



Netherlands

Development

Organisation



SNVs management response to IOB mid-term evaluation of SNV programme 2007-2011

In 2011, the Dutch parliament gave a clear message to the new SNV management; reduce costs, maximize impact and clean house. SNV took this challenge seriously and since 2011 has made significant progress.

SNV has reduced the average costs of its advisory days by a further 12%, slashed overhead costs by 31% whilst increasing productivity by 11%. Moreover SNV reduced the number of sectors it is involved in and has completely overhauled its monitoring and evaluation system. SNV is therefore pleased that the mid-term evaluation of the period 2007- 2011 confirms the analysis that led to the serious and substantial measures that were necessary in 2011.

The evaluation also confirms SNV's contribution to a better quality of life for poor people in terms of access to and use of basic services and the continued relevance of capacity building and institutional development.

In addition the evaluation reports positively on the reinforced capacities of the organisations we work with and the strengthened market position of local service providers. Our capacity to convene diverse stakeholders, our strengths in quickly getting programs up and running at the local level, the commitment of our staff and our strong links with local sources of knowledge are recognized as causes of our success. The confidence of the outside world in the effectiveness of SNV is demonstrated by the group of 90 international donors that have selected SNV to help them realise their development objectives.

Further, the evaluation highlights a number of clear issues and challenges to be addressed by SNV in the coming years. We take these issues very seriously. A number of them had already been identified through our internal evaluations and we have begun to address them. Others will be addressed in the remaining years of the subsidy period. We intend to give high priority to these and to implement the necessary courses of action to improve our performance.

Cost awareness and efficiency

We agree that attention for cost-awareness and efficiency was insufficient in the period 2007-2011. Therefore as of 2011, we have put cost-efficiency as a high priority on our agenda.

In the evaluation period though, the average costs of advisory days have been decreased by 14% and continue to be decreased. Productivity has increased from 154 advisory days per advisor in 2007, to 175 in 2011 and to 197 in 2013. This equates to a 28% increase in productivity over a 6 year period.

Overhead costs at national and global level have been reduced considerably by 31% over the period of 2012 and 2013. In 2012 a labor force downsizing was implemented resulting in a complete management layer being removed. We have also improved project cost transparency and since 2012 the direct and indirect costs of all our individual projects, including DGIS funded projects, can be distinguished.

Increasingly SNV is funded from sources other than DGIS core subsidy. These programme initiatives adhere to strict budgets and clearly defined results –often realized in a competitive international arena. This further compelled SNV to develop the tools to monitor and report our cost- effectiveness ratio in a transparent way. We continue to develop and improve our efficiencies.



Planning, monitoring and evaluation

We agree with the evaluators that our Planning Monitoring and Evaluation (PME) system did not function properly in the period under review. We came to a similar conclusion in 2011 after which we implemented a completely new web-based monitoring and evaluation system. We appreciate the evaluators' attention given to our efforts to establish a more solid PME system.

In 2012 and 2013, our staff were trained in using the new PME system. All our projects are now underpinned by a Theory of Change and a result chain that explains how SNV and its partners aim at improving capacities, delivering better quality services and creating an enabling environment that optimises impact for poor people. More specifically, the five capability model has been introduced in our PME system allowing for planning, monitoring and reviewing the development of key-capabilities of our clients.

Although we realise there is a lot of work ahead, we feel confident that through the combination of an improved PME system, the increasingly results oriented culture in the organisation and continuous on-the-job support and attention for PME in all yearly appraisals, the quality of our work will be improved and will continue to meet international donor requirements.

Our updated evaluation policy 2013 includes several measures ensuring the quality and independence of our corporate evaluations. Each evaluation will have a reference group for quality control and they will meet at key moments during the evaluation process. Consistent high standards are supported by an evaluation quality assessment grid which guides the evaluation design and methodology as well as the quality of the report and the use of the evaluation findings.

SNV's core business is relevant and appreciated

It is encouraging that the evaluators emphasise the relevance of our work and appreciate the various dimensions of our core business. The report concludes that our objectives and strategies focusing on institutional development at the meso level are highly relevant, as it is assumed that ineffectual organisations and institutions are constraining development at the micro level. IOB states that this is 'unchartered territory'.

IOB also acknowledges that our programmes have contributed towards improved access to and the use of basic services. The evaluators report on the strengthened capabilities of the local actors we work with, including associations and coordination groups. Strengthening domestic accountability is vital. We also appreciate the recognition of our results in the area of policy influencing and the strengthening of the enabling environment. SNV's ability to introduce new knowledge and tools is highlighted, as well as our strong local presence. We have been successful in implementing programmes at village level at relatively short notice and are well connected with and have the confidence of our partners which include government institutions, NGOs, businesses and donors.

We further appreciate the evaluators' observation that our concerted efforts to subcontract work to local service providers are proving successful. Local service providers have strengthened their position in the market due to their expanded track record and improved capacities. Moreover, it is due to the collaboration with our local service providers' network that we have been able to achieve the current scale of operation.

SNV success in mobilizing resources and decreasing dependency from the Ministry

It is significant for us that IOB concludes that SNV successfully responded to the significant shifts in international and Dutch aid modalities. Indeed, the SNV of 2013 is a preferred partner for almost 90 donors, which is also reflected in the rapid expansion in mobilized financial resources. In 2013 we signed new contracts with a total value of more than 80 million euro's.



Improve the quality

To increase our quality and effectiveness SNV decided in 2011 to concentrate its efforts in three sectors only: Agriculture, Renewable Energy and Water, Sanitation & Hygiene, sectors where we believe we can add the most value. This has resulted in better targeted investments, more in-depth sector knowledge with our staff and more focused product and knowledge development. Ultimately we expect that this will result in greater impact.

All SNV country teams have developed business plans to steer their programmes in a cost effective, sustainable and future oriented way. Another measure towards optimising impact is the introduction in 2012 of an internal system of competitive bidding with strong quality criteria in regards to DGIS subsidy. Countries are invited to submit proposals for funding which are then assessed against several quality standards: clear theory of change, concrete pro-poor results/deliverables, strong monitoring and evaluation, cost efficiency and scalability. DGIS subsidy is only allocated to those proposals meeting these criteria.

Consensus between Ministry and SNV

SNV does not concur with the report of a continued ambivalence between the Ministry and SNV, on the way forward. We acknowledge that at times the relationship with the Ministry has been contentious and we are pleased that currently our relationship is constructive. In terms of policy SNV and the Ministry share significant areas of consensus, particularly on the blend of sector and capacity development approaches. The impact orientation of our capacity development work and our evolving sector choices have been extensively discussed and agreed upon with the Ministry and reflect broader trends in the development sector.

Capacity development for impact

SNV does not concur that there is a contradiction between taking responsibility for both capacity development and impact. On the contrary, we deliberately combine the two responsibilities and intend to continue to do so in the future. Contributing to lasting and concrete improvements in the life of poor people is our highest priority. It is our belief that the best way to bring impact to large numbers of people and to ensure that such impact is sustainable is to concurrently work with those groups or institutions whose long term mandate it is to work with poor people. Therefore, in our capacity development work we focus in first instance on organisational and institutional weaknesses that can be solved in the short term and which would otherwise perpetuate systemic flaws. SNV alone is not in the position to bring about structural systemic changes. Therefore we value working together with local and national stakeholders, from a common long term perspective to ensure that ownership for change remains with them.

Challenges for the future

IOB also indicates the challenges that SNV will face in the near future after the current programme funding comes to an end. One of the issues raised is the tension between development issues that require long term and flexible funding modalities and the evolving donor orientation towards short term funding and quick results. It is indeed widely acknowledged that achieving structural solutions for persistent problems and/or realising the potential, often require long term commitments and work best on the basis of adaptable approaches and targets that can be adjusted to the changing local contexts. SNV's local presence, building on what is available, being flexible and open to challenges and learning opportunities are drivers for success.

We try to use current funding modalities in an optimal way through our 'programming mode': combining different projects under a common more encompassing theory of change. It allows donors to fund part of a program, while contributing to a broader 'picture'. Nevertheless, it is obvious that this does not substitute for a long term institutional funding arrangement complemented by a diversified donor portfolio.



Unfinished business

We fully agree with IOB that on particular themes and subjects further improvements can be made by providing more corporate direction and improving practice. We have already taken up some of these issues whilst others feature on 2014 and 2015 agenda.

We agree with IOB that sustainability needs further attention. This is a mid-term evaluation and although relevant contributions have been made, the coming years will be used to reinforce the sustainability of our activities. We also concur that complex political and economic factors are critical for sustaining pro-poor results.

Recently, environmental sustainability has more explicitly been taken up in our interventions and has been included in our monitoring and evaluation system. In 2014 SNV projects' result logic will be critically analyzed, in particular where it concerns their contribution to sustainable results. In 2014 and 2015 SNV will carry out 12 impact evaluations that will offer an excellent opportunity to investigate and improve the sustainability of our development efforts.

We do not support IOB's statement that poor people often benefit less from our services. Most of the people we reach are definitely poor. However, it is indeed important to validate which specific segments of 'poor people' we actually reach or do not reach and where possible to improve upon that. Action research currently being carried out gives important insights on this aspect. It is important to clarify that due to the nature of the SNV programme – contrary to IOB's suggestion – we made a deliberate choice not to focus on the poorest of the poor, in the sense of very marginalised and excluded groups. Other strategies are needed to include groups without any assets, in development processes.

IOB's signal that we do have a gender and pro-poor focus during the programme identification phase but do not maintain this systematically in all cases during implementation is appreciated. The IOB observation forces us to be more explicit on power issues throughout the project cycle. Action is already taking place. In close cooperation with specialist organisations we programme strategy improvements focusing on inclusion and gender in value chains. In our partnership with KIT, we will develop gender toolboxes. In our monitoring and evaluation system we include governance issues, with a specific focus on inclusion/gender and accountability.

IOB appreciates our multi-stakeholder approach and gives us the credit for having stepped in this largely uncharted territory. It is now the time, in line with IOB's suggestions, to investigate and increase its effectiveness. An external evaluation of cost-effectiveness of multi-stakeholder processes is planned in 2014.

Building upon our improved efficiency drive and the efforts to remain relevant in a globalising and ever more competitive donor environment, it is timely to follow up IOB's suggestion and sharpen our focus on 'return on investment' and develop appropriate tools to establish the balance between costs involved and impact achieved.

In conclusion

The evaluation provided the opportunity to enhance our learning and knowledge about elements of our policy and practice. We will draw considered lessons from the evaluation findings and adjust our policies and practice where appropriate.

We would like to thank the IOB evaluation team and ACE Europe for their hard work and review of our practice. We appreciated the discussions on the complex nature of our work and the challenges posed by the changing landscape. We would also like to thank the reference group members (Menno Pradhan, Joy Clancy, Louk de la Rive Box, Loes Lammerts, Andy Wehkamp) the individual country teams and global support unit staff for the energy invested in evaluation process and support given to the evaluation teams.

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