



SNV



# SNV 2023 Annual Report and Audited Accounts

Uganda

# Acronyms

<b>ABC</b>	Africa Biodigester Component
<b>AICCRA</b>	Accelerating Impacts of CGIAR Climate Research for Africa
<b>CSA</b>	Climate Smart Agriculture
<b>CRAFT</b>	Climate Resilient Agribusiness for Tomorrow
<b>DDA</b>	Dairy Development Authority
<b>DPOs</b>	Disabled People's Organisations
<b>DWSCC</b>	District Water and Sanitation Coordination Committee
<b>GDP</b>	Gross Domestic Product
<b>GESI</b>	Gender Equality and Social Inclusion
<b>HPMs</b>	Hand Pump Mechanics
<b>IAP</b>	Innovations Against Poverty
<b>IMEU</b>	Inclusive Markets for Energy Efficiency in Uganda
<b>ISDAP</b>	Integrated Smallholder Dairy Programme
<b>MAAIF</b>	Ministry of Agriculture, Animal Industry and Fisheries
<b>MCCs</b>	Milk Collection Centres
<b>NAP</b>	National Adaptation Plan
<b>PDM</b>	Parish Development Model
<b>PUE</b>	Productive Use of Energy
<b>QBMPS</b>	Quality-Based Milk Payment System
<b>SACCOs</b>	Savings and Credit Cooperatives
<b>SDGs</b>	Sustainable Development Goals
<b>SEFFA</b>	Sustainable Energy for Smallholder Farmers
<b>SHFs</b>	Smallholder Farmers
<b>SMEs</b>	Small and Medium-sized Enterprises
<b>SMP</b>	School Milk Programme
<b>SUPREME</b>	The Security, Protection, and Economic Empowerment programme
<b>SWaSSH4A</b>	Sustainable Water Supply, Sanitation, and Hygiene for All
<b>TIDE</b>	The Inclusive Dairy Enterprise project
<b>VLG</b>	Village Learning Group







# Contents

## Acronyms

Message from the Country Director	2
-----------------------------------	---

Our Impact in 2023	4
--------------------	---

Our Reach	7
-----------	---

Financial Overview	8
--------------------	---

Our Commitment to Systems Transformation	8
--	---

Our Products	9
--------------	---

Our Country Management Team	10
-----------------------------	----

AGRI-FOOD	12
-----------	----

Inclusive Markets and Impact Investments	14
--	----

Resilient and Productive Landscapes	24
-------------------------------------	----

Youth Employment and Entrepreneurship	29
---------------------------------------	----

ENERGY	32
--------	----

Sustainable Energy Markets	34
----------------------------	----

WATER	42
-------	----

Sustainable Solutions: Advancing Climate-Resilient Rural WASH Initiatives	44
---	----

Our Priorities for 2024	48
-------------------------	----

Annual Accounts 2023	50
----------------------	----

# Message from the Country Director



Our interventions  
reached over  
**353,000**  
**people,**  
contributing to improved  
livelihoods, food security,  
and environmental  
sustainability.

In 2023, Uganda experienced a pivotal year marked by sustainable development and economic growth. Uganda's commitment to progress was evident in its ambitious initiatives across various sectors, including agri-food, energy, water, and youth empowerment. SNV played a crucial role in this journey, partnering with the government, private sector, and local communities to drive impactful change. Our interventions reached over 353,000 people, contributing to improved livelihoods, food security, and environmental sustainability.

Recognising Uganda's agricultural sector's vulnerability to climate change, SNV promoted climate-smart agricultural practices and technologies, empowering farmers to adapt to changing conditions and enhance their productivity. Our interventions also focused on strengthening market linkages and facilitating access to essential agricultural inputs, leading to increased incomes for example, over **7,800 smallholder farmers (SHFs)** registered increased incomes out of **15,450 SHFs** reached under our Integrated Smallholder Dairy Project (ISDAP). Our agri-food sector initiatives reached 248,751 people, with 234,983 gaining increased access to nutritious food and 13,768 benefiting from increased farm income.

SNV's work in the dairy sector contributed to a remarkable increase in milk production and an expansion of the domestic milk market. Notably, working with the Ministry of Education and Sports, our support for



the school milk programme (SMP) helped develop a milk-drinking culture among school children, benefiting **nearly one million students** across **2,482 schools** to date with essential nutrients while generating **UGX33.6 billion in annual revenue** for dairy farmers. This exemplifies our approach to creating win-win solutions that simultaneously address nutritional needs and economic development.

SNV played a pivotal role in addressing Uganda's pressing energy challenges, focusing on productive use of energy. Our comprehensive approach targeted key sectors like agriculture and the built environment, where we promoted the adoption of innovative technologies and sustainable practices. Beyond energy efficiency, we also worked to broaden access to off-grid energy solutions, enabling thousands of Ugandans to power their homes and businesses, and use clean energy. These efforts resulted in **32,640 people gaining access to improved energy services**, including **23,929 who adopted cleaner cooking technologies** and 5,793 who benefitted from off-grid energy solutions.

During the year, SNV supported innovative businesses that integrate low-income individuals into their value chains. These businesses generated **€4.8 million in sales revenue**, mobilised **€5.1 million in private sector investment** cumulatively, and created 462 new jobs, demonstrating the viability of inclusive business models in driving economic growth while addressing social and environmental challenges.

SNV applied a comprehensive market systems development approach to address youth unemployment, going beyond skills training to create an enabling ecosystem for youth entrepreneurship. Through our SUPREME project, we facilitated access to finance, promoted market linkages, and improved productive and financial resilience among young people, resulting in over **65% of 1,940 trained youths securing jobs**.

Our water and sanitation initiatives were critical to advancing public health and development. SNV's SWaSSH4A program implemented a multi-faceted approach to improve access to safe water and sanitation services in the Lango sub-region.

We partnered with local government to mobilise community water management committees, engaged hand pump mechanic associations to build water point maintenance capacity, supported the development of sanitation business models, and promoted hygiene practices. Our initiatives ultimately **reached 71,538 people, with 69,787 gaining access to and using clean water** and 1,751 adopting improved hygiene practices.

These achievements are a testament to our commitment to driving systems transformation. In 2024, SNV will remain focused on sustainable development by integrating the cross-cutting themes of governance, climate mitigation and adaptation, and Gender Equality and Social Inclusion (GESI) into all our work. Building local government institutions' and partners' capacity to effectively lead and manage integrated development programmes will be a priority and is central to our development initiatives.

Delivering programmes that achieve sustainable impact across the agri-food, water, and energy nexus is how we define the impact that truly matters. This vision is only possible through the critical partnerships we have forged. I am deeply grateful to our local governments, donors, development partners, and the communities we serve for their collaboration and support, and to the SNV staff that are central to implementation. Together, we are driving systems transformation to contribute to lasting, positive change in Uganda.

We are confident that our continued efforts will bring us closer to a future where everyone enjoys a more sustainable and equitable life.



Phomolo Maphosa  
Country Director, SNV Uganda

# Our Impact in 2023

We directly contributed to improving the lives of over

**353,000 people and  
922,000 children.**

## AGRI-FOOD

**248,751**  
people



**234,983**  
people with  
increased access  
to nutritious food.



**13,768**  
people who  
benefitted from  
increased farm  
income.



**61**  
Micro-, Small and  
Medium-sized Enterprises  
(MSMEs) supported.

## ENERGY

**32,640**  
people



**23,929**  
people with access  
to improved  
cooking products.



**5,793**  
People with  
access to off-grid  
electrification  
products.



**2,918**  
people with access  
to biodigesters.

## WATER

**71,538**  
people



**69,787**  
people with  
access to and use  
of water.



**1,751**  
people with  
improved hygiene  
practices.

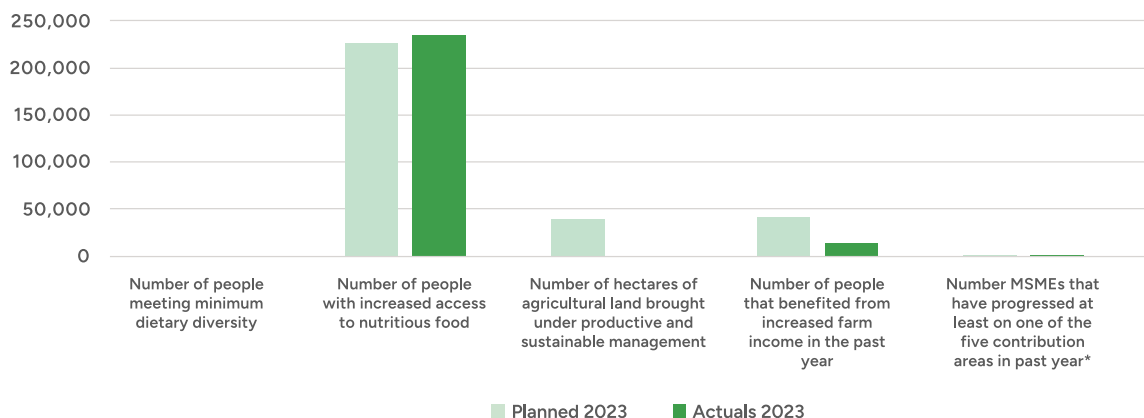


**1,751**  
People with basic  
or safely managed  
waste.



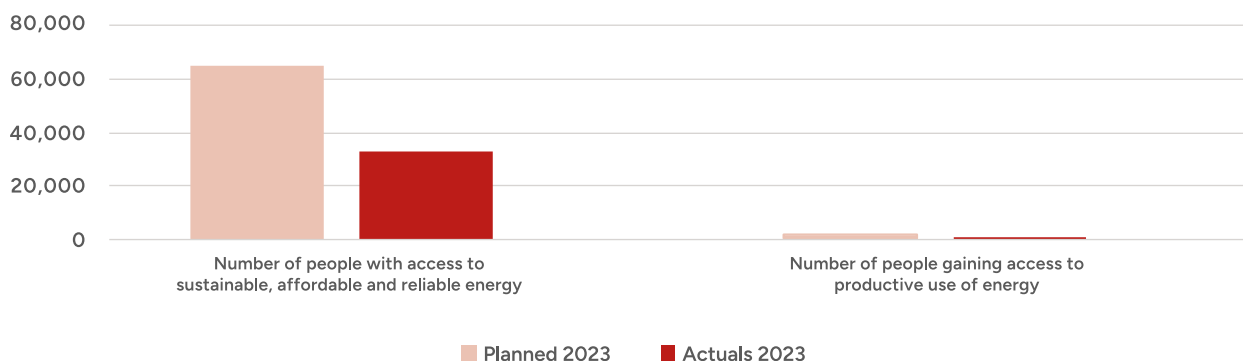
## Agri-Food (Planned Vs. Actual)

### Impacted in Agri-Food Planned vs. Actuals in 2023



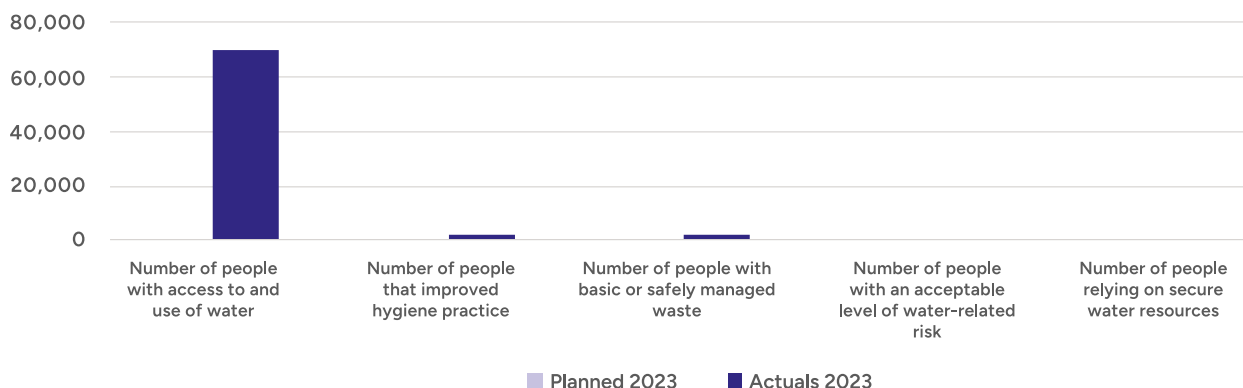
## Energy (Planned Vs. Actual)

### Number of People Impacted in Energy Planned vs. Actuals in 2023



## Water (Planned Vs. Actual)

### Number of People Impacted in Water Planned vs. Actuals in 2023





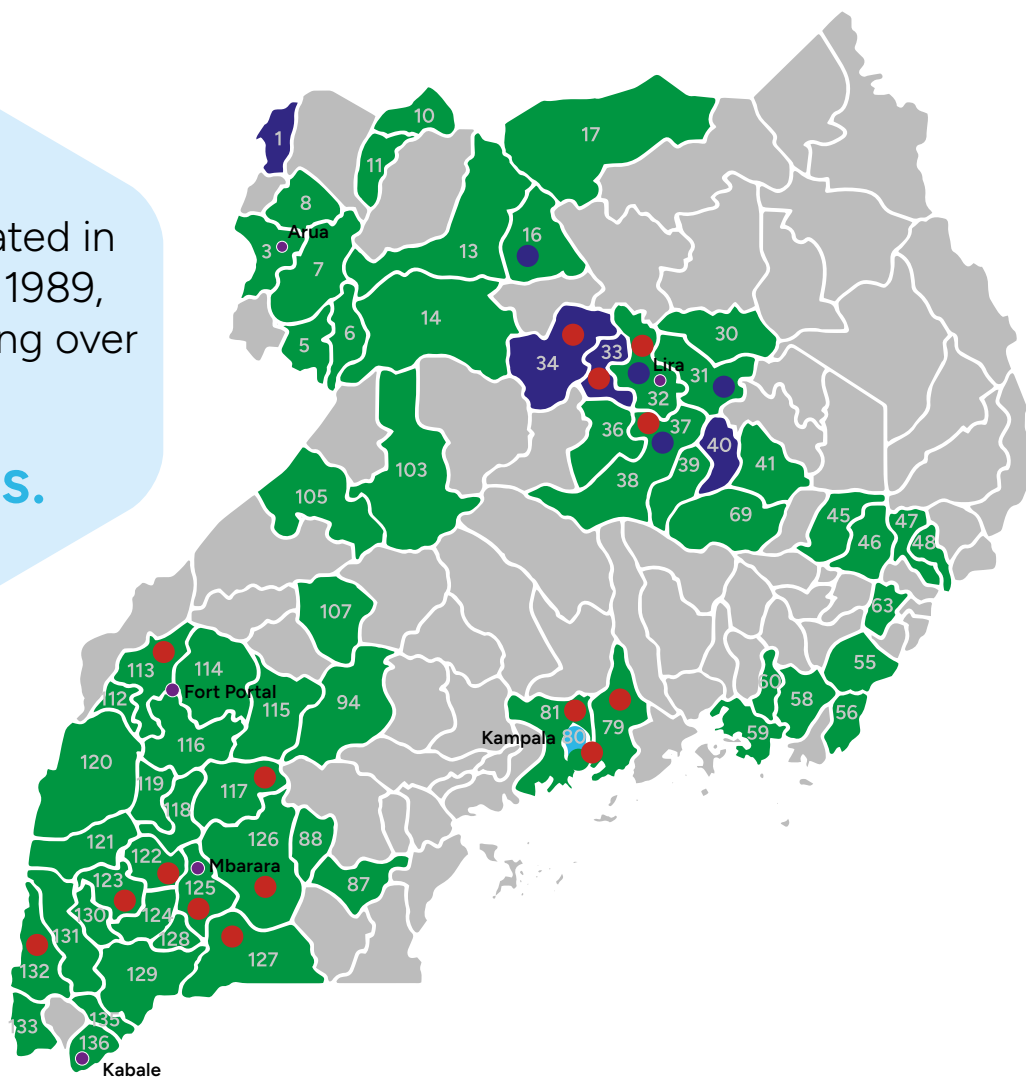


# Our Reach

SNV has operated in Uganda since 1989, currently covering over

**100**  
districts.

- SNV Country Office
- Regional Office
- AGRI-FOOD
- ENERGY
- WATER



## SWASSH4A (NORTH)

Kole 33  
Dokolo 37  
Lira 32  
Alebtong 31

## IMEU

Lira 32      Kanungu 132  
Oyam 34      Kabarole 113  
Dokolo 37      Wakiso 81  
Kole 33      Kampala 80  
Bushenyi 123      Mukono 79  
Buhweju 122

## SEFFA

Mbarara 125  
Isingiro 127  
Kiruhura 126  
Kazo 117

## ISDAP

Bunyangabu 112  
Fort Portal City  
Kabarole 113  
Kyenjojo 114  
Bushenyi 123  
Rubirizi 121  
Buhweju 122  
Kisoro 133  
Rubanda 134  
Kabale 136  
Rukiga 135  
Rukungiri 131

## ABC

Whole country

## TIDE

Bunyangabu 112  
Bushenyi 123  
Fort Portal City  
Ibanda 118  
Isingiro 127  
Kabarole 113  
Kampala City 80  
Kamwenge 116  
Kazo 117  
Kiruhura 126  
Kyenjojo 114  
Lwengo 87  
Lyantonde 88  
Mbarara 125  
Mitooma 130  
Ntungamo 129  
Rukungiri 131  
Rwampara 128  
Sheema 124  
Wakiso 81

## CRAFT

### North

Alebtong 31  
Amolatar 38  
Amuru 13  
Dokolo 37  
Gulu 16  
Lamwo 17  
Lira 32  
Nwoya 14  
Omoro 16  
Otuke 30

### West Nile

Arua 3  
Madi Okollo 7  
Pakwach 6

### Central

Mubende 94

### Eastern

Budaka 64  
Bugiri 58  
Bugweri 60  
Bukedea 46  
Bulambuli 47  
Busia 56  
Kaberamaido 39  
Kapchorwa 48  
Kumi 45  
Mayuge 59  
Mbale 63  
Namutumba 61  
Ngora 68  
Serere 69  
Tororo 55  
Soroti 41

### Western

Hoima 105  
Ibanda 118  
Kabale 136  
Kakumiro 107  
Kamwenge 116  
Kasese 120  
Kisoro 133  
Kyegegwa 115  
Kyenjojo 114  
Masindi 103  
Rubirizi 121

## IAP

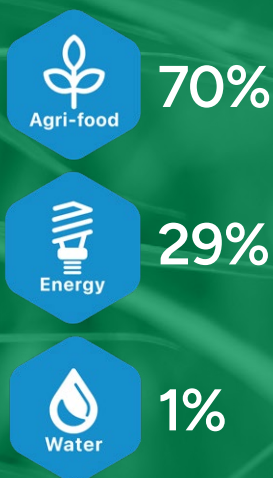
Whole country

## SUPREME

Madi Okollo 7  
Obongi 11  
Terego 8  
Moyo 10

# Financial Overview

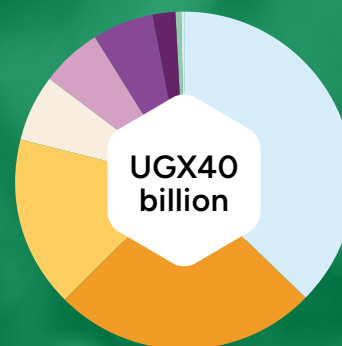
## By Sector



## By Development Partner

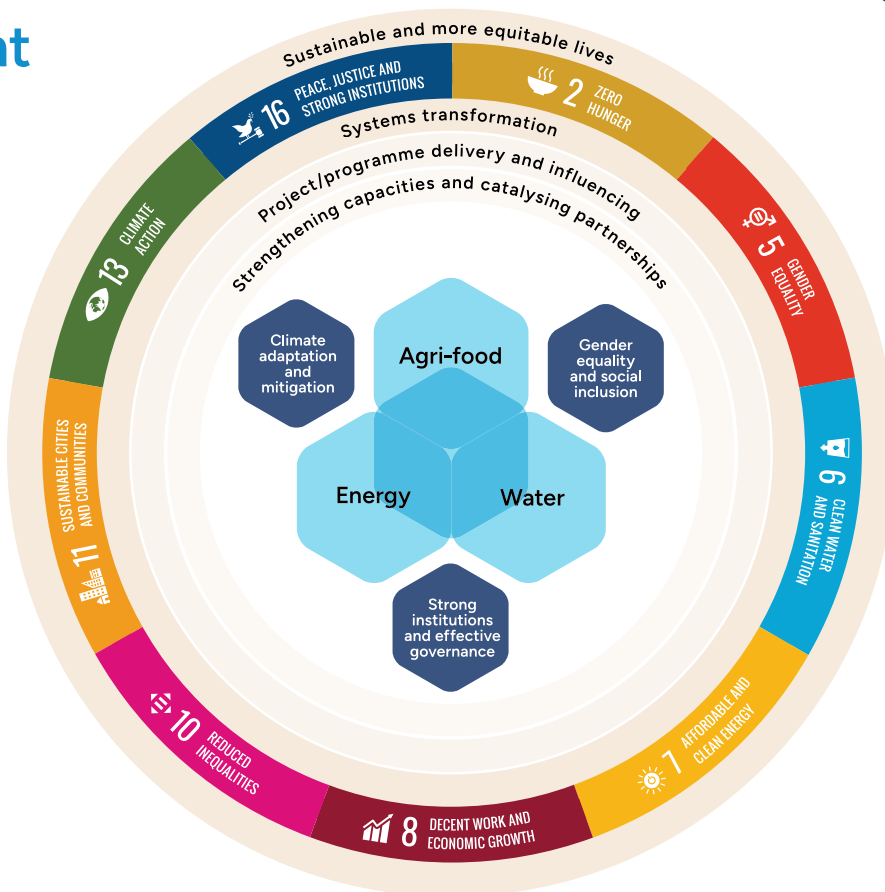
We have diversified our funding over the years to include a wide range of development partners. Our projects are mainly funded by governments and foundations.

- Embassy of the Kingdom of the Netherlands (EKN)
- Swedish International Development Cooperation Agency (SIDA)
- Netherlands Ministry of Foreign Affairs (DGIS)
- World Vision UK
- The Netherlands Enterprise Agency (RVO)
- IKEA Foundation
- Austrian Development Agency (ADA)
- Young Enterprise Program (YEP)



## Our Commitment to Systems Transformation

Driven by our mission, our work to 2030 is defined by the intersections between nine SDGs, our three sectors of focus: Agri-Food, Energy and Water. Within and across these sectors of focus are three core themes that together, are critical to enabling people to live dignified lives and thrive. These include climate adaptation and mitigation, gender equality and social inclusion and strong institutions and effective governance.





# Our Products

Our work within the agri-food, energy and water sectors includes ten defined products.



## Our Country Management Team



**Phomolo Maphosa**  
Country Director



**Deusdedit Mbuga**  
Country Finance  
Manager



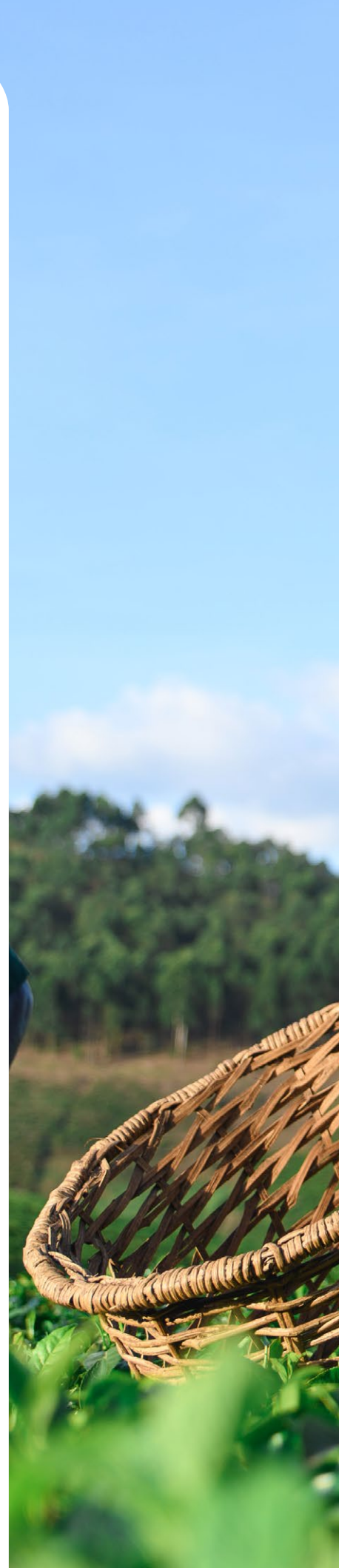
**Julius Kamulindwa**  
Country Operations  
Manager



**Elizabeth Ikoju**  
Country Human  
Resources Manager



**Bashir Kasekende**  
Agri-Food Sector Lead









# AGRI-FOOD

## SECTOR IMPACT



Overall Reach  
**248,751**  
people

Increased Access  
to Nutritious Diet:

**234,983**

Increased Farm  
Income:

**13,768**

Micro-, Small  
and Medium-  
sized Enterprises  
(MSMEs)  
supported:

**61**

# CONTEXT

Uganda's economy has experienced significant growth, with GDP increasing from UGX 64,760 billion in FY 2010/11 to UGX 184,895 billion in FY2022/23 and GDP per capita rising from USD 894 to USD 1,093 during the same period. This growth is particularly evident in the agricultural sector, which saw a notable 7.7% increase in Q3 of 2022/23, compared to 3.6% in the same quarter of the previous year. Cash crops led this rebound with a 13.8% growth rate, reversing the previous year's decline.

However, despite this positive trajectory and being largely spared from global commodity market disruptions, Uganda still faces significant development challenges. Low productivity rates and value addition persist across various sectors. The country boasts abundant arable land, but only a relatively small portion is cultivated due to complex land tenure systems, limited mechanisation, and reliance on rain-fed agriculture. This results in low agricultural yields, further exacerbated by low fertiliser use, low-quality seeds, and a lack of irrigation and modern farming knowledge.

The private sector, predominantly composed of informal, small and medium enterprises (SMEs), faces obstacles such as limited access to finance, high operating costs, and a lack of market access. High youth unemployment rates, particularly in regions like West Nile, pose a significant challenge.

SNV's interventions during the year were focused on addressing these issues and aligned with Uganda's national vision for agro-industrialisation and the broader goals of Vision 2040.

SNV is committed to fostering sustainable, resilient agri-food systems that ensure food security and nutrition for all. Aligned with SDG 2, we aim to eradicate hunger by 2030 by providing healthy and nutritious food, especially to the impoverished and vulnerable. We also prioritise gender equality (SDG 5) and climate action (SDG 13). Our approach focuses on boosting small-scale producers' productivity and income, promoting sustainable food production, and adopting resilient agricultural practices to preserve ecosystems and enhance climate change adaptation.

In Uganda, our agri-food programmes are delivered through the following products:

**Resilient and Productive Landscapes:** We prioritise landscape management to achieve food security, promote healthy diets, protect and restore the environment, and drive economic participation and social inclusion.

**Inclusive Markets and Impact Investments:** Our focus is supporting market actors by providing access to necessary products and services such as inputs, knowledge, information, finance, and opportunities to achieve socio-economic, dietary, nutritional, and environmental outcomes.

**Healthy Diets and Sustainable Consumption:** We focus on improving dietary and nutritional standards for low-income rural and urban populations.

**Youth Employment and Entrepreneurship:** We focus on the equitable entrepreneurial ecosystem (ENABLE), Market systems development (PULL), Strengthened productive and financial resilience (Match), and Individual and institutional capacity strengthening (PUSH).

Uganda's agri-food sector is growing, with job growth and productivity on an upward trend. There is also a noticeably enhanced policy environment that is supportive of this trend. In 2023, five key projects—Climate Resilient Agribusiness for Tomorrow (CRAFT), The Inclusive Dairy Enterprise (TIDE)/Integrated Smallholder Dairy Project (ISDAP), Innovations Against Poverty (IAP), and Strengthening Protection and Economic Empowerment (SUPREME)—played a crucial role in promoting sustainable sector growth.

SNV's strategic partnerships and innovative approaches boosted productivity increased community resilience to economic and environmental stresses, and **improved the lives of over 248,000 people**. This section highlights SNV's impactful efforts to transform Uganda's agri-food sector.





## Inclusive Markets and Impact Investments

**SNV supported market actors in the agri-food sector in accessing essential products and services, including agricultural inputs, knowledge and information dissemination, financial services, and market opportunities. By enhancing access to these critical resources, SNV aimed to improve socio-economic conditions, enhance dietary diversity, improve nutritional outcomes, and ensure environmental sustainability.**

Our TIDE programme in Southwest Uganda reached 21,823 farmers cumulatively, resulting in a 31% increase in farm productivity and a 29% increase in annual milk sales for 4,720 dairy farmers. Similarly, the IAP programme effectively supported innovative businesses, cumulatively generating €4.8 million in sales revenue and mobilising €5.1 million in private sector investment. The SUPREME project

empowered 1,940 skilled youths, with 65% securing jobs, exceeding the initial target of 50%. Finally, the CRAFT project advanced climate-smart agriculture through engagements with 20 MSMEs and four cooperatives in sustainable production, trade, and food consumption, benefiting 6,493 people and managing 5,821 hectares of land.

## Sustainable Transformation in the Dairy Sector

In 2023, Uganda's dairy sector, dominated mainly by rural smallholder farmers, contributed significantly to the nutrition and income of smallholder farmers.

The sector experienced a temporary trade disruption when Kenya, a primary export market for Ugandan milk, briefly banned Ugandan dairy imports. The ban was subsequently lifted, and Uganda's dairy exports to Kenya tripled compared to the previous year. Milk production increased by 37% to 3.85 billion litres, contributing 9% to the agricultural GDP. While most of the milk produced was consumed locally, the sector actively sought to expand domestic and international markets.

This resilience reflects the sector's adaptability and potential for growth.

Guided by the 2022 National Dairy Policy Action Plan, the government implemented strategic enhancements aimed at increasing domestic consumption. Notably, the School Milk Programme was instrumental in expanding the domestic market, while export diversification efforts opened new avenues for international trade.

SNV Uganda's commitment to sustainable development within the dairy sector demonstrated progress through our two key projects: The Inclusive Dairy Enterprise (TIDE) and the Integrated Smallholder Dairy Development Program (ISDAP). These initiatives, funded by the Embassy of the Kingdom of the Netherlands (EKN), fostered a holistic transformation of Uganda's dairy landscape, enhanced livelihoods, improved product quality, and stimulated market growth.

The combined impact of TIDE and ISDAP was significant. The TIDE project, which concluded in 2023, focused on medium to large-scale farmers and established a robust foundation for commercial dairy farming in Uganda. It facilitated a shift towards semi-intensive production, creating a vibrant market for dairy inputs and services. ISDAP, building on this foundation, extended support to smallholder farmers, integrating dairy into their existing farming systems and promoting sustainable practices.

Together, these projects reached over 22,529 farmers, with an additional 14,233 reached indirectly through cooperatives. The projects' combined impact is evident in the substantial increase in milk production, improved milk quality, improved value chains, and enhanced nutrition for farmers and consumers.

Together, these projects reached over **22,529 farmers**, with an additional 14,233 reached indirectly through cooperatives.



## Our Dairy Sub-Sector Impact

TIDE-II	2022 Actual	2023 Impact	Cumulative Upto (2020-2023)	Percentage Increment (%) 2022-2023
No. of farmers who have increased annual sales through specific project interventions:	3,368	1,352	4,720	40.14
No. of jobs created on-farm	1,787	16	1,803	0.90
No. of jobs created off-farm	1,509	1,692	3,201	112.13
No. of farmers with increased milk production per season	3,902	1,946	5,848	49.87
No. of farmers that have adopted targeted practices, including CSA and feeding	3,995	2,369	6,364	59.30
Total annual bonuses paid to MCC for improved quality	UGX 387million	UGX 591million	UGX 978million	152.71
No. of processors investing in QBMPS	6	5	11	83.33
Volume of milk bought by schools per day	40,000 ltrs	66,049 ltrs	106,049 ltrs	165.12
Volume of yoghurt bought by schools per day	500 ltrs	839 ltrs	1,339 ltrs	167.80
No. of additional children consuming milk and yoghurt in schools	424,657	207,608	632,265	48.89

The percentage increments show the growth achieved from 2022 to 2023 across different indicators.

## ISDAP

### 2023 Results

**7,800**

**Smallholder farmers**

who have increased their integrated farm household income.

**1,363**

**Employment opportunities**

(Jobs) created.

**UGX1.3billion**

credit provided to SACCOs for smallholder dairy farmers to access.

**35 Village milk marketing groups**

formed across 12 districts targeting smallholder dairy farmers.



## Enhancing Farm Productivity

**TIDE and ISDAP employed a multi-faceted approach to enhance farm productivity, resulting in a 31% average increase in milk production at the farm level.**

TIDE equipped farmers with the knowledge and skills needed to transition to semi-intensive production. Training programs covered modern animal husbandry techniques, feed management, and breeding practices. Access to quality inputs, such as improved fodder varieties and veterinary services, further boosted milk yields and farm resilience. The project facilitated the establishment of 37 private-sector companies that provided farmers access to essential inputs and services. By the end of the project, 6,117 farmers had adopted better farm management practices, including climate-smart agriculture (CSA) practices.

ISDAP, on the other hand, employed an integrated approach. ISDAP recognised the unique needs of

smallholder farmers, who often lack the resources for large-scale investments. By promoting integrated farming systems, where dairy is combined with other agricultural activities, ISDAP enabled these farmers to increase milk production while diversifying their income sources and improving overall farm sustainability. ISDAP established 1,109 forage demonstration plots and 10 forage nurseries, leading to 892 farmers independently establishing 44 acres of improved forages. The project facilitated the adoption of forage chopping machines and rainwater harvesting systems, resulting in a 1-2 litre increase in daily milk production per cow.

Both projects leveraged technology to empower farmers. Milk recording systems and AI-powered heat detection tools allowed for data-driven decision-making, optimising breeding and herd management practices. The introduction of forage choppers through ISDAP improved forage utilisation and further contributed to increased milk production.

## Milk Quality Enhancement

Milk quality is vital for market access and consumer confidence. TIDE focused on establishing quality-based milk payment systems (QBMPs) with 11 major processors, incentivising farmers to produce high-quality milk. The project also supported the development of milk quality control standards and protocols, ensuring that milk met local and international market requirements. By 2023, total milk rejections by cooperatives and processors were reduced to 1.84% against the industry standard of 2%.

In partnership with the Dairy Development Authority (DDA), ISDAP conducted raw milk quality surveillance in the Kigezi and Rwenzori regions. This initiative identified key factors affecting milk quality, such as water adulteration, which informed targeted interventions to resolve them. The project provided training on milking hygiene, milk handling, and storage practices to over 1,000 farmers to improve milk quality at the farm level.



## Strengthening the Dairy Value Chain

Working with the Agritertra cooperative development unit, the TIDE and ISDAP continued to impact farmer organisations. Cooperatives were supported to negotiate better prices, access market information, and provide essential services to their members. By the end of TIDE II, 123 cooperatives were delivering milk directly to processors, and farmers had accessed over UGX16 billion in loans through their cooperatives. On the other hand, ISDAP worked with cooperatives, providing governance, financial management, and record-keeping capacity building.

SNV actively facilitated market linkages between dairy farmers and processors, ensuring a consistent demand for milk and reducing post-harvest losses. This stabilised farmers' incomes and contributed to the growth of the processing sector.

On financial inclusion, SNV partnered with financial institutions. Notable during the year was the engagement with Pearl Capital Partners to launch the UGX11.95 billion (€3 million) Uganda Dairy Credit Facility (UDCF) under ISDAP on November 1, 2023, with support from The Embassy of the Kingdom of the Netherlands (EKN). The Fund will provide farmers with access to tailor-made credit and savings products. This will enable them to invest in productivity-enhancing technologies and build financial resilience. By December 31 2023, UGX1.3 billion in loans had been disbursed to approximately 282 farmers, including 74 women and 26 youths, through seven SACCOs.

## Boosting Nutrition and Market Growth

SNV Uganda's dairy projects aim to improve livelihoods and nutrition while driving market growth.

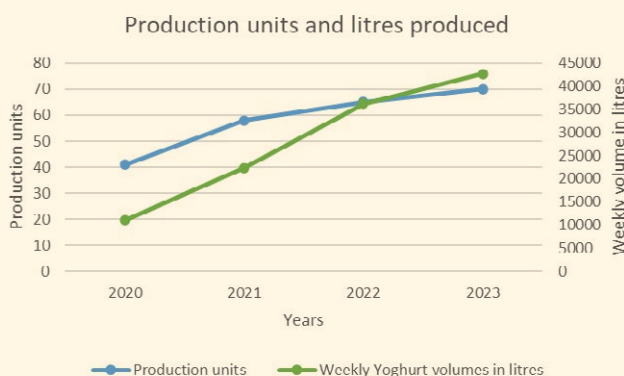
TIDE's school milk programme reached nearly one million children, providing them with essential nutrients and contributing to improved school attendance and performance. The programme also created a reliable domestic market for milk, generating UGX 33.6 billion<sup>1</sup> in annual revenue for dairy farmers.

Our dairy sub-sector-focused projects promoted value addition and market diversification, particularly by advancing probiotic yoghurt production for the school milk programme, reaching over 27,000 children in partnership with Yoba for Life, a social enterprise. By 2023 there were 70 small-scale yoghurt producers, 54% of which were owned by women. These producers processed 42,670 litres of yoghurt weekly, creating a market value of UGX40 billion per year.

<sup>1</sup> Revenue is determined by considering the number of children enrolled in the program, the extent of school participation, the volume of milk procured daily, and the total number of school days in the term.

By 2023, there were **70 small-scale yoghurt producers**, 54% of which were owned by women.

ISDAP also supported the establishment of Village Milk Marketing Groups (VMMGs) to facilitate the joint marketing of surplus milk to local outlets.



## IMPACT:

# Scaling School Milk Programmes to Transform Lives Through Improved Nutrition

For decades, Kitunga Day and Boarding Primary School in Southwestern Uganda faced several challenges of low school enrollment and the absence of regular meals undermined student health and academic performance.

In 2020, the school enrolled in the parent-led school milk programme (SMP), implemented by SNV in collaboration with the Ministry of Education and Sports and facilitated by The Inclusive Dairy Enterprise (TIDE) programme.

The initiative improved outcomes at the school. Enrollment surged from 788 to 1,484 pupils within a year, as reported by the school's Parent Teacher Association Chairman, Rukundo Martin Kariho. *"The milk-drinking programme has improved student health, reduced dropouts, and enabled consistent attendance,"* he noted.

Headteacher Musinguzi Herbert recounts the improvements in nutritional care and pupil performance. *"Now, with the help of SNV, we have procured materials such as saucepans for boiling milk and established a school kitchen. We also have milk testing equipment to ensure the quality of the milk. This has significantly improved our ability to provide nutritious meals,"* he said. *"When the programme started, we observed several benefits. Absenteeism decreased, attention span in the classroom improved, and our overall performance increased. Last year, we achieved the highest performance, with 120 students in Division 1 and 43 in Division 2. This success is attributed to the school milk programme,"* emphasised Herbert.



## GESI:

### Breaking stereotypes: how women are changing the face of the dairy farming value chains



The TIDE programme prioritised gender equality and social inclusion in its interventions. Efforts were made to ensure equal participation and benefits for men and women in the dairy value chain. Gender-responsive approaches were integrated into training programmes, cooperative governance, and access to finance. By promoting gender equality and social inclusion, the programme aimed to address existing disparities and support marginalised groups to actively participate in and benefit from the dairy sector. Learn more in the Women in Dairy Power Magazine by TIDE partner Awa Foods. Learn more in the Women in Dairy Power Magazine by TIDE partner Awa Foods: <https://bit.ly/4dPTi9t>



The TIDE Closeout Project Magazine celebrates its impact on Southwestern Uganda's dairy value chain for inclusive growth and food security. Discover inspiring stories of transformation, empowerment, sustainable practices, and the lasting impact on the dairy sector.

Learn More: <https://bit.ly/3zfDRZ5>







**IAP directly benefited  
7,741 individuals**  
living in poverty by  
providing them with  
income-generating  
opportunities as suppliers  
or distributors.

## Promoting Innovative, Inclusive Business

World Bank data from 2023 indicates stagnation in Uganda's poverty reduction efforts up to 2019/20, with a concerning deceleration noted in 2023, where 41.7% of the population remained impoverished. Uganda's Vision 2040 outlines the country's long-term development goals, aiming to transform Uganda into a modern and prosperous country by 2040. Key pillars of this vision include industrialisation, improved agricultural productivity, sustainable environmental management, and inclusive economic growth. SNV's Innovations Against Poverty (IAP) programme, funded by the Swedish International Development Cooperation Agency (Sida), directly supported these national objectives by fostering innovative business models that drove economic development and environmental sustainability while ensuring the benefits reached the most vulnerable populations.

IAP identified and supported innovative products, services, and inclusive business models that delivered both commercial benefits for the private sector and developmental benefits for people living in poverty. This programme focused on gender equality and climate protection, aiming to create jobs, increase incomes, improve access to basic goods and services, and protect the environment. Operating in Uganda,

Cambodia, Ethiopia, and Zambia, IAP targeted the Agri-Food, Water, and Energy sectors.

The IAP programme used a challenge fund mechanism as a key tool for market system development. Private companies with innovative, inclusive business ideas and a mission to include low-income people in their value chain—as customers, suppliers, distributors, or employees—applied for IAP support through open competitive calls. These businesses often faced commercial, technical, and financial risks. They had limited access to finance, being too large for micro-financing but too small and risky for mainstream commercial debt and venture capital. The IAP Fund served as a risk-sharing mechanism to stimulate private sector development initiatives that would not have occurred otherwise.

IAP funding ranged from €50,000 to €200,000 per company, covering up to 49% of the required investment to implement innovative, inclusive business ideas, targeting the base of the pyramid. Over two years, companies received tailor-made non-financial support, leveraging expertise within the IAP consortium (IB Sweden, BoP Inc, and SNV) or from external third parties. This support aimed to increase companies' investment readiness and facilitate introductions to investors through the Strategic Investment Partners (SIP) network, a partnership network of 11 leading

impact investor representatives. Collaboration among IAP-supported investees and other development projects was encouraged.

Overall, the impact of IAP in Uganda by 2023 is noteworthy. The project supported diverse innovative businesses, from those processing clean biodiesel from candle nut seeds to those producing biodegradable sanitary pads from papyrus and wastepaper. These businesses collectively created 462 new jobs, with 42% of these positions filled by women.

IAP directly benefited 7,741 individuals living in poverty by providing them with income-generating opportunities as suppliers or distributors. Over 1,035,000 people gained increased access to essential goods and services, including improved agricultural inputs, nutritious food products, clean energy services, and improved water, sanitation, and hygiene (WASH) products. The cumulative social, environmental, and commercial impacts achieved by Round 1 and Round 2 investees are significant. Key results include:

## IAP Programme Highlights

### Key Partners

#### Round 1 (2018 – 2021)

1. **EcoGroup Limited:** Improved cookstoves with volcanic rock.
2. **Sanitation Africa:** Improved latrine construction and emptying services.
3. **ChapChap Africa:** Inclusive socio-economic empowerment through digital payments.
4. **WANA Energy:** PAYGO gas for domestic use.
5. **Yellow Star Food Processors:** Processing and packaging of nutritious foods.

#### Round 2 (2021 – 2023)

1. **African Power Initiative (API):** Processing of clean biodiesel from candlenut seeds.
2. **Eastern Agricultural Development Company (EADC):** Pre-cooked beans.
3. **Mukusu Motors and Properties:** Digital inclusion for farm mechanisation.
4. **Raising Gabdho Foundation (RGF):** Biomass briquettes from food waste.
5. **Technology for Tomorrow (T4T):** Biodegradable sanitary pads made from papyrus and waste paper.
6. **UZIMA Chicken Uganda:** Improved poultry breeds for improved smallholder incomes.

## Key Results

The cumulative social, environmental, and commercial impacts achieved by Round 1 and Round 2 investees are noteworthy. Key results include:

Creation of approximately

**462** new jobs,  
with 42% occupied by women.

**13,000** tonnes  
of CO<sub>2</sub>-equivalent emissions  
were avoided or reduced.

**7,741** individuals  
living in poverty (54% female) gained  
income-generating opportunities as  
suppliers or distributors.

Businesses generated  
**EUR4.8million**  
in sales revenue, indicating  
substantial commercial growth.

Over

**1,035,000** people  
living in poverty (53% female)  
gained increased access to  
essential goods and services,  
such as improved agri-inputs and  
nutritious food products.

The IAP project cumulatively leveraged private sector investment of EUR5,121,132 using a co-investment of EUR1,389,655 from the IAP grant to create this impact. The difference between the impact achieved for Round 1 and Round 2 is mainly due to the shorter project period for Round 2 investees, where Round 1 investees had the opportunity to extend their contracts to three years compared to Round 2's two-year periods.



IAP-supported  
businesses generated

**€4.8million**

in sales revenue in a €1:5  
leverage/co-investment  
ratio with IAP (for every  
EURO invested by IAP,  
the partner added five  
EUROS).

## Environmental Sustainability and Commercial Success

IAP's commitment to environmental sustainability was also evident. The programme supported businesses that collectively avoided or reduced 13,000 tons of CO<sub>2</sub>-equivalent emissions, reinforcing the project's focus on environmental protection. It is a significant environmental achievement, contributing to climate change mitigation and sustainable development goals. This reduction is comparable to taking thousands of cars off the road and has potential co-benefits like improved air quality and forest protection. It aligns with Uganda's efforts to combat climate change vulnerability and promote sustainable practices in renewable energy, energy efficiency, forest conservation, and agriculture.

In June 2023, IAP partner Raising Gabdho Foundation launched its factory at Kapeeka Industrial Park, Nakaseke district. This social enterprise, supported by SNV, focuses on clean cooking solutions and energy-efficient products, producing bio-briquettes and improved cookstoves.

From a commercial standpoint, the IAP-supported businesses generated €4.8 million in sales revenue in a €1:5 leverage/co-investment ratio with IAP (for every EURO invested by IAP, the partner added five EUROS). This financial success demonstrates the viability of inclusive business models and their potential to drive economic growth while addressing social and environmental challenges.

## Looking Forward: Sustainability

The impact of the IAP project can be attributed to several factors. One is its adaptive management approach, which recognised the dynamic nature of the business environment in developing markets. IAP provided flexibility to businesses, allowing them to revise their strategies as needed to achieve their goals. SNV fostered open communication and co-creation sessions to address bottlenecks and find workable solutions.

**Localising investment matchmaking** - The project team supported businesses to understand the investment process, mapped and profiled local and regional investors and facilitated participation in investor events like the Uganda Investment Week fair. These efforts aimed to connect businesses with potential investors and secure follow-on financing beyond the IAP grant period.

**Digitalisation** - IAP supported businesses in adopting accounting software and other digital tools to enhance their operations and financial management. Businesses that invested in digital technologies demonstrated increased efficiency, better internal procedures, and improved transparency.

However, challenges remain and a few are highlighted.

**Inclusiveness** - One challenge is ensuring that businesses remain inclusive as they grow. As businesses expand and generate more revenue, their direct engagement with suppliers and end-users may decrease. IAP worked to address this by encouraging businesses to invest in feedback mechanisms to understand the needs and satisfaction levels of low-income markets.



**Access to Finance** - Another challenge was the lengthy process of securing investments from impact investors. IAP explored ways to support businesses throughout the entire investment process, from initial discussions to deal signing.

Despite these challenges, the IAP project in Uganda demonstrated its effectiveness in fostering inclusive business models that create jobs, increase incomes, improve access to essential goods and services, and protect the environment. The project's adaptive management approach, focus on localisation, and emphasis on digitalisation have been key to its success.

Looking ahead, SNV aims to continue supporting innovative businesses in Uganda through its programmes. Taking lessons from IAP, SNV will refine its approach to addressing challenges and scaling initiatives that foster inclusive business models and contribute to a more equitable and sustainable future for all.

#### IMPACT:

### Waste powering Uganda's markets

With IAP support, Sarah Basemera and the Raising Gabdho Foundation are transforming the energy dynamics in Uganda, igniting hope amidst challenges to usher in a renewable future. Read about Sarah's journey towards a more sustainable Uganda through her project: <https://bit.ly/3zakZuH>

Scan QR code for full article



#### GESI:

### The Business Case for Gender Integration: Insights from the IAP Challenge Fund - Case Study

This case study explores the importance of integrating gender equality and social inclusion (GESI) in business models as key contributors to value chain sustainability and economic empowerment of women and marginalised people.

Read More: <https://bit.ly/4dQeyMu>



Scan QR code for full article



#### LESSONS LEARNT:

**Adaptive Management:** The project highlighted the necessity of an adaptive approach in a fluctuating business environment. Companies must be agile, learning from trials and adjusting strategies to scale effectively. IAP emphasised the importance of open communication and collaborative problem-solving to navigate challenges and ensure timely impact optimisation.

**Follow-on Financing:** IAP investees often fell below the radar of traditional investors due to their early-stage nature or modest investment needs. Securing funding is a protracted process; thus, IAP facilitated local investor connections and provided investment process training to bridge this gap. Post-contract support included dealbook updates and network introductions to maintain momentum for additional financing.

**Digitalisation:** Digital adoption streamlined operations and enhanced transparency for investees. The shift from paper to digital was crucial, with the subsequent integration of accounting software reducing fraud and ensuring compliance, thereby expediting fund disbursements.

**Inclusivity in Growth:** As businesses grew, direct engagement with impoverished end-users tended to wane, with reliance on intermediaries increasing. IAP recognised the risk of losing touch with these markets and focused on innovative solutions to maintain feedback loops and understand the impact on this demographic as businesses scaled.



## Resilient and Productive Landscapes

### CRAFT at a Glance

Indicator	2023 Results	Cumulative Results	Overall Targets
Number of SHFs with Increased Income	6,493	75,183	100,000
Number of SHFs with Access to Index-Based Insurance Products	217	12,060	333
Number of SHFs Receiving Extension Support on CSA Practices and Technologies	7,339	100,899	117,000
Hectares of Farmland Made Resilient to Climate Stresses and Shocks	5,439	74,011	200,000
Number of SHFs Using CSA Inputs and Services	9,408	120,733	100,000
Number of farmers with access to climate/weather information services	6,896	68,480	100,000



In 2023, Uganda faced several significant climate challenges. The country experienced increasing temperatures and erratic rainfall patterns, leading to longer dry seasons and shorter wet seasons. This variability negatively impacted agriculture, causing crop failures and a rise in pests and diseases, which threatened food security. Additionally, Uganda saw an increased frequency of extreme weather events, such as floods and droughts, which caused infrastructure damage and displaced communities.

The health impacts of climate change were also notable, with more heatwaves contributing to heat-related illnesses and an uptick in vector-borne diseases like malaria. According to UNDP and UNEP reports, these challenges were compounded by the country's limited financial resources to address the climate crisis effectively.

In response, Uganda implemented several initiatives, including the development of a National Adaptation Plan (NAP) supported by the Green Climate Fund and the UN Environment Programme. This plan aimed to enhance climate risk assessments, develop district-level adaptation strategies, and integrate these insights into national policies. Uganda also updated its Nationally Determined Contributions (NDCs) to increase its

greenhouse gas emission reduction target to 24.7% by 2030, alongside other goals such as expanding irrigation and improving access to electricity.

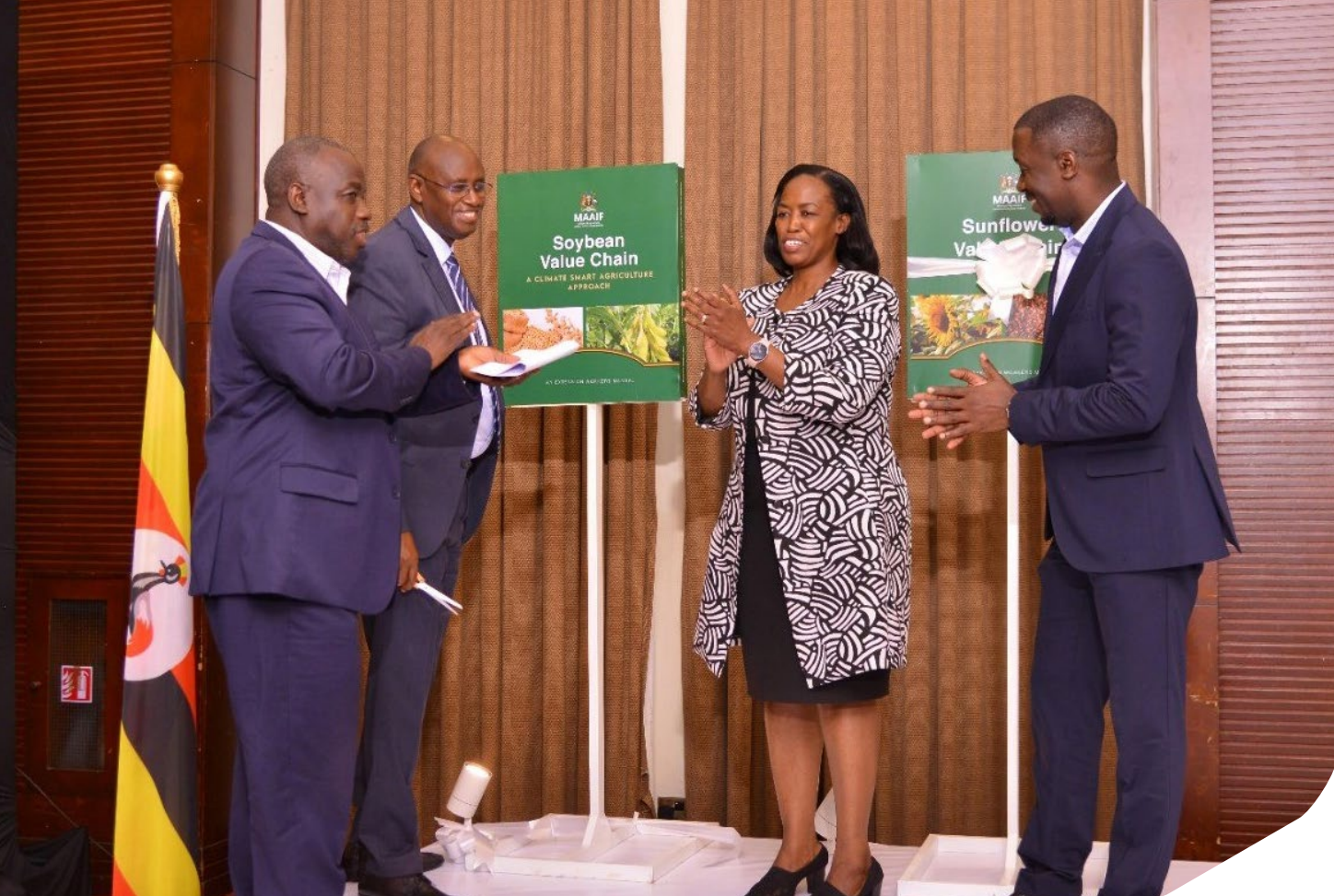
In support of this agenda, the Climate Resilient Agribusiness for Tomorrow (CRAFT) project, led by SNV, was vital in promoting resilient and productive landscapes within Uganda's agri-food sector. CRAFT aims to enhance smallholders' and agribusinesses' absorptive, adaptive, and transformative capacities to cope with climate-related shocks and stresses. The project's overall goal is to increase the availability of accessible and climate-resilient food, ultimately benefiting 300,000 smallholder farmers and 80 agribusinesses in Uganda, Kenya and Tanzania.

The CRAFT project significantly impacted the agricultural landscape in Uganda. By 2023, the project had strengthened the capacity of 120,733 smallholder farmers in adopting and using CSA practices and technologies, with 75,183 reporting increased incomes cumulatively. As a result, 74,011 hectares of farmland became more resilient to climate stresses. The number of farmers using weather information services and index-based insurance products also exceeded expectations, highlighting the project's success in promoting climate resilience.

**74,011  
hectares  
of farmland became  
more resilient to  
climate stresses.**







## Boosting National Climate Smart Agriculture Extension Services

In collaboration with the Ministry of Agriculture, Animal Industry, and Fisheries (MAAIF), CRAFT designed CSA-commissioned manuals to complement the public extension services with CSA-oriented training materials. The manuals focus on four key value chains: Potato, Sesame, Soybean, and Sunflower. These manuals address critical issues related to climate change risk management and the integration of CSA practices and technologies into farming systems in Uganda.

During the commissioning of the manuals, the MAAIF state minister highlighted the necessity of increasing resilience to climate change, especially in the agri-food sector. These manuals are expected to educate and empower farmers, extension workers, and other stakeholders to adopt and scale CSA practices effectively.

## Enhancing Community Well-being Through Targeted Climate Action

As part of building resilience to climate change, the CRAFT project conducted assessments of farming systems in Uganda's Eastern region, specifically in Mbale, Bukedea, and Kween, in collaboration with Integrated Seed Sector Development (ISSD). The assessments aimed to comprehensively understand and address the multi-faceted challenges faced by farming communities due to climate change. This approach acknowledges the complexity and dynamic nature of agricultural ecosystems, influenced by climate variability, market dynamics, and socio-economic conditions.

By identifying opportunities for improvement and optimising resource utilisation, the CRAFT project implemented targeted interventions that significantly contributed to the well-being of farmers and the ecosystems they depend on. This holistic understanding of farming systems enabled the development of tailored solutions aligned with the specific needs and realities of the communities involved.

## Data-Driven Decisions for Climate Resilience

In partnership with the Uganda National Meteorological Authority (UNMA), CRAFT cooperated and disseminated climate outlooks. This collaboration enhanced climate resilience by providing accurate and timely weather information to farmers and other stakeholders. The project leveraged historical climate data and cutting-edge meteorological research to produce localised and context-specific weather forecasts. These forecasts empowered communities to make informed agriculture, water management, and disaster preparedness decisions.

## Agribusiness Digitalisation and Learning

CRAFT also focused on the digitalisation of agribusinesses. In 2023, seven business champions participated in a business digitalisation learning event, highlighting the importance of digital tools in maintaining competitiveness. The project, in collaboration with eProd Solutions, facilitated the digitisation of business systems for various agribusinesses, improving data accuracy, supply chain visibility, and decision support for farmers.

The digital tools provided by eProd Solutions helped agribusinesses like Okeba Uganda Limited in Mubende enhance their operational efficiency and market access. This digital transformation is expected to increase productivity, reduce post-harvest losses, and improve the livelihoods of smallholder farmers.

One key lesson from the CRAFT project is the importance of integrating a farming systems perspective at the household level. This approach has reinforced resilience through income diversification and the widespread adoption of CSA knowledge across various agro-enterprises. The project's impact also signals the value of private-sector collaboration in extending agricultural services and technologies to last-mile farmers.

Through systematic farming systems assessments, co-production of climate information, digitalisation of agribusinesses, and collaborative monitoring and demonstration events, CRAFT enhanced the adaptive capacity of smallholder farmers and agribusinesses. As the project evolves, its comprehensive approach to agricultural development promises to strengthen Uganda's agri-food sector further, ensuring a sustainable and climate-resilient future for its farming communities.



### LESSONS LEARNT:

**Leveraging SMEs and Cooperatives:** Working through SMEs and farmer cooperatives proved to be a cost-effective approach that offers greater extension coverage. This approach allowed for co-investment by SMEs and cooperatives, enabling the project to reach smallholder farmers who were previously disenfranchised. This lesson highlights the importance of leveraging private sector structures to reach the last mile and maximise impact.

**Alignment with Government Priorities:** Aligning the project intervention with government priorities fast-tracked buy-in from relevant government bodies. This alignment facilitated collaboration and support from government extension officers and district workers, ensuring technical backstopping and enhancing the overall effectiveness of the project.

**Peer Learning and scaling:** The CRAFT programme facilitated learning events and sharing among Business Coaches (BCs) and their peers. This led to the scaling up of Climate-Smart Agriculture (CSA) practices to other farmers, even those not directly partnered with the project. This peer learning approach reduced the CSA knowledge gap among farmers and fostered sustainability.



## IMPACT:

# Improved Seed Varieties Boost Productivity of Uganda's Smallholder Farmers

The Climate Resilient Agribusiness for Tomorrow (CRAFT) project aims to enhance smallholder farmers' and East African agribusinesses' adaptive capacity and resilience. Partnering with private and public sectors, CRAFT promotes an evidence-based environment for adopting climate-smart agriculture (CSA) practices across multiple agricultural value chains.

Focusing on seven vital crops, including green grams, potatoes, beans, sesame, sunflower, soybeans, and sorghum, CRAFT's multi-tiered strategy aims to revamp farming systems, fortify inclusive value chains, and cultivate a supportive policy landscape.

CRAFT's strategic interventions led to marked improvements in productivity and income for smallholders while increasing their resilience against climatic challenges. Daniel Opio, a young soybean farmer from Kole, is a testament to this progress.

After enduring two seasons of poor harvests due to low-quality seeds, Daniel's fortunes changed when he joined the Alito Joint Farmers Multi-Purpose Cooperative Society Limited, a CRAFT-supported initiative. "For two years, I severely bought and planted bad seeds that made me lose over 90% of the expected yield every season," Daniel recalls his past struggles.

With access to superior soybean seeds and comprehensive training in CSA practices, Daniel witnessed a turnaround. "From the same number of seeds planted in the previous season, I was able to harvest 800 kilograms more," he says. This increase translated to an additional €487 in income.

Reflecting on his experience, Daniel emphasises the pillars of his success: "I have learnt that there are three major things that contribute to increased production—the quality of the seeds, inputs, and integrated agricultural practices."

Daniel, standing beside his soybean harvest.







## Youth Employment and Entrepreneurship

### Key Highlights

**13,245** farmers

benefited from the challenge fund private sector engagement.

**450** savings and development clusters

benefited from the challenge fund through 30 private sector actors engaged.

**9,169** nationals

(68% women) benefited from the challenge fund private sector engagement.

**1,261** jobs

created (65% of 1,940), with 958 youths securing employment within the private sector.

**4,076** refugees

(75% women) accessed improved agro-inputs (seeds, fertilisers, pesticides), agriculture extension services, and markets for their produce through the challenge fund private sector engagement.

**873** youths

skilled in income-generating trades.

Northern Uganda, specifically the West Nile region, continued to face challenges with the refugee influx and youth unemployment. The region registered over **115,500** new arrivals from South Sudan and DR Congo, including new births. Whereas Uganda’s youth unemployment rate declined to **4.47 per cent**, the West Nile region grappled with a high youth unemployment rate of **31 per cent**, leading to an increase in poverty among the youth and a rise in illicit activities.

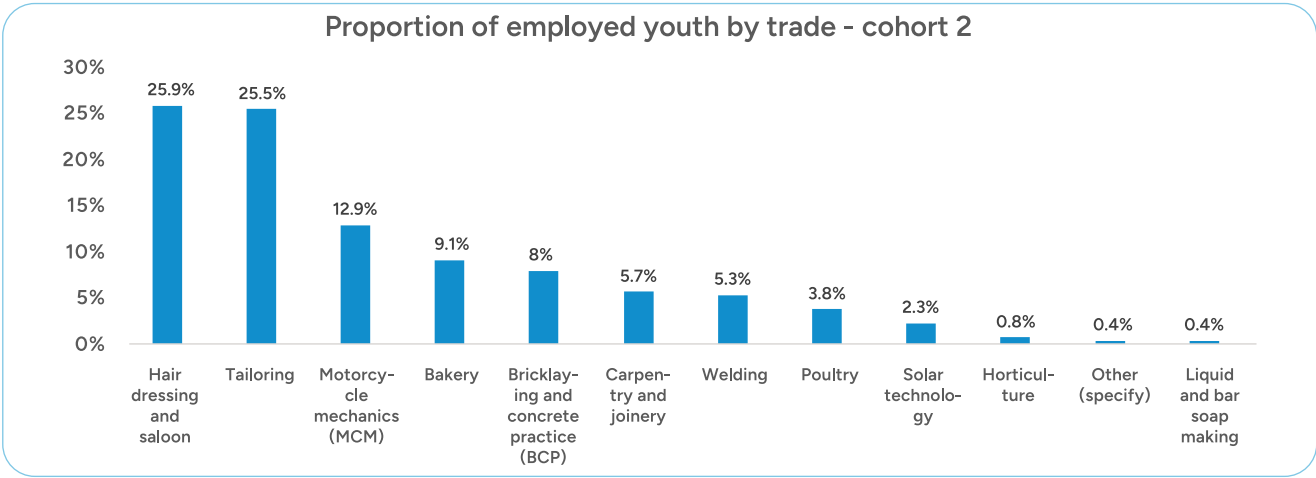
SNV, in partnership with World Vision, ZOA, and Rural Initiative for Community Empowerment West Nile, continued its efforts to address youth unemployment and foster entrepreneurship through the Security, Protection and Economic Empowerment (SUPREME) project. Funded by the European Union and co-funded by the Embassy of the Kingdom of Netherlands, this four-year initiative has increased employment prospects for refugees and host communities across four districts in Uganda’s West Nile subregion.

SNV, through SUPREME, supported the ambitions of youth to pursue skills development. In 2023,

1,100 youths (54% women) enrolled in vocational, entrepreneurship, and business training programmes within the year. This achievement expanded the SUPREME project’s reach to 1,940 skilled youths cumulatively. The project oversaw the assessment and certification of 948 participants by the Ministry of Education and Sports Directorate of Industrial Training, boasting an impressive 89% pass rate. Post-training, 958 youths secured employment placements within the private sector.

SNV’s influence on youth employment is significant, with 65% of trained youths securing jobs by October 2023, surpassing the initial target of 50%. Employment outcomes showed variation, with females (68%) and host community members (67%) achieving higher employment rates than their male (60%) and refugee counterparts (61%). SNV’s strategy to stimulate private sector-driven markets in agricultural value chains and enhance access to decent work for young people has generated substantial employment opportunities for this demographic.

FIGURE: EMPLOYMENT STATUS BY TRADE



SNV strengthened agricultural productivity and youth employment within the designated districts. Leveraging an Inclusive Business model, it integrated 19 private enterprises with 339+ farmer collectives, enhancing the livelihoods of 21,973 farmers across 1,000+ Savings and Development Clusters by providing superior inputs and market linkages. The initiative championed climate-smart agriculture, enriching horticulture, cassava, and oilseed cultivation through hands-on demonstrations and market access.

Despite hurdles such as the World Food Programme’s ration cuts and land price surges, the project innovatively overcame these by facilitating linking youth to government funding and financial services for start-up ventures, particularly aiding refugee youth.

SNV’s strategic focus on sustainable, private sector-driven markets and vocational training yielded substantial employment and agricultural efficiency gains, playing a key role in economic upliftment for refugee and host communities.



## LESSONS LEARNT:

**Community-based training approach:** SUPREME found that skills retention and competency gained during community-based private-sector training were higher compared to centralised training at Business Technical Vocational Education and Training (BTJET) centers. Youth trained at community-based centers gained broader hands-on problem-solving experiences and had lower attrition rates. This highlights the effectiveness of community-based training in providing practical skills and should be considered for future vocational training initiatives.

**Upskilling opportunities for skilled youths:** The project identified an opportunity to upskill and re-skill youths who had already been trained and employed by private sector businesses. These skilled youths could potentially become master craftsmen and contribute to strengthening the community-based training approach in the future. Providing support in the form of tools and equipment can facilitate their upskilling and enhance the sustainability of vocational training programmes. Providing support in the form of tools and equipment can facilitate their upskilling and enhance the sustainability of vocational training programmes.

**Migration of skilled youths:** The project encountered challenges with some skilled youths migrating to urban centers in search of employment opportunities. This was particularly evident among youths trained in highly technical trades such as welding and carpentry. To address this issue, it is important to explore ways to create employment opportunities in rural areas and provide incentives for skilled youths to remain in their local communities.

**Impact of reduced food rations:** The reduction in food rations by the World Food Programme had unintended consequences, with some refugee youths seeking alternative livelihood strategies through small-scale farming. However, the increased demand for land led to higher prices, making it difficult for some refugee youths to sustain themselves. This highlights the need for comprehensive support beyond vocational training, including access to affordable land and financial resources, to ensure the success of alternative livelihood strategies.

**Access to startup kits:** Limited access to startup kits and finance hindered the establishment of businesses by trained youths. This affected the self-employment rate among the youth. To address this challenge, the project encouraged trained youths to access loans from their Savings and Development Clusters (SDCs) or financial institutions to acquire startup kits. Collaboration with government programmes and community development offices can also help link trained youths to available funding opportunities.



## IMPACT:

### Igniting Change: Youth empowerment Stories from Uganda's West Nile

Scan QR code for full article



The SUPREME initiative, led by SNV and partners, is tackling youth unemployment in Uganda's West Nile region. With impactful stories like Alaru's poultry success and Zainabu's bricklaying journey, the programme has achieved a 65% job creation mid-way implementation and facilitated the formation of saving and development clusters for youth economic resilience: <https://bit.ly/3F6UQvX>



# ENERGY



## SECTOR IMPACT



Overall Reach

**32,640**  
people

Increased Access  
to improved  
cooking products:

**23,929**

Access to off-grid  
energy solutions:

**5,793**

Access to  
biodigesters:

**2,918**

# CONTEXT

Uganda launched its new National Energy Policy last year, prioritising key areas such as electricity generation, energy consumption patterns, and policy frameworks. Despite relying heavily on hydropower, which accounts for over 80% of its generating capacity, Uganda faces challenges regarding energy security due to uncertainties surrounding future climate change impacts on water resources. Traditional biomass remains the dominant energy source, comprising approximately 87% of final consumption, while efforts to diversify energy sources and enhance efficiency are emphasised in the policy.

In line with SNV's 2030 strategy, we are collaborating with the government to achieve United Nations Sustainable Development Goal 7. This goal ensures universal access to affordable, reliable, sustainable, and modern energy services. Our work in the energy sector also contributes to SDG 8, which promotes decent work and economic growth through job creation by energy services or related companies. We support SDG 11, focusing on sustainable cities and communities by promoting efficient energy use in built environments. All our energy interventions contribute to climate change mitigation efforts under the cross-cutting theme of climate adaptation and mitigation, thus supporting SDG 13. The other cross-cutting themes we prioritise are strong institutions and effective governance (SDG 16 – peace, justice, and strong institutions) and gender equality and social inclusion (SDG 5 – gender equality).

SNV promotes affordable and clean energy as catalysts for human well-being and economic development. We collaborate with public and private partners using a market-based approach to facilitate communities to access energy, enhance their resilience, and increase their incomes.

**In Uganda, our energy programmes focus on these essential products:**

- **Sustainable Energy Markets:** We strive to develop sustainable and inclusive markets for energy technologies and services, emphasising renewable energy and energy efficiency options.
- **Impact-Driven Finance:** We collaborate to employ approaches and tools that reduce investment risk, stimulate sustainable businesses and markets, and establish reliable funding streams to deliver impactful outcomes.
- **Youth Employment and Entrepreneurship (YEE):** SNV's YEE development strategy applies a market systems development approach: 'Push, Match, Pull, Enable' (P-M-P-E).

SNV Uganda's energy projects contributed to the nation's Vision 2040 goal to elevate Uganda to modern prosperity. Key to this vision, our energy sector implemented three key programmes: the Inclusive Markets for Energy Efficiency in Uganda (IMEU), the Sustainable Energy for Smallholder Farmers (SEFFA), and the Africa Biodigester Component (ABC).

These initiatives were focused on forging sustainable energy markets, facilitating smallholder farmers with renewable solutions, and catalysing the biodigester industry, thereby boosting agriculture, energy availability, and climate resilience. Our impact was substantial, enhancing the lives and energy access of over 32,000 Ugandans.

SNV enhanced the lives and energy access for over  
**32,000**  
Ugandans.







## Sustainable Energy Markets













**SNV in Uganda contributed to the energy sector transformation, driving the growth of sustainable energy markets to combat climate change, enhance energy access, and drive inclusive economic growth. Our approach focuses on accelerating the uptake of renewable energy and improving energy efficiency, ensuring everyone can tap into modern energy solutions.**

Our IMEU initiative enabled energy-efficient markets for homes and businesses, the agricultural sector and the built environment. We focused on key agricultural commodities—tea, maize, sunflower, and soya bean—and targeted energy efficiency improvements across 11 districts and three cities. The SEFFA project impacted smallholder farmers, integrating renewable energy solutions for

irrigation and storage in dairy and horticulture, enhancing productivity and sustainability. While, the ABC project is catalysing the biodigester market with a vision to provide clean cooking energy to 40,000 people, aligning with national goals for sustainable agriculture and energy. In this section, we share the impacts of our initiatives.



# Catalysing Energy Efficiency Markets in Uganda

Indicator	Life of Project Targets	Achievement To Date	
 Energy service companies (ESCOs) engaged	2	2	100%
 Energy service provider companies (ESPCs) supported	13	17	131%
 Businesses that use EE products and services	328	60	18%
 HHs using EE technologies and services	30000	5691	19%
 Social Institutions that use EE products and services	52	48	92%
 FIs investing in the supply and demand of EE products and services	10	10	100%
 Women and Youth were trained on EE adoption	300	570	190%
 Women and youth were employed by ESPCS and ESCOs selling EE products	200	100	50%
 People aware of the use of EE technologies (direct)	150,000	23,430	16%
 Number of actors engaged in EE MSP	7	21	300%
 Number of EE MSP dialogues held	6	4	67%
 Knowledge products of EE solutions developed	5	3	60%

The Inclusive Markets for Energy Efficiency in Uganda (IMEU) project made significant progress during the year towards driving sustainable and inclusive markets for energy-efficient products and services. Funded by the Embassy of Sweden, our four-year IMEU project aims to improve the resilience and competitiveness of businesses while improving livelihoods across Uganda. By addressing demand, supply, and enabling environments, IMEU seeks to create a socially inclusive ecosystem for energy efficiency, particularly benefiting agribusinesses, farmers' cooperatives, households, businesses, and institutions within the agriculture and built environment sectors.

IMEU aims to directly reach 30,000 households and 150,000 people, alongside two Energy Service Companies (ESCOs), 13 Energy Service Provider Companies (ESPCs), 52 social institutions, and 328 businesses. Indirectly, the project aims to impact approximately 450,000 people. Key focus areas

include the tea, maize, sunflower, and soybean value chains, with activities spread across 11 districts suited for these crops. The project targets urban areas such as Kampala to leverage ongoing efforts by other organisations in energy efficiency.

In the past year, SNV implemented several initiatives through the IMEU programme to boost demand and supply for energy-efficient technologies and services. A major barrier to adopting energy efficient (EE) technologies technologies in Uganda has been limited access to financing. IMEU deployed the Market Development Fund (MDF) to de-risk and catalyse the EE market while leveraging private financing. For every Euro invested, the project leveraged an additional 2 Euros in private financing for catalytic grants and 3 Euros for RBF.

Through the MDF, 41 businesses, 41 social institutions, and 4,683 households adopted EE technologies.

The adoption of these technologies, combined with positive EE practices, has led to notable energy savings and productivity improvements. For instance, Sunrise Agro-processors in Lira district reported a significant reduction in electricity usage, from 13 units to 5 units per 100 kilograms of maize milled, resulting in daily savings of UGX150,000 to UGX300,000.

Notable efforts included enlisting MDF grantees, training energy service companies in e-waste management, and mobilising women and youth as energy efficiency champions. Media professionals were equipped to report the benefits and prospects of energy efficiency. These initiatives aimed to cultivate an inclusive ecosystem and improve the overall framework for energy efficiency, as shared in more detail below:

## Key Highlights

During the reporting period, IMEU undertook several strategic initiatives to stimulate demand and supply of energy-efficient technologies and enhance an enabling environment:

**Market Development Fund (MDF) Grantees Onboarding:** IMEU selected and onboarded 24 grantees for MDF, comprising 13 recipients of Results-Based Financing (RBF) and 11 recipients catalytic grants. These grantees were chosen based on their potential to drive market adoption of energy-efficient technologies.

**Training on E-Waste Management:** A needs assessment revealed a gap in e-waste management among grantees. Consequently, IMEU organised a two-day training for all 24 grantees, enhancing their capacity to manage electric waste effectively.

**Empowering Women and Youth:** To promote inclusivity, IMEU trained 526 women and youth as ambassadors of energy efficiency. This training aimed to equip them with the knowledge to advocate for and influence positive behaviour towards EE solutions.

**Engagement with Media Practitioners:** Recognising the media's role in behaviour change communication, IMEU trained media practitioners from 25 outlets on the potentials and opportunities in energy efficiency. This initiative aimed to enhance public awareness and promote energy-efficient practices.

**Multi-Stakeholder Platform (MSP) Engagement Strategy:** IMEU developed and launched an engagement strategy for an EE Multi-Stakeholder Platform. Hosted by the Ministry of Energy and Mineral Development, the platform, dubbed the Energy Efficiency Accelerator Network, facilitates dialogue among government, academia, private sector, and civil society actors to address policy and regulatory barriers in the EE sector.

**Techno-Economic Analysis of EE Solutions:** IMEU conducted a techno-economic analysis of prioritised EE solutions within agriculture and the built environment. This analysis provides valuable insights into the feasibility and impact of different EE technologies, guiding future interventions and investments.

A major milestone for IMEU was SNV's collaboration with other development partners on the groundbreaking launch of the Energy Efficiency Multi-stakeholder Platform. This move promises to enhance dialogue and cooperation in the sector. This forum united government, academia, the private sector, civil society, and NGOs. A strategic engagement plan, informed by policy and institutional mapping, steered the platform's operations. In November 2023, the Ministry of Energy and Mineral Development inaugurated the Energy Efficiency Accelerator Network, a hub for stakeholders to tackle policy, regulatory, and other obstacles to energy efficiency.

Our IMEU programme has several valuable lessons and

insights. Initially, the project anticipated a higher uptake of low-priced EE products, such as improved charcoal cookstoves. However, the demand skewed towards more expensive products that offered additional benefits like lighting. This led to an adjustment in project targets and RBF allocation to accommodate the higher demand for these products.

The impact of IMEU extends beyond numbers, testimonies from the field highlight the transformative effects of energy efficiency interventions. For example, capacity strengthening of women and youth ambassadors has increased awareness and empowered these groups to take active roles in promoting sustainable energy practices within their communities.



SNV also made key contributions to the Uganda Energy Policy Review (2023) report by the International Energy Agency (IEA) and the Uganda Ministry of Energy and Mineral Development, for the IMEU initiative's impact, particularly developing ESCO model services in Uganda.

Find the report posted here: <https://bit.ly/3z8ZvOU>

Scan QR code for full article



## IMPACT:

### Awelo's journey from surviving to thriving

Awelo Millers, a youth-led agro-processing company in Oyam, Uganda, significantly improved its productivity and profitability through energy-efficient technologies supported by SNV's Inclusive Markets for Energy Efficiency in Uganda (IMEU) project. By adopting solar dryers, energy-efficient motors, and best practices, they reduced energy costs by nearly 50%, enhanced drying efficiency, and decreased carbon emissions. CEO James Ebuk highlights the impact of the IMEU partnership on their operations and community.

For more details, visit the full story <https://bit.ly/3XnssQN>.

Scan QR code for full article







Off-grid solar products have become commonplace in Uganda, with over **four million** available products.

## Enabling sustainable energy for smallholder farmers

The **Productive Use of Energy (PUE)** technology is gaining momentum in Uganda's agricultural sector. Over the past decade, off-grid solar products have become commonplace in Uganda, with over **four million available products**. These products provide clean, modern lighting and support mobile phone charging and household appliances like radios and televisions.

PUE technology, powered by standalone solar systems, represents a new market within the off-grid solar sector. It offers an opportunity to drive energy demand and boost income levels. PUE involves any agricultural activity that utilises energy services directly to enhance the production of goods or services, thereby increasing income or productivity.

The sector is now exploring various appliances for productive use, such as:

**Solar Irrigation:** Enabling efficient fruit and vegetable production water supply, including post-harvest processes.

**Solar Cooling:** Supporting the dairy value chain by cooling dairy products, water, and feed.

**Solar Agro-processing:** Enhancing agri-processing activities using renewable energy-based cooling systems and solar PV for ice production.

Despite the potential impact, progress in the PUE sector has been slow. There are only a few examples of standalone small-scale PUE applications in the region. While Uganda's off-grid solar industry has achieved significant progress, the PUE market in agriculture is still nascent. However, the focus on productive appliances holds promise for improving livelihoods and stimulating positive change in rural communities.

During the year, SNV in Uganda implemented the pilot Sustainable Energy for Smallholder Farmers (SEFFA) programme in partnership with GiZ, with funding from Endev. Through a series of strategic interventions, SNV achieved commendable results and improved smallholder farmers' livelihoods. Key among the programme's achievements is the marked increase in access to Productive Use of Energy (PUE) technologies and services for smallholder farmers. SNV's facilitation of solar PUE technologies has demonstrated the technical and economic viability of harnessing solar energy for dairy cooling.

A notable impact was registered in the transition of dairy cooperatives from non-renewable energy to solar hybrid (diesel) energy technology. This shift slashed energy expenses for milk cooling, boasting a payback period of around five years. Such gains provided tangible economic benefits of embracing solar energy in off-grid regions. SNV's efforts this past year did not stop at technology provision; they also focused on building local capacity. Through targeted training sessions, 52 individuals were trained in operating and maintaining PUE technologies, improving milk quality and productivity.

Furthermore, SNV's mentorship and coaching of women groups engaged in small-scale yoghurt processing during the year enhanced product quality. They paved the way for quality certification, unlocking formal market access. The ripple effects of these achievements extend beyond individual farmers to the broader ecosystem. Four private sector entities, including FRES Uganda Ltd and Ntakye Holdings Ltd, integrated PUE into their operations, introducing innovative solutions tailored to smallholder farmers' needs.

However, the implementation was not without its challenges and lessons. The rollout of initiatives like solar loan products and solar milking machines hinged on proving their efficacy over time and gaining market acceptance, as captured in the lessons below:



## LESSONS LEARNT:

**Innovation adoption is a marathon, not a sprint.** Rwanyamahembe SACCO's solar loan product and the integration of solar milking machines illustrate the need for patience and robust marketing to establish new technologies. In the case of the solar milking machines, cattle required extended adjustment periods to adapt to the new technology. This resulted in delays and difficulties in assessing the machines' effectiveness. SNV and partners deployed a gradual, stress-aware approach to introducing the new systems to address this, which became key to uptake.

**Business development services are essential for the sustainability of Productive Use of Energy (PUE) technologies.** By equipping farmers with business management skills, we've enabled them to manage their operations better, leading to more informed decisions and growth.

**Community-focused campaigns have proven to be the most effective method for engaging smallholder farmers (SHFs) and** enhancing their access to PUE information. We've amplified the demand for PUE technologies by leveraging partnerships and peer-to-peer learning.

**The high costs of importing technology reinforce the need for local solutions.** Unexpected expenses prompted budget re-evaluations and strategic reductions in imports of technology such as the solar milking machines, highlighting the importance of cultivating a local market for quality equipment and fostering manufacturer-supplier relationships.

## Solar-Hybrid Cooling System: A Cost-Saving Solution for Kiruhura Dairy Cooperative

In the Kiruhura district, Southwestern Uganda, Akajumbura Dairy Cooperative's switch to a solar-hybrid system marks a bold step towards sustainable energy. The cooperative, which increased from 60 to 90 members in just two years, faced a challenge: their diesel-powered milk cooler absorbed 80% of their operational budget. Aaron Taremwa, the cooperative's manager, revealed, *"We were bleeding money on fuel, repairs, and servicing. When the generator failed, it wasn't just a technical glitch—it meant a full stop to our business."*

Embracing clean energy, with support from SEFFA Project Akajumbura, piloted a solar hybrid system, reducing operational costs by half. "The impact was immediate. We went from a UGX6 million monthly fuel bill to just UGX3 million," Taremwa shared. The cooperative's commitment to sustainability was further cemented by a loan from Rwanyamahembe SACCO, enabling a complete system upgrade. Comfort Ainomugisha, SACCO's Business Manager, explained the loan facility's accessibility: "We tailored the Solar Loan product to the dairy chain, cutting interest rates to 1% and extending loan terms to 36 months, with the PUE system itself as collateral."

With a 50% reduction in energy costs and a thriving membership, Akajumbura Dairy Cooperative is growing. Taremwa anticipates an increased membership to 120 by the end of 2024, supported by a five-year strategic plan that promises improved milk transportation, optimised solar system operations, and expanded infrastructure.

Taremwa inspecting the solar-powered system that was installed with support from the SNV SEFFA project.





Hon. Peter Lokeris, Minister of State for Energy and Mineral Development, Uganda, the event's guest speaker, pledged the government's support to reduce the population's dependence on inefficient cooking appliances.

## Catalysing the Clean Energy Transition by Promoting Biodigester Markets

The African Biodigester Component (ABC) is part of a four-year multi-country initiative (2022-2025) to transform the biodigester sector from its nascent stage to an expansive, self-sustaining market. In Uganda, this effort is spearheaded by a consortium led by SNV, in collaboration with GIZ, Biogas Solutions Uganda Limited (BSUL), and the Netherlands Enterprise Agency (RVO). The overarching goal is commercialising Uganda's biodigester sector with a comprehensive approach encompassing project management, demand creation, supply enhancement, and fostering a supportive environment.

The [ABC Annual Knowledge Exchange Event](#) in May 2023 yielded significant outcomes, fostering new commitments and insights into the African biodigester market. The event, which brought together over 150 stakeholders in Kampala, primarily from **Burkina Faso, Kenya, Mali, Niger, and Uganda**, showcased the crucial role of bio-slurry in driving market adoption. Participants recognised the need to **harmonise national frameworks** to support the growth of the biodigester sector. There was a call for increased **synergies between different stakeholders**, including the forestry and energy sectors, to create a favourable environment for biodigester adoption. The event also highlighted the need to **improve technology** and **demonstrate its efficiency** to maintain consumer confidence. A key takeaway was

the importance of **developing robust business cases** to attract investment and **promote bio-slurry as a viable alternative to chemical fertilisers**. Finally, the need for capacity building and knowledge transfer within training institutions was emphasised to support the long-term growth of the sector.

## Market Development Initiatives

The ABC project undertook several market development initiatives to increase demand for biodigesters, registering 398 units sold during the year. Key strategies included comprehensive awareness campaigns through both Above-the-Line (ATL) and Below-the-Line (BTL) marketing techniques. These efforts involved radio advertisements, social media campaigns, door-to-door outreach, and participation in regional exhibitions such as the Harvest Money exhibition. Biodigester enterprises were trained to use digital tools for marketing and customer engagement, leading to the creation of social media profiles and Google My Business listings. As part of market development, the ABC project extensively supported 21 biodigester enterprises to help them grow and succeed. Business Development Support was a key component, with the Energy Enterprise Coach offering training to help them grow and succeed. Business Development Support was a key component, with the Energy Enterprise Coach offering training to help enterprises formalise and scale their operations. This support included developing business plans, enhancing marketing strategies, and improving operational efficiency. The project also facilitated market entry for



prefabricated (prefab) suppliers, increasing competition and providing consumers with more options. Through digital marketing, the project conducted ICT training sessions for biodigester enterprises, resulting in a more substantial online presence and better engagement with potential customers. These combined efforts strengthened biodigester enterprises' operational capacity and market reach across Uganda.

The ABC project also contributed to cultivating an enabling environment, as can be observed in its robust business development support. The project facilitated the launch of the Energy Enterprise Coach programme in Uganda, which offered crucial training to nine biodigester enterprises. The training encompassed vital aspects of entrepreneurship and business expansion, leading to tangible outcomes. The biodigester

enterprises who received business development support training exhibited increased biodigester production, outperforming their untrained counterparts.

A key component of the ABC project is promoting gender equality and social inclusion (GESI). The project supported the active involvement of women in the biodigester value chain through awareness-raising and capacity strengthening to ensure inclusiveness. This included providing access to finance opportunities for women entrepreneurs and supporting their participation in biodigester enterprises. The project's gender action plan was developed and implemented, with GESI indicators integrated into all program activities. Biodigester enterprises received training on gender mainstreaming, and ongoing support was provided to ensure inclusive practices within their operations.

#### IMPACT:

### Working towards a Greener Future, One Biodigester at a Time.

In May 2023, the Uganda government issued a directive banning charcoal production and trade in the northern part of the country. This ban led to a spike in charcoal prices, with reports indicating a rise from UGX75,000 to UGX90,000 for a small bag. The ban, while environmentally motivated, caused widespread concern among the population that relies heavily on charcoal for cooking.

However, the ban had little impact on Kaudha Fatuma, a teacher from the Iganga district. She had already transitioned to biogas, a cleaner and more sustainable energy source. "Switching to biogas was one of the best decisions I've made," Fatuma said. "While others struggle with charcoal availability and cost, I simply use cow dung for cooking my meals."

Fatuma's adoption of biogas is part of a more significant trend driven by the SNV African Biodigester Component (ABC) project, which aims to reduce carbon emissions and promote sustainable energy sources. It has constructed over 602 biodigesters.

Fatuma's story is not just about environmental conservation but also about improving quality of life. "I used to skip preparing breakfast because of the hassle with charcoal stoves. I can quickly cook meals, and my family is happier," she explained.

The ABC project aims to scale up biodigester installations and usage, demonstrating the potential for sustainable technology to impact the environment and livelihoods positively.

Amid a charcoal ban in Northern Uganda, Kaudha Fatuma embraced biogas through the SNV African Biodigester Component (ABC) project. With charcoal scarcity and heavy law enforcement, Fatuma pivoted to biogas use which positively impacted her livelihood through increased cost saving.



# WATER

## SECTOR IMPACT



Overall Reach

**71,538**  
people

Increased Access  
and Use of Water:

**69,787**

Improved Hygiene  
Practices:

**1,751**

Increased Access  
to Basic and  
Safely Managed  
Waste:

**1,751**







## CONTEXT

In line with SNV's 2030 strategy, we are collaborating with the government to achieve the United Nations Sustainable Development Goal SDG 6. This goal aims to achieve universal and equitable access to safe and affordable drinking water, sanitation and hygiene, and an end to open defecation. It seeks to improve water quality by reducing organic and inorganic pollution. It also aims to increase water-use efficiency, substantially reduce the number of people suffering from water scarcity, restore water-related ecosystems, and improve management.

**Our goal in the water sector is to contribute to water security for all. Our programmes focus on these key products:**

- **Equitable Water Resource Management:** We aim to contribute to water governance that provides equitable opportunities for all people while preserving the natural resource base and biodiversity.
- **Sustainable Inclusive Irrigation:** We strive to improve irrigation governance, management, services, and the quality of rehabilitation and construction of irrigation infrastructure.
- **Climate Resilient Rural WASH:** We strengthen all elements of sustainable service delivery and how these interlink consumers, service providers (public, private, water users' associations or other) and responsible government entities.
- **Sustainable Urban Water Cycles:** We deploy a holistic, integrated water and waste framework approach, which can be implemented at the city level, town level, or in towns.

Our Sustainable Water Supply, Sanitation and Hygiene for All (SWaSSH4A) **impacted over 71,000 people**. Specifically, 69,787 individuals accessed clean water, 1,751 adopted better hygiene practices, and used improved waste disposal systems, contributing to environmental cleanliness and health protection. These efforts met urgent sector needs and set the stage for ongoing progress in water and sanitation.





## Sustainable Solutions: Advancing Climate-Resilient Rural WASH Initiatives

In Uganda, the state of Climate-Resilient Rural WASH (Water, Sanitation, and Hygiene) Initiatives in 2023 is a critical concern. Uganda is a signatory to the UN Sustainable Development Goals (SDGs), committing to ensuring safe water and sanitation for everyone by 2030. The Constitution of Uganda (1995) recognises the right to a clean and healthy environment for all citizens. Various laws and acts, such as the Water Act (CAP 152), the NWSC Act (1995), and the Public Health Act (CAP 281), establish structures for water resource management, sanitation, and hygiene standards.

Uganda has formulated a **climate rationale** for resilient WASH services. Through extensive consultation, climate impacts on WASH services have been analysed, and solutions have been identified to mitigate and adapt to climate risks. The **Uganda Water and**

**Environment Week 2023** focused on climate-resilient development, aligning with the **Parish Development Model (PDM)**, Vision 2040, and **SDGs**. Investment in rural WASH is projected to increase, emphasising equity and local government responsiveness.

The 2023/24 National Budget underscores the government's pledge to enhance the population's access to clean water, sanitation, and proper hygiene, focusing on children. Despite this commitment, there's a projected decrease in WASH (Water, Sanitation, and Hygiene) funding, with spending expected to drop from UGX1.3 billion in the 2022/2023 fiscal year to UGX1 billion in 2023/2024. Current figures show that about 72% of urban dwellers and 67% of rural residents have access to at least basic drinking water services. The nation is also working towards eradicating open defecation and achieving universal access to safe water and sanitation by 2030.

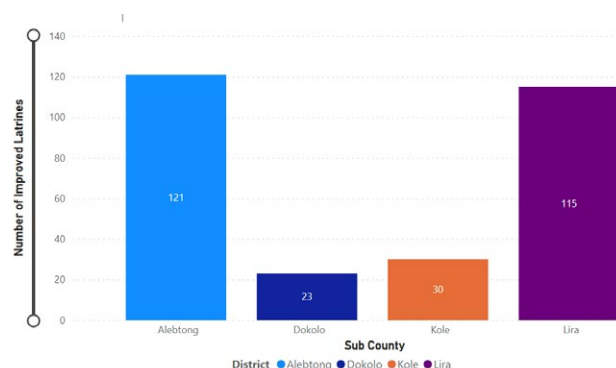
To support Uganda's climate-resilient WASH goals, SNV is implementing the Sustainable Water Supply, Sanitation and Hygiene for All (SWaSSH4A) Project, funded by the Austrian Development Cooperation. This project is designed to improve access to safe water and sanitation in the Lango sub-region of Northern Uganda. It started in November 2022, is planned to continue until October 2025, and is being implemented in the four districts of Lira, Alebtong, Dokolo, and Kole.

The SWaSSH4A project aims to ensure sustained access to safe water for 237,500 people. In 2023, the project **reached 71,538 individuals**. SNV achieved this by collaborating and working through 453 water and sanitation committees responsible for maintaining water sources. SNV developed 182 operation and maintenance plans with the committees, ensuring long-term water supply sustainability.

Under sanitation, SNV worked with the District, sub-county, local community leaders and the VHTs to

mobilise households to improve the existing latrines and also construct new ones. In Dokolo district, 284 sanitation service providers were identified, including masons, pit diggers, and construction material suppliers. Surveys were conducted in Lira and Kole districts to assess the status of sanitation and hygiene interventions. Consequently, 289 basic latrines, all with hand washing facilities, were constructed or improved by individual household members benefiting 2,028 people.

#### SWaSSH4A IMPACT IN DOKOLO, ALEBTONG, LIRA, AND KOLE DISTRICTS IN NORTHERN UGANDA



Hand pump mechanics (HPMs) are vital for rehabilitating and maintaining water sources. The programme built the capacity of 120 HPMs, including 31 women, helping to address the gender imbalance in the sector. These HPMs were provided with the necessary tools and protective gear. Capacity assessments for HPM associations identified gaps in supervision and information flow.

Dr. Katja Kerschbaumer (Head of the Austrian Development Agency in Uganda), her team, and Phomolo Maphosa (SNV Uganda) meet with female hand pump mechanics in Lira.





Beyond infrastructure and capacity building, SNV undertook gender equality and social inclusion in WASH initiatives. A gender equality and social inclusion study revealed the need for inclusive and gender-sensitive approaches, addressing cost barriers and challenging social norms. We adapted by establishing female peer-support leadership groups, strengthening Disabled People's Organisations (DPOs) and youth organisations, and promoting equitable participation and decision-making across different groups.

During the year, our SWaSSH4A programme encountered challenges, including setbacks in sanitation and hygiene status and limited sustainability funding. It responded with targeted interventions like sensitisation campaigns and developing sanitation business models. This was done through various media, including radio talk shows on sanitation and hygiene.

The programme also stressed the importance of maintaining and securing hygiene infrastructure and encouraging and supporting communities to fence and protect water points. In the past year, 226 boreholes were fenced. For 2024, SNV will prioritise support to local coordination committees, organise learning activities, support female leadership, and engage in district and national WASH events.

## IMPACT:

### Community-Led Water Transformation Driving Improved Health in Northern Uganda.

For years, the Adeknino sub-county in the Dokolo district has grappled with a persistent scarcity of safe, clean water due to the poor maintenance of the existing 53 water points. Once reputable, the hand pumps turned unreliable, constantly failing and jeopardising access to clean water. Livestock and birds freely accessed these water points, contaminating the supply due to inadequate fencing. This situation impacted water quality, leaving only 43% of households with safe drinking water. The vulnerability of these points intensified health concerns, particularly among children under five, with a staggering 31.4% suffering from diarrheal diseases, well above the national average of 20%.

However, amid these challenges, a transformation has started to unfold within this community. Facilitated by the SNV's sustainable water supply, sanitation, and hygiene for all (SWaSSH4A) project, the community is taking the lead in improving its water resources and hygiene practices. In October 2023, users from 64 committees, each with nine members, were mobilised; they pooled their resources, contributing financially and through determination. Their goal was



to secure their water points and ensure long-term sustainability. They raised UGX3.75 million and fenced 20 water points. This act protected boreholes and emphasised that water access was a collective responsibility. The fence protects the boreholes and signals that water access is a communal asset worth safeguarding. Their vision did not stop there; they aimed higher, planning to replace wooden poles with durable bricks, showing their dedication to long-lasting solutions.

For sustainability, they decided to contribute affordable monthly sums for maintenance. "Each household contributes UGX2,000 to this cause. Animals, including cows, could access our borehole. This compromised its hygiene. For now, we are sure we are taking safe water," Okello James, chairperson of the water source committee, narrated.

Beyond physical infrastructure, these communities embraced hygiene and sanitation practices. Routine cleaning of water points has become a norm, ensuring the purity of the water and positively impacting community health. With such a routine, the results were notable. There is a 10% reduction



in diarrheal diseases among children under five and fewer hospital admissions at the local health centre.

"At the outpatient department, we have been battling with many cases of diarrhoea, especially among children. The story is changing," Ongom George, health assistant at Awelo Health Center III, narrated.



## LESSONS LEARNT:

**Community Ownership and Engagement:** SWaSSH4A consistently deployed community ownership and engagement in achieving sustainable WASH outcomes. By involving communities in decision-making processes, mobilising Water Sanitation Committees (WSCs), and promoting active participation, the programme fostered a sense of ownership and responsibility among community members. This resulted in increased community involvement in maintaining water sources, improved sustainability of WASH interventions, and a greater likelihood of long-term success.

**Gender Equality and Social Inclusion (GESI):** Through our GESI study, SWaSSH4A identified the need for inclusive and gender-sensitive approaches. By promoting the involvement of women, youth, and persons with disabilities in WASH committees and leadership structures, the programme ensured more equitable participation and decision-making. This contributed to more sustainable outcomes and also addressed the specific needs and challenges marginalised groups face.

**Emphasis on Maintenance and Sustainability:** By training Hand Pump Mechanics (HPMs) and providing them with the necessary tools and protective gear, SNV enhanced water source rehabilitation and maintenance capacity. Additionally, we supported the development of Operation and Maintenance plans by water sanitation committees to ensure the long-term functionality of water sources. This focus on maintenance and sustainability was crucial in ensuring continued access to safe water supply and sanitation facilities for the target communities.



# Our Priorities for 2024



In 2024, SNV in Uganda will prioritise tackling sustainability, economic growth, and social inclusion challenges. Our strategy is to respond to immediate needs and catalyse long-term, systemic change across Uganda's vibrant communities. With a focus on agricultural innovation, financial prosperity, renewable energy adoption, and market expansion, SNV is committed to enabling Uganda to build a resilient, prosperous future. This section shares some of our key planned initiatives to drive progress and set new benchmarks for sustainable development.

## **Focus on Systems Transformation:**

SNV recognises that sustainable development requires addressing the root causes of poverty and inequality. Localisation is central to this agenda. SNV will continue to emphasise the importance of local ownership and leadership in development initiatives. Our programmes will increase support for youth-led enterprises and strengthen local institutions and governance structures to ensure that development initiatives are sustainable and responsive to the needs of the communities they serve. Ongoing efforts, including the SUPREME programme in its final year, will prioritise driving sustainable change from within communities. By utilising savings and development clusters (SDCs) and equipping them with the necessary skills and resources, we enable communities to establish self-sufficient and community-led development initiatives.





### **Advancing nexus programming and regenerative agriculture:**

SNV will intensify its holistic approach that recognises the interconnectedness of the agri-food, energy, and water sectors. The Climate Resilient Agribusiness for Tomorrow (CRAFT) project will promote the adoption of climate-smart agricultural practices, such as improved agronomic practices and water-efficient irrigation, to enhance productivity and resilience in the face of climate change. The Sustainable Energy for Smallholder Farmers (SEFFA) project will facilitate the integration of renewable energy solutions, such as dairy milking innovations and cold storage facilities, into smallholder farming operations, improving efficiency and reducing environmental impact.

### **Expanding our water sector impact:**

In 2024, SNV will also prioritise expanding access to safe water and sanitation in Uganda. The SWaSSH4A programme will scale its efforts to improve water and sanitation infrastructure, promote hygiene practices, and empower communities to take ownership of their water resources. The focus will be on strengthening local coordination committees, organizing learning activities, supporting female leadership, and engaging in district and national WASH events. This new programme aims to provide sustained access to safe water and has already reached 71,538 individuals in 2023. By addressing the urgent needs in the water and sanitation sector, SNV aims to contribute to improved public health, environmental sustainability, and overall well-being in communities across Uganda.

# ANNUAL ACCOUNTS 2023





# General Information

## KEY MANAGEMENT STAFF

Phomolo Maphosa	Country Director
Bashir Kasekende	Sector Lead, Agri-Food
Julius Kamulindwa	Country Operations Manager
Deusdedit Mbuga	Country Finance Manager
Elizabeth Ekoju Tabu	Country Human Resources Manager

## SECRETARY / LAWYERS

Masembe, Makubuya, Adriko, Karugaba & Ssekatawa  
Advocates (MMAKS Advocates)  
4<sup>th</sup> Floor, Redstone House,  
7 Bandali Rise, Bugolobi  
Kampala, Uganda

## REGISTERED OFFICE

Plot 36, Luthuli Rise, Bugolobi  
P.O. Box 8339  
Kampala, Uganda

## REGISTERED NUMBER

INTR832418NB

## INDEPENDENT AUDITOR

Ernst & Young  
EY House  
Shimoni Office Village  
Plot 18, Clement Hill Road  
P. O. Box 7215  
Kampala, Uganda

## BANKERS

Absa Bank Uganda Limited  
Plot 4, Hannington Road  
P. O. Box 7101  
Kampala, Uganda

Rabobank Den Haag en omgeving  
Afdeling Grootbedrijf  
Postbus 11695, 2502 AR Den Haag  
The Hague, Netherlands



## Contents

<b>Background</b>	<b>53</b>
<b>Country Director's Report</b>	<b>57</b>
<b>Statement of Directors' Responsibilities</b>	<b>58</b>
<b>Independent Auditors' Report</b>	<b>59</b>
<b>Statement of Financial Performance</b>	<b>62</b>
<b>Statement of Financial Position</b>	<b>63</b>
<b>Statement of Changes in Net Assets</b>	<b>64</b>
<b>Cash Flow Statement</b>	<b>65</b>
<b>Notes to the Financial Statements</b>	<b>66</b>
<b>Appendices</b>	<b>81</b>
Statement of Comparison of Budget and Actual Amounts	82
Sustainability Report	84

# Background

## About SNV

SNV is a global development partner, deeply rooted in the countries where we operate. We are driven by a vision of a better world: A world where across every society all people live with dignity and have equitable opportunities to thrive sustainably. To make this vision a reality, we need transformations in vital agri-food, energy, and water systems. SNV contributes by strengthening capacities and catalysing partnerships in these sectors. We help strengthen institutions and effective governance, reduce gender inequalities and barriers to social inclusion, and enable adaptation and mitigation to the climate and biodiversity crises.

Building on 60 years of experience we support our partners with our technical and process expertise and methodological rigour. We do this in more than 20 countries in Africa and Asia with a team of approximately 1,600 colleagues. By being adaptable and tailoring our approaches to these different contexts, we can contribute to impact at scale, resulting in more equitable lives for all. In Uganda SNV operates through a decentralised approach with a country office in Kampala and regional offices in Arua, Fort Portal, Lira, Jinja and Mbarara. SNV in Uganda implements donor-funded activities across more than 100 districts in Uganda, ensuring broad and diverse impact.

Our ability to deliver results rests on our robust foundation of experience, knowledge, evidence and learning; our commitment to strengthening capacities and catalysing partnerships; and the relationships and trust of those we work alongside.

Our core values of people-centeredness and respect, equity and equality, and diversity and inclusion, are fundamental to who we are, and what we do. This is reflected in our vision and mission, and strategy, which sets out our aspirations and commitments as our compass towards 2030.

## Mission

To strengthen capacities and catalyse partnerships that transform the agri-food, energy, and water systems, which enable sustainable and more equitable lives for all.

## How We Work

SNV in Uganda offers technical assistance to leading public entities and private sector businesses. We deepen our focus on the interaction of two key levers for change:

- Continued effective and excellent project and programme delivery, integral to which are relationships and partnerships, facilitative approaches, and the sharing and strengthening of technical expertise and capacities; and
- Harnessing contextual knowledge, evidence, and learning from our projects, programmes, and contexts to influence the policies, practices, and actions of partners, peer organisations, governments, and local, national and global institutions.

Together, the mutually reinforcing impact of projects and programmes and associated influence will help to strengthen and enable transformation in the systems that need to work better if people and communities are to gain and maintain sustainable and more equitable access to food, energy, and water.

## Our People

SNV globally employed an average of 1,440 people in 2023 and engaged 153 consultants. SNV International remains a highly diverse organisation comprising people from over 58 different nationalities. The share of female team members grew to 33% of our total workforce, and we are continuing our efforts to improve gender balance.



SNV in Uganda employed 73 full-time staff. Our presence in the country has spanned 34 years, with donor-funded activities in over 100 districts, a country office in Kampala, and regional offices in Fort Portal, Lira, Arua, and Mbarara.

## Our Approach to Transforming Systems

SNV is committed to contributing to systems transformation within the agri-food, energy, and water sectors. From our 2030 strategy, we define systems transformation as addressing the root causes of poverty and inequality at scale. This involves understanding and changing the policies, practices, norms, mindsets, and power structures that perpetuate these issues. The Organisation recognises that power and rights are integral to this process and focuses on strengthening organisations and institutions that positively impact the lives of marginalised people, empowering them with the opportunities, capacity, agency, and power to lead change.

The Organisation's approach to systems transformation goes beyond project and programme delivery. We leverage their impact by using evidence from their work to influence policies and practices at local, national, and global levels. This involves a reinforced emphasis on influencing other actors and investing in strategic communications, knowledge gathering, and research. The Organisation aims to identify and transform the systems that exclude people and perpetuate inequalities, ultimately working towards a more equitable and sustainable society.

The Organisation sees systems as transformed when prevailing ways of operating in society are structurally changed in line with locally or nationally self-determined priorities, with durability and at a scale beyond the single or even multiple project levels. We believe that transformed agri-food, energy, and water systems can deliver food security, adequate nutrition, increased water security, and improved access to affordable and sustainable energy for all. SNV's project and programme delivery and influencing activities increasingly focus on identifying, understanding, and seeking opportunities to transform the systems that enable inequalities to prevail.

In 2023, we focused our efforts on kickstarting the implementation of our new 2030 Strategy to ensure we can respond effectively to the changing global context. So that we can both harness emerging opportunities and successfully navigate challenges as we strive to build a better world as envisioned in our mission, through collaboration and partnership.

As identified in the strategy, there were a number of areas to be further strengthened and we specifically accelerated and invested in:

- People, culture, and talent
- Systems transformation
- Our core themes and sectors of focus
- Communications and influencing
- Exploring alternative and more flexible revenue streams

# Corporate Governance

## Supervisory structure

As one global organisation, SNV International has branches in the countries where we operate, confirming our country led model. The Country Director is designated as the representative of SNV International in the country and, as such, is ultimately responsible for all operations and results in that country.

In Uganda, there is a Country Management Team consisting of a Country Director, Sector Leaders, Country Finance Manager, Country Human Resources (HR) Manager and Country Operations Manager.

There are nine global teams providing support to our country teams of which six cover a functional area (People; Finance; Information and Communications Technology (ICT); Risk and Compliance; Partnerships and Business Development; and Marketing, Communications, and Public Affairs) and three cover our sectors (Agri-Food, Energy, and Water). In addition, in 2023, SNV International added leadership on our three core themes: Climate Adaptation and Mitigation, Gender Equality and Social Inclusion, and Strong Institutions and Effective Governance.

Together, our Global Heads, Country Directors, and the Managing Board form SNV's Senior Leadership Team.

## Our boards

The Managing Board is charged with the management of the Organisation, including determining and implementing our long-term strategy and policy. The Managing Board comprises four statutory Directors and is chaired by the Chief Executive Officer (CEO).

Managing Directors have a responsibility for sectors, country operations, and business and finance. The Managing Board operates under the supervision of the Supervisory Board, which consists of a chair, a vice-chair and five regular members. The members of the Supervisory Board have complementary professional backgrounds in the public and private sector.

## Management Team

The Country Management Team, headed by the Country Director (CD), manages the SNV Uganda under the supervision of the managing Board. During 2023, SNV in Uganda programme was spearheaded by Ms Phomolo Maphosa with support from the SNV Uganda Country Management Team (CMT).

SNV International's decentralised governance environment is based on a country-driven model. This aligns with the SNV Country governance principles, where all country staff report directly or indirectly to the Country Director, who is accountable for the performance of all projects within the country portfolio.

Projects in SNV, single-country or multi-country projects, are governed by a Project Director (PD) and a Project Manager (PM). Essentially, the PD is the donor contract-holder and is accountable for overall successful project execution, meeting internal and external requirements. The PD delegates day-to-day execution to the PM. The PM is responsible for the successful implementation of the project. It should be noted that the interactions between functional management and line management for single-country and multi-country projects differ.

The Project Execution policy defines roles and procedures and governance of all SNV Projects. Project-specific governance frameworks for all projects are generally defined during the project design phase. They must be populated and operational during project inception, as outlined in the SNV Project start-up procedure.

## Guidance in case of (alleged) irregularities

A code of conduct is in place to provide guidelines for good conduct and directions for exercising good judgment in ethical matters and situations of conflict of interest. Whistle-blower and fraud response procedures are also operational and in place. These procedures guide how to report



cases of (alleged) impropriety and set out SNV's procedures for dealing with (alleged) irregularities.

## Compliance and Internal Control

SNV International has an Internal Audit Unit (IAU) with a direct reporting line to the Chief Executive Officer and the Audit Committee. IAU executes internal audits for SNV International and related entities, including SNV in Uganda, using a risk-based audit plan. These audits provide the Managing Board of SNV International with independent and objective information on the degree of control of the Organisation's primary processes and supporting processes (such as finance and HR). The audits support the accomplishment of its objectives by assessing the Organisation's processes to detect possible weaknesses, risks, and good practices and foster organisational learning. The Managing Board takes measures to improve the Organisation based on the audit information.

## Risk Management

The Organisation uses the three lines of the defence model to manage its organisational risks effectively.

- The first measure is the Internal Control Framework (ICF) which sets the Organisation's tone for internal control and supports influencing the control consciousness of staff.
- The Control Self-Assessment (CSA) is part of the Organisation's second measure. Normally carried out annually by each country team, the objective of the CSA is to support the implementation of the ICF by monitoring the existence and operating effectiveness of internal controls in the country.
- Internal Audit is part of the Organisation's third line of control. Country and performance audits are performed independently by Internal Auditors of SNV International to assess whether internal controls are adequate to mitigate risks and whether governance processes are effective.

The Country Management Team has regular discussions on the Organisation's top risks, re-assessing and adjusting management actions according to our risk appetite. Our principal risks and ongoing mitigating measures are as follows.

### 1. Project Management Risk:

The Budget rose by over 16% (Comparing FY 2022 to 2023). In project management, performance is evaluated based on the achievement of quality project implementation. Emphasis is placed on projects with both new projects, high budgets, and those closing, namely Inclusive Markets for Energy Efficiency in Uganda (IMEU) projects and Inclusive Livestock Development for Smallholder Farmers (INCLUDE).

### 2. Legal and tax compliance:

Compliance with regulations, including tax are ongoing concerns for our countries of operation. Increasing restrictions to operate (change in taxation or regulations/ laws). An increasing proportion of revenues are seen as 'business income', leading to potential tax exposures and complexities. In 2023 we made substantial improvements in our legal, tax, and compliance oversight capabilities. With the support of Global office, we reorganised the risk and compliance function to ensure appropriate mandates and capacities, the development of a global compliance information database, a comprehensive review of our global entity and registration statuses, and the continuation of the multi-year tax and legal health check. In 2024 we will continue to implement our tax and legal health programme to ensure a strong baseline compliance with all tax and legal requirements.

In 2023, SNV received two prestigious FiRe Awards from the Institute of Certified Public Accountants of Uganda: the Reporting Award for Non-Profit Organisations and the Special Award for Outstanding Financial Reporting under IPSAS.

# Country Director's Report

I wish to share our annual report and financial statements for the period ending December 31, 2023. These outline the expenses incurred and highlight the enhancements in livelihoods.

In 2023, SNV initiatives received funding from project resources documented as project income in the SNV Financial Performance Report, enabling us to achieve our objectives. Our revenue for 2023 was Ushs 40 billion.

Income from project funding realised in 2023 stood at Ushs 40 billion, with a 13% decrease when compared to the previous year (2022: Ushs 46 billion). The revenue recognised in 2022 reflected a significant carry-over and additions to budgets due to delayed activities linked to COVID restrictions. In our 2023 plan, we did not anticipate much growth, observing that this backlog was over, and some projects were closing out or tending to close. Some of these included The Inclusive Dairy Enterprise – TIDE project, Innovation Against Poverty – IAP, and the Sustainable Energy Smallholder Farmers project - SEFFA). This explains factors that drove down activities and project revenue.

The financial statements of the Organisation for the year ended December 31, 2023, comprise the following:

- Statement of Financial Performance
- Statement of Financial Position
- Statement of Changes in Net Assets
- Statement of Cash Flows
- Notes to the Financial Statements

## Targets achieved

We have directly improved the lives of over 353,000 people by providing incomes and access to basic services in our three focus sectors: Agri-Food, Energy, and Water.

## Financial Position

SNV in Uganda's financial position remains robust, with net assets amounting to Ushs 16.7 billion as of 31 December 2023 (2022: Ushs 15.9 billion). Working capital, calculated as current assets minus current liabilities, stood at Ushs 16.2 billion as at 31 December 2023 (2022: Ushs 15.4 billion).

I extend our sincere appreciation to our development partners for their dedication to SNV's mission, which continues to transform the lives of Ugandans. Our accomplishments are due to strong partnerships with the Government of Uganda, including various ministries, departments, and agencies, and local governments hosting SNV projects in over 100 districts nationwide. I recognise and commend the commitment and tireless efforts of SNV staff, local stakeholders, and partner organisations.



**Phomolo Maphosa**  
Country Director, SNV in Uganda  
30<sup>TH</sup> September 2024

## Statement of Directors' Responsibilities

The Companies Act, Cap.106 of Uganda requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of financial affairs of the Organisation as at the end of the financial year and of its operating results for that year. It also requires the directors to ensure the Organisation keeps proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Organisation. They are also responsible for safeguarding the assets of the Organisation.

The directors are ultimately responsible for the internal control. The directors delegate responsibility for internal control to management. Standards and systems of internal control are designed and implemented by management to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of the Organisation's assets. Appropriate accounting policies supported by reasonable and prudent judgments and estimates, are applied on a consistent and using the going concern basis. These systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

The directors accept responsibility for the year's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards ("IPSAS") and in the manner required by the Companies Act, Cap. 106 of Uganda.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Organisation and of its operating results. The directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The directors have assessed the Organisation's ability to continue as a going concern, and based on the information disclosed, are of the view that the Organisation will remain a going concern for at least twelve months from the date of this statement.

### Approval of financial statements

The financial statements were approved by the Board of Directors on 30<sup>th</sup> September 2024 and signed on its behalf by:



**Phomolo Maphosa**  
Country Director



# Independent Auditor's Report to the Members of SNV Netherlands Development Organisation

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of SNV Netherlands Development Organisation ("SNV in Uganda" or "the Organisation") set out on pages 62 to 80, which comprise the statement of financial position as at 31 December 2023 and the statement of financial performance, statement of changes in net assets and statement of cash flows for the year ended 31 December 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organisation as at 31 December 2023 and the financial performance and the cash flows of the Organisation for the year then ended in accordance with International Public Sector Accounting Standards ("IPSAS") and the requirements of the Companies Act, Cap.106 of Uganda.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Organisation in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Uganda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other matter

The financial statements of the Organisation for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 02 October 2023.

### Other information

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independent Auditor's Report (Continued)

### Report on the Audit of the financial statements (continued)

#### Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards and the requirements of the Companies Act, Cap. 106 of Uganda, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Organisation or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Independent Auditor's Report (Continued)

### Report on the Audit of the financial statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on other legal requirements

As required by the Companies Act, Cap. 106 of Uganda, we report to you, based on our audit, that:

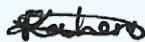
- i) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit;
- ii) In our opinion, proper books of account have been kept by the Organisation, so far as appears from our examination of those books, and
- iii) The statement of financial position and statement of financial performance are in agreement with the books of account.

The Engagement Partner on the audit resulting in this independent auditor's report is CPA Freda Kaheru Agaba – P0531.



**Ernst & Young**

Certified Public Accountants of Uganda  
Kampala, Uganda



**CPA Freda Kaheru Agaba**

Partner

04 October 2024



# Statement of Financial Performance

	Note	2023 Ushs '000	2022 Ushs '000
<b>Revenue</b>			
Income mobilised from donors	3	40,271,878	45,764,588
Other income	4	316,687	431,535
<b>Total revenue</b>		<b>40,588,565</b>	<b>46,196,123</b>
Staff salaries and other costs	5	(13,006,540)	(11,886,219)
Consultant fees	6	(3,895,691)	(3,527,299)
Local partners' fees	7	(514,215)	(1,312,573)
Office costs	8	(1,201,908)	(1,288,472)
Transport costs	9	(1,287,192)	(1,361,717)
Equipment costs	10	(202,519)	(206,276)
Direct assignment related costs	11	(14,512,096)	(20,039,050)
General costs	12	(548,483)	(1,087,055)
<b>Total expenses</b>		<b>(35,168,644)</b>	<b>(40,708,661)</b>
<b>Operating surplus</b>		<b>5,419,921</b>	<b>5,487,462</b>
Foreign exchange losses	13	(4,635,128)	(4,792,625)
<b>Surplus for the year</b>		<b>784,793</b>	<b>694,837</b>

# Statement of Financial Position

	Note	2023 Ushs '000	2022 Ushs '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	14	514,795	517,544
<b>Current assets</b>			
Receivables from non-exchange transactions	15	51,608,627	91,707,285
Cash and cash equivalents	16	2,193,939	278,689
		53,802,566	91,985,974
<b>TOTAL ASSETS</b>		<b>54,317,361</b>	<b>92,503,518</b>
<b>NET ASSETS</b>			
Accumulated surplus		16,680,128	15,895,335
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	17	24,542,097	63,285,163
Deferred income	18	13,095,136	13,323,020
<b>Total liabilities</b>		<b>37,637,233</b>	<b>76,608,183</b>
<b>Total net assets and liabilities</b>		<b>54,317,361</b>	<b>92,503,518</b>

The financial statements were approved by the Board of Directors on .....2024 and were signed on its behalf by:



**Phomolo Maphosa**  
Country Director

## Statement of Changes in Net Assets

	Accumulated Surplus
	Ushs '000
<b>At 1 January 2022</b>	15,200,498
Surplus for the year	694,837
<b>At 31 December 2022</b>	<b>15,895,335</b>
<b>At 1 January 2023</b>	<b>15,895,335</b>
Surplus for the year	784,793
<b>At 31 December 2023</b>	<b>16,680,128</b>



# Cash Flow Statement

	Note	2023 Ushs '000	2022 Ushs '000
<b>Cash flows from operating activities</b>			
Surplus for the year		784,793	694,837
<b>Adjustments for non-cash items:</b>			
Depreciation expense	14	127,438	356,464
Operating surplus before working capital changes		912,231	1,051,301
<b>Changes in working capital:</b>			
Decrease / (increase) in receivables from non-exchange transactions		40,098,658	(12,512,176)
Decrease in deferred income		(227,884)	(15,290,619)
(Increase) / decrease in payables		(38,743,066)	26,749,600
<b>Net cash from / (used) in operating activities</b>		2,039,939	(1,894)
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	14	(124,689)	(352,580)
<b>Net cash used in investing activities</b>		(124,689)	(352,580)
<b>Net increase / (decrease) in cash and cash equivalents</b>		1,915,250	(354,474)
Cash and cash equivalents at start of year		278,689	633,163
<b>Cash and cash equivalents at end of year</b>	16	2,193,939	278,689

# Notes to the Financial Statements

## 1. Reporting entity general information

SNV Netherlands Development Organisation ("SNV in Uganda" or "the Organisation") is a not-for-profit international development organisation that applies practical know-how to make a lasting difference in the lives of people living in poverty. We use our extensive and long-term in-country presence to apply and adapt our expertise in the Agri-Food, Energy, and Water sectors to local contexts. The Organisation works to strengthen capacities and catalyse partnerships that transform the agri-food system, which enables sustainable and more equitable lives for all. Since 1989, SNV in Uganda has been guided by government priorities, legal policies, and institutional frameworks in the districts and at the national level. In 2023, the Organisation is currently implementing Eight (8) projects, including three (3) in energy, one (1) in water and five (4) in the agri-food sector, focusing on food security, increased household incomes, job creation specifically for women and youth, adoption of climate-smart practices and technologies and improved food and nutrition security.

The Organisation has its registered offices at:

Plot 36, Luthuli Rise, Bugolobi  
P.O. Box 8339  
Kampala, Uganda

## 2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

### a) Basis of preparation

The financial statements have been prepared in accordance with International Public Sector Accounting Standards ("IPSAS"). The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are prepared on accrual basis. The financial statements are presented in Uganda Shillings, rounded to the nearest thousand.

The preparation of financial statements in conformity with IPSAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Organisation's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in note 2(m).

### New and amended standards

During the current year, the Organisation has adopted all of the new revised standards and interpretations issued by the International Public Sector Accounting Standards Board (IPSASB) and the International Financial Reporting Interpretation Committee (IFRIC) that are relevant to its operations and effective for annual reporting beginning on 1 January 2023.

The Organisation has not early adopted any standards, interpretations or amendments that have been issued but not yet effective.

The Organisation has not listed any disclosure of the new and amended standards and interpretation that are effective from 1 January 2023, because none of them had an impact on the Organisation's financial statements.

## Notes to the Financial Statements (Continued)

### 2. Summary of significant accounting policies (continued)

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Organisation's financial statements are not expected to have an impact on the Organisation's financial statements.

#### b) Revenue recognition

Revenue comprises grant income and non-core income (other income). Grant income comprises funds mobilised from donors. Income is recognised in the statement of financial performance on an accrual basis. Other income relates to revenue received from non-core activities of the Organisation, such as rental income, gains on disposal of property and equipment and foreign exchange gain.

The timing of revenue recognition is determined by the nature of the conditions and their settlement. Income from donors is recognised in the period in which the grant is received or where there is assurance that the grant will be received, and all attaching conditions as stipulated in the funding agreements are complied with. Grant income received but not utilised during the period is recognised as deferred in the statement of financial position.

#### c) Translation of foreign currencies

##### (i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Organisation operates ('the functional currency'). The financial statements are presented in Uganda Shillings ("Ushs"), which is the Organisation's functional currency and rounded off to the nearest thousand ("000").

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance.

#### d) Property and equipment

All categories of property and equipment are initially recorded at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Organisation and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred.

Depreciation on property and equipment is calculated using the straight-line method to allocate their cost amounts less their residual values over their estimated useful lives, as follows:

Buildings	6.7%
Motor vehicles	25%
Equipment	33%
Other equipment	25%



## Notes to the Financial Statements (Continued)

### 2. Summary of significant accounting policies (continued)

#### e) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of financial performance on a straight-line basis over the period of the lease.

#### f) Financial instruments

The accounting policies adopted for the recognition, measurement, and disclosure of financial instruments are as follows:

- **Classification of Financial Instruments:** Financial assets and liabilities are classified into one of the following categories:
  - » Financial assets and liabilities at fair value through surplus or deficit
  - » Financial assets at amortised cost
  - » Financial liabilities at amortised cost
- **Initial Recognition and Measurement:** Financial instruments are recognised when the entity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at fair value plus, in the case of financial instruments not at fair value through surplus or deficit, transaction costs.
- **Subsequent Measurement:**
  - » **Financial Assets:** Depending on the classification, financial assets are subsequently measured at amortised cost or fair value.
  - » **Financial Liabilities:** These are measured at amortised cost or fair value, depending on the classification.
- **Derecognition:** Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or when the entity transfers the financial asset. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged or canceled or expires.
- **Impairment of Financial Assets:** The Organisation evaluates the Expected Credit Losses (ECL) on its financial assets, including donor receivables, amounts due from related parties, cash at bank, and other financial assets, using a forward-looking approach. A loss allowance is recognised at each reporting date to account for the risk of default on these financial assets.

#### g) Provisions

Provisions are recognised when the Organisation has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligation as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

## Notes to the Financial Statements (Continued)

### 2. Summary of significant accounting policies (continued)

#### h) Accumulated surplus

Accumulated surplus comprises surplus accumulated from previous years and the surplus for the current year. The reserves are available to the Organisation and are maintained to ensure that the Organisation can continue to carry out its mission.

#### i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

#### j) Deferred income

These funds are categorised as deferred income because, at the time of receipt, they have not yet met the criteria for immediate recognition as revenue. Instead, they are earmarked for specific projects or initiatives that are planned to be carried out in subsequent accounting periods. This approach adheres to sound accounting principles and ensures that the financial statements accurately reflect the Organisation's financial position and performance, aligning with transparency and accountability standards.

#### k) Employee benefits

##### Retirement benefit obligations

The Organisation and all its employees contribute to the appropriate National Social Security Fund (NSSF), which is a defined contribution scheme.

A defined contribution plan is a pension plan under which an entity pays fixed contributions into a separate entity. The Organisation has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Organisation's contributions to the defined contribution scheme are charged to the statement of financial performance in the period in which they fall due.

#### l) Related parties

Related parties include individuals or entities that have control, joint control, or significant influence over the Organisation, as well as key management personnel and their close family members.

**Identification of Related Party Transactions:** Related party transactions are identified through the Organisation's internal controls and governance processes. The Organisation maintains a register of related parties and monitors transactions between the Organisation and these parties on an ongoing basis.

**Recognition and Measurement:** Related party transactions are recognised in the financial statements when a transfer of resources, services, or obligations occurs between the Organisation and a related party, regardless of whether a price is charged. These transactions are measured at the fair value of the consideration exchanged, except where another measurement basis is required by an applicable IPSAS.

#### m) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

## Notes to the Financial Statements (Continued)

### 2. Summary of significant accounting policies (continued)

#### Critical accounting estimates and assumptions

The Organisation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

In preparing the financial statements, management has made judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and the future periods if the revision affects both current and future periods.

The estimates and associated assumption are based on historical experiences, the results of which form the basis of making judgments about the carrying values and liabilities that are not readily apparent from other sources. Actual results ultimately may differ from these estimates.

Management identifies all significant accounting policies and those that involve high judgment and, in particular, the significant areas of estimation and un-certainty in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are:

#### (i) *Impairment*

The Organisation makes estimates and assumptions that affect the reported amounts of assets within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Organisation regularly reviews its assets and makes judgments in determining whether impairment should be recognised.

Critical estimates are made by management in determining the recoverable amount of impaired receivables.

#### (ii) *Useful lives of property and equipment*

Property and equipment are depreciated over their useful life, considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Critical estimates are made by management in determining the useful lives and depreciation rates for property and equipment. The rates used are set out in Note 2(d) above.

#### o) **Financial risk management**

The Organisation's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Organisation's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.



## Notes to the Financial Statements (Continued)

### 2. Summary of significant accounting policies (continued)

#### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Organisation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

#### (i) Foreign exchange risk

The Organisation is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities. The Organisation aims to manage exposure to fluctuations in foreign currency exchange rates by keeping a proportion of its cash balance in foreign currency. The currencies to which the Organisation was exposed are summarised in the table below. All amounts are in Ugandan shillings (Ushs).

	USD Ushs '000	EUR Ushs '000	Total Ushs '000
<b>At 31 December 2023</b>			
<b>Assets</b>			
Cash and cash equivalents	28,519	23,964	52,483
Receivables from non-exchange transactions	46,749	50,156,962	50,203,711
<b>Total</b>	<b>75,268</b>	<b>50,180,926</b>	<b>50,256,194</b>
<b>Liabilities</b>			
Payables	255,017	18,069,722	18,324,739
<b>Total</b>	<b>255,017</b>	<b>18,069,722</b>	<b>18,324,739</b>
<b>Net gap</b>	<b>(179,749)</b>	<b>32,111,204</b>	<b>31,931,455</b>
<b>At 31 December 2022</b>			
<b>Assets</b>			
Cash and cash equivalents	3,415	2,869	6,284
Receivables from non-exchange transactions	-	88,493,982	88,493,982
<b>Total</b>	<b>3,415</b>	<b>88,496,851</b>	<b>88,500,266</b>
<b>Liabilities</b>			
Payables	251,757	55,673,211	55,924,968
<b>Total</b>	<b>251,757</b>	<b>55,673,211</b>	<b>55,924,968</b>
<b>Net gap</b>	<b>(248,342)</b>	<b>32,823,640</b>	<b>32,575,298</b>

## Notes to the Financial Statements (Continued)

### 2. Summary of significant accounting policies (continued)

#### (ii) Interest rate risk

Interest rate risks arise from fluctuations in the borrowing or deposit rates. The Organisation does not have instruments that expose it to material interest rate risk.

#### **Credit risk**

Credit risk is the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Organisation. The primary sources of credit risk for the Organisation include receivables from non-exchange transactions, and other financial assets such as cash at bank.

The amount that best represents the Organisation's maximum exposure to credit risk at 31 December 2023 is made up as follows:

	2023	2022
	Ushs '000	Ushs '000
Mobile money	43,834	-
Cash at bank	2,150,016	257,441
Funds claimable from donors	408,123	657,413
Amounts due from related parties	49,748,839	87,836,569
	<b>52,350,812</b>	<b>88,751,423</b>

No collateral is held for any of the above assets.

#### **Liquidity risk**

Liquidity risk is the risk that operations cannot be funded, and financial commitments cannot be met timely and cost-effectively. The risk arises from both the difference between the magnitude of assets and liabilities and the disproportion in their maturities. Liquidity risk management deals with the overall profile of the balance sheet, the funding requirements of the Organisation and cash flows. In quantifying the liquidity risk, future cash flow projections are simulated, and necessary arrangements are put in place in order to ensure that all future cash flow commitments are met from the working capital. The Organisation manages its debt maturity profile, operating cash flows and the availability of funding so as to meet all refinancing, repayment and funding needs. As part of its overall liquidity management, the Organisation maintains sufficient levels of cash to meet its working capital requirements. The Organisation also considers provisions and accruals in its liquidity management to ensure that sufficient funds are available to meet these obligations when they become due.

## Notes to the Financial Statements (Continued)

### 2. Summary of significant accounting policies (continued)

Exposure to liquidity risk

The table below analyses the contractual maturities of financial assets and liabilities into relevant maturity groupings.

	Up to 1 month Ushs'000	From 1 to 3 months Ushs'000	From 3 to 12 months Ushs'000	Above 12 months Ushs'000	Total Ushs'000
<b>At 31 December 2023</b>					
Mobile money	43,834	-	-	-	43,834
Cash at bank	2,150,016	-	-	-	2,150,016
Receivables from non-exchange transactions	-	-	50,156,962	-	50,156,962
<b>Total financial assets</b>	<b>2,193,850</b>	<b>-</b>	<b>50,156,962</b>	<b>-</b>	<b>52,350,812</b>
<b>Liabilities</b>					
Payables	500,016	-	24,042,081	-	24,542,097
<b>Total financial liabilities</b>	<b>500,016</b>	<b>-</b>	<b>24,042,081</b>	<b>-</b>	<b>24,542,097</b>
<b>Liquidity gap</b>					
<b>As at 31 December 2023</b>	<b>1,693,834</b>	<b>-</b>	<b>26,114,881</b>	<b>-</b>	<b>27,808,715</b>
<b>At 31 December 2022</b>					
Mobile money	-	-	-	-	-
Cash at bank	257,441	-	-	-	257,441
Receivables from non-exchange transactions	-	-	88,493,982	-	88,493,982
<b>Total financial assets</b>	<b>257,441</b>	<b>-</b>	<b>88,493,982</b>	<b>-</b>	<b>88,751,423</b>
<b>Liabilities</b>					
Payables	6,622	-	63,278,541	-	63,285,163
<b>Total financial liabilities</b>	<b>6,622</b>	<b>-</b>	<b>63,278,541</b>	<b>-</b>	<b>63,285,163</b>
<b>Liquidity gap</b>					
<b>As at 31 December 2022</b>	<b>250,819</b>	<b>-</b>	<b>25,215,441</b>	<b>-</b>	<b>25,466,260</b>



## Notes to the Financial Statements (Continued)

### 3. Revenue

#### Income mobilised from donors

		2023	2022
		Ushs '000	Ushs '000
Project code	Project Name		
Embassy of the Kingdom of the Netherlands (EKN)	The Inclusive Dairy Enterprise (TIDE) & ISDAP	15,608,925	15,246,073
Young Enterprise Program (YEP)	YEP Programme	25,880	50,139
Netherlands Ministry of Foreign Affairs (DGIS)	Climate Smart Agriculture East Africa	7,035,001	16,039,225
World Vision UK	SUPREME	2,722,160	4,676,645
Ingvar Kamprad Elmtaryd Agunnaryd (IKEA) Foundation	Sustainable Energy Small Holder Farmers	958,386	1,137,081
Swedish International Development Cooperation Agency (SIDA)	Inclusive Markets for Energy Efficiency in Uganda	8,204,537	4,135,157
Embassy of the Kingdom of the Netherlands	Supreme EKN Contribution	430,121	60,278
Swedish International Development Cooperation Agency (SIDA)	Innovations against Poverty	2,534,856	2,534,856
Austrian Development Agency (ADA)	Improving Water Supply Sustainability in Northern Uganda	257,679	-
The Netherlands Enterprise Agency (RVO)	African Bio- digester Component (ABC)	2,494,333	1,885,134
<b>Total</b>		<b>40,271,878</b>	<b>45,764,588</b>

### 4. Other Income

	2023	2022
	Shs'000	Shs'000
Rental income	70,828	386,456
Interest income on bank deposits	102,870	45,079
Write-off of payables	128,819	-
Other income	14,170	-
	<b>316,687</b>	<b>431,535</b>

## Notes to the Financial Statements (Continued)

### 5. Staff Salaries and Other Costs

	2023 Shs'000	2022 Shs'000
Salary national staff	6,973,274	6,690,232
Employers' NSSF contribution to national staff	803,228	751,858
Secondary employment benefits national staff	1,504,583	1,197,015
Salary international staff	1,099,935	983,187
Secondary employment benefits international staff	1,208,066	1,269,156
Other staff costs	1,417,454	994,771
	<b>13,006,540</b>	<b>11,886,219</b>

### 6. Consultant fees

Consultant fees	3,885,717	3,520,474
Travel and per diem for consultants	9,974	6,825
	<b>3,895,691</b>	<b>3,527,299</b>

### 7. Local partners' fees

Local partners' fees	513,082	1,312,573
Travel and per diem for local partners	1,133	-
	<b>514,215</b>	<b>1,312,573</b>

### 8. Office costs

Office supplies	91,860	233,285
Communication costs	372,706	303,671
Maintenance buildings	20,263	34,217
Depreciation buildings (note 13)	44,712	44,065
Insurance/taxes building	3,172	3,443
Rent for offices	141,361	133,249
Utilities	477,834	493,847
Information communication technology and receptionist costs	50,000	42,695
	<b>1,201,908</b>	<b>1,288,472</b>

## Notes to the Financial Statements (Continued)

### 9. Transport costs

	2023	2022
	Shs'000	Shs'000
Vehicle maintenance	214,685	176,841
Depreciation vehicles (note 14)	62,565	218,156
Insurance/ taxes - vehicles	71,960	110,543
Fuel - SNV vehicles	280,091	294,122
Rent of vehicles and other related costs	657,891	562,055
	<b>1,287,192</b>	<b>1,361,717</b>

### 10. Equipment costs

Purchase of project equipment/ inventory	39,943	74,371
Maintenance and rental of equipment	11,751	7,115
Depreciation equipment (note 13)	20,161	94,243
Insurance/taxes equipment	10,891	16,523
Licenses and maintenance software	97,189	7,644
Low-value equipment	22,584	6,380
	<b>202,519</b>	<b>206,276</b>

### 11. Direct assignment-related costs

Donations/ sub-grants/ subsidies	7,337,455	10,593,043
Workshops/ trainings/ assignment costs	3,618,039	3,709,891
Subcontracted activities & Flow through	1,983,849	2,522,719
Consortium partners -staff	1,170,536	1,966,396
Consortium partners - non-staff	402,217	1,247,001
	<b>14,512,096</b>	<b>20,039,050</b>



## Notes to the Financial Statements (Continued)

### 12. General costs

	2023	2022
	Shs'000	Shs'000
Expenses for meetings (travel and lodging expenses)	145,603	334,849
Subscriptions, contributions, and literature	45,993	10,365
Audit costs	129,430	313,863
Legal support	30,696	45,512
Other general expenses	33,127	103,177
Publicity	134,005	252,099
Bank charges	29,629	27,190
	<b>548,483</b>	<b>1,087,055</b>

### 13. Foreign exchange losses

Net foreign exchange loss	<b>4,635,128</b>	<b>4,792,625</b>
---------------------------	------------------	------------------

### 14. Property and equipment

	Buildings	Vehicles	Equipment	Total
	Ushs '000	Ushs '000	Ushs '000	Ushs '000
<b>Cost</b>				
At 1 January 2022	1,302,206	1,107,028	2,115,025	4,524,259
Additions	191,075	119,985	41,520	352,580
At 31 December 2022	1,493,281	1,227,013	2,156,545	4,876,839
Additions	33,271	-	91,418	124,689
<b>At 31 December 2023</b>	<b>1,526,552</b>	<b>1,227,013</b>	<b>2,247,963</b>	<b>5,001,528</b>
<b>Depreciation</b>				
At 1 January 2022	1,083,961	874,294	2,044,576	4,002,831
Charge for the year	44,065	218,156	94,243	356,464
At 31 December 2022	1,128,026	1,092,450	2,138,819	4,359,295
Charge for the year	44,712	62,565	20,161	127,438
<b>At 31 December 2023</b>	<b>1,172,738</b>	<b>1,155,015</b>	<b>2,158,980</b>	<b>4,486,733</b>
<b>Net book value</b>				
<b>At 31 December 2023</b>	<b>353,814</b>	<b>71,998</b>	<b>88,983</b>	<b>514,795</b>
<b>At 31 December 2022</b>	<b>365,255</b>	<b>134,563</b>	<b>17,726</b>	<b>517,544</b>

## Notes to the Financial Statements (Continued)

### 15. Receivables from non-exchange transactions

	2023	2022
	Ushs '000	Ushs '000
Prepayments	195,534	291,060
Other receivables*	1,438,054	2,947,494
Funds claimable from donors	408,123	657,413
Amounts due from related parties (note 18a)	49,748,839	87,836,569
Total receivables	51,790,550	91,732,536
Less: Provision for doubtful debts	(181,923)	(25,251)
	51,608,627	91,707,285

\*Other receivables consist of funds advanced to several project implementing partners that are pending accountability.

### 16. Cash and cash equivalents

Cash at hand	89	21,248
Mobile money	43,834	-
Cash at bank	2,150,016	257,441
	2,193,939	278,689

### 17. Payables

Amounts due to related companies (note 19b)	18,069,722	55,673,211
Trade payables	2,442,246	3,559,113
Provisions	1,606,912	1,209,931
Accruals	1,372,031	2,576,768
Staff related payables	551,170	259,518
Pay As You Earn (PAYE)	352,135	6,622
National Social Security Fund (NSSF)	147,881	-
	24,542,097	63,285,163

## Notes to the Financial Statements (Continued)

### 18. Deferred income

	2023	2022
	Ushs '000	Ushs '000
At 1 January	13,323,020	28,613,639
Cash receipts during the year	26,402,685	12,823,074
Amount recognised as incomes during the year	(26,630,569)	(28,113,693)
At 31 December	13,095,136	13,323,020

### 19. Related party transactions

SNV is a Netherlands-based international development organisation and is related to a number of other organisations by virtue of its international affiliation.

The following transactions were carried out with related parties:

	2023	2022
	Ushs '000	Ushs '000
<b>a) Amounts due from related parties (note 15)</b>		
SNV Bangladesh	2,417	2,260
SNV Burkina Faso	117,836	90,762
SNV Cambodia	10,150,914	8,151,816
SNV Cameroon	17,365	16,238
SNV Ethiopia	3,409,595	2,501,511
SNV Ghana	2,258	2,111
SNV Kenya	18,030,512	17,087,185
SNV Laos	1,360	1,271
SNV Mozambique	44,494	4,288
SNV Netherlands	-	43,518,028
SNV Rwanda	-	11,349
SNV Tanzania	8,263,599	7,384,268
SNV Zambia	9,691,983	9,063,099
SNV Mali	3,979	-
SNV Niger	9,980	-
SNV Zimbabwe	2,546	2,383
	49,748,839	87,836,569



	2023	2022
	Ushs '000	Ushs '000
<b>b) Amounts due to related parties (note 17)</b>		
SNV Bhutan	12,083	11,299
SNV Ethiopia	-	391,457
SNV Kenya	-	723,308
SNV Rwanda	119,651	34,351
SNV Netherlands	17,937,988	54,364,726
SNV Tanzania	-	60,530
SNV Cambodia	-	87,540
	<b>18,069,722</b>	<b>55,673,211</b>
<b>c) Key management compensation</b>		
Salaries and other employment benefits	<b>2,409,902</b>	<b>2,320,822</b>

## 20. Contingent Liabilities

In the ordinary course of operations, contingent liabilities may arise due to breach of contract, injury to third parties, failure to honor commitments entered into by the organisation and other numerous sources. In the opinion of the directors, there are no major contingent liabilities from which material loss would be anticipated (2022: none).

## 21. Taxation

The Organisation is registered as a non-governmental organisation. However, the Organisation has no tax exemption for its surplus from the statement of activities as provided for under Section 2(bb) of the Income Tax Act Cap 340 (ITA) Laws of Uganda. The Organisation is in the process of obtaining a tax exemption through its company solicitor. The entity filed a nil tax return to the Uganda Revenue Authority for the financial year ended 31 December 2023.

## 22. Events after the reporting date

At the date of authorisation of these financial statements, there were no events after 31 December 2023 that required adjustment of the Organisation's books of accounts (2022: None)

# APPENDICES



# Appendix 1: Statement of Comparison of Budget and Actual Amounts

## The budget approval process

The Country Annual Plan (CAP) presents SNV in Uganda's priority actions for the year as well as the Organisation's annual budget. The CAP details our priorities for the year in line with our Strategic Plan. It sets the organisational targets against which we periodically monitor progress during the year and is an aggregation of the plans of Countries and Global Teams.

How is the CAP structured?

- It describes the priorities for the Organisation.
- It describes how the country's footprint will evolve.
- It takes a sector lens and describes what SNV will achieve in each of our three sectors and how.
- It describes the services provided by our Global Teams.
- It has an important focus on financial planning, by setting the yearly budget.
- It describes our risk management approach.

The Uganda Country Management Team prepares the CAP following the guidance issued by the SNV Head Office, which gives the overall strategic direction of the Organisation. The CAP is made up of various projects that have specific budgets as per the signed contracts, plus those anticipated, depending on the information about the various opportunities as tracked in our corporate salesforce system. Thus, the overall country budget is drawn based on the signed and anticipated (usually with an assurance of over 95%, i.e., proposals under negotiation) projects and is included in the CAP that is signed between the Country and SNV Head Office.

## Budget information

The CAP is prepared on an accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Organisation. Therefore, the financial statements and the budget are prepared on a comparable basis.



Year ended 31 December 2023	Original budget	Adjustment	Final budget	Actual on comparable basis	Performance difference	Percentage
	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000	%
<b>Revenue</b>						
Income mobilised from donors	48,359,988	3,877,984	52,237,972	40,271,878	11,966,094	77%
Other income	-	-	-	316,687	(316,687)	
<b>Total revenue</b>	<b>48,359,988</b>	<b>3,877,984</b>	<b>52,237,972</b>	<b>40,588,565</b>	<b>11,649,407</b>	<b>78%</b>
<b>Expenses</b>						
Staff salaries and benefits	(15,774,024)	-	(15,774,024)	(13,006,540)	(2,767,484)	82%
Consultant & local capacity builder fees	-	-	-	(4,409,906)	4,409,906	
Office & equipment costs	(3,311,920)	-	(3,311,920)	(1,404,427)	(1,907,493)	42%
Transport costs	-	-	-	(1,287,192)	1,287,192	
Direct assignment-related costs	(27,662,964)	-	(27,662,964)	(14,512,096)	(13,150,868)	52%
General costs	-	-	-	(548,483)	548,483	
Exchange (loss)/gains	-	-	-	(4,635,128)	4,635,128	
Global support unit charge	-	-	-	-	-	-
<b>Total expenses</b>	<b>(46,748,908)</b>	<b>-</b>	<b>(46,748,908)</b>	<b>(39,803,772)</b>	<b>(6,945,136)</b>	<b>85%</b>
<b>Surplus for the year 2023</b>	<b>1,611,080</b>	<b>3,877,984</b>	<b>5,489,064</b>	<b>784,793</b>	<b>4,704,271</b>	<b>14%</b>
<b>Surplus for the year 2022</b>	<b>6,214,651</b>	<b>-</b>	<b>19,000,479</b>	<b>694,837</b>	<b>18,305,642</b>	<b>24%</b>

## Appendix 2: Sustainability Report

This report represents the Organisation's commitment to sustainable development and comprehensive reporting to all stakeholders.

The report follows guidelines released by the Global Reporting Initiative (GRI), which is a joint initiative coalition for Environmentally Responsible Economies and the United Nations Environment Programme.

GRI issued the guidelines for voluntary use by reporting on the economic, environmental, and social diversion of their activities, products, and services to articulate an understanding of their contribution to sustainable developments.

### Value Added Statement

The Value-Added Statement shows the social value added that the Organisation makes through its activities. Value added is calculated as the Organisation's performance minus payments such as office costs, transport and other service costs.

The resulting amount is distributed to the stakeholders, including employees, local capacity builders, and direct programme support.

	2023	% of 2023	2022	% of 2022
	Ushs '000	total	Ushs '000	total
<b>Value Added</b>				
Mobilized funds from donors	40,271,878	99%	45,764,588	99%
Other income	316,687	1%	431,535	1%
<b>Total income</b>	<b>40,588,565</b>		<b>46,196,123</b>	
<b>Less:</b>				
Office costs and other service costs	(6,385,519)		(7,168,152)	
Transport costs	(1,287,192)		(1,361,717)	
<b>Wealth available</b>	<b>32,915,854</b>		<b>37,666,254</b>	
<b>Distribution of available wealth</b>				
National staff salaries and other benefits	9,281,085	28%	8,639,105	23%
International staff salaries and other benefits	2,308,001	7%	2,252,343	6%
Short-term support/consultancy costs	3,895,691	12%	3,527,299	9%
Staff recruitment, training & travel costs	1,417,454	4%	994,771	3%
Local capacity builders' costs	514,215	2%	1,312,573	3%
Equipment, furniture & fittings	202,519	1%	206,276	1%
Workshops and related costs	14,512,096	44%	20,039,050	53%
Surplus	784,793	2%	694,837	2%
<b>Wealth distributed</b>	<b>32,915,854</b>	<b>100%</b>	<b>37,666,254</b>	<b>100%</b>

The Value-Added Statement above shows that the Organisation is a major financial contributor to various stakeholders, especially the locals.

Of the total wealth available in 2023,

- 28% was distributed to national employees as remuneration and benefits.
- 7% was distributed to expatriate employees as remuneration and benefits.
- 2% was distributed to local partners (community-based Organisations) as remuneration for their services.
- 44% was spent locally on workshops and other related costs, a further finance contribution to the economy.

### 2023 Wealth Creation



### Value for money criteria

The Organisation's sole purpose is to generate and contribute to a lasting impact on the lives of poor and disempowered people. Increasing the result orientation of our work and improving our related systems continues to be one of the elementary means to that end.

### Planning, monitoring and evaluation (PME)

SNV in Uganda's planning, monitoring and evaluation (PME) serves several purposes.

#### Results management and quality assurance:

SNV in Uganda's projects are results-based and founded on using the theory of change to understand the causal logic behind changes that a project aims to effect. Our PME systems, therefore, concentrate on monitoring specified results and evidencing changes occurring as a result of the project, whether they be intended or unintended.

#### Steering and learning:

Through PME and our focus on results monitoring, we maximise the opportunities for adaptive management, i.e., the ability for the project to adapt its course based on evidence of what is going well, what is not and changes in the context. The key elements mentioned above – tracking results, checking hypotheses, and noting contextual shifts – form the basis for project management decision-making on needed adaptations or improvements to strategies and interventions.



## Appendices (Continued)

### Participation and accountability:

SNV in Uganda operates in complex environments with many actors who have a stake in what we are trying to achieve. These include target groups, the Ugandan government, donors, the private sector, partners, and civil society organisations. All these stakeholders participate in or have an interest in our plans, and our findings from M&E. We use PME information to make their participation meaningful and to be accountable to them.

### Reporting and evidencing change:

We use PME information to demonstrate our results to external audiences. Increasingly (development) organisations need to stand out in the way they achieve and demonstrate results and in the way they communicate these results, the innovative approaches used, and the knowledge gained to strategically selected audiences. It is crucial for SNV in Uganda's credibility and success to be able to evidence our contribution to positive change for the people we work for and the systems that affect them.

## Finance

The finance organisational structure and responsibilities follow the decentralised governance environment of SNV in Uganda, which is based on a country-driven model.

This is in line with the organogram, corporate governance and country governance principles.

The financial organisation, processes, and controls are structured within SNV in Uganda to ensure sufficient segregation of duties and to limit the risk of error and fraud. This means that various roles in a process are assigned to different people. It minimises the risk of theft or other fraudulent activities that could be caused by placing excessive control over a process with one individual.

The segregated main duties are authorisation, safekeeping, the custody of assets, record-keeping and reconciliation/review/controls. All SNV team members involved in finance activities shall follow the competencies and logic for review and approvals outlined in the following documents:

- SNV Global competency table
- SNV Country competency tables
- SAP Business by Design (SBD) approvals

SNV Internal Control Framework (ICF) to minimise risks and to ensure overall compliance. This model comprises:

1. The ICF
2. The Control Self-Assessment (CSA)
3. The internal audit function

In 2023, SNV received two prestigious FiRe Awards from the Institute of Certified Public Accountants of Uganda: the Reporting Award for Non-Profit Organisations and the Special Award for Outstanding Financial Reporting under IPSAS.

SNV Uganda Country Finance Manager (L) Deusdedit Mbuga, and Country Finance Officer, Patrick Omara (R) receive the FiRe award.



## Appendices (Continued)

### Strategy

In 2023, we focused our efforts on kickstarting the implementation of our new 2030 Strategy to ensure we can respond effectively to the changing global context. So that we can both harness emerging opportunities and successfully navigate challenges as we strive to build a better world as envisioned in our mission, through collaboration and partnership. As identified in the strategy, there were a number of areas to be further strengthened globally, and in country. These include:

- People, culture, and talent
- Systems transformation
- Our core themes and sectors of focus
- Communications and influencing
- Exploring alternative and more flexible revenue streams

We must deepen our external focus and partnerships with fast-paced and widespread changes occurring. Given the pressure on development cooperation budgets from several European country governments, including the Netherlands' government, new types of partnerships which may enable us to access the financing we need to be more flexible and innovative are increasingly essential.

Systems transformation lies at the core of our 2030 Strategy and has remained central to our work over the past year. Across our portfolio of projects and programmes, we are committed to influencing and positively contributing to shaping policies, practices, resource flows, social norms, values, behaviours, and relationships. Most importantly, we recognise the centrality of power dynamics – the distribution of decision-making power, authority, and influence among individuals and organisations – as either a positive catalyst or a barrier to achieving the sustainable and more equitable lives we strive for. Below are our six dimensions of systems transformation:



## Appendices (Continued)

### Our people

SNV in Uganda employed an average of 73 people in 2023, with the vast majority coming from the contexts where we work. SNV International remains a highly diverse organisation comprised of people from over 58 different nationalities.

Our people are our key asset, which means that we continue investing in people management, skill building, and learning to grow our career development capacity and talent from within. The safety and wellbeing of all team members is paramount. We maintained our investments in safety and security management through training and continuous improvement plans.

Our Global Council, a body comprising one representative from each SNV Country Council, helps us to ensure that diverse perspectives are gathered from across the Organisation's teams and geographies on key strategic areas for SNV.

### Our ethical standards

In 2023, we continued to reinforce our commitment to prevent misconduct and to enforce our zero-tolerance policy towards any form of harassment, discrimination, and fraud. We require all our team members to complete our annual mandatory ethical standards e-course. We continue to be grateful to the people who came forward and reported misconduct in 2023, including those who did so anonymously. They are contributing to building a stronger and more effective SNV.

We expanded the possibility for external parties to report misconduct in relation to SNV and our activities (i.e. also from third parties involved in SNV projects). This allows for better monitoring of incidents within organisations SNV partners with, as their team members now also have an opportunity to report and are encouraged to do so, thus allowing us to take swift action when needed.

Overall, the launch and promotion of an online reporting mechanism reflected increased reports (from SNV team members and partners) compared to previous years. Relevant donors were informed of the reported incidents and of the outcomes of fact-finding reviews.

### Our carbon footprint

We are committed to bringing SNV onto a path towards net zero carbon and reducing our net emissions by at least 50% against the 2022 baseline year levels by 2030. 2022 was the first year in which we were able to base our carbon footprint calculations on emissions data from our operations. With the global carbon footprint assessment methodology in place, which allows us to measure our progress in reducing carbon emissions globally, we are now developing a carbon reduction strategy and a plan for delivering against this strategy. For each reporting year, the carbon footprint of SNV's operations can be found in the Carbon Reduction Plan, which is updated each summer with the final validated data.

The report also contains the details of carbon reduction measures already being implemented by SNV. SNV's 2023 carbon footprint is expected to be known in the summer of 2024.







Impact  
that matters

## SNV Uganda

### Country Office

Plot 36, Luthuli Rise, Bugolobi  
P.O. Box 8339, Kampala, Uganda  
Tel: +256 (0) 414 563 200  
+256 (0) 312 260 058  
Email: [Uganda@snvworld.org](mailto:Uganda@snvworld.org)  
[www.snvworld.org/country/uganda](http://www.snvworld.org/country/uganda)

---

### West Nile region

Plot 10A, Bwana Volla Road,  
Arua  
Tel: +256 (0) 758 200 781  
+256 (0) 476 420 623

### Rwenzori region

Plot 2/4, Rwenzori Road,  
P.O. Box 78, Fort Portal  
Tel: +256 (0) 758 200 778  
+256 (0) 392 200 778

### South West region

Plot 10, Haji Kasaka Road,  
Kiyanja Ruharo- Kamukuzi  
P.O.Box 1653, Mbarara  
Tel: +256 (0) 200 901 225

### North East region

Plot 3 Kabalega Road,  
Yodev Plaza, Lira  
Tel: +256 (0) 758 260 050

Arua Field Office  
Plot 1, Okuti Lane,  
P.O. Box 963, Arua City  
Central division  
+256 (0) 755 227 262