SNV

SNV Annual Report and Annual Accounts 2020

We lift up incomes and increase access to basic services

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

We apply our know-how to deliver results at scale

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

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

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

We commit to operational excellence

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

SNV Annual Report and Annual Accounts 2020

List of acronyms

ANAREE	National Agency for Renewable Energy and Energetical Efficiency, Burkina Faso
ARWSS	Area-wide Rural Water Supply Services
BCC	Behavioural Change Communication
C&B	Climate and Business
CHAIN	Cambodia Horticulture Advancing Income and Nutrition
CIIF	Climate Innovation and Investment Facility
CORE-Africa	COVID-19 Response and Resilience Initiative for Food Value Chains in Africa
CRAFT	Climate Resilient Agribusiness for Tomorrow
DFAT	Australian Department of Foreign Affairs and Trade
DFCD	Dutch Fund for Climate and Development
DGIS	Dutch Ministry of Foreign Affairs (Directorate-General for International Cooperation)
EKN	Embassy of the Kingdom of the Netherlands
EU	European Union
EUTF	EU Emergency Trust Fund for Africa
FAO	Food and Agriculture Organisation of the United Nations
FCDO	Foreign, Commonwealth & Development Office, UK
FMO	Dutch Entrepreneurial Development Bank
FX	Foreign Exchange
GEM	Gender Equality Measure
GHG	Greenhouse Gas
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HBCC	Hygiene Behavioural Change coalition
HR	Human Resources
ISF/UTS	Institute for Sustainable Futures of the University of Sydney
IVC	Inclusive Value Chains
IWRM	Integrated Water Resources Management
K	Thousand
KIT	The Royal Tropical Institute
KPI	Key Performance Indicators
KOSAP	Kenya Off-Grid Solar Access Project
M	Million
MB	Managing Board
MD	Managing Director
MSME	Micro-, small- and medium-sized enterprise
NGO	Non-Governmental Organisation
ODA	Official Development Assistance
OYE	Opportunities for Youth Employment
P&L	Profit & Loss
PME	Planning, Monitoring and Evaluation
Pro-ARIDES	PROgramme Agroalimentaire pour la Résilience Intégrée et le Développement Economique du Sahel
PUE	Productive Use of Energy
RBF	Results Based Financing
RVO	Netherlands Enterprise Agency
SBCC	Social and behaviour change communication
SDC	Swiss Agency for Development and Cooperation
SDG	Sustainable Development Goals
SEM	Sustainable Energy Markets
SME	Small and medium-sized enterprise
SN4A	Sustainable Nutrition for All
SSH4A	Sustainable Sanitation and Hygiene for All
STAMP	Sustainable Technology Adaptation for Mali's Pastoralists
USAID	United States Agency for International Development
USHHD	Urban Sanitation and Hygiene for Health and Development
V4CP	Voice for Change Partnership
WASH	Water, Sanitation & Hygiene
WHO	World Health Organisation
WUR	Wageningen University & Research
WWF	World Wildlife Fund

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SNV improved the lives of
5 million
people living in poverty

Message from the Supervisory Board

The world went through unprecedented challenges in 2020. The COVID-19 pandemic is not only a health crisis but also a food crisis and a socio-economic crisis. With tens of millions of people having been pushed back into poverty andfacing food insecurity, the work of SNV is more important than ever at this time.

I have been encouraged by how effectively SNV has managed through this year of crisis. The organisation took swift measures to enable continuation of programmes across the world, with adjustments to activities where necessary, whilst continuing to serve those most in need.

The Supervisory Board expresses its gratitude to all who worked to create impact at scale. The commitment and professionalism of the organisation's team members around the world continues to be an inspiration in these turbulent times. Our appreciation also goes to all the partners and donors that we work with to implement our projects.

Lastly, we would like to thank two pivotal members of the Managing Board. First, Managing Director Tom Derksen who retired after several decades with SNV, serving in many countries and positions. Secondly, Meike van Ginneken who stepped down as CEO in October 2020. We have welcomed Simon O'Connell as the new SNV CEO and appreciate his leadership.

KOOS RICHELLE, CHAIRMAN
ON BEHALF OF THE SUPERVISORY BOARD
JUNE 2021

Message from the CEO

It goes without saying that 2020 was a tumultuous year. The effects of the COVID-19 pandemic are being experienced most significantly by the poorest and are exacerbating already alarming disparities.

At a time of such great challenge and complexity, I have been hugely humbled to take the helm of an organisation of SNV's historical depth, focus, technical expertise and commitment. Right now is also the opportunity to rectify inequities and inequalities and 'build back better'. The dedication of our global team across the 26 countries where we currently work, combined with the resoluteness of our partners, has enabled us to continue contributing as much positive impact as we can in the face of the pandemic. We want to ensure we are in a good position to deepen and scale this impact as we go into the year ahead. However, it is clear there is much more for us to do. We especially value and appreciate the flexibility of many of our donor partners, which continues to be crucial in enabling us to pivot our programmes with speed and nimbleness in light of the evolving needs and opportunities in the contexts where we work.

The COVID-19 pandemic has created a scale of challenges not seen since the Second World War. The effects of the pandemic are compounding pre-existing food security challenges, with the climate crisis further exacerbating these, and eroding coping mechanisms across the contexts where we work. Over 800 million people were already undernourished at the beginning of 2020, with fears that more than 130 million will now be exposed to starvation and as many as 100 million more pushed into extreme poverty. As you will read in this report, the work we are doing to strengthen inclusive agricultural value chains, increase access to clean water and sanitation, and enable innovative approaches to both climate change adaption and mitigation, is extensive and increasingly vital if we are to continue to make progress towards the Sustainable Development Goals.

The International Labour Organisation has predicted both massive reductions in informal workers incomes and a loss of over 300 million full-time jobs globally. Those hardest hit economically will be the poorest operating in the informal economy, those reliant on informal credit, and those where poorly functioning markets within weak governance structures act as barriers to the meeting of basic needs, especially for young people and women. Our Annual Report highlights some of the work we are doing to strengthen both governance and market systems so that they work better for those at the base of the pyramid, along with what we are doing to generate greater opportunities for young people – especially young women, with both the pandemic and demographic changes compelling us to increasingly focus on inequalities and inequitable access to opportunities.

With 2020 seeing declines in Official Development Assistance (ODA) volumes from some countries, substantial reductions in Foreign Direct Investment, increases in bad debt, and massive impacts on remittance flows – which at more than USD$ 700 billion in 2019 are more than six-fold OECD Development Assistance Committee (DAC) ODA volumes, we know moving forward we must find ways to develop more meaningful partnerships that enable both efficiencies and impact at greater scale. We are committed to doing so, whilst at the same time building on some of the more innovative financing mechanisms, such as the Dutch Fund for Climate and Development, and other partnerships that we highlight in this report.

We lift up incomes and increase access to basic services.

Despite the constraints of operating within a markedly different global context than anticipated at the beginning of 2020, through last year we were able to positively and measurably impact the lives of over 5 million people across 26 countries, with many more continuing to benefit from the changes in systems that we have been able to contribute to. This commitment to contributing to systems change through, for example, our work to strengthen institutions and kickstart markets, is an area we will be looking to increasingly prioritise over the coming years.

Part of our ability to navigate the uncertainty resulting from the pandemic and to continue contributing as much positive impact as possible stems from our focus, built around our core areas of competence in relation to agriculture, energy, and water and sanitation. Highlights from our work in these areas are included in this report. It is this focus that we are committed to retaining, whilst also scaling our impact over the year ahead through increasing engagement with digitalisation, innovative finance, and in deepening our systems thinking and understanding. And we recognise our pathway to enabling greater positive impact will be increasingly filled with more strategic and intentional partnerships.

I am grateful to my predecessor, Meike van Ginneken, for leaving the organisation on such solid footing, as well as to the wider Managing Board for stepping up so impressively in the face of the challenges emanating from the pandemic. I would also like to thank the Supervisory Board for their steadfast support to the organisation over the past year, as well as for their wisdom and guidance as I have taken up the CEO role. I feel deeply grateful to be part of such a dedicated and capable global team at this time.

With thanks for your interest in our work.

SIMON O'CONNELL, CHIEF EXECUTIVE OFFICER
ON BEHALF OF THE MANAGING BOARD


SNV provides
local know-how
for lasting
solutions.

SNV in 2020

In 2020, SNV helped to measurably improve the lives of **5 million people** living in poverty through increasing incomes and access to basic services. At the same time, we made significant contributions to systems change.

2020 has been dominated by COVID-19. People across the world have endured major health, social, and economic effects of the pandemic caused by the previously unknown virus. The progress towards achieving the Sustainable Development Goals (SDGs) saw significant setbacks resulting from the COVID-19 pandemic. While in the past two decades, the number of people living in extreme poverty worldwide has decreased by more than 1 billion people, part of this success is set to be reversed. The economic fallout from the global pandemic could increase global poverty by as much as half a billion people, according to the United Nations University. The past year has shown that people can easily fall back into poverty if interventions do not address the underlying systems that trap people in poverty.

The world is also experiencing a deepening climate crisis. Climate change poses an unprecedented threat to humanity in the 21st century. Weather patterns are changing, becoming less predictable and more erratic. This has huge impact on food security, water security, and people's livelihoods. We need to adapt our systems to climate change and increase resilience amongst people living in poverty and vulnerable groups to prevent the potentially catastrophic and irreversible effects of climate change. There was a notable shortfall in funding but slowly, we are seeing this increasingly being prioritised by donors.

SNV aims to drive systems change by strengthening institutions and kickstarting markets, in turn building more resilient communities.

2020 was the second year of implementing SNV's 2019-2022 Strategic Plan. Our results were in line with the targets set, even with the challenges of implementation due to COVID-19. We remain on track to improve the quality of life of 20 million people and to significantly contribute to systems change in agriculture, energy, and WASH in 21 countries from 2019 to 2022. SNV aims to drive systems change by strengthening institutions and kickstarting markets, in turn building more resilient communities.

Our footprint

In 2020, we worked in 26 countries in Asia, Africa, and Latin America. We have had operations in most of these countries for decades, enabling us to acquire a depth of contextual understanding and knowledge, and allowing us to build long-term partnerships.

In 2020, the number of team members worldwide decreased by 6% and at the end of 2020 we were 1,297 people strong. This team of specialists and generalists, nationals and internationals, and young and more seasoned colleagues are the backbone of SNV. The vast majority of our team members (88%) come from the contexts in which we work. The large majority of our team members are based in East and Southern Africa. Six percent

We collaborate extensively with partners - such as knowledge institutes, consultancy firms, and local and international NGOs - to expand and deepen our impact.

of our team is based in The Netherlands, the country where SNV was established over 50 years ago.

SNV operates in high-risk, conflict-sensitive, and fragile areas. This is where most of the communities that we seek to support are located. We saw increased insecurity in 2020 in some of the regions where we work. With the right safety and security measures, SNV managed to stay on the ground, adapt, and continue relevant project activities.

Our approach

We apply practical know-how to support people living in poverty. We contributed to agriculture results in 23 countries, energy results in 14 countries and WASH results in 18 countries. We constantly develop our expertise by expanding our global knowledge and drawing on lessons learned from practice across the globe. This adds to our value proposition and distinguishes us from local service providers. We use our extensive on-the-ground track record to apply and adapt our expertise to local contexts – which distinguishes us from global consultancy firms.

Our often deep, in-country presence and strong relationships are the basis of our local credibility and our alliance building with and between stakeholders. We collaborate extensively with partners such as knowledge institutes, private consultancy firms, and non-governmental organisations - that complement and re-energise us. We invest in market-based approaches and work extensively with the private sector. We are a trusted partner to local and national governments.

We create impact in the form of both direct results and systems change. Our projects directly benefit millions of people. At the same time, our projects also drive systems change – strengthening institutions and kickstarting markets to help many more people work their way out of poverty. We thus sustain and expand the impact of these projects in years to come.

Our focus: Agriculture, Energy, and WASH

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

Our agriculture portfolio helped improve the lives of 1.1 million people in 2020. The SNV agriculture portfolio contributes to the Sustainable Development Goals (SDGs) through a private sector, market-based, and innovation-driven approach. In 2020, our projects supported 0.9 million people through increased income.

SNV integrates its interventions across agriculture value chains, nutrition, and climate adaptation. Our food and nutrition security programme improved food access and nutrition security for 0.2 million people. We stepped up on our climate and business programme. We helped 50,000 farmers to become more climate resilient and 31,000 young people gained new employment through SNV projects in agriculture and energy.

In this report, we highlight how nine projects came together to respond to the COVID-19 pandemic. The COVID-19 Response and Resilience Initiative for Food Value Chains in Africa (CORE-Africa) aims to strengthen responses to the COVID-19 situation of nine projects across Africa funded by the Dutch Government. CORE-Africa focuses on nutritious food value chains including horticulture, dairy, oilseeds, pulses and livestock.

Our energy portfolio helped improve the lives of 1.5 million people and reduced greenhouse gas emissions of over 600,000 tonnes. The SNV energy portfolio contributes to the SDG7 target to ensure access to affordable, reliable, sustainable, and modern energy for all. Our projects focus on providing people with off-grid electricity, clean cookstoves, and biogas. In addition to these direct benefits, our energy portfolio helped develop sustainable energy markets, using innovative financing mechanisms. For example, the World Bank-financed Kenya Off-Grid Solar Access Project (KOSAP), provides electricity and clean cooking solutions in the remote, low densely populated, and traditionally underserved areas of the country. This flagship project of the Kenyan Ministry of Energy uses

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

> We highly appreciate the flexibility of the donors we work with during the COVID-19 pandemic. This has been essential to enabling us to pivot our programmes to a new operating normal.

Results Based Financing (RBF) to provide incentives to private sector companies to establish operations and sell solar and clean cooking solutions in the project areas.

WASH interventions contributed to improving access of 2.5 million people in 2020. Our projects resulted in 1.2 million people gaining access to, and use of, sanitation, and 0.6 million people gaining access to basic drinking water supply services. In addition, close to 1 million people commenced to practise handwashing with soap. With the COVID-19 pandemic, the demand for WASH services, especially handwashing, increased. This included services in healthcare facilities where programming was already ongoing but also in new target areas such as markets, stations, and other public spaces where transmission of the virus could take place.

Our commitment to leaving no one behind translates to a focus on universal access with an explicit focus on schools, health facilities, and last mile service provision. Our contribution to SDG6 (ensuring availability and sustainable management of water and sanitation for all) goes well beyond the number of people who benefit directly from our projects. Our projects supported the development of public institutions and built markets that will ultimately provide many more people with WASH services. A good example of this is our work in Nepal which builds long-term capacity of local entities and systems to improve and promote community health. The Swachchhata project, funded by the United States Agency for Development Aid (USAID), strengthens the skills of government actors, health centre personnel, and volunteer committees to serve as role models and spread good hygiene messages.

Changing the systems which trap people in poverty

Only by changing underlying systems, can we break the low-income poverty trap that millions of people find themselves in. This is why we design and manage our projects in such a way that they do not just deliver direct results but also contribute to systems change to create more sustainable, larger-scale impact. This annual report showcases how we significantly contributed to systems change in some countries while sowing the seeds for systems change in many others.

Our on-the-ground presence and international knowledge helped kickstart markets and services, ranging from dairy and vegetables, to cookstoves and solar systems, to desludging of latrines and

We recognise that at a time of both extraordinary need and opportunity, partnerships are more crucial than ever to realise impact at scale.

septic tanks. In doing so, we leveraged additional financial resources from companies and governments. We aim for our approaches to be adopted by the public and/or private sector and become the new norms. We do not only influence governments and the private sector to change their behaviours. We also work on behaviour change at the household level whether on hygiene, nutrition, use of cookstoves, or gender roles. The ultimate test of our success is when we create a new normal in which all people can pursue their own sustainable development.

Our operations during COVID-19

SNV, like the rest of the world, experienced a year of unprecedented uncertainty. The past year has been extraordinary and has brought much external challenge and change. The COVID-19 crisis has impacted the way we work, the way we provide our services, and the way we organise ourselves.

In the midst of this changing context, our commitment is stronger than ever to make a lasting difference in the lives of people living in poverty by helping them raise incomes and access basic services.

We highly appreciate the flexibility of the donors we work with, which has been essential to enabling us to pivot our programmes to a new operating normal. Thanks to this flexibility, we were able to keep our team members on board, systems up and running, and ensure project implementation continued to the greatest possible extent, enabling us to positively impact the lives of 5 million people in turn.

SNV's management and teams across the world reacted quickly to the developments of the crisis. Team member safety was our number one priority, always being compliant with local COVID-19 regulations. We took quick measures and initiatives, adjusting our project implementation to continue our work on the ground as much as possible.

SNV has adjusted where necessary in the face of the pandemic. Already being a lean organisation and having cloud-based systems in place, we were ready to implement in innovative manners. We could continue working because of our broad network of local partners on the ground. As the pandemic endures and the context evolves, we will continue to anticipate changes in needs and opportunities and will seek to work with our donors in aligning priorities accordingly. We will continue to be innovative in the way we work and with the partnerships that we establish.

Looking ahead

The world is still in the middle of the COVID-19 pandemic. For the first time in 20 years, poverty is likely to significantly increase. For millions of people around the globe this crisis will not be short-lived. Our work has become more relevant than ever.

In the coming years, we will look to scale the impact of our work in agriculture, energy, and WASH, through expanding our existing products and services (especially in the areas of innovative finance and digitalisation), focusing more deliberately on systems change, and building more intentional, strategic partnerships. We will continue to invest in our people, strengthening technical expertise, and expanding and diversifying our talent pool.

As our footprint and impact in fragile contexts continues to grow, we will increase our investments in safety and security management.


HOUSE 138

2020 in numbers

We measurably improved the quality of lives of **5 million people**

Agriculture

856,000
people with increased income

50,000
people with increased resilience to climate change

215,000
people with increased food and nutrition security

Energy

47,000
people with access to biodigesters

824,000
people with access to improved cookstoves

601,000
people with access to off-grid solar

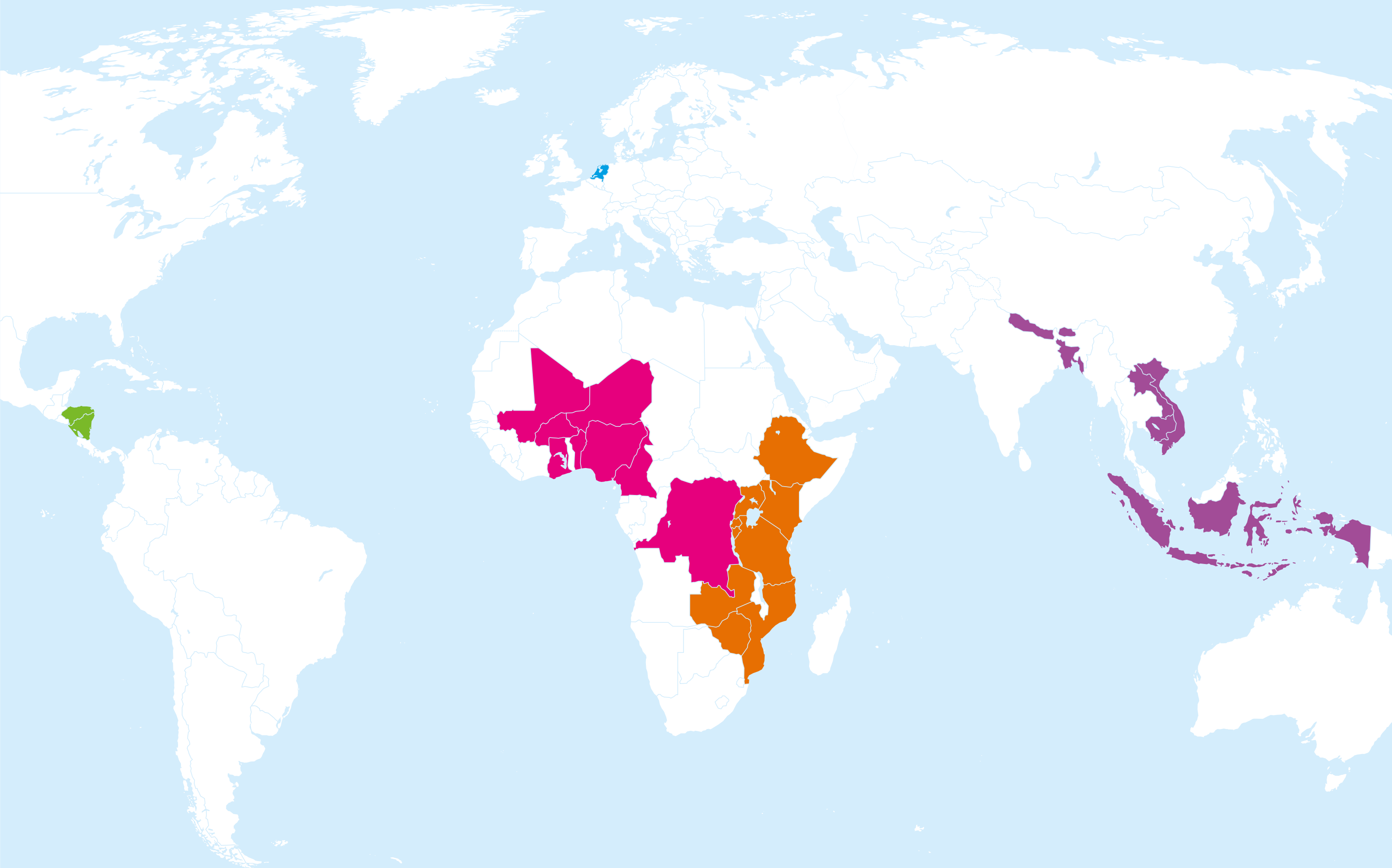
WASH

1,266,000
people who gained access to (at least) basic sanitation

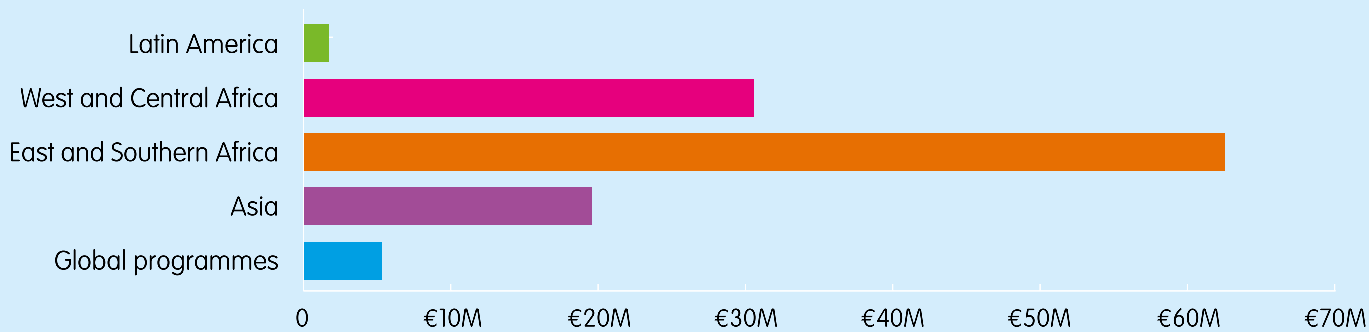
667,000
people who gained access to (at least) basic drinking water

976,000
more people practising handwashing with soap after defecation

Our footprint



Revenue per region



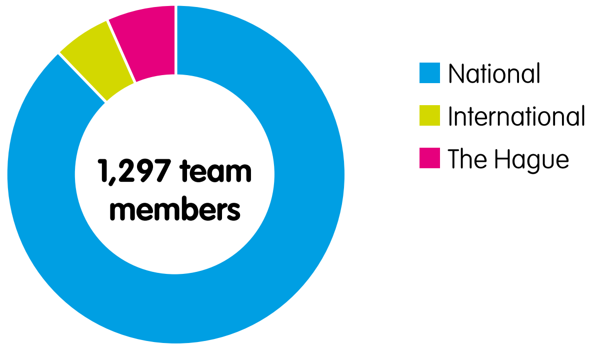
Latin America
Honduras
Nicaragua

West and Central Africa
Benin
Burkina Faso
Cameroon
DR Congo
Ghana
Mali
Niger
Nigeria

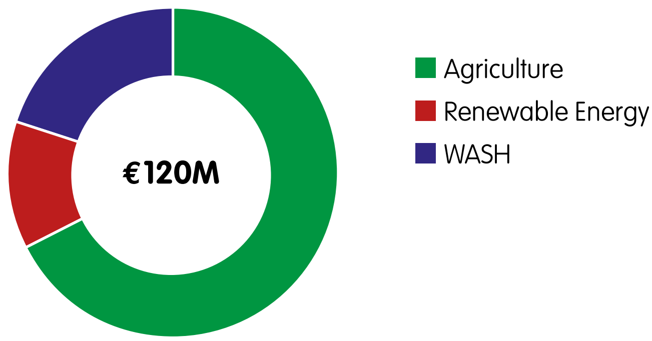
East and Southern Africa
Burundi
Ethiopia
Kenya
Mozambique
Rwanda
Tanzania
Uganda
Zambia
Zimbabwe

Asia
Bangladesh
Bhutan
Cambodia
Indonesia
Lao PDR
Nepal
Vietnam

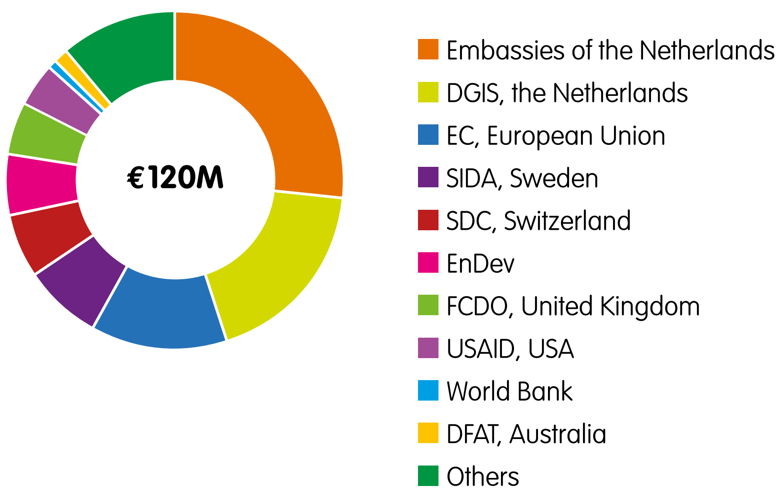
Our team



Revenue per sector



Revenue per donor



1.1 million
people's lives were improved.

Agriculture

Impact: SNV implements a large and diverse agriculture portfolio. In 2020, we measurably improved the lives of **1.1 million people** through increased incomes, enhanced food security, and enabling solutions to the climate crisis.

Context

Even before the COVID-19 pandemic, food systems faced enormous challenges. Hunger had been on the rise for several years, affecting 690 million people in 2019 according to FAO, while healthy diets were unaffordable for at least 3 billion people.

The majority of high-input, resource-intensive farming systems, which have caused deforestation, water scarcity, soil depletion and high levels of greenhouse gas emissions, cannot deliver sufficient food for all in a sustainable way. There is a need for a more sustainable intensification of the agriculture production and food system that protects and enhances the natural resource base, while increasing productivity. This requires high-level technological innovations as well as a transformative process towards 'holistic' approaches, including agroecology, agro-forestry, and climate-smart agriculture.

The year 2020 brought unexpected and complex additional challenges, but also potential opportunities, to achieving a transformation in food systems and thus improved food and nutrition security globally. In the initial stages of the COVID-19 crisis, measures taken to curb the spread of the virus, such as import/export bans and mobility restrictions, drastically impacted food value chains and thus the food security of millions of people. By the end of 2020, it appeared that food supply chains proved more resilient than expected. Many countries introduced measures to secure the flow of food products and governments expanded social safety nets to ensure food security. Private sector innovations introduced along food supply chains helped to overcome disruptions caused by lockdowns.

Meanwhile, the climate crisis is continuing and deepening. Climate change was already affecting production, and the need to reduce greenhouse gas emissions is growing ever more urgent.

Both the pandemic and the climate crisis have highlighted and exacerbated structural weaknesses and inequalities in our food systems, as the poorest and most marginalised people in society are the most vulnerable to shocks. The pandemic has highlighted the importance of resilience food systems to climate change and shocks in general.

SNV agrees with leaders around the world who see the pandemic and economic recovery plans as an opportunity to 'build back better' and transform global food systems to meet current and future demands to

There is a need for a more sustainable intensification of the agriculture production and food system that protects and enhances the natural resource base, while increasing productivity.

provide sufficient nutritious food for all without compromising the health of the planet or the ability of future generations to meet their own food and nutritional needs.

Inclusive Value Chains

In agriculture, SNV works with private and public sector actors to implement the use of successful processes, technologies, and models to realise systems change and sustainable impact at scale. We focus on smallholder farmers willing and able to implement farming-as-a-business, as well as small and medium-sized agricultural enterprises that are essential to transforming agricultural value chains aiming to improve the affordability and accessibility of good quality food for all.

SNV facilitates the development of competitive, inclusive, and sustainable agricultural value chains. The impact of COVID-19 in combination with the effects of climate change, challenge the resilience of food systems. In response to this, SNV initiated a project to strengthen the responses to the COVID-19 situation of nine value chain projects across Africa. The COVID-19 Response and Resilience Initiative for Food Value Chains in Africa (CORE-Africa), financed by the Netherlands Ministry of Foreign Affairs, focuses on strengthening the resilience of food systems and coping strategies of actors within them, integrating hygiene and operational health & safety measures, integrating relevant digital solutions, and rapid information and data collection and analysis.

> The impact of COVID-19 in combination with the effects of climate change, challenge the resilience of food systems.

In 2020, we further developed and deepened our Inclusive Value Chains product and portfolio with an emphasis on contributing to resilient food systems and a focus on four key areas. Firstly, we contributed to the adoption of sustainable intensification practices by smallholder farmers focusing on increased productivity with less environmental impact. Private and public extension services played an eminent role, advising farmers how to reduce costs, increase revenues while applying climate-smart practices and technologies. A second key area of work focused on market development of inputs and service markets. We adopted a two-tiered approach combining supporting small and medium-sized enterprises (SMEs) operating in high potential, well-established markets and support to spot market arrangements, including semi-formal and informal market settings. Thirdly, we unlocked finance and leveraged investments from SMEs, financial institutions and impact investors to invest in climate-smart agriculture. This included enhancing financial literacy and investment readiness among farmers and SMEs. Finally, we contributed to stronger institutions and better policies and governance through public-private dialogue and evidence-based advocacy.

SNV is expanding its portfolio in fragile areas. In addition to the already broad portfolio in the Sahel region, we signed the PROgramme Agroalimentaire pour la Résilience Intégrée et le Développement Economique du Sahel (Pro-ARIDES) funded by the Dutch Government. Pro-ARIDES aims to contribute to increased resilience, food security and incomes of farmer and (agro)pastoralist households in the Sudano-Sahel zone of Burkina Faso, Mali, and Niger. SNV will implement this €100M programme over a period of 10 years with consortium partners CARE-Netherlands, Wageningen University & Research (WUR) and The Royal Tropical Institute (KIT) in close collaboration with local farmer and pastoralist organisations, governments, and research institutes in the three countries. Having a 10-year programme allows us to think long-term and adapt our implementation based on what we learned during the first five years and to focus on scaling up during the last five years. The programme aims to reach 2.9 million people.

We are also investing in digital innovations in our projects. For example, the Sustainable Technology Adaptation for Mali's Pastoralists (STAMP+) project created Garbal, a digital advisory tool that leverages satellite data to deliver critical information to pastoralists in Mali. Pastoralists using the service experienced 15% lower mortality rates among their herds, 10% higher productivity and 10% higher income levels. This activity is now being rolled out in Niger and Burkina Faso as well.

Horticulture, dairy, livestock, oilseeds, pulses, cacao and coffee were the major commodities in our value chain projects. The second phase of the Swiss Agency for Development and Cooperation (SDC)-financed Cambodia Horticulture Advancing Income and Nutrition (CHAIN-II) project reached over 10,200 farmers (74% women) through 393 farmer groups in four remote northern provinces of Cambodia. Homestead farmers (35%) realised an average USD$152 net income increase, and the semi-commercial and commercial farmers realised an average USD$461 and USD$887 net income increase respectively between 2017-2020. Working with 27 input retailers and 16 traders, and by raising consumer awareness, this contributed to an increased market share of locally produced fruits and vegetables from 37% to 56%. The 3rd phase (2021-2022) will focus on market systems change and the enabling environment in close collaboration with the government.

The Netherlands Enterprise Agency (RVO)-financed Market Access & Food Security for Nicaraguan Coffee and Cocoa farmers project ended in 2020. This public-private partnership initiative promoted an inclusive business model that linked 15 cooperatives and 5,580 small coffee and cocoa producers with three anchor companies. The project improved market access for 15 cooperatives, established more stable and long-term commercial relations for the producers, and strengthened the managerial capacities of 15 cooperatives and 11 organisations. It also improved food and nutrition security for 500 families, certified 2,144 producers, and facilitated investments of €4M in productive hardware. Producers' productivity increased with 55% and families' income was increased with 75%.

SNV applies both a demand and supply strategy to address food and nutrition insecurity. Our approach encourages diverse, more nutritious diets year-round.

Sustainable Nutrition for All

Although worldwide there has been some progress in reducing malnutrition rates, much more remains to be achieved. In 2020, for the fourth year in a row, the number of undernourished people increased. According to the UN, the COVID-19 crisis adding between 83 and 132 million to the 690 million people worldwide who were already undernourished, casting doubt on the chances of meeting global targets on food security and nutrition and prompting calls for an overhaul of the world's food systems.

SNV's Sustainable Nutrition for All (SN4A) approach recognises the importance of taking a food system lens. Hence, it works closely with our Inclusive Value Chains projects and approach. SN4A applies both a demand and supply strategy to address food and nutrition insecurity, integrating the key pillars of demand creation through triggering, social and behaviour change communication (SBCC), improved supply, and market development of safe, affordable and nutritious diets year-round, and strengthened sub-national governance. Improvements in nutritional outcomes are affected by gender roles within households. We engage men and women within the community to review and address intra-household decision making on food production, expenditure, consumption, and allocation as well as access to resources and women's time and workload that often affect care practices.

Improvements in nutritional outcomes are affected by gender roles within households.

In 2020, SNV projects increased food and nutrition security for 215,000 people. In Uganda and Zambia, the SDC-funded Sustainable Nutrition for All (SN4A) project pioneered an innovative model empowering communities to reduce the causes of malnutrition. The project aims to improve dietary diversity for all household members, with a particular focus on women of reproductive age (WRA) and infants under two years of age. Since the beginning of the project 88,000 people have been reached and nutrition scores of young women and infants have improved by at least 60%. The programme helped improve supply of nutrient-rich vegetables produced by smallholder farmers, ignited behavioural change by raising awareness about the factors that trigger improved nutrition and paid special attention to intra-household gender relations. The project also has a strong focus on building national and local governance capacity in both Uganda and Zambia, working with country and district nutrition coordination committees to engage with private sector and civil society and develop multi-sector, multi-actor nutrition action plans. In 2020, the project improved the food and nutrition security of 15,645 people.

Impact and outcomes

In 2020, restrictions to contain the COVID-19 pandemic caused significant challenges to the implementation and monitoring of our projects and negative impacts on local and global food systems. Despite these challenges, we improved the lives of 1.1 million people through increased incomes, food and nutrition security, improved resilience to climate change, and creation of youth employment opportunities. We also contributed to the improved performance of 2,700 businesses. More than 50 projects across Africa, Asia, and Latin America contributed to these achievements. The total number of lives improved fell short of our target of 1.7 million people, largely due to COVID-19 pandemic travel restrictions in the countries where we work causing some activities, including impact measurement, to be postponed.

SNV defines its agriculture work within the framework of SDG2: 'End Hunger, Achieve Food Security, Improved Nutrition and Sustainable Agriculture' contributing towards transformed food systems in low- and middle-income countries. This goal – and the work SNV does to contribute towards achieving it - highlights the importance of the way food is grown and consumed, as it explicitly acknowledges the interdependence between hunger, nutrition and the need to make agriculture sustainable and climate-resilient. Between 2019 and 2022 SNV aims to contribute to increased incomes, increased resilience to climate change, and increased food and nutrition security for 9.7 million people through more 'inclusive, sustainable, and resilient food systems which provide diverse nutritious food for all within planetary boundaries'. Our projects explicitly address gender and social inclusion by ensuring equal access to and control over resources for vulnerable groups.

COVID-19 Response and Resilience Initiative for Food Value Chains in Africa (CORE-Africa)

The implications of COVID-19 on food value chains in Africa continue to evolve. After the lifting of serious social distancing and lock-down measures in summer 2020, value chains generally bounced back to a considerable degree. But major effects continue to play out, in terms of increased poverty among producers and consumers, changed production patterns, reduced availability of finance, and reduced application of (climate-smart) inputs/practices.

CORE-Africa was launched in July 2020, just a few months after the onset of the COVID-19 pandemic. It aims to help nine lead DGIS-funded projects respond quickly and adequately to the situation in ways that contribute to resilient food systems and strengthen the 'coping ability' of actors in those systems. CORE-Africa focuses on nutritious food value chains including horticulture, dairy, oilseeds, pulses and livestock.

The approach of this unique project is three-fold:
(1) to develop analytical & methodological tools and frameworks, (2) to provide tailored support/backstopping to the lead projects, and (3) to facilitate knowledge & learning processes.

These activities reinforce one another in support to the lead projects and by leaving general tools and knowledge behind at the close of the project.

COVID-19 has brought to the fore a range of (interrelated) vulnerabilities in food value chains/systems, which CORE-Africa also aims to address through its four components:

- Strengthening resilience in domestic food value chains
- Digitalisation for Agriculture (D4Ag)
- Hygiene, health and safety in agri-chains and agri-business
- Rapid analytics and monitoring for accurate responses

A series of publications, published in cooperation with Wageningen University, provides an overview of literature and other resources covering COVID-19 and its impacts on agriculture in sub-Saharan Africa.
Review 1: Key impacts, issues, systemic shocks
Review 2: Overview of key developments, impacts and shifts
Review 3: Understanding vulnerabilities and resilience strategies

Knowledge, learning, and partnerships

Knowledge development was prioritised at a strategic level in 2020 with the start of the development of an SNV Agriculture Results Framework. This initiative intends to define our strategy clearly and concretely for achieving impact at the sector level as well as define specific changes anticipated to provide a frame of reference for project design and implementation. The results framework allows us to better target our efforts at learning and knowledge development on design hypotheses and key knowledge gaps and contributing to improved quality of project design and implementation.

A review to inform changes to design, product scope, and direction of the four agriculture products was initiated by utilising learning from SNV projects and external evidence. This work and the focus on knowledge development and learning across the organisation continues in 2021. With the COVID-19 travel restrictions, teams hosted virtual retreats in 2020 to ensure peer-to-peer knowledge sharing on emerging trends and best practices in project implementation.

SNV continued to work with a large number of knowledge and implementing partners across its agriculture portfolio. Amongst others we have significant partnerships with Wageningen University and Research (WUR), CCAFS, IRRI, FMO, Climate Fund Managers, WWF, IFDC, BopInc, SUN Civil Society Alliance, CARE, Oxfam, ICRAF, IFPRI, KIT Royal Tropical Institute, the European Practitioners Network, CIFOR and UNEP. We were happy to the join the newly established Netherlands Food Partnership and look forward to successful collaborations on Food Systems in the future.

Empowering women in agriculture

Women form the majority of agriculture labour force in Kenya and Vietnam. Nonetheless, women face structural barriers that reinforce gender inequality in access to and control over resources. Consequently, agribusinesses by women often tend to underperform and have a high risk of failure.

From 2016 to 2020, SNV implemented the Enhancing Opportunities for Women's Enterprises (EOWE) project in Kenya and Vietnam. Funded by the Netherlands Ministry of Foreign Affairs and implemented with local partners, EOWE boosted women's businesses in rural areas through a combination of enterprise development, social transformation and policy advocacy interventions. In its last year, COVID-19 and extreme weather events in Vietnam limited EOWE's activities.

To increase access to resources, EOWE linked women's enterprises to training, for instance on value addition and animal disease prevention, and facilitated linkages with new sales markets. In 2020, through cooperatives and women-led SMEs supported by EOWE, 7,786 women in Vietnam and 928 women in Kenya were able to access productive business assets, inputs and techniques. This resulted in increased profits for 55% of Vietnamese cooperatives and SMEs and 72% of Kenyan enterprises. Moreover, in 2020, 672 women attended leadership trainings, focusing on empowering women's voices.

EOWE facilitated household dialogues to address norms that govern the gendered household division of labour and restrict women's time in business. For example, the percentage of men disagreeing that 'a real man should not focus his attention on household work' grew from 34 to 66% in Vietnam and from 50 to 69% in Kenya. Some women shared how their husbands started cooking, cleaning, or fetching firewood.

Climate and Business

SNV's Climate and Business approach stimulates business solutions for climate change mitigation and adaptation, with a strong emphasis on the introduction of climate-smart agriculture and energy practices. SNV does this by supporting businesses along agriculture value chains in the adoption and scaling of climate-smart practices that increase productivity, resilience and mitigation. The goal is to increase the resilience of food systems by reducing the vulnerability of small and medium-sized enterprises, smallholder farmers and households to the impacts of climate change. SNV's Climate and Business approach enables companies and farmer cooperatives to better understand and internalise climate risks into their business operations and stimulates them to offer goods and services needed to effectively respond to climate change (e.g. better seeds, resilient management practices, water saving solutions, weather information, insurance). SNV brings together value chain actors, government, public organisations, research partners, and investors to facilitate and accelerate the adoption of climate-smart practices at scale and at a systems level.

SNV also contributes to climate-smart agriculture value chains by stimulating the use of renewables (e.g. solar powered irrigation, cooling, and processing) and increasing energy efficiency. In addition, we improve the use and efficiency of wood and charcoal value chains that now – unsustainably – supply agriculture processing enterprises. We do this by assessing current and future energy needs in value chains and identifying options to respond to projected energy needs with viable business cases. Such integration reduces emissions, fossil fuel use and costs, but also improves the competitiveness of the value chain, increases labour productivity, generates employment, and contributes to food quality and food security.

Climate & Business flagship projects include the Climate Resilient Agribusiness for Tomorrow (CRAFT) project and the Dutch Fund for Climate and Development (DFCD) both funded by the Dutch Government (see boxes) and Sustainable Technology Adaptation for Mali's Pastoralists (STAMP+) funded by the Embassy of the Kingdom of the Netherlands.

The goal is to increase the resilience of food systems by reducing the vulnerability of small and medium enterprises, smallholder farmers and households to the impacts of climate change.

Climate Resilient Agribusiness for Tomorrow (CRAFT)

The CRAFT project (2018–2023), funded by the Netherlands Ministry of Foreign Affairs, will increase the availability of climate-smart foods for the growing population in Kenya, Tanzania, and Uganda. The project is designed to address climate change related challenges affecting main staple crops in the region. The project works with and through the private sector and supports public sector partners in creating an enabling environment based on field idence for wide-scale adoption of Climate Smart Agriculture (CSA) practices, including efficient productive use of renewable energy in agriculture.

Half-way through the programme, the overall portfolio consists of 30 business cases with at least 30 more in the pipeline. In 2020, the project has committed €5.6M in grants to agri-businesses and cooperatives, who will co-invest €26M working towards the transformation of the sunflower, soybean, sesame, potato, common beans and sorghum value chain's response to climate change to contribute to more resilience for both farmers and enterprises.

The project is implemented by SNV in partnership with Wageningen University and Research (WUR), CGIAR's Research Program on Climate Change, Agriculture and Food Security, Agriterra, and Rabo Partnerships.

Operations during COVID-19

In the wake of the COVID-19 pandemic, businesses have had to adjust to a new normal. This is a story of how one Ugandan company handled their operations.

TRAFORD team members offload soybean seed as they commence distribution

"As a private business working in agriculture, we cannot afford to fold our hands and wait for COVID-19 to go away. Business must go on because seasons don't wait for you and if you miss a season, you have lost a whole cropping cycle and yet people have to eat." This is what John Tusasirwe, the CEO of Transformation for Rural development Limited (TRAFORD), one of the CRAFT project partners had to say while distributing improved climate-resilient soybean seed to farmers in Dokolo district, Northern Uganda.

John and his team have been distributing improved early maturing and drought-tolerant seeds, and agro inputs (pesticides and tarpaulins) to 625 of their contracted farmers at a subsidised price, offered on credit. This follows two weeks training of 50 selected lead farmers as Trainer of Trainers by TRAFORD's team of 10 Master Trainers in climate-smart agricultural practices. They in turn can train the targeted 1,250 smallholder farmers (60% of whom are youth, including women) that TRAFORD will be working with in this season.

TRAFORD reported an increase in supplied quantity of soy and an increase in turnover after the season as their business capacity increased due to the investment in the climate business plan supported by the Climate Innovation and Investment Facility (CIIF) of the project.

Dutch Fund for Climate and Development

The Dutch Fund for Climate and Development (DFCD), financed by the Netherlands Ministry of Foreign Affairs, aims to mobilise private sector investments in climate change adaptation at scale. SNV has partnered with Climate Fund Managers, World Wildlife Fund Netherlands (WWF), and FMO, the Dutch entrepreneurial development bank (lead organisation), to manage the DFCD.
The DFCD will run until 2037 and has a total value of €160M to be invested between 2019 and 2022.

SNV, together with WWF Netherlands, are jointly responsible for the €30M Origination Facility. The facility is positioned exclusively for project identification and (pre-)feasibility development activities with a cross DFCD thematic subsector focus. This window will seek to leverage the landscape strategy for activity sourcing and develop opportunities into viable business cases for the two DFCD investment windows (Land-Use and Water Facilities). The Origination Facility will provide grant funding and technical assistance for activities that will allow graduation of business ideas targeting mitigation and adaptation to climate change into bankable business investment plans to be submitted to the Land Use and Water Facilities of the DFCD or external investment opportunities. SNV primary focus is on graduating business investment plans related to climate-smart agriculture linked to conservation agriculture, sustainable intensification of agriculture, improved livestock management, irrigation efficiency, agroforestry, and avoided deforestation supply chains.
As a DFCD consortium partner, SNV is already providing grants and technical assistance support to the development of seven private investment propositions that will leverage private sector investments for increased resilience of the most climate vulnerable people in Africa and Asia. For example, in 2020, the DFCD Investment Committee approved a €250,000 grant and a €160,000 SNV technical assistance package for Forest Carbon in Indonesia. This funding is expected to lead to 71,000 hectares of sustainably managed forests and wetlands, as well as the mitigation of 1.8 million tons of greenhouse gas emissions per year, protected biodiversity, the creation of 500 jobs for local people and a positive impact on the lives of 12,000 people. Forestry management is an important tool in addressing climate change adaptation. Well-managed landscapes can reduce the potential for forest fires, which are major greenhouse gas emission events. SNV is supporting Forest Carbon's social and environmental assessment activities, to meet investors' ESG requirements and to enhance the long-term success of each project.

Orlar Vietnam, a DFCD investee, is scaling up vertical greenhouse farming technology. They produce pesticide-free food, and the technology used allows them to deliver net-zero greenhouse gas emissions and zero wastewater.

SNV supports business ideas with grant funding and technical assistance to turn them into bankable business investment plans for investment opportunities.

Opportunities for Youth Employment

More than half of young people do not have a job or are underemployed in many developing countries. Structural obstacles such as lack of access to meaningful employment opportunities, skills training, or affordable finance prevent young people from using their capabilities which in turn hampers economic growth. SNV's Youth Employment portfolio is growing rapidly. In 2020, 27,500 young people gained new employment through SNV projects. The Opportunities for Youth Employment (OYE) product applies a market-based approach to stimulate employment and entrepreneurship for youth in the Agriculture, Energy, and WASH sectors. Despite the COVID-19 pandemic, implementation of OYE and youth inclusion activities remained steadfast in 2020 thanks to the flexibility of our donors and partners allowing adjustments to project activities, budget repurposing, and restructuring to adapt to the new realities.

The 2SCALE programme, funded by the Netherlands Ministry of Foreign Affairs adapted the OYE Push-Match-Pull youth employment strategy to empower young agripreneurs in selected value chains in eight countries in Sub-Saharan Africa. In Ethiopia and Ghana, 824 young women and men have increased access to inputs and improved seeds, equipment, technical training and can access micro loans through youth saving schemes and formal financial service providers. In Kenya, four youth groups successfully set up seedling raising nursery enterprises in vegetable production value chains and 13 youth producer groups joined a Business Champion out-grower scheme.

In Mali, the European Commission-funded EJOM project supported 2,659 budding young entrepreneurs (48% women) with technical, business, and soft skills training as well as business development services and start up kits. In Ethiopia, the MasterCard Foundation-funded RAYEE project brokered access to finance totalling close to USD$ 2.2 million for 1,100 newly established SMEs. Sources of this finance include financial service provider loans, service contracts provided by government institutions and private firms, coupled with own contributions by the youth.
In another project in Ethiopia, the Sida-funded LI-WAY project, more than 4,500 youth and women have secured employment working with partners and establishing small enterprises. Under the Cabo Delgado OYE project in Mozambique, funded by the Embassy of the Kingdom of the Netherlands, three partnership agreements were signed with private sector companies in collaboration with government institutions with the aim to link youth with concrete market opportunities, technical training, and internships and social and business development skills for formal employment.

Within the renewable energy sector, there are significant opportunities for young men and women to set up businesses related to cookstoves, biogas or solar and related appliances. Building on successful SNV experience applying the OYE approach in the energy sector in Rwanda and Tanzania, OYE interventions in energy are currently underway in Ghana and Zimbabwe, and are being explored for other countries as well.

In response to COVID-19 and the role of youth, the EUTF-funded GrEEn project in Ghana launched a COVID-19 youth challenge fund and provided technical and financial support to four micro entrepreneurs to scale up and develop products in support of Ghana's efforts to fight COVID-19. The project is helping Ghanaian businesses in the Agriculture, Energy, and WASH sectors to contribute to green and climate-resilient local economies.


1.5
million
people
gained improved
access to energy.

Energy

Impact: Our energy portfolio measurably reached **1.5 million people** in 14 countries in 2020. The vast majority of this relates to people with new access to sustainable and affordable energy. We also reduced emissions by the equivalent over 600,000 tonnes of CO_2.

Context

Roughly, one billion people around the world still have no access to electricity and around three billion do not have access to clean cooking energy. With the current rate of progress, the world will fall short of meeting the targets of the Sustainable Development Goal 7, which aims to achieve universal access to affordable and sustainable energy by 2030. Those still lacking access are increasingly concentrated in Sub-Saharan Africa. The share of the global population with access to clean fuels and technologies for cooking has increased but population growth is outpacing annual growth in access.

The global use of unsustainable energy sources is a serious cause of climate change, with low-income groups being particularly vulnerable to climate impacts. Limiting global temperature rise below 1.5-2° C, as agreed in the Paris Climate Agreement, requires an energy transition away from fossil fuels. After a transitional period, renewable energy sources are expected to make up most of the world's energy production. Donors increasingly integrate climate actions into their funding portfolios and understand that the energy transition requires a broad systems change approach.

> We increasingly look to integrate climate actions across our portfolio, understanding that the energy transition requires a broad systems change approach.

In 2020, the world faced yet another global challenge, fighting the impacts of COVID-19, with major risks for the poorest countries and the millions of people living in extreme poverty without access to energy. Now more than ever, we need to ensure that our interventions leave no one behind. Interventions to provide and improve access to energy are an important component of an effective response to the COVID-19 pandemic. Not only is energy critical in powering health clinics and appliances needed to treat patients, but it also allows people to communicate (by powering cell phones, radio and TV), to stay informed on preventive measures, and minimise the spreading of the virus. Lighting and power allow people to cope with stay-at-home measures, and to increase the resilience of communities, for example ensuring food security by powering agriculture. Clean cooking reduces risks of respiratory viral infections (like COVID-19) by reducing indoor air pollution and lowers the burden of collecting and using fuel wood, especially for women whose care duties increase due to the pandemic.

Sustainable Energy Markets

SNV's work in energy is primarily guided by SDG7, with its globally applied Sustainable Energy Markets (SEM) product along with its cross-cutting Climate & Business (C&B), and Opportunities for Youth Employment (OYE) products. While using energy access, climate change, and youth employment as entry points, we promote private sector-driven market development in biodigesters, off-grid electricity and clean cooking & heating in all three products.
The dominant focus is on increasing 'access to energy' for end-users, seeking to leave no one behind. 'Productive uses of energy' are increasingly included in our projects. Our commitment to equity translates into a focus on gender and youth.

SNV's core product in the energy sector, Sustainable Energy Markets (SEM), has the overarching objective of increasing access to affordable, reliable, sustainable, and modern energy technologies and services by supporting the development of sustainable markets. By applying our SEM product, we develop markets for biodigesters, clean cooking & heating, as well as for off-grid electrification. SNV applies a comprehensive approach stimulating demand, facilitating supply, and improving enabling environment conditions. SNV works towards increased quality and reliability of technologies, while increasing access to and supply of affordable finance for both end-users and private sector suppliers.

We do this through early-stage grants and Results Based Financing (RBF) schemes. Combining international state-of-the-art expertise with local know-how, SEM offers solutions for energising households, micro-, small- and medium-sized enterprises (MSMEs) and local institutions.

Biodigesters reduce indoor air pollution and related health hazards, decrease carbon emissions and lead to time and cost savings for households, in particular for women. Bio-slurry generated from digesters is equally valuable, providing a potent organic fertiliser for agriculture. Through the SNV supported biodigester programmes in 2020, over 45,000 additional people benefitted from access to biogas for clean cooking, and bio-slurry as an organic fertiliser, leading to increased agricultural production. Particularly the European Commission-funded Biogas Dissemination Scale-Up Programme in Ethiopia and the EnDev supported biodigester programme in Vietnam produced good results. The Vietnam

Eight years of EnDev Results Based Financing Facility (RBFF)

2020 saw the closure of the FCDO-funded Results Based Financing Facility (RBFF), implemented through the Energising Development (EnDev) partnership, of which SNV is part. From 2013 to 2020, EnDev piloted Results Based Financing (RBF) approaches to enhance energy access markets in Africa, Asia and Latin America, benefitting 5.8 million people with improved access to energy. The trajectory was closed in 2020 with a number of webinars and publications to share lessons learned.

As part of this broader EnDev RBFF, SNV implemented RBF facilities for decentralised renewable energy in Cambodia, Laos, Kenya, Tanzania, and Vietnam. The RBF model was designed to provide financial incentives to private sector actors selling solar systems, improved cookstoves and/or biodigesters, as a temporary measure aimed at transforming the markets to an efficient and self-sustaining level. The RBF incentives were provided as an ex-post payment to companies, distributors, and financial institutions per unit of product sold, upon delivery and verification of pre-agreed results by an external independent verifier.

As an example, in Kenya alone through these RBF facilities, 1.6 million people gained access to cleaner energy solutions and 4,678 new jobs were created along the solar and cookstoves value chains, with at least 40% of these jobs going to women.

"The RBF incentives provided to solar companies acted as a guarantee for SunFunder to include local companies in our loan portfolio, helping them expand their activities and, ultimately, the number of people who gained improved energy access. Some of these companies have now emerged as leading players in the solar industry in East Africa."

Audrey Desiderato,
Co-founder & COO, SunFunder (investor)

"This incentive is exactly the kind of support we need to rapidly expand energy access to the customers who need it most. We believe it is an ideal model because it accelerates the market without distorting it. The RBF facility played a critical role in scaling up Zola's operations to include remote parts of Tanzania. We have significantly expanded our market access as a result. We now have more than 150,000 customers and perations in Rwanda, Côte d'Ivoire and Ghana."

Xavier Helgesen, CEO,
Zola Electric (formerly known as
Off Grid Electric, solar company)

Biogas Programme, in its final year of support from EnDev overachieved its annual target with 32.5%, with 5,961 biodigesters installed in 2020.

In West-Africa, SNV and Hivos funded by the Netherlands Ministry of Foreign Affairs and the Netherlands Enterprise Agency (RVO) supported the creation of the West & Central Biodigester Alliance. A total of six countries, including Benin, Burkina Faso, Mali, and Niger, have endorsed the establishment of this Alliance and regard biodigester technology as one of the most appropriate responses to food, nutrition, energy poverty, environmental degradation and climate change.

Clean cooking solutions reduce indoor air pollution and related health hazards. Households use a mix of cookstoves and fuels, and we support them moving to a cleaner mix. While targeting increased engagement in LPG, biogas and advanced biomass stoves, we still consider lower-tier solutions (improved use of charcoal and firewood) for those segments that cannot yet access higher-tier solutions. Globally, through clean cooking interventions managed by SNV, more than 820,000 people benefitted from access to improved or clean cooking. Good results were achieved in the EnDev-funded programmes in Kenya, Laos, Rwanda, and Tanzania. In some cases, such as Mali, progress was seriously affected by COVID-19, political instability and levels of insecurity. Despite these results, it is clear that increased efforts are required to achieve scale and significantly reduce the number of people not having access to clean cooking.

In Cambodia, a new approach was developed under EnDev borrowing from the behaviour change approach in our WASH sector. The Smoke-Free Village campaign offers an area-wide communication approach combining demand creation and supply chain strengthening in the local context, engaging local governmental bodies, health and school authorities and pagodas. First results achieved so far look promising, but more time will be required to finetune the approach.

Solar and other renewable off-grid electricity solutions offer households, businesses and institutions access to energy for consumption and production. We engage in stand-alone systems (pico-solar PV, solar home systems) and mini-grids. Different business models, financial mechanisms, and support with technical assistance are needed for each of these markets to develop and implement localised solutions.

In 2020, SNV supported access to electricity for more than 600,000 people, through private sector provision of off-grid solar power, particularly in Kenya, Mozambique, and Tanzania. In Kenya and Tanzania, this coincided with the closure of EnDev's Results Based Financing Facility funded by the Foreign, Commonwealth & Development Office (FCDO), with a number of publications and webinars in 2020 in which SNV actively contributed to sharing lessons learned. 2020 saw the first disbursements of the World Bank-funded Kenya Off-Grid Solar Access Project (KOSAP). Managed by SNV in partnership with SunFunder, KOSAP is a flagship project of the Ministry of Energy in Kenya, financed by the World Bank, aimed at providing electricity and clean cooking solutions in the remote, sparsely populated, and traditionally underserved areas of the country. KOSAP made important progress, with 10 companies contracted, with a combined overall target of 815,165 people provided with new or improved electricity service in the underserved counties of Kenya. Based on the reported sales between June-December 2020, 165,740 people have been provided with a new electricity service already, through the installation of 33,148 solar home systems.

In Mozambique, the Caixa Piloto (Pilot Box) initiative on mini-grids and policy reform, part of the UK FCDO-funded BRILHO Energy Africa programme, is currently the driving force for the development of the first off-grid energy regulation in the country. In partnership with government agencies, this programme will provide the required framework for the implementation of mini-grid business initiatives, with clear procedures and conditions in place to ensure viability and sustainability of the proposed business models. This was fast-tracked after BRILHO's first call for applications in 2020, in which eight mini-grid initiatives were shortlisted, in addition to 21 shortlisted applications on solar home systems and clean cooking. First sales recorded in 2020 include 18,912 solar home systems, benefiting over 80,000 people in Mozambique.

Energy nexus interventions

Further integration of energy in agricultural projects was realised in the Climate Resilient Agribusiness for Tomorrow (CRAFT) project funded by the Dutch Ministry of Foreign Affairs (DGIS) (see Box). Through the application of an inclusive business approach to climate-smart and resilient agriculture, the project envisions not only attaining business impact, but also societal and environmental impact. Increasing the uptake of renewable energy and energy efficiency solutions for increased production and productivity as part of the overall climate-smart agricultural services (practices and technologies) in prioritised value chains, is an important element in CRAFT. Examples are solar-powered cold storage, passive solar-powered drying technologies, and solar-powered irrigation, agricultural waste to energy, energy efficient operation of tractor hire services for production and energy efficient practices in agricultural processing.

Energy-related business cases are also part of the Dutch Fund for Climate and Development (DFCD) funded by the Dutch Government (see Box). One of the DFCD-supported business cases approved in 2020 aims to install 200 solar-powered desalination systems in rural Kenya, capable of supplying 1,300 m3 of drinking water per day and more than one GWh (per year) of clean off-grid energy to power the desalination plants, benefitting at least 400,000 people.

Impact and outcomes

SNV's work in energy is guided by SDG7, among others. SDG7 aims to achieve by 2030 universal access to energy, an increase in energy efficiency by 50%, and a doubling of global renewable energy production. Clean energy and energy efficiency contribute to other SDGs notably SDG1 (Poverty), SDG3 (Good health and wellbeing), SDG5 (Gender equality) and SDG13 (Climate action). Energy for all would significantly improve the lives of those without access and boost their economic prospects. Women stand to gain by cutting the time spent gathering fuel and cooking and avoiding indoor air pollution.

In 2020, SNV's energy programmes reached 1.5 million people. The vast majority of this relates to people with new access to sustainable and affordable energy. Globally, through clean cooking interventions managed by SNV, more than 820,000 people benefitted from access to improved or clean cooking. SNV supported access to electricity for more than 600,000 people, through private sector provision of off-grid solar power. SNV supported the installation of 11,762 biodigesters in 2020. Through the SNV supported biodigester programmes in 2020, over 45,000 people benefitted from access to biogas for clean cooking, and bio-slurry as an organic fertiliser, leading to increased agricultural production. We also reduced emissions by the equivalent of 605,800 tonnes of CO2.

Despite challenges related to the COVID-19 pandemic, we met and even over-achieved the impact targets set for 2020. However, it is clear that more action is required to achieve scale and significantly reduce the number of people not having access to affordable energy.

While we anticipated significant impact from COVID-19 on operations of companies, critical in delivering energy access, our data show that impact on results delivery has been limited so far. Although we saw stagnation of operations and underperformance in several projects/countries, this was compensated by overperformance in other projects/ countries and response measures taken to the pandemic. In some cases, even higher results were reported (stay-at-home measures leading to people investing more in solar home systems and even clean cooking), while COVID19 response packages (from investors and development partners, including e.g. through EnDev) supported continued operations as well. SNV took part in these COVID-19 response measures, with good results.

Results Based Financing, where incentives are disbursed to companies after energy access delivery, has been a critical instrument to drive these results. During COVID times, with some adjustments (e.g. shifting to remote verification), it was possible to continue implementing these RBF schemes, accelerating and scaling the dissemination of solutions that bring access to energy to those who need it most.

Knowledge, learning, and partnerships

SNV continued its internal knowledge exchange on biodigesters, clean cooking, and off-grid electrification, as well as on cross-cutting topics including productive use of energy, gender, and social inclusion. A gender focal point was appointed for the energy sector to increase knowledge exchange and learning, and a systematic approach towards integrating gender in project design and implementation. A virtual global energy sector meeting was successfully carried out with cross-country learning between colleagues, and external partners. A series of publications was launched on how SNV contributes to systems change, with practical examples and evidence from the Voice for Change Partnership (V4CP) Programme and the Tanzania Results Based Financing (RBF) programme for off-grid solar. Both projects successfully closed in 2020.

A highlight was the Learning & Innovation Agenda on Productive Use of Energy (PUE), led by SNV on behalf of the Energising Development (EnDev) partnership, which included a Community of Practice with active participation from AVSI, CLASP, GIZ, Hivos, Practical Action, amongst others. While PUE is starting to receive more attention in the SDG7 community, there are still barriers that prevent PUE business models from scaling. Following stakeholder consultation, SNV led the development of a new publication with the aim to contribute to the accelerated implementation and impact of PUE interventions globally. The report analyses different approaches in various PUE promotion projects, and ategorises projects, success factors, and challenges.

Voice for Change Partnership (V4CP)

Civil society plays a crucial role in mobilising citizens' voices and ensuring that the interests of low-income and marginalised communities are included in government and business policies and practices. The DGIS-financed Voice for Change Partnership (2016-2020) empowered civil society organisations to engage with decision-makers and voice their views more effectively by taking an evidence-based approach to advocacy. They focused on four thematic areas: Food & Nutrition Security, Resilience for Pastoralists, Renewable Energy, and Water, Sanitation & Hygiene (WASH). In the energy sector, V4CP engaged in four countries: Burkina Faso, Ghana, Honduras, and Kenya. Key results include alignment in the clean cooking/renewable energy sector, increased coordination with and within national government, and renewable energy plans by local governments.

Based on the results and learnings from the V4CP programme, several approaches have proven effective for influencing the enabling environment, such as strengthening the voice of civil society, increased alignment through multi-stakeholder processes, collaboration with governments at different levels and increased accountability mechanisms. Results and lessons learned were documented in 2020 in a series of publications, stories of change, learning briefs and key evidence products, which are available at SNV's website for download.

"Though the creation of the National Agency for Renewable Energy and Energetical Efficiency (ANEREE) was already planned by the government, the advocacy conducted by CSOs has particularly sped up the adoption of the statutes of the agency. Its role will be to regulate the renewable energy sector and help quality norms to be applied to products and services of this sector in Burkina Faso."

Djourmité Nestor Noufe,
Director for advocacy and resources mobilisation, ANEREE

"Today, all our voices are echoing like one louder voice. We better understand the government and moreover, we have learned from other organisations and networked with them."

Mrs. Clarisse Nebie,
CEAS monitoring, V4CP Burkina Faso

2.5 million
people gained access to water, sanitation and hygiene services.

Water, Sanitation and Hygiene

Impact: In 2020, our water, sanitation and hygiene (WASH) activities directly contributed to **2.5 million people** in 18 countries gaining access to WASH. We measured 1.2 million people gaining access to, and use of, sanitation, and over 0.6 million people gaining access to basic drinking water supply services. An additional 0.9 million people now practice handwashing with soap after defecation.

Context

Water and sanitation service providers, supply chains, and the outreach of health promoters were, like almost all other areas of society, heavily affected and influenced by the COVID-19 pandemic in 2020. There was an expectation among WASH ministries, institutions and professionals that this would lead to a revaluation of the importance of WASH for preventing communicable diseases, like COVID-19. Having water and sanitation services at home or in school, enables good hygiene behaviours. This is particularly true for healthcare facilities: without water and sanitation in the facilities, it is impossible to ensure good infection prevention and control. This did not happen to the extent WASH professionals had hoped. There were a number of short-term COVID-19 response efforts, both nationally and internationally, ranging from the provision of handwashing stations, equipment, face masks, soap, sanitizer, etc. to massive behavioural change communication (BCC) efforts. This also involved new target audiences, beyond mothers and children, family, school and healthcare settings, the focus broadened to public places (markets, bus stations, places of worship) where the transmission of the virus is/was happening. However, the longer-term provision of WASH services and its sustainability suffered as a side-effect of the pandemic. Many of the installed handwashing stations were temporary, ending up without water or vandalised. In a number of countries, governments announced that nobody could be cut off from water supply for not paying, which led to a substantial reduction of income for water utilities that were already struggling to cover their basic operating costs. Investment aimed at treatment infrastructure, was re-directed towards COVID-19 response. Supply chains of chemicals and spare parts were disrupted. It is expected that this decapitalisation, of the water supply side, may lead to a decline in access and/or service levels and greater inequality.

> COVID-19 response efforts ranged from the provision of handwashing stations, equipment, face masks, soap, sanitizer, etc. to massive behavioural change communication (BCC) efforts

The COVID-19 crisis did increase general awareness about vulnerability and crisis in general, and the rising inequalities these entail. The topic of anti-microbial resistance has become increasingly prominent for WASH professionals and institutions responsible for WASH, as the WHO considers this one of the top 10 global public health threats facing humanity. Lack of WASH services contributes to this process. The expected impacts of climate change crisis, already on the agenda, became more tangible, and thereby the importance of water security for all. In addition to the need for climate adaptation and disaster risk reduction for all areas of WASH, there is emerging research about the significant contribution to

GHG emissions from on-site sanitation facilities.

To really address the above issues, we need to achieve universal safely managed access to both water and sanitation, as defined in the SDGs targets. This means reliable, accessible water in the right quantities and quality, and sanitation that is safely managed along the entire chain, until it's safely disposed or reused. On a global population of 7.6 billion, 2.2 billion do not (yet) have access to safely managed water supply and 4.2 billion lack access to safely managed sanitation.

Sustainable Rural Sanitation and Hygiene for All (SSH4A) at Scale

COVID-19 response activities were integrated in many projects across our WASH portfolio. Donors from ongoing projects asked us to re-direct part of the budget to COVID-19 response and/or provided additional funding. This ranges from the World Bank-funded PROSASUR project in Honduras, the DGIS-funded OmiDelta programme in Benin, to the Australian Department of Foreign Affairs and Trade (DFAT)-funded Water for Women project in Asia. Moreover, a number of countries (Indonesia, Kenya, Mozambique, Rwanda, and Uganda) are implementing dedicated COVID-19 response projects with funding from the

Millions of people gaining access to sanitation and hygiene under flagship multi-country programme

In 2020, we closed the second phase of the FCDO-funded Sustainable Sanitation and Hygiene for All (SSH4A) Results programme project in Ethiopia, Kenya, Mozambique, Nepal, Tanzania, Uganda, and Zambia. Earlier, the Ghana and South Sudan projects closed. Thereby a 6-year Results Based Finance (RBF) project across 9 countries came to an end. Through this programme, 4.2 million people gained access to basic sanitation and 2 million additional people practised hand-washing with soap. The programme worked on a broader change investing heavily in the WASH service delivery system with, for example, all 84 districts developing their district-wide sanitation plan with budgets and strategies to reach potentially vulnerable groups such as people with disability or people in remote areas of the project. SSH4A also invested in sanitation market development in all countries. Though a sanitation supply chain analysis and informed choice manuals on sanitation technology options were developed in each country, strategies differed significantly by context. For example, in Asia, development of the market built on existing market players and focused on greater outreach and sales to a larger range of consumer segments. In Africa, the rural sanitation market was incipient or non-existent, and our efforts ranged from product development (SAFI in Kenya, Tanzania, and Ethiopia), business development of entrepreneurs to strengthening market linkages and outreach.

The programme areas of the SSH4A Results programme are part of the ongoing post-intervention sustainability study led by Emory University. Findings of post-programme sustainability are expected in 2021.

Sub-County Chief Jangkoro is photographed talking about the importance of good hygiene and sanitation at the Ayibu village. Strong political will and involvement of local government in sanitation campaigns helped raise household toilet access to 81% (55% in 2014) of households in Uganda.

FCDO/UNILEVER HBCC, DGIS, and others. All response activities included hygiene behavioural change interventions, focused on transport hubs, markets, healthcare facilities, schools and of course the public. This partly built on existing assets, e.g. from the Unilever Hygiene Behavioural Change Coalition (HBCC) and partly involved new formative research. In many countries, for example in Laos, BCC was implemented through a combination of interpersonal communication and mass communication, often with messaging through radio, TV, SMS, and other telephone communication. In Indonesia, a specific COVID-19 website was developed through the partnership with Every1Mobile. The WASH team also provided support to the agricultural COVID-19 response programme CORE-Africa, particularly on the area of health and hygiene in agricultural value chains.

SSH4A programmes always had a focus on inclusion and leaving no one behind, but through the DFAT-funded Water for Women Fund programmes in Bhutan and Laos we deepened this, strengthening our capacities in gender transformation, to reach sexual minorities and people with disability, the latter with support from CBM Australia. This also informed disability sensitive programming in other countries. African SSH4A programmes continued to work on sanitation markets, which are still one of the biggest bottle-necks in these countries.

Area-wide Rural Water Supply Services

Area-wide Rural Water Supply Services (ARWSS) programmes continued to focus on sustained service delivery and systems change within a decentralised context. A lot of investments were made in improving local government procurement and oversight processes, performance monitoring of small operators (community based or privately managed) and climate adaptation. Several ARWSS projects are integrated in a broader Integrated Water Resources Management (IWRM) project focused on improving water security and strengthening climate adaptation.

> Governance, regulation, and sustainable cost-recovery were priority topics in all countries.

Urban Sanitation and Hygiene

The city-wide urban sanitation product, Urban Sanitation and Hygiene for Health and Development (USHHD) is implemented in 20 cities across 5 countries. In addition, there are urban sanitation activities which are not city-wide in Ethiopia, Kenya, and Mozambique, focussing on low-income areas and re-use of faecal sludge. Governance, regulation, and sustainable cost-recovery were priority topics in all countries. Moreover, all countries went through an informed choice process with local authorities, which led to the selection of faecal sludge treatment options many of which are now under construction.

In all SNV WASH products, the integration of WASH in healthcare facilities was strengthened. Accessibility for people with disability and safe healthcare waste management were priority topics, in addition of course to COVID response.

Impact and outcomes

Our WASH activities contributed to access to WASH for 2.5 million people in 2020. Our projects resulted in 1.2 million people gaining access to, and use of, sanitation, and over 0.6 million people gaining access to basic drinking water supply services. An additional 0.9 million people now practice handwashing with soap after defecation. Though some activities were disrupted due to COVID, additional activities in COVID-19 response were added, hence, we met our targets.

In addition to the number of people who benefit directly from our programme, SNV's WASH programmes aim to facilitate structural change at different levels (national, regional, local), contributing to sustainable service delivery systems which interlink consumers, service providers and governments in ways that ensure an efficient, financially viable, and quality service with required checks and balances.

Knowledge, learning, and partnerships

The practice of WASH learning events was disrupted in 2020 as COVID-19 not only prevented face-to-face encounters but also heavily dominated the content agenda over the first half of the year. A considerable amount of the learning geared around the COVID-19 response activities: action research on no-touch handwashing devices, COVID-19 specific indicators, virtual outreach and collabora-tion tools for partners, and even to reach households. SNV's internal experience of business continuity planning was used to advise partner utilities and local govern-ments. We participated and co-organised many webinars around WASH & COVID-19.

Female leaders mobilising the community

The SDC-funded GoTAS project in Mozambique, stands for Governance Programme in Water, Sanitation and Health. It aims to improve the living conditions of the rural population in five districts of Niassa Province through the provision of rural WASH services promoting effective decentralisation and active participation of citizens. Governance is a critical factor, as is the capacity of local government to implement in a responsive and accountable way. During 2020, the project was impacted by COVID-19, with a pause in activities, but pivoted to support the Provincial Health service response. The project supported 34,838 people to gain access to safe and hygienic sanitation and rehabilitated 62 water points with local artisans. The project also supported local government to construct new infrastructure improving access to WASH in four healthcare facilities and completed training in the WASH FIT tool to support sustainability of these facilities.

In Niassa province, two women recognised that their community had long suffered from waterborne disease and decided to participate in a meeting for hygiene behaviour change supported by the GoTAS programme. Due to their proactivity, they were chosen by the community as leading members of the sanitation group and this is when their leadership journey began.

"With the funds collected, we have managed to repair our water sources. Last week the bushes on the pump failed, on the same day we travelled to the city to buy the parts, returned and managed to replace them. It was a beautifully smooth process thanks to the collaboration of the community together with our advisory board. Today, we have a clean community, people are healthy, children can study well, the distances to fetch water are reduced, and consequently we are happy in our homes…
Long live Water, Long live GoTAS!"

Matilde Canhenga and **Fatima Asseli**, Mbetazigone, Lichinga District, Niassa Province, Mozambique.

Moreover, the WASH team is an integral part of the Agriculture-led CORE-Africa project, developing the thinking and methodologies for hygiene integration in agricultural value chains.

With the absence of physical events, the nature of learning activities shifted. Several virtual short sessions took place over a range of months. In 2020, we started the Behavioural Design hub in which an expert organisation, Upward Spiral, guides country teams through the research and design circle for behavioural change. Teams from Bangladesh, Bhutan, Laos, Mozambique, and Tanzania participated in this unique approach (developed by Upward Spiral) of guidance, field work, coaching, and sharing. All worked on different key behaviours which were crucial to their ongoing programmes. In Nepal, the Gender Equality Measure (GEM) tool was tested with support from the Institute for Sustainable Futures of the University of Sydney (ISF/UTS). This tool aims to identify intended and unintended changes associated with WASH programmes. In Bhutan, the Making Rights Real approach was tested. Furthermore, within the WASH SDG programme and consortium (with Plan and the Dutch WASH Alliance), a long-term learning activity was conducted around gender equality and social inclusion. The Voice for Change programme consolidated and shared its learnings with a broad range of in-country partners.

SNV continued with its ongoing knowledge partnerships with the Institute for Sustainable Futures of the University of Sydney (ISF/UTS) around urban sanitation and gender, and with Emory University in the USA around rural sanitation and hygiene. The peer-reviewed article on SSH4A was published and the sustainability study is ongoing. We continued our collaboration in the Initiative for Sanitation Workers with WaterAid, World Bank, WHO, and ILO, and within the Call to Action for Rural Sanitation and Hygiene with WaterAid, World Bank, Plan, USAID, UNICEF, and the Institute of Development Studies. We also participated in global (virtual) events on defining safely managed sanitation, climate change, measuring water security and the dissemination of lessons learned from Results Based Financing, among other topics.

SNV's internal experience of business continuity planning was used to advise partner utilities and local governments. We co-organised and participated in many webinars around WASH & COVID-19.

Building local capacity in Nepal

The year 2020 was a key implementation year for the USAID-funded Swachchhata project (Health and hygiene activity) in Nepal. The project aimed at improving access to WASH in healthcare facilities, completed work in the 80 healthcare facilities in access to water, sanitation and solar powered energy, as well as infection prevention and control measures. The project used a 3-dialogue process to ensure institutional embedding, co-contribution and sustainability of infrastructure. This process allowed for broad stakeholder engagement, leverage up to 40% of the infrastructure value and transparency as it closed with a public audit. Moreover, it strengthened the local systems around healthcare facilities responsible for governance and oversight, management of water supply and for supplies and equipment.

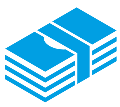
Breaking the gender norms
During the construction of the improvement works in her ward, Nandakali Pariyar, was interested in taking on the responsibility of being a village maintenance worker and provide her time for necessary maintenance works of the water supply system in the future.

"During the five-day training I come to know about different types of pipes and equipment to join the pipes. For the first time, I handled a wrench. It was difficult for me to tighten the knot using a wrench. However, after several practical sessions in the training finally I learnt to manage the maintenance equipment. Now I am very happy to have learned new things which were previously perceived as only as a man's job,"

said **Nandakali Pariyar**, a resident and active social worker. She is a Female Community Health Volunteer (FCHV) and a member of the existing Water Users and Sanitation Committee (WUSC).

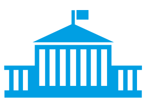
Changing the systems which trap people in poverty

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



When additional financial resources are leveraged

When we kick-start markets that sustain themselves



When government and others adopt our approaches

When we change rules/ norms/the new normal

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

Contributing to systems change is complex – especially in the fluid and unpredictable context we work in. We mainstreamed the use of four success parameters into our project development and implementation: Leveraging finance, kickstarting markets, institutional embedding with government and others, and creating a new normal by changing rules and norms. These parameters have proven to be a pragmatic way to narrate results and measure success. However, we know we have much more to learn. We are committed to deepening our knowledge on systems-based approaches to further refine the way we measure and showcase our contributions systems change in the future.

In the three country narratives below, SNV showcased significant contributions to systems change along at least two, often three or four, of these parameters. Many other examples of systems change are mentioned throughout this annual report. Creating systems change is an incremental process and we are on track to reach our target to significantly contribute to systems change in Agriculture, Energy, and WASH sectors in 21 countries by 2022.

Systems change enabling climate change adaption in Kenya

Agriculture supports the livelihoods of over 40% of the Kenyan people, making up 26% of Kenya's GDP and feeds a growing population. However, unpredictable weather patterns are putting agriculture production and livelihoods at risk. A shift towards climate-smart agriculture is needed to ensure the sustainability of agriculture in Kenya and minimise the impact on people's lives. SNV contributed to systems change in climate adaptation in Kenya by kick-starting markets, levering finance, and governments adopting new approaches.

Supporting smallholder farmers and agricultural SMEs to adapt to climate change was a focus area for SNV Kenya projects like the DGIS-funded projects Climate Resilient Agribusiness for Tomorrow (CRAFT), 2SCALE, and the Dutch Fund for Climate and Development (DFCD). Climate-smart services and technologies such as improved seeds, crop specific fertilizers, weather information, crop insurance, and other innovations are often not accessible or affordable to smallholder farmers. SNV supports businesses to bring such services to farmers, for instance via co-funding, linking value chain actors and training. In 2019-2020, SNV supported 137,500 Kenyan farmers to increase their productivity by adopting climate-smart practices and 165 SMEs to increase their turnover. Moreover, SNV supported SMEs to access private sector finance from institutes that have historically been hesitant to finance climate-smart innovations. In total, SNV and partners leveraged €12.4M from the private sector against grant funding of €8.8M. For SMEs and farmers, access to finance is key for their continuous adaptation and resilience to climate change. More work is needed to ensure this becomes widely accessible and affordable.

Through advocacy and lobbying efforts with partners, SNV engaged counties and national bodies to adopt policies supporting value chain actors to shift to climate-smart agriculture. For instance, County Marsabit was engaged to develop the Climate Change Fund Act, setting a 2% development budget for climate change adaptation projects. County Isiolo was engaged to support livestock insurance via the Isiolo Livestock Sale Yard Bill, increasing the resilience of livestock farmers in case of drought. Such structural finance and bills are important to be able to make the transition towards large-scale roll out of climate-smart agriculture. However, challenges remain, as not all counties have adopted similar plans and the implementation of such policies is slow.

Systems change through biodigesters in Vietnam

Since 2003, SNV has been supporting the development and uptake of household biodigesters in Vietnam. The approach included an investment subsidy to farmers and – typical for Vietnam – a prominent role for (local) government in sector functions like promotion and quality assurance. In 2013, a different approach was required to enlarge the role of the private sector and to make the sector less dependent on ODA. Central to this approach was to transition sector functions to the private sector through the provision of business development services accompanied with a scheme offering Result-Based Incentives (RBIs) to biodigester companies. SNV contributed to systems change of the biodigester sector in Vietnam by leveraging finance, kickstarting markets, and governments adopting our approaches.

About 50,000 biodigesters were installed by the end of 2020, despite several external factors hampering the sector, including a collapsing pork market, widespread and repeated incidence of the African Swine Flu and COVID-19. The receiving companies refined their market approaches and increased their sales, among others, through extended sales points, enhanced advertising, focus on quality and discounts for customers. The companies benefitted from higher margins and expressed increased empowerment. Also noteworthy was the growth of companies offering premanufactured, composite digesters. These companies proved to be more flexible and efficient in adapting to the market. Despite being more expensive than brick-made units built in situ, the composite digesters save installation time and enjoy a better reputation with farmers regarding gas-tightness and smell. In 2019-2020, composite biodigesters held over 80% market share, indicating a trend towards service convenience and perceived reliability.

The project leveraged ODA through the sales of credits from the reduction of GHG emissions. Registered under the Gold Standard, over USD$ 8 million was earned through the reduction of 3 million tons of CO_2 by the end of 2020. These carbon revenues are crucial for the sustainable financing of the biodigester market, although an important challenge is the government allowing their free use to support the market. Moreover, acceptance by and support from the government to the increased role of private companies remains necessary.

Regulatory framework for wastewater treatment in Indonesia

In Indonesia, implementation of public policies and of sectoral agencies activities at municipal level must be endorsed by municipal laws and regulations. Drafting municipal laws is a long process that is crucial to ensure the implementation of a coherent municipal strategy, enforcement of regulations across a sector, and sustainability of good practice in the long term. SNV contributed to systems change by influencing governments to adopt new approaches.

Since 2017, SNV has been supporting the development of city-wide urban sanitation services in three large cities in Indonesia through the Dutch-funded WASH SDGs programme for Sustainable and Inclusive Cities.
In December 2019, the municipality of Tasikmalaya (660,000 inhabitants) approved a municipal law on domestic wastewater after SNV conducted sustained advocacy work along with local civil society organisations, the National Association of wastewater operators (FORKALIM), community representatives, and universities. This work supported the local government to address a regulatory void on wastewater treatment and guarantees durable changes in the way local governments approach safely managed sanitation. New practices enhanced and supported by SNV to become the new norms are therefore authorised (e.g. the involvement of private operators), mainstreamed (e.g. the use of Standard Operating Procedures), or are legally part of the municipal sanitation strategy (e.g. scheduled desludging). The regulatory changes enable the implementation of the national sanitation policy at local level and enhances the main-streaming of new norms in the way municipalities intend to implement their sanitation strategy to reach safely managed sanitation from 6% in 2018 to 25% of the inhabitants by 2024.

Organisational developments

The 2020 COVID-19 pandemic **inevitably impacted on SNV's ability to improve livelihoods** and access to basic services as well as on SNV's financial results. Constraints ranged from the very immediate, as most of our team members moved to remote working arrangements, to the medium term as the donor landscape we operate in has faced financial pressures, as well as structural changes.

We now have eight Global Teams, of which five cover a functional area (Business Development, Corporate Affairs, Finance, Human Resources, and ICT) and three sectors (Agriculture, Energy, and WASH).

However, we entered the uncertainty of the evolving COVID-19 pandemic from a position of strength enabling us to remain operational in all countries despite restrictions on our activities. Our principle is to do no harm, ensuring that SNV does not put communities, team members, or anybody else at risk and does not contribute to spreading the virus. SNV complies with regulations of governments and the World Health Organisation. We have put business continuity plans in place and move towards social distancing plans in countries where restrictions were lifted.

Structure

The Managing Board (MB) manages SNV under the supervision of a Supervisory Board (SB). The Managing Board consists of four statutory Directors and is chaired by the Chief Executive Officer (CEO). There were significant changes in the composition of the Managing Board in 2020. On 1 July, Managing Director Tom Derksen retired after several decades with SNV in many countries and positions. From that moment, the MB transitioned from a five-person MB with cross-sectional responsibilities to a four-member MB with each statutory director having a singular responsibility for sectors, country operations, and business & finance (CFO). This enhances the consistency in steering across sectors and countries and improves timeliness of decision making. The second major change was the change of CEO with Meike van Ginneken stepping down in October and Simon O'Connell joining SNV on 1 December, 2020.

With the shifts in the Managing Board, we also made structural improvements to our Global Teams set-up. We now have eight Global Teams, of which five cover a functional area (Business Development, Corporate Affairs, Finance, Human Resources, and ICT) and three sectors (Agriculture, Energy, and WASH). The Corporate Affairs team was newly formed to improve organisational coherence and provide consistent and quality support on corporate issues including marketing communication, internal audit, policy, and legal. An enhanced Business Support and Control function has been set up under the Global Finance team.

We also clarified roles in the country teams and standardised the Country Management Team in each country.

In 2020, the affiliation of SNV and SNV USA came to an end. SNV USA rebranded itself into DevWorks International and agreed to no longer use corporate

names, trademarks, trade names, service marks, brands, copyrights and logos containing 'SNV'.

2020 was the second year of our four-year strategic period. SNV invested in six cross-unit Priority Projects to spur the implementation of the Strategic Plan: (1) a review and update of policies and procedures, (2) enhanced business data reliability and internal management reporting, (3) review and update employee reward packages, (4) strategic staffing (5) enhancing of tendering capacity, and (6) roll out leveraging finance and systems change approaches. All six Priority Projects were extended to 2021 and have been integrated within specific Global Teams to ensure continuity. The seventh priority project on internal communication and learning was launched in 2020.

Continued focus on three sectors

For the remainder of the current strategic period, we will keep our focus on Agriculture, Energy, and WASH, deepening our impact wherever possible. Across our work, we will further update and improve our existing products and approaches, and roll out new ones to address evolving needs, harness new opportunities and adjust according to changed contexts. In response to COVID-19 and a shifting donor landscape, we are also exploring opportunities to broaden the scope of the products and services within our core areas of focus, with a view to enabling greater relevance to the needs and opportunities of the contexts where we work and increase the scale of our impact.

Reduced revenues in a challenging year, positive financial net result

While the COVID-19 related impact on our business was tightly managed and minimised, we could not continue the trend of revenue growth from the previous years. The COVID-19 crisis impacted our revenue through reduced pace of project implementation. Our consolidated revenue in 2020 was €120M, which represents a 16% year-on-year

In 2020 we signed €182M in new contracts, which is in line with trends in previous years. Looking ahead for 2021, we do not expect the COVID-19 pandemic to significantly impact our financial results.

decrease. Due to the efficiency and cost control measures we took during the year, especially saving on global overhead costs, SNV managed to reach a positive financial result of €3.6M for the year 2020.

With our quick reaction to take measures and thanks to the flexibility of our donors, we were able to minimise the impact on our operations. We stayed in-country, maintained our full team, and continued our operations where possible, with adapted activities where necessary. Our measures to mitigate the effects on our financial situation included investing in positioning SNV in a post-COVID-19 world, a focused effort on project restructuring and re-budgeting where needed and continued enhancement of financial control measures. SNV has a solid liquidity position and reserves. In 2020 we signed €182M value of new contracts, in line with trends in the previous years. As for 2021, we do not expect a significant impact on our financial result due to COVID-19.

SNV's projects are financed through grants and service contracts from public and private donors. We thank our donors and partners for their support through this crisis and look forward to a continued collaboration.

SNV worked in 26 countries in 2020. Each year, we conduct a medium-term outlook exercise to review our country footprint and country classification. We want to ensure that we are well-positioned to continue to add value in these local contexts and contribute to positively impacting people's lives. In 2020 we closed operations in Myanmar and we initiated the closing of operations in DR Congo and Cameroon.

Our people – the core of our success

SNV employed 1297 people at end of 2020. While revenues dropped by 16%, the number of employees reduced only by 6% compared with 2019. Our team consisted 88% out of national employees and 6% international employees. The share of our team members based in The Netherlands remained stable at 6%. Annual staff turnover was 15% in line with previous years.

SNV remains a highly diverse organisation employing over 50 different nationalities. In 2020, the average age of our team members was 41, similar to previous years. The share of female employees dropped from 32% to 30%. The share of female senior employees remained at 31%. Improving our gender diversity remains a point of attention which we are increasingly working to address.

Most of our country programmes are business units headed by a resident Country Director. Some countries report to a Country Director in a neighbouring country. In each country there is a Country Management Team consisting of a Country Director, Sector Leaders, Country Finance Manager and (if the size of the country allows it) an HR or Operations Manager. Three new Country Directors came on board in 2020.

The safety of our team members is our number one priority. SNV is increasing its investments in safety and security management, including additional in-country security capacity and global security oversight and coordination.

Code of conduct

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

SNV continued to raise awareness and encourage team members to come forward in case they experience or have witnessed incidents of discrimination or harassment. We consistently applied our Workplace Discrimination and Harassment policy which is aligned with various donor requirements on prevention and awareness on (sexual) harassment. In 2020, we received four reports of alleged incidents perpetrated by SNV employees and employees of our partners/subcontractors. In two cases, pre-investigation concluded insufficient grounds to instigate a full investigation while in another, after a full investigation, our partner/subcontractor reached a mutual separation agreement with the perpetrator. The fourth case is still open. All pending 2019 investigations and three of the four reported incidents in 2020 were closed in 2020. Donors were informed in a timely fashion where relevant.

In 2020, 17 cases of suspected fraud by SNV employees and employees of partners/subcontractors were reported and investigated. Irregularities included breach of procurement procedures, conflict of interest, theft, misreporting, fraudulent DSA/hotel claims, and embezzlement. All the cases represented limited material value. All pending 2019 investigations and 12 of the 17 new investigations were closed in 2020. Disciplinary measurements (including dismissals) have been taken against involved team members where appropriate. As per SNV's policy, relevant donors were informed in a timely manner.

We consistently applied our Workplace Discrimination and Harassment policy which is aligned with various donor requirements on prevention and awareness on (sexual) harassment.

Risk management in SNV

SNV has processes in place to identify, evaluate, manage, and mitigate risk across the organisation. Integrity and accountability are at the heart of our work and with clear lines of accountability, the MB and all team members at SNV are responsible for acting responsibly, for spending the funds entrusted to us wisely, and for adhering to safety and security policies and moral and ethical principles.

We operate in a low-margin finance environment which provides us with limited space to take financial risks. In 2019 and 2020, we made important steps forward in managing our financial risks and strengthened our equity position. These put us in a strong position to manage the increased risk levels.

The nature of the risks facing SNV's strategic objectives have not changed substantially, though as a result of the COVID-19 crisis, and increased instability in geographies where we operate, the levels of impact and probability have.

The table below summarises the principal risks and ongoing risk-mitigating measures. The levels of SNV's financial reserves are sufficient to absorb the financial consequences related to the remedial risks after mitigation.

Risk level: ■ Low ■ Medium ■ High

Risk	Mitigating Measures	Risk level
Safety and security of team members SNV operates in high-risk, conflict-sensitive, and fragile areas as this is where many communities we seek to support, live. Political and social unrest can slow down project implementation and put the safety and integrity of our team members at risk. This risk can be partly mitigated by SNV but a residual risk will remain given our mission and related operating environment.	• Roll-out of the updated Security Policies and procedure. Update all country Security Plans, starting with highest risks countries. • Strict application of incident reporting procedure and follow-up. • Additional investments in in-country security capacity and global security oversight and coordination. • Consistent periodic MB review of security situation in SNV countries.	■ Impact (High) ■ Probability (Medium) ■ Risk after mitigation (Medium)
Inability to implement projects as planned because of unexpected external factors In 2020 we experienced how COVID-19 related lockdowns and restrictive measures could impact our ability to implement projects and budgets as planned leading to a decrease in impact and annual revenues. Similarly, political unrest or safety situations in Sahel and Ethiopia, a.o., limit our ability to implement activities in specific areas of these countries.	• In 2020 we learnt how to continue implementing meaningful activities "from a distance", changed methods to deliver programmes, including making better use of new technologies. We continue to do so. • 2020 country and project planning is based on context specific knowledge of government measures and restrictions. In general, COVID related restrictions are expected to be less restrictive. • Project design, especially in Sahel countries, takes into account safety and security risks, include alternative (safer) implementation areas and make more use of alternative delivery methods.	■ Impact (Medium) ■ Probability (High) ■ Risk after mitigation (Medium)
Integrity and reputational risks SNV has a zero-tolerance policy related to integrity breaches including sexual abuse, child labour, discrimination on the basis of gender, ethnicity, or sexual orientation. Integrity issues can significantly affect our employees, the partners we work with and the communities we work for, harm our reputation and affect future order intake.	• Clear rules and strict adherence to the SNV Code of Conduct, to which each employee personally commits with a signature. • Policies and procedures on workplace discrimination and harassment, fraud response, whistle-blower, contracting and procurement, HIV/AIDS Workplace, and child protection accompanied by explicit and targeted training and induction. • The MB closely approves all policies, supervises their implementation and ensures internal compliance. • SNV regularly commissions internal and external audits.	■ Impact (High) ■ Probability (Low) ■ Risk after mitigation (Low)

Risk level: Low Medium High

Risk	Mitigating Measures	Risk level
Decrease in Order Intake volume Due to COVID-19 crisis, budgets for international cooperation of main donor countries might decrease and policy priorities might shift away from SNV sectors, and/or more funding through multi-lateral channels. This may lead to a reduction of new Order Intake (OI) for SNV.	• Ensuring strong technical and financial proposals. • Enhanced account management and pipeline development with priority donors. • Periodic review, monitoring, and steering of country/donor/sector projections. • New and enhanced partnerships.	Impact Probability Risk after mitigation
Overheads not covered by projects Cost control of global and country overhead has been an area of attention for the MB in the past few years. We know these costs well, control and monitor them regularly. SNV is a lean organisation and needs to invest more in areas like safety and security, social safeguarding, and learning and development, which leads to increasing overhead costs which might not be covered by projects. Another risk is the ability to realise planned billability levels of costs as travel restrictions reduce possibility for f2f back-stopping support in COVID-19 times. Expenditures of individual country offices can diverge from budgets, especially in case they are confronted with unexpected drops in revenue or high back-filling costs.	• Continue tight monitoring and management of global and country overhead costs. • Close monitoring of billability levels and timely adjust budgets if needed. • More attention to flexibility of part of the workforce, enabling to better adjust to changes in revenue volumes. • Timely prepare possible global cost reduction measures in case 2022 projections indicate overall revenues will decrease. • Only with explicit MB approval countries allowing to overrun country overhead budget.	Impact Probability Risk after mitigation
Foreign exchange risks and increased financial costs Fluctuation of FX rates of foreign currency can expose SNV to financial losses. SNV has minimised its FX exposures, but will remain somewhat exposed to FX rate fluctuations for thinly traded currencies on its remaining assets in these currencies. The economic crisis caused by the COVID-19 pandemic increases the volatility of FX rates. Negative interest rates risk to increase our financial costs as advances of donors increase and donors do not compensate for this.	• Continue to manage FX exposures, such as by minimising cash in local currency and hedging hard currency in line with our policy to minimise risk and costs. • Maintain cash position as much as possible in the Netherlands. • Continue bank rationalisation process and thus reducing our credit exposure on banks. • Monitoring cash balances in local currency by Treasury. • Minimise advanced payments.	Impact Probability Risk after mitigation
License to operate with changing and more restrictive regulations in countries of operation SNV is duly registered in all countries it operates in. In several countries we see restrictions for INGOs increasing, like difficult to obtain work permits or objections to new projects, changes in taxation, mandatory creation of local entities to be able to operate and others. This implies the risk of increased cost of operation, severe delays in project start-up and in the extreme case, inability to continue operating in country.	• New Corporate Affairs unit set-up to monitor closely SNV's country registrations, support countries in related matters including legal support and tax compliance further. • SNV countries continue to be active members of in-country INGO networks for joined analysis and advocacy.	Impact Probability Risk after mitigation
Fraud, bribery, and corruption risks Fraud, bribery, and corruption by SNV team members or contractors can expose SNV to financial losses, fines and sanctions, loss of donors and clients, and reputational damage. The risk of corruption or fraud by team members or contractors is managed closely by SNV by mitigating preventive and detective measures. Strict follow-up, improving our control framework further from lessons learned, and transparent reporting to donors is our key focus.	• Continued zero tolerance approach to fraud and corruption, including messaging, early detection and follow up. • Update of Code of Conduct and accompanying procedures including anti-corruption, fraud whistle-blower, etc. Increased and explicit training and induction for team members. • Roll-out new contracting and procurement policies including enhanced Due Diligence process. • Internal control framework including segregation of duties to lower opportunity to commit fraud. ERP system supporting control framework. • Investigations into irregularities: any suspicion of irregularities reported are investigated and followed up directly.	Impact Probability Risk after mitigation
Team member attraction, retention, and flexibility SNV team members are our main asset and single most important factor for our success. Not being able to attract and retain high quality, high performing, and committed team members negatively impacts our ability to implement our mission, to efficiently and effectively deliver our projects and eventually, to remain a partner of preference for donors, authorities and other partners.	• Flexible workforce options to quickly and timely respond to changing realities and demands. • Carry out salary benchmarking survey to check market competitiveness. • Review Terms and Conditions of SNV employees.	Impact Probability Risk after mitigation

2020 Financial performance highlights

Income from project funding

In 2020, our consolidated income was €120M, below our original annual target of €141M, and slightly below our revised budget of €122.5M (mid-2020 SNV decided to amend its annual budget in response to COVID-19 crisis). This is a 16% year-on-year decline in our income compared to the €142.3M recorded in 2019. SNV's project revenues for each year depend on several factors, including (i) the size of our portfolio, (ii) the average project duration, and (iii) the speed of implementation. During 2020, the COVID crisis impacted SNV's revenues mainly through decreased project implementation speed, resulting in time extensions for multiple contracts and thus increased average project duration. Our revenues in 2022 and onwards can still be further impacted from reduced order intake, resulting from a changing donor priorities and re-sizing of budgets for international cooperation. Despite this, our implementation capacity (observed via growing volumes up to 2019) and team members levels remain in place.

Financial results

SNV realised a consolidated net result of €3.6M in 2020. This is a result of a combination of structural improvement measures taken over the last years to reach sustainable break-even, and a number of specific actions taken in 2020 to mitigate the financial impact of the COVID-19 crisis. The structural long-term improvements influencing the positive 2020 financial results include (1) the continuation of regular hard-close exercises improving the quality of our figures and the control of our balance sheet position, (2) solid annual planning and reporting cycle, (3) strengthened project and business control, and (4) enhanced control on our FX and cash management. Other shorter-term variables that influenced our positive result achieved in 2020 are (1) a lower-than-expected level of write offs and provisions on project balances (in part due to continuous focus on our accounts receivable),
(2) the quick response to COVID-19 via overhead cost control, and (3) a resilient financial contribution from our project base despite marked reductions in programme activities.

Balance sheet and SNV's equity position

With the positive net result achieved, SNV's balance sheet remains strong with an equity position of €42M versus €38.8M per year end 2019. SNV's free reserves grew from €6.6M in 2019 to €10M in 2020, improving our capacity to absorb possible losses in the coming years. Continuity reserves remain at € 25M, as set by the Supervisory Board in 2019, while destination reserves dropped €0.3M from €7.2M in 2019 to €6.9M in 2020, due to planned investments to strengthen the organisation.

The total cash position at year-end was €126M and our working capital €44M. This is well within the financial steering indicators determined by the Managing Board. Compared to December 2019 the cash and bank position improved by €33M and the working capital (current assets minus current liabilities) by €5.1M.

Outlook financial performance

Our Strategic Plan 2019-2022 projected a growth of revenues to €150M by 2022, enabling us to positively impact the lives of 5 million people. We were well on track of meeting this target but due to the impact of the COVID-19 pandemic in 2020, we were unable to continue the growth observed in previous years. The uncertainties brought by the crisis motivated an increased emphasis in strengthening our financial position during 2020, and despite the external headwinds we achieved a positive financial result by the end of the year. Nevertheless, the drop in our project expenditure was significant and is expected to persist over at least part of 2021.

The COVID-19 crisis has a significant effect on SNV's ability to implement all planned activities in-country to improve livelihoods and access to basic services. The effects range from very immediate (as most of our team members moved to remote working arrangements and our programme activities were severely limited), to medium term (as the donor landscape we operate in is structurally changing). In the short term, we continue to monitor closely the speed at which project activities resume a normal pace, looking for alternatives to deliver these activities in compliance with governments' guidelines, and constantly adapting project plans to the changing environment. In the longer term our biggest uncertainty is whether the impact of the crisis on ODA will result in reduced project budgets, a drop in our order intake, and structurally lower revenues and impact achieved from our project portfolio. In line with these trends, we expect revenues growing to around €134M in 2021 and reaching or surpassing €140M in the following years, contingent to developments in our order intake.

Our measures to mitigate the effects of COVID on our financial outlook include investing in positioning SNV in a post-COVID-19 world through adjustment and/or expansion of our sectors, donors, partnerships and services and continuous strengthening of our operations and finance controls. SNV's solid liquidity position and reserves, allow to further explore opportunities to invest towards enabling greater impact.

Governance

The Managing Board (MB) manages SNV under the supervision of a Supervisory Board (SB). The SB consists of a chair, a vice-chair and four regular members. The members have complementary professional backgrounds in the public and private sector. Combined they have extensive experience and expertise covering international development, human resources, project management, public administration, sustainability, research, governance, finance, auditing, and marketing.

In 2020, we bid farewell to Mirjam van Reisen and Ronald de Jong after eight years on the SB and the Selection and Remuneration Committee (SRC). In those eight years, they made a tremendous contribution to SNV. We welcomed three new members in 2020: Irene Nijboer, Stendert Krommendam, and Joyeeta Gupta.

SNV's supervisory structure complies with Dutch and international standards of good governance. At the end of 2020, three members of the SB hold seats on the Audit and Risk Committee (ARC). This committee monitors finance, IT, risk, and compliance and advises the SB on finance, control, and risk management issues. The Selection and Remuneration Committee (SRC) is responsible for recommendations to the entire SB regarding the appointment, evaluation and remuneration of the Chief Executive Officer (CEO) and other MB members. The chair of the SB is not a formal member of any of the SB's committees but has a standing invitation to attend any of the Committee's meetings.

In 2020, the Supervisory Board met five times in plenary sessions, with sub-committees such as the Audit & Risk Committee, and the Selection & Remuneration Committee meeting more frequently between full SB meetings.

The external auditor, BDO, reports annually to the SB. The SB endorsed a 3-year extension of the contract with BDO.

Members of Managing Board

Simon O'Connell

Chief Executive Officer
(December 2020 – present)

Other activities*:
none

Hans Heijdra

Managing Director Business/CFO
(July 2020 – present)
Managing Director Operations/CFO
(November 2018 – July 2020)

Other activities*:
Vice-Chair and Secretary of the Board, Stichting AgriProfocus (until December 2020)

Megan Ritchie

Managing Director Countries,
also responsible for Sector Water, Sanitation & Hygiene
(July 2020 – present)
Managing Director Water, Sanitation & Hygiene / East and Southern Africa
(from April 2013 – July 2020)
Chief Executive Officer a.i.
(from October 2020 – December 2020)

Other activities*:
Board Member, Stepping Stone Liberia

Andre de Jager

Managing Director Sectors
(July 2020 – present)
Managing Director Agriculture / West and Central Africa
(April 2017 – July 2020)

Other activities*:
none

Meike van Ginneken

Chief Executive Officer
(January 2018 – October 2020)
Chairman of the Board of SNV USA
(until May 2020)

Other activities*:
- Member of the board of PARTOS, (April 2020 – October 2020)
- Chair of the Steering Committee of the Netherlands Food Partnership (until October 2020)

Tom Derksen

Managing Director Energy / Asia and Latin America
(April 2017 – July 2020)
Retired September 2020

Other activities*:
none

* All other activities are unpaid

Members of the Supervisory Board

Koos Richelle

Chair of the Supervisory Board

(SB term: October 2015 – October 2023)

Background
Ex-Director-General for departments for International Cooperation in the Dutch Ministry of Foreign Affairs, as well as in the European Commission. He presently serves in a number of non-executive boards of non-profit organisations, being the deputy-chair of the supervisory board of ECDPM and the chair of the governing board of IHE-Delft. He is also a member of the Advisory Council on International Affairs and the chair of its Commission on Development Cooperation.

William van Niekerk

Vice-Chair of the Supervisory Board

Member of the Audit and Risk Committee

(SB term: October 2015 – October 2023)

Background
Partner Beaufort Corporate Consulting & Interim Management, Chairman Supervisory Board VORM Holding, Chairman of the Netherlands Hydrogen & Fuel Cell Association NWBA, Former CEO and Board member in the Water, Energy and Construction sector.

Miriam Hamers-Bodifee

Chair of the Audit and Risk Committee

(SB term: September 2019 – September 2023)

Background
Audit Partner of KPMG.

Irene Nijboer

Member of the Audit and Risk Committee

(SB term: January 2020 – January 2024)

Background
Consultant ABDTOP Consult Ministry of the Interior and Kingdom Relations, Managing Director Legal Aid Board.

Stendert Krommendam

Member of the Selection and Remuneration Committee

(SB term: October 2020 – October 2024)

Background
Group HR Director for Wessanen.

Joyeeta Gupta

Member of the Selection and Remuneration Committee
(from March 2021)

(SB term: December 2020 – December 2024)

Background
Professor of environment and development in the global south at the Amsterdam Institute for Social Science Research of the University of Amsterdam and IHE Delft Institute for Water Education.

Mirjam van Reisen

Member of the Selection and Remuneration Committee

(SB term: April 2012 – October 2020)

Background
Professor International Relations, Innovation and Care at Tilburg University, Professor Computing for Society at Leiden University, Director of Europe External Policy Advisors in Brussels, Member of the Dutch Government Council on Foreign Affairs and Chair of its Committee on Development Cooperation.

Ronald de Jong

Member of the Selection and Remuneration Committee

(SB term: July 2012 – October 2020)

Background
Chairman of the Philips Foundation
Distinguished Professor of Practice, Tilburg University.

Annual Accounts 2020

SNV Netherlands Development Organisation Annual Accounts

The Annual Accounts of SNV Netherlands Development Organisation (SNV), legally seated in The Hague, The Netherlands, reflect its main activities: Our work focuses on increasing people's incomes and access to basic services in agriculture, energy, water, sanitation and hygiene.

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

We apply practical know-how to support people living in poverty. By connecting our global expertise with our extensive and longstanding in-country experiences, we help realise locally owned solutions. We are experts in agriculture, energy, and water, sanitation and hygiene (WASH). Our services include advice, brokering and stakeholder engagement, advocacy, fund management, results-based financing, and delegated management. Our projects directly benefit millions of people. At the same time, our projects also drive systems change-strengthening institutions and kick-starting markets to help many more people work their way out of poverty, well beyond the scope of projects.

In 2020, SNV's activities were financed through project funds reported as Project Revenue in the Consolidated Statement of Financial Performance. While the COVID-19 related impact on our business was tightly managed and minimised, we could not continue the trend of revenue growth from the previous years. The COVID-19 crisis impacted our revenue through reduced pace of project implementation. Our consolidated revenue in 2020 was €120.2M, which represents a 16% year-on-year decrease.

Expenditures consist of project costs and (global) overhead costs. Due to the efficiency and cost control measures we took during the year, especially saving on global overhead costs, SNV managed to reach a positive financial result for the year 2020. The positive net result was added to the free reserves, where the investments in the SNV organisation were financed through the destination reserves. The organisation continued to focus on building its project funding activities reaching an order intake of €182M at the end of the year. In the Consolidated Balance Sheet, the assets and liabilities are reported.

Group Structure

The Group of SNV for the year ended 31 December 2020 comprise of the following entities:

- Stichting SNV Netherlands Development Organisation
- SNV US LLC (dormant)
- SNV Netherlands Development Organisation limited (by Guarantee), Kampala, Uganda
- SNV Netherlands Development Organisation limited by Guarantee, Accra, Ghana
- SNV Netherlands Development Organisation Ltd/Gte (Company limited by Guarantee), Abuja, Nigeria
- Biogas solution Uganda limited (by Guarantee), Kampala, Uganda.

In 2019 SNV USA was also consolidated. As the exclusive affiliation between SNV and SNVUSA ended early 2020, the results of SNV USA are not consolidated into the 2020 Financial Statements of SNV. Further information on the legal form and the evolving inter-relationship of entities is set out under Accounting Principles and Subsequent Events.

Closure and changes of status of country operations in 2020

SNV operated in 26 countries in 2020. Most of our country programmes are business units headed by a resident Country Director, while some smaller country programmes are headed by a (Deputy) Country Director resident in a nearby country. In 2020, we closed operations in Myanmar and initiated closing the operations in Cameroon and DR Congo. For developments in country operations from 2021 onwards, we refer to the subsequent events note 22, relating to operations in Cameroon and DR Congo that will end in 2021.

The Annual Accounts consist of the following:

- Consolidated Balance Sheet after appropriation of balance income and expenditure
- Consolidated Statement of Financial Performance
- Consolidated Statement of Cash Flows
- Notes to the Consolidated Balance Sheet and Statement of Financial Performance
- Accounting principles for the valuation of assets and liabilities
- Accounting principles for determining the Statement of Financial Performance
- Balance Sheet for SNV Foundation
- Statement of Financial Performance for SNV Foundation
- Notes to the Annual Accounts SNV Foundation
- Independent auditor’s report

Consolidated Balance Sheet as of 31 December 2020

(after appropriation of balance of income and expenditure (all amounts in Euro))

ASSETS	Note	2020	2019
Fixed Assets			
Intangible Fixed Assets			
Intangible Fixed Assets		276,552	561,949
	1	276,552	561,949
Tangible Fixed Assets			
Terrains and Buildings		507,416	551,562
Vehicles		213,212	316,586
Equipment		108,351	77,779
Furniture and Fixtures		55,277	73,489
	2	884,256	1,019,416
Financial Fixed Assets			
Financial Fixed Assets	3	411,116	588,816
		411,116	588,816
Current Assets			
Project Funding Receivables	4	15,701,646	19,194,311
Other Receivables	5	559,729	1,327,612
Prepayments	6	5,954,098	7,979,694
		22,215,473	28,501,617
Cash & Bank	7	126,276,822	92,991,196
		126,276,822	92,991,196
Total Assets		**150,064,219**	**123,662,994**

RESERVES AND LIABILITIES	Note	2020	2019
Reserves	8		
Continuity Reserve		25,015,308	25,015,308
Free Reserves		10,032,534	6,606,797
Earmarked Reserve		0	140,485
Destination Reserve		6,933,013	7,246,625
Revaluation reserve		0	-259,127
		41,980,855	38,750,088
Provisions	9	3,637,719	2,386,860
		3,637,719	2,386,860
Current Liabilities			
Project Funding Payables	10	76,400,168	68,988,933
Creditors	11	20,884,972	4,412,071
Accrued Expenses	12	5,776,753	7,422,658
Taxes & Social Security	13	1,153,821	1,230,810
Pensions	14	229,931	471,575
		104,445,645	82,526,047
Total reserves and liabilities		**150,064,219**	**123,662,994**

Consolidated Statement of Financial Performance for the year ending 31 December 2020

(all amounts in Euro)

	Note	Realised 2020	Revised budget 2020	Original budget 2020	Realised 2019
Income					
Project Revenue	16	119,512,420	122,023,000	141,000,000	141,409,542
Other non-project Revenue	17	647,459	500,000	500,000	908,403
Interest received	18	24,564	-	-	54,481
Total income		**120,184,443**	**122,523,000**	**141,500,000**	**142,372,426**
Expenditures	19				
Activity costs		(47,409,253)	(50,336,500)	(57,750,100)	(59,441,936)
Consultants & LSPs		(11,014,768)	(11,694,900)	(13,717,300)	(16,923,775)
SNV Staff costs		(45,024,426)	(47,804,400)	(54,845,100)	(46,377,171)
Facility costs		(7,593,041)	(8,061,900)	(9,249,200)	(8,722,813)
Vehicle costs		(2,756,529)	(2,926,700)	(3,357,800)	(3,040,746)
Other general costs		(2,282,755)	(2,423,600)	(2,480,600)	(7,043,734)
Total Project Implementation costs		**(116,080,772)**	**(123,248,000)**	**(141,400,100)**	**(141,550,175)**
Financing Costs including FX		(165,238)	(400,000)	(400,000)	(31,325)
Total Financing Costs		**(165,238)**	**(400,000)**	**(400,000)**	**(31,325)**
Investment in priority projects		**(313,612)**	**(515,800)**	**(1,248,000)**	**(453,375)**
Total Expenditures		**(116,559,620)**	**(124,163,800)**	**(143,048,100)**	**(142,034,876)**
Balance Income and Spend		**3,624,822**	**(1,640,800)**	**(1,548,100)**	**337,551**
Attributable to Free Reserves		**4,078,919**	**(1,125,000)**	**(300,100)**	**1,323,885**
Withdrawal from Earmarked Reserves		**(140,485)**	**-**	**-**	**(532,959)**
Withdrawal from Destination Reserves		**(313,612)**	**(515,800)**	**(1,248,000)**	**(453,375)**
		3,624,822	**(1,640,800)**	**(1,548,100)**	**337,551**

Consolidated Statement of Cash Flows

(all amounts in Euro)

		2020		2019
Cash flows from operating activities				
Net Result		**3,624,823**		**337,551**
Adjustments for:				
Interest received	(24,564)		(54,481)	
Proceed from Sale of fixed assets	(308,321)		(337,134)	
Depreciation, amortisation and other impairments	621,248		896,632	
Movement in provisions	(1,188,551)		2,489,311	
Financing Costs including FX	124,569			
		(775,619)		**2,994,328**
Movements in working capital:				
Change in Project Funding Receivables	6,146,455		(11,028,398)	
Change in Other Receivables	425,532		(652,639)	
Change in Prepayments	1,905,889		(164,791)	
Change in Project Funding Payables	7,455,726		20,337,248	
Change in Other Current Liabilities	329,070		1,747,122	
Cash generated from operations		**19,111,876**		**13,570,420**
Change in Liabilities for Fund management	15,931,018			
Interest received	24,564		54,481	
		15,955,582		**54,481**
Net cash generated from operating activities		**35,067,458**		**13,624,901**
Cash flow from investment activities:				
Investments in tangible fixed assets	(200,691)		(266,937)	
Proceed from Sale of fixed assets	299,917		337,134	
Deconsolidation of SNV USA	(1,655,600)			
Net cash generated from investment activities		**(1,556,374)**		**70,197**
Cash flow from financing activities:				
Movements in financial fixed assets	(61,291)		(34,360)	
FX derivatives (NDF contracts)	270,196			
Net cash generated from financing activities		**208,905**		**(34,360)**
Net cash flows		**33,719,989**		**13,660,738**
Exchange gains/(losses) on cash at banks and in hand		(434,363)		(84,254)
Net increase/(decrease) in cash at banks and in hand		33,285,626		13,576,483
Balance as at 1 January		**92,991,196**		**79,414,713**
Movements during the financial year		33,285,626		13,576,484
Balance as at 31 December		**126,276,822**		**92,991,197**

The 2019 Project Funding Receivables and Project Funding Payables balances have been adjusted in alignment with the 2020 classification presentation of project receivables and payables for consistency and comparison purposes.

Notes to the Consolidated Balance Sheet and Consolidated Statement of Financial Performance

General notes

Objective of the organisation and nature of activities
Founded in the Netherlands in 1965, SNV is a Netherlands-based international development organisation that has built a long-term, local presence in countries in Asia, Africa and Latin America. We make a lasting difference in the lives of people living in poverty helping them raise incomes and access basic services. Driven by the Sustainable Development Goals, we are dedicated to a society in which all people are free to pursue their own sustainable development and no one is left behind. By connecting our global expertise with our extensive and longstanding in-country experiences, we help realise locally owned solutions. In 2020 SNV carried out its mission in 26 countries and had management, project support, and business development operations in the Netherlands.

Going concern
SNV, like the rest of the world, experienced a year of unprecedented uncertainty. The past year has been extraordinary and has brought much external challenges and change. The COVID-19 crisis has impacted the way we work, the way we provide our services, and the way we organise ourselves.

While the COVID-19 related impact on our business was tightly managed and minimised, we could not continue the trend of revenue growth from the previous years. The COVID-19 crisis impacted our revenue through reduced pace of project implementation. Our consolidated revenue in 2020 was €120.2M, which represents a 16% year-on-year decrease. Due to the efficiency and cost control measures we took during the year, especially saving on global overhead costs, SNV managed to reach a positive financial result for the year 2020.

For 2021, we project revenues to be at €135M with a break-even result (before investments).
We continue mitigating the effects of the COVID-19 crisis on our financial situation via different measures, including restructuring of existing projects and positioning SNV in a post-COVID-19 world.

As for 2021 we do not expect a significant impact on our net financial result. The accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are therefore based on the assumption of continuity of the organisation. For more details on the impact assessment and measures SNV is taking, reference is made to note Subsequent events.

Group structure
The Consolidated Financial Statements of SNV for the year ending 31 December 2020 comprise of the following entities:
- SNV Netherlands Development Organisation
- SNV US LLC (dormant)
- SNV Netherlands Development Organisation limited (by Guarantee), Kampala, Uganda
- SNV Netherlands Development Organisation limited by Guarantee, Accra, Ghana
- SNV Netherlands Development Organisation Ltd/Gte (Company limited by Guarantee), Abuja, Nigeria
- Biogas solution Uganda limited (by Guarantee), Kampala, Uganda.

SNV Netherlands Development Organisation (*Stichting SNV Nederlandse Ontwikkelingsorganisatie*, Chamber of Commerce 41152786) is an independent not-for-profit foundation set up in 1965 and has its registered office at Parkstraat 83, The Hague, The Netherlands. The operations in the 26 countries are part of this foundation, including the following entities:

- SNV Netherlands Development Organisation limited (by Guarantee), Kampala, Uganda
- SNV Netherlands Development Organisation limited by Guarantee, Accra, Ghana
- SNV Netherlands Development Organisation Ltd/Gte (Company limited by Guarantee), Abuja, Nigeria.

These entities are registered as regulations require SNV to incorporate national legal entities to duly operate in these countries.

In addition, SNV participates in the Biogas Solutions Uganda Limited, a private company limited by Guarantee and constituted jointly by SNV (50%) and Stichting HIVOS (50%). Biogas Solutions Uganda Limited was established in 2014 as a component of the African Biogas Partnership Programme (ABPP) funded by the Netherlands Ministry of Foreign Affairs and operating in 5 African Countries (Ethiopia, Burkina Faso, Kenya, Tanzania and Uganda). Biogas Solutions Uganda Ltd is the national implementing agency for Uganda. On 10 September 2020, with a formal notice, SNV initiated the process to resign from the Board of Directors of Biogas Solutions Uganda Ltd. SNV exit is still pending before the Uganda Registration Services Bureau. The financial results of this company were not included in the Consolidated Financial Statements due to its non-significance to the whole Group.

SNV Netherlands Development Organisation holds 100% of the shares in the issued capital of SNV US LLC. SNV US LLC is dormant since the end of 2012 when SNVUSA was established as a US 501(c) 3 public charity foundation. SNV US LCC is registered at Parkstraat 83, The Hague, The Netherlands.

In the comparative numbers in this 2020 Financial Statements, the 2019 results consolidate SNV USA results. SNV USA is a 501(c) 3 public charity foundation that facilitated strategic partnerships with the US Government to expand the scale and impact of SNV's work through additional project funding, focusing on USAID grants and contracts. SNV USA was a fully independent entity for US purposes but was consolidated until 31st of December 2019 under Dutch GAAP requirements based on organisational and economical interrelations resulting in effective control by SNV.

In 2019, SNV and SNV USA explored alternative ways of working together. Towards the end of 2019, a transition process was initiated as expectations regarding cost recovery and project governance diverged. SNV USA rebranded itself DevWorks International in February 2020. With this rebranding, the exclusive affiliation of SNV and SNV USA came to an end. In May 2020, SNVUSA/DevWorks International agreed to no longer use corporate names, trademarks, trade names, service marks, brands, copyrights and logos containing "SNV" and the SNVUSA bylaws were changed in May 2020 to abolish the SNV-affiliated Class I director on the board of SNVUSA. After completing a six-month notice period, the MOU governing the implementation of joint projects ended on 1 October 2020. With the ending of the exclusive affiliation at the beginning of 2020, the organisational and economical interrelation between the two organisations came to an end, and as per Dutch GAAP standards, results of SNV USA are no longer consolidated into the 2020 Financial Statements of SNV. The financial statements of SNV USA are not consolidated as from 01 January 2020 due to its immateriality of the results in the first months of 2020.

Consolidation principles
Financial information relating to group entities controlled by SNV has been included in the Consolidated Financial Statements of SNV after elimination of intercompany relationships and transactions. Intercompany transactions, results, and balances among group consolidated entities are eliminated, unless these results are realised through transactions with third parties. Unrealised losses on intercompany transactions are also eliminated, unless such a loss qualifies as an impairment.
The accounting policies of consolidated entities have been changed where necessary, in order to align them to the prevailing group accounting policies.

Related parties
All legal entities that can be controlled, jointly controlled or significantly influenced are considered a related party in addition to statutory directors and other key management of SNV. Transactions with related parties are disclosed in the Notes insofar as they are not transacted under normal market conditions. The nature, extent, and other information is disclosed if this is necessary in order to provide the required insight.

Consolidated Statement of Cash flows
The Consolidated Statement of Cash Flows has been prepared using the indirect method. The cash and cash equivalent items disclosed in the Consolidated Statement of Cash Flows comprise of cash at the banks, and in hand, except for deposits with a maturity longer than twelve months and deposits which are restricted to use for SNV operational activities (e.g., guarantee deposits). Cash flows of entities with a functional currency other than euro have been translated at average exchange rates (only for 2019). Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received is included in cash from operating activities. Cash flows from financial derivatives accounted for as fair value hedges, or cash flow hedges, are classified in the same category as the cash flows from the hedged balance sheet items. Cash flows from financial derivatives where hedge accounting is no longer applied, shall be classified consistently with the nature of the instrument, from the date on which the hedge accounting is terminated.

Accounting estimates, judgements, and uncertainties
In applying the principles and policies for drawing up the Consolidated Financial Statements in conformity with Book 2, Article 362, paragraph 1, the directors of SNV make different estimates, judgments, and assumptions that affect the application of accounting policies and amounts disclosed in the financial statements. These estimates inherently contain a degree of uncertainty. Actual results may differ from these estimates under different assumptions or conditions.

The nature of these estimates and judgements, including related assumptions to the uncertainties, is disclosed in the notes to the relevant financial statement items.

General policies

General
The Annual Accounts are prepared in accordance with Dutch Accounting Standards, as published by the Dutch Accounting Standards Board paragraph 640 (RJ 640). The accounting policies set out below relate to the Consolidated Financial Statements. Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the Consolidated Balance Sheet, Consolidated Statement of Financial Performance and the Consolidated Statement of Cash Flows references are made to the notes.

Comparison with previous year
The valuation principles and method of determining the result are the same as those used in the previous year. There is one change in the balance sheet classification presentation of project funding receivables and payables balances. In 2019 the balance sheet classification presentation of project receivables and payables was done on a higher donor level whereas the 2020 presentation is on a lower individual project contract level. The classification based on individual project contract level leads to higher receivable and payable balances compared to classification based on donor level as this led to some netting off between advance payments and receivables for progress in work done on different projects under the same donor. The impact of the correction is: 2019 accounts showed gross project receivables of €16.5M versus €24M adjusted numbers; and €61.4M project funding payables versus €69M adjusted balance. For consistency and comparison purposes in these 2020 financial statements, the 2019 numbers have been adjusted to the 2020 presentation.

Foreign currency (FX)
Items included in the Consolidated Financial Statements of Group companies are measured using the currency of the primary economic environment in which the respective entity operates (the functional currency). The Consolidated Financial Statements are presented in euros, which is the functional and presentation currency of SNV.

Transactions in foreign currencies are included in the Consolidated Financial Statements at the prevailing exchange rate of the functional currency per the transaction date. Monetary assets and liabilities in foreign currencies are reported against the closing exchange rates of the functional currency on the balance sheet date. Any FX differences resulting from settlements (transaction results) and conversions to the functional currency (translation results) values reported against the closing rates are credited or charged to the Statement of Financial Performance unless hedge-accounting is applied.

Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date.

Assets and liabilities of consolidated entities with a functional currency different from the presentation currency are translated at the rate of exchange prevailing at the balance sheet date. Income and expenses are translated at average exchange rates during the financial year. Any resulting exchange differences (translation results) are taken directly to reserves for translation differences within the free reserve.

Financial instruments
Securities included in financial and current assets are stated at fair value, unless the hedge is part of a hedge relation for which cost price hedge accounting is applied. These financial instruments are kept off balance.

Financial assets and financial liabilities are recognised in the balance sheet the moment that contractual rights or obligations arise in respect of that instrument.

A financial asset and a financial liability are offset when SNV has a legal right to offset the financial asset and the financial liability and intends to settle net or simultaneously.

Operational Leasing
SNV may have lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of or not incurred by SNV. Such lease contracts are recognised as operational leasing, and lease payments are recorded on the income statement on a straight-line basis, taking into account reimbursements received from the lessor and the duration of the contract.

Foreign Exchange Risks
SNV enters into business transactions in other currencies than Euro and is therefore exposed to foreign exchange fluctuations. SNV's core activity is project implementation in developing countries funded by a variety of donors. SNV at all times aims to handle these donor funding with the highest care. In line with this principle, the Managing Board has agreed upon a low-risk appetite towards the impact that foreign exchange currencies might have on SNV or on SNV's operations.

Foreign exchange exposures result from both assets and liabilities and future cashflows of contracted fixed fees denominated in other currencies than Euro, which is SNV's functional currency.

SNV aims to minimise cash balances held by SNV country organisations at local bank accounts. Surplus cash balances are held centrally at bank accounts in the Netherlands as much as possible. All countries have EUR accounts in the Netherlands and most countries also have central USD accounts.

SNV minimises any (negative) impact that fluctuations in foreign exchange rates may have on values reported in the Statement of Financial Performance and Balance Sheet of SNV. Exposures will be hedged to the functional currency insofar the costs of hedging will not exceed the assumed currency risks.

Accounting Principles for the valuation of assets and liabilities

Intangible Fixed Assets
The expenditure on the Global System upgrade was completed and capitalised in 2017. These intangible fixed assets are stated at historical cost less amortisation. The amortisation of this Global System upgrade commenced at the time when the system went live. Global System Upgrade annual rate of amortization is 20%.

Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset (or of the cash-generating unit to which the asset belongs) is higher than its realisable value.

Subsequent expenditure on a purchased or self-constructed intangible fixed asset is added to the acquisition or production cost if it is probable that the expenditure will result in an increase in the expected future economic benefits and expenditure and the allocation to the asset can be reliably determined. If the conditions for capitalisation are not met, the expenditure is recognised as an expense in the income statement.

Tangible Fixed Assets
Terrains (land) and buildings are valued at historical cost plus additional costs or production cost less straight-line depreciation based on the expected useful life. Terrains are not depreciated.

Other tangible fixed assets are valued at historical cost or production costs including directly attributable costs, less straight-line depreciation based on the expected future life. All tangible fixed assets are converted using the exchange rates prevailing at the date of purchase.

The tangible fixed assets purchased by or for specific projects are not taken into consideration as they will be handed over to partners, project beneficiaries or government at the end of the project period, and therefore do not meet the criteria for capitalization.

Assets are depreciated by asset group over their expected economic lives using the linear method.

The annual rates of depreciation are:

Terrains	0%
Buildings	6.67%
Vehicles	25%
Equipment	33%
Furniture and Fixtures	25%

Renovation and related repair costs regarding the buildings are capitalised. Renovation buildings are depreciated in line with the remaining duration of the lease contract. Other costs for repair and maintenance are reported in the Statement of Financial Performance, in the fiscal year when these activities were carried out.

Impairments expected on the balance sheet date are taken into account. With regard to the determination as to whether a tangible fixed asset is subject to an impairment, please refer to the relevant section.

Financial Fixed Assets
Bank deposits presented under Financial Fixed Assets are recognised at nominal value. These deposits have a term of longer than twelve months.

Impairment of fixed assets
On each balance sheet date, SNV assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realisable value of the asset is determined. If it is not possible to determine the realisable value of the individual asset, the realisable value of the cash-generating unit to which the asset belongs is determined.

An impairment occurs when the carrying amount of an asset is higher than the realisable value; the realisable value is the higher of the fair value less cost to sell and the value in use. An impairment loss is directly recognised in the income statement while the carrying amount of the asset concerned is concurrently reduced.

Current Assets
Current Assets include project funding receivables which are amounts relating to projects carried out by SNV on behalf of donors. The amounts are recognised initially at fair value and subsequently measured at amortised cost, which is for current receivables the nominal amount, net of provisions for doubtful debts. They represent the receivables for work already carried out in accordance with the contract terms for which the funding had not been received from the donor by the balance sheet date. The amounts are due within one year. The collectability of the amounts is reviewed and where necessary a provision is made for risk of non-collectability. Other receivables and prepayments are also included in Current Assets.

Cash and Bank
Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months, except from those which are restricted to use for SNV operational activities (e.g., guarantee funds, which are included in Other Receivables). They are stated in Euro and are carried at nominal value. The foreign currency denominated accounts are revalued based on exchange rates on the balance sheet date.

Reserves
These are reserves at the disposal of SNV and are maintained to ensure that SNV can continue to carry out its mission. The reserves comprise of a continuity reserve set aside to enable SNV to carry on operations in the event of unforeseen adverse circumstances, free reserves, destination reserves, and earmarked reserves.

Provisions
Provisions are recognised for legally enforceable or constructive obligations that exist at the balance sheet date and for which it is probable that an outflow of resources will be required, and a reliable estimate can be made. They are measured at the best estimate of the amount necessary to settle the obligation at the balance sheet date and are carried at the nominal value of the expected settlement value.

Pension provisions
SNV applies the liability approach for all pension schemes. The premium payable during the financial year is charged to the result. Changes in the pension provision are also charged to the result. SNV pays premiums based on (legal) requirements, a contractual or voluntary basis to pension funds and insurance companies. Premiums and contributions are based on national legal systems and vary from country to country. Premiums are recognised as employee costs when they are due. Prepaid contributions are recognised as deferred assets if these lead to a refund or reduction of future payments. Contributions that are due but have not yet been paid are presented as liabilities.

For employees having a Dutch contract and residing in the Netherlands, SNV has a pension scheme with ABP to which the provision of the Dutch Pension Act is applicable. ABP's funding ratio at the end of 2020, according to their monthly release, was 93.2% (% comparing to 2019 where the funding ratio at the end of 2019 was 97.8%).

For foreign pension plans that are similar to the way in which the Dutch pension system is designed and operates, recognition and measurement of liabilities arising from these pension schemes are carried out in accordance with the valuation of the Dutch pension schemes.

Termination benefits
Termination benefits are benefits provided in exchange for the termination of employment. A benefit resulting from a termination of employment is recognised as a liability and an expense when the organisation is demonstrably committed to paying a termination benefit. If the dismissal is part of a reorganisation, the costs of the dismissal payment are included in a reorganisation payment.

Termination benefits are measured considering the nature of the benefit. If the termination benefit is an improvement of the post-employment benefits, valuation takes place according to the same principles that are applied for pension plans. Other termination benefits are measured based on the best estimate of the amounts necessary to settle the obligation.

Employee benefits
For benefits with accrued rights and sabbatical leave, the expected expense is taken into account during the period of employment. Contributions received from life-course savings schemes shall be taken into account in the period in which these contributions are due. Additions to and releases from liabilities are charged or credited to the income statement.

Current Liabilities

Project Funding Payables
Current liabilities include Project Funding Payables which relate to projects being carried out by SNV on behalf of donors. The amounts stated represent funding received in advance from donors for which the relevant work had not been carried out by the balance sheet date but will be completed within one year.

Creditors, Accrued Expenses, Taxes, and Social Security
Creditors, Accrued expenses, Taxes, and Social Security are also included under Current Liabilities. On initial recognition, current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

Hedge Accounting
SNV's has a few fixed fee contracts with a contract currency other than Euro. Unlike grant agreements, these contracts expose SNV's future revenue to currency risk. The main fixed fee contract outstanding per end of 2020 with currency risk is a fixed fee contract in GBP signed in June 2019. To safeguard SNV's future revenue against FX fluctuations, especially considering uncertainties in relation to Brexit, SNV's hedged the future revenue of this contract by a EUR/GBP forward per the contract date in line with its FX policy.

Up till 2019, this hedge was part of a cash flow hedge accounting relation. However, as the uncertainties related to Brexit are minimal per end of 2020, the hedge has been settled per early 2021. The cost of hedging of these cashflows for the remaining four years, were no longer in balance with the assumed currency risk. The relatively low outstanding amount in the revaluation reserve (€56K) was brought to the P/L per reporting date.

SNV documents the hedge relationships in generic hedge documentation and periodically tests the effectiveness of the hedge relationships by determining that an effective hedge exists or that no overhedges exist. SNV determines at each balance sheet date the degree of ineffectiveness of the combination of the hedging instrument and the hedged item (the hedge relationship). The degree of ineffectiveness of the hedge relationship is determined by comparing the critical attributes of the hedging instrument and the hedged item in the hedge relationship.

If the critical attributes are not (have not been) equal, there is (have been) ineffectiveness. In that case, the effectiveness test is carried out by comparing the cumulative change in fair value of a hypothetical derivative instrument that has a fair value of zero at the closing date (as proxy for the hedged item) with the cumulative change in value of the actual derivative instrument. If the latter has a higher negative value than the hypothetical derivative, the difference is recognised as ineffectiveness in the income statement. If cash flow hedge accounting is applied, the effective portion of changes in the fair value of derivative instruments is initially recognised in the revaluation reserve. At the moment that the forecast transactions lead to the recognition of results in the profit and loss account, a transfer from the revaluation reserve to the profit and loss account takes place.

If the hedged item of a forecast transaction leads to the recognition of a non-financial asset or a non-financial liability, the company adjusts the cost of this asset with the hedge results by a transfer from the revaluation reserve of the results deferred in this reserve until that moment.

If the hedged position of a forecast transaction leads to the recognition of a financial asset or a financial liability in the balance sheet, the hedging results not yet recognised in the profit and loss account are recognised in the profit and loss account in the period(s) when the asset or liability affects the profit or loss.

If derivative instruments no longer meet the conditions for hedge accounting, expire or are sold, or if SNV no longer opts for hedge accounting, hedge accounting is discontinued. The results recognised in equity until that moment remain deferred until the future transaction takes place. If the transaction is no longer expected to take place, the cumulative hedge results deferred in equity are transferred to the profit and loss account.

If cost price hedge accounting is applied, no revaluation of this instrument takes place as long as the derivative instrument relates to hedging the specific risk of a future transaction that is expected to take place. As soon as the expected future transaction results in recognition in the profit and loss account, the result associated with the derivative instrument is recognised in the profit and loss account.

Accounting principles for determining the Statement of Financial Performance

General
To the extent the reporting format deviates from the standard model, it is considered to give better insight in the activities of SNV. The result for the year is the difference between the realisable value of SNV's services provided, and the costs and other charges for the year. The results on transactions are recognised in the year in which they are realised and taken to free reserves.

Revenue recognition
Income comprises of the realised income from the donor contracts (project implementation income) after deduction of other charges like taxes levied if applicable in any country on the revenue. Project implementation income (revenue) is recognised on an accrual basis based on the costs realised up to the balance sheet date in proportion to the total of the agreed implementation income (i.e., contract value). If donor contracts include services rendered or units performed for which SNV is paid by results obtained, revenue is recognised on the proportion to which the agreed results have been attained and can be demonstrated.

Other non-project revenue (other operating income) includes the revenue recognised from the supply of goods and services which are not directly linked to normal, non-incidental operations (project implementation activities), but arises from them (such as disposal of assets).

Costs
All project costs related to the activities carried out prior to the balance sheet date are recognised as expenses in the year of its expenditure. These costs comprise direct projects costs (including employee costs), indirect costs which can be attributable to the contract, and other costs specifically mentioned in the contract. If there is a reasonable assurance that total contract costs will exceed total contract revenue, the expected project losses are recognised immediately when occurred as expenses.

Overhead costs not directly attributable to the project costs are also recognised as expenses based on accrual principles in the year to which they are directly related.

Financing Income/Costs including Foreign Exchange (FX)
Financing results include realised and unrealised exchange rate differences unless hedge accounting is applied.

Notes to the Consolidated Balance Sheet

Fixed Assets

1. Intangible Fixed Assets

EUR	Global System Upgrade
Purchasing Value	1,447,742
Accumulated Depreciation	(885,793)
Net Book Value 31 December 2019	**561,949**
Acquisitions	-
Total Depreciation 2020	(285,397)
Movement in year	(285,397)
Net Book Value 31 December 2020	**276,552**
Purchasing Value	1,447,742
Accumulated Depreciation	(1,171,190)
Net Book Value 31 December 2020	**276,552**

The intangible fixed assets relate in full to capitalised implementation costs of our cloud-based ERP solution.

2. Tangible Fixed Assets

The following table sets out the tangible fixed assets by category:

EUR	Terrains and Buildings	Vehicles	Equipment	Furniture & Fixtures	Total
Purchasing value	2,049,108	3,625,074	2,920,454	1,542,795	10,137,431
Cumulative depreciation	(1,497,546)	(3,308,488)	(2,842,675)	(1,469,306)	(9,118,015)
Book value 31 December 2019	**551,562**	**316,586**	**77,779**	**73,489**	**1,019,416**
Investments	14,590	32,635	113,957	39,179	200,361
Disposals (purchase value)	(6,965)	(665,617)	(203,935)	(36,043)	(912,560)
Disposal (cum. Depreciation)	6,965	665,617	203,934	27,639	904,155
Depreciation	(58,736)	(136,008)	(83,384)	(48,987)	(327,115)
Movement in year	(44,146)	(103,374)	30,572	(18,212)	(135,160)
Net Book Value 31 December 2020	**507,416**	**213,212**	**108,351**	**55,277**	**884,256**
Purchasing value	2,056,733	2,992,091	2,830,476	1,545,931	9,425,231
Cumulative depreciation	(1,549,317)	(2,778,879)	(2,722,125)	(1,490,654)	(8,540,975)
Net Book Value 31 December 2020	**507,416**	**213,212**	**108,351**	**55,277**	**884,256**

3. Financial Fixed Assets

EUR	2020	2019
SNV Tanzania -IS Social security deposit	249,252	185,476
ABC project Guarantee fund -Benin	-	179,819
Other Deposits	161,864	223,521
Financial Fixed Assets	**411,116**	**588,816**

The financial fixed assets comprise of mainly the deposit in Tanzania. In Tanzania the organisation is obliged to deposit the total social security liability following the employment of expatriates.

The guarantee funds (deposits) relating to the ABC project in Benin, started in 2015 and will end in October 2021. The last part of €38Kper year end 2020 has been classified to short term receivables.

The deposit is given to Orabank in XOF (total amount of XOF 500M for project related clients) and SNV will be fully reimbursed at the end of the project (October 2021).

The other deposits balance includes deposits for rent, maintenance, and utility contracts for properties in countries where SNV operates. The amounts are stated at the net expected recoverable value.

Current Assets

4. Project Funding Receivables

EUR	2020	2019*
Gross Project Receivables	18,097,623	24,029,698
Provision for unrecoverable costs	(2,395,977)	(4,835,387)
Project Receivables	**15,701,646**	**19,194,311**

Gross Project Receivables refer to amounts due from the donors for work carried out on contracts and are receivable within a year. The settlement terms vary by donor and contract conditions and can extend to several months. The main reasons for the decrease in Project Receivables are write-offs of €2.7M processed in 2020 (explained later), and clean-up efforts for project balances which were offset mostly against pre-payments.

The balance is net of the provision for unrecoverable costs, receivables which collection is not sure due to liquidity problems of the donor or disputes on disallowable and other non-refundable costs. As at 31st of December 2020, the provision for unrecoverable costs amounts to €2.4M (2019 €4.8M). The main reason for the decrease in the provision per end of 2020 compared to the end of 2019 is due to write offs processed in 2020. €2.1M of project receivables were written off against the amount provided for in 2019. The most significant of those provisions were for amounts receivable from governments of two African countries which in 2019 were under negotiation, and in 2020 after negotiations, were partially considered as uncollectible.

** The 2019 Project Funding Receivables and Project Funding Payables balances have been adjusted in alignment with the 2020 classification presentation of project receivables and payables for consistency and comparison purposes.*

5. Other receivables

EUR	2020	2019
Staff work advances	91,986	232,275
Short term project and hedge deposits	204,466	432,040
VAT Receivable	262,503	190,728
Other Debtors	774	472,569
Other Receivables	**559,729**	**1,327,612**

The fair value of the receivables approximates their carrying amount. They are all considered receivable within the next 12 months.

6. Prepayments

EUR	2020	2019
Prepayments to partners and suppliers	5,674,824	7,580,115
School costs	271,704	360,654
Other prepayments	7,570	38,925
Prepayments	**5,954,098**	**7,979,694**

Prepayments relate to items such as prepayments to partners, suppliers, office rent, and school fees. The prepayments to partners and suppliers are upfront payments for services from partners and other local service providers. The prepaid school cost is for international staff with school going children.

7. Cash & Bank

The table below shows the breakdown of the cash and bank balance kept in the organisation's most commonly used currencies and other local currencies used in various countries. The balance includes €26,999,456 held on specific bank accounts restricted to usage for specific projects (2019: €18,595,922). The significant increase of the restricted cash balance is due to one project in Kenya for which SNV manages a funds on a separate restricted bank accounts in the name of SNV.

SEK, CHF, and AUD cash balances are used as a natural hedge for the liabilities in these currencies.

Bank Account Currency	Restricted (in €)	Unrestricted (in €)	Total (in €)
Euros	5,708,165	88,122,737	93,830,902
United States Dollar	409,263	2,110,347	2,519,610
British Pound	-	33,782	33,782
Swedish Krona	-	5,240,510	5,240,510
Swiss Franc	753,555	563,812	1,317,367
Australian Dollar	-	1,430,903	1,430,903
Kenyan Schilling	15,931,017	186,048	16,117,065
Other local currencies used in SNV countries	4,197,456	1,589,227	5,786,683
Total Cash & Bank Balance	**26,999,456**	**99,277,366**	**126,276,822**

In addition, a €5M collateral is covering a bank guarantee facility.

Reserves and Liabilities

8. Reserves

EUR	Continuity reserve	Free Reserves	Earmarked Reserve	Destination Reserve	Revaluation Reserves	Total
Reserves as at 31st December 2019*	25,015,308	6,606,797	140,485	7,246,625	(259,127)	38,750,088
Deconsolidation of SNV USA	-	(512,698)	(140,485)	-	-	(653,183)
Reserves as at 1st January 2020	25,015,308	6,094,098	-	7,246,625	(259,127)	38,096,905
2020 SNV Foundation net result	-	3,624,822	-	-	-	3,624,822
Corporate Priority projects investment	-	313,612	-	(313,612)	-	0
Revaluation reserves	-	-	-	-	259,127	259,127
Total as at 31st December 2020	**25,015,308**	**10,032,534**	**6,933,013**	**0**	**0**	**41,980,855**

**Free Reserves at 1st of January 2020 have been adjusted compared to prior year to show revaluation reserves separately - for classification insights only.*

In 2019 the difference between the total consolidated reserves (€38.75M) and SNV Foundation reserves (€38.1M) was €653,183. This difference refers to €512,698 free reserves and €140,485 earmarked reserves on SNV USA balance. These reserves were released as per 1st of January 2020 as SNV USA was deconsolidated from that date. As of 2020, the equity of the Consolidated Group has no difference with the equity of SNV Foundation.

The continuity reserves enable SNV to carry on operations in the event of unforeseen adverse circumstances. Based on an updated risk assessment, in 2019 the Supervisory Board (SB) approved a revision of the continuity reserve from €32.7M to €25M in 2019. At the same time, the SB decided to create a destination reserve of €7.7M for investments in the SNV organisation. The free reserves (€10.0M as per 31st December 2020) are maintained to absorb possible losses within the coming years. The management board has assessed that also in the COVID-19 crisis the assessment of the continuity reserves is still in line with SNVs risk profile.

Other reserves movements during the year 2020 were:

- The balance of Income and Spend of SNV over 2020 was added to the free reserves. The free reserves are used for absorbing losses in operations and to cover possible future project deficits. In 2020, €313,612 was spent for investments into SNV as part of the budget for seven internal priority projects financed from the destination reserve.
- The revaluation reserve movement of €259,127 is related to the market value of a GBP 3.9M hedge per end of 2019, which value was posted in the revaluation reserve as it was part of a cash-flow hedge accounting relation. Per end of 2020 the outstanding hedge was reduced to GBP 2.7M and the hedge accounting was stopped. Due to the limited amount outstanding in the revaluation reserve per Dec 2020 of €56.4K, it was brought to the P/L per end of Dec 2020. (see note 15).

9. Provisions

EUR	2020	2019
Reservation severance	1,297,164	1,116,246
Provision orientation leave	128,050	123,839
Provision projects losses	246,225	911,775
Tax provision	832,710	-
Hypotax provison	1,010,000	-
Other provisions	123,570	235,000
Provisions	**3,637,719**	**2,386,860**

Reservation severance: In several countries where SNV operates, it is mandatory to provide for payables to staff on severance, regardless of the terms of contract termination. The amounts are recognised at nominal value and considered to be long term.

Provision projects losses: A project loss provision is formed for contracts where not all planned costs to complete the projects – including indirect attributable costs – will be fully covered by the current donor contracts. The methodology of the estimation of the loss provision is consistent with 2019 and further enhanced in 2020. The provisioning is based on the calculation of the (negative) difference between the expected revenues to be received by SNV from donors under current contracts and the expected and unavoidable direct and indirect attributable costs to be incurred to meet the contractual obligations.

For determining the provision for project losses as per 31 December 2020, we have considered the full remaining lifetime of all projects in portfolio at year end. Most of the provision relates to activities taking place in 2021: €241K (in 2019 we provisioned €769K for 2020) and only €5K for other years (in 2019 we provisioned €143K for the other years). The main reason for the reduction in the loss provisioning in 2020 relates to the finalisation of several contracts without any indirect cost coverage that will not continue after 2020.

Other tax provision: We have identified potential tax liabilities in three countries due to changes in the composition of the project portfolio and differences in interpretation of prior year changes in tax regulations. Tax experts are contracted to solve these items. We made a provision of €0.83M for this.

Hypotax provision: The salaries of team members who are contracted out of the Netherlands but do not work and are not resident in The Netherlands ("International Employees") are subject to 'hypo-tax'. This means that an amount is withheld from their gross salaries which corresponds to the wage tax that SNV would be required to withhold if the employees in question were a tax resident in The Netherlands. SNV adds these hypo tax withholdings to a provision and uses the funds in question to pay any wage tax or equivalent tax due in respect of the employees working abroad or releases it if there are no further tax obligations. At year-end 2020, the hypo tax provision of €1M is for possible tax obligations in several countries.

The other provisions relate to costs of countries in transition and closing countries: Cameroon and DR Congo (€124K). Prior year's provision for closing Bolivia and Peru and transition of SNV USA (€235K) has been released against the actual costs made as these processes have been finalised.

Current Liabilities

10. Project Funding Payables

EUR	2020	2019*
Project Funding Payables	76,400,168	68,988,933
Project Funding Payables	**76,400,168**	**68,988,933**

These amounts are pre-received from donors for contracts. They are classified as short term as they are used to fund contract activities to be carried out within the next year.

** The 2019 Project Funding Receivables and Project Funding Payables balances have been adjusted in alignment with the 2020 classification presentation of project receivables and payables for consistency and comparison purposes.*

11. Creditors

EUR	2020	2019
Trade Creditors	20,803,813	4,411,245
Employee creditors	81,159	826
Creditors	**20,884,972**	**4,412,071**

These creditors fall due in less than one year. The fair value of these creditors approximates their book value due to their short-term character.
The significant increase of trade creditors relates to one project in Kenya for which SNV administrates a fund of €15.9M on separate restricted bank accounts in the name of SNV. As SNV is the owner of the bank account, the same amount is recorded as a creditor to the donor who owns the funds.

12. Accrued expenses

EUR	2020	2019
Reservation leave days	1,875,390	1,580,092
Leave allowance to be paid	510,717	524,659
Other accruals	2,872,365	4,832,259
Accruals for international transport & relocation costs	518,281	485,648
Accrued expenses	**5,776,753**	**7,422,658**

A significant decrease of accruals in financial year 2020 in comparison to 2019 is due to decrease of implementation activities mainly from partner costs (COVID-19 restrictions).

The leave days provision is due to employees not taking their holidays or pay-out of (compensation) leave days. There is a significant increase under this category because most staff took few holidays compared to 2019, again this is due to COVID-19 and related travel restrictions in 2020.

13. Taxes & social securities

EUR	2020	2019
Withdrawal P.A.Y.E.	173,792	299,843
Withdrawal social security premiums	206,190	196,339
VAT Payable	113,888	(1,736)
Withholding tax	290,332	325,069
Reservation taxation to be paid	147,690	264,476
Other Tax Reconciliation amounts	221,929	146,819
Taxes and social security	**1,153,821**	**1,230,810**

The above table shows the positions for the statutory liabilities in various countries payable to relevant authorities as per regulations of various governments.

14. Pensions

EUR	2020	2019
Pension premiums payable	229,931	471,575
Pensions	**229,931**	**471,575**

Compared to 2019 there is a significant decrease (€242K) in pension premiums payable. The reason for the decrease is mainly because in July 2020 in Mozambique SNV paid out the reserved pension to staff due to changes in local legislation.

15. Commitment and contingent liabilities

Type	Sum of Expected cost EUR less than 1 year (2021)	Sum of Expected cost EUR between 1 - 5 years (2022-2026)	Sum of Expected cost EUR > 5 years (2027 onwards)	Sum of Total Expected cost based on contract (EUR)
Supplier Contracts - Countries	86,624	-	-	86,624
Supplier Contracts - Head Office	158,552	1,007	-	159,559
Rent - Countries	634,195	715,932	125,616	1,475,743
Rent - Head Office	214,276	794,296	-	1,008,572
Total	**1,093,647**	**1,511,235**	**125,616**	**2,730,498**

The amounts prepaid by SNV as at the end of the year for rent and contract suppliers are recognised as part of the prepayments in the balance sheet.

Hedges
SNV has one donor contract with fixed cash flows denominated in GBP. SNV entered into EUR/GBP forward contracts with Ebury in June 2019 to protect the EUR value of these future highly probable transactions from EUR-GBP variability (currency risk), especially for the increased currency risk in relation to Brexit. Per reporting date one forward contract was still outstanding. The maturity date of this hedge was 2 Feb 2021. The underlying contractual values were £2,737,995 (€3,105,075.25) The market values of the hedge per reporting date is €47,435.76 (positive). This is posted in the P/L. Per reporting date in addition, a EUR/USD hedge of USD 500,000, - was outstanding, this hedge was concluded to cover SNV's net USD balance sheet position from currency risk. The maturity date is 31 March 2021, the market value per reporting date of this EUR/USD hedge was €1,143.48 (negative).

Legal proceedings and other contingencies
SNV is subject to a number of contingencies arising from litigation brought by different parties. At the end of 2020 there were nine open legal cases against SNV. Management considers the probability of the liabilities arising from these cases, where SNV is defendant, as low with no expected cash outflow, therefore provisions for these cases have not been made. There are six cases where SNV initiated a legal case.

SNV is acting in many countries and is subject to different government regulations including related to taxes. SNV project operations and finances are affected to ongoing political, legislative, fiscal and regulatory developments. In the changing environment in which we work, tax and regulatory legislation is subject to varying interpretations and adjustments that can occur unexpectedly. The relevant national governments or authorities may challenge our interpretation of such legislation as applied to programme activities and the associated transactions. As a result additional taxes, penalties and interest may be assessed. Under these circumstances, fiscal periods for review may remain open for longer periods. As at 31 December 2020, management believes that its interpretation of the relevant legislation is appropriate. Where management believes it is probable that a position cannot be sustained, an appropriate amount has been accrued for in these Financial Statements (please refer to note 9 Provisions). Based on information available to date and taking into account that in some cases it is not practicable to estimate the possible magnitude or timing of any further resultant payments or cost implication, management believes that the foregoing are not expected to have a material adverse impact on SNV's Consolidated Financial Statements. However, there remains a degree of uncertainty around these contingencies, as well as their potential effect on future operations and finances.

Bank guarantees
As at end of 2020, SNV had outstanding bank guarantees of €365,690. These concern a rental guarantee, an advance payment guarantee and two loan project guarantees. All guarantees are secured by cash deposits.

Notes to the Consolidated Statement of Financial Performance

Income and contribution

16. Project Revenue
Income from project funding realised in 2020 was €119.5M (2019: €141.4M). The realised revenue is 16% lower than the previous year. This results from lower implementation of field activities due to COVID-19 restrictions in most countries SNV operates in.

Revenue segmentation
Following tables segments the revenue by sector by region and by donor.

Revenue per sector

EUR	2020	2019
Agriculture	80,649,850	91,318,928
Energy	14,964,688	16,428,793
WASH	23,851,843	30,600,821
Others	46,039	3,061,000
Total	**119,512,420**	**141,409,542**

Revenue per region

EUR	2020	2019
Asia	19,488,256	20,087,998
East and Southern Africa	62,537,647	72,667,394
Global programs	5,317,668	8,795,958
Latin America	1,705,571	2,283,742
West and Central Africa	30,463,278	37,574,450
Total	**119,512,420**	**141,409,542**

Revenue per donor

EUR	2020
Embassy of the Kingdom of the Netherlands	32,025,467
Netherlands Ministry of Foreign Affairs	22,039,946
European Commission (EC)	15,465,683
Foreign, Commonwealth & Development Office (FCDO)	6,056,722
Swedish International Development Cooperation Agency	8,927,218
Swiss Agency for Development and Cooperation (SDC, COSUDE)	7,503,216
USAID	4,904,431
EnDev	6,696,660
World Bank	1,043,748
Department for Foreign Affairs and Trade Australia	1,883,078
Others	12,966,251
Total	**119,512,420**

The revenue by sector, region and donor includes only project revenue.

17. Non-Project Revenue

Non-project revenue in 2020 was €647K compared to €908K in 2019. This revenue was mainly from receipts from disposal of fixed assets and compensation for use of offices and vehicles by third parties.

18. Interest Received

Interest received on funds kept in the bank amounted to €25K in 2020, compared to the €54K in 2019.

19. Expenditures

SNV expenditures are classified into the various expense categories as below.

	Realised 2020 Countries	Realised 2020 Global units	Realised 2020 Total	Revised Budget 2020	Original Budget 2020	Realised 2019*
Donations / Sub-grants / Subsidies	6,225,501	-	6,225,501	6,609,900	7,583,400	10,014,120
Workshops / Training	9,473,215	-	9,473,215	10,058,100	11,539,500	14,534,784
Subcontracted Activities	12,745,689	-	12,745,689	13,532,700	15,525,800	15,189,999
Travel/lodging/per diem expenses -in country	2,339,082	2,314	2,341,397	2,486,000	2,852,100	3,914,031
Travel/lodging/per diem expenses -out of country	432,791	47,688	480,480	510,100	585,300	1,877,947
Consortium partners	16,142,972	-	16,142,972	17,139,700	19,664,000	13,911,054
Activity Costs	**47,359,250**	**50,003**	**47,409,253**	**50,336,500**	**57,750,100**	**59,441,936**
Consultants fee costs	9,903,066	23,726	9,926,793	10,540,000	12,362,700	14,425,314
Travel/lodging/per diem expenses Consultants	267,335	-	267,335	283,800	332,900	291,749
Local Service Providers (LSPs) costs	813,615	-	813,615	863,900	1,013,000	2,163,237
Travel/lodging per diem expenses LSPs	7,025	-	7,025	7,200	8,700	43,475
Consultants and LSP Costs	**10,991,042**	**23,726**	**11,014,768**	**11,694,900**	**13,717,300**	**16,923,775**
Gross Salaries	25,247,931	3,679,254	28,927,185	30,717,600	35,241,700	29,953,953
Social Securities	1,918,038	13,648	1,931,686	2,043,500	2,344,500	2,054,554
Pension Premiums	3,149,979	4,004	3,153,983	3,336,600	3,828,100	3,129,997
Staff costs and allowances	7,842,408	2,296,950	10,139,359	10,783,900	12,372,200	10,140,818
Associate Advisor Costs	756,832	115,381	872,213	922,800	1,058,600	1,097,849
Staff Costs	**38,915,189**	**6,109,237**	**45,024,426**	**47,804,400**	**54,845,100**	**46,377,171**
Office material costs	743,458	7,371	750,830	796,200	913,500	753,333
Communication costs	873,182	51,298	924,480	980,300	1,124,700	1,050,233
Equipment costs	1,629,147	658,117	2,287,264	2,435,600	2,794,200	2,738,436
Inventory costs	62,392	823	63,215	67,000	76,900	35,940
Office space costs	1,408,830	260,012	1,668,842	1,769,700	2,030,300	1,767,938
Other building costs	1,378,361	43,214	1,421,575	1,507,500	1,729,500	1,677,610
Depreciation Costs	171,582	305,254	476,836	505,600	580,100	699,324
Facility Costs	**6,266,952**	**1,326,089**	**7,593,041**	**8,061,900**	**9,249,200**	**8,722,813**
Depreciation vehicles	136,008	-	136,008	144,400	165,800	217,980
Purchase project vehicle	1,001,833	-	1,001,833	1,063,700	1,220,400	739,887
Maintenance vehicles	384,178	-	384,178	407,900	468,000	570,378
Insurance Vehicles & Other Vehicle Costs	210,381	-	210,381	223,400	256,300	255,084
Fuel SNV Vehicles	535,221	-	535,221	568,300	652,000	759,203
Rent Vehicles + Fuel + Other Costs	488,510	398	488,908	519,000	595,300	498,214
Vehicle Costs	**2,756,131**	**398**	**2,756,529**	**2,926,700**	**3,357,800**	**3,040,746**
Professional training (incl travel and lodging)	41,200	46,206	87,406	54,500	55,800	103,483
Expenses Meetings (excl. travel and lodging)	340,198	16,517	356,715	213,700	218,800	518,784
Subscriptions, contributions and literature	58,753	80,391	139,144	83,400	85,300	216,703
Audit costs	646,613	408,807	1,055,420	632,400	647,200	1,204,380
Support staff Consultants (Not personnel cost)	673,963	388,982	1,062,945	731,400	748,600	739,672
Legal support	99,683	32,416	132,099	79,100	81,000	270,880
Bank costs	93,038	27,674	120,712	72,300	74,000	274,775
Bad debtor expenses	(1,627,575)	3,972	(1,623,604)			3,155,881
Publications and information costs	245,972	13,896	259,869	155,700	159,400	360,514
Publicity costs other than publications	328,036	4,400	332,437	199,500	204,200	270,224
Other General costs	26,679	332,933	359,612	201,600	206,300	(71,561)
Other General Costs	**926,561**	**1,356,194**	**2,282,755**	**2,423,600**	**2,480,600**	**7,043,734**
Total Project Costs	**107,215,125**	**8,865,647**	**116,080,772**	**123,248,000**	**141,400,100**	**141,550,175**
Corporate priority projects	**-**	**313,612**	**313,612**	**515,800**	**1,248,000**	**453,375**
Total costs excluding Financing costs*	**107,215,125**	**9,179,259**	**116,394,384**	**123,763,800**	**142,648,100**	**142,003,550**

* The actuals 2019 corporate priority projects are now presented separately, not as part of Global unit costs.

The depreciation reported under facility costs includes €285,397 amortisation of intangible fixed assets.

Budget versus Actual Figures
In response to the evolving COVID-19 crisis, the Supervisory Board of SNV approved in September a downwards adjustment of the 2020 annual budget from €142.6M to €123.8M (total expenditures excluding the FX costs). The realised 2020 project expenditures were 82% against the original 2020 Corporate Annual Plan (CAP) budget, and 94% against the revised (MYR) annual budget. Compared to the initial 2020 budget, the main reduction in expenditures is related to field based project work (travel, workshops, in situ training, etc.). Of the total 2020 expenditure 80% relates to Activity costs (41%, including flow-through funds) and Staff costs (39%). Consultants and Local Service Providers costs represented 9% of the total expenditure, Facility and vehicle costs represented 9%, while other general costs accounted for 2% of the total 2020 expenditure.

Global expenditure
Global Unit expenditure in 2020 (including internal priority projects) was €9.2M, which is 21% below the CAP 2020 budget (and 13% below the Revised MTR 2020 budget). The lower than planned expenditure is mainly related to cost savings and putting internal investment projects on hold in response to the impact of the COVID-19 crisis on our expected revenues. Staff costs represented 67% of the global expenditures.

Bad debt expenses
The bad debtor expenses show a release of €1.6M. The new bad debtor expenses per year end 2020 were almost offset by release of prior formed provisions. The release of €1.6M is due to revenue reduction of projects of provisions formed in prior year where the revenue had to be adjusted, hence overall for the P&L result revenue adjustment and this release it is an almost zero impact.

Write offs
€2.7M write offs were recognised in 2020. €0.6M of this constituted an additional cost in 2020 as the rest was already provisioned for in 2019. The low additional costs of write offs are a result of clean-up efforts in 2020 and improved financial project management control.

20. Other Disclosures

Average number of employees
As per 31st December 2020, 1,297 (2019: 1,373) employees were employed on a full-time basis. Of these employees, 1,213 were employed outside the Netherlands (2019: 1,269). 73 employees were international employees (2019:78).

Audit fees
Audit and other fees expenses in the year 2020 amounted to €1,055,420 (2019: €1,204,380).
Of this amount €529,127 (2019: €567,908) relates to other project and local country audits.

BDO Audit fees (including VAT)

	Fee for audit of the financial statements	Fee for other audit services	Fee for fiscal advisory	Fee for non-audit services	Total
2019	529,846	106,626	-	-	**636,472**
2020	402,930	108,601	14,762	-	**526,293**

21. Remuneration of CEO and Managing Board Members and Supervisory Board of SNV Foundation

Remuneration of CEO and Managing Board

All Managing Board salaries for 2020 were based on a contractual workweek of 40 hours and were within the WNT norm.

Details of 2020

MB member Function	S. O'Connell CEO	H. Heijdra MD	M. Ritchie MD	A. de Jager MD	T. Derksen MD	M. van Ginneken CEO
Employment contract:						
Duration	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
Period of service	Dec 1-Dec 31	Jan 1-Dec 31	Jan 1-Dec 31	Jan 1-Dec 31	Jan 1-Sep 14	Jan 1-Oct 11
FTE	1.0 fte	1.0 fte	1.0 fte	1.0 fte	1.0 fte	1.0 fte
Remuneration:						
Renumerations and taxable allowances	10,864	120,404	125,813	125,813	100,043	122,770
	10,864	**120,404**	**125,813**	**125,813**	**100,043**	**122,770**
Provisions for future payments	1,745	20,317	20,156	12,004	16,767	16,231
Total remuneration 2020	**12,609**	**140,721**	**145,969**	**137,817**	**116,810**	**139,001**
Individual WNT-maximum	*17,025*	*201,000*	*201,000*	*201,000*	*141,689*	*156,516*

Details of 2019

MB member* Function	H. Heijdra MD	M. Ritchie MD	A. de Jager MD
Employment contract:			
Duration	Permanent	Permanent	Permanent
Period of service	Jan 1-Dec 31	Jan 1-Dec 31	Jan 1-Dec 31
FTE	1.0 fte	1.0 fte	1.0 fte
Remuneration:			
Renumerations and taxable allowances	115,136	124,497	123,657
	115,136	**124,497**	**123,657**
Provisions for future payments	20,416	20,011	11,838
Total remuneration 2019	**135,552**	**144,508**	**135,495**
Individual WNT-maximum	*181,000*	*181,000*	*181,000*

* Note: Only active MB members are presented in 2019 overview

Remuneration of Supervisory Board

Details of 2020

SB Member	J. Richelle	W. van Niekerk	R. de Jong	M. van Reisen	M.Hamers-Bodifee	I. Nijboer	S. Krom-mendam	J. Gupta
Function	**Chairman**	**Vice Chairman**	**Member**	**Member**	**Member**	**Member**	**Member**	**Member**
Period of service	Jan 1-Dec 31	Jan 1-Dec 31	Jan 1-Sept 30	Jan 1-Sept 30	Jan 1-Dec 31	Jan 1-Dec 31	Oct 1-Dec 31	Dec 1-Dec 31
Remuneration	5,400	4,200	-	3,150	4,200	4,200	1050	350
Total remuneration 2020	**5,400**	**4,200**	**0**	**3,150**	**4,200**	**4,200**	**1,050**	**350**
Applicable WNT maximum 2020	*30,150*	*20,100*	*15,048*	*15,048*	*20,100*	*20,100*	*5,052*	*1,702*

Details of 2019

SB Member	J. Richelle	B. ter Haar	W. van Niekerk	E. Vinke-Smits	R. de Jong	M. van Reisen	M. Hamers-Bodifee
Function	**Chairman**	**Vice Chairman**	**Member**	**Member**	**Member**	**Member**	**Member**
Period of service	Jan 1-Dec 31	Jan 1-Dec 31	Jan 1-Dec 31	Jan 1-Nov 30	Jan 1-Dec 31	Jan 1-Dec 31	Sept 1-Dec 31
Remuneration	5,400	4,800	4,200	3,850	-	4,200	1,400
Total remuneration 2019	**5,400**	**4,800**	**4,200**	**3,850**	**0**	**4,200**	**1,400**
Applicable WNT maximum 2019	*27,150*	*18,100*	*18,100*	*16,563*	*18,100*	*18,100*	*6,050*

Other employees or temporary staff

No other employees or temporary staff of SNV received remuneration above the WNT-maximum in 2020.

This WNT disclosure is voluntary as SNV formally just stays under the criteria of WNT required disclosures. However, we feel that with a larger percentage of Dutch subsidies (according to WNT definitions), transparency is important and therefore the disclosure is according to the WNT requirements.

22. Subsequent events

Changes in status of country operations in 2021
Operations in Cameroon and DR Congo will end in 2021.

COVID-19
SNV, like the rest of the world, experienced a year of unprecedented uncertainty. The past year has been extraordinary and has brought much external challenge and change. The COVID-19 crisis has impacted the way we work, the way we provide our services, and the way we organise ourselves.

The COVID-19 pandemic showed how swiftly people can fall back into poverty when interventions focus on short-term ‘quick wins’ instead of addressing the underlying systemic weaknesses that trap people. We will maintain our strategic focus on direct results and systems change (as outlined in our Strategic Plan 2019-2022) and will be proactive in making necessary strategic and operational adjustments and investments in response to the changing global context. We believe this will most effectively position us in offering our experience and resources to tackle the crisis and will maximise our contribution to the Sustainable Development Goals (SDGs) and a more resilient future for many.

While the COVID-19 related impact on our business was tightly managed and minimised, we could not continue the trend of revenue growth from the previous years. The COVID-19 crisis impacted our revenue through reduced pace of project implementation. Our consolidated revenue in 2020 was €120M, which represents a 15% year-on-year decrease. Due to efficiency and cost control measures we took during the year, especially saving on global overhead costs, SNV managed to reach a positive financial result for the year 2020.

The 2021 revenue is projected at €135M with a break-even result (before investments). The donor landscape is always evolving – and we expect more structural changes in response to the impact of the global COVID-19 crisis. This implies challenges and opportunities for SNV. If this were to lead to a reduction of new contracts in 2021, the negative effect would be most strongly felt from 2022 onwards. This time horizon gives us sufficient time to adjust our organisation if needed while we can build on our strong cash position and reserves to respond to changing needs and (donor) priorities.

Our measures to mitigate the effects on our financial situation include investing in positioning SNV in a post-COVID-19 world, a focused effort on project restructuring and re-budgeting where needed,and continued enhanced financial control measures. SNV has a solid liquidity position and reserves. For 2021 we do not expect a significant impact on our net financial result and thus this will not put the continuity of the organisation at risk. The accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are therefore based on the assumption of continuity of the organisation.

SNV Foundation
(SNV Netherlands Development Organisation)

SNV Netherlands Development Organisation, Balance Sheet after appropriation of balance of income and expenditure (all amounts in Euro)

The Balance Sheet of SNV Netherlands Development Organisation represents the position of the SNV Foundation only (these numbers are the aggregate of all countries).

ASSETS		31 December 2020		31 December 2019
Fixed Assets				
Intangible Fixed Assets				
Global System Upgrade		276,552		561,949
Tangible Fixed Assets				
Terrains and Buildings	507,416		551,562	
Vehicles	213,212		316,586	
Equipment	108,351		77,779	
Furniture and Fixtures	55,277		65,085	
		884,256		1,011,012
Financial Fixed Assets		411,116		556,409
Current Assets				
Project Funding Receivables	15,701,646		19,890,011	
Other Receivables	559,729		846,769	
Prepayments & Acrued income	5,954,098		7,877,882	
		22,215,473		28,614,662
Cash & Bank		126,276,822		91,335,596
Total Assets		**150,064,219**		**122,079,628**

RESERVES AND LIABILITIES		31 December 2020		31 December 2019
Reserves				
Continuity Reserve	25,015,308		25,015,308	
Free Reserves	10,032,534		6,094,099	
Earmarked Reserve	6,933,013		7,246,625	
Destination Reserve	-		-259,127	
		41,980,855		38,096,905
Provisions		3,637,719		2,386,860
Current Liabilities				
Project Funding Payables	76,400,168		68,988,933	
Creditors	20,884,972		3,510,289	
Accrued Expenses	5,776,753		7,394,257	
Taxes & Social Security	1,153,821		1,230,810	
Pensions	229,931		471,574	
		104,445,645		81,595,863
Total reserves and liabilities		**150,064,219**		**122,079,628**

SNV Netherlands Development Organisation, Statement of financial performance (all amounts in Euro)

The Statement of Financial Performance SNV represents the position of the SNV Netherlands Development Organisation (these numbers are the aggregate of all counties).

	Realised 2020	Revised budget 2020	Original budget 2020	Realised 2019
Income				
Project Revenue	119,512,420	122,023,000	141,000,000	138,474,960
Other non-project Revenue	647,459	500,000	500,000	685,914
Interest received	24,564	-	-	54,481
Total income	**120,184,443**	**122,523,000**	**141,500,000**	**139,215,356**
Spend implementation projects				
Activity Costs	(47,359,250)	(49,908,200)	(57,331,500)	(58,399,662)
Consultants & LSPs	(10,991,041)	(11,694,900)	(13,717,300)	(16,427,974)
SNV Staff Costs	(38,915,189)	(41,419,300)	(48,446,100)	(38,020,752)
Facility Costs	(6,266,952)	(6,460,500)	(7,459,600)	(6,988,935)
Vehicle Costs	(2,756,131)	(2,926,700)	(3,357,800)	(3,039,826)
Other General Costs	(926,561)	(860,900)	(678,900)	(5,461,409)
Total projects implementation costs	(107,215,124)	(113,270,500)	(130,991,200)	(128,338,559)
Country result excl Global costs	**12,969,319**	**9,252,500**	**10,508,800**	**10,876,797**
Workforce Global units Costs	(6,109,237)	(6,385,100)	(6,399,000)	(6,342,803)
Other Global units Costs	(2,756,410)	(3,592,400)	(4,009,900)	(3,206,189)
Corporate priority projects	(313,612)	(515,800)	(1,248,000)	(453,375)
Total Global Unit expenditures	**(9,179,259)**	**(10,493,300)**	**(11,656,900)**	**(10,002,368)**
Operating result including GSU costs	3,790,060	(1,240,800)	(1,148,100)	874,429
Financing costs incl FX	(165,238)	(400,000)	(400,000)	(3,920)
Net result	**3,624,822**	**(1,640,800)**	**(1,548,100)**	**870,510**
Attributable to Free Reserves	**3,938,434**	**(1,125,000)**	**(300,100)**	**1,323,885**
Withdrawal from Destination Reserves	**(313,612)**	**(515,800)**	**(1,248,000)**	**(453,375)**
	3,624,822	**(1,640,800)**	**(1,548,100)**	**870,510**

Notes to the Annual Accounts of SNV Foundation

Reporting entity

The Annual Accounts of SNV Foundation, *Stichting* SNV Netherlands Development Organisation, are included in the Consolidated Annual Accounts of SNV.

General accounting principles for the preparation of the financial statements

The SNV Foundation Annual Accounts have been prepared in accordance with the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board paragraph 640 ('*Raad voor de Jaarverslag-geving'*). For the general principles for the preparation of the Annual Accounts, the principles used for the valuation of assets and liabilities, and determination of the result, and for the notes to the specific assets and liabilities and results, reference is made to the accounting principles set out in the Consolidated Annual Accounts and the notes thereafter.

Fixed assets

EUR	Terrains	Buildings	Renovation Buildings	Vehicles	Equipment	Furniture & Fixtures	Total Tangible Fixed Assets
Purchasing value	162,483	1,338,114	544,204	3,625,074	2,911,629	1,506,752	10,088,257
Cumulative depreciation	-	(1,069,042)	(424,197)	(3,308,488)	(2,833,850)	(1,441,667)	(9,077,244)
Book value	**162,483**	**269,072**	**120,007**	**316,586**	**77,779**	**65,085**	**1,011,012**
31 December 2019							
Investments	-	14,590	-	32,634	113,957	39,179	200,360
Disposals (purchase value)	-	-	(2,659)	(665,617)	(195,110)	-	(863,386)
Disposals (cum. Depreciation)	-	-	2,659	665,617	195,110	-	863,386
Depreciation	-	(26,839)	(31,897)	(136,008)	(83,385)	(48,987)	(327,116)
Movement in year	-	(12,249)	(31,897)	(103,374)	30,572	(9,808)	(126,756)
Net Book Value	**162,483**	**256,823**	**88,110**	**213,212**	**108,351**	**55,277**	**884,256**
31 December 2020							
Purchasing Value	162,483	1,352,704	541,546	2,992,091	2,830,476	1,545,931	9,425,231
Cummulative depreciation	-	(1,095,881)	(453,436)	(2,778,879)	(2,722,125)	(1,490,654)	(8,540,975)
Net Book Value	**162,483**	**256,823**	**88,110**	**213,212**	**108,351**	**55,277**	**884,256**
31 December 2020							

Reserves

EUR	Continuity Reserve	Free Reserves	Earmarked Reserve	Destination Reserve	Total
Reserves as at 1st January 2020*	25,015,308	6,094,099	7,246,625	(259,127)	38,096,905
2020 SNV Foundation net result		3,624,822			3,624,822
Corporate Priority projects investment		313,612	(313,612)		-
Revaluation reserves				259,127	259,127
Total as at 31st December 2020	**25,015,308**	**10,032,534**	**6,933,013**	**- 0**	**41,980,855**

*Free Reserves at 1st Jan 2020 have been adjusted compared to prior year to show revaluation reserves separately - for classification insights only.

Commitments and Contingent Liabilities
Please refer to Note 15 of the Consolidated Balance Sheet.

Average number of employees
As at 31st December 2020, 1,297 employees were employed on a full-time basis at SNV Netherlands Development Organisation (2019: 1355). Of these employees, 1,213 were employed outside The Netherlands (2019: 1,269).
73 employees were international employees (2019:78).

Independent auditor's report

To: the managing board and supervisory board of Stichting SNV Nederlandse Ontwikkelingsorganisatie

A. Report on the audit of the financial statements 2020

Our opinion
We have audited the financial statements 2020 of Stichting SNV Nederlandse Ontwikkelingsorganisatie based in Den Haag. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion, the enclosed financial statements give a true and fair view of the financial position of Stichting SNV Nederlandse Ontwikkelingsorganisatie as at 31 December 2020 and of its result for 2020 in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board and the provisions of and pursuant to the Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector (WNT).

The financial statements comprise:
1. the consolidated and company balance sheet as at 31 December 2020;
2. the consolidated and company profit and loss account for 2020; and
3. the notes comprising a summary of the applicable accounting policies and other explanatory information.

Basis for our opinion
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing and the audit protocol WNT. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting SNV Nederlandse Ontwikkelingsorganisatie in accordance with the Wet toezicht accountantsorganisaties (Wta), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

No examination of compliance with the rule against overlapping under the WNT
In accordance with the Audit Protocol WNT 2020 Regulations, we have not examined compliance with the rule against overlapping as referred to in Article 1.6a of the Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act (Wet normering topinkomens, WNT) and Article 5(1)(j) of the WNT Implementing Regulations. This means that we have not examined whether or not any standards were violated by senior executives as a result of their being employed as a senior executive at any other institutions subject to the WNT nor whether the explanation required in this context is correct and complete.

Emphasis of matter
We wish to draw attention to the narrative in the notes to the financial statements, on page 64 and 91, describing the uncertainties surrounding the possible impact of the COVID-19 on SNV. This situation does not alter our opinion.

B. Report on other information included in the annual report

Next to the financial statements and our opinion thereon, the annual report contains other information that consists of:

- the annual report on page nr 6 - 57

Based on the procedures as mentioned below, we are of the opinion that the other information:

- is consistent with the financial statements and contains no material misstatements;
- includes all information as required by the Guideline for annual reporting 640 'Not-forprofit organisations' of the Dutch Accounting Standards Board.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements

With these procedures, we have complied with the requirements of the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board and the Dutch Auditing Standard 720. These procedures do not have the same scope as our audit procedures on the financial statements.

Management is responsible for the preparation of the managing board report and the other information in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board.

C. Description of responsibilities for the financial statements

Responsibilities of Managing Board and the Supervisory Board for the financial statements

The Managing Board is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board and the provisions of and pursuant to the WNT. Furthermore, the Managing Board is responsible for such internal control as the Managing Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Managing Board is responsible for assessing the foundations ability to continue as a going concern. Based on the financial reporting framework mentioned, the Managing Board should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so. The Managing Board should disclose events and circumstances that may cast significant doubt on the foundations ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the foundations financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from errors or fraud 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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining 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 errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining 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 foundations internal control;

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of management's 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 foundations 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 foundation ceasing to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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

The Hague, 16 June 2021

For and on behalf of BDO Audit & Assurance B.V.,

DRS. T.H. DE REK RA

Colophon

Concept and design
Haagsblauw

Text
SNV Netherlands Development Organisation

SMART
DEVELOPMENT
WORKS

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