

# SNV



## SNV Annual Report and Annual Accounts 2021

## **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 2021

## List of acronyms

ARWSS	Area-wide Rural Water Supply Services
BCC	Behavioural change communication
BoP	Bottom of the pyramid
COP	Conference of the Parties
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
FCDO	Foreign, Commonwealth and Development Office, United Kingdom
FFS	Farmer Field School
FX	Foreign exchange
GESI	Gender equality and social inclusion
HR	Human Resources
ICS	Improved cookstoves
IMIS	Integrated Municipal Information System
ISF-UTS	Institute for Sustainable Futures of the University of Sydney
IVC	Inclusive Value Chains
IWRM	Integrated Water Resources Management
K	Thousand
KPI	Key performance indicator
KOSAP	Kenya Off-Grid Solar Access Project
M	Million
MSME	Micro-, small- and medium-sized enterprise
NGO	Non-governmental organisation
OYE	Opportunities for Youth Employment
P&L	Profit and loss
PUE	Productive use of energy
PURE	Productive use of renewable energy
RBF	Results-based finance
SDC	Swiss Agency for Development and Cooperation
SDG	Sustainable Development Goals
SEM	Sustainable Energy Markets
SFV	Smoke Free Village
Sida	Swedish International Development Cooperation Agency
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
WASH	Water, Sanitation and Hygiene
WHO	World Health Organization
WWF	World Wildlife Fund

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SNV contributed  
to measurably  
improving the lives of  
**6.4 million**  
people



SNV, Beyond the Finish Line, Lao PDR

# Message from the Supervisory Board



We continue to find ourselves in a world with extensive challenges and much uncertainty. The COVID-19 pandemic endured throughout 2021, and as this report is being written, a war is taking place in Ukraine. During these extremely turbulent times, it gives me confidence to see how SNV as a global organisation is becoming increasingly aligned in purpose, and how SNV countries, sectors, and teams are connected to one another. SNV is in a resilient and solid position to continue to make a difference in contexts where the organisation's programmes are most needed.

The Supervisory Board expresses its gratitude to SNV's management, team and all who worked to create impact at scale throughout 2021. The commitment and professionalism of the organisation's team members around the world is an inspiration in these turbulent times. This appreciation also extends to all of the partners and donors with whom we work to implement our projects.

**KOOS RICHELLE, CHAIR**

ON BEHALF OF THE SUPERVISORY BOARD  
JUNE 2022

# Message from the CEO

SNV continued to face complex and tumultuous times throughout 2021. The COVID-19 pandemic has endured, with knock-on effects to the global economy, and we have also seen increased violence and fragility in several of the contexts in which we work. Yet, we have witnessed remarkable resilience across many of the geographies where we operate, with new technologies and a range of innovations in how people work and collaborate.

In 2021, we strengthened our capacity and commitments across the organisation to focus on the changing contexts in which we work, to adopt approaches that enable more lasting positive change, and to embrace collaborations that generate opportunities for us to contribute to impact at a greater scale. During this past year we have deepened our thinking and focus on systems change, with notable contributions made, for example, in our energy work in Burkina Faso, in our agriculture initiatives in Ethiopia, and in our water, sanitation and hygiene (WASH) programmes in Tanzania. This focus and commitment has enabled SNV to continue to contribute in 2021 to lasting and measurable positive change for over 6.4 million people. Our donors and partners have been key to this, for which we are extremely grateful.

During 2021, we renewed, reaffirmed, and expanded several partnerships. Notably, we have enjoyed deeper engagement with the [Practitioners' Network for European Development Cooperation](#), and we are delighted to have been elected to the co-Presidency starting in the spring of 2022. We are also pleased to have seen reinforced commitment from a number of development agencies to extend our partnerships and explore new ways of collaborating – the growing momentum within the European Union (EU) Team Europe Initiatives is a prime example. At a time of alarming polarity and increased competition between countries, initiatives that help to cement a cohesive development agenda and enable more efficient and impactful collaborations are more necessary than ever.

With our deepening commitment to enable more effective, larger scale, and accelerated adaption and mitigation to the climate crisis, we were grateful to have the opportunity at the 26th Conference of the Parties (COP26) in Glasgow in the United Kingdom to highlight key initiatives that we are engaged in – such as the [Dutch Fund for Climate and Development \(DFCD\)](#) and Climate Resilient Agriculture programmes – as well as to advocate a greater focus on adaption and, relatedly, the scaling of innovative financing mechanisms. Whilst some important commitments were made at COP26, we, like so many others, feel a deepening sense of urgency and will continue to push for accelerated action towards climate mitigation and adaption.

On a positive note, we are seeing substantial and important commitments to development challenges from both the private sector and philanthropic institutions, with some new coalitions emerging. I have been particularly encouraged to see the achievements of some of our ongoing and new collaborations with the Mastercard, Rockefeller, and IKEA Foundations. We recognise these partnerships with philanthropic groups – which are integrated into the work we are doing with an array of private, government, and civil society actors – as our primary pathway to enabling the transformation of food, energy, and water systems globally.





SNV, PDIEM, Benin

We are committed to harnessing our strategic partnerships to deepen and expand our impact.

In the face of the climate crisis, the COVID-19 pandemic, and our increasingly polarised world, we at SNV are acutely aware of the importance of our role in accelerating progress towards the Sustainable Development Goals (SDGs). Over the past year we strengthened several areas of technical focus, whilst reinforcing our capacities in a number of cross-sectoral areas – most notably with regards to gender equality and social inclusion (GESI), and climate. We also committed to a number of strategic priorities, such as digitalisation, innovative finance, and strategic partnerships, with a view to enabling us to deepen and expand our impact. In furtherance of these priorities, we are drawing down from our destination reserves so that we can step up to the needs of today, whilst ensuring that we are well equipped to increase the depth and breadth of our impact as we head into our next strategy period. Despite the complexities of these times, SNV is in an increasingly robust position to embrace and respond to these challenges.

Finally, as global needs escalate, we have given considerable thought to our purpose as an organisation. This has led to an examination and then reinvigoration of our vision and mission statements, which form the bedrock of our next longer-term strategy. In 2022, we will develop a new strategy that will steer SNV through to 2030, in line with the SDGs. This strategy, rooted in the contexts where we work and building on our core areas of focus and competencies, will also serve to achieve alignment and clarity across our global operations.

An important strand of the new strategy will be to deepen and broaden our technical capacities to ensure that SNV remains relevant to the needs and opportunities in the contexts where we work and that we are equipped to make the greatest possible impact. The new strategy will provide greater clarity around the adjustments we are making to our sectors, products, and services. We commit to increasing and leveraging the outcomes and impact of our programmes and projects, and to pro-actively identify, develop, and harness novel initiatives and partnerships. We also aim to elevate our influence, as one pathway to enable systems change, whilst being clearer on who our intended audiences are.

I would like to thank all SNV team members for their commitment and dedication. I also want to thank the Supervisory Board for their steadfast support to, and supervision of, the organisation over the past year, and for their guidance to the Managing Board. I feel deeply grateful to be part of such a dedicated and capable team across the world, at a time when we are so well placed to achieve the next level of impact and relevance in the face of great turbulence and challenges. With thanks for your interest in our work.

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





The COVID-19 pandemic has shown that we can flexibly adapt to external challenges in terms of how we work, provide our services, and organise ourselves.

# SNV in 2021

In 2021, SNV contributed to measurably improving the lives of **6.4 million people** living in poverty through increasing incomes and access to basic services, whilst also making significant contributions to systems change.

With the COVID-19 pandemic continuing throughout 2021, we saw significant setbacks in progress towards achieving the Sustainable Development Goals (SDGs). While the number of people living in extreme poverty worldwide has decreased by more than 1 billion over the past two decades, some of this success is set to be reversed. The last two years have shown that people can easily fall back into poverty if the underlying issues that trap them there are not adequately addressed.

At SNV, our commitment is stronger than ever to make a lasting difference to the lives of people living in poverty. The COVID-19 pandemic has shown that we are equipped as an organisation to flexibly adapt to external challenges, in terms of the way we work, the way we provide our services, and the way we organise ourselves. We greatly appreciate the flexibility of the donors with whom we work, which has been essential to continue our programmes within rapidly evolving contexts.

We need to adapt our systems to climate change and increase resilience amongst people living in poverty and those who are marginalised or under-represented to prevent potentially catastrophic and irreversible effects.

The world is also experiencing a deepening climate crisis. Climate change poses an unprecedented threat to humanity in the 21<sup>st</sup> century. Weather patterns are changing, becoming less predictable and more erratic, and this has a huge impact on food security and people's livelihoods. We need to adapt our systems to climate change and increase resilience amongst people living in poverty and those who are marginalised or under-represented to prevent potentially catastrophic and irreversible effects.

Despite implementation challenges due to COVID-19, our results in 2021 are in line with the targets set for what is the third year of the SNV 2019–2022 Strategic Plan. 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 over 20 countries where we have been working over this strategic period.

## Our reach

In 2021, we worked in 24 countries across Asia, Africa, and Latin America. SNV has operated in most of these countries for decades, enabling us to acquire deep contextual understanding and knowledge, and allowing us to build long-term trusted partnerships with governments, the private sector, and civil society organisations.

SNV employed an average of 1,315 people during 2021, with the vast majority coming from the contexts where we work. SNV remains a highly diverse organisation employing over 50 different nationalities.





CRAFT, Uganda

Our deep in-country presence and strong relationships form the basis of our local credibility and our alliance-building with and between stakeholders.

Many of the communities that we seek to support are located in high-risk, conflict-prone, and fragile areas; we saw increased insecurity in 2021 in several of the countries where we work. However, with the right safety and security measures in place, SNV teams managed to stay on the ground and to adapt and continue to operate relevant project activities.

### Our approach

We apply practical know-how to support people living in poverty. In 2021 we contributed to positive impacts in agriculture, energy, and WASH. We constantly develop our expertise by expanding our global knowledge and by drawing on lessons learned from practice across the globe. We use our extensive track record on the ground to apply and adapt our expertise to local contexts.

Our deep in-country presence and strong relationships form the basis of our local credibility and our alliance-building with and between stakeholders. We collaborate extensively with partners who complement

and re-energise us, such as knowledge institutes, private consultancy firms, and non-governmental organisations (NGOs). We invest in market-based approaches and work closely with the private sector. We are a trusted partner to local and national governments.

### Our focus: agriculture, energy, and WASH

Our continued focus on agriculture, energy, and WASH allowed us to deepen the quality of our work throughout 2021. Many of our projects span these sectors and use an integrated approach to enable sustainable development.

**Our agriculture portfolio** helped improve the lives of 1.8 million people in 2021. The SNV agriculture portfolio contributes to the SDGs through a private-sector, market-based, and innovation-driven approach. We integrate our projects and programmes across agriculture value chains, nutrition, and climate adaptation. Our food and nutrition security programme improved food access and nutrition



security for 200,000 people in 2021. And we stepped up our Climate and Business programme, helping 151,000 farmers to become more climate resilient and 78,000 young people to gain new employment through SNV projects. For example, through the [Climate Resilient Agribusiness for Tomorrow \(CRAFT\)](#) project in East Africa, which is funded by the Dutch Ministry of Foreign Affairs (DGIS), 116,000 smallholder farmers were trained on climate-smart agriculture practices.

**Our energy portfolio** helped improve the lives of 1.7 million people in 2021 and reduced greenhouse gas emissions of over 490,000 tonnes of CO<sub>2</sub>. The SNV energy portfolio contributes to SDG 7 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 helps develop sustainable energy markets, using innovative financing mechanisms and supporting policy reform. For example, in 2021 the [BRILHO](#) programme, which is funded by the UK's Foreign, Commonwealth and Development Office (FCDO) and the Swedish International Development Cooperation Agency (Sida), supported the development of a regulatory framework for the off-grid energy sector in Mozambique. This framework ensures the necessary conditions for the private sector to develop its activities and protect its investments in solar home systems, mini-grids, and improved cooking solutions.

**Our WASH portfolio** helped improve the lives of 2.9 million people in 2021. Our projects led to 620,000 people gaining access to sanitation services, and to 660,000 people gaining access to a basic drinking water supply. An additional

1.9 million people now practise hand-washing with soap after defecation. With the onset of COVID-19, there was increased attention to hygiene and short-term investments in hygiene, but unfortunately this was at the expense of investments in water and sanitation service expansions and making systems more climate resilient. Our commitment to leaving no one behind translates into a focus on universal access with explicit emphasis on schools, health facilities, and last-mile service provision. Our contribution to SDG 6, on 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

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



SNV, BRILHO, Mozambique

We focus on projects that provide opportunities to create sustainable, large-scale impact.

the development of public institutions and built markets that will ultimately provide many more people with WASH services.

In 2021, we invested in deepening and broadening our technical capacities to ensure that SNV remains relevant to the needs and opportunities in the contexts where we work and equipped to make the greatest possible impact. Across our work, we have further updated and improved our existing products and approaches to address evolving needs, to harness new opportunities, and to adjust according to changed contexts. In response to COVID-19 and a shifting donor landscape, in 2021, we also explored opportunities to broaden the scope of the products and services within our core areas of focus. We started a process to pivot our agriculture sector to food systems, and to expand our WASH sector into a broader water sector.



SNV, Beyond the Finish Line, Nepal

## Changing the systems that trap people in poverty

Our projects do not just deliver direct results – they also aim to help change the systems that trap people in poverty. Our projects intend to kickstart markets, support governments and other actors to improve their service delivery, and improve government and market accountability. We focus on projects that provide opportunities to create sustainable, large-scale impact. SNV, as a trusted partner, is positioned well to support these discussions at the strategic and policy level. We help to build enabling conditions, policies, financing arrangements, protocols, and capacities to sustain and scale up improvements beyond the individual project.

In 2021, our on-the-ground presence and expertise helped kickstart markets and services ranging from dairy and vegetables, to cookstoves and solar systems, to desludging of latrines and septic tanks. We leveraged additional financial resources from businesses and governments and aim for our approaches to be adopted by the public and private sector and become the new norms. As well as influencing governments and the private sector to change their behaviours, we also continue to work on behaviour change at the household level, whether on hygiene, nutrition, use of cookstoves, or gender roles.

## Looking forward

Recent global developments are devastating and worrisome. We are greatly concerned about the war in Ukraine, especially for the people involved directly, but also in terms of how the related energy and food shortages might





Tassaght, Sustainable Technology Adaptation for Mali's Pastoralists (STAMP), Mali

act as catalysts for further conflict around the world. There is also heightened insecurity in the Sahel with coups and terrorist activities, and security issues outside the Sahel such as in the Tigray region in Ethiopia and the Cabo Delgado province in Mozambique. We take suitable measures to ensure our teams continue to keep our projects actionable and impactful even in those situations.

In terms of the COVID-19 pandemic, we see some positive signs but need to remain flexible and prudent. For the first time in 20 years, poverty is significantly increasing. For millions of people around the globe, this crisis will not be short-lived.

Our work has become more relevant than ever.

In 2022, we will finalise our new strategy to steer SNV to 2030. We will look to scale up the impact of our work in food, energy, and water, focusing more deliberately on systems change, and building more intentional and strategic partnerships. We will continue to invest in our people, strengthening technical expertise, and expanding and diversifying our talent pool.

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

In our new 2030 Strategy, we will look to scale up the impact of our work in food, energy, and water, focusing more deliberately on systems change, and building more intentional and strategic partnerships.





SNV, Improved Cookstoves (ICS) Programme, Lao PDR



# 2021 in numbers

We measurably improved the quality of life of **6.4 million people**

## WASH



**661,000**  
people who gained  
access to (at least)  
basic sanitation



**619,000**  
people who  
gained access to  
(at least) basic  
drinking water



**1,948,000**  
more people  
practising  
handwashing  
with soap after  
defecation

## Agriculture



**1,630,000**  
people with  
increased  
income



**151,000**  
farmers with  
increased  
resilience to  
climate change



**222,000**  
people with  
increased  
food and nutrition  
security

## Energy



**19,000**  
people with  
access to  
biodigesters

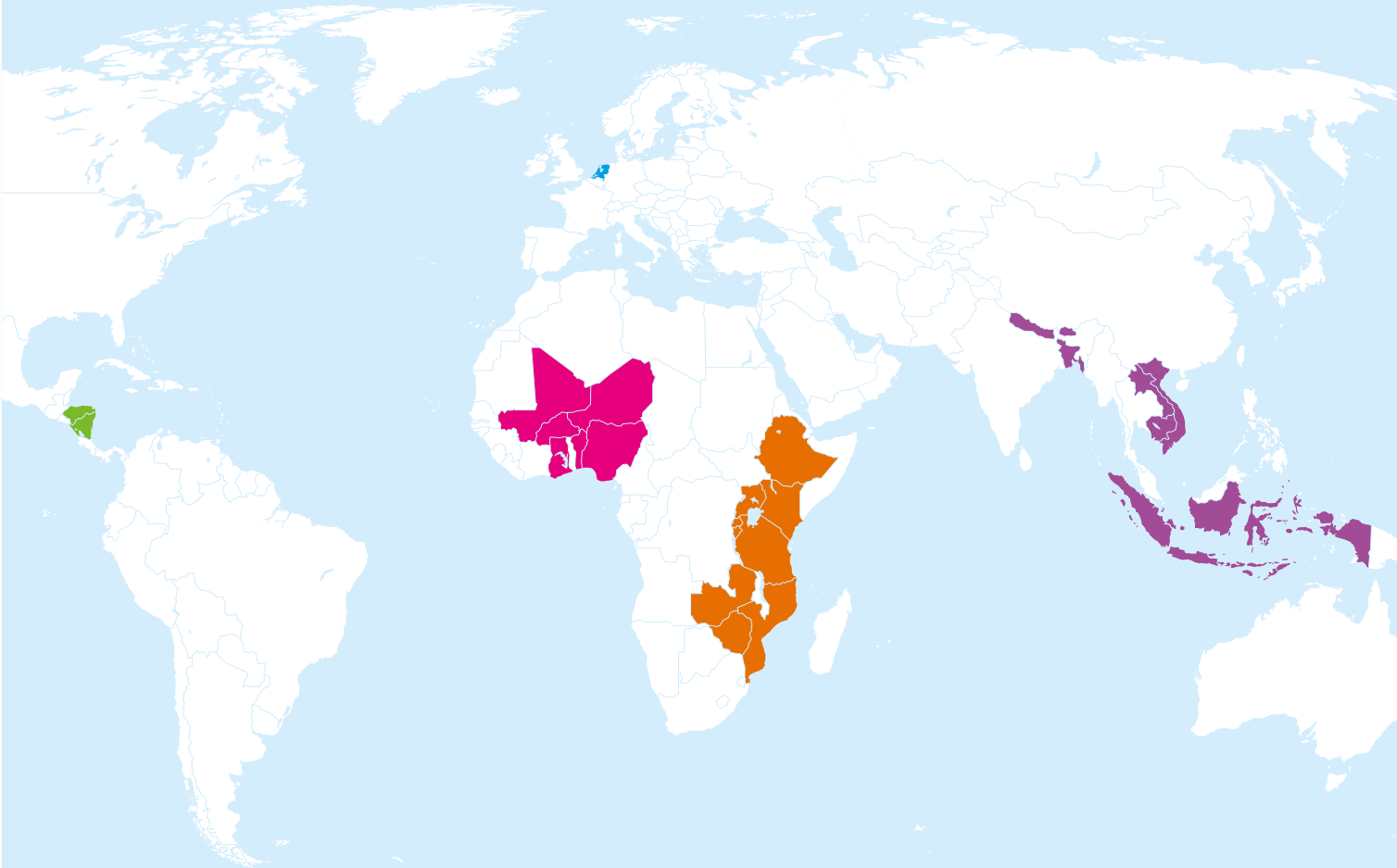


**950,000**  
people with  
access to  
improved  
cookstoves

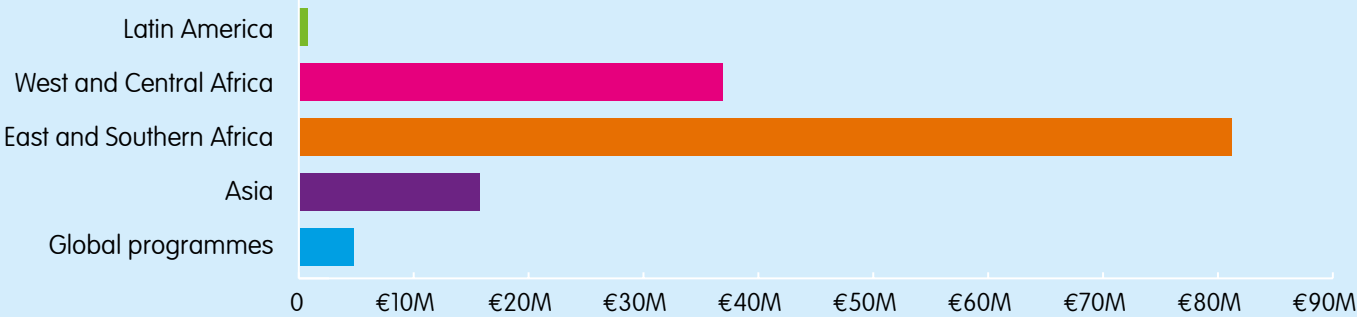


**700,000**  
people with  
access to  
off-grid solar

# Our reach



## Revenue per region



### Latin America

Honduras  
Nicaragua

### West and Central Africa

Benin  
Burkina Faso  
Ghana  
Mali  
Niger  
Nigeria

### East and Southern Africa

Burundi  
Ethiopia  
Kenya  
Mozambique  
Rwanda  
Tanzania  
Uganda  
Zambia  
Zimbabwe

### Asia

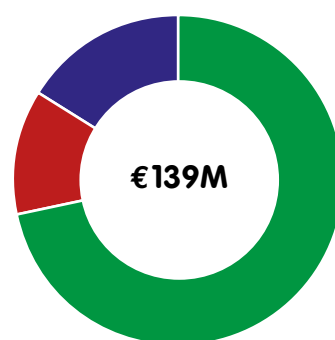
Bangladesh  
Bhutan  
Cambodia  
Indonesia  
Lao PDR  
Nepal  
Vietnam

## Our team



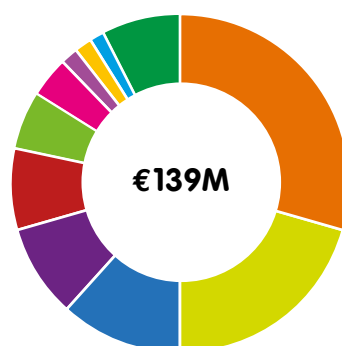
■ National  
■ International  
■ The Hague

## Revenue per sector



■ Agriculture  
■ Energy  
■ WASH

## Revenue per donor



■ Embassies of the Netherlands  
■ DGIS, the Netherlands  
■ EC, European Union  
■ Sida, Sweden  
■ SDC, Switzerland  
■ FCDO, United Kingdom  
■ EnDev  
■ Mastercard Foundation  
■ DFAT, Australia  
■ Ikea Foundation  
■ Others



**2.9  
million**

people gained access  
to water, sanitation  
and hygiene  
services.

SNV, WASH SDG, Indonesia



# Water, Sanitation and Hygiene

Impact: In 2021, our projects and programmes directly contributed to **2.9 million people** in 18 countries gaining access to WASH services. We measured 661,000 people gaining access to, and use of, sanitation services, and 618,000 people gaining access to a basic drinking water supply. An additional 1.9 million people now practise handwashing with soap after defecation.

## Context

The COVID-19 pandemic continued in 2021, and not only threatened public health in many countries, but also severely disrupted societies at all levels and in all sectors, including education, tourism, agriculture, transport, and WASH. Whilst increased attention and short-term investments were directed at hygiene, at the same time there was disruption of services and increased financial vulnerability of service providers. As a result, the whole WASH sector focused more on short-term measures and continuity of service delivery during the pandemic at the expense of efforts to expand water and sanitation services and make systems more climate resilient. This, combined with the socio-economic effects of the pandemic and increasing instability, meant that 2021 was a year of stagnation and declining functionality of WASH systems, and, in some cases, of relative losses in water and sanitation coverage as population growth outpaced increases in coverage.

In 2021, the Joint Monitoring Programme (JMP) of the World Health

The world needs to quadruple current rates of progress to meet the water, sanitation and hygiene targets of the SDGs.

Organization (WHO) and the United Nations Children's Fund (UNICEF) concluded that the world is off track to meet SDG targets 6.1 and 6.2, five years into SDG implementation. The JMP stated that we need to quadruple current rates of progress to achieve the targets of safely managed water supply (SDG 6.1) and sanitation and basic hygiene services (SDG 6.2). Only 74% of the global population had access to a safely managed drinking water supply and just 54% to safely managed sanitation. In numbers, this means that 3.6 billion people lacked safely managed services, of which approximately half (1.9 billion) had basic services. Of the remaining 1.7 billion people without basic sanitation

services, 494 million practised open defecation. Basic hygiene services, currently measured only in terms of access to hand washing with soap, stood at 71%.

Unsurprisingly, WASH coverage and progress are not uniformly distributed. Access in rural areas is much lower than in urban areas: 60% of the rural population had access to a safely managed water supply versus 86% in urban areas. However, the rate of progress in rural areas has been somewhat greater (a 7% increase) compared to in urban areas where progress has practically stagnated (<1% change). Moreover, global figures obscure differences between wealth groups, in particular in sanitation. For example, in sub-Saharan Africa, 5% of people belonging to the richest wealth quintile practised open defecation in 2020 in comparison to 67% of people in the poorest wealth quintiles. Furthermore, populations living in fragile areas were five times more likely to lack basic drinking water, four times more likely to lack basic sanitation, and three times more likely to practise open defecation than those living in stable environments.



The largest coverage gaps between wealth groups were found in Latin America and the Caribbean (32 percentage points for water) and in East and South-East Asia (19 percentage points for sanitation).

The above figures not only show the importance of understanding and acting upon disparities, but also demonstrate that WASH services and coverage are vulnerable to disruptions, whether these result from the impacts of a global pandemic, climate change, conflicts or

resource mismanagement. Furthermore, the figures touch upon the reality of stagnating progress in urban contexts. It means that, somehow, the sector needs to accelerate rates of progress while at the same time increasing the resilience of services by integrating adaptation measures. It also means that the urban context requires a thorough rethink.

There is renewed awareness too of the interconnectedness of all water issues – not just WASH, but also water resource

A thorough rethink is needed to redress the uneven distribution of WASH services and coverage, while at the same time, increasing the resilience of services.

## Using data to improve municipal-led services in Bangladesh

Information and strategic data management are key success factors for efficient planning, implementation, and monitoring of municipal services, including safe sanitation services. In order to capture data across the sanitation service chain and develop a geospatial base map of cities, SNV developed an [Integrated Municipal Information System \(IMIS\)](#), supported by the Bill & Melinda Gates Foundation.

The IMIS is an innovative geographic information system (GIS)-based solution to manage sanitation services, which is undergoing expansion to also include other municipal services. The IMIS architecture offers the flexibility to integrate different tools, spatial and non-spatial data from multiple sources, and municipal business processes into one coherent platform for the sustainable management of municipal infrastructure assets and services. The IMIS facilitates effective management of information, which is key to support efficient operations and cost-effective decision-making. The system is designed to support the professionalisation of services and also to improve the quality of decision-making through the use of *big data*. The IMIS is being rolled out in all six programme cities in Bangladesh. The services are outsourced and the contracts have KPIs that are also embedded into the IMIS, which provides real-time and transparent information about sanitation services.

In Bangladesh, SNV has been integrating IMIS sanitation KPIs into the Annual Performance Agreements (APA) for City Corporations. The APA is a monitoring and accountability mechanism that will create pathways to ensure local-level sanitation monitoring and reporting from local government to their line ministry. Application has started in Jhenaidah.



SNV, IMIS, Bangladesh

management and productive water use. Whilst this awareness began by bringing all water issues under SDG 6, the interconnectedness is becoming clearer in the light of the climate adaptation discussion in particular. The [Water Climate Action Pathway](#) at COP26 in Glasgow therefore asked for a triple transformation:

1. Adequate protection of water resources, freshwater ecosystems and people.
2. A revolution in water uses and infrastructure for food, energy, cities, human settlements, and industries.
3. A paradigm shift in the re-use of water and wastewater.

Moreover, governance and equity issues in water management are affecting the realisation of human rights and overall stability. For these reasons, SNV has decided to move from WASH to a broad water sector, building a common narrative and shared metrics for all of our work in water, and contributing to improved water security for all.

Addressing ongoing global trends and challenges, our projects and programmes focused around four products: [Sustainable Rural Sanitation and Hygiene for All](#), [Area-wide Rural Water Supply Services \(ARWSS\)](#), [Urban Sanitation and Hygiene for Health and Development \(USHHD\)](#) and the cross-sectoral [Opportunities for Youth Employment \(OYE\)](#).

### Sustainable Rural Sanitation and Hygiene for All (SSH4A) at scale

In 2021, most of our work in rural sanitation and hygiene became integrated into broader WASH programmes for water supply, sanitation, and hygiene in households, schools, and health care facilities



SNV, OmiDelta, Benin

(in Benin, Burkina Faso, Ethiopia, Honduras, and Mozambique). Only Bhutan and Lao PDR had dedicated SSH4A programmes, while Burkina Faso implemented a Community-Led Total Sanitation plus (CLTS+) project in very complex security settings. Despite resource constraints, the SSH4A integrated programmes continued to implement best practices in area-wide programming, such as in the integration of evidence-based hygiene behavioural change interventions, sanitation supply chain development, finance, and demand creation, as well as giving attention to leaving no one behind. For example, the [WASH Trachoma programme](#) in Ethiopia, funded by the

Fred Hollows Foundation, introduced the imperative of WASH – including clean water, construction/rehabilitation of sanitation facilities, and behavioural change – to advance the trachoma preventive strategies of facial cleanliness and environmental improvements.

A broad range of SSH4A programmes continued to support COVID-19 response and awareness activities, including in Honduras in 12 municipalities in the [Dry Corridor](#) and in Benin as an add-on to the [OmiDelta project](#). Several of our dedicated COVID-19 response projects wrapped up in 2021, such as the [KIWASH COVID extension](#) in Kenya and the [Hygiene Behavioural Change Coalition \(HBCC\)](#) projects in Indonesia and Mozambique, managed in partnership with Unilever. These projects aimed to reduce exposure to COVID-19 for people in high-risk areas by increasing the adoption of essential hygiene behaviours. In Indonesia, we created a website for [COVID-19 information](#) and launched a [large online school programme](#) that reached 5,700 schools and was visited by 291,000 students, including during periods of school closures. The [WASH First COVID-19 response programme](#) in Kenya, Rwanda, and Uganda, funded by DGIS, is now

Beyond broader WASH programming, SSH4A has been instrumental in advancing trachoma and COVID-19 preventive strategies.



entering its final quarter and current progress indicates that the mass media outreach target of 2.2 million people will be fully met.

WASH in health care facilities is an area that SNV has been working on since pre-pandemic times, and one that has gained increasing attention and traction since mid-2019. Momentum has been built in Indonesia, Zambia, and Tanzania (under the €20M DGIS-funded [WASH SDG programme](#)), and in Nepal and Bhutan (under the [Water for Women](#) project funded by the Australian Department of Foreign Affairs and Trade (DFAT)). Naturally, such work fits well into COVID-19 contexts, given that without water and sanitation in health care facilities, it is very hard to practise basic infection prevention and control. Training on accessibility and inclusivity of WASH in health care facilities was also extended to quarantine centres in 2021.

### Area-wide Rural Water Supply Services (ARWSS)

Rural water supply programmes were implemented in 2021 in Benin, Ethiopia, Honduras, Kenya, Mali, Mozambique, Nepal, and Uganda. A number of these programmes were integrated with rural sanitation and hygiene, and had substantial rehabilitation/construction components. The [Inspiring Water Entrepreneurship in Tigray region](#) in Ethiopia, funded by the AFAS Foundation and led by Woord and Daad, stands out for not only supporting improved maintenance of 76 hand pumps and five water schemes, but also providing emergency support through rehabilitation of another 191 hand pumps and one deep borehole, impacting some 188,000 people in 2021. This work is even more important given the conflict in the region. Under



SNV, WASH First, Kenya

the [Improving Water Supply Sanitation II \(IWAS II\)](#) and [WASH First](#) programmes, over 100 boreholes were rehabilitated in Uganda and more than 130 in Mozambique. Service improvements were also achieved by strengthening the capacity of community or private service providers, by enhancing procurement and oversight by responsible government agencies, and through overall improvements in monitoring and adaptive management.

Within our integrated water resources management (IWRM) work, we made a positive start with two new projects in 2021, despite pandemic restrictions. The €20M [Kunzila project](#) in Ethiopia, funded by the Embassy of the Kingdom of the Netherlands (EKN), led by the Water and Land Resource Centre (WLRC) of Addis Ababa University, started well and is

delivering as planned to contribute to a more prosperous and healthy population in the Kunzila watershed for 30,000 people. The €12.5M [Eau, Cle du Developpement Durable \(ECDD\)](#) project in Burkina Faso, also funded by EKN, aims to contribute to the resilience of the population in the 17 target water committees (covering approximately 1.78 million people) through livelihood improvements and access to basic services.

### Urban Sanitation and Hygiene for Health and Development (USHHD)

We implemented the city-wide [USHHD approach](#) in 20 cities across five countries in 2021. In addition, there were further tailored urban sanitation activities in Kenya and Mozambique, focusing



A mid-term review of the WASH SDG programme in 2021 found that all 17 cities invested heavily in safer containments in accordance with building codes.

exclusively on low-income areas and the re-use of faecal sludge, rather than city-wide services and the whole sanitation chain. During the year we conducted an extensive mid-term review for the WASH SDG programme in 17 cities to measure progress towards impact indicators (access and use of sanitation, hygiene, and waste management) and outcome indicators (governance, enforcement, regulation, behavioural change, service provision, finance, treatment, and re-use functions). All cities have invested heavily in safer containment in accordance with building codes, through the triangle of supply (technology options, markets, and finance), behavioural change campaigns, and strengthening of enforcement. Moreover, teams worked on the development of emptying and transport services for on-site sanitation. Various localised service models were developed and rolled out in 2021; services were outsourced with clear key performance indicators (KPIs); sanitation workers were trained in occupational health and safety; and sanitation governance aspects were improved by strengthening multi-stakeholder platforms, and by developing bylaws and guidelines. Affordability for the consumer and financial sustainability of services remains a central issue, which is why we

## Communication campaign to make public places COVID-19 safe

Under the [Hygiene and Behavioural Change Coalition \(HBCC\)](#) project in Indonesia and Mozambique, our messaging on COVID-19 prevention was directed at women, men, traders, facility managers, people with disabilities, school children, youth, frontline workers, and facility cleaners in public spaces. In 2021, we developed a multi-level communication campaign informed by formative research. The campaign introduced protocols for preventing the spread of COVID-19 in public spaces and utilised mass and digital media to reinforce key messages. We launched a school campaign building on Unilever's work, and promoted the application of a 'Five-star Market' COVID-19 prevention approach in public markets, which involved:

1. establishing an entrance protocol (temperature and mask checking, a handwashing with soap station, and socially distanced queuing);
2. social-distance markers;
3. the setting-up of handwashing with soap stations in key locations throughout the market space;
4. cleaning protocols for surface cleaning; and
5. announcements to remind the public of safe practices to prevent the spread of COVID-19.

Handwashing stations were designed to enhance physical accessibility for people with disability. The mass media and digital campaigns largely drew on materials developed by Unilever through the global Password campaign to promote a core message of Hands, Mask, Space. We selected materials that were consistent with the findings of our formative research.

For the school campaign, we used Unilever's materials on School of Five superheroes and adapted them to the specific contexts. Five superhero characters – Biff, Pow, Bam, Hairyback, and Sparkle – each have an important message to get across to encourage children to wash their hands with soap at critical moments in the day. Schools remained closed for long periods, therefore digital interventions were explored, mostly in Indonesia, to communicate with teachers and students.

The overall campaign reached out to 24.6 million people through mass media, 9.4 million through digital media and close to 0.5 million through interpersonal engagement in 237 public places and 1,141 schools. These activities helped to increase the knowledge, motivations and self-efficacy of users, students, managers, headteachers, and cleaners of public places.



support cities to better understand the financial health of the whole of services and potential pathways towards sustainable cost-recovery.

To ensure the availability of designated disposal sites, pioneering faecal sludge treatment plants were completed in 2021 in Sur khet (Nepal) and Shinyanga (Tanzania), with construction ongoing in Benapole (Bangladesh) and Mpulungu (Zambia). Designs are underway in Nepalgunj (Nepal) and Gazipur (Bangladesh). Action research in faecal sludge re-use is ongoing in Indonesia (co-composting), Tanzania (bio char), and Bangladesh (bio char), building on lessons learned from our projects in Kenya (bio char) and Bangladesh (co-composting).

## Impact and outcomes

In 2021, we implemented more than 30 projects across 18 countries in Africa, Asia, and Latin America, with SNV activities contributing to access to WASH for nearly 2.9 million people. A total of 661,000 people gained access to at least a basic water supply and 619,000 to at least basic sanitation. An additional 1.9 million people now practise hand washing with soap at critical moments. The latter is a reflection of the intensification of hygiene work under all programmes as a response to the COVID-19 pandemic.

Our contribution to SDG 6 (ensuring access to safely managed water and sanitation services for all) goes well beyond the number of people who have gained access as a direct result of our projects. SNV contributed to structural change at different levels and in different domains in 2021. For example, by increasing attention to performance and

accountability of service providers, by strengthening the voice and leadership of potentially marginalised groups, and by working on better monitoring and adaptive capacities, we have contributed to essential systems change.

## Knowledge, learning, and partnerships

As in 2020, the COVID-19 pandemic changed the focus and modalities of learning and research across the organisation, but this picked up in 2021.

Inspirational WASH leadership from both government and civil society in Bhutan, Lao PDR, and Nepal was strengthened and profiled through a research partnership with the Institute for Sustainable Futures of the University of Sydney (ISF-UTS). A range of short videos was developed to showcase how gender transformative leadership has successfully addressed inequalities in COVID-19 WASH responses. The Royal Government of Bhutan's Minister of Health (now also President of the World Health Assembly) participated in the videos, which were unveiled at World Water Week in August 2021.

Accepted for publication in a scientific journal: external SNV post-intervention research studies offering important insights into the sustainability of rural sanitation and hygiene programmes.

With Emory University and the University of Nevada, quantitative and qualitative post-intervention sustainability research studies were finalised and accepted for publication in the journal *Global Health: Science and Practice*. Under this research, teams returned to previous SNV rural sanitation and hygiene programme districts to survey and understand sustained coverage and use of sanitation (and hygiene). The results of the studies were made available as preprints in 2021 and have been shared with national and local partners of the different countries. As this is the first time an assessment of this kind has been done in the sector globally, it makes sense the issue of sustainability and slippage tangible for partners. In collaboration with WaterAid, the World Bank, the United States Agency for International Development (USAID), UNICEF, and the Institute of Development Studies, a review of evidence on rural sanitation programming was organised to inform the sector.

Together with ISF-UTS, SNV published a compilation of nine case studies about faecal sludge and waste water treatment plants in practice. For each of the case studies, the in-country SNV team visited the site and interviewed plant operators. This resulted in an in-depth understanding of how each plant had been designed and planned, and the realities of operation, maintenance, and finance. The publication has been widely promoted in Asia and Africa, including at the Sixth International Faecal Sludge Management Conference, and it is currently being translated in Spanish through the Latin America SuSanA chapter.

To capture learnings across our COVID-19 response activities, we organised an international hybrid (virtual and face-to-



SNV, Beyond the Finish Line, Lao PDR

face) learning event – Sustaining Behavioural Change in a Pandemic – in early July 2021 with 58 participants from country partners, governments, and SNV team members. Innovative field visits were completed virtually through video. We organised a second international hybrid learning event, Equity, Climate Change and Rural WASH, with seven country teams involved in reviewing national activities and the application of WASH resilience indicators in the field with the University of Bristol, and with further inputs from WaterAid West-Africa and ISF-UTS.

The Behavioural Change Design Hub, a support function that coaches a group of country teams through a behavioural change design process, also continued in 2021. SNV's partner, Upward Spiral, guided country teams through the research and design cycle for behavioural change. This was closely linked to COVID-19 response programmes, as well as to new behaviours under urban sanitation programming such as not throwing solid waste in pits and good management of Y-junction pipes.

Learning and adapting to change: 2021 learning events captured lessons from COVID-19 response activities, and investigated the resilience of rural WASH to climate change effects.





**1.8  
million**  
people's lives were  
improved.

SNV, DFCD, Kenya



# Agriculture

Impact: In 2021 our agriculture programmes and projects measurably improved the lives of **1.8 million people** in 22 countries through increased incomes, enhanced food security, and enabling solutions to the climate crisis.

## Context

In 2021, the COVID-19 pandemic continued to expose weaknesses in local and global food systems, threatening the lives and livelihoods of people around the world, particularly the most vulnerable and those living in fragile contexts. In just a few years, the number of people chronically undernourished has risen significantly – to at least 811 million by the end of 2021 – reversing decades of gains made by families, communities, and countries to escape poverty and hunger. Globally, one in three people now suffers from malnutrition ranging from hunger and nutrient deficiency, to overeating and obesity. These numbers are driven by the intersection of several crises, including conflict, population growth, climate shocks, exclusion and inequality, and economic crises exacerbated by the COVID-19 pandemic and the increasing costs of a healthy diet.

At the same time, as documented by our [COVID-19 Response and Resilience Initiative for Food Value Chains in Africa \(CORE-Africa\) project](#), agriculture also served as a buffer for some rural and urban populations and food supply systems themselves proved relatively resilient. This is largely due to the strength and revival of informal economy mechanisms, such as the diversification of crops

Food production systems are the single biggest underlying cause of decline in land and water resources.

and livelihoods approaches and the use and growth of informal finance.

Seriously affected by climate-related shocks, food production systems are the single biggest underlying cause of decline in land and water resources, responsible for approximately 80% of deforestation, 70% of terrestrial biodiversity loss, and 50% of freshwater biodiversity loss. These systems also contribute up to a third of all greenhouse gas emissions. Land and soil degradation, extreme climate events, and water stress notoriously affect the poorest, while the high cost of healthy diets and persistently high levels of poverty and income inequality continue to keep healthy diets out of reach for around 3 billion people in the world.

These problems are complex and intricately linked, leading to the recognition that a more integrated and coordinated approach is needed to tackle poverty, food and nutrition

security, and environmental challenges. In 2021, the [United Nations Food Systems Summit](#) aimed to launch bold action to transform the way the world produces, consumes, and thinks about food – a crucial step in progressing all 17 SDGs. This recognition of the need to transform the food system as a whole is now central to the strategies and plans of key global agriculture organisations, governments, and financiers. The process and Summit generated significantly more attention on food systems perspectives. Within SNV too we are shifting our attention from agriculture to food systems, building on the work we have implemented effectively for decades.

## The focus of our agriculture work

To address ongoing global trends and challenges, our projects and programmes focused around four products in agriculture: [Inclusive Value Chains](#), [Sustainable Nutrition for All \(SN4A\)](#), [Climate and Business](#) (jointly with our energy portfolio), and [Opportunities for Youth Employment \(OYE\)](#) (across all three SNV sectors). In 2021 we consciously deepened our attention to gender equality and social inclusion (GESI) as well as the nexus between agriculture, energy, and WASH. We believe that ending poverty and hunger, achieving food



security and improved nutrition, combating climate change and its impacts, and achieving GESI require a focus on systems change beyond the time and space boundaries of projects. Thus, interventions in the agriculture sector aim to achieve systems transformation at scale.

### Inclusive Value Chains

In 2021, our work in agri-food systems continued with a significant focus on inclusive value chains, developing market-based services that increase production, link markets with farmers, and professionalise service provision, while at the same time working with partners and governments to create an

enabling environment and accelerate investments in the sector. Our projects and programmes have improved climate resilience and access to finance, reduced food loss and waste, and created demand for healthier food items among rural and urban consumers.

Our activities over the past year focused on smallholder farmers willing and able to implement a *farming-as-a-business* approach, as well as small and medium agriculture enterprises that are essential to transforming agriculture value chains. The approach also addresses women's economic empowerment and gender equity in agricultural value chains. In Burundi, for example, the EKN-funded

*Projet d'Appui au Développement Agricole pour la Nutrition et l'Entrepreneuriat* (PADANE) project kicked off with the aim of raising agricultural incomes, increasing food security, facilitating employment opportunities for youth, and improving nutrition. The project supports activities that help farmers adopt sustainable production methods and facilitates their access to input and output markets, quality inputs, and financial services. Nearly 32,000 households developed an integrated farming plan in 2021 with the aim of achieving increased quality and quantity of production in eight different value chains, which forms the basis of a market system approach that takes nutritional trends and needs into consideration.

## Understanding the complex contexts we work in

An increasing proportion of our work takes place in fragile settings such as the West African Sahel region, Ethiopia, and Mozambique where climate change and droughts, insecurity and extremism, and limited economic prospects are leading to increased conflict and migration. In these contexts, we focus on addressing livelihoods, equality, farm and business practices, institutional and governmental capacities, natural resource management, conflict resolution, and climate resilience.

In 2021, we kicked off the 10-year *PROgramme Agroalimentaire pour la Résilience Intégrée et le Développement Economique du Sahel* (Pro-ARIDES) project in Burkina Faso, Mali, and Niger, supported by DGIS. The project acknowledges and embraces the complexities of the settings and contexts and takes a

systems approach in pursuit of a more resilient and sustainable Sahel.

In Pro-ARIDES, we embrace complexity by:

- focusing on multiple actors (households, farmer organisations, local and regional authorities, women and youth organisations, local businesses, financial institutions, and committees for natural resource management);
- understanding how norms and values, interrelations, and policies and practices influence the social and economic system as a whole;
- applying a range of solutions such as capacity-building, investments, improved climate-resilient practices, conflict resolution, multi-party and intra-household dialogue, and social inclusion;

- intentionally learning as we move forward by including action research into our work; and
- working within a longer timeframe of 10 years to enable successful strategies to emerge.

We aim to contribute to increased resilience, food security, and incomes for agricultural and (agro-) pastoral households in the Sahel by addressing particular system components, namely: empowerment of households, women, youth and farmer organisations; strengthened local enterprises; high-performing service delivery systems; increased demand for local products; and integrated and inclusive multi-stakeholder governance of the land and services and security provided by public institutions.



SNV, PADANE, Burundi

Farmer Field Schools represent a time-proven methodology that SNV applies in collaboration with governments, the private sector, and other partners in Asia and Africa to improve sustainable production.

As we expanded our work on the environmental sustainability of value chains, SNV entered into a partnership with the World Vegetable Centre (WVC) in the five-year [Veggies for People and Planet](#) project, funded by the [IKEA Foundation](#). This project aims to bridge the *vegetable gap* in Ethiopia and Kenya, while creating jobs, increasing incomes, and improving nutrition for participants. Vegetable business coaches within 51 Vegetable Business Networks are now actively promoting regenerative agriculture practices, vegetable crop protection (pest and disease control), soil and water management production economics, and gross margin analysis of selected crops amongst their member organisations.

Our work to increase incomes and improve food security is visible in Mozambique where the Sida-funded [Agriculture Markets Development in the Lichinga-Balama Corridor \(DEMA LIBA\)](#) project is supporting 18,000 smallholder farmers. The project promotes sustainable farming using climate-smart agricultural practices and farmer-based extension services in order to increase productivity and climate resilience in the northern region of Mozambique. Most farmers there are subsistence farmers, growing food for their own consumption. They are poorly connected to local or international

commercial markets and are severely affected by climate-related droughts and floods. In 2021, as a result of SNV activities, 865 smallholder *champion farmers* were trained to use climate-smart agricultural practices. In turn, these farmers promoted the practices in their communities, leading to 6,750 farmers buying and using improved seeds, fertilisers, and agro-chemicals.

Farmer Field Schools (FFS) to improve sustainable production represent a time-proven methodology that SNV applies in collaboration with governments, the private sector, and other partners in a range of countries in Asia and Africa. The FFS model is a deliberate move away from training and visit extension approaches. By applying adult learning principles, farmers themselves manage learning plots on their own farms and peer-learning is a key aspect of the approach. FFS cover the whole production cycle from planting seeds to harvesting, increasing soil fertility, applying climate-resilient practices, and managing pest and disease with less use of pesticides. While the methodology is proven, the sustainability of FFS as an extension approach has been more challenging as it is a rather intensive approach. The EKN-funded [HortiLIFE](#) project in Ethiopia introduced FFS extension with the

Ministry of Agriculture for smallholder vegetable producers in Phase 1, leading to an annual net income increase of 43% among the 10,000 FFS participants. Phase 2 aims to institutionalise FFS as an extension approach with the Ministry. In 2021, the Ministry of Agriculture started implementing FFS in 25 districts, with only limited support from SNV. At the same time, we have been working with the Ministry to develop guidelines and strategies on the sustainable implementation of FFS at the federal level to ensure quality. These efforts aim to achieve system transformation at scale, which is required to provide effective extension support to at least 500,000 smallholder horticulture farmers, far beyond the 50,000 farmers that HortiLIFE will manage to reach.

### Sustainable Nutrition For All (SN4A)

Designed to address the global hunger and nutrition crisis, 2021 was declared a Nutrition Year of Action in the lead up to the Food Systems Summit in September and the Tokyo Nutrition Growth Summit in December. However, despite this high level of attention, current trends indicate that most countries will not achieve the WHO nutrition targets by 2025. Indeed, child nutrition targets and adult dietary





indicators on non-communicable diseases are both off track.

SN4A is an holistic nutrition project approach to address malnutrition, using a food systems lens to address food insecurity and dietary intake at the community and household levels. In rural contexts where most consumers are also producers and vice versa, the SN4A demand and supply strategy triggers nutrition awareness and demand for nutrition and dietary improvements. The approach uses social behavioural change communication to boost nutrition, care, and WASH practices, and local homestead production of vegetables, fruits, legumes, and small livestock, which increases agro-biodiversity and the year-round availability and access to an affordable, safe, and diversified food basket. To increase incomes and enhance access to healthy nutritious foods from the market, the approach helps establish market linkages, which also ensures that fresh and nutritious food is supplied to urban and peri-urban markets.

In 2021, SNV projects and programmes increased the number and quality of nutritious products that reached vulnerable populations and low-income consumers, including through the systematic application of market opportunity exploration. For example, in the DGIS-funded [2SCALE](#) project, we promote distribution and marketing approaches that pro-actively target bottom-of-the-pyramid (BoP) consumers. These approaches increase the availability, accessibility, and affordability of nutritious foods through local sales outlets located near BoP consumers. Together, the champion businesses and small and medium-sized enterprises (SMEs) supported nearly 150,000 BoP consumers with improved



SNV, Veggies for People and Planet, Ethiopia

access to affordable food products throughout 2021 in eight project countries. Meanwhile, EKN-funded dairy projects such as the [Building Rural Income Through Inclusive Dairy Business Growth in Ethiopia \(BRIDGE\)](#) project and [The Inclusive Dairy Enterprise \(TIDE\)](#) in Uganda found suitable markets via school meal programmes, where milk enhanced the nutritional value and dietary diversity of daily cooked meals and yoghurt provided a healthy complementary snack for school-aged children.

**Sustainable Nutrition for All  
demand and supply  
strategy triggers nutrition  
awareness and demand  
for nutrition and dietary  
improvements.**

In Rwanda, the EKN-funded [Hortinvest](#) project conducted a three-month nutrition campaign in 2021 with the core message: 'A meal with fruits and vegetables, my family's pride'. Targeting urban populations to increase their vegetable and fruit consumption, the campaign used media channels such as radio and TV to reach over 2.5 million people with this information. The post-campaign evaluation showed that the five key messages were well remembered, with almost half of respondents correctly citing the numbers of servings per day. Still, availability and affordability of fruits especially remained a barrier to increased consumption. The messages were intended to inspire men – as gatekeepers for household purchases – to take care of their families by providing them with adequate fruits and vegetables, prioritising these over fizzy drinks and alcohol. The project highlights efforts to integrate intra-household gender dynamics as a critical topic in nutrition awareness and social behavioural change and communication.

Aiming for lasting systems change, we also continued to work with the [Scaling](#)

Up Nutrition stakeholder networks to strengthen local capacities and unite actors on a common nutrition agenda. In Rwanda, Uganda, and Zambia, project staff worked with country, district, and ward nutrition coordination committees to engage with the private sector and civil society and to develop multi-sector, multi-actor nutrition action plans.

## Impact and outcomes

In 2021, we implemented more than 70 projects across 22 countries in Africa, Latin America, and Asia. The COVID-19 pandemic continued to influence our results, although to a lesser degree than in 2020 as both SNV and the countries in which we work have increasingly learnt to adapt to this new reality. Despite operational challenges created by the continuing pandemic situation, we have contributed to improved incomes for 1.8 million people through greater farm productivity, employment creation, and increased sales through service provision, trading, and/or processing. The latter has been achieved through activities implemented with and through micro-, small- and medium-sized enterprises (MSMEs) in the agri-food sector.

In addition to improving people's incomes, we have also directly improved food and nutrition security for 222,000 people, helped 151,000 farmers to become more climate resilient by adopting enhanced practices, and improved the business performance of over 2,000 enterprises.

The results we achieved in 2021 underline our focus on building resilient food systems in low- and middle-income countries that offer livelihoods centred on economic participation, equality, environmentally sustainable practices, and food

## The largest incubator for inclusive agribusiness in Africa

2SCALE is a €50M incubator programme, funded by DGIS and implemented by IFDC, BoPInc, and SNV. The programme manages a portfolio of public-private partnerships (PPPs) for inclusive business in agri-food sectors and industries in Burkina Faso, Côte d'Ivoire, Ethiopia, Ghana, Kenya, Mali, Niger, and Nigeria.

2SCALE focuses on establishing agribusiness clusters built around business champions. Champions are either entrepreneurial producer organisations or local SMEs that trade or process the produce of farmers. By providing support to these clusters, 2SCALE is developing products and markets for local consumer markets, preferably at the base of the pyramid.

SNV's activities in the programme have improved the livelihoods of over 90,000 farmers through increased incomes, including by raising productivity and employment. Youth are a key demographic and 2SCALE's inclusive agribusiness activities help to identify opportunities for youth empowerment and engagement in agriculture. In 2021, SNV supported employment-creation opportunities for over 2,500 young women and men. In addition, over 1,200 young micro-entrepreneurs were connected with different agribusiness partnerships. This support enabled young small-holder farmers to improve their agricultural productivity and income, and to access additional markets and more employment options. Critical barriers that prevent young people's



2SCALE, Ghana

entry into the entrepreneurship space were identified and addressed – such as access to finance and start-up capital, social capital limitations, and inaccessibility of related support structures. Trained youth were connected with financial service providers, positioning youth as part of village savings and loan association groups for start-up capital mobilisation, facilitating youth business networking, and providing market exposure with experienced business champions for on-the-job coaching and mentorship.

A concrete example of the impact of 2SCALE can be found in Ethiopia where beehive production was identified as a viable employment opportunity for young people in the honey sector. Since the inception of the partnership in 2019, over 3,300 farmers have embraced modern beekeeping, which mainly entails backyard apiculture and the use of modern beehives.





## Towards a biodiverse and inclusive palm oil supply chain: a regenerative agriculture initiative in Indonesia

Palm oil is a massive but also quite controversial commodity used by global industries that directly impacts the welfare of supplying smallholders. Innovative approaches are being sought towards a more sustainable and inclusive supply chain that can reduce deforestation while at the same time improving the livelihoods of smallholders.

In Labuhan Batu, North Sumatera Province, Indonesia, a project was initiated in late 2021 to support 2,500 palm oil smallholders to implement sustainable practices. The Biodiverse and Inclusive Palm Oil Supply Chain (BIPOSC) project is a collaboration between the Livelihoods Fund for Family Farming (L3F), Mars Incorporated, Danone, and L'Oréal. It is implemented by SNV and Musim Mas, a palm oil processor in Indonesia.

The 10-year project aims to build a transparent and deforestation-free supply chain through regenerative agriculture, locally adapted agroforestry models, and biodiversity enhancement. It will support the regeneration of 8,000 hectares of palm oil farms in degrading land areas while restoring additional resources of 3,500 hectares of local biodiversity.

Starting in September 2021, the groundworks for BIPOSC have been completed, through collaboration and coordination with the local authorities. Organised meetings with village

communities to introduce and disseminate project activities received positive feedback, alongside commitment for participation.

The project also developed training modules on Palm Oil Regenerative Agriculture Best Management Practices, and selected and subsequently trained 14 farmer leaders on palm oil regenerative agriculture. These trained farmer leaders will support the project in training and leading other smallholders to implement best practices. By the end of 2021, the farmer leaders had

participated in training sessions with over 300 smallholders, while the project had also prepared several demonstration plots in seven villages.

In 2022, BIPOSC will train more farmer leaders and smallholders, as well as provide institutional and business capacity-building for selected smallholder groups. Other activities will include implementing agroforestry models, constructing a composting unit, and social forestry advocacy for the communities living in the proximity of the protected forest area.



SNV, L3F, Indonesia



and nutrition security. Our work contributes to the SDGs, specifically SDG 1 (ending poverty), SDG 2 (zero hunger), SDG 5 (gender equality), SDG 8 (decent work and economic growth), SDG 12 (responsible consumption and production), and SDG 13 (climate action).

## Knowledge, learning, and partnerships

Knowledge exchange continued to be a priority in 2021, with a focus on three key areas for learning: 1) improved quality, effectiveness, and relevance of our products, solutions, and approaches; 2) increased use of data and information processes; and 3) establishment of formal and informal learning platforms within SNV and between projects.

More regular knowledge exchange and learning opportunities were put in place to strengthen links between SNV team members, projects, technical content areas, and countries, breaking down silos and creating a shared vision for the food systems trajectory being developed by SNV. Consultation rounds and learning workshops with team members across SNV have enabled an assessment of our portfolio through a food systems lens in order to solidify our expertise, knowledge, and learning areas to feed into a knowledge management and learning strategy that will be finalised in 2022. This strategy will support the new food systems results framework currently under development.

A significant number of learning events took place in 2021, despite COVID-19 travel restrictions remaining in place. A focus on strengthening collective learning for impact drove online and offline collaborations with regional exchange



SNV, PRO-ARIDES

meetings and a large number of webinars. A community of practice was established on Climate and Business with 170 team members to share learnings from SNV projects and external evidence. A cross-sector GESI taskforce and community of practice was also established to increase knowledge exchange and learning and to encourage a systematic approach towards integrating gender in project design and implementation. In addition, SNV hosted several multi-country and project learning workshops (both virtual and face-to-face) using reflective practices to collect evidence of effective pathways to change. This learning was used to adapt project plans in 2021, and also to collect evidence for external position papers and reports. A process was introduced to improve our information architecture and our technological support systems in order to foster effective knowledge capture, exchange, and dissemination across our global portfolio.

In 2021, we continued to work with many knowledge and implementing partners

across our agriculture portfolio. Amongst others, we have established significant partnerships with Wageningen University and Research (WUR) with whom we together implemented a number of important projects such as Pro-ARIDES in Niger, Burkina Faso, and Mali, and with whom we engaged in joint action research activities such as rapid assessments and information briefs on the impacts of COVID-19 on agricultural value chains. These briefs in turn informed the implementation of our agriculture projects and our donors. Our partnership with BoPInc deepened in 2021, helping to strengthen the consumer orientation in our value chain work; and we engaged effectively with CCAFS/CGIAR on a Climate Shot campaign and rally on agriculture at COP26. With the Food and Agriculture Organization of the United Nations (FAO) we produced a [youth-centred value chain analysis of selected horticulture value chains](#) in Rwanda and we continued our effective engagement with the European Practitioners' Network through our co-chairing of the Private Sector Working Group.





**1.7  
million  
people**

gained improved  
access to energy.



SNV, BRILHO, Mozambique

# Energy

Impact: In 2021 our energy projects and programmes measurably reached **1.7 million people** in 13 countries. The vast majority of these people gained access to sustainable and affordable clean energy. Applying renewable energy solutions, we contributed to climate change mitigation by reducing greenhouse gas emissions equivalent to 490,000 tonnes of CO<sub>2</sub>.

## Context

More than 750 million people around the world still have no access to electricity and close to 3 billion people do not have access to clean cooking energy. With the current rate of progress, the world will fall short of meeting the targets of SDG 7, which aims to achieve universal access to affordable and sustainable energy by 2030. 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. Those still lacking access are increasingly concentrated in sub-Saharan Africa.

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 to below 1.5–2°C, as agreed in the [Paris Climate Agreement](#), requires an energy transition away from fossil fuels towards renewable energy sources, which are expected to make up most of the world's energy production.

Encouragingly, donors increasingly integrate climate actions into their funding portfolios and understand that the energy transition requires a broad

Renewable energy and energy efficiency solutions can help to reduce greenhouse gas emissions and increase climate resilience along agriculture value chains.

systems change approach. Following the COVID-19 pandemic and COP26 – the latest climate summit in Glasgow in 2021 – there is a growing sense of urgency for distributed renewable energy solutions to support those who need it most. Now, more than ever, we need to ensure that our projects and programmes leave no one behind.

## Sustainable Energy Markets (SEM)

Our work in energy is primarily guided by SDG 7, with our globally applied [Sustainable Energy Markets \(SEM\)](#) product along with our cross-cutting [Climate and Business 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 and heating in all three products. The dominant focus is on achieving universal energy access, particularly for the hundreds of millions of people living in energy poverty today, often living in remote, rural areas. Distributed renewable energy solutions, such as stand-alone solar systems at household level or mini-grids at community level, are in many cases the most effective and cost-efficient way to reach these people. Our commitment to equity translates into a focus on gender and youth. Productive use of energy is of increasing importance in our projects, with particular emphasis on renewable energy applications in agricultural value chains.

SNV's core product in the energy sector, 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. We apply a comprehensive approach to stimulate demand, facilitate supply, and improve the conditions of enabling environments. Through our projects and programmes, we work towards increased quality and reliability of technologies, while increasing access to and supply of





SNV, Biogas Dissemination Scale-Up Programme, Ethiopia

affordable finance for both end-users and private-sector suppliers. We do this through early-stage, catalytic grants, results-based financing (RBF), and other innovative financing schemes. Combining local know-how with international state-of-the-art expertise, SEM offers solutions to energise households, MSMEs, and 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 fertilizer for agriculture. Through SNV-supported biodigester programmes in 2021, close to 20,000 people benefited from access to biogas for clean cooking and to bio-slurry as an

organic fertiliser, leading to increased agricultural production. Despite the challenging security situation in those countries, the European Commission-funded [Biogas Dissemination Scale-Up Programme in Ethiopia](#) and the [National Biodigester Programme of Burkina Faso](#) managed to deliver results, supported by the World Bank's Carbon Initiative for Development (Ci-Dev). For example, the programme in Ethiopia supported the construction of more than 3,000 biodigesters in 2021 through local companies, with more than 250 full-time jobs involved.

Exciting news came in 2021 with the approval of the DGIS-funded African Biodigester Component (ABC) of the Energising Development (EnDev) programme, in which SNV will support biodigester market development in

Productive use biodigesters installed in dairy farms generate electricity used for dairy processing or for running small agro-processing factories.

Burkina Faso, Kenya, Mali, Niger, and Uganda. This builds on earlier successes achieved in the [Africa Biogas Partnership Programme](#), which benefited 320,000 people. EnDev ABC aims to facilitate the construction and installation of 50,000 small-scale biodigesters by the end of 2025, which will result in energy access for at least 250,000 people. It will also reduce yearly CO<sub>2</sub> equivalent emissions by over 180,000 tonnes.

**Clean cooking solutions** also reduce indoor air pollution and associated health risks, decrease emissions, and provide time and cost savings for households. Our projects and programmes support households to move to a cleaner energy mix. While targeting increased engagement in e-cooking,, biogas, and advanced biomass stoves, we also consider lower-tier solutions (e.g., improved use of charcoal and firewood) for those who cannot yet access higher-tier solutions.

Globally, through activities managed by SNV, more than 950,000 people benefited from access to improved or clean cooking in 2021. Positive results were achieved in the EnDev-supported programmes in Cambodia, Kenya, Lao PDR, Nepal, Rwanda, and Tanzania, as well as in the [BRILHO programme in Mozambique](#). However, in some cases, such as EnDev

in Mali, progress was seriously affected by political instability and levels of insecurity. While the results achieved in 2021 are promising and exceed our targets overall, it is clear that increased efforts are required to achieve further scale and significantly reduce the number of people who do not have access to clean cooking.

In Cambodia, an innovative approach aimed at cooking behaviours was expanded under EnDev, building on the behaviour change approach used in our WASH sector. The [Smoke Free Village campaign](#) offers an area-wide

communication-focused approach that combines demand-creation and supply-chain strengthening in the local context. It engages local governmental bodies, schools, health centres, and pagodas, and meant that more than 60,000 people accessed higher-tier clean cooking solutions in 2021 – exceeding our expected target (see box).

**Solar and other renewable off-grid electricity solutions** offer households, businesses and institutions access to energy for lighting, power and productive use. SNV supports market development

for stand-alone systems (pico-solar photovoltaic (PV), solar home systems) and mini-grids. Different business models, financial mechanisms, and technical assistance are needed for each of these markets to develop and implement localised solutions. In 2021, SNV supported access to electricity for more than 700,000 people through private-sector provision of off-grid power, particularly in Kenya, Mozambique, Nepal, and Tanzania.

In Tanzania, under the EnDev programme, we responded to the impacts of the COVID-19 pandemic by establishing the

## Market development for higher-tier biomass cookstoves in the Mekong region

The [EnDev Mekong project](#) has created an initial market for higher-tier improved biomass cookstoves in Cambodia and Lao PDR. The current phase of the project aims to support the still nascent local industry to mature and scale up, paving the way for increasingly modern cooking solutions, including e-cooking.

In Cambodia, next to building up early-stage supply-side actors, the project focuses on demand creation through innovative behavioural change communication approaches. The Smoke Free Village (SFV) campaign offers an integrated approach that combines demand creation, supply chain strengthening, behavioural change communication, and governance to facilitate the transformation to smoke-free cooking. The project started trialling community-based communication methods to ignite change in household use of cooking fuels and stoves. Inspired by the successful Open Defecation Free Village approach used in the WASH sector, the EnDev Mekong project aims to stimulate collective change towards SFVs through community dialogue. In 2021, the SFV campaign was rolled out to 37,000 households. The results surpassed most optimistic scenarios, with clean cooking becoming a new norm: over 16,800 clean cookstoves were bought by households from the local market and more than 96,000 people gained access to improved cookstoves.

In Lao PDR, the project is gradually [mainstreaming more advanced cookstoves into the existing ecosystem for improved cookstoves \(ICS\)](#), and expanding the reach of the supply chain to unserved areas, with a *leave no one behind* focus on very poor or remote areas. The programme is strengthening its well-established ICS franchise in the south and central regions and expanding its successful market-based approach towards northern provinces, thus covering 18 provinces within the country.

Despite many challenges due to COVID-19, good progress has been made in Lao PDR, with just over 143,000 ICS produced in 2021. Through the strengthening of six new production centres in the northern provinces plus behavioural change communication initiatives with the Lao Women's Union and the Lao Youth Union to consolidate the distribution network, the project opened up a market for ICS in untapped areas. The project now works with 31 production centres across the southern, central and northern provinces – ensuring nationwide coverage and accessibility for ICS. Moreover, 16 of the production centres are owned by women. With the addition of about 200 new retailers, the project has also expanded the distribution network to over 1,600 retail points.



Students can study in the evenings and businesses can continue operating after dark, all in a clean, unpolluted environment.

Green Economic Recovery Fund (GERF), a seven-month emergency relief instrument funded by the German Federal Ministry for Economic Cooperation and Development (BMZ), with the aim of supporting the sale of 70,000 systems. Working with 10 local and international off-grid solar suppliers selling VeraSol-approved products (ranging from lanterns to solar home systems), the initiative benefited more than 250,000 people in 2021. Applying the Vulnerability Access Index (VAI) – a methodology developed by SNV to consider geographic differences in socio-economic conditions and market maturity – we ensured that the initiative was of particular benefit to those with the greatest need.

A key achievement in Mozambique was the government approval of the national Regulation for Off-Grid Energy Access in 2021. Facilitated by our FCDO- and Sida-funded BRILHO programme implemented by SNV, this regulation gives government recognition of the importance of off-grid energy to catalyse rural socio-economic development, leveraging private-sector investment and improving the living conditions of millions of people. The regulation provides the required



SNV, BRILHO, Mozambique

framework for the implementation of mini-grid business initiatives in particular, with clear procedures and conditions in place to ensure viability and sustainability for the proposed business models. The approval represents a big step towards accelerating off-grid energy development in Mozambique in the coming years. In 2021 alone, BRILHO contributed to more than 200,000 people gaining access to electricity through solar home systems and to more than 60,000 people accessing improved cooking solutions, with further scaling expected.

Beyond solar, we engaged in other technologies for decentralised electrification as well, such as in Nepal, through the use of pico-hydro schemes to provide electricity at community level. In 2021, more than 2,000 people gained access to

power through pilots of these alternative solutions.

### Energy nexus interventions

Application of renewable energy solutions in agriculture value chains contributes to climate change mitigation, while adaptation offers energy solutions for climate challenges at the same time as delivering food and energy security, poverty reduction, and ecosystem conservation. At SNV, we recognise the urgency and importance of integrated energy and agriculture value chain interventions, which are essential for clean, efficient, and sustainable energy applications to bring about lower emissions, reduced fossil fuel use, and cost savings within food value chains. Building on SNV experience of agriculture and energy needs in developing markets,



## Sustainable energy for smallholder farmers

Smallholder farmers in rural regions in Ethiopia, Kenya, and Uganda often use expensive and harmful energy sources which prevent them from farming efficiently and from preserving agricultural products. A new EnDev project launched in 2021 aims to harness the potential of renewable energy technologies and related energy services for productive use of energy (PUE).

The €8M project Sustainable Energy for Smallholder Farmers (SEFFA), which is funded by the IKEA Foundation and implemented by SNV, GIZ and *Rijksdienst voor Ondernemend Nederland (RVO)*, aims to incorporate the use of renewable energy technologies and services for irrigation, cooling, and drying for smallholder farmers in dairy and horticultural value chains. The project focuses on identifying and piloting scalable, innovative PUE business cases for smallholder farmers to help achieve increased productivity, improved nutrition, higher incomes, and improved climate resilience. In terms of target communities, the project aims to reach groups that comprise 25% women and 30% youth.

Technologies being introduced through the project include solar irrigation in the production of fruit and vegetables as well as forages for cattle, solar dryers to mitigate post-harvest loss of horticulture products, solar cooling in the dairy and horticulture value chains, and a renewable energy community hub.

An innovation fund provides small grants of up to €25,000 for four applicants per country on a competitive basis. These grants support local, innovative PUE business models that have the potential to be scaled up and that relate to the project's productive use of renewable energy (PURE) technologies.

As a multi-country project, SEFFA also has a cross-country learning component which is led by SNV. During the inception phase a baseline study and market assessment was conducted which laid the foundation for project implementation. The study presents details of: horticulture and dairy value chain analysis in all project countries; selected PURE technologies



SNV, SEFFA, Kenya

that exist in the project countries and their use by smallholder farms; gaps and constraints that limit expansion of PURE technologies; and potential business cases to be considered for each of the selected technologies in-country. Furthermore, the study provides guidance on the project results measurement framework with proposed feasible indicators. The study has been validated through the engagement of key partners in all project countries.

SNV's engagement in the project varies among project countries. In 2021, the following activities were undertaken as part of the early implementation phase of SEFFA: identification of demonstration sites for the innovative business cases (Ethiopia); initiating development of national standards for solar water pumps (Ethiopia); setting up an adapted RBF facility for solar water pump distributors (Kenya); multi-stakeholder engagement to raise project awareness among different actors (Uganda); an exchange learning visit for yoghurt processing units and dairy cooperatives to the VIEMA Probiotic yogurt plant to benchmark milk cooling technology using solar refrigerators (Uganda); developing a concept note on cross-country learning and innovation for scaling up viable business cases; establishing the Knowledge Management and Learning Group; and discussing the innovation fund concept note led by RVO.



our projects identify high-value opportunities to demonstrate innovative *nexus* business models and technologies and create outreach for companies that provide them.

A good example is the IKEA Foundation-funded Sustainable Energy for Smallholder Farmers project which started in 2021 and is being implemented in Ethiopia, Kenya, and Uganda. The project stimulates the use of renewable energy technologies and services for irrigation, cooling, and drying by smallholder farmers in dairy and horticultural value chains. This contributes to increased productivity, higher incomes, and improved climate resilience, nutrition, and food security. The project identifies and pilots scalable, innovative business cases for PURE solutions with smallholder farmers and related local businesses. A solid basis for implementation was achieved in a multi-country baseline study and market assessment published in 2021, in which current production systems and energy needs of several PURE technologies were analysed, alongside commercial and technical viability.

Further integration of energy in agricultural value chains was realised in the DGIS-funded Climate Resilient Agribusiness for Tomorrow (CRAFT) project. Through an inclusive business approach to climate-smart and resilient agriculture, the project strives for not only business development impact, but also societal and environmental impact. An important element in CRAFT, is greater uptake of renewable energy and energy efficiency solutions among agribusinesses and smallholder farmers for increased production and productivity as part of the overall climate-smart agricultural services (practices and technologies) in prioritised

### Taking a market-based approach, SNV works with public and private partners to develop energy markets for biodigesters, clean cooking and off-grid electricity.

value chains. Example solutions include solar-powered drying technologies, solar-powered irrigation, motorised threshers, energy-efficient operation of tractor hire services for production, and energy-efficient technologies and practices in agricultural processing and value addition. Energy-related business cases also form part of the DFCD funded by the Dutch Government.

### Impact and outcomes

Our work in energy is guided by SDG 7, which aims to achieve: universal access to energy, a 50% increase in energy efficiency, and a doubling of global renewable energy production by 2030. However, clean energy and energy efficiency also contribute to other SDGs, notably SDG 1 (ending poverty), SDG 3 (health and wellbeing), SDG 5 (gender equality), and SDG 13 (climate action). Energy for all would significantly improve the lives of those currently lacking access and would boost their economic prospects. Women in particular stand to gain through reduced time spent gathering fuel and cooking, and avoiding indoor air pollution.

In 2021, we implemented more than 30 projects across 18 countries in Africa and Asia, reaching 1.7 million people through our energy programmes. The vast majority of these activities helped to provide people with access to sustainable and affordable energy. Globally, through projects managed by SNV, more than 950,000 people benefited from access to improved or clean cooking. We also supported access to electricity for more than 700,000 people through private-sector provision of off-grid solar power. Through the SNV-supported biodigester programmes, over 19,000 additional people benefited from access to biogas for clean cooking in 2021 and to bio-slurry as an organic fertiliser, leading to increased agricultural production. Through these achievements, we also reduced emissions by the equivalent of 490,000 tonnes of CO<sub>2</sub>.

Despite challenges related to the COVID-19 pandemic, as well as political instability and levels of insecurity in some countries (such as Burkina Faso, Ethiopia, and Mali), we met and in some cases exceeded our overall impact targets set for 2021. However, it is clear that more action is required to achieve scale and to significantly reduce the number of people who do not have access to affordable energy.

### Knowledge, learning, and partnerships

We continued our internal and external engagement in knowledge exchange on biodigesters, clean cooking, and off-grid electrification throughout 2021, as well as on crosscutting topics including productive use of energy, innovative finance, and GESI. A GESI cross-sector taskforce was established to increase knowledge



SNV, Improved Cookstoves (ICS) Programme, Lao PDR

exchange and learning, and a systematic approach was introduced to integrate gender in project design and implementation. Virtual global energy sector meetings were successfully carried out with cross-country learning between SNV team members.

A series of materials was published over the course of 2021 on a number of different topics. For example, we played a leading role in the development of a set of EnDev reports on the [Market for productive uses of solar energy in Kenya](#) and on the [Vulnerability Access Index](#), a pro-poor approach to develop solar markets in rural and vulnerable areas. We continue to lead a community of practice on Productive Use of Energy (PUE) on behalf of the EnDev partnership, with

participation from Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ, the German Agency for International Cooperation), AVSI, CLASP, Hivos, and Practical Action, amongst others.

Additionally, we engaged in events in 2021 with partners including Sustainable Energy for All (SEforAll), the World Bank Energy Sector Management Assistance Programme (WB-ESMAP), the IKEA Foundation, the Rockefeller Foundation, the Alliance for Rural Electrification (ARE), GOGLA, and the Clean Cooking Alliance, to name a few. We welcomed opportunities to speak at the Vienna Energy Forum virtual series, the Vienna Energy Forum 2021, ARE's Energy Access Investment Forum, the Climate Adaptation Summit, and several side events at COP26.

Globally, through activities managed by SNV, more than 950,000 people benefited from access to improved or clean cooking in 2021.



# Crosscutting products and activities



## Climate and Business

The climate crisis is affecting the communities that SNV works with in different and increasingly drastic ways. Climate disasters such as prolonged drought, sporadic and intense storms, and uncertain weather patterns are having the greatest impact on the most vulnerable across the world. For this reason, increased climate resilience is imperative for the people we work alongside and for the systems we work within.

SNV's [Climate and Business product](#) stimulates climate change mitigation and adaptation solutions. We do this by supporting businesses to adopt and scale up climate-smart agriculture and energy practices that increase productivity and build resilience. We aim to increase the sustainability of food systems and improve the use and efficiency of energy markets to generate employment, reduce emissions, and support landscape restoration.

### Resilient food systems

Climate-smart agriculture reduces risks from the impacts of climate change, lowers greenhouse gas emissions, and increases productivity and incomes. Changing the behaviour of agribusinesses is pivotal to realise climate change adaptation and mitigation in agriculture. We achieve this by kickstarting markets and leveraging finance for scale. In addition to direct investments in high-impact adaptation sectors, we stimulate services that are critical to transform supply chains. In particular, we target financial institutions, aggregators, and climate information and energy services. We also work with national and local authorities to support the development of a conducive policy environment.

A good example is the €36M DGIS-funded [CRAFT project](#) in East Africa, where we work with research institutions to develop climate risk assessments and understand climate change impacts on vulnerable value chains in Kenya, Tanzania, and Uganda. This information is used to raise awareness among financial institutions and agribusinesses about the risks they



SNV, Climate-Smart Family Farming, Honduras

are facing and steps they can take to adapt. The project focuses on the application of an inclusive business approach to climate-smart and resilient agriculture, to attain business development impact as well as societal and environmental impact. By the end of 2021, CRAFT had 51 climate-smart agriculture businesses on board – both SMEs and cooperatives. More than 116,000 smallholder farmers received information and were trained on climate-smart agriculture practices, with just over half being youth and women. As a result, almost 60,000 farmers increased their incomes by 10% or more, while around 86,000 adopted two or more climate-smart agriculture practices over a 12-month period.

The AgResults Vietnam Emissions Reduction Pilot (AVERP) is another project that is developing, testing and scaling up innovative technologies and approaches to reduce greenhouse gas emissions in the rice sector. In 2021 it contributed towards reducing poverty, protecting the environment, and building climate resilience for almost 48,000 farmers. The project considerably exceeded the anticipated level of scaling. By applying climate-smart technology packages, rice yields increased by 14% while at the same time reducing input costs by 10–15%. Rice paddies used 40% less water and 20% less fertiliser/pesticides. Overall greenhouse emissions were reduced by an average of 0.67 million tonnes per hectare, a 3–10% reduction. Using an innovative contest format, companies were challenged to test, prove, and scale up their climate-smart technologies, while also increasing their profits.

The Climate-Smart Family Farming project promotes climate-smart approaches in food production and water resource management in the Basins of La Paz and Comayagua in Honduras. The project, funded by the EU through the EURO-CLIMA+, has established 704.3 hectares of climate-resilient production systems in coffee, livestock, and basic grains, benefiting 871 producers, of which 271 are women. These producers have implemented climate adaptation practices and measures for resilient food production. Water governance models have been structured, institutionalised, and are in operation in three sub-basins, and three water action plans are being implemented by the municipal governments and adopted in landscape planning processes.

The DFCD, a €160M project funded by DGIS, supports the development of a climate-smart business pipeline for targeted investment funds. Alongside the Dutch Entrepreneurial Bank (FMO), Climate Fund Managers, and WWF, SNV has signed 14 origination projects in progress in Bangladesh, Indonesia, Kenya, Mali, South Sudan, Vietnam, and Zambia. These projects are developing and de-risking scalable private investment proposals that aim to increase the climate resilience of production chains and vulnerable communities, with the potential to impact 2 million hectares of farmland under sustainable management and bring about positive benefits for 8 million people, including by leveraging private investments of over €75M. Energy-, water-, and agriculture-related climate-smart business cases all form part of the DFCD.

We are supporting local companies to develop business proposals to scale their adaptive climate solutions.

## COP26

SNV contributed to a diverse range of topics at the 26th UN Climate Change Conference (COP26) in Glasgow, UK, in 2021. The topics of food systems and the contributions of agriculture and energy transition to climate change featured more prominently than in previous COPs, with particular attention given to how they can improve livelihoods and resilience for people in low-income countries. Together with CDKN, ODI, CARE and Mercy Corps, SNV launched *Advancing gender equality and climate action, a practical guide to setting targets and monitoring progress*, which gives practical examples from our engagement in the energy and agriculture sectors. SNV and SunFunder also published a whitepaper on *Why localisation matters for financing off-grid energy*. Both publications were presented and discussed at side events during COP26 and were well-received by donors and partners.

## Digital climate adaptation services for pastoralists

Pastoralism is a form of mobile livestock production that has been employed for more than 6,000 years and is most prominent in the grazing lands of the Horn of Africa and the Sahel of Western Africa. There are an estimated 50-70 million pastoralists in Africa, who produce about 90% of the meat consumed in East Africa and 60% of the meat and milk consumed in West Africa. Although pastoralism has always been a difficult profession – up to 20 million pastoralists live below the poverty line – the challenges that pastoralists face have increased in recent years due to regional conflicts and the effects of climate change.

Up-to-date and reliable information is essential to help pastoralists better manage the mobility of livestock that guarantees access to pastoral resources. To this end, we approached partners such as Orange Telecom, the local NGO Tassaght, the Ministry of Livestock and Fisheries, and the satellite imagery company Hoefsloot Spatial Solutions (HSS) to collaborate under the Sustainable Technology Adaptation for Mali's Pastoralists (STAMP) project in Mali.

STAMP launched Garbal, a digital advisory tool that leverages satellite and field data to provide essential information to pastoralists and agro-pastoralists

to become more resilient to the effects of climate change. Via unstructured supplementary service data (USSD) and calls, pastoralists can obtain valuable information on rainfall and the quantity and quality of pastoral resources, all essential for their herds. They can also obtain information on livestock concentration levels, market prices for animals and grains, and advice on pastoral resources and animal health.

Garbal has been accessed by over 200,000 pastoralists and has been launched in other countries, including Burkina Faso and Niger. The results have been positive – pastoralists have used the digital services and have seen 15% lower mortality rates among their herds, 10% higher productivity, and 10% higher income levels. Following the achievements of its experimental phase in 2015–2018, which was funded by the Netherlands Space Agency (NSO), an extension phase for 2019–2021 was financed by EKN and the Swiss Agency for Development and Cooperation (SDC).

Mr Mohamed Bouzou Dicko, a 34-year-old shepherd, living in a village 60 km from the city of Gao, describes how the information that he accesses through Garbal has allowed him to make decisions with much less risk: 'Since 2015, the village of Boya has benefited from the intervention of the STAMP project and many pastoralists in the village use the Garbal service. Thanks to Garbal, we no longer make unnecessary trips that are expensive, and we save not only time but also money related to travel costs.'



Tassaght, STAMP, Mali





# Opportunities for Youth Employment (OYE)

More than half of young people living in low-income countries do not have a job or are underemployed. Structural obstacles such as lack of access to dignified employment opportunities, skills training, or affordable finance prevent young people from putting their skills to use and from thriving, which in turn hampers economic growth in countries.

At SNV, we apply a market systems development approach to youth employment and entrepreneurship development. Implemented in more than 10 countries in Africa, the OYE Push, Match, Pull, Enable approach catalysed employment opportunities and improved livelihoods for 78,000 young women and men in the agriculture and energy sectors in 2021.

## Access to jobs and leveraging finance

SNV in Ethiopia implements two large youth employment programmes: the Livelihoods Improvement for Women and Youth (LIWAY) programme, funded by Sida; and the Realizing Aspiration of Youth in Ethiopia through Employment (RAYEE) project, funded by the Mastercard Foundation.

LIWAY is implemented in Addis Ababa where a significant number of young people – particularly young women – have limited access to jobs, despite the growth potential and market opportunities of the city. Through LIWAY, we implement activities in partnership with different private and public market actors who have an interest in addressing the market system barriers that lead to this situation. In 2021, LIWAY facilitated the establishment of 380 enterprises that demonstrated

improved business performance, characterised by increased sales and access to finance. The Ministry of Labour and Skills expanded an innovative and successful digital job matching platform set up by LIWAY, and set up a service to provide national-level digital job matching (see section on Changing the systems that trap people in poverty). The five-year RAYEE project aims to create dignified and fulfilling employment opportunities by 2024 for 240,000 youth (of whom 70% are women) living in Ethiopia. In 2021, the project supported technical and vocational education and training institutes operating in Bure and Yirgalem Integrated Agro-Industrial Parks to align their training programmes to the demands of investors and the technical needs of the impact group.

In Mali, our four-year Value Chain Development and Youth Employment (EJOM) project, funded by the EU, came to a close in 2021. A sustainable achievement of the project is the significant increased capacity of financial inclusion promoters who support local SMEs. By the end of the project, EJOM had supported the establishment of 20 horticultural farms in Koulikoro, Kayes, and Gao regions, which have increased investments and created jobs for over 600 young people, 40% of whom are women.

**The OYE approach catalysed employment opportunities and improved livelihoods for 78,000 young people in 10 African countries.**

The Youth Employment for Food Security Improvement in Northern Benin (EJASA) project, funded by EKN, builds the capacity of young women and men based on their ambitions and interests, and links them to concrete market opportunities in different value chains. The project partnered with local NGOs to lead the process of training and coaching youth – over 2,000 service recipients (920 females (44%) and 1,148 males (56%)) were enrolled in the process, with nearly all completing the advanced training and accessing coaching support services.

## Youth voices and transforming systems

In 2021, Ethiopia hosted the second OYE International Conference organised by SNV in partnership with Sida. Focusing on the theme of innovation, inclusion and inspiration, this two-day hybrid event was attended by young people from Mali, Ghana, and Zimbabwe, as well as representatives from international organisations. The outcomes of this successful conference are captured in the conference report.

In Uganda, our EU-funded Security, Protection and Economic Empowerment (SUPREME) project contributed to systems change by building the capacities of instructors of business training institutes on the use of assessment and training packages for competency-based skilling. We achieved this in collaboration with Uganda's Directorate of Industrial Training. The competence-based training approach leads to improved quality and sustainable delivery of skills by business training institutes and is already being

adopted by many training institutions beyond the project scope.

But the realisation of systems change cannot happen in isolation. The voice of young people is central to this transformation, alongside evidence of what works (and not) in this new and dynamic youth employment space. To this end, in Niger, the Jeunes Entrepreneurs et s'Emploient au Niger (JEEN) project – funded by the EU and implemented by SNV together with Niger's General Directorate of Decentralisation and Territorial Communities (DGDCT), Oxfam, Partners for Innovation (PfI), and the United Nations Capital Development Fund (UNCDF) – applies evidence-based programming to empower young people to make transformational and sustainable change at community level and to match youth aspirations with concrete economic opportunities. To date, the project has captured major lessons learned, key among them the need to involve community leadership and other support structures.

OYE Tanzania Phase 2, a project co-funded by SDC and Danida in partnership with the private and public sectors, reflects the role that youth alumni can play in supporting, mentoring, and coaching newer cohorts. In 2021, OYE champions and female role models were trained in how to facilitate peer mentoring, coaching, and advocacy skills in support of their younger peers, giving them an opportunity to give back to the community while building sustainable support structures beyond the project scope. In 2021, the project trained more than 2,100 individuals (55% females) in basic social and business skills development. More than 1,850 others completed technical training in agriculture, livestock, renewable energy, and on- and off-farm enterprises.

## Young farmers learning integrated smart farming practices in Ghana

Boosting Green Employment and Enterprise Opportunities (GrEEn) is a €20M project in Ghana, primarily funded by the EU and implemented by SNV and UNCDF in partnership with Ghana's Ministry of Local Government, Decentralisation, and Rural Development. The four-year project supports sustainable and climate-resilient local economies, green jobs, and development in regions of migrant departure, transit, and return. Green jobs are a critical vehicle for young people to secure their social, economic, and political inclusion.

In 2021, green job fairs attracted over 1,200 youth participants, while over 2,330 youth received training on green jobs, and almost 600 completed an internship programme. We were able to support 12 start-ups and entrepreneurs with matching grants under the GrEEn Incubation and Acceleration Programme, one of whom is Joel Antanah, a young farmer from the western region of Ghana. With a background in engineering, Joel was interested in learning about business development skills in relation to agriculture during the six-month business advisory and mentorship programme targeted at green start-ups to help accelerate their growth.

The GrEEn Incubation Programme also exposed Joel to an innovation called indigenous micro organisms (IMO) technology that he has adopted on his integrated farm that has poultry birds, catfish and tilapia fingerlings, pigs, and crops such as maize, cassava, and plantain. He is using the matching grant to expand his farm and support the commercialisation of the IMO technology in order to increase its impact, meet the growing need for organic fertilisers, and create more jobs.

With the goal to fully transition into a green, circular farm, Joel has gone a step further to install a 1.3 KWh solar system to power some of his farm operations.

'In the next five years, I want to operate one of the biggest animal factories in Ghana and produce manure using the IMO technology. I also want to be a role model for youth who also want to be entrepreneurs or go into farming. I want to organise free trainings and share my knowledge with interested youth so we can solve food insecurity in Ghana and regionally. My goal is to raise the standards of agriculture by using technology.'



SNV, GrEEn, Ghana



## Innovative finance

Current levels of official development assistance (ODA) and international investment towards achieving the SDGs leave an annual funding gap of US\$2.5–3 trillion. This gap cannot be filled without using innovative financing approaches and instruments – such as blended finance, green and blue bonds, guarantee schemes, impact investments, and weather indexed insurance schemes, among others – and without fostering new partnerships and collaborations to

complement traditional development cooperation.

SNV is at the forefront of innovative financing mechanisms having developed, piloted, and implemented different approaches through various projects. For example, the GrEEn project is using blended finance to increase access to finance for SMEs in Ghana. As part of its efforts to create a marketplace of investors and commercial lenders targeting

SMEs in the green economy, the project assessed the availability of blended financing options for co-funding and recommended de-risking mechanisms. The DFCD, on the other hand, is a stand-alone facility with a fund size of €160M. It has a two-stage investment process: originated bankable investments are supported with grants and technical assistance and graduated investments are eligible for direct financing of up to €10M.



SNV, GrEEn, Ghana



# Changing the systems which trap people in poverty

We build systems change into our projects to address structural barriers that prevent people from living with dignity and from having equitable opportunities to thrive.



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

At SNV, we have developed the following principles to design and implement projects with a systems change orientation:

- Address structural barriers within systems that limit people from pursuing their own sustainable development.
- Make use of opportunities and technical and organisational innovators.
- Actively engage with stakeholders to define outcomes and processes.
- Institutionalise achievements.
- Work with and complement other development actors.
- Apply long-term and adaptive approaches.

Contributing to systems change is complex – especially in the fluid and unpredictable context within which we work. In the face of these complexities, we have mainstreamed the use of four success para-

meters into our project development and implementation: 1) leveraging finance, 2) kickstarting markets, 3) supporting governments and others to embed and institutionalise our approaches, and 4) creating a new normal by changing rules and norms. These parameters have proven to be a pragmatic way to synthesise results and measure success. However, we are committed to deepening our knowledge on systems-based approaches and to further refining the way we measure and showcase our contributions to systems change in the future.

In the three sector- and country-level narratives below, we showcase the significant contributions SNV has made to systems change in East Africa. We have a longstanding presence in this region, where some of our biggest country portfolios are located.



SNV, Veggies for People and Planet, Kenya



SNV, WASH SDG, Zambia



## WASH systems change in Zambia

As Zambia's population nears 19 million people, the 45% living in fast-growing urban areas are increasingly depending on on-site sanitation systems, mostly pit latrines. Access to professional emptying services is limited and mostly non-existent. In many cases, urban dwellers in low-income neighbourhoods call upon a handyperson or an informal labourer to empty their latrines. As a result, pit contents end up buried within the perimeter (during the dry season) or are dumped in the nearest water drain (during the rainy season).

Our work in Zambia has contributed to profound systems change in the country's sanitation landscape. Today, many urban dwellers in low-income neighbourhoods have their pit latrines emptied by a trained operator licensed by a WASH utility. Human waste is safely transported to a disposal and treatment site, keeping both customers and service providers safe.

The road to increasing access to safely managed sanitation services in Zambia, as for many other countries, was long and complex. SNV introduced inclusive ways of collaboration and worked with diverse stakeholders – commercial utility companies, city councils, private-sector service providers,

health workers, and civil society groups – to explore and systematise the ways they fulfil their respective mandates or roles in an inclusive way. Moreover, in 2018, we supported the National Water Supply and Sanitation Council (NWASCO) (the government regulator) in designing its Framework for Provision and Regulation of Urban On-site Sanitation and Faecal Sludge Management. And in 2019, we facilitated the enlarged mandate of utility companies from a limited focus on sewers to sanitation, allowing them to finally service on-site customers.

It took two more years of evidence-based advocacy – of SNV documenting illegal emptying rates data and the sanitation situation of everyday people, and bringing this to national-level meetings – to bring about the statutory instruments in 2021 that now regulate the provision of on-site and faecal sludge management services. In parallel, we worked with the two utilities servicing five Zambian towns to expand the provision of on-site services, to partner with the private sector, and to develop strategic plans for the sustainability of these operations. Together, these efforts have led to clear standards of service for all actors in the system and ultimately to increased access to safe sanitation services for more than 20,000 people.





SNV, LIWAY, Ethiopia



## Improving the agricultural knowledge system in Ethiopia

In Ethiopia, we have focused our efforts on improving the agricultural knowledge system: how knowledge is shared and accessed by value chain actors. The aim has been to introduce, scale, and institutionalise active forms of learning to change ways of working in the agricultural sector – leading to a more sustainable and climate-friendly way of producing food and food-related products.

Traditional demonstration-only training approaches often do not convince smallholder farmers and SME owners who have limited investment opportunities to adopt new technologies or ways of working. Therefore, SNV projects such as [LIWAY](#), [BRIDGE](#) and [HortiLIFE](#) apply active forms of training, such as FFS, satellite training models, and action research. Central to these models is learning by doing and participatory discussions of results.

These active training approaches have started to shift mindsets on how production and value chain cooperation should take place. As a result of FFS in HortiLIFE, the use of hybrid seeds has gained traction among farmers as a more sustainable and profitable way to produce horticultural crops, increasing demand for embedded agro-dealer services. Similarly, the action research trajectories introduced by BRIDGE have changed how agricultural

scientists, farmers, and extensionists partnering in the project cooperate – from laboratories and offices to working together to find concrete solutions to acute, practical problems. Consequently, agro-dealers can provide services that meet needs and realities.

Participatory and active learning approaches are proving impactful. Almost 10,000 FFS members in HortiLIFE were able to increase their income by 43%. Dairy farmers in BRIDGE have been able to double their milk production to 50,000 litres per day, and over 1,300 enterprises have been able to increase their performance through support from LIWAY. We now observe others adopting these approaches. More leather companies are adopting the LIWAY satellite training models, the action research projects initiated by BRIDGE are increasing and expanding beyond dairy, and Ethiopia's Ministry of Agriculture has adopted and is institutionalising the FFS approach.

The active ways of learning and sharing knowledge applied by SNV in Ethiopia is leading to more profitable and sustainable production of food and food-related items. The shifts in mindsets and spread of these approaches will ensure that results sustain and grow after our projects come to an end.





## Accelerating productive uses of energy in Kenya through sustainable energy markets

Between 2014 and 2019, Kenya more than doubled its access rate for on- and off-grid electricity to up to 70% of people. Access to energy has great potential to improve people's livelihoods when it is used for income-generating activities or PUE – like kiosks offering mobile phone charging services or solar-driven irrigation systems on farms. However, a thriving market for PUE solutions is hampered by the high costs of acquiring technologies and inadequate distribution channels in rural areas. By improving the PUE market system in Kenya, SNV stimulates the use of solar products in small-scale businesses, supporting growth through sustainable energy sources.

Under the EnDev programme, we disbursed €121,000 in RBF to private-sector companies in 2021, leveraging 20% of private-sector co-financing, to enhance their capacities to kickstart the market of PUE products from the bottom up. This resulted in an expanded sales network of 11 solar distributors and SNV-supported technical assistance to over 1,800 users to acquire, use, and maintain solar-powered systems. Additionally, we worked with eight rural distributors of PUE solutions to improve the distribution networks for last-mile entrepreneurs, such as small-scale traders, service providers, and smallholder farmers. This contributed to the sale of 875 component-based PUE

systems and service-provision solutions, such as water pumping kits, phone charging kits, and sewing machines. Additionally, our work with companies to develop the PUE market has created over 4,000 direct and indirect new jobs – a clear sign of the market's growth potential.

The work to kickstart the market from the bottom up was complemented by SNV technical assistance to off-grid sector organisations lobbying for fiscal incentives. Such incentives are an important instrument to reduce consumer prices, stimulating demand and increasing sales. Using evidence-based advocacy, the sector organisations convinced Kenya's Ministry of Energy and the National Treasury of the negative fiscal impacts of a planned re-introduction of value added tax (VAT) on solar systems. This led to a reversal of the original VAT decision under the Kenya Finance Act of 2020/2021 – an example of governments adopting favourable approaches to support market development.

The achievements described above build on EnDev's successful track record, reaching over 1.5 million people with off-grid solar access. Together, these examples show the potential for a thriving PUE solutions market in Kenya.



SNV/Endev, Energising Development (EnDev) programme, Kenya

# Organisational developments

In 2021, we launched a culture and inclusion initiative to gather feedback and further explore and nurture our organisational culture. We will continue to build on this work to strengthen internal alignment and cohesion.

## Structure

The SNV Managing Board manages the organisation under the supervision of a Supervisory Board. The Managing Board comprises four statutory Directors and is chaired by the Chief Executive Officer (CEO). Managing Directors have a responsibility for sectors, country operations, and business and finance (CFO). There were no changes in the composition of the Managing Board in 2021.

We have eight SNV Global Teams, of which five cover a functional area: Partnerships and Business Development, Corporate Affairs, Finance, Human Resources (HR), and Information and Communications Technology (ICT). Three Global Teams cover our Agriculture, Energy, and WASH sectors.

The Country Director is the legal representative of SNV in the country and, as such, is ultimately responsible for all operations and results in that country. In each country there is a Country Management Team consisting of a Country Director, Sector Leaders, Country Finance Manager and (depending on size of operation) an HR or Operations Manager. At SNV we distinguish between programme and project countries. Programme countries are business units headed by a resident Country Director. Project countries are separate business units, managed by an assigned Country Director from another country. Three new Country Directors came on board in 2021.

## Strategy

Over the past three years we have invested as an organisation in cross-unit Priority Projects to spur the implementa-

tion of the 2019–2022 Strategic Plan: (1) a review and update of policies and procedures, (2) enhanced business data reliability and internal management reporting, (3) a review and update of employee reward packages, (4) strategic staffing, (5) enhanced tendering capacity, (6) the roll out of leveraging finance and systems change approaches, and (7) internal communication and learning. All Priority Projects were finalised in 2021 and have been integrated within specific Global Teams to ensure continuity.

In 2021, we launched a culture and inclusion initiative to gather feedback and further explore and nurture our organisational culture. We will continue to build on this work to strengthen internal alignment and cohesion. We are committed to enabling inclusive discussions around our culture, particularly where we see considerable strengths and alignment, where we see elements that are more aspirational, and where we see some areas that we need to develop. We have a clear intent to strengthen collaboration and communication beyond individual teams, projects, and reporting structures, with increased recognition of the importance of diversity and inclusion.

Underpinning this commitment, at the end of 2021, we started a process to reinvigorate our vision and mission statements. These statements form integral building blocks for our strategy development process that is currently underway, which will steer the organisation through to 2030 in line with the SDGs. The new strategy, rooted in the contexts where we work and building on our core areas of focus and competencies, will enable us to achieve greater alignment and clarity across SNV. An important



SNV, WASH SDG, Nepal

strand of the strategy will be to deepen and broaden our technical capacities to ensure we remain relevant to the needs and opportunities of the contexts within which we work, as well as to ensure we are equipped to make the greatest possible impact. We commit to increasing and leveraging outcomes and impact, with greater focus on pro-actively identifying, developing, and harnessing new initiatives and partnerships.

### Strong recovery, positive financial net result

We began 2021 in uncertain times due to COVID-19 measures that made project implementation, budgets, and results difficult to predict. Fortunately, we saw strong recovery in our project activities,

with revenue reaching pre-COVID-19 levels. Many of our projects were reprogrammed in 2020 and, thanks to the continued flexibility of our donors, we were able to minimise the impact of COVID-19 on our operations. Our revenue in 2021 was €139.6M, from €120M in 2020 and close to the €142M in 2019. Due to the efficiency and cost control measures we prudently introduced in response to the pandemic – especially savings on global overhead costs and postponing investments – SNV achieved an unexpected positive financial result of €4.6M in 2021.

The organisation has a solid liquidity position and reserves. In 2021, we signed new contracts with a total value of €128M, which is somewhat lower than previous years.

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

We worked in 24 countries in 2021. Closely monitoring our country operations and future outlook, we want to ensure that SNV is well-positioned to continue to add value in these contexts and contribute to positive impacts on people's lives. In 2021, we closed operations in Cameroon and DR Congo and took the decision to wind down our presence in Nicaragua and Honduras.



## Our people

SNV employed an average of 1,315 people during 2021. Our team comprised 87% national employees and 6% international employees. The share of team members based in the Netherlands remained stable at 7%. Annual staff turnover decreased slightly to 13%, which is in line with our expectations.

SNV remains a highly diverse organisation employing over 50 different nationalities. In 2021, the average age of our team members was 41, similar to previous years. The share of female employees remains at around 30%, and we are continuing to work to address the gender balance among SNV team members.

The safety of our team members is paramount. We increased our investments in safety and security management in 2021, including through additional in-country security capacity and global security oversight and coordination. In 2021, we introduced a new security policy and aligned all country security plans with the new policy.

We reviewed and updated the employment terms and conditions (T&Cs) for both the Netherlands and international employees to provide an attractive package to both existing and new employees.

In 2021, the functioning and structure of the existing SNV global employee consultation practice was reviewed to evaluate its effectiveness to facilitate meaningful and inclusive participation across the organisation. This culminated in the setting up of a new Global Council to be launched in 2022, a body consisting of one representative from each SNV Country Council. The structure of the new

Global Council is intended to enable more effective, productive, and timely discussion and input into key strategic areas for SNV, whilst also ensuring that a diversity of perspectives are gathered from across the organisation's teams and geographies.

## Code of conduct

In 2021, we renewed and extended our commitment to prevent all forms of misconduct and to enforce our zero-tolerance policy towards any form of harassment, discrimination, and financial wrongdoing. Starting with mandatory training on Ethical Standards for all SNV team members and the creation of a new global Inclusion and Safeguarding Pledge, we made tangible progress to align SNV with international standards.

While grateful to the people who came forward and reported misconduct in 2021, even anonymously, we are aware as an organisation that, statistically, the number of cases of bullying, discrimination, and sexual harassment in 2021 may be higher than those reported. In an effort to bring safeguarding allegations to the surface and increase the trust in our actions to investigate and sanction inappropriate and discriminatory behaviour, we are: 1) revising the SNV Ethical Standards policy and related procedures, 2) establishing a standardised online reporting mechanism (which can be completed anonymously), and 3) setting up a dedicated email address with restricted access, to protect the privacy of SNV team members.

In 2021, we received six reports of misconduct: two of discrimination and bullying, two of sexual harassment, and two of a combination of both. Four cases were reported anonymously or through a third party. After thorough investigations,

four of the six cases were closed and three of the cases ended with the termination of the employment contract of the offender.

In 2021, we received and responded to 11 reports of suspected fraud. The reported irregularities included breaches in the procurement process, false reporting of project activities, kick-back requests from project staff, and fraudulent daily subsistence allowance (DSA) and travel expense claims. None of the cases reported in 2021 were of material value to the financial reports of SNV. Four of the five open cases brought forward from 2020 were closed during 2021. Six of the 11 cases opened in 2021 were closed in 2021. Disciplinary measures (including termination of employment contracts) were taken against employees where appropriate. Donors were informed of the reported incidents and of the outcomes of fact-finding reviews where required.

# Organisational risk management

SNV has processes in place to identify, evaluate, manage, and mitigate risk across the organisation. Integrity and accountability sit at the heart of our work and, with clear lines of accountability, the Managing Board and all SNV team members 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 the past few years, we have taken important steps forward in managing our financial risks and have succeeded in strengthening our equity position. This put us in a strong place to manage the increased risk levels seen in 2021.

The nature of the risks that we face when working to meet our strategic objectives has not changed substantially. However, as a result of the COVID-19 crisis and increased instability in certain geographies within which we operate, the levels of impact and probability of these risks have changed. During 2021, we updated our Internal Control Framework (ICF), which will be rolled out in 2022. The Managing Board has regular discussions on the SNV risk matrix, re-assessing and adjusting the matrix when appropriate.

The table below summarises the principal risks and ongoing risk-mitigating measures for the organisation. The levels of our 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
<b>Inability to implement projects as planned because of unexpected external factors</b> In 2020 and 2021 we experienced how COVID-19-related lockdowns and restrictive measures could impact our ability to implement planned projects and budgets. This led to a decrease or stagnation in impact and annual revenues.  Similarly, political unrest or safety situations in countries with our largest portfolios (such as Ethiopia and Mozambique, and across the Sahel) limit our ability to implement activities in specific areas of these countries.	<ul style="list-style-type: none"> <li>In 2020 and 2021 we learnt how to continue implementing meaningful activities 'from a distance', with adapted methods to deliver programmes, including making better use of new technologies. We continue to do so.</li> <li>Country and project planning is based on context-specific knowledge of government measures and restrictions. In general, COVID-19-related measures were less restrictive and we saw a significant increase in our activities and expenditure towards the end of 2021.</li> <li>Project design, especially in Sahel countries, takes into account safety and security risks, includes alternative (safer) implementation areas and makes more use of alternative delivery methods.</li> </ul>	■ Impact ■ Probability ■ Risk after mitigation
<b>Safety and security of SNV team members</b> SNV operates in high-risk, conflict-prone, and fragile areas as this is where many communities that we seek to support live. Operational hazards, localised armed conflict, terrorist activities, widespread criminality, or political and social unrest can slow down project implementation and put the safety and integrity of our team members at risk. These risks can be partly prevented and/or mitigated by SNV but a residual risk will remain given our mission	<ul style="list-style-type: none"> <li>Risk Management Teams (RMT) are empowered to adopt an integrated Security Risk Management (SRM) process, especially in our high- or substantial-risk countries.</li> <li>The SRM process is monitored through mentoring, supporting, or providing analysis to the respective country RMTs. We prevent or react to crisis with the development of a contingency plan, incident analysis, consolidated country gap analysis, or by activating the Crisis Management Team.</li> <li>Additional investments have been made in in-country security capacity and global security oversight and coordination.</li> <li>The Managing Board conducts consistent and periodic reviews of the security situation in SNV countries.</li> </ul>	■ Impact ■ Probability ■ Risk after mitigation

Risk level: ■ Low ■ Medium ■ High

Risk	Mitigating Measures	Risk level
<p><b>Decrease in order intake volume</b></p> <p>Due to the COVID-19 crisis and the war in Ukraine, the budgets for international cooperation of our main donor countries might decrease, policy priorities might shift away from SNV sectors, and/or more funding may go to multilateral channels. This may lead to a reduction of new order intake (OI) for SNV.</p>	<ul style="list-style-type: none"> <li>Additional investments have been and continue to be made in market development capacity and enhanced partnerships.</li> <li>Efforts are made to ensure strong technical and financial proposals.</li> <li>We apply enhanced account management and pipeline development with key donors and have increased our engagement with foundations and the private sector.</li> <li>We periodically review, monitor, and steer country/donor/sector projections.</li> <li>Efforts have been and continue to be made to strengthen our external communication, and our position and capacity to influence among others at European level.</li> </ul>	<p><span style="color: red;">■</span> Impact</p> <p><span style="color: red;">■</span> Probability</p> <p><span style="color: orange;">■</span> Risk after mitigation</p>
<p><b>Attraction, retention, and flexibility of SNV team members</b></p> <p>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.</p>	<ul style="list-style-type: none"> <li>Flexible workforce options enable quick and timely response to changing realities and demands.</li> <li>Regular compensation and benefits benchmarks ensure market competitiveness.</li> <li>We have developed and implement a talent development strategy and tools.</li> <li>A centralised induction programme is in place for all new team members to learn about SNV, develop key skills, and to connect with team members from across the globe.</li> <li>A new learning platform with a catalogue of trainings is available to SNV team members for personal and professional development.</li> </ul>	<p><span style="color: red;">■</span> Impact</p> <p><span style="color: orange;">■</span> Probability</p> <p><span style="color: orange;">■</span> Risk after mitigation</p>
<p><b>Compliance with regulations in countries, including tax and licence to operate</b></p> <p>SNV is licensed to operate in all countries within which we are present. In several countries we see restrictions for international NGOs (INGOs) increasing, such as difficulties to obtain work permits or objections to new projects, changes in taxation, mandatory changes in registration, and/or creation of local entities to be able to continue operating. An increasing proportion of contracts are seen as 'business income', leading to more tax exposure and complexities. This brings with it the risk of increased cost of operation, severe delays in project start-up, and in the extreme case inability to continue operating in-country.</p>	<ul style="list-style-type: none"> <li>SNV country registrations are closely monitored and we support countries in related matters including legal support and tax compliance.</li> <li>We have strengthened our capacity to address increasingly complex tax regulations and compliance, e.g. through: new internal global tax advisor position; framework contract with external international global tax and legal consultancy firm; periodic monitoring of potential tax exposures and risk-based follow up; updating internal tax control framework and tax policies and procedures.</li> <li>SNV countries continue to be active members of in-country INGO networks for joint analysis and advocacy.</li> </ul>	<p><span style="color: orange;">■</span> Impact</p> <p><span style="color: orange;">■</span> Probability</p> <p><span style="color: orange;">■</span> Risk after mitigation</p>
<p><b>Necessary indirect and programme delivery cost at country and global levels are not covered through existing donor contracts or business model</b></p> <p>Cost control of global and country overheads has been an area of attention for the Managing Board in the past few years. We know these costs well, and control and monitor them regularly. SNV is a lean organisation and needs to invest more in areas such as safety and security, social safeguarding, and learning and development, which leads to increasing overhead costs that might not be covered by projects.</p> <p>Expenditures of individual country offices can diverge from budgets, especially in cases where they are confronted with unexpected drops in revenue or high back-filling costs.</p>	<ul style="list-style-type: none"> <li>Global and country indirect costs are managed and monitored closely.</li> <li>Employee billability levels are monitored closely and timely adjustments are made to budgets if required.</li> <li>We pay increased attention to the flexibility of part of the workforce, enabling SNV to better adjust to changes in revenue volumes.</li> <li>Explicit Managing Board approval is required for overruns on overhead budgets.</li> <li>We conduct effective and efficient project and portfolio management and monitoring with active follow-up actions for outliers, including projects with low gross margin realisation.</li> <li>Our Business Development unit focuses on comprehensive opportunity budgeting, considering learning from closed projects and feedback from projects under implementation with coverage issues on indirect costs.</li> </ul>	<p><span style="color: orange;">■</span> Impact</p> <p><span style="color: orange;">■</span> Probability</p> <p><span style="color: green;">■</span> Risk after mitigation</p>



Risk level: ■ Low ■ Medium ■ High

Risk	Mitigating Measures	Risk level
<b>Fraud, bribery, and corruption risks</b> Fraud, bribery, and corruption by SNV team members or contractors and grantees can expose SNV to financial losses, fines and sanctions, loss of donors and clients, and reputational damage. The risk of fraud, bribery, and corruption by team members or contractors is managed closely by SNV through preventive and detective measures. Continuous awareness-raising, strict follow-up, improving our controls from lessons learned, and transparent reporting to donors are our key focus.	<ul style="list-style-type: none"> <li>• We continue to have a zero-tolerance approach to fraud and corruption, including messaging, early detection and follow up.</li> <li>• Procedures related to SNV Code of Conduct, including anti-corruption, fraud, and whistle-blower protection, have been updated.</li> <li>• Mandatory training is in place for all employees on Ethical Standards, and it is included in inductions for new team members.</li> <li>• The updated SNV Contracting and Procurement (C&amp;P) policy has been simplified and streamlined and increased training is given in this area. Revisions include the due diligence process and C&amp;P thresholds.</li> <li>• The updated Internal Control Framework has been launched, including segregation of duties to lower the opportunity to commit fraud. The Enterprise Resource Planning (ERP) system SAP Business ByDesign (SBD) supports the control framework.</li> <li>• Ongoing investigations are conducted into irregularities: any reported suspicions of irregularities are investigated and followed up directly.</li> <li>• A comprehensive online global grievance mechanism has been created through which any form of misconduct defined in the Ethical Standards policy/Code of Conduct, which includes but is not limited to fraud and bribery, can be reported by anyone associated with SNV directly or indirectly.</li> </ul>	<span style="color: orange;">■</span> Impact <span style="color: orange;">■</span> Probability <span style="color: green;">■</span> Risk after mitigation
<b>Foreign exchange (FX) risks and negative interest costs</b> SNV minimises our FX exposures on a continuous basis but we remain exposed to FX rate fluctuations on thinly traded currencies in relation to our assets, such as advanced payments, account receivables, and cash balances in these currencies.  Current negative interest rates lead to interest costs on excess cash balances for reserves that cannot be charged to donors.	<ul style="list-style-type: none"> <li>• We continue to manage FX exposures, such as minimising cash in local currency and hedging hard currency in line with the SNV Finance policy.</li> <li>• We maintain a cash position as much as possible in EUR (in the Netherlands).</li> <li>• Cash balances in local currency are monitored by the Global Treasury and advance payments in local currency are minimised.</li> <li>• Investment options are assessed to lower negative interest costs (versus counterparty and other investment risks).</li> </ul>	<span style="color: orange;">■</span> Impact <span style="color: orange;">■</span> Probability <span style="color: green;">■</span> Risk after mitigation
<b>Integrity and reputational risks</b> We have a zero-tolerance policy related to integrity breaches of the SNV Code of Conduct. This includes substantial safeguarding issues ascribable to the realm of human rights violations, including sexual exploitation, abuse and harassment (SEAH), child labour, modern slavery and trafficking in persons, and violations related to the establishment and maintenance of a safer and more inclusive workplace, such as discrimination on the basis of gender, ethnicity or sexual orientation, bullying and harassment. Integrity issues can significantly affect our employees, the partners we work with, and the communities we work for, and can harm our reputation and affect future partnerships.	<ul style="list-style-type: none"> <li>• We expect strict adherence to the SNV Code of Conduct, to which each employee personally commits with a signature and which forms an integral part of their contract.</li> <li>• Policies and procedures are in place on workplace inclusion and elimination of workplace discrimination and harassment, and on safeguarding, child protection and protection from Sexual Exploitation Abuse and Harassment (SEAH), whistle-blower protection, and contracting and procurement, accompanied by explicit and targeted training and induction.</li> <li>• A new global Social Safeguarding and Inclusion Advisor position has been created, alongside a strengthened role of Trust Persons to better address the needs of people in country offices for information and guidance on how to prevent and respond to misconduct.</li> <li>• Mandatory training is given to all SNV employees on Ethical Standards.</li> <li>• An ICT policy and procedures are in place. ICT Security Awareness training is provided to all staff.</li> <li>• SNV regularly commissions internal and external audits.</li> </ul>	<span style="color: orange;">■</span> Impact <span style="color: green;">■</span> Probability <span style="color: green;">■</span> Risk after mitigation

# 2021 Financial performance highlights

## Income from project funding

In 2021, our revenue was €139.6M, which represents a 16% year-on-year increase. Our project revenue for each year depends on several factors, including: the size of our portfolio, the average project duration, and the speed of implementation.

Project implementation, budgets, and results were difficult to predict in 2021 due to COVID-19 measures. Fortunately, we saw a strong recovery in our project activities with project costs reaching pre-COVID-19 (2019) levels, in large part because many of the projects had been reprogrammed since 2020.

This positive increase in the speed of project implementation in 2021 is expected to continue through 2022 with projected revenues of €142.8M. In 2021, our order intake was lower than previous years at €128M, bringing a lower volume of new projects into the portfolio and potentially impacting future revenues. Uncertainty also persists around donor priorities and the re-sizing of budgets for international cooperation. Despite this, however, SNV is in a solid financial position and our implementation capacity and level of team members remain strong.

## Financial results

SNV realised a positive net result of €4.6M in 2021, mainly due to improved financial risk control, positive FX results, postponed investments, and cost-control measures taken in response to pandemic-related uncertainties.

## Balance Sheet and equity position

SNV's Balance Sheet remains strong with an equity position of €46.6M at 2021 year-end versus €42M in 2020. Our free reserves grew from €10M in 2020 to €14.8M in 2021, improving our capacity to invest and absorb possible losses in the coming years. Continuity reserves remain at €25M, as set by the Supervisory Board in 2019, while destination reserves dropped €0.1M from €6.9M in 2020 to €6.8M in 2021, due to planned investments made to strengthen the organisation, as well as the creation of a destination reserve for tax equalisation.

The total cash position at year end grew from €126M in 2020 to €151.8M in 2021, while our working capital increased from €44M to €49.3M. This is well within our financial steering indicators. Compared to December 2020, our Cash and Bank position improved by €25.5M and the working capital (current assets minus current liabilities) by €5.3M.



SNV, Improved Cooking by Carbon Credits, Cambodia

## Financial performance outlook

Our Strategic Plan 2019-2022 projected revenue growth to €150M by 2022, enabling us to positively impact the lives of 5 million people. However, due to the impact of the COVID-19 pandemic in 2020 on project implementation, our financial growth trajectory shifted and we are slightly off track in meeting the original target set for 2022. Nevertheless, observing our 2021 revenue and the latest estimates from our country offices (as set out in our Consolidated Annual Plan 2022), we expect to end 2022 with revenues in the range of €142-147M, close to the €150M target of the Strategic Plan.

The COVID-19 crisis had a smaller impact on our project implementation activities in 2021 compared to 2020, as we further improved in adapting and integrated new approaches such as remote working. COVID-19 restrictions were progressively lifted in most countries too. For 2022, we expect to continue to gain pace in project implementation, although uncertainties remain regarding the evolvement of the pandemic, volumes of ODA and possible changes in the priorities of donor countries, which might impact our future order intake.

SNV has started 2022 with a solid liquidity position and reserves. Against this backdrop, we have embarked on the next financial year with a new set of strategic investments with a value of €5.7M, to be implemented in the coming three years and funded from our destination reserves. These investments will allow us to strengthen the organisation, to accelerate project implementation, and to ensure that we are ready to respond in a timely way to new challenges, needs and opportunities.



# Governance

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

In 2021, we bid farewell to Irene Nijboer and welcomed two new Supervisory Board members: Jenny Elissen and Laure Wessemius-Chibrac.

The SNV supervisory structure complies with Dutch and international standards of good governance. At the end of 2021, three members of the Supervisory Board held seats on the SNV Audit and Risk Committee. This committee monitors finance, IT, risk and compliance, and advises the Supervisory Board on finance, control, and risk management issues. The Selection and Remuneration Committee is responsible for recommendations to the entire Supervisory Board regarding the appointment, evaluation, and remuneration of the members of the Managing Board. The chair of the Supervisory Board is not a formal member of any of the committees of the Supervisory Board but has a standing invitation to attend any committee meetings.

In 2021, the Supervisory Board met four times in plenary sessions, with sub-committees such as the Audit and Risk Committee and the Selection and Remuneration Committee meeting more frequently between full Supervisory Board meetings.

The external auditor, BDO, reports annually to the Supervisory Board.

## Members of Managing Board



**Simon O'Connell**

**Chief Executive Officer**

(December 2020 – present)

**Other activities\*:**

none



**Hans Heijdra**

**Managing Director Business/Chief Finance Officer**

(July 2020 – present)

**Managing Director Operations/Chief Finance Officer**

(November 2018 – July 2020)

**Other activities\*:**

none



**Megan Ritchie**

**Managing Director Countries,**

also responsible for WASH sector (July 2020 – present)

**Managing Director Water, Sanitation and Hygiene/East and Southern Africa**

(April 2013 – July 2020)

**Chief Executive Officer (acting interim)**

(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

\* All other activities are unpaid

## Members of the Supervisory Board



**Koos Richelle**

**Chair of the Supervisory Board**

(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 on a number of non-executive boards of non-profit organisations, including: Deputy-Chair of the Supervisory Board of the European Centre for Development Policy Management (ECDPM), Chair of the Governing Board of IHE-Delft. He is also a member of the Advisory Council on International Affairs and Chair of its Commission on Development Cooperation.



**William van Niekerk**

**Vice-Chair of the Supervisory Board**

**Member of the Audit and Risk Committee**

(term: October 2015 – October 2023)

**Background**

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



**Miriam Hamers-Bodifée**

**Chair of the Audit and Risk Committee**

(term: September 2019 – September 2023)

**Background**

Audit Partner of KPMG.



**Irene Nijboer**

**Member of the Audit and Risk Committee**

(term: January 2020 – June 2021)

**Background**

Managing Director, Raad voor Rechtsbijstand (the Netherlands Legal Aid Board)



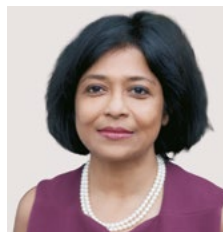
**Stender Krommendam**

**Chair of the Selection and Remuneration Committee**

(term: October 2020 – October 2024)

**Background**

Group HR Director, Ecotone.

**Joyeeta Gupta**

**Member of the Selection and Remuneration Committee**

(term: December 2020 – December 2024)

**Background**

Faculty Professor on Sustainability and Professor of Environment and Development in the Global South, Amsterdam Institute for Social Science Research of the University of Amsterdam and IHE Delft Institute for Water Education

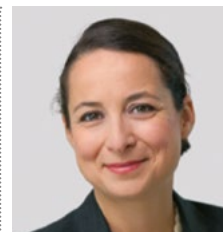
**Jenny Elissen**

**Member of the Selection and Remuneration Committee**

(term: July 2021 – July 2025)

**Background**

Founder, NewGenes business impact and Giantleapers.com Supervisory Board Member and Chair of Audit and Risk Committee, Transavia

**Laure Wessemius-Chibrac**

**Member of the Audit and Risk Committee**

(term: July 2021 – July 2025)

**Background**

Managing Director, the Netherlands Advisory Board on Impact Investing (Stichting NAB) Supervisory Board Member, Regional MSME Investment Fund for Sub-Saharan Africa (REGMIFA)

# Project list

This project list includes all projects in implementation during 2021 with a total contracted value to SNV above €1M. We want to thank our donors and partners for the support and collaboration. For more information on a project, including all partners involved, we refer to the detailed project description on our website.

Project name	Sector	Donor	Start Date	End Date	Contract size	Countries
2SCALE, Phase 2*	Agriculture	DGIS, the Netherlands	2019	2023	> 10M	Ghana, Burkina Faso, Ethiopia, Kenya, Mali, Niger, Nigeria
Biogas Dissemination Scale-Up Programme (NBPE+)	Energy	EC, European Union	2017	2022	> 10M	Ethiopia
Boosting green employment and enterprise opportunities in Ghana (GrEEen)	Agriculture	EC, European Union	2019	2023	> 10M	Ghana
BRILHO	Energy	FCDO, United Kingdom	2019	2024	> 10M	Mozambique
Building Rural Income through inclusive Dairy Business Growth in Ethiopia (BRIDGE)	Agriculture	EKN, the Netherlands	2018	2023	> 10M	Ethiopia
Climate Resilient Agri-Business for Tomorrow (CRAFT)	Agriculture	DGIS, the Netherlands	2018	2023	> 10M	Kenya, Tanzania, Uganda
Dutch Fund for Climate and Development (DFCD)*	Agriculture	DGIS, the Netherlands	2019	2022	> 10M	Zambia, Nicaragua, Indonesia, Kenya, Mali, Vietnam
Eau, Cle du Developpement Durable ECDD Burkina Faso (ECDD)	WASH	EKN, the Netherlands	2020	2024	> 10M	Burkina Faso
Horti-LIFE II	Agriculture	EKN, the Netherlands	2019	2023	> 10M	Ethiopia
Innovations against Poverty (IAP)	Agriculture	SIDA, Sweden	2016	2023	> 10M	Cambodia, Ethiopia, Uganda, Zambia
Investing in Horticulture Development in Rwanda	Agriculture	EKN, the Netherlands	2017	2022	> 10M	Rwanda
L'emploi des jeunes crée des opportunités, ici au Mali (EJOM)	Agriculture	EC, European Union	2017	2022	> 10M	Mali
Les jeunes entreprennent et s'emploient au Niger (JEEN)	Agriculture	EC, European Union	2018	2022	> 10M	Niger
Livelihoods Improvement for Women And Youth in Addis Ababa (LI-WAY)	Agriculture	SIDA, Sweden	2017	2024	> 10M	Ethiopia
OmiDelta	WASH	EKN, the Netherlands	2016	2022	> 10M	Benin
OYE Cabo Delgado	Agriculture	EKN, the Netherlands	2019	2023	> 10M	Mozambique
Pro-ARIDES	Agriculture	DGIS, the Netherlands	2021	2025	> 10M	Niger, Burkina Faso, Mali
Programme de Gouvernance locale redevable	Agriculture	EKN, the Netherlands	2014	2021	> 10M	Mali
Programme Gouvernance Locale Redevable Phase II (PGLR+)	Agriculture	EKN, the Netherlands	2021	2026	> 10M	Mali

Project name	Sector	Donor	Start Date	End Date	Contract size	Countries
Projet d'Appui au Développement Agricole pour la Nutrition et l'Entrepreneuriat (PADANE)	Agriculture	EKN, the Netherlands	2018	2023	> 10M	Burundi
Realising Aspiration Youth in Ethiopia through Employment (RAYEE)	Agriculture	Mastercard Foundation	2019	2024	> 10M	Ethiopia
Résilience Communautaire Dans le Secteur Agrosylvopastoral au Burkina Faso	Agriculture	DANIDA	2021	2025	> 10M	Burkina Faso
TIDE, Phase 2	Agriculture	EKN, the Netherlands	2020	2023	> 10M	Uganda
Transforming Access to WASH and Nutrition Services (CEDeS), Phase 2	WASH	FCDO, United Kingdom	2021	2022	> 10M	Mozambique
WASH SDG Programme*	WASH	DGIS, the Netherlands	2017	2022	> 10M	Bangladesh, Indonesia, Nepal, Tanzania, Zambia
African Biodigester Component (ABC)	Energy	RVO, the Netherlands	2021	2025	5-10M	Burkina Faso, Mali, Niger
Agriculture Markets Development in the Lichinga - Balama Corridor (DEMA-LIBA)	Agriculture	SIDA, Sweden	2017	2022	5-10M	Mozambique
Beyond the Finish Line - Sustainable Sanitation and Hygiene for All	WASH	DFAT, Australia	2018	2022	5-10M	Bhutan, Laos, Nepal
Catalysing WASH: from "Possible to Profitable"	WASH	EKN, the Netherlands	2015	2021	5-10M	Ghana
Enhancing Nutrition of Upland Farming Families (ENUFF), Phase 2	Agriculture	SDC, Switzerland	2020	2024	5-10M	Laos, Laos
HortiFresh West Africa*	Agriculture	EKN, the Netherlands	2018	2022	5-10M	Ghana
Inclusive Markets for Energy Efficiency In Uganda (IMEU)	Energy	SIDA, Sweden	2021	2025	5-10M	Uganda
Increasing Climate Resilience in Energy & Agriculture Systems and Entrepreneurship (INCREASE)	Energy	SIDA, Sweden	2020	2022	5-10M	Zambia
Kenya Off-grid Solar Access Project (KOSAP)	Energy	World Bank	2018	2023	5-10M	Kenya
Mobilité Pastorale transfrontalière apaisée et Stabilité sociale au Sahel (MOPSS)	Agriculture	SIDA, Sweden	2019	2022	5-10M	Benin, Mali, Niger, Burkina Faso
OYE SADC Regional	Agriculture	SDC, Switzerland	2019	2023	5-10M	Zambia, Zimbabwe
Programme de Développement des Infrastructures Economiques et Marchandes (PDIEM), Phase 2	Agriculture	SDC, Switzerland	2018	2022	5-10M	Benin
Projet d'Actions Complementaires PAC-MODHEM+	Agriculture	SDC, Switzerland	2021	2024	5-10M	Burkina Faso
Regenerative Agricultural practices for improved Livelihoods and Markets (REALMS)	Agriculture	IKEA Foundation	2020	2024	5-10M	Kenya, Rwanda
Sustainable Technology Adaptation for Mali's Pastoralists, Phase 2 (STAMP+)	Agriculture	EKN, the Netherlands	2019	2023	5-10M	Mali
West African Biodigester Programme of Activities	Energy	World Bank	2017	2025	5-10M	Burkina Faso
Access to Improved Cooking Technologies and Electrification in Tanzania	Energy	EnDev	2019	2022	1-5M	Tanzania
AgResults Vietnam Emissions Reductions Pilot (AVERP)	Agriculture	AgResults (fund manager: Deloitte)	2016	2022	1-5M	Vietnam



## PROJECT LIST

Project name	Sector	Donor	Start Date	End Date	Contract size	Countries
ATPC dans la région de l'Est du Burkina Faso, Phase 2	WASH	UNICEF	2019	2021	1-5M	Burkina Faso
ATPC Plus	WASH	UNICEF	2021	2022	1-5M	Burkina Faso
Biodiverse and Inclusive Palm Oil Supply Chain	Agriculture	The Livelihoods Funds	2021	2027	1-5M	Indonesia
Cambodia Advancing Income and Nutrition (CHAIN), Phase 3	Agriculture	SDC, Switzerland	2021	2022	1-5M	Cambodia
City Wide Inclusive Sanitation Engagement (CWISE) in Khulna	WASH	Bill and Melinda Gates Foundation	2017	2023	1-5M	Bangladesh
Climate Change Action Plans for selected ASAL Counties (LISTEN)	Agriculture	EKN, the Netherlands	2020	2024	1-5M	Kenya
Climate Proofed infrastructure	WASH	EC, European Union	2019	2023	1-5M	Kenya
Coffee Agroforestry and Forest Enhancement for REDD+	Agriculture	International Climate Initiative (IKI)	2018	2022	1-5M	Vietnam
COVID Top-up WASH SDG*	WASH	DGIS, the Netherlands	2020	2021	1-5M	Kenya, Rwanda, Uganda
COVID-19 Response and Resilience Initiative for Food Value Chains in Africa (CORE-Africa)	Agriculture	DGIS, the Netherlands	2020	2022	1-5M	Netherlands
Emploi des Jeunes pour une Amélioration de la Sécurité Alimentaire au nord du Bénin (EJASA)	Agriculture	EKN, the Netherlands	2020	2023	1-5M	Benin
Feed the Future Ethiopia: Livelihoods for Resilience Activity*	Agriculture	USAID	2020	2022	1-5M	Ethiopia
From Full Sun to Shaded Cocoa Agroforestry Systems	Agriculture	International Climate Initiative (IKI)	2016	2021	1-5M	Ghana
GOTAS, Phase 2	WASH	SDC, Switzerland	2018	2022	1-5M	Mozambique
Green Economic Recovery Tanzania (GERF)	Energy	EnDev	2020	2021	1-5M	Tanzania
Hygiene & Behaviour Change Coalition for COVID-19 control (HBCC)	WASH	Unilever	2020	2021	1-5M	Mozambique, Indonesia
Innovations Digitales pour les Agro-Pasteurs du Niger (IDAN)	Agriculture	EKN, the Netherlands	2021	2024	1-5M	Niger
Inspiring Water Entrepreneurship in Tigray*	WASH	AFAS Foundation	2017	2022	1-5M	Ethiopia
Integrated & Climate Smart Innovations for Agro-Pastoralist Economies and Landscapes in Kenya (DESIRA)	Agriculture	DGIS, the Netherlands	2021	2023	1-5M	Kenya
Integrated Dairy Farming for Income and Employment for Women and Youth	Agriculture	Comic Relief	2016	2021	1-5M	Tanzania
Kunzila Integrated Landscape Management and WASH*	WASH	EKN, the Netherlands	2020	2024	1-5M	Ethiopia
Land-at-scale	Agriculture	RVO, the Netherlands	2021	2024	1-5M	Mali
Local Governance of Forest Resources (PGLRF)*	Agriculture	SIDA, Sweden	2019	2024	1-5M	Burkina Faso
Market Development of Clean Cooking and Solar Sector in Kenya*	Energy	EnDev	2019	2022	1-5M	Kenya
Market Development of Clean Cooking and Solar Sector in the Mekong region	Energy	EnDev	2019	2022	1-5M	Laos, Cambodia

Project name	Sector	Donor	Start Date	End Date	Contract size	Countries
Mobile Data for moving Herd Management and better incomes (MODHEM+)	Agriculture	EKN, the Netherlands	2020	2023	1-5M	Burkina Faso
Opportunities for Youth Employment (OYE), Phase 2	Agriculture	SDC, Switzerland	2021	2024	1-5M	Tanzania
Opportunities for Youth Employment (OYE), Phase 2	Agriculture	DANIDA	2021	2024	1-5M	Tanzania
OYE Zimbabwe	Agriculture	SIDA, Sweden	2019	2023	1-5M	Zimbabwe
Productive Use of Energy in Dairy and Horticulture*	Energy	IKEA Foundation	2021	2023	1-5M	Kenya, Uganda, Ethiopia
Programme d'appui à la sécurité alimentaire et nutritionnelle, à l'agriculture durable et à la résilience (PASANAD)*	Agriculture	EC, European Union	2017	2022	1-5M	Burkina Faso
R4 Rural Resilience Initiative Financial Education, Access to Credit and Market Components	Agriculture	World Food Programme	2018	2022	1-5M	Zimbabwe
Renewable Energy Services and Products as an Opportunity in National and Displaced (RESPOND): Markets in Kigoma	Energy	EnDev	2018	2021	1-5M	Tanzania
Scaling up Sustainable Nutrition for All (SN4A)	Agriculture	FCDO, United Kingdom	2019	2022	1-5M	Zambia
STAMP+	Agriculture	SDC, Switzerland	2019	2022	1-5M	Mali
Strengthening Sustainability of Sasol's WASH programme	WASH	Sasol	2020	2025	1-5M	Mozambique
Support Program for the Promotion of Agricultural Entrepreneurship (PAPEA)*	Agriculture	SDC, Switzerland	2019	2023	1-5M	Burkina Faso
Supporting AIAS in Water and Sanitation Service Delivery for Small Towns, Phase 3*	WASH	EKN, the Netherlands	2021	2025	1-5M	Mozambique
SUPREME*	Agriculture	EC, European Union	2020	2024	1-5M	Uganda
Sustainable Nutrition for All (SN4A), Phase 2	Agriculture	SDC, Switzerland	2018	2021	1-5M	Uganda, Zambia
Technical Assistance Facility for Improving Business Environment through a Structured Dialogue in ACP Countries*	Agriculture	EC, European Union	2019	2022	1-5M	Netherlands
Transform WASH	WASH	USAID	2020	2022	1-5M	Ethiopia
Upscaling Livestock Intensification	Agriculture	IDH, the Sustainable Trade Initiative	2020	2022	1-5M	Kenya
Veggies 4 Planet and People*	Agriculture	IKEA Foundation	2020	2024	1-5M	Ethiopia, Kenya
Water, Sanitation and Hygiene (WASH) for Trachoma Elimination Project	WASH	The Fred Hollows Foundation	2018	2024	1-5M	Ethiopia
Working with Women, Phase 2	Agriculture	EKN, the Netherlands	2017	2021	1-5M	Bangladesh

*Note: Refers to the original source of funding, irrespective of the direct contract partner of SNV.  
Projects marked with \* SNV is not the lead partner.*

# Annual Accounts 2021

The Annual Accounts of SNV Netherlands Development Organisation (SNV), legally seated in The Hague, the Netherlands, reflect the main activities of the organisation: our work focuses on increasing people's incomes and access to basic services in agriculture, energy, and WASH.

We apply practical know-how to support people living in poverty. We constantly develop our expertise by expanding our global knowledge and by drawing on lessons learned from practice across the globe. We use our extensive track record on the ground to apply and adapt our expertise to local contexts. Our services include advice, brokering and stakeholder engagement, advocacy, fund management, results-based financing, and delegated management. Our projects do not just deliver direct results – they also aim to help change the systems that trap people in poverty. Our projects intend to kickstart markets, support governments and other actors to improve their service delivery, and improve government and market accountability. We focus on projects that provide opportunities to create sustainable, large-scale impact.

In 2021, SNV activities were financed through project funds reported as project revenue in the SNV Statement of Financial Performance. Our revenue in 2021 was €139.6M, which represents a 16% year-on-year increase. In 2020 the COVID-19 crisis impacted our revenue through a reduced pace in project implementation. In 2021 we started the year in uncertain times again due to COVID-19 measures impacting our project activities. However, over the course of the year, in most SNV countries we were able to increase activities, which is reflected in the higher-than-projected impact numbers and our annual revenue reaching close to pre-COVID-19 levels (2019 annual revenue: €142.4M). Expenditures consist of project costs and (global) overhead costs. Thanks to the strong recovery in our project activities during 2021, activity costs were also close to pre-COVID-19 levels, as were our overhead costs. Overall, we saw a positive net result of €4.6M for 2021, mainly due to improved financial risk control, positive FX results, postponed investments, and cost-control measures in response to pandemic-related uncertainties. This positive net result was added to the free reserves, where investments in SNV as an organisation were financed through the destination reserves. Assets and liabilities are reported in the SNV Balance Sheet.

## Group structure

For the year ending 31 December 2021, the SNV group structure comprised of the following entities:

- SNV Netherlands Development Organisation
- 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.
- SNV US LLC (dormant)



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 24 countries are part of this Foundation, which includes 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. Therefore, their respective Financial Statements are represented in the SNV Financial Statements.

SNV Netherlands Development Organisation holds 100% of the shares in the issued capital of SNV US LLC. SNV US LLC has been dormant since the end of 2012 and is registered at Parkstraat 83, The Hague, the Netherlands.

In 2020 Biogas Solution Uganda Limited (by Guarantee), a private company limited by Guarantee and constituted jointly by SNV (50%) and Stichting HIVOS (50%) in Kampala, Uganda was part of the consolidation framework. As of 31 May 2021, SNV ceased to be a member of Biogas Solution Uganda Limited (by Guarantee) and the Country Director of Uganda ceased to be a director of this entity. The Financial Statements of Biogas Solution Uganda Limited (by Guarantee) are not consolidated from 1 January 2021 due to the immateriality of the results for the period January-May 2021.

Considering the above, unlike with previous years, SNV presents only one Financial Statement for the period of 2021 and comparative period of 2020 as SNV Consolidated Financial Statement and SNV Foundation are identical as of 2020.

## Closure and change of status of country operations in 2021

SNV operated in 24 countries by the end of 2021. In 2021, we closed operations in Cameroon and the Democratic Republic of Congo and began to wind down our operations in Honduras and Nicaragua. For developments in country operations from 2022 onwards, please refer to the section on Subsequent events.

## The Annual Accounts content

- SNV Balance Sheet after appropriation of balance income and expenditure
- SNV Statement of Financial Performance
- SNV Statement of Cash Flows
- Notes to the SNV Balance Sheet and Statement of Financial Performance and other disclosures
- Accounting principles for the valuation of assets and liabilities
- Accounting principles for determining the Statement of Financial Performance
- Independent auditor's report.

## SNV Balance Sheet as of 31 December 2021

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

ASSETS	2021	2020
<b>Fixed Assets</b>		
<i>Intangible fixed assets</i>		
Intangible fixed assets	39,435	276,552
	<u>39,435</u>	<u>276,552</u>
<i>Tangible fixed assets</i>		
Terrains and Buildings	459,480	507,416
Vehicles	242,322	213,212
Equipment	105,110	108,351
Furniture and Fixtures	50,384	55,277
	<u>857,296</u>	<u>884,256</u>
<b>Financial fixed assets</b>		
Financial fixed assets	598,759	411,116
	<u>598,759</u>	<u>411,116</u>
<b>Current assets</b>		
Project funding receivables	13,033,769	15,701,646
Other receivables	1,092,084	559,729
Prepayments	9,812,767	5,954,098
	<u>23,938,620</u>	<u>22,215,473</u>
<b>Cash and Bank</b>	151,770,303	126,276,822
	<u>151,770,303</u>	<u>126,276,822</u>
<b>TOTAL ASSETS</b>	<b>177,204,413</b>	<b>150,064,219</b>

RESERVES AND LIABILITIES	2021	2020
<b>Reserves</b>		
Continuity reserves	25,015,308	25,015,308
Free reserves	14,781,072	10,032,534
Destination reserves	6,827,574	6,933,013
	<u>46,623,954</u>	<u>41,980,855</u>
 <b>Provisions</b>	 4,183,351	 3,637,719
	<u>4,183,351</u>	<u>3,637,719</u>
 <b>Current liabilities</b>		
Project funding payables	91,871,761	76,400,168
Creditors	23,317,510	20,884,972
Accrued expenses	9,719,707	5,776,753
Taxes and Social security	1,210,111	1,153,821
Pensions	278,019	229,931
	<u>126,397,108</u>	<u>104,445,645</u>
 <b>TOTAL RESERVES AND LIABILITIES</b>	 <u><b>177,204,413</b></u>	 <u><b>150,064,219</b></u>



# SNV Statement of Financial Performance for the year ending 31 December 2021

(all amounts in Euro)

	Note	Realised 2021	Budget 2021	Realised 2020
<b>Income</b>				
Project revenue	16	139,166,244	134,500,000	119,512,420
Other non-project revenue	17	391,145	500,000	647,459
Interest received	18	32,240	-	24,564
<b>Total income</b>		<b>139,589,629</b>	<b>135,000,000</b>	<b>120,184,443</b>
<b>Expenditures</b>	19			
Activity costs		(61,302,940)	(60,785,000)	(47,409,253)
Consultants and local service providers (LSPs)		(13,097,721)	(12,987,100)	(11,014,768)
SNV staff costs		(45,257,513)	(44,875,100)	(45,024,426)
Facility costs		(7,695,269)	(7,630,200)	(7,593,041)
Vehicle costs		(3,018,185)	(2,992,700)	(2,756,529)
Other general costs		(4,925,531)	(4,883,900)	(2,282,755)
<b>Total project implementation costs</b>		<b>(135,297,159)</b>	<b>(134,154,000)</b>	<b>(116,080,772)</b>
Financing costs including FX		1,056,068	(500,000)	(165,238)
<b>Total financing costs</b>		<b>1,056,068</b>	<b>(500,000)</b>	<b>(165,238)</b>
<b>Priority projects</b>		<b>(705,439)</b>	<b>(972,000)</b>	<b>(313,612)</b>
<b>Total expenditures</b>		<b>(134,946,530)</b>	<b>(135,626,000)</b>	<b>(116,559,620)</b>
<b>Balance income and spend</b>		<b>4,643,099</b>	<b>(626,000)</b>	<b>3,624,822</b>
<b>Attributable to free reserves</b>		<b>4,748,538</b>	<b>346,000</b>	<b>4,078,919</b>
<b>Withdrawal from earmarked reserves</b>		<b>-</b>	<b>-</b>	<b>(140,485)</b>
<b>Withdrawal from destination reserves</b>		<b>(105,439)</b>	<b>(972,000)</b>	<b>(313,612)</b>
		<b>4,643,099</b>	<b>(626,000)</b>	<b>3,624,822</b>

# SNV Statement of Cash Flows

(all amounts in Euro)

	2021	2020
<b>Cash flow from operating activities</b>		
Net Result	<b>4,643,099</b>	<b>3,624,823</b>
<i>Adjustments for:</i>		
Interest received	(32,240)	(24,564)
Proceeds from sale of fixed assets	(164,521)	(308,321)
Depreciation, amortisation and other impairments	634,233	621,248
Movement in provisions	658,342	(1,188,551)
Financing costs including FX	(1,138,767)	124,569
	<b>(42,953)</b>	<b>(775,619)</b>
<i>Movement in working capital:</i>		
Change in project funding receivables	2,819,578	6,146,455
Change in other receivables	(675,955)	425,532
Change in prepayments	(3,867,412)	1,905,889
Change in project funding payables	15,565,925	7,455,726
Change in other current liabilities	22,366,905	329,070
<b>Cash generated from operations</b>	<b>40,809,187</b>	<b>19,111,876</b>
Change in liabilities for fund management	(15,331,018)	15,931,018
Interest received	32,240	24,564
	<b>(15,298,778)</b>	<b>15,955,582</b>
<b>Net cash generated from operating activities</b>	<b>25,510,409</b>	<b>35,067,458</b>
<i>Cash flow from investment activities:</i>		
Investments in tangible fixed assets	(370,156)	(200,691)
Proceeds from sale of fixed assets	164,521	299,917
Deconsolidation of SNV USA	-	(1,655,600)
<b>Net cash generated from investment activities</b>	<b>(205,635)</b>	<b>(1,556,374)</b>
<i>Cash flow from financing activities:</i>		
Movement in financial fixed assets	(85,340)	(61,291)
FX derivatives (NDF contracts)	(18,415)	270,196
<b>Net cash generated from financing activities</b>	<b>(103,755)</b>	<b>208,905</b>
<b>Net cash flows</b>	<b>25,201,019</b>	<b>33,719,989</b>
Exchange gains/(losses) on cash at banks and in hand	292,462	(434,363)
Net increase/(decrease) in cash at banks and in hand	25,493,481	33,285,626
<b>Balance as at 1 January</b>	<b>126,276,822</b>	<b>92,991,196</b>
Movement during the financial year	25,493,481	33,285,626
<b>Balance as at 31 December</b>	<b>151,770,303</b>	<b>126,276,822</b>

# Notes to the SNV Balance Sheet and 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 by helping them raise incomes and access basic services. Driven by the SDGs, 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 presence, we help realise locally owned solutions. In 2021 SNV carried out its mission in 24 countries and had management, project support, and business development operations in the Netherlands.

### Going concern

The accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are based on the assumption of continuity of the organisation.

In the 2020 Annual Accounts SNV disclosed the impact of COVID-19 on the organisation, with the unprecedented uncertainty continuing in 2021. The 2020 results showed a 16% decrease in revenue year-on-year due to the crisis impacting the pace of project implementation. While we began 2021 in uncertain times due to continued COVID-19 measures impacting our project activities, the organisation saw a strong recovery in project revenues during 2021 with activity costs surpassing pre-pandemic 2019 levels.

Due to the ongoing COVID-19 uncertainties we opted to manage our costs prudently in 2021. The net 2021 result benefited from a cost-savings focus and postponement of investment costs. We currently do not expect significant impact from the pandemic on our net financial result for 2022. That, however, depends on further developments and impacts of the COVID-19 crisis. The pandemic has transformed the world and some aspects will have continued impact. The need for support to the countries within which SNV operates will only increase but the pandemic might lead to changes in priorities and budget allocation of the main donor countries. If significant events happen that further impact our activities and project commitments, we will adjust our operations in a timely manner according to the changing realities.

### 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 necessary to provide the required insight.

### Statement of Cash Flows

The Statement of Cash Flows has been prepared using the indirect method. The cash and cash equivalent items disclosed in the SNV Statement of Cash Flows comprise cash at banks and in hand, except for deposits with a maturity longer than 12 months and deposits that are restricted to use for SNV operational activities (e.g., guarantee deposits). 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 are 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 SNV Financial Statements in conformity with Dutch Civil law, Book 2, Article 362, paragraph 1, the directors of SNV make different estimates, judgements, 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 SNV 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 SNV Balance Sheet, Statement of Financial Performance and 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.

### **Foreign currency (FX)**

Items included in the SNV Financial Statements are measured using the Euro currency, which is the functional and presentation currency of SNV.

Transactions in foreign currencies are included in the SNV Financial Statements at the prevailing exchange rate of the functional currency on 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.

### **Financial instruments**

Marketable securities such as stock, bonds, and derivatives included in financial and current assets are stated at fair value. This also applies to derivatives unless a 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 are not incurred by SNV. Such lease contracts are recognised as operational leasing, with lease payments recorded on the income statement on a straight-line basis, taking into account reimbursements received from the lessor and the duration of the contract.

### **FX risks**

SNV enters into business transactions in other currencies than the Euro and is therefore exposed to FX fluctuations. The core activity of SNV is project implementation in countries funded by a variety of donors. At all times we aim to manage this donor funding with the greatest care. In line with this principle, the Managing Board has agreed upon a low-risk appetite towards the impact that FX currencies might have on SNV or on its operations.

FX exposures result from both assets and liabilities and future cash flows of contracted fixed fees denominated in other currencies than the Euro, which is the functional currency for SNV.

We aim to minimise cash balances held by SNV country organisations in local bank accounts. Surplus cash balances are held centrally in bank accounts in the Netherlands as much as possible. All countries have Euro accounts in the Netherlands and most countries also have central United States dollar (USD) accounts.

SNV minimises any (negative) impact that fluctuations in FX rates may have on values reported in the Statement of Financial Performance and Balance Sheet of SNV. Exposures are hedged to the functional currency insofar as the costs of hedging do 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. The Global System Upgrade annual rate of amortisation 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 costs 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 capitalisation.

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. Please refer to the relevant section with regard to the determination of whether a tangible fixed asset is subject to an impairment.



**Financial fixed assets**

Bank deposits presented under Financial fixed assets are recognised at nominal value. These deposits have a term of longer than 12 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 are subsequently measured at amortised cost, which is for current receivables the nominal amount, net off provisions for doubtful debts. Current assets 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, provision is made for the 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 12 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 the organisation can continue to carry out its mission. The reserves comprise of continuity reserves set aside to enable SNV to carry on operations in the event of unforeseen adverse circumstances, free reserves, and destination 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 that 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, or 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 national employees who have a Dutch employment contract and who reside in the Netherlands, SNV has a pension scheme with Algemeen Burgerlijk Pensioenfonds (ABP) to which the provision of the Dutch Pension Act is applicable. ABP's funding ratio at the end of 2021, according to their monthly release, was 110.6% (where the funding ratio at the end of 2020 was 93.5%).

For foreign pension plans that are similar to the way 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 according to 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.

### **Project funding payables**

Current liabilities include project funding payables that relate to projects being carried out by SNV. 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 is the nominal value usually.

### Hedge accounting

Fixed-fee contracts with a contract currency other than the Euro are hedged to the Euro insofar as the assumed currency risk outweighs the hedge costs. Such hedges are accounted for under hedge accounting.

The main fixed-fee contract outstanding at the end of 2021 with a currency risk is a fixed-fee contract in British pounds (GBP). Since the conclusion of the Brexit agreements between the EU and the UK in late 2020, the cost of hedging these cash flows for the remaining three years is assumed to exceed the currency risk. Therefore, no new hedges covering fixed-fee contracts under hedge accounting were concluded in 2021 nor were any outstanding in 2021.

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 over-hedges 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 (or have not been) equal, there is (or has been) ineffectiveness. In this 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 a 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, they 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

Where the reporting format deviates from the standard model, this is done to give better insight into the activities of SNV. The result for the year is the difference between the realisable value of SNV 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 the realised income from donor contracts (project implementation income) after deduction of other charges like applicable taxes levied 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 the 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 that are not directly linked to normal, non-incidental operations (project implementation activities), but that 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 their expenditure. These costs comprise direct project costs (including employee costs), indirect costs that 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 the total contract revenue, the expected project losses are recognised immediately when incurred as expenses.

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

### Financing income and costs including FX

Financing results include realised and unrealised exchange rate differences, unless hedge accounting is applied.

## Notes to the SNV Balance Sheet

### Fixed assets

#### 1. Intangible fixed assets

EUR	Global system upgrade
Purchasing value	1,447,742
Accumulated depreciation	(1,171,190)
<b>Net book value 31 December 2020</b>	<b>276,552</b>
Acquisitions	-
Total depreciation 2021	(237,117)
Movement in year	(237,117)
<b>Net book value 31 December 2021</b>	<b>39,435</b>
Purchasing value	1,447,742
Accumulated depreciation	(1,408,307)
<b>Net book value 31 December 2021</b>	<b>39,435</b>

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 and Fixtures	Total
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)
<b>Net book value</b>	<b>507,416</b>	<b>213,212</b>	<b>108,351</b>	<b>55,277</b>	<b>884,256</b>
<b>31 December 2020</b>					
Investments	11,283	196,906	138,388	22,670	369,247
Disposals (purchase value)	-	(254,526)	(104,243)	(3,461)	(362,230)
Disposals (cum. depreciation)	-	254,526	104,243	3,461	362,230
Depreciation	(59,219)	(167,796)	(141,629)	(27,563)	(396,207)
Movement in year	(47,936)	29,110	(3,241)	(4,893)	(26,960)
<b>Net book value</b>	<b>459,480</b>	<b>242,322</b>	<b>105,110</b>	<b>50,384</b>	<b>857,296</b>
<b>31 December 2021</b>					
Purchasing value	2,068,016	2,934,471	2,864,621	1,565,140	9,432,248
Cumulative depreciation	(1,608,536)	(2,692,149)	(2,759,511)	(1,514,756)	(8,574,952)
<b>Net book value</b>	<b>459,480</b>	<b>242,322</b>	<b>105,110</b>	<b>50,384</b>	<b>857,296</b>
<b>31 December 2021</b>					



**3. Financial fixed assets**

EUR	2021	2020
SNV Tanzania - IS social security deposit	339,249	249,252
Other deposits	259,510	161,864
<b>Financial fixed assets</b>	<b>598,759</b>	<b>411,116</b>

Financial fixed assets comprise mainly the deposit in Tanzania, for which SNV is obliged to deposit the total social security liability following the employment of international employees.

Other deposits includes those 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 receivables

EUR	2021	2020
Gross project receivables	15,542,456	18,097,623
Provision for unrecoverable costs	(2,508,687)	(2,395,977)
<b>Project receivables</b>	<b>13,033,769</b>	<b>15,701,646</b>

Gross project receivables refer to the amounts due from donors for contracted work carried out that are receivable within one year. The settlement terms vary by donor and contract conditions and can extend to several months.

The balance is net of the provision for unrecoverable costs and receivables for which collection is uncertain due to liquidity problems of the donor or disputes on disallowable and other non-refundable costs. As at 31 December 2021, the provision for unrecoverable costs amounts to €2.5M (2020 €2.4M). Hence, compared to 2020, the provision in 2021 stays at the same level. The main fluctuations in the provision level relate to revised risks for several projects (€0.6M), which were net off with the amounts written off in 2021 (€0.6M). The most significant of these revised provisions relates to amounts receivable from governments of two African countries which are overdue and are considered as a risk for collectability.

### 5. Other receivables

EUR	2021	2020
Staff work advances	106,303	91,986
Short-term project	344,466	204,466
VAT receivable	641,315	262,503
Other debtors	-	774
<b>Other receivables</b>	<b>1,092,084</b>	<b>559,729</b>

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

## 6. Prepayments

EUR	2021	2020
Prepayments to partners and suppliers	9,493,035	5,674,824
School costs	313,447	271,704
Other prepayments	6,285	7,570
<b>Prepayments</b>	<b>9,812,767</b>	<b>5,954,098</b>

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 the activities of partners and local service providers (LSPs). The rise in prepayments compared to 2020 reflects the increase in activities implemented by SNV during 2021 (and specifically at the end of 2021). The prepaid school cost is for international employees with children who attend school.

## 7. Cash and Bank

The Cash and Bank balance is broken down according to the currencies used most commonly by the organisation and other local currencies used in various countries. The balance includes €23,776,321 held in specific bank accounts restricted to usage for specific projects (2020: €26,999,457).

US dollar (USD), British pound (GBP), Swedish krona (SEK), Swiss franc (CHF), Danish Krone (DKK) and Australian dollar (AUD) cash balances are used as a natural hedge for the liabilities in these currencies.

Bank account currency	Restricted (in €)	Unrestricted (in €)	Total (in €)
Euro	4,738,529	109,674,987	114,413,516
United States dollar	109,879	4,291,110	4,400,989
British pound	-	2,057,784	2,057,784
Danish krone	-	4,033,776	4,033,776
Swedish krona	-	1,632,371	1,632,371
Swiss franc	34,989	993,346	1,028,335
Australian dollar	-	1,584,237	1,584,237
Kenyan shilling	17,110,976	430,264	17,541,240
Other local currencies used in SNV countries	1,781,948	3,296,107	5,078,055
<b>Total Cash and Bank balance</b>	<b>23,776,321</b>	<b>127,993,982</b>	<b>151,770,303</b>

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

## Reserves and liabilities

### 8. Reserves

EUR	Continuity reserves	Free reserves	Destination reserves	Total
Reserves as at 1 January 2021	25,015,308	10,032,534	6,933,013	41,980,855
Appropriation of results	-	4,748,538	-	4,748,538
Priority projects	-	-	(705,439)	(705,439)
Tax equalisation destination reserve	-	-	600,000	600,000
<b>Total as at 31 December 2021</b>	<b>25,015,308</b>	<b>14,781,072</b>	<b>6,827,574</b>	<b>46,623,954</b>

Our continuity reserves (€25M) enable SNV to carry on operations in the event of unforeseen adverse circumstances.

The free reserves (€14.8M as at 31 December 2021) are maintained to absorb possible losses in operations within the coming years and to cover possible future project deficits. The balance of income and spend of SNV over 2021 has been added to the free reserves.

In 2021, €705,439 was spent from the destination reserves for seven internal priority projects. In 2021, the Managing Board and Supervisory Board approved new investment plans with a total value of €5.7M (of which €1.8M for 2022) to further grow our impact and enhance the organisation. These will be funded from the destination reserves for the coming three years.

The tax equalisation destination reserve is an appropriated reserve that was introduced by the Managing Board and approved by the Supervisory Board in March 2022. This new destination reserve has been set up in the framework of the revision of the Terms and Conditions for International Employees in 2021, including the so-called hypotax. SNV uses a tax equalisation measure for international employees. A hypothetical tax amount (hypotax) is deducted from the salary to pay all relevant taxes on international employee remuneration in order to maintain equal remuneration regardless of the country in which the employee works. The tax equalisation reserve is formed and used to balance differences between this hypotax and actual taxes paid. In the future, the hypotax balances will be released to or drawn from this new reserve. We have set thresholds for the volume of the tax equalisation destination reserve to monitor and maintain a relationship between actual costs and the reserve. In 2021, €0.6M of the balance of Income and Spend of SNV was deposited to this new tax equalisation destination reserve to be able to absorb unforeseen tax liabilities related to the remuneration of international employees.

EUR	Destination reserves for investments	Tax equalisation reserves	Total
<b>Destination reserves</b>			
Reserves as at 1 January 2021	6,933,013	-	6,933,013
Movement 2021	(705,439)	600,000	(105,439)
<b>Total as at 31 December 2021</b>	<b>6,227,574</b>	<b>600,000</b>	<b>6,827,574</b>



**9. Provisions**

EUR	2021	2020
Reservation severance	1,555,350	1,297,164
Provision orientation leave	132,241	128,050
Provision projects losses	80,000	246,225
Other tax provision	940,314	832,710
Hypotax provision	1,362,157	1,010,000
Other provisions	113,289	123,570
<b>Provisions</b>	<b>4,183,351</b>	<b>3,637,719</b>

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 are 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 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, minus the expected and unavoidable direct and indirect attributable costs to be incurred to meet the contractual obligations. €34K of the provision relates to activities taking place in 2022 (in 2020 we provisioned €241K for 2021) and €46K for other years (in 2020 we provisioned €5K for other years). The main reason for the reduction in the loss provisioning in 2021 relates to the finalisation of several contracts without insufficient indirect cost coverage and thus will not continue after 2021.

Other tax provision: We have identified potential tax liabilities in some of our countries due to changes in the composition of the project portfolio and differences in interpretation of prior-year changes in tax regulations. The provision increased by €0.1M compared to 2020. One tax exposure was followed up on and resolved in 2021, some matters remain ongoing and a few smaller new exposures were identified that needed to be provided for (€0.2M). Tax experts are contracted to support the resolution of the exposures.

Hypotax provision: Possible tax obligations were identified in relation to taxation on the remuneration and benefits of international employees in several countries. This provision increased by €300K for an additional exposure that was identified, bringing the hypotax provision to €1.4M at year end in 2021.

Other provisions: Nicaragua and Honduras are countries in which we are winding down our operations and that have associated provisions as a result. The provision from 2020 for closing SNV operations in Cameroon and the Democratic Republic of Congo (€124K) has been released against the actual costs made as these processes have been finalised.

## Current liabilities

### 10. Project funding payables

EUR	2021	2020
Project funding payables	91,871,761	76,400,168
<b>Project funding payables</b>	<b>91,871,761</b>	<b>76,400,168</b>

Project funding payables are amounts that are prepaid by donors. They are classified as short-term payments as they are used to fund agreed project activities to be carried out within a year. The increase in the project funding payables in 2021 compared with 2020 relates mainly to an increase in contracts with donors that apply a pre-financing mechanism for project activities.

### 11. Creditors

EUR	2021	2020
Trade creditors	23,255,086	20,803,813
Employee creditors	62,424	81,159
<b>Creditors</b>	<b>23,317,510</b>	<b>20,884,972</b>

These creditors fall due in less than one year. The fair value of these creditors approximates their book value due to their short-term nature.

The largest part of the trade creditors amount relates to one project in Kenya for which SNV administers a fund of €17.1M on separate restricted bank accounts in the name of SNV. Because SNV is the owner of these accounts, the same amount is recorded as a creditor to the donor who owns the funds.

The increase in the trade creditors amount between years reflects the increase in activities during 2021 compared to 2020 when activities slowed down due to COVID-19 restrictions.

**12. Accrued expenses**

EUR	2021	2020
Reservation leave days	1,434,045	1,875,390
Leave allowance to be paid	579,686	510,717
Other accruals	7,347,915	2,872,365
Accruals for international transport and relocation costs	358,061	518,281
<b>Accrued expenses</b>	<b>9,719,707</b>	<b>5,776,753</b>

The significant increase in other accruals is due to acceleration in project implementation in 2021, especially towards the end of the year for which financial results have not yet been reported.

The leave allowance provision is due to employees not taking their full leave entitlement or pay-out (compensation) for leave days.

**13. Taxes and social securities**

EUR	2021	2020
Withdrawal PAYE	195,077	173,792
Withdrawal social security premiums	109,641	206,190
VAT payable	175,745	113,888
Withholding tax	348,309	290,332
Reservation taxation to be paid	5,692	147,690
Other tax reconciliation amounts	375,647	221,929
<b>Taxes and Social security</b>	<b>1,210,111</b>	<b>1,153,821</b>

The positions are shown for the statutory liabilities in various countries payable to relevant authorities, as per the regulations of various governments.

**14. Pensions**

EUR	2021	2020
Pension premiums payable	278,019	229,931
<b>Pensions</b>	<b>278,019</b>	<b>229,931</b>

SNV pays premiums based on (legal) requirements, or a contractual or voluntary basis to pension funds and insurance companies. Pension 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. Contributions that are due but have not yet been paid are presented as liabilities.

## 15. Commitments and contingent liabilities

### Long term commitments

Type	Sum of expected cost EUR < 1 year (2022)	Sum of expected cost EUR between 1 - 5 years (2023-2026)	Sum of expected cost EUR > 5 years (2027 onwards)	Sum of total expected cost based on contract (EUR)
Supplier contracts - countries	240,786	10,600	-	251,386
Supplier contracts - The Hague	427,364	24,955	-	452,319
Rent - countries	1,458,836	1,298,911	157,819	2,915,566
Rent - The Hague	233,748	603,849	-	837,597
<b>Total</b>	<b>2,360,734</b>	<b>1,938,315</b>	<b>157,819</b>	<b>4,456,868</b>

The amounts prepaid by SNV as at the end of 2021 for rent and contract suppliers are recognised as part of the prepayments in the balance sheet.

### Hedges

No hedges were outstanding at the end of 2021.

### Legal proceedings and other contingencies

SNV is subject to a few contingencies arising from litigation brought by different parties. At the end of 2021 there were eight open legal cases against SNV. Management considers the probability of the liabilities arising from these cases, where SNV is the defendant, as low with no expected cash outflow. Consequently, provisions for these cases have not been made, except for one legal case in which the probability is considered high and a provision of €10K has been made. There are eight additional cases where SNV initiated proceedings.

SNV is active in many countries and is subject to different government regulations including those related to taxes. SNV project operations and finances are affected by ongoing political, legislative, fiscal, and regulatory developments. Furthermore, SNV is working in countries that face safety and security risks. In the changing environment in which we work, tax and regulatory legislation is subject to varying interpretations and adjustments that can occur unexpectedly. 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. As at 31 December 2021, SNV management believes that our 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 in these financial statements (see note 9 on Provisions). Based on information available to date, and considering that in some cases it is not practicable to estimate the possible magnitude or timing of any further resultant payments or cost implications, management believes that such an occurrence is not expected to have a material adverse impact on the 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

At the end of 2021, SNV had outstanding bank guarantees of €607,068. These relate to a rental guarantee, an advance payment guarantee, five loan guarantees for projects, and one fuel guarantee. All guarantees are secured by cash deposits.



## Notes to the SNV Statement of Financial Performance

### Income and contribution

#### 16. Project revenue

Income from project funding realised in 2021 was €139.2M, a 16% increase on the previous year (2020: €119.5M). This results from the increase in project activities which reached close to pre-COVID-19 levels in most countries SNV operates in. Relatively high amounts of flow-through and partner costs also contributed to the increase in project revenues in 2021.

#### Revenue segmentation

Revenue is segmented by sector, by region, and by donor. This includes project revenue only.

#### Revenue by sector

EUR	2021	2020
Agriculture	99,891,341	80,649,850
Energy	16,939,513	14,964,688
WASH	22,255,073	23,851,843
Others	80,317	46,039
<b>Total</b>	<b>139,166,244</b>	<b>119,512,420</b>

#### Revenue by region

EUR	2021	2020
Asia	15,658,687	19,488,256
East and Southern Africa	81,334,321	62,537,647
Global programmes	4,912,857	5,317,668
Latin America	567,370	1,705,571
West and Central Africa	36,693,009	30,463,278
<b>Total</b>	<b>139,166,244</b>	<b>119,512,420</b>

**Revenue by donor<sup>1</sup>**

EUR	2021	2020
<b>Top 10 donors</b>		
Embassy of the Kingdom of the Netherlands (EKN)	41,232,339	32,025,467
Netherlands Ministry of Foreign Affairs (DGIS)	28,205,510	22,039,946
European Commission (EC)	15,929,872	15,465,683
Swedish International Development Cooperation Agency (Sida)	12,243,628	8,927,218
Swiss Agency for Development and Cooperation (SDC)	10,770,380	7,503,216
Foreign, Commonwealth & Development Office (FCDO)	6,257,306	6,056,722
EnDev	5,273,121	6,696,660
Mastercard Foundation	2,365,628	1,626,389
Department for Foreign Affairs and Trade Australia (DFAT)	2,312,965	1,883,078
IKEA Foundation	1,736,109	179,171
<b>Others</b>	<b>12,839,386</b>	<b>17,108,870</b>
<b>Total</b>	<b>139,166,244</b>	<b>119,512,420</b>

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

**17. Non-project revenue**

Non-project revenue in 2021 was €391K compared to €647K in 2020. This revenue relates mainly to receipts from the disposal of fixed assets and compensation for the use of offices and vehicles by third parties.

**18. Interest received**

Interest received on funds kept in the bank amounted to €32K in 2021, compared to €25K in 2020.

<sup>1</sup> Numbers refer to the original source of the funding, irrespective of the direct contract partner of SNV.

## 19. Expenditures

SNV expenditures are classified according to expense categories.

	Countries	Realised 2021 Global units	Total	Budget 2021	Realised 2020
Donations/sub-grants/subsidies	6,603,583	-	6,603,583	6,547,800	6,225,501
Workshops/training	12,361,241	-	12,361,241	12,256,800	9,473,215
Subcontracted activities	16,997,685	8,594	17,006,279	16,862,600	12,745,689
Travel/lodging/per diem expenses - in-country	2,989,527	13,668	3,003,195	2,977,800	2,341,397
Travel/lodging/per diem expenses - out of country	519,649	73,554	593,203	588,200	480,480
Consortium partners	21,735,439	-	21,735,439	21,551,800	16,142,972
<b>Activity costs</b>	<b>61,207,124</b>	<b>95,816</b>	<b>61,302,940</b>	<b>60,785,000</b>	<b>47,409,253</b>
Consultants fee costs	11,549,657	9,664	11,559,321	11,461,700	9,926,793
Travel/lodging/per diem expenses - consultants	248,738	602	249,340	247,200	267,335
Local service providers (LSPs) costs	1,230,718	-	1,230,718	1,220,300	813,615
Travel/lodging/per diem expenses - LSPs	58,342	-	58,342	57,900	7,025
<b>Consultants and LSPs costs</b>	<b>13,087,455</b>	<b>10,266</b>	<b>13,097,721</b>	<b>12,987,100</b>	<b>11,014,768</b>
Gross salaries	24,966,262	4,495,822	29,462,084	29,211,500	28,927,185
Social securities	1,300,044	823,854	2,123,898	2,105,300	1,931,686
Pension premiums	2,817,846	751,808	3,569,654	3,538,400	3,153,983
Staff costs and allowances	8,849,478	893,120	9,742,598	9,663,700	10,139,359
Temporary staff and associate advisors*	27,953	331,326	359,279	356,200	872,213
<b>Staff costs</b>	<b>37,961,583</b>	<b>7,295,930</b>	<b>45,257,513</b>	<b>44,875,100</b>	<b>45,024,426</b>
Office material costs	800,321	2,902	803,223	793,800	750,830
Communication costs	909,714	54,401	964,115	952,800	924,480
Equipment costs	1,493,962	677,652	2,171,614	2,171,100	2,287,264
Inventory costs	95,850	9,215	105,065	103,800	63,215
Office space costs	1,258,028	301,646	1,559,674	1,541,400	1,668,842
Other building costs	1,590,813	34,294	1,625,107	1,606,100	1,421,575
Depreciation costs	185,713	280,758	466,471	461,200	476,836
<b>Facility costs</b>	<b>6,334,401</b>	<b>1,360,868</b>	<b>7,695,269</b>	<b>7,630,200</b>	<b>7,593,041</b>
Depreciation vehicles	167,796	-	167,796	166,400	136,008
Purchase project vehicle	858,003	-	858,003	850,800	1,001,833
Maintenance vehicles	530,952	-	530,952	526,500	384,178
Insurance vehicles and other vehicle costs	217,594	-	217,594	215,800	210,381
Fuel SNV vehicles	680,730	-	680,730	675,000	535,221
Rent vehicles, fuel and other costs	563,110	-	563,110	558,200	488,908
<b>Vehicle costs</b>	<b>3,018,185</b>	<b>-</b>	<b>3,018,185</b>	<b>2,992,700</b>	<b>2,756,529</b>
Professional training (incl. travel and lodging)	62,183	41,577	103,760	137,300	87,406
Expenses meetings (excl. travel and lodging)	209,260	14,283	223,543	214,800	356,715
Subscriptions, contributions and literature	66,180	90,585	156,765	154,100	139,144
Audit costs	659,586	370,018	1,029,604	997,600	1,055,420
Support staff consultants (not personnel cost)	675,550	741,118	1,416,668	1,898,500	1,062,945
Legal support	131,778	36,887	168,665	164,800	132,099
Bank costs and negative interest costs	271,647	57,415	329,062	316,200	120,712
Bad debtor expenses	509,136	-	509,136		(1,623,604)
Publications and information costs	323,086	19,144	342,230	328,800	259,869
Publicity costs other than publications	294,449	1,701	296,150	284,500	332,437
Other general costs	153,024	196,924	349,948	387,300	359,612
<b>Other general costs</b>	<b>3,355,879</b>	<b>1,569,652</b>	<b>4,925,531</b>	<b>4,883,900</b>	<b>2,282,755</b>
<b>Total project costs</b>	<b>124,964,627</b>	<b>10,332,532</b>	<b>135,297,159</b>	<b>134,154,000</b>	<b>116,080,772</b>
<b>Organisational investment projects</b>	<b>-</b>	<b>705,439</b>	<b>705,439</b>	<b>972,000</b>	<b>313,612</b>
<b>Total expenditures excl. financing costs</b>	<b>124,964,627</b>	<b>11,037,971</b>	<b>136,002,598</b>	<b>135,126,000</b>	<b>116,394,384</b>

\*As of 2021 this category only includes temporary staff costs.

The depreciation reported under Facility costs includes €237,117 amortisation of intangible fixed assets.

### Budget versus realised figures

Realised 2021 project expenditures were 101% against the 2021 Corporate Annual Plan (CAP) budget. This was mainly caused by increased activity as some COVID-19 restrictions were lifted, especially towards the end of the year. Activity costs and staff costs make up 79% of all project costs for 2021. Consultants and LSP costs represent 10% of the total expenditure, facility and vehicle costs represent 8%, while other general costs account for 3% of the total 2021 expenditure.

### Global expenditure

Global Unit expenditure in 2021 (including internal priority projects) was €11M, which is 5% below the 2021 CAP budget. The lower-than-planned expenditure mainly relates to low depletion in the budgets for travel, workshops, meetings, and training, which are activities that were impacted by COVID-19 (travel) restrictions. The internal priority projects costs were also lower than planned. Staff costs represent 71% of the global expenditures, excluding internal priority projects.

### Bad debtor expenses

Bad debtor expenses were €0.5M for 2021. These mainly relate to additional provisions for existing projects with long outstanding positions and a few other projects with old project balances for which collectability is not clear.

### Write offs

In 2021 €0.6M in write offs were recognised. Of this, €0.1M constituted an additional cost in 2021 because the rest was already provisioned for in 2020. The low additional costs of write offs are a result of continued balance sheet clean-up efforts in 2021 and improved financial project management control.

## Other disclosures

### Average number of employees

During 2021, we employed an average of 1,315 people (2020: 1,274). Of these, 92 were employed in the Netherlands and 1,148 were employed outside the Netherlands (2020: 1,115). There were 75 international employees in 2021 (2020:76).

### Audit fees

Expenses from audit and other fees amounted to €1,038,283 in 2021 (2020: €1,055,420). Of this €659,931 (2020: €529,127) relates to project and local country audits. The table below specifies which part of this amount of €1,038,283 relates further to fees of our corporate auditor BDO, being €583,225 (2020: €526,293).

### BDO audit fees (including value added tax, VAT)

	Fee for audit of the financial statements	Fee for other audit services	Fee for fiscal advisory	Fee for non-audit services	Total
2020	402,930	108,601	14,762	-	<b>526,293</b>
2021	363,000	209,834	10,391	-	<b>583,225</b>



# Remuneration of the CEO, other members of the Managing Board and the members of the Supervisory Board of SNV

## Remuneration of the CEO and other members of the Managing Board

All Managing Board salaries for 2021 were based on a contractual working week of 40 hours and were within the *Wet Normering Topinkomens* (WNT) standard.

### Details of 2021

MB member Function	S. O'Connell CEO	H. Heijdra MD	M. Ritchie MD	A. de Jager MD
<i>Employment contract:</i>				
Duration	Permanent	Permanent	Permanent	Permanent
Period of service	1 Jan-31 Dec	1 Jan-31 Dec	1 Jan-31 Dec	1 Jan-31 Dec
Full-time equivalent (FTE)	1.0 fte	1.0 fte	1.0 fte	1.0 fte
Remuneration and taxable allowances	96,662	126,959	128,239	128,239
Non-taxable expense reimbursement (30% tax ruling)*	38,522	0	0	0
<b>Remuneration (contractual salary including holiday and year end payment)</b>	<b>135,184</b>	<b>126,959</b>	<b>128,239</b>	<b>128,239</b>
Provisions for future payments	18,309	21,852	20,502	12,202
<b>Total</b>	<b>153,493</b>	<b>148,811</b>	<b>148,741</b>	<b>140,441</b>
<i>Social security costs (employer contribution)**</i>	<i>12,821</i>	<i>9,905</i>	<i>0</i>	<i>0</i>
<i>Total incl Social security costs (employer contribution)</i>	<i>166,314</i>	<i>158,716</i>	<i>148,741</i>	<i>140,441</i>

### WNT disclosure 2021\*

MB member Function	S. O'Connell CEO	H. Heijdra MD	M. Ritchie MD	A. de Jager MD
<i>Employment contract:</i>				
Duration	Permanent	Permanent	Permanent	Permanent
Period of service	1 Jan-31 Dec	1 Jan-31 Dec	1 Jan-31 Dec	1 Jan-31 Dec
Full-time equivalent (FTE)	1.0 fte	1.0 fte	1.0 fte	1.0 fte
<i>Remuneration:</i>				
Remuneration and taxable allowances	96,662	126,959	128,239	128,239
Provisions for future payments	18,309	21,852	20,502	12,202
Total remuneration 2021	114,971	148,811	148,741	140,441
<i>Individual WNT-maximum</i>	<i>209,000</i>	<i>209,000</i>	<i>209,000</i>	<i>209,000</i>

### WNT disclosure 2020

MB member*** Function	S. O'Connell CEO	H. Heijdra MD	M. Ritchie MD	A. de Jager MD
<i>Employment contract:</i>				
Duration	Permanent	Permanent	Permanent	Permanent
Period of service	1 Dec-31 Dec	1 Jan-31 Dec	1 Jan-31 Dec	1 Jan-31 Dec
Full-time equivalent (FTE)	1.0 fte	1.0 fte	1.0 fte	1.0 fte
<i>Remuneration:</i>				
Remuneration and taxable allowances	10,864	120,404	125,813	125,813
Provisions for future payments	1,745	20,317	20,156	12,004
Total remuneration 2020	12,609	140,721	145,969	137,817
<i>Individual WNT-maximum</i>	<i>17,025</i>	<i>201,000</i>	<i>201,000</i>	<i>201,000</i>

\* The 30% ruling for highly skilled migrants is applied to the remuneration of the CEO. This means that €38,522 is deducted from the gross salary and replaced by a non-taxable allowance of the same amount, which technically is not to be included for WNT disclosure.

\*\* Two MB members are located outside the EU and there are no additional social security costs to the indicated remuneration.

\*\*\* Only MB members active in 2021 are presented in 2020 overview.

## Remuneration of the Supervisory Board members

### Details of 2021

SB Member	K. Richelle	W. van Niekerk	M. Hamers-Bodifée	I. Nijboer	S. Krommendam	J. Gupta	L. Wessemius-Chibrac	J. Elissen
Function	Chair	Vice Chair	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	4,800	3,948	2,100	4,200	4,550	2,100	2,100
<b>Total remuneration 2021</b>	<b>5,400</b>	<b>4,800</b>	<b>3,948</b>	<b>2,100</b>	<b>4,200</b>	<b>4,550</b>	<b>2,100</b>	<b>2,100</b>
<i>Applicable WNT maximum 2021</i>	<i>31,350</i>	<i>20,900</i>	<i>20,900</i>	<i>9,276</i>	<i>20,900</i>	<i>20,900</i>	<i>10,536</i>	<i>10,536</i>

### Details of 2020

SB Member	K. Richelle	W. van Niekerk	M. Hamers-Bodifée	I. Nijboer	S. Krommendam	J. Gupta**
Function	Chair	Vice Chair	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
Remuneration	5,400	4,200	4,200	4,200	1,050	-
<b>Total remuneration 2020</b>	<b>5,400</b>	<b>4,200</b>	<b>4,200</b>	<b>4,200</b>	<b>1,050</b>	<b>0</b>
<i>Applicable WNT maximum 2020</i>	<i>30,150</i>	<i>20,100</i>	<i>20,100</i>	<i>20,100</i>	<i>5,052</i>	<i>1,702</i>

\* Only active SB members in 2021 are presented in 2020 overview.

\*\* 2020 costs of SB member J. Gupta were charged in 2021, hence the amount of 2020 now adjusted in 2021 number.

## Other SNV employees

No other full-time or temporary SNV employees received remuneration above the WNT maximum level in 2021.

This WNT disclosure is voluntary, as currently SNV formally stays under the WNT criteria of required disclosures. However, as a relatively large percentage of our income derives from subsidies from the Dutch Government we prefer to disclose according to WNT requirements. The remuneration of the members of the Managing Board and the Supervisory Board stays also below the sectoral norm based on the policy on remuneration for top managers in the sector of International Cooperation (*Regeling bezoldiging topfunctionarissen OS-sector*).

## Subsequent events

### Changes in status of country operations in 2022

In October 2021 the Managing Board decided to wind down SNV presence in Nicaragua and Honduras in 2022, as it was not possible to sustain a minimum set-up in these countries.

### COVID-19

In the 2020 Annual Accounts we disclosed the impact of COVID-19 on SNV and the unprecedented uncertainty felt across the organisation. This uncertainty continued in 2021 as COVID-19 measures impacted our project activities; however, we saw a strong recovery in project revenues during the year and activity costs even surpassed the 2019 pre-pandemic levels. As for 2022, we currently do not expect to see significant impact from the pandemic on our operations and net financial result but need to remain flexible and prudent. The pandemic has transformed the world with continued impact and a remaining level of uncertainty. The need for support to the countries within which SNV operates only increased but the pandemic might lead to changes in priorities and budget allocation of the main donors.

If significant events happen that further impact our activities and project commitments, we will adjust our operations in a timely manner according to changing realities.

### Ukraine

Though SNV is not active in Eastern Europe, the consequences of the unfolding war in Ukraine could impact the economies and people of the countries in which we operate, for example with food, energy, and fertilizer prices going up. This will also potentially impact priority-setting and budget allocation by donor countries. Although there will be an even greater need for support to the countries SNV operates in, we expect parts of available budgets for international development to be used to cover the costs of supporting increased number of refugees, and to deliver humanitarian and reconstruction aid to Ukraine. With donors redefining their priorities, we might see our Order Intake coming under pressure. However, if this does happen, we have learnt from the COVID-19 crisis that we have the capacity (and time and reserves) within SNV to adjust our operations according to changing contexts.

### 2030 Strategy

Our 2019–2022 Strategic Plan comes to an end in 2022. We have started the process to develop a new strategy that will steer SNV through to 2030, in line with the SDGs. This new strategy, rooted in the contexts in which we work and building on our core areas of focus and competencies, will serve to build more alignment and clarity rather than radical changes.

# 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 2021

### Our opinion

We have audited the financial statements 2021 of Stichting SNV Nederlandse Ontwikkelingsorganisatie based in Den Haag.

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 2021 and of its result for 2021 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 balance sheet as at 31 December 2021;
2. the profit and loss account for 2021; 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 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 2021 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.



## 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 7 - 69

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-for-profit 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.

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, 21 June 2022**

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

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