SNV in 2017
SNV is a not-for-profit international development organisation. Founded in the Netherlands in 1965, we have built a long-term, local presence in over 26 countries in Asia, Africa, and Latin America. Our global team of local and international advisors work with local partners to equip communities, businesses and organisations with the tools, knowledge and connections they need to increase their incomes and gain access to basic services – empowering them to break the cycle of poverty and guide their own development.

**SMART DEVELOPMENT WORKS**

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In 2017, SNV improved the quality of life of 6,4 million people living in poverty.
In the second year of its 2016-2018 strategic plan, SNV Netherlands Development Organisation reached 6.4 million beneficiaries. This puts us on track to reach the target to improve the quality of life of 18 million people living in poverty within the three year strategy period.

SNV maintained its focus on agriculture, energy and water, sanitation and hygiene (WASH). Advisory services are performing well, evidence based advocacy is getting more prominence, and implementation at scale is making progress at the level of increasing the size of the projects and at strengthening policy making. SNV maintained its global footprint through active programmes in 26 countries in Latin America, Africa, and Asia. This stable, comparatively dense global footprint allows for contextualised implementation of global strategies.

SNV’s 2017 turnover was € 108 million, which is a slight decrease from 2016. In 2017, SNV attracted € 194 million in new contracts from a diverse donor base. We are delighted with their growing level of trust, because it allows us to increase our efforts towards eradicating poverty.

With much gratitude, we bid farewell to Allert van den Ham as chief executive officer (CEO) and chair of the Managing Board (MB). Under his leadership, SNV has successfully renewed itself and consolidated its position as a prime development organisation. As of January 2018 Meike van Ginneken has taken up this position. I am confident that she will lead SNV to further move the needle towards a society in which all people can pursue their own sustainable development.

The results presented in this Annual Report would not have been possible without SNV’s professional and committed staff members around the globe. Their continued efforts, and the support of our donors and partners, enable SNV to create impact at scale.

KOOS RICHELLE, CHAIR
ON BEHALF OF THE SUPERVISORY BOARD
JUNE 2018
Message from the CEO

The findings included in this annual report reinforce my conviction that smart development works. I joined SNV in January 2018. From this fresh perspective, let me explain what I think is special about SNV, and how this is reflected in this report.

SNV has a great impact – both directly and indirectly. In 2017, SNV impacted the lives of 6.4 million people. However, I believe that our long-lasting impact is the systemic change that we create. Our projects kick-start markets, strengthen institutions, and establish conducive legal and policy environments.

This combination of direct and indirect impact became very clear to me on a visit to Quang Binh province in Vietnam, in February 2018. Members of a rice cooperative told us how SNV helped them to increase their income through modern farming techniques. Also, both female and male farmers passionately told us how household and community dialogues had helped families to share household tasks, and control over income. That same afternoon, we visited the Vice-chair of Provincial People’s Committee. He told us how the provincial authorities have scaled up a microfinance scheme for female entrepreneurs, originally set up by SNV in the early 2000s. By 2005, the project had benefitted 11,500 women entrepreneurs. Since project close, a multitude of that number have benefitted from the scheme.

What enables us to create these results?

Firstly, our local staying power. For decades, SNV has been present in some of the least developed countries in Asia, Africa, and Latin America. We speak the local language. We have partnerships with local governments, enterprises, and civil society. We customise our approaches to what works in each of the countries where we work.

Our diverse staff of over 1,200 professional staff around the world also have deep subject knowledge. Our expertise in some areas has long been recognised. We work on agricultural value chains to increase market access to producers. We have kick-started biogas markets. We are recognised as a leader in rural sanitation. Our selective focus on agriculture, energy, and WASH has helped us to deepen our expertise in other areas within these sectors. To name a few, I am excited about our work in urban sanitation, climate smart agriculture, and off-grid electricity. This report presents our results in these fields and in many other product areas.

Smart development requires integrated approaches. While we are organised by sectors, I am confident that our total impact is much more than the sum of these parts. We have many examples how the real value of our work is where our teams come together in villages, districts, and countries. In this report we take the example of youth employment to tell the story of how we work on issues across sectors.

SNV is a learning organisation and our local teams customise and use approaches we have implemented in other locales. Probably the most important example of this is how we work with the local private sector. We have a deep appreciation of how value chains work both in agricultural production and in service delivery. We apply our knowhow on behaviour change and demand creation across our clean cooking, rural sanitation, and nutrition teams. We help local firms to develop business models and help poor people gain access to finances so they can pay for products and services. This boosts a sense of ownership and sustainability, and avoids subsidies. I am excited that this annual report reviews our experience on our private sector collaboration across sectors.
Also, we shine a spotlight on result based financing to help develop small and medium-sized enterprises to deliver sanitation and energy services to underprivileged regions and populations.

One of the reasons I joined SNV is our ability to adapt. Indeed SNV has reinvented itself several times in our 52 year history. I would like to warmly thank Allert van den Ham for his great leadership in our transition to an organisation that generates its income entirely from business revenues acquired on a project basis. The continuous growth in our order intake, which reached €194 million in 2017, shows that SNV has clearly positioned itself as a go to development organisation. I am looking forward to working with the other members of the MB and colleagues across the globe, to consolidate this progress, to step up on implementation, and to continue to evolve in the future.

MEIKE VAN GINNEKEN, CEO
ON BEHALF OF THE MANAGING BOARD

“The combination of direct and indirect impact became very clear to me on a visit to Quang Binh province in Vietnam, in February 2018.”
SNV provides locally owned agriculture, energy, and WASH solutions
SNV in 2017

In 2017, SNV helped to improve the lives of 6.4 million people by developing and implementing locally-owned approaches. Our impact went well beyond these direct beneficiaries as we improved markets for the poor and strengthened governance systems in the 26 countries in Latin America, Africa and Asia where we work. Our projects will thus improve the lives of millions more in the years to come.

The number of direct beneficiaries is up by five percent compared to 6.1 million people reached in 2016. This positions us well to reach our target to improve the lives of 18 million people by the end of our 2016-2018 strategic plan.

Our financial turnover for 2017 was €108 million. This is a slight decrease from 2016. We realised a small positive result of €79 thousand.

Our pace of implementation is not keeping up with the growth in our order intake, and will continue to require an extra push to build our implementation capacity to deliver results at scale in a quality manner. In 2017, the number of SNV staff increased from 1106 to 1220 at the end of December. We recruited a new crop of country directors with strong project management credentials and established the Project Support Office which is helping to improve our project management practices.

Our evolving footprint
We sustained SNV’s global footprint with an active programme in 26 countries. We continued to grow our business with a record order intake of €194 million. We continued to steer towards scaling by increasing the size of individual SNV projects. The order intake for WASH and agriculture exceeded expectations. New orders in energy was slightly below the target we set ourselves.

Our roles – advisory services, evidence-based advocacy, and implementation at scale
SNV continues to play three distinct but interconnected roles in the countries we work in. We deliver advisory services to build capacity to address systemic constraint and adapt market systems. We use our long-term, in-country presence and international knowledge network to implement at scale. We collaborate with knowledge institutes, governments, private sector, and civil society on evidence-based advocacy.

Advisory services is the most established of SNV's three roles. Virtually all SNV projects include a (major) advisory component focused on solving systemic constraints and strengthening the public sector, the private sector and/or civil society.

Our evidence-based advocacy is mostly targeted at local and national governments in the countries where we work. Advocacy activities are embedded in most of our projects. In addition, the Voice For Change programme - supported by The Netherlands Ministry of Foreign Affairs (DGIS) and implemented in six countries - is dedicated to strengthening the capacities of civil society organisations to engage in contextualised policy dialogue with public authorities, and is inspired by hard evidence.

Considerable progress has been made with engaging research institutes in SNV programmes (Wageningen University, CGIAR institutes, Institute of Sustainable Futures (ISF), Emory University et cetera).

We implemented at scale through designing, rolling out, managing, and monitoring multi-country development initiatives. Implementing large programmes with

How do we measure our impact?
SNV has defined a number of harmonised sector impact indicators, with standardised measuring and reporting. Wherever possible we use internationally recognised methodologies to measure progress.

Country teams in 26 countries submit their planned and actual data on an annual basis. Our central Planning and Monitoring and Evaluation Team, as well as respective sector teams, review these data for methodological and technical quality and ensure that data are aggregated while avoiding double counting. Our central teams also regularly trains frontline staff in monitoring and evaluation techniques.

Our agriculture portfolio is large and diverse. The corporate indicators for measuring income, food and nutrition security and resilience do not cover all product areas. This means that we underreport on our impact. Our teams are refining the agriculture sector indicators so that we can provide a more complete picture in the next strategy period.
important grant management components is a relatively new role for SNV. The results of many of our larger projects in which we implement development solutions at scale are positive. We use our long-term, in-country presence and international knowledge network to develop new and adapt proven approaches, to local contexts. For instance, we noted strong results in 2017 from our Results-Based Financing (RBF) projects in WASH and energy. This is the fruit of several years of work: as a manager of RBF incentive schemes, as a service provider being paid based on the results we achieved ourselves, and as an independent verification agency.

Our sectors: agriculture, energy and WASH
Our agriculture programme helped to improve the lives of 1.7 million people in 2017 in 24 countries. Reducing poverty through increased sustainable agriculture and resilient food production systems is at the core of the Sustainable Development Goals (SDGs). The SNV agriculture programmes contributes to the SDGs through a private sector and innovation driven approach. In 2017, 1.4 million people benefitted directly through increased income from our sustainable market development in over forty value chains around the globe. Besides the farmers that have benefitted directly, SNV projects also built the capacity of private firms, public organisations and civil society. The improved business models and networks of these actors will help sustain and expand the impact of the project in years to come. SNV integrates its interventions across agriculture, nutrition and climate change. In 2017, we continued to build our food and nutrition security programme. As a result, 175,000 people benefitted from improved food access and nutrition security. We also helped make the livelihoods of 162,000 people more climate resilient. Our 2017 activities improved access to energy for over 800,000 people and reduced greenhouse gas emission by over 610,000 tonnes. In addition to these direct benefits, our energy portfolio helped develop sustainable energy markets in 17 countries. SNV continued its strong track record in biogas, providing 72,000 people access to a bio-digester. While most biogas projects focused on domestic uses, SNV increasingly supports productive use of biogas. Our off-grid electricity projects are a recent addition to our programme concentrated in East Africa. Results are above expectations with 532,000 people having gained access to electricity. We helped 198,000 people gain access to clean cooking. We increasingly look at combined energy and agriculture interventions. For instance, agribusiness’ capacity to pay for a reliable electricity supply can bolster the financial viability of mini-grids.

Our water, sanitation and hygiene (WASH) activities reached 3.9 million beneficiaries in 17 countries in 2017. Our WASH programme is mostly focused on sanitation at local and district level. Our projects helped 2.9 million people gain access to sanitation while 1.9 million people commenced handwashing with soap. Our Sustainable Sanitation and Hygiene for All programme continued to make outstanding contributions to rural sanitation in 2017. Our work at scale in rural sanitation, coupled with targeted learning activities in 2017, confirmed and reinforced the importance of district-wide improved access to sanitation for health impacts and sustained behavioural change. In 2017, SNV stepped up its work on citywide urban sanitation. We focus on a mix of on-site and off-site sanitation services in faecal sludge management. Our water supply projects helped 680,000 people gain access to basic drinking water supply services. Our clearly defined WASH intervention framework generates reliable data comparable across countries. We continue to actively work with research institutions to document and analyse our programmes as part of our contribution to SDG 6: ensuring availability and sustainable management of water and sanitation for all.

Leveraging the private sector
SNV’s sustainable markets approach for low-income groups stimulates the demand for services and changes the behaviour of consumers. In parallel, we work with supply side actors to improve the quality and availability of products and services including maintenance and after-sales services. The third pillar we work on is to strengthen public governance and to develop an environment for sustainable business. We have learned that many poor people want to and can pay for services, if provided with suitable payment options. We increasingly manage matching grant schemes that finance innovative approaches while leveraging private investments from entrepreneurs. Matching finance can help individual companies to innovate and grow more mature markets. We also work with governments and private actors to reduce risks for entrepreneurs and financiers in frontier markets. Business ecosystem strengthening typically includes the facilitation of stakeholder platforms and data sharing, strengthening business-to-business relationships, developing quality assurance and (self) regulation, strengthening business-development-service providers, and building training capacity. We also advocate for and support government to improve the enabling environment to attract private finance.

In recent years, SNV has built a track record in RBF to scale-up service provision, particularly for energy and sanitation & hygiene services. RBF can maximise value for money for international donors and governments by paying of
services only upon delivery of agreed results. This shifts the delivery risk from the financier to the service provider. RBF has proven to be a powerful means to attract private firms to expand service provision into underserved regions. Providing limited incentives that are phased out over time has proven to be successful in expanding the sale of off-grid solar products and cookstoves into new areas. It also has showed good results in supporting local masons to expand their bio-digestor and latrine construction businesses.

**Cross cutting themes: gender, youth employment, climate resilience and nutrition**

SNV has been quite successful in building up a considerable track record in cross sector initiatives. Notably, we now have considerable programmes on gender, youth employment, climate resilience, and nutrition. On the other hand, we have not increased our involvement in some other focus areas in our 2016-2018 strategic plan such as poverty in middle-income countries, smartphone technology, and water resources management. Our work on urbanisation concentrates on urban sanitation.

In 2017, we implemented five projects that were primarily focused on gender in four countries. We also applied our Balancing Benefits approach in many of our other projects across all sectors we work in. Balancing Benefits focuses on household dialogues, growing women’s businesses, women in leadership, and gender-sensitive markets and governance. The strength of our gender programme is that it leverages our sector programmes. When gender empowerment is directly linked to increased income, women and men often see the immediate benefits of changing their behaviour.

Over the past years, SNV has developed a track record in implementing youth employment programmes across the agriculture, energy, and WASH sectors. In 2017, SNV implemented six dedicated youth employment projects in seven countries. Some of these projects started fairly recently. However, we are on track to our aggregate target of creating employment for 80,000 disadvantaged youths. SNV’s Opportunity for Youth Employment (OYE) approach includes creating concrete employment opportunities (pull), basic skills training (push), and market placement and enterprise development (match). Integrating youth employment in our agriculture, energy and WASH projects creates the pull. This distinguishes our approach from many other youth employment programmes that focus mostly on push approaches such as training.

We increasingly integrate climate resilience in our agriculture and energy programmes. Our energy programme helps reduce greenhouse gas emissions while promoting access to energy. However, the bulk of our climate resilience work falls within our agriculture programme. We have a number of dedicated climate resilience projects in addition to mainstreaming climate resilience across our agriculture programme. Focus areas include the promotion of evergreen farming practices to reduce climate stresses on crop and livestock, diversification of agriculture systems, and the introduction of water and energy efficiency along value chains.

Our growing food and nutrition security portfolio is showing encouraging results. We promote nutrition for all, not just children. Our building blocks to accelerate nutrition gains at scale include: making nutritious food more accessible, supporting community-driven and gender approaches, and a focus on the immediate causes of undernutrition. Our nutrition programme leverages our work on agriculture value chains. On behaviour change communication, we integrate WASH and nutrition, as both directly impact diet and disease factors.
## 2017 in numbers

### Our results

**Total impact:** The quality of life improved of **6.4 million people**

<table>
<thead>
<tr>
<th><strong>Agriculture</strong></th>
<th><strong>Energy</strong></th>
<th><strong>WASH</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1,468,000 people with increased income</td>
<td>72,000 people with access to biodigesters</td>
<td>2,940,000 people with (improved) access to sanitation</td>
</tr>
<tr>
<td>162,000 people with increased resilience to climate change</td>
<td>198,000 people with access to improved cookstoves</td>
<td>677,000 people with access to drinking water</td>
</tr>
<tr>
<td>175,000 people with increased food and nutrition security</td>
<td>532,000 people with access to off-grid solar</td>
<td>1,900,000 people practising handwashing with soap</td>
</tr>
</tbody>
</table>

*Total figure is adjusted for double counting*
Expenditure by region

- Latin America
- West and Central Africa
- East and Southern Africa
- South and South East Asia
- Global programmes

Our footprint
**Expenditure by sector**

- Agriculture
- Energy
- WASH
- Others

- € 106 M

**Our team**

- National staff (including Associates)
- International staff
- The Hague
- Washington DC

- 1220 staff

**Order intake by source of financing**

- Embassies of the Netherlands
- DGIS, The Netherlands
- EC, European Union
- DFID, United Kingdom
- USAID, United States of America
- SIDA, Sweden
- SDC, Switzerland
- EnDev-GIZ-BMU, Germany
- Others

- € 194 M
1.7 million peoples lives were improved
Agriculture

SNV has a large and diverse agriculture programme. Our agriculture project spending was approximately €67 million which accounts for 63% of our overall project expenses.

Through this programme, we improved the lives of 1.7 million people through increased income, food, and climate solutions. This result was slightly below that of 2016, when we reached 1.9 million people. Reaching our target of 6 million beneficiaries for 2016-2018 will require a special effort in the third and last year of our current strategic plan (2016-2018). Most of the 2017 beneficiaries (1.5 million people) benefitted through increased income. In addition, we helped improve food access and nutrition security for 175,000 people, and made the livelihood of 162,000 people more climate resilient.

Our agriculture programme contributes to increasing sustainable agriculture and resilient food production systems. This is at the core of the Sustainable Development Goals (SDGs). Agriculture contributes to food security and eliminating world hunger (SDG 2). Agriculture is an important source of income for women and men, and contributes to SDG 1 (no poverty) and SDG 5 (gender equality). With climate change affecting agriculture productivity, our climate smart agriculture programme also contributes towards climate action targets (SDG 13).

At SNV, we develop market-based services that increase productivity, link markets to farmers, and strengthen input supply services. Working on over forty value chains around the globe, we focus on eight key commodities: dairy, livestock, horticulture, cassava, coffee, cacao, oil palm and rice. Of those, dairy and horticulture are the largest commodities. Working closely with the private sector drives innovation and scaling. We also work with governments to create an enabling environment and to accelerate investments in the sector. We integrate nutrition and climate resilience in our agriculture interventions. In 2017, we continued to successfully integrate food and nutrition security activities in our programmes. Our agricultural programme includes several dedicated climate resilience projects where we, jointly with the energy sector, address adaptation and mitigation to climate change in food systems.

Sustainable markets

Supporting sustainable market development is at the heart of SNV’s agriculture programme. Our value chain approach helps transform the agriculture sector and achieve impact at scale. Our approach unlocks new development pathways for communities by altering the interplay of institutional, cultural, technological, economic and ecological dimensions. Our sustainable market programme uses four building blocks: 1) market development for innovative practices and technologies which benefits small and medium-scale

Vietnam

“I’ve shared my learning from the project with my neighbours and my relatives who want to be rich. I’ve followed guided practices that I learned for my farm even if I’ve not received any direct support from the project this year.”

Mr. Nam Trieu, a farmer in Nhung Mien, Ca Mau, Vietnam
Cambodia

"The CHAIN project uses a holistic approach that reaches out to diverse target groups. We need a project which is smarter, more efficient and more resilient, and CHAIN is that project we need."

His Excellency State Secretary Dr. Ty Sokhun from the Ministry of Agriculture Forestry and Fisheries, Cambodia

Uganda

"For the first time in my life, I was able to feed my cattle throughout the year, even during the extended drought. As a result, we did not experience a significant reduction in our milk production. Before the training, we used to get 100 litres of milk in the rainy season, and 50 litres in the dry period. Now our average is 250 litres in the rainy season, and 150 in the dry season from our 35 milking cows."

Bells Katongole farmer in Uganda participating in the SNV The Inclusive Dairy Enterprise (TIDE) project

farmers and small and medium enterprises; 2) development of business cases and public-private partnerships with co-investment from the private sector; 3) enhancing the enabling environment; and 4) accelerating investment.

Our horticulture portfolio has grown to over € 65 million. We work on horticulture in Ethiopia, Kenya, Uganda, Ghana, Rwanda, Mali, Bangladesh and Cambodia. As an example, the Cambodia Horticulture Advancing Income and Nutrition (CHAIN) project, funded by the Swiss Agency for Development Cooperation (SDC), successfully reached 6,800 farmers in 2017. The CHAIN project supported the adoption of new production technologies and better market access.

As a result, household incomes increased US $50 per year for homestead gardeners, US $300 per year for semi-commercial farmers, and up to US $500 per year for commercial farmers. All farmers used their increased income to improve their diets and 70% of the farmers reached were women. In addition to the farmers who have benefitted directly from the project, the CHAIN project has built the capacity of private firms, public organisations and civil society. The improved business models and networks of these actors will help sustain and expand the impact of the project beyond the current group of direct beneficiaries.

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Food and nutrition security

Our growing food and nutrition security portfolio is showing encouraging results. In 2017, 175,000 people obtained food and nutrition security with the support of SNV projects. Our positive results to date are a good basis for expansion.

Our building blocks to accelerating nutrition gains at scale are: i) make diverse, nutritious food more accessible to everyone; ii) support community-driven approaches; iii) integrate gender and women’s empowerment; iv) integrate food and nutrition education across sectors, to support long-term behaviour change; v) promote Nutrition for All (not just children); vi) integrate coherent and co-ordinated action that addresses the immediate causes of undernutrition.

SNV encourages systematic solutions for making food production, processing, trade, retail, distribution and consumption more sustainable, resilient and equitable. Our agriculture programme is our largest contributor to improved nutrition outcomes. Our nutrition teams also operate across sectors, for instance, SNVs behaviour change communications integrates WASH and nutrition, directly impacting diet and
disease factors. A typical example is the Sustainable Nutrition for All (Phase 1) project in Uganda and Zambia, funded by SDC. This project closed in 2017, and was successful in increasing dietary diversity for women of reproductive age in its four target districts. Women of reproductive age consuming an inadequate diet dropped on average from 75% to 30%, while the number of children consuming an inadequate diet dropped from 55% to 15%. Further achievements were observed in the two- to three-fold increase concerning the variety and access of crops from different food groups per household, resulting in increased dietary outcomes.

**Climate resilience**

SNV is increasingly applying its experience in working with the private sector to improve climate resilience through supporting businesses in climate smart technologies and investments. Our ClimateRisk Assessment Tool helps us to analyse and address climate risks along specific commodity value chains. This enables us to provide targeted guidance to smallholders and Small Medium Enterprises (SMEs) in selecting climate smart farming options. Through our knowledge partners, such as CGIAR research programme on Climate Change, Agriculture and Food Security (CCFAS) and Wageningen University and Research (WUR), we have access to the highest quality research on climate smart practices.

SNV supports the scale up of climate smart farming. Much has been learned about climate smart techniques at pilot scale. We focus on diversifying agriculture systems as a whole and making them more resilient. In Vietnam, we help improve resilience to climate change through the sales of integrated mangrove shrimp to international markets. In Indonesia, funded by the Millennium Challenge Account, we work with firms along the supply chain to ensure that smallholder farmers have the knowledge, resources, and bargaining power to meet certified sustainable standards so that they can sell their palm oil to international agribusinesses. In Mali and Burkina Faso, funded by the Netherlands Space Office (NSO), SNV helps pastoralists to adapt to climate change by providing mobile phone access to data on biomass, water, herd concentrations, weather information and market prices. In Ghana and Nicaragua, funded by the German Ministry for Environment, Nature Conservation and Nuclear Safety (BMUB) and the Netherlands Enterprise Agency (RVO), we have applied business approaches to introduce diversified integrated forest and cocoa systems. Many of our projects focus on water and energy efficiency along value chains. For instance, the Smart Water for Agriculture programme in Kenya, funded by the EKN, helps promote farmer-led and market-based smart water products and services.

In these projects, we concurrently engage with companies along targeted supply chains. We work with national and regional governments, local extension services, financial institutions and meteorological information services to support an environment that stimulates the uptake of climate smart techniques at scale. This in turn helps to de-risk private investments in agri-business.
800,000 people gained improved access to energy.
Energy

Our 2017 activities improved access to energy for over **800,000 people**. This is a 29% year-on-year increase from the 620,000 beneficiaries we served in 2016. The 2017 total beneficiaries figure includes 532,000 people having gained access to electricity, 198,000 to clean cooking solutions, 72,000 to a bio-digester, and 16,000 employed through our energy initiatives.

Our projects also reduced greenhouse gas emissions by over 610,000 tonnes. In addition to these direct benefits, our energy portfolio helped develop sustainable energy markets in 17 countries.

These direct and indirect results contribute towards Sustainable Development Goal 7 which aims to ensure access to affordable, reliable, sustainable and modern energy for all. SDG 7 still requires an extra push. The good news is that the number of people without access to electricity fell from 1.6 billion in 2000 to 1.1 billion in 2016. At the same time, 2.8 billion people still rely on low quality biomass, coal and kerosene for cooking. This is roughly the same number as in 2000.

Our energy portfolio is still relatively small. In 2017, we spent €14 million on energy projects, which amounts to 13% of our total project spending. In 2016, we revised our target population for 2018 from 4.5 million to 2 million beneficiaries. We are on track to reach this revised target.

In 2017, SNV continued to focus on developing sustainable biogas, cookstoves, and off-grid electricity markets. SNV’s sustainable markets approach for low-income groups stimulates the demand for clean energy and changes the behaviour of consumers.

Our approach improves the supply of quality devices as well as maintenance and after-sales services. It also strengthens public governance and develops an environment for sustainable business. We also advocate for increased funding and better policies for decentralised energy services. We invested extra in focused marketing and business development to grow our portfolio. And this year, we started to apply our expertise in energy market development into our agriculture projects and new projects in informal refugee settlements.

Developing sustainable markets for bio-digesters
SNV’s built on its track record in biogas through flagship projects in Vietnam (financed by Energising Development or EnDev) and in Ethiopia (with European Union financing). Each programme is creating a commercially viable, domestic biogas sector. This means that profitable bio-digester construction businesses are flourishing, and will be able to continue to grow even beyond the close of the projects.

Nowadays I can cook in the main house on the gas stove and I don’t have to inhale the thick, damaging smoke as often. Also, I can cook breakfast quickly for my school going child, saving time in the morning.

Amman Family, Ethiopia
For instance, Getachew Lemecha now has a formally registered business which has constructed more than 225 bio-digesters in the Oromia region in Ethiopia. The company has been able to expand business following the programme’s National Framework on Private Sector Development, which prescribes a complete private sector supply chain. Besides promotion and construction, the company supplies construction materials like cement and rods as well as other accessories.

While most biogas projects focus on domestic uses, SNV has started to support the productive use of biogas. For instance, in 2017, SNV used its expertise to help farmers in Nicaragua to use biogas productively for agricultural production processes (with financing from the Inter-American Development Bank). Examples of biogas use include mechanical milking, irrigation, electricity generation, water pumping, and cooling.

**Using our expertise to develop off-grid electricity markets**

Our off-grid electricity projects use some of the market development approaches we developed in our biogas projects. They also build on our experience in agricultural and WASH market development. We have customised this approach, taking into account that the distribution model for quality solar products differs from the construction of bio-digesters or latrines, which mostly uses local labour and materials. Our off-grid electricity portfolio is concentrated in East Africa, with transformative projects in Kenya and Tanzania. The EnDev funded Solar PV project in Kenya provided access to electricity to over 240,000 people in 2017. Project results were above the initial target due to growth in the distribution network, and an improvement in the skills of the entrepreneurs being supported under the programme. Similarly, the Rural Pico-Solar Market Development project in Tanzania (also Endev funded) helped provided first-time electricity access to almost 90,000 rural Tanzanians. This project has also created almost 800 jobs and leveraged over € 10 million in commercial financing. Together with partners, we launched a Solar Call to Action to stimulate initiatives to reach 5 million people with off-grid lighting within five years.

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**Rachel Kyte**

SE4All

“This Call to Action is a good example of market creation and transformation at scale. It will bring attention to countries that are often flown over by the solar market.”

Rachel Kyte, CEO of Sustainable Energy for All
Bringing our expertise to refugee settlements

Health, education, and water services to refugees have been at the heart of humanitarian responses to refugee crises. Energy services have often lagged behind. This is why SNV has started to apply its expertise in market-based energy solutions to serve informal refugee settlements. While some refugees have settled in camps, many have settled in host communities - from slums to remote rural areas.

Our new Market Based Energy Access project (financed by Endev) in Kakuma, Kenya is an example of this approach. The project started in 2017, and aims to deliver clean, safe and affordable cooking solutions to 16,000 people, and access to electricity for lighting and phone charging to 21,000 people. Similar projects are under preparation in Tanzania.

Energy for agriculture as a viable business

Energy is a critical enabler to make agribusiness economically viable. In turn, agribusiness is a reliable off-taker that can pay for electricity. At SNV, we ensure that energy and agriculture work hand in hand, and believe that integrated approaches across these sectors create the critical mass needed for viable business models. A combined agriculture-energy approach builds on the competitive advantage of SNV since we have in-house expertise in both sectors.

The Mashaba Solar Mini-grid project (with financing from the European Union and the OPEC Fund for International Development) in Zimbabwe is an example of our cross sectorial approach bridging the gap between household energy and agricultural use. This project has financed a mini-grid powered by 160 kW solar energy that serves three irrigation schemes, five business centres, a clinic, a school, a study centre, as well as 10,000 villagers. The mini-grid is financially viable due to its commercial off-takers. It also provides electricity to healthcare and education facilities as well as households which require limited electricity, and have a lower capacity to pay for it.

Kenya

“Before I bought this solar home system my family had to make do with a kerosene lantern which we all shared. It was difficult for my children to study at home… I now have light in all of my three rooms, and my wife and children have light in the kitchen. In addition, I can now charge my phone from home, I can follow the news on my radio, and I still have a torch if I need to move around the camp at night.”

Mr. Kasanga Alexandre,
Kakuma refugee camp, Kenya

Nicaragua

“During the days I operate the milking machine, I obtain an average of 17 litres of milk per cow, from 67 cows per day, which means that my animals produce 720 litres of milk daily - a significant increased from manual milking. The introduction of biogas has greatly improved productivity.”

Cattle raiser Adolfo Matus,
Village Los Mollejones,
Santo Tomas Municipality, Nicaragua
3.9 million people reached with water, sanitation and hygiene services
Our projects resulted in 2.9 million people gaining access to, and use of, sanitation, and a further 680,000 people gaining access to basic drinking water supply services. In addition, 1.9 million people commenced handwashing with soap (1.6 million of these gained access to sanitation and handwashing together).

In 2017, our expenditure on WASH projects was €21 million, which accounted for 20% of our total project expenditure.

We implemented local solutions and deepened our experience of what it takes to pragmatically reach sustainability in all settings. 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 continues to be the basis of our work. In rural sanitation, we progressed at sub-district and district levels. We strengthened the exchange between Asian and African experiences. Our focus on urbanisation intensified, with a wider recognition that city-wide urban sanitation services requires both on-site and off-site services, especially in small towns.

**Rural sanitation at scale**

The SSH4A (Sustainable Sanitation and Hygiene for All) programme continued to make outstanding progress in 2017. Multi-country projects are at the centre of this success. The United Kingdom Department for International Development (DFID) funded SSH4A Results Based project and the Australia Government Department of Foreign Affairs and Trade (DFAT) funded SSH4A Civil Society WASH work provided the greatest impact. The DFID funded project commenced in 2014, and will conclude its first phase in early 2018. In this RBF project, SNV was paid

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**Uganda**

Since we started implementing the SSH4A programme in the district with SNV, we have not had any sanitation related disease outbreak in the last four years.

Enid Kajumba, Deputy Chief Administrative Officer, Kyenjojo District, Uganda

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Our Water, Sanitation and Hygiene (WASH) activities reached **3.9 million beneficiaries** in 17 countries in 2017. This is an increase of 10% vis-à-vis 2016, and above our target of 3.5 million.
Bhutan

Sanitation is not as glamorous as other sectors, like roads and education. But here’s the thing. Sanitation is actually VERY important. In 2008 we engaged SNV to help us develop a new approach to sanitation and hygiene. After seven years, there is wide-spread recognition that this programme is really working well (through reduced diarrhoeal incidences and reduced stunting). This programme has been fully endorsed by the Ministry of Health, and we have made significant gains in improving sanitation. There remains more to be done. Beyond expanding coverage of toilets we have broadened our focus to include menstrual hygiene management, handwashing, and faecal sludge management. Achieving the goals Bhutan has set in WASH requires strong leadership and investment from the government. This means prioritising sanitation and hygiene in budgets, in plans and in the minds of our local leaders. We can achieve universal access in improved sanitation and hygiene in Bhutan.

Rinchen Wangdi, Chief Engineer, Public Health Engineering Division, Ministry of Health, Bhutan

for reaching 7.7 million beneficiaries across eight countries; Zambia, Mozambique, Ethiopia, Ghana, Tanzania, Kenya, Uganda, and Nepal. A second phase of the project will target an additional 1.2 million beneficiaries in seven countries. Similarly, the DFAT funded SSH4A Civil Society WASH programme will conclude in early 2018, and will be followed by an additional DFAT funded project from 2018 onwards in Laos, Bhutan and Nepal. SSH4A programmes in countries such as Cambodia, Indonesia, Burkina Faso, Mali, and Rwanda also contributed significantly to the 2017 result.

Our work at scale in rural sanitation, coupled with targeted learning activities in 2017, confirmed and reinforced the importance of area-wide (district, province etc.) improved access to sanitation for health impacts and sustained behavioural change. The reaching of open defecation free (ODF) status is not the finish line. In essence, it is only the first of several hurdles to be cleared towards achieving sustained sanitation impacts. In countries like Nepal, Indonesia and Bhutan, our early results underscore the immense change in mind-set and work processes that post-ODF programming requires. Shifting local government focus from latrine coverage alone, to wider sanitation services systems requires new approaches and efforts.

Stepping up on urban WASH

In 2017, implementation of the Bill & Melinda Gates Foundation funded urban sanitation programme in Bangladesh continued across the cities of Khulna, Jhenaidah, and Kushtia. Results to date have been promising. Our experience in Bangladesh is informing SNV’s new DGIS-supported Urban WASH programme in Tanzania, Zambia, Indonesia and Nepal.

Our work in Bangladesh on city-wide urban sanitation services has demonstrated the need for a mix of on-site and off-site sanitation services in faecal sludge management, and that progress is possible when such a mix is utilised (instead of a singular reliance on sewers). This same work has demonstrated innovations in many areas, including safe
slum sanitation; the integration of information between housing, taxes and sanitation; occupational health and safety; and how to articulate sewer and sludge services in a city. With this experience, we will be supporting the Bangladesh National Urban Poverty Reduction Programme in its work with slum sanitation.

**Leveraging the private sector**

Our work in Mali in the Uduma Water Supply Programme, confirms that the private sector can be interested in rural water supply under the right conditions. That is, when both full cost recovery and an acceptable profit margin are part of the water supply business model. The innovative FDW (RVO Sustainable Water Fund) funded Uduma programme in Mali implements an alternative operation and maintenance model at scale. A private operator (Uduma Mali) together with SNV, Aqua for All and Akvo, has committed to replace, repair, operate and maintain 1,400 manual water pumps in the Sikasso region of Southern Mali. The 15 years performance contract requires Uduma to repair a pump within 72 hours, instead of the current 250 days. To date, community support for the new model is high. Additionally, there has been an increase in demand for this service, especially from communities just outside the project area.

**A focus on evidence and learning**

SNV’s rural sanitation programme across 15 countries uses a clearly defined intervention framework including rigorous monitoring. This provides an unprecedented opportunity to use reliable data to fill the large information gap regarding what works in rural sanitation. In 2017, we worked with Emory University to carry out a rigorous analysis of success rates, equity and sustainability of rural sanitation results across 11 country data sets. Early findings show the success rates of SNV programmes compare favourably to other interventions.

**Bangladesh**

“When SNV briefed me about their Urban Sanitation approach and the objective of the Faecal Sludge Management (FSM) programme, I immediately told my Council that we should accept this challenging task! In my municipality, emptying was primarily done by manual emplifiers during the night. In the last four years, we have generated evidence that is helping us to take decisions for developing sanitation plans. People are now aware of, and openly discussing FSM, and have already started paying taxes for our FSM services. We now have a functional treatment plant which is being managed by a private sector party. People can now access emptying services with a single phone call.”

Saidul Karim Mintu, Mayor, Jhenaidah Municipality, Bangladesh
Spotlight on Supporting the Local Private Sector

Market-based approaches are a key pillar in everything we do. We believe that the private sector, and especially local private entrepreneurs, have a key role in bringing about sustainable change. SNV’s sustainable markets approach for low-income groups stimulates the demand for services and changes in the behaviour of consumers.

In parallel, support supply side actors to improve the quality and availability of products and services including maintenance and after-sales services. The third pillar of our work is to provide technical assistance to strengthen public governance, and to develop an environment for sustainable business.

We have learned many lessons from supporting small and medium-sized enterprises to grow their businesses and deliver effective services to underprivileged populations and regions. We avoid subsidised services whenever possible as they are hard to target and to sustain over time. We prefer to facilitate access to finance so users can pay for products and services. This not only boosts a sense of ownership, but it also creates healthy accountability between users and service providers – firms serve paying customers better than those depending on handouts. We believe that many poor users can afford services if provided with payment schemes that spread payments over time. An example of this is the recent success of our projects in refugee camps in Kenya to establish energy markets.

An essential element in our approach to attain sustainable scaling is leveraging private investments. We have started to gain experience in a number of projects. An example is the Swedish International Development Cooperation Agency (SIDA) funded Innovation Against Poverty (IAP) project, which started in 2017 in Cambodia, Ethiopia, Zambia and Uganda. The IAP project provides matching grants to agriculture, ICT, energy, and WASH entrepreneurs. In 2017, we supported 36 promising ‘inclusive business’ cases to introduce innovative service and finance models. Special attention is given to the inclusion of low-income people as producers, micro-entrepreneurs, and consumers. In 2017, IAP grants totalling € 4.5 million leveraged € 22 million in private investment.

These kinds of challenge funds support the implementation and scale up of a large variety of business cases across agriculture, energy, and WASH. Among others, we have supported innovative technology for dried fruits and vegetables; distribution models for nutrient-rich ready-to-eat cereal products; franchise models for water treatment, irrigation, and sludge removal; processing technologies to turn milk into nutritious yoghurt and distribution channels in low income markets; scaling digital payment apps on basic smart mobile phones; private sector driven solution to formalise land rights.
Local entrepreneurs have a key role in sustainable change.
Matching finance can help individual companies to innovate and grow in more mature markets.

Beyond supporting individual entrepreneurs
Matching finance can help individual companies to innovate and grow in more mature markets. We recognise that frontier markets do not open easily. Dedicated efforts are required to create a more conducive environment, and to reduce risks for entrepreneurs and financiers. This is why we complement our targeted support to individual entrepreneurs with our broader technical assistance to government and business associations on value chain development, improved business regulations, and sector development. Technical assistance typically includes the facilitation of sub-sector platforms, strengthening Business to Business (B2B) relationships and business culture, developing quality assurance and (self-) regulation, strengthening of providers of various business development services, build-up of training and educational capacity, and building sub-sector knowledge & data. We also advocate for and support government to improve the enabling environment to attract private finance.

We have traditionally included this kind of training and technical advice in agriculture projects, such as our horticulture and dairy programmes. We apply what we have learned in our work to create sustainable decentralised energy markets as well as market solutions for the construction and operation & maintenance of WASH facilities.

Recently, results-based financing has proven to be a powerful means to attract private firms to expand energy and WASH service provision into underserved regions. Providing limited incentives that are phased out over time has shown good results, both in the enlarge distribution zones for off-grid solar products and cookstoves, as well as to local masons for the expansion of their bio-digester and latrine construction businesses into new areas.

In most cases, traditional donor agencies continue to finance technical assistance. In some cases, the private sector pays for the support SNV provides to communities. For instance, Sundial Brands finances support to women cooperatives in Northern Ghana through SNV’s Shea Butter Community Commerce project. The project has helped 1800 women to increase their income by growing production by 35% while cutting costs by 43%.
Spotlight on Results-Based Financing

In recent years, SNV has built a track-record in Results-Based Financing (RBF) to scale up service provision, particularly for energy, sanitation and hygiene services. RBF can maximise value for money for international donors and governments by paying for services only upon delivery of agreed results. This shifts the delivery risk from the financier to the service provider.

Our role in RBF projects varies from being the service provider ourselves – and being paid incentives – to managing RBF projects – and thus paying incentives to others after verification of results.

The Sustainable Sanitation and Hygiene for All (SSH4A) Results programme in nine countries in Africa and Asia commenced in 2014, and has recently been extended till 2020 to seven countries. SNV is paid by DFID for results at outcome and impact level. To date, our results have exceeded targets. Three million people have gained access to sanitation, 2.7 million people have received hygiene promotion, and 400,000 people now practice handwashing with soap. In addition, incentives are linked to improvement in capacities and the enabling environment. Results are verified by a third party before payment is released.

In the energy sector, SNV is managing several RBF projects in Africa and Asia in which we disburse incentives to companies upon verification of new off-grid electricity, biodigestors, and cookstoves. In this case, SNV does not carry the delivery risk, as this task lies with the service providers. Instead, SNV designs the programme, and verifies the results of service providers before paying incentives. These projects have been successful in kick-starting markets by providing a temporary financial incentive to companies to deliver products and services to areas where they are not yet present. As RBF does not predefine how results should be achieved, within this scheme the private sector can bring value added innovation such as mobile payment modalities and Pay-Go in East Africa. Another example is the solar RBF facility in Tanzania, which since its kick-off in 2014 has achieved energy access for more than 320,000 people through incentivising sales of solar lanterns, phone chargers, and solar home systems. While incentives were paid for units of sales, the facility has also indirectly established a market for solar products in a hard to reach part of Tanzania. To date, 14 solar companies participated in the facility, and 780 new jobs have been created along the supply chain, with distributors and retailers dealing in 27 high-quality, affordable solar products (previously unknown in these last-mile markets).

Tanzania

“The RBF project of SNV allowed Global Cycle Solution (GCS) to set up operations in the Lake Zone of Tanzania. Previously the company was only selling pico-solar products from Arusha and Morogoro and would not have had the means to move to new regions anytime soon.”

Jodie Wu, CEO GCS, a solar company participating in the Tanzania solar RBF.
One of the challenges of RBF is to determine the level of incentive to be paid against each ‘unit’ of result or product. If the incentive is too high, the RBF scheme could distort the market. If it is too low, it might not persuade service providers to enter new markets. Markets change constantly, and often require dynamic incentive setting mechanisms. In the Tanzania solar RBF facility incentives were reduced by 25% each year due to the maturing market. The Mekong cookstoves project in Cambodia, Laos, and Vietnam applies an innovative reverse auctioning scheme for RBF incentives. The firm that bids the lowest incentive for each cookstove sold, wins the auction and eventually gets paid for each cookstove, once sales are verified.

Our experience shows that RBF can be a powerful instrument to accelerate market development for basic services. It can be an efficient use of scarce public resources, however RBF works best in relatively stable environments where the technical solutions being employed are well developed and tested. It is not suitable in instances where solutions or unit costs are unknown, or where there are too many factors affecting delivery beyond the control of the service provider. In addition, those participating in RBF programming need to have working capital to pre-finance certain investments.

Especially in less mature markets, RBF needs to be part of comprehensive market-stimulation packages. This can either include additional technical assistance, or the broadening of incentives for improved capacity or institutional support.

To be successful, incentives (in terms of time, place and value) have to be defined and agreed upon up-front. Effective design eases verification processes, and minimises room for disagreement on results to be achieved, and the level of incentives to be paid. Often, verification is done at various levels. For instance, the sales of off-grid electric products can be verified at the importer level (have products been imported and distributed), the retailer level (looking at sales records), and a sample test at consumer level to cross-check.

Over the past years, SNV gained insights in the design of RBF incentive schemes, including verification modalities. Our track record on RBF also builds on our deep knowhow of the country context and delivery realities, our extensive experience in market-based approaches, as well as our sectoral expertise.

Processes for defining incentives and verification protocols, and carrying out verifications require considerable resources. However we often get good value for money by using these protocols, especially in additional phases that scale up projects in new geographies. Firms participating in incentive schemes also need a certain capacity to administer their sales. If verification is overdesigned, there is a risk of creating an oligopoly (or worse a monopoly), as new entrants are scared off by the requirements to join a scheme. Many of our schemes include a maximum amount of incentives that one participating firm can receive.

Going forward, SNV plans to extend its use of RBF to other sub-sectors (e.g. last mile connections in urban areas, agricultural service delivery), and to new countries and markets. In doing so, we could continue to play various roles, including programme management, service provider, and verification agent.
Spotlight on Youth Employment

Over the past four years, SNV has developed a track record on youth employment programmes across agriculture, energy, and WASH. In 2017, SNV implemented six dedicated youth employment projects in seven countries for a total value of € 55 million.

Some of these projects started fairly recently. However, we are on track to meet our aggregate target of contributing to the employment of 80,000 disadvantaged youths. This in turn will create an indirect spin-off benefitting 400,000 members of their households. In addition, many of our other projects increasingly mainstream youth employment as an important development impact. Our target group consists of underprivileged youth in rural and urban settings, who normally do not have access to vocational skills, finance, or opportunities to integrate into the labour market.

Push-match-pull
SNV’s Opportunity for Youth Employment (OYE) approach is guided by concrete employment opportunities (pull), skills training (push), plus market matching, access to finance, and mentoring of youth in self-employment and enterprise development (match). Our OYE approach builds upon our strong network of local firms working in the agriculture, energy, and WASH sectors.

Our most advanced multi-country programme thus far is implemented in partnership with Mastercard Foundation (MCF) and targets 27,000 rural out of school youth in Tanzania (with co-funding from the SDC), Rwanda and Mozambique. In 2017, the programme reached over 29,000 youth, of whom 19,000 have already entered self-employment, putting it on track to reach its end target by its mid-2018 closing date. In Tanzania and Rwanda, we have connected hundreds of rural out of school youth with solar companies, providing them with self-employment in retail and installation of household systems. In Mozambique, large scale agribusiness companies observed the improved skills among OYE youth and engaged an increasing number of them as contract farmers and out-growers.

In Rwanda, the promotion of biogas and other renewable energy products such as briquettes by national and local government is a key driver of rural youth enterprise and cooperative development.

In Mali, a new OYE project was launched in 2017 to support 10,000 youth in areas affected by conflict and instability. This OYE project complements our ongoing local governance youth leadership initiative Accountable Local Governance Programme (PGLR) which encourages youth to take up leadership roles in conflict resilience and in promoting social services. The OYE project is financed by the European Union Trust Fund and EKN. The project is offering economic opportunities to youth in the agriculture, energy, and WASH sectors.

In Tanzania, Francisca Cypria, a youth entrepreneur, said: “I have plans to invest in growing my business and accessing higher level markets.”

Over the past four years, SNV has developed a track record on youth employment programmes across agriculture, energy, and WASH. In 2017, SNV implemented six dedicated youth employment projects in seven countries for a total value of € 55 million.
opportunities in agriculture and waste management. The project encourages selected youth to develop self-confidence and entrepreneurship towards improving their livelihoods. This helps young people to build a positive future against a backdrop of increased insecurity, and influence of radicalised armed groups.

Applying lessons as we expand our programme
The OYE approach has been recognised internationally for using a market systems approach. Integrating youth employment in the development of sustainable agriculture, energy and WASH markets creates a market "pull" which triggers youth entrepreneurship and economic empowerment. This distinguishes our OYE approach from many other youth employment programmes that focus mostly on "push" approaches such as training.

One of the inspiring results of the OYE approach is that disadvantaged youths become motivated, entrepreneurial and resilient. We observe that many OYE participants engage in multiple economic initiatives that go well beyond the opportunities offered through SNV projects. Take Francisca Cyprian who joined OYE Tanzania in 2014. She is now operating a spices and food processing enterprise. In 2017, Francisca won a national youth business competition TV show, Ruka Juu. Francisca has also started as a part-time youth trainer engaged in the local branch of the Small Industry Development Organisation, a governmental institute for enterprise development.

In 2017, we shared the results of our OYE approach in a number of high level knowledge events, including the MCF Young Africa Works Summit, DGIS Youth Employment Conference, MCF Cross Learning to Advance Youth Employment, and the European Union Vocational Skills Seminar. The OYE approach has caught the attention of various donor agencies, and we are expanding the programme with additional support of SDC, SIDA, and Irish Aid.
Organisational Developments

A focus on implementation
Our financial turnover was €108 million, including project and non-project revenue. This is a slight decrease from our 2016 turnover (€111 million) and below our target of €120 million. Our portfolio of signed contracts continues to grow because of a growing order intake. However, we need to intensify our efforts to bridge the divergence between secured revenues and implementation, if we want to reach the target we set in our 2016-2018 strategic plan to reach a financial turnover of €150 million.

We continued to build the capacity to deliver results at scale in a quality manner and to increase our turnover. SNV staff increased by ten percent in 2017. We recruited a new crop of country directors with strong project management credentials. Country teams used a new process to set-up project in SNV systems to speed up project inception.

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.

In April 2017, we established a new Project Support Office (PSO) to strengthen the quality of project management. In its first nine months, the PSO focused on standardising SNV’s project performance oversight and reporting, providing quality assurance for project administration, and providing support to the set-up of new projects. It also provided support and advice to country teams on monitoring and evaluation during project design and implementation.

Growing our business
Country teams, with the support of our Business Development team in the Global Support Unit (GSU) submitted proposals to donors worth €300 million in 2017. This resulted in a record order intake of €194 million. This was well above our target of €170 million. The agriculture sector accounted for 57% of the total 2017 order intake, WASH for 28%, and energy for 15%. The order intake for WASH and agriculture exceeded expectations. It has been challenging to grow our energy portfolio, and new orders in this sector were slightly below the target we set for ourselves.

We continued to steer towards scaling by increasing the size of our individual SNV projects. Increasing project size means
more efficiency, and will result in bigger impacts, both in terms of direct beneficiaries and indirect results. In the period 2014-2015 average contract size amounted to € 0.9 million. The average contract size of our new order intake in 2017 was € 2.2 million.

**Our global footprint**
At the end of 2017, SNV had active programmes in 26 countries in Asia, Africa and Latin America. Our order intake is increasingly concentrated. Five countries represent two thirds of our new contracts by value while a growing number of countries have an order intake below € 1 million. The share of our programme in Sub-Saharan Africa is growing. Indeed, 85% of our order intake was in Sub-Saharan Africa compared to 72% of our expenditure. We noted a decrease in international development assistance in middle-income countries and in Zimbabwe.

The closure of SNV’s operations in South Sudan was completed in 2017. SNV restructured its operations in the Democratic Republic of Congo (DRC) to adapt to its limited country programme, combining the management of DRC and Ghana. SNV has also combined management in eight other countries: Mali/Niger, Rwanda/Cameroon, Benin/Burkina Faso and Nepal/Bhutan. We began transforming the current country offices in Latin America into two regional hubs: SNV South America (combining SNV Peru and Bolivia) and SNV Central America (further aligning the operations of SNV Nicaragua and SNV Honduras).

**Supporting our country programmes**
A Global Support Unit in The Hague (The Netherlands) supports the implementation of SNV’s programmes. In 2017, its focus was on increasing future business opportunities, strengthening SNV’s implementation capacity, and safeguarding the (financial) integrity of the organisation. A new agreement with DGIS on budgeting guidelines for new projects represented a step forward in the utilisation of resources and the efficiency of preparing proposals.

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 interna-
tional development. SNV is appreciated for its field perspective and its hands-on experience on implementing innovative solutions at scale. Our knowledge agenda is a two way street, where we also invite other prime development and research agencies to contribute to our programmes and knowledge products. We invested in strengthening our own knowhow in food and nutrition security, energy services, urban sanitation, and innovative finance solutions for local firms. We continued to communicate the results of our programmes, including through our website (www.snv.org) which saw more and longer visits. Our reach on social media increased by 35%.

SNV USA is a separate United States-based non-profit organisation with its own governing structure which facilitates strategic partnerships with bilateral and multilateral foundations, corporations and other entities, to expand the scale and impact of SNV’s work through additional resource mobilisation.

Our people – the core of our success
The number of staff increased to 1220, and 87% of our staff consists of national staff members. In total, 33% of all SNV staff are female, and women also fill one third of senior leadership positions. The MB manages SNV under the supervision of an independent Supervisory Board (SB). In 2017, the SB met four times in plenary sessions, whereas sub-committees such as the Audit and Risk Committee (ARC), and the Selection & Remuneration Committee (SRC) met more frequently.

The MB consists of five statutory managing directors, and is chaired by the CEO. Managing directors have specific responsibilities for sectors, countries, and functional areas. Allert van den Ham stepped down as CEO on December 31, 2017 to become SNV Country Director in Laos. Meike van Ginneken was appointed as CEO in 2017, and started on January 1, 2018. Tom Derksen became managing director of energy in April 2017 after Andy Wehkamp left SNV. Andre de Jager was appointed as the new managing director of agriculture.

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 human resources or operations manager. Seven country directors completed their first full year in service at SNV. Through new managerial appointments, SNV increased its business development and project management capacity. In April 2017, a country director conference was organised where the full senior leadership team of SNV participated, and shared practises.

Code of conduct
SNV has a zero tolerance policy with regard to 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 commits upon contract signature. We realise that in spite of this, the risk persists that something may go wrong in practice. SNV regularly carries out internal and external audits. We also find it important to discuss these types of risks within our organisation.

In 2017, 15 fraud and corruption allegations were reported (2016: 17). Of these 15 cases, ten cases were closed during the year, and the remaining five were thereafter closed in the first months of 2018. Alleged improprieties include breach of procurement procedures, fraud, conflict of interest and complaints on preferential treatment of staff. In all confirmed cases, disciplinary measurements (including dismissals) have been taken against involved staff. In 2017, SNV did not receive any reports regarding alleged sexual misconduct.