increasing number of dairy farmers and value chain actors see the relevance of high-quality forage for enhanced milk productivity, cost price reduction and more stable production throughout the year. Forage-based feed rationing software has been included in university curricula. The emergence of a viable forage market is one important pillar to make the Kenyan dairy sector more competitive, inclusive and sustainable. Showing what works in practice might convince stakeholders to make more fundamental market and policy reforms and investments necessary to transform the dairy sector in Kenya.





Uganda: Milk for schools, local markets and export

SNV contributed significantly to systems change in Uganda by kickstarting markets and leveraging finance for dairy farmers and input providers. SNV also created a new normal by changing norms regarding nutrition and by introducing a school milk programme that was adopted by the Government of Uganda.

The South West region of Uganda is the traditional heartland of the country's dairy sector. Through the TIDE project funded by EKN, SNV's support boosted the transformation of the sector in the region over the last four years. A key impulse has been the kickstarting of a local service market for dairy farmers that was virtually non-existent before. Farmers are now provided with services for dairy know-how, water systems, paddocking and forage production through a growing number of local providers, which includes 24 companies and three training centres that collectively reached a turnover of €2M in 2019. This enables farmers to transition from an extensive to a semi-intensive production system that increases their income, lifts production for the national market and export, and reduces

greenhouse gas emissions per litre. The service-market was kickstarted by smart use of small temporary subsidies and is now commercially viable. Farmers have co-invested €6M in on-farm developments over the past four years. The financial sector commenced engagement with dairy farmers with Savings and Credit Cooperative Organisations investing €2M of their own sources in an incentive scheme. Through TIDE, SNV also helped set up the national benchmark for school feeding with 300,000 children receiving locally produced milk.

"These narrations of how SNV contributed significantly to systems change in Bangladesh, Ethiopia, Ghana, Kenya and Uganda are examples of how creating systems change is an incremental process."

A focus on evidence and learning

SNV is a global, premium organisation with strong local presence. Our decentralised set-up and 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.

“SNV bridges the gap between theory and practice, between policy ambitions and effective implementation at scale. In 2019, we collaborated intensively with knowledgeable national and international partner through long-established relationships.”

Our local, national, and global partners complement and reenergise us. In 2019, we continued to extensively collaborate with partners. We learn together. We are a trusted partner of local and national governments. Other partners include knowledge institutes, private consultancy firms and non-governmental organisations.

SNV actively contributed to the global body of knowledge on sustainable development through publications and presentations in various knowledge events on agriculture, energy, WASH and international development. SNV is appreciated for its field perspective and its hands-on experience in implementing innovative solutions at scale. Our knowledge agenda is a two-way street where we also invite other development and research agencies to contribute to our programmes and knowledge products.

We continued to communicate the results of our programmes, including through our website where we saw growth in the number of visitors. Our reach and engagement also increased on all our social media channels.

The DGIS-funded Voice for Change Partnership project, implemented in partnership with the International Food and Policy Research Institute (IFPRI), is our flagship project on evidence-based advocacy. By strengthening the voice of civil society in policy development, this programme contributes to systems change by changing the rules and norms in the sectors SNV is working in. The project empowers fifty Civil Society Organisations (CSO) by strengthening their capacity on leadership, thematic knowledge, use of evidence, advocacy skills and organisational sustainability. These CSOs represent and voice the interests of low-income and marginalised communities to reduce poverty and inequality in Honduras, Burkina Faso, Ghana, Kenya, Rwanda and Indonesia. In 2019, this resulted in the development and/or implementation of 36 more inclusive policies.

We organised six agriculture knowledge and learning events on horticulture, dairy, sustainable nutrition for all, climate and business, inclusive value chain development and evidence-based advocacy. We revised our agriculture measurement result framework to allow

for better benchmarking and applying a more collaborative and adaptive approach towards monitoring, evaluation and learning.

We started a trajectory to incorporate and capture systems change of our interventions in a more structured way to ensure impact beyond the timeframe of project interventions.

SNV successfully organized the first ever international Opportunities for Youth Employment Conference in Mali in 2019. The conference was co-sponsored by the EU, enjoyed strong ownership by the Mali government, and brought together 140 officials, practitioners, entrepreneurs and youth from over 10 countries. The event, which will now be an annual one, created visibility for SNV as a key youth employment actor and provided a platform for young people, policy makers and donors to discuss opportunities and challenges hindering youth employment creation in the region.

SNV continued its internal knowledge exchange on biodigesters, clean cooking and off-grid electrification. We supported

a World Bank flagship publication on mini-grids through contributions on community engagement and a case study on the Mashaba project in Zimbabwe. We also peer reviewed the World Energy Outlook 2019 published by the International Energy Agency. We published a brief on the technical potential of household digesters in Africa, a brief on the global status of household biodigesters, and a report on the performance of national alliances for clean cooking in selected countries. SEI published an article about a study commissioned by SNV in Cambodia on the effect of cookstove uptake in Cambodia through health messaging.

Our investments in knowledge and learning helped refine and improve implementation of our WASH approaches. An updated version of the Sustainable Sanitation and Hygiene for All performance monitoring framework was published. Additional monitoring guidance for sanitation in public places in urban areas was also developed. We broadened our scope in rural sanitation and hygiene, through two global learning events focussing on WASH in Health Care Facilities (conducted

in Bhutan), and Sanitation in Rural Growth Centres (conducted in Ghana). At the request of the DFAT-funded Women for Water Fund, we organised a South Asian learning event on Systems Change and Social Inclusion in Nepal. In Jakarta, Indonesia, a successful urban sanitation learning event was convened, deepening understanding of issues related to sustainable cost-recovery and equity. The topic linked strongly to current sector debate regarding progressive use of public finance, and complemented SNV's earlier learning on blended finance for urban sanitation. All learning events were preceded by moderated E-group discussions, with more than 1,100 WASH practitioners taking part, and 195 people participating in the actual physical events. In collaboration with Emory University, a retrospective study on sustainability in rural sanitation and hygiene (including in areas where we had already moved out) commenced. We published learning papers on climate change and urban sanitation, scheduled desludging, Do No Harm and Making Rights Real.

SNV contributes its on-the-ground experience and know-how to the international discourse on achieving the Sustainable Development Goals. In 2019, SNV presented results and approaches in nine international agriculture events. We participated in the World Bank Energy Week in Washington DC, the SEforALL Charettes in Amsterdam, the Clean Cooking Forum in Nairobi, the Unlocking Solar Capital Conference in Dakar, and COP25 in Madrid. We collaborated with other international organisations, (WaterAid, World Bank, Plan-UK, WSSCC) to develop a global Call to Action on Rural Sanitation. We co-led a range of collaborative events with other international WASH organisations at various global WASH conferences focussing on occupational health and safety of sanitation workers.



Organisational developments

In 2019, we met overall impact targets and **invested in operational excellence**. SNV generated its income entirely from business revenues acquired on a project basis and reached a small positive result. This means that SNV now enters the corona pandemic period of uncertainty from a position of strength.

“We are strongly mission-driven. In our 2019-2022 Strategic Plan, we made operational excellence part of our mission. We believe that in order to implement that mission, we need to be effective and efficient.”

The Managing Board (MB) manages SNV under the supervision of the independent Supervisory Board (SB). The Managing Board consists of five statutory Directors and is chaired by the CEO. Managing Directors (MDs) have a specific mix of responsibilities for sectors, countries, and functional areas. There were no changes in the composition of the Managing Board in 2019. We plan to transition to a four-member MB in 2020 with each statutory director having a singular responsibility. This will increase the focus on strategic medium-term issues and business positioning in an evolving landscape, enhance consistency in steering across sectors and countries, improve timeliness of decision making, and ensure the best use of skill sets while balancing workloads.

In 2019, the Supervisory Board met three times in plenary sessions, with sub-committees such as the Audit & Risk Committee, and the Selection & Remuneration Committee meeting more frequently between full SB meetings.

2019 was the first year of our new four-year strategic period. SNV invested in six cross-unit Priority Projects to spur the implementation of the Strategic Plan. Five of the Priority Projects cover the period 2019-2020: a review and update

of policies and procedures, enhanced business data reliability and internal management reporting, review and update staff reward package, introduction of strategic staffing, and roll out leveraging finance and systems change



approaches. The sixth priority project on enhancing of tendering capacity will run into 2021.

We introduced several regular data analysis exercises in addition to our annual budgeting and reporting cycle. These important steps made on data reliability and reporting resulted in portfolio data as a strong basis to steer our organisation. We developed and rolled out a time-bound action plan to sustain breaking even consistently in the medium term. Our focus on 2019 was on quality implementation and the realisation of gross margins of our contracts.

Investments in internal communication and data are strengthening SNV's culture of accountability. We also updated expected core characteristics of staff to make a more explicit link between SNV's corporate values, our mission and the required behaviours of staff towards

clients, partners and colleagues: integrity, responsibility, drive for results, teamwork, curiosity and passion.

Growing our business

Our income was €142M. This is a 15% increase from 2018 (€124M) and above our target of €137M. This is the second year in a row that we achieve a 15% year-on-year growth in revenues. Our portfolio of projects continues to grow as the inflow volume of new contracts is larger than the volume of exits. Our efforts to bridge the divergence between secured revenue and implementation are starting to pay off.

SNV realised a consolidated net positive result of €0.3M in 2019. This small positive net result is a result of our investments in optimisation of business processes, portfolio management, and improved internal collaboration.

Country teams, with the support of our Business Development team in the Global Support Unit submitted over €250M of proposals to donors in 2019. We signed €184M in new contracts; well above our 2019 target of €170M. The agriculture sector accounted for 76% of the total 2019 order intake, energy for 21%, and WASH for 3%.

The average size of new contracts we signed increased to €2.6M. We have been consciously moving towards larger contracts. In 2019, 92% of our order intake revenue came from contracts above €1M. Our three largest new contracts in 2019 were above €20M and we doubled the number of contracts signed worth €5M or more.

SNV worked in 29 countries in 2019. We introduced a new medium-term outlook exercise to review our country footprint and country classification based on business scenarios and market intelligence. We started operations in Burundi and Nigeria. We closed operations in Bolivia and Peru. With this, an over 50-year presence of SNV in South America has come to an end. We decided to exit Myanmar in 2020. Most of our country programmes are business units headed by a resident Country Director. Some countries report to a Country Director in a neighbouring country (Benin reporting to Burkina Faso, Bhutan reporting to Nepal, Bolivia reporting to Peru, Burundi reporting to Kenya, Honduras reporting to Nicaragua, Myanmar reporting to Laos, Nigeria reporting to Mali). Cameroon got a resident Country Director and DR Congo now reports to this programme country.

Our people – the core of our success

The number of staff increased to 1,373. At the end of 2019, 87% of our staff consisted of national staff members. The share of our staff based in The Netherlands remained stable. Staffing trends by sector and by cluster of countries are generally in line with revenue trends. Annual staff





“Our 1,373 committed staff are the backbone of SNV. Our distinctive feature is that 94 percent of staff reside in Asia, Africa and Latin America. We speak the local language and commit to stay in countries for years and even decades.”

turnover has decreased to 15% (down from 20% in 2018).

SNV remains a highly diverse organisation with over 50 different nationalities. The average age of our staff remained similar as previous years. We need to pay attention to the aging of international staff and NL staff cohorts. 32% of all SNV staff are female. The share of female senior staff grew slightly from 30% to 31%. Improving our gender diversity remains a point of attention.

Our Collective Labour Agreements (CLAs) for staff employed in The Hague Office and SNV expat staff expired on 30 June 2019. Management is discussing a shift to Employee Terms & Conditions with respective employee representation bodies. We successfully rolled out an electronic performance management system which improved consistent participation in staff performance evaluations.

At the country level, each SNV country (or combination of countries) is managed by a Country Management Team consisting of a Country Director, Sector Leaders, Country Finance Manager and (if the size of the country allows it) a HR or Operations Manager. Two new Country Directors came on board in 2019. Through new global managerial appointments, SNV increased its human resources and finance capacity.

Supporting our country programmes

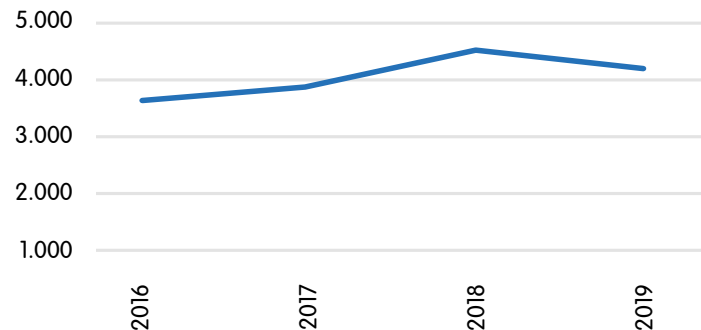
A global team in The Hague (The Netherlands), including five functional units and three sector teams, supports the implementation of SNV’s programmes. In 2019, we aligned this global team to serve country business units seamlessly. We strengthened our functional steering and empowered our global functional heads. We increased the consistency of our country steering. We invested in our global sector teams by increasing their size and renewing their staffing.

SNV management continued to carefully monitor and manage risks. Our financial risk management requires continued attention as SNV does not benefit from any untied funding and depends fully on project financing.

SNV USA

SNV USA is a separate non-profit organisation with a small office in Washington DC that facilitates strategic partnerships with the USA government. As an independent 501 (c) 3 organisation, it has its own governing structures. SNV USA is bound by all SNV Netherlands Development Organisation Foundation (SNV Foundation) policies and procedures except when there is a strong (legal or donor-imposed) reason to diverge.

Emissions from SNV staff flights (in tons of CO₂)



In 2019, SNV USA realised an order intake of €2M. Revenues of SNV USA amounted to €12M in 2019 from US government grants and contracts. SNV USA revenues represent approximately 8% of the consolidated SNV revenues. During 2019, SNV and SNV USA explored different ways of working together. Towards the end of 2019, a transition process was initiated as expectations regarding cost recovery and project governance diverged.

Code of conduct

SNV has a zero-tolerance policy regarding irresponsible behaviour – whether it is sexual abuse, fraud and corruption, child labour, or discrimination on the basis of gender, ethnicity, or sexual orientation. This starts with clear rules, including a code of conduct, to which each employee personally commits with a signature. We realise that despite this, the risk persists that something may go wrong in practice. SNV regularly commissions internal and external audits and investigations. We also find it important to discuss these types of risks within our organisation.

SNV continued to raise awareness and encourage staff to come forward in case they experience or have witnessed incidents of discrimination or harassment. Trust persons and staff in all SNV offices received regular training. We consistently applied our 2019 Workplace Discrimination and Harassment policy which is aligned with various donor procedures on prevention and awareness on (sexual) harassment. In 2019, we received one report of an alleged incident involving inappropriate touching and language by a staff member. After a thorough investigation, the perpetrator received a final warning letter and made a written apology – a sanction prescribed by

national legislation in the country where the incident took place. SNV was also closely involved in investigations of two incidents involving staff of partners/sub-contractors. In one case, the allegation was found unfounded. In the other case, the sub-contractor fired the perpetrator. Donors were informed in a timely fashion where relevant.

In 2019, 16 cases of suspected fraud and corruption were reported and investigated. Irregularities included breach of procurement procedures, conflict of interest, theft, fraudulent DSA/hotel claims and embezzlement. All the cases represented limited material value. All pending 2018 investigations and 10 of the 16 investigations were closed in 2019. Disciplinary measurements (including dismissals) have been taken against

involved staff where appropriate. As per SNV's policy, relevant donors were informed in a timely manner.

Co₂ footprint

We are committed to reducing greenhouse gas emissions. In 2019, SNV's projects contributed to a reduction of over 573,000 tons of greenhouse gas emissions. Our organisational CO₂ footprint was approximately 4,200 tons, for which we bought Gold Standard Biogas credits for projects in Cambodia, Kenya, and Tanzania. Our CO₂ footprint decreased by 7% from 2018 (4,500 tons). Over the past few years, emissions for SNV staff flights have remained relatively stable while the volume of our work has increased substantially. This is a result of using electronic communications to reduce travel when possible.





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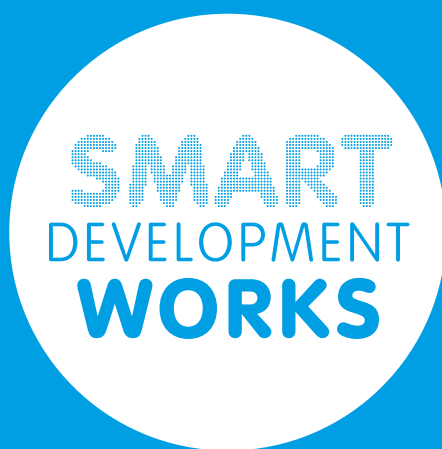
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