

Beyond direct results to impact at scale

**SNV**

**ANNUAL REPORT**  
& Audited Accounts 2019





## Who we are

### Global organisation

Founded in 1965, SNV Netherlands Development Organisation is a not-for-profit international organisation working in Agriculture, Energy and WASH (Water, Sanitation & Hygiene). In our 55 years of operation, we have built a long-term local presence in more than 25 developing countries in Africa, Asia and Latin America.

### Local presence

In Uganda, our presence has spanned more than 30 years with donor-funded activities in over 100 districts, a country office in Kampala and regional offices in Fort Portal, Lira, Arua and Mbarara. We believe in supporting local communities and local projects, which is why SNV works with 70 local partners and 85 staff, 95% of whom are Ugandans.

Our long-term on-the-ground presence makes us a trusted implementing partner. Furthermore, it has enabled us to gain an in-depth understanding of local dynamics and equipped us with the strong networks needed to facilitate change.

### **SNV provides technical assistance to leading public agencies and private sector businesses.**

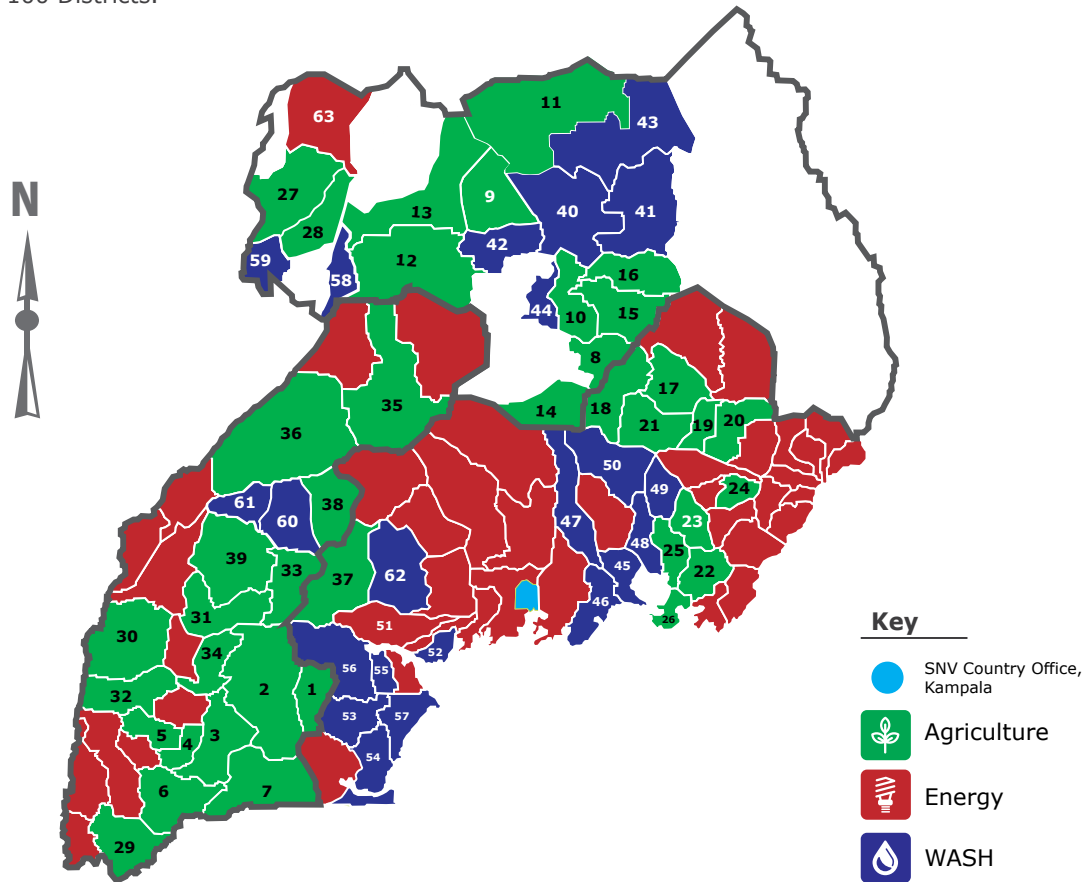
This support gives rise to innovative and strategic solutions that drive growth and performance while creating jobs, improving access to essential services and generating income.

We aim for premium quality, deliberately focusing on three strategic sectors: agriculture, energy and water, sanitation and hygiene (WASH).

In everything we do, we aim to make a difference by implementing projects that create direct as well as indirect results and bring about systems change.

## Where we work

We operate in over 100 Districts.



### TIDE

1. Lyantonde
2. Kiruhura
3. Mbarara
4. Sheema
5. Bushenyi
6. Ntungamo
7. Isingiro

### CRAFT

8. Dokolo (and IWAS)
9. Gulu (and USHA)
10. Lira (and IWAS)
11. Lamwo (and USHA)
12. Nwoya (and USHA)
13. Amuru
14. Amolatar
15. Alebtong (and IWAS)
16. Otuke
17. Soroti
18. Kaberamaido
19. Ngora
20. Kumi
21. Serere
22. Bugiri
23. Namutumba (and USHA)
24. Budaka
25. Bugweri
26. Mayuge
27. Arua
28. Madi Okollo
29. Kabale
30. Kasese (and SN4A)
31. Kamwenge
32. Rubirizi
33. Kyegegwa (and SSH4A)
34. Ibanda
35. Masindi
36. Hoima (and AMS)
37. Mubende (and SSH4A)
38. Kakumiro (AMS, SN4A and SSH4A)
39. Kyenjojo (AMS, SN4A and SSH4A)
42. Omoro (and USHA)

### USHA

40. Pader
41. Agago
43. Kitgum
45. Jinja
46. Buikwe
47. Kayunga
48. Luuka
49. Kaliro
50. Buyende
51. Gomba
52. Mpigi
53. Lwengo
54. Kyotera
55. Bukomansimbi
56. Sembabule
57. Masaka

### SSH4A

58. Pakwach
59. Zombo
60. Kibaale
61. Kagadi
62. Kassanda

### IWAS

44. Kole

### AMPERE

63. Yumbe

### ABPPII

Over 100 districts in Central, Eastern, Southwestern (except Kabale, Kisoro), Rwenzori (except Ntoroko, Bundibugyo)



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## Message from the Country Director



Through our projects, we directly impacted the lives of over 571,240 individuals, and an additional 329,900 school children, surpassing our 2019 target by an astounding 270%.

“The strength of a team is each individual member. The strength of each member is the team.”  
- Phil Jackson.

It gives me great pleasure to share with you the SNV Uganda Annual report for 2019. Through our projects, we directly impacted the lives of over 571,240 individuals, and an additional 329,900 school children, surpassing our 2019 target by an astounding 270%. This is a great achievement for which we have reason to celebrate despite the current COVID-19 pandemic that has affected the way organisations deliver services to the communities that need them the most. Yes, COVID-19 will have an immense impact on our health and food systems globally and as a country. However, as our 2019 results clearly show, working in collaboration will take us further than we could ever achieve on our own. I am confident that the same spirit of togetherness that infused our work in 2019 and the support given by our partners will help overcome the challenges that are ahead as we navigate our way through the new normal created by COVID-19.

As we reflect on the year past and look forward to the future, there is no greater impetus today than to ensure that our work contributes to food security and nutrition, incomes, access to basic services (water, sanitation and hygiene and energy) for the vulnerable among us. This also speaks to SNV's mission to make a lasting difference in the lives of people living in poverty by helping them increase incomes and access essential services, and in 2019 SNV did precisely that.

One of the things that we are passionate about is systems change. While we are committed to delivering project results, we have realised that working with communities and their leaders to address the root causes of poverty often leads to lasting results that live beyond the project life cycle. That's what we aim to achieve as SNV. This report showcases some of these successes. Our work in dairy through The Inclusive Dairy Enterprise (TIDE) project has catalysed transformation in the dairy industry. Today, Uganda has

emerged as one of the leading dairy exporters in Africa. In the Southwestern region where the bulk of the milk processors are based, farmers are responding to increased milk prices by shifting from traditional 'low input – low output' to semi-intensive dairy farming. One clear indication is the increase in acreage allocated for fodder crop cultivation to make silage and hay. From a baseline of 155 acres in 2017, farmers in 2019 cultivated a total of over 2,700 acres of land for fodder and their efforts paid off spectacularly. Average on-farm production increased from 59.5 litres of milk per day to 70.2 litres.

Another positive change that we have witnessed is the increased involvement of parents in feeding their children while at school. Through our partnership with the Ministry of Education and Sports, Dairy Development Authority and the Ministry of Health, we successfully scaled up the school milk national pilot to 950 primary schools. By the end of 2019, the schools were providing milk mixed with porridge to 329,900 children (52.5% girls) with parents meeting the cost of purchasing the milk. Not only has this boosted the health of the school children, it has also created a new local market for farmers' milk. On average, 19,500 litres of milk are consumed by the schools per day. Dairy farmers are earning an estimated daily income of UGX 21 million (EUR 5,000) and UGX 5.3 billion (EUR 1.2 million) per annum in sales of raw milk through this initiative.

I am pleased to inform you, that the Netherlands Embassy in Uganda that has been funding the TIDE project extended the project so that we can deepen and up-scale TIDE I interventions.

As an organisation we recognise the power of the private sector to accelerate economic development, and we have made deliberate efforts to support private sector initiatives across



SNV's mission to make a lasting difference in the lives of people living in poverty by helping them increase incomes and access essential services was achieved in 2019.



Working with communities and their leaders to address the root cause of the issue often leads to lasting results that live on beyond the project life circle.



We recognise the power of the private sector to accelerate economic development, and we have made deliberate efforts to support private sector initiatives across different projects that we implement.

different projects that we implement. Through our Innovations Against Poverty (IAP) project, we supported six Inclusive Business (IB) companies with grant co-investment and business technical support services to implement inclusive business projects. As a result, the businesses were able to generate additional revenue from sales in low-income markets of EUR 2.6 Million, up from the EUR 1.4 Million they generated in 2018, representing an increase of 182% in revenue. This resulted in increased income for over 7,870 low-income people who participated in the IB value chains as suppliers and last-mile distributors. It also impacted the lives of 736,800 new individual low-income persons who now have access to basic goods and services. This is the foundation of the IAP project, improving the lives of people at the bottom of the pyramid through private sector engagement.

Through our Agriculture and Market Support (AMS) project, we linked over 1,600 farmers to agro-input dealers for quality inputs which has been a significant challenge for farmers across the country. As a result, farmers were able to procure and plant over four (4) metric tonnes of improved maize seed, which enhanced their maize productivity from 800 kgs to 1,800 kgs per acre, a 225% yield increase. By the end of the year, the farmers had bulked 214 metric tonnes of maize, which they sold collectively, earning them UGX 188 million (EUR 44,700).

In June 2019, we had an opportunity to partner with Mercy Corps Netherlands (Mercy Corps) and Save the Children to implement the Access to Modern Energy in Humanitarian Settings (AMPERE) project. The pilot was aimed at testing, proving and building evidence for quality, affordable and reliable market-driven energy access solutions in humanitarian response programming. We worked with the private sector to test approaches to overcome known barriers in refugee settlements, including affordability, perceived creditworthiness of refugees and costs of last-mile access in settlements with less dense population centres. I am

happy to report to you that the pilot was a huge success. Over 3,630 solar products were sold through the pilot project, giving 3,600 households' in the refugee settlements access to modern lighting systems. We also managed to attract off-grid solar companies to work in the settlements and they have now set up and branded their distribution and service centres to provide services to the refugees and host communities.

Our WASH (Water, Sanitation and Hygiene) sector went above and beyond, directly impacting the lives of 386,495 people in 2019, a significant increase from the 24,770 people reached in 2018. This is largely attributed to the three projects we are implementing in the WASH sector. The DFID funded, Sustainable Sanitation and Hygiene for All Project, resulted in 322,245 low-income vulnerable households accessing improved sanitation and hygiene facilities and practicing hand washing with soap after defecation. In addition to this success, the WASH sector also expanded its portfolio, securing a second phase of the Improving Water Supply Sustainability in Northern Uganda (IWASII) project, with funding from the Austrian Development Agency in 2019. This, and the launch of full project activities of the Uganda Sanitation for Health Activity (USHA), significantly boosted these outstanding WASH related results.

As we reflect on 2019, I wish to acknowledge in a special way the SNV staff and partners who have worked tirelessly throughout the year to impact the lives of Ugandans. We also feel honoured, privileged and grateful for the support from relevant government ministries, our donors, partners, businesses and like-minded organisations. Our results in 2019 would not have been possible without your continued support of SNV. Thank you!

**Phomolo Maphosa**  
Country Director, SNV Uganda



## 2019 Impact in Numbers

### Sector

Planned 2019

Actual 2019

### Agriculture

Number of people with increased income

58,596

96,296

- Increased productivity
- Increased employment
- Increased sales
- Number of youth who gained new employment

55,500  
2,846  
250  
2,041

54,160  
2,431  
39,705  
1,330

Number of people with increased food and nutrition security

122,000

83,220

Number of School children having milk at school

300,000

329,900

Improved business performance

31

28

### Energy

Number of people with access to sustainable and affordable energy

4,800

5,232

Access to biodigesters

800

872

Tonnes of annual CO2 equivalent emission reductions

3,200

3,488

### Water, Sanitation and Hygiene (WASH)

Number of people who have gained access to and made use of sanitation

92,000

374,745

Number of people who have gained access to safely managed water supply services

0

11,750

Number of people practicing handwashing with soap after defecation

37,000

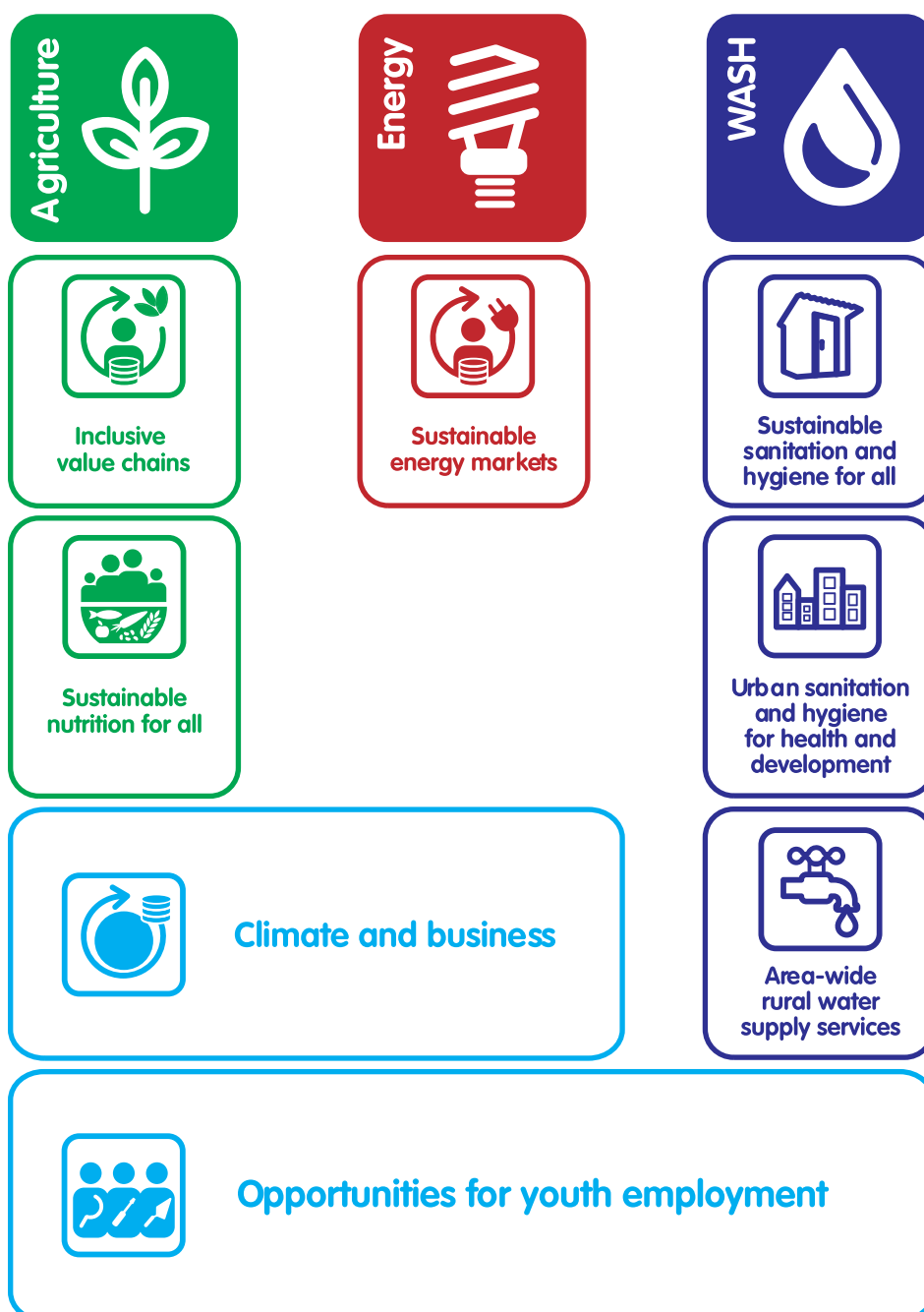
110,355

In 2019, we  
**improved  
the lives**  
of over  
**900,000**  
people



## Our Sectors and Products

Our work is centred around three sectors: Agriculture, Energy, and Water, Sanitation and Hygiene (WASH). Within these three sectors, we have eight defined products.





During 2019 we implemented  
10 projects across the three sectors.

## Agriculture

### **The Inclusive Dairy Enterprise (TIDE): 2015 - 2019**

**Region:** Southwestern Uganda (Mbarara, Isingiro, Kiruhura, Sheema, Bushenyi, Ntungamo and Lyantonde districts)

**Goal:** Reduce poverty by improving dairy farm incomes, household nutrition and employment opportunities for 20,000 farmers.

**Donor:** Embassy of the Kingdom of the Netherlands in Uganda (EKN)

### **Climate Resilient Agribusiness for Tomorrow (CRAFT): 2018 - 2023**

**Region:** Kenya, Tanzania and Uganda

**Goal:** Increase productive capacity and income for at least 300,000 farmers; improve business performance for 50 agribusiness Small and Medium Enterprises and 30 cooperatives; and support the production of climate-resilient sustainable food production on 600,000 hectares.

**Donor:** Netherlands Ministry of Foreign Affairs (DGIS)

### **Innovations Against Poverty (IAP): 2016 - 2019**

**Region:** Cambodia, Ethiopia, Uganda and Zambia

**Uganda Goal:** Identify and support innovative inclusive business models that are commercially viable and deliver developmental benefits to 718,730 people living at the base of the pyramid.

**Donor:** Swedish International Development Corporation Agency (SIDA)

### **Sustainable Nutrition for All (SN4A): 2015 - 2020**

**Region:** Zambia and Uganda (Kasese, Kyenjojo & Kakumiro districts)

**Uganda Goal:** Improve nutrition by adopting agro-biodiversity and improving dietary diversity at the intra-household level for 17,200 households.

**Donor:** Swiss Development Co-operation (SDC)

### **Agriculture and Market Support (AMS): 2018 - 2019**

**Region:** Hoima, Kyenjojo & Kakumiro districts

**Goal:** Support 7,000 smallholder farmers to become food and nutrition secure, move from subsistence to surplus production with increased access to markets and incomes.

**Donor:** World Food Programme (WFP)

## WASH

### **Sustainable Sanitation and Hygiene for All (SSH4A):**

**2014 -2020**

**Region:** Ethiopia, Ghana, Kenya, Mozambique, Nepal, Tanzania, Zambia and Uganda – (Pakwach, Zombo, Kibaale, Kagadi, Kakumiro, Mubende, Kassanda, Kyegegwa and Kyenjojo districts)

**Uganda Goal:** Ensure equitable and sustainable access to improved sanitation and hygiene - improved sanitation for 480,000 people with 87,000 practising hand-washing with soap and water.

**Donor:** UKAID - Department for International Development (DFID)

### **Uganda Sanitation for Health Activity (USHA): 2018 - 2023**

**Region:** Central East, Central West and Northern Uganda

**Goal:** Increase the number of people with access to improved and sustainable WASH products and services - basic sanitation for 750,000 people, 12,500 households washing hands with soap, WASH improvements in selected schools and health care facilities and strengthen institutional WASH capacity in targeted districts.

**Donor:** United States Agency for International Development (USAID)

### **Improving Water Supply Sustainability (IWAS) Phase II: 2019 - 2021**

**Region:** Lira, Kole, Dokolo and Alebtong districts

**Goal:** Contribute to improving the functionality of 850 rural water sources thereby giving 212,500 rural people uninterrupted access to a sustainable safe water supply.

**Donor:** Austrian Development Agency (ADA)

## Energy

### **African Biogas Partnership Programme (ABPP II): 2014 - 2019**

**Region:** Uganda, Kenya, Tanzania, Ethiopia and Burkina Faso

**Uganda Goal:** Promote biogas use by supporting the construction of 13,000 bio-digesters to give 78,000 people an alternative source of clean, high-quality energy for cooking and lighting.

**Donor:** Netherlands Ministry of Foreign Affairs through HIVOS (DGIS)

### **Access to Modern Energy in the Humanitarian Settings (AM-PERE): June - December 2019**

**Region:** Yumbe district

**Goal:** Facilitate the penetration of private sector actors to increase access to energy by displaced people in Bidibidi settlement and host communities within Yumbe district.

**Donor:** Netherlands Enterprise Agency (RVO)



## Our Donors

We would like to acknowledge and thank our donors for their contribution in promoting the work of SNV in Uganda.



Ministry of Foreign Affairs of the  
Netherlands



**USAID**  
FROM THE AMERICAN PEOPLE



Sweden  
**Sverige**



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra  
Federal Department of Foreign Affairs FDFA  
**Swiss Agency for Development and Cooperation SDC**



Austrian  
Development  
Agency



**World Food  
Programme**

## Management Team

During 2019, SNV Uganda was led by Phomolo Maphosa with support from the SNV Uganda Management Team as listed below:



**Phomolo Maphosa**  
Country Director



**Pheonah Kisembo-Omach**  
Country HR and Operations



**Rinus Van Klinken**  
Sector Leader - Agriculture



**Susan van Keulen-Cantella**  
Interim Sector Leader –  
Agriculture

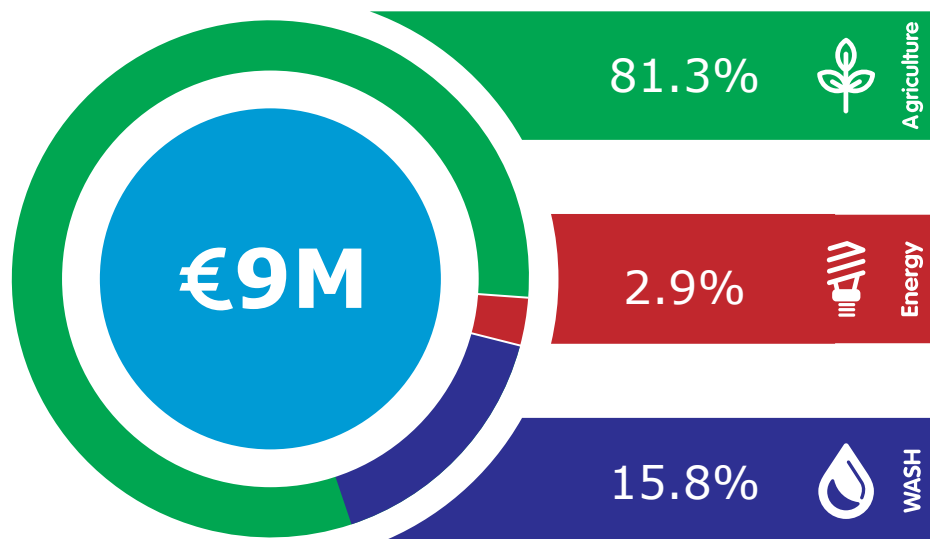


**Sonja Hofbauer**  
Sector Leader – Water,  
Sanitation and Hygiene

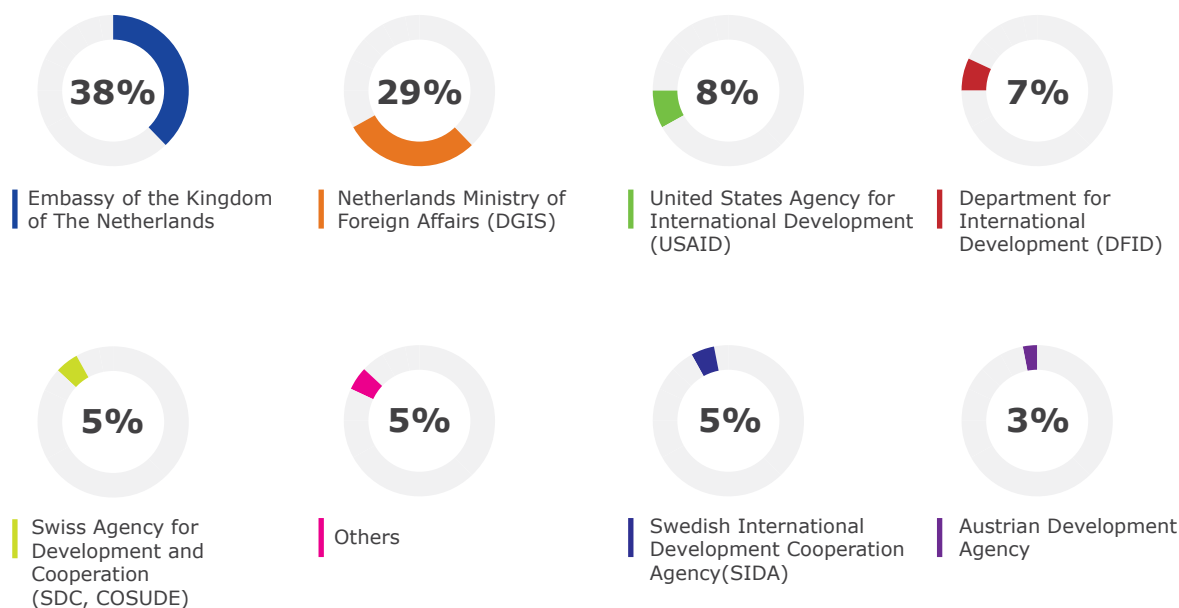


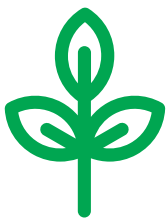
## Financial Summary

Revenue per  
sector in Euros  
in 2019



2019 Donor  
Funding





Our work in agriculture helped improve the lives of **329,900** school children and over **179,500** Ugandans whose livelihood depends on agriculture.



# AGRICULTURE

Agriculture represents the largest sector in SNV Uganda, with five projects under implementation across four products:



## Inclusive Value Chains

promotes inclusive and resilient growth in agricultural food value chains.



## Sustainable Nutrition for All

improves dietary practices and nutritional outcomes by developing food and nutrition security.



## Climate and Business

accelerates the adoption and scaling of climate-smart business practices that incorporate productivity, resilience and mitigation measures along agricultural value chains.



## Opportunities for Youth Employment

matches unskilled, employed young people with real employment opportunities based on their expressed trade preference.

- As recognised in the UN's Sustainable Development Goals, there is a need for the sustainable intensification of agricultural production systems to protect and enhance the natural resource base while increasing productivity. Development must thus go beyond agriculture by involving rural and urban areas and supporting job creation and income diversification.
- In 2019, our work in agriculture helped improve the lives of 329,900 school children and over 179,500 Ugandans whose livelihood depends on agriculture through increased incomes, food security and nutrition, as well as climate related solutions.



## Inclusive Value Chains

Inclusive value chains product promotes inclusive and resilient growth in agricultural food value chains. We work across the production, the transformation, consumption and commercialisation of agricultural products. We improve the performance of value chains by making them more resource efficient, competitive and environmentally sustainable. Small and medium farmers and other actors in the value chain are our key target groups.

**Smallholder farmers in countries such as Uganda often have low yields, due to limited skills and use of inputs, and lack of proper post-harvest management skills. It is not unusual for farmers to also lack business connections and financing, face restrictive regulatory environments, and have insufficient access to information. When combined, these factors tend to restrict the possibilities to grow the sector and increase incomes. These small and medium-sized producers often find themselves locked out of the supply chain, overshadowed by larger companies with better access to resources, connections and information.**

**SNV offers a proven market-based approach to address the problems faced by smallholders, suppliers, processing companies, retailers and consumers. Through our projects, including The Inclusive Dairy Enterprise project, Innovations Against Poverty, Agriculture and Market Support, SNV has developed market-based services that increase production, link farmers to markets, and support the professionalisation of service provision.**

## Dairy Sector Transformation

The dairy sector in Uganda is in the midst of a transformative process. From a self-contained market, with minimal exports and limited imports, Uganda has emerged as one of the leading dairy exporters in Africa. In the Southwestern region where the bulk of the milk processors are based, farmers are responding to increased milk prices by shifting from a 'low input – low output' farming system to a semi-intensive grazing regime.

Although this transformation has been hindered (since December 2019) by Kenya closing its borders for milk and other dairy products from Uganda, this is considered a temporary trade conflict. It is expected that the Ugandan dairy sector will continue to diversify its export markets and expand domestic market opportunities.

**The Inclusive Dairy Enterprise (TIDE) I project** funded by the Embassy of the Netherlands in Uganda has been supporting dairy sector transformation in the cattle corridor in southwestern Uganda through the creation of sustainable market-based systems.

The initiatives, which are targeted at increasing milk production in the cattle corridor, address quality issues in the milk value chain and are anchored on three interventions:

- Market creation for input suppliers to promote farmer access to products and services.
- Increasing efficiencies and inclusiveness in the value chain.
- Promotion of quality based milk payment system.

By the end of 2019 the project had supported over 5,491 (1,098 women) dairy farmers move from traditional to semi-intensive dairy farming. The acreage allocated for fodder crop cultivation to make silage and hay grew from a baseline of 155 acres to over 2,700 acres of land by the end of 2019. Average on-farm production also increased from 59.5 litres of milk per day to 70.2 litres, an increase of 18% between 2018 and 2019 as a result of an upsurge in on-farm investments (water for production, growing of fodder, paddocking etc.)

### Market creation for input suppliers to promote farmer access to products and services

Up until the end of 2018, the main driver for these interventions was the provision of direct subsidies for training and on-farm investments to farmers through service providers. These included animal feeding improvement, on-farm infrastructure, purchasing of chaff cutters, construction of cattle spray races, setting up water for production systems, zero grazing, yoghurt processing, farm planning, paddocking and fencing.

However, with the overwhelming demand from farmers for subsidies, the project developed a new innovative financing mechanism: providing non-reimbursable grants to six different Savings and Credit Cooperative Organisations (SACCOs) where farmers could access credit facilities at an interest.

To lessen the burden of the high costs of borrowing from SACCOs the project came up with a mechanism of hedging farmers against high-interest rates by meeting part of the interest on the



loans thereby incentivising farmers to increase investments in direct farm productivity. As a result, the SACCOs were able to lend out loans totalling EUR 3.2 million (UGX 13 billion) to 486 farmers through the interest buy-down scheme.

This has resulted in a shift by farmers from traditional to more commercial based dairy farming as farmers invested in their properties. On average, for every Euro SNV spent on the interest buy down, an equivalent of EUR 7 was given in loans to farmers by the SACCOs.

The TIDE loan subsidy scheme has demonstrated that the dairy sector is commercially viable and of relevance to financial institutions. The Bank of Uganda has expressed interest in the TIDE experiences and has made a request for a detailed case study.

Bilateral trade and investments between Ugandan private sector companies and Dutch companies also became a focus of TIDE I in 2019. The initiative was piloted in support of the Dutch government policy agenda "From Aid to Trade." One of the successes of the initiative is from 4DIZ Group Company. With assistance from the project, 4DIZ Group signed a partnership agreement with Kanter Holland B.V. to become their local representative for dairy equipment.

The Company will not only sell Kanter equipment but will also be supported to provide aftersales service to farmers, including the construction of milking parlours that can house milking equipment.

### **Increasing efficiencies and inclusiveness in the value chain**

Exports constitute a considerable market pull; however, it also comes with the potential for the development of an oligopoly market structure if left unchecked.

The TIDE I project, recognising the vital role that cooperatives play in



*SNV TIDE Model farmer Col Dick Bugingo (L), H.E The Dutch Ambassador and SNV Dairy Advisor Steven Aikiriza discuss the different forage options during the Harvest Money Expo*

“SNV’s support to EBBO SACCO through the interest buy-down on loans acquired by farmers not only unleashed the potential in small-holder farmers to invest in their own farms but also inspired us as financial cooperatives to develop appropriate and relevant products for farmers. As a SACCO we are in a better position to provide affordable financial products to our farmers so that together we create wealth and improve the dairy sector in Uganda,”  
Mugume Joseph, CEO, EBO SACCO

creating balance within the market, partnered with Agriterra to support cooperatives within the same localities to form clusters. The initiative would not only help cooperatives, and their members benefit from economies of scale that accrue from collective marketing and bulking of milk, but also give them a voice in the value chain.

By the end of 2019, eight clusters (each comprising of between 3-5 cooperatives) had been formed and were fully functional. A new norm is emerging where cooperatives and processors (as well as traders) are starting to

see the value of investing in the milk supply chain by supporting the suppliers (farmers) with training, enhanced services and access to credit.

### **Quality Based Milk Payment System pilot (QBMPS)**

This is another approach that SNV took to improve commercial milk quality at farmer, cooperative and processor level.

The pilot involved selected milk processors, the Ugandan government (through the Dairy Development Authority), 10 cooperative milk collec-

tion centres, five milk traders, 1,000 farmers, Uganda Crane Creamery Cooperative Union and a Dutch team of technical experts from Bles Dairies.

As part of the pilot, processors agreed to pay bonuses to the participating milk collection centres (MCCs) and farmers whose milk met the agreed parameters (no adulteration, the right milk composition and freshness).

At the end of the one-year pilot in 2019, EUR 70,660 was paid out to the farmers and their MCCs as bonuses for supplying quality milk. The pilot phase of the QBMPS led to the formulation

of a national guideline on milk quality payments to be followed by all milk processors.

The QBMPS has now been scaled up to include track and trace systems for agreed on parameters and practices, critical control points to prevent hazardous material from entering the value chain, milk quality monitoring in schools and training expanded to cover more than 4,000 smallholders and larger farmers, and more processors within and beyond the project area added.

In November 2019, the Netherlands Embassy in Uganda signed a new partnership agreement with SNV Uganda to implement TIDE II with a focus on deepening and up-scaling TIDE I interventions.

The emphasis under TIDE II will be on market development to ensure that stakeholders deliver products and services to dairy farmers that are accessible, relevant, affordable and of high quality and that farmers have enhanced knowledge and skills to reap maximum benefits from these investments.

## TIDE in Uganda's Southwest, a catalyst for growth in the dairy industry

SNV, through the TIDE project, has been instrumental in catalysing systems change and scaling up innovations in Uganda's dairy industry, particularly in the southwest of the country. As exports blossomed from USD 5 million to USD 100 million in just six years, strategic interventions and trainings ensured that dairy farmers were able to successfully position themselves to take advantage of the growth.

For SNV, this meant supporting farmers to transition from traditional farming methods to semi-intensification (building on crossbreeding of traditional Ankole cows with the Friesian Holstein breed to also invest in inputs, such as feeding and watering). The TIDE project supported farmers through the creation of an input market, providing access to knowledge, products, services, and financial options that would enable them to increase production.

Through a blend of matching grants and loans at subsidised interest rates, over 3,000 farmers were able to invest on farm, accessing products worth over EUR 5 million in the last three years to improve production.

The products and services included; on-farm practical training, water for production, paddocking, farm products and infrastructure such as spray races, milking parlours, sheds/barns and mechanised equipment.

In 2018 the input market in southwestern Uganda reached a turnover of EUR 2 million, which is projected to increase to **EUR 7 million by 2021**. To add to this, the project has geared service providers towards **self-sustainability**, as evidenced by the fact that no significant effect on market dynamics was detected after subsidies were gradually withdrawn. Without SNV assistance, there are now 24 companies who pro-actively offer relevant products to dairy farmers; an increase from the original 10 companies that engaged with the project in 2017. For dairy farmers and their families in Uganda's southwest, these system changes mean **on-going sustainable success** for generations.

## Innovative, Inclusive Business Models

With the growth and focus on technological progress in Uganda, SNV believes that innovation in technology and business practices are critical for creating innovative business models. However, many small and medium enterprises with innovative and inclusive businesses are exposed to commercial, technical, and financial risks and have limited access to markets. Most companies initiating an innovative inclusive business idea lack the technical support required. They are too large for micro-finance while being too small and risky for mainstream commercial debt and venture capital.

**Innovation Against Poverty (IAP) project** challenges the private sector to develop and pioneer fresh products, services and business models that can

contribute to poverty alleviation and environmental sustainability, while successfully maximising their competitiveness and profitability. By functioning as a risk-sharing mechanism, IAP stimulates the development of innovative, inclusive business ideas that otherwise would not have taken place within the private sector. Through the matching grant funding mechanism and business advisory services, IAP supports innovative and inclusive business companies that are commercially sustainable and able to create jobs, increase income and boost access to essential goods and services for people with low-incomes.

In 2019, the IAP project with funding from the Swedish International Development Corporation Agency supported six inclusive business (IB) companies with grant co-investment and business technical support services to implement inclusive business projects. As a

result, the businesses created both social and commercial impact for 736,800 people with low-incomes who now have access to basic goods and services.

The companies were able to generate additional revenue from sales in low-income markets of EUR 2,656,596, up from EUR 1,451,952 in 2018, representing an

 increase of **182%** in revenue.

This led to increased income for 7,870 people with low-incomes who participated in the companies' value chains as suppliers and last-mile distributors.

 A total of **249** new jobs were created for people with low incomes directly at company operations.



*The EcoStoves, innovative energy efficient cookstoves manufactured by Eco Group.*



## Volcanic rock cook stoves improve the quality of life of women in Wakiso district

A majority of households in Uganda use biomass (primarily charcoal or wood) for cooking. This not only contributes to increased indoor pollution and depletion of natural resources, but the cost of charcoal has also continued to increase, depriving low-income families of much needed financial resources.

Eco Group Ltd is an energy solution company in Uganda that specialises in the manufacture of clean and energy-efficient cook stoves branded as EcoStove that use volcanic rocks as an alternative fuel for cooking. Eco Group Ltd works with women groups that the company trains to manufacture, assemble and install EcoStoves. Women groups are also engaged in the production of volcanic rocks as well as marketing & distribution of the stoves. This is in line with the company's goal to empower women to earn income and improve their livelihoods through the use of the clean and energy-efficient EcoStoves.

With support from the Innovations Against Poverty Project, the company developed a marketing strategy and currently sells its EcoStoves with other complementary solar products such as a radio so that women can enjoy their radio programs as they cook. The company was also able to open outlets in other parts of the country, bringing their products closer to customers. Subsequently, Eco Group increased their sales from 150 EcoStoves a month to an average of 1,300 units per month.

The company also introduced a Pay-Go system to help low-income earn-

ers own the stoves which cost on average UGX 600,000 (EUR 142) as soon as they make a down payment and the balance paid over time through the women entrepreneur agents that the company trained. By the end of 2019, the company had improved the lives of over 145,700 people who now have an EcoStove of their own.

One such person is Resty Nalwoga, a housewife and mother of six children. Prior to purchasing an EcoStove, Resty's household used to purchase a bag of charcoal (which costs UGX 90,000 — EUR 21) every two weeks. In a month they were spending UGX 180,000 (EUR 43) which her husband sometimes could not afford, and thus they were forced to resort to firewood. Today Resty is the proud owner of an EcoStove. According to the company certification, the stove uses 70% rock and 30% charcoal, which is predominantly used to light the rocks.

*“This stove has been my salvation! The rocks heat up very quickly once you add a small amount of charcoal to light it, they burn all day without having to add any more rocks. Your food thus stays hot all day. We buy 4kgs of volcanic rocks at UGX 30,000 (EUR 7), and it lasts us eight months! We were spending UGX 180,000 every month; now we save approximately UGX 116,000 (EUR 28) monthly. With the savings we can now afford to buy more nutritious food for our home” a happy Resty explains.*

## Linking Farmers to Markets

A 2018 report stated that 72% of Ugandans rely on agriculture for their livelihood (*FAO: National gender profile of agriculture and rural livelihoods 2018*). The majority of these use the limited land and resources available to them to produce food for household consumption with little or no surplus to sell. Unfortunately, this system has left many families and communities without finances and food in times of drought and flooding, or in times of emergency. Smallholder farmers in the maize and beans value chains in Western Uganda are no exception.

For many, the slow progress in agricultural commercialisation is attributed to:

- Limited land holdings restricting farmers' ability to increase their acreage for production;
- High post-harvest losses of up to 40% for maize and beans due to the lack of access to appropriate storage equipment at the household or group level;
- Dependency on natural and increasingly erratic weather patterns;
- Use of rudimentary farming techniques as a result of limited access to financing and quality agricultural inputs, advisory services, and current market information.

### The Agriculture and Market support (AMS) project

aim was to support smallholder farmers in Kakumiro, Kikuube and Kyenjojo Districts in Western Uganda to become food and nutrition secure, move from subsistence to surplus production, with increased access to markets and incomes. Central to this approach was

increasing smallholder farmers' adoption of good practices and technologies. This was done by linking them with the private sector and enhancing the institutional capacities of Rural Producer Organisations (RPOs) and Farmer Organisations to increase collective marketing of quality produce. With support from World Food Programme, SNV linked over 1,600 farmers to agro-input dealers for quality inputs.

As a result, farmers were able to procure and plant over four (4) metric tonnes of improved maize seed, which enhanced their maize productivity from 800 kgs per acre to 1,800 kgs, a 225% yield increase.

By the end of the year, the farmers earned UGX 238.6 million (EUR 56, 700) from bulking of 214 metric tonnes of maize, 34,400 kgs of cassava and 7,718 kgs of beans.

To promote the adoption of nutrition sensitive agriculture to diversify household dietary needs in the settlements, the AMS project established 15 vegetable demonstration sites in Kyangwali refugee settlement. Because of the limited agricultural land within the settlements (farmers in the refugee settlement have small pieces of land of about 50m x100m) the project promoted the use of kitchen gardens for vegetable growing.

The kitchen garden concept was successful with an initial 100 households adopting the practice by the end of the project in 2019, confirming that development initiatives can work even in refugee settings.

“I have learnt the benefit of collective bulking and not selling my grain as an individual. When you sell as an individual, the buyer dictates the price. With the knowledge that I have gotten from the post-harvest training by SNV, I know that I can still get a good yield even with the small piece of land that I have. Now I do not have to hurry to sell my grain, I can keep it in my hermetic bags and bulk with my fellow community members to get a better market price,” - Ms Nirasafari Domina, a farmer in Kyangwali refugee settlement, Hoima district.



A farmer interacts with an Agro-inputs dealer during the Agro-input market event

## Harnessing the power of Village Savings Loan Associations (VSLA)

Tweyimukye Farmers Group is a village saving loan association (VSLA) in Ngogoli village, Kyangwali sub-county, Kikuube district. Located close to Lake Albert and the D.R. Congo border, Kyangwali is home to over 120,000 refugees, plus host community members. With unpredictable climate issues, unstable food sources and limited access to financial institutions, maintaining a future-focussed livelihood was difficult. Saving was limited, and farmers were investing and spending anywhere they could, in the hope that at least one project would be successful. There was no progress at the individual level in terms of income status, farming practices and productivity.

SNV responded to this need by encouraging farmers to start a VSLA in 2017. By the end of the project in November 2019, the group's membership had grown from the initial 25 farmers to 30 (21 women and 9 men).

The farmers were also encouraged to attend capacity building trainings so that they could increase their production, given their good soils and favourable weather, and the high demand for agricultural products within their trading centre.

Since 2017 when the VSLA was formed, the members have had three saving cycles and shared money worth UGX 16 million (EUR 3,800). Farmers are able to access loans from their VSLA easily to help them in their farm activities and businesses. The group has now opened an account with Post Bank for the safety of their funds and have been able to access financial services like farmer group loans.

For many families, a VSLA means their children can attend school. With their savings, farmers can purchase equipment to improve their farming efficiency, save for emergencies and work towards financial self-sufficiency. Tweyimukye VSLA is one of 182 VSLAs that was supported under the AMS project.



## Sustainable Nutrition for All

Sustainable Nutrition for All approach is based on our extensive experience in sanitation, food security, value-chain development, climate-smart agriculture and gender. Through our integrated projects, we work to improve dietary practices and nutritional outcomes by developing food and nutrition security. Our community-driven product is anchored in local and national structures to ensure sustainable change and scalability.

**The common denominator across all forms of malnutrition is poor quality diets. Nutrition sensitive agriculture can play a pivotal role in improving dietary quality, through diversifying and supplying safe and nutritious foods year-round and creating and supporting demand in consumers.**

**Sustainable Nutrition for All (SN4A) is an example of an integrated nutrition-sensitive approach. It seeks to improve nutrition outcomes by encouraging families to grow and consume diverse food at the household level while supporting nutrition interventions that target the health and wellbeing of children.**

## Promoting Nutrition-Sensitive Agriculture and Dietary Diversity



*An artistic impression of the SN4A five finger model.*

- A daily school meal serves two purposes: it is a vital incentive to keep children in school, and it supports their overall health and brain development. Only 36% of day schools in Uganda, however, provide at least one meal a day and the majority of these are in urban areas.
- Therefore a significantly high amount of school-going children in rural communities study on empty stomachs. Furthermore, approximately 29% of Ugandan children aged 6-59 months have stunted growth (below average height for their age), 4% suffer from wasting (low weight for their height), and 11% are underweight (have a body mass index (BMI) below that which is typical for their age and height group) according to the Uganda Demographic and Health Survey, 2016.
- Stunting, the principal measure of chronic malnutrition, has life-long consequences for health, human capital, economic development and prosperity.



Two projects have contributed to improved nutrition at the household level and for school-going children.

Through its *Sustainable Nutrition for All (SN4A)* model, SNV has been championing for the adoption of nutrition-sensitive agriculture and dietary diversity at the household level, while the TIDE school milk programme, has been promoting a milk-drinking culture in schools to alleviate malnutrition and short-term hunger among school-going children.

*The School Milk Programme* aims at not only addressing malnutrition, which is prevalent in Southwestern Uganda but also promoting the growth of the local dairy market by providing dairy farmers with an alternative market for their milk.



By the end of 2019, a total of **950 participating schools** and **329,900 children** were consuming milk as part of the school meal.

### The School Milk Programme (SMP)

not only promoted milk consumption among school-going children, thereby improving their nutritional status, it also increased parental involvement in schools and created a new market for dairy farmers and milk collection centres (MCC) through schools. Currently, the 950 schools consume an approximate total of 19,500 litres of milk per day, giving dairy farmers an estimated UGX 21 million (EUR 5,000) per day and UGX 5.3 billion (EUR 1.2 million) per annum in sales of raw milk.

Despite the significant growth registered by the SMP, the potential of the milk market in schools is yet to be fully harnessed. If the programme is extended to more schools and districts, its potential to contribute to nutrition and to transform the local dairy sector is immense.

In 2018, the TIDE project partnered with Yoba for Life - a foundation based in the Netherlands that developed an innovative starter culture containing the probiotic bacterium *Lactobacillus Rhamnosus* Yoba. Together, TIDE and Yoba introduced probiotic yoghurt into nursery schools. By the end of 2019, 41 yoghurt producers were partnering with Yoba to produce probiotic yoghurt in the TIDE project area. As a result, 20,000 pre-primary and 3,500 primary children are now drinking 125ml of packed probiotic yoghurt twice a week in the Southwestern region.

The Dairy Development Authority (DDA) conducted two rounds of monitoring and sampling of Yoba yoghurt producers. It noted a general increase in professionalism of yoghurt producers, as well as an improvement in the quality of yoghurt according to the microbial tests of the samples taken. This makes scaling of the parent-led school milk programme feasible in nursery and primary schools. Parent-led school milk is now a national policy, with the TIDE experiences positioned as a successful pilot of that policy.

### Sustainable Nutrition for All (SN4A)

through the project, SNV also sought to reduce the prevalence of stunting in Kasese, Kyenjojo and Kakumiro districts by supporting 17,200 households to adopt nutrition-sensitive agriculture to diversify their diets. To ensure sustainability and scalability, this Swiss Development Co-operation funded project worked with local government structures to strengthen their capacity to plan independently and generate demand within the communities.

The project trained 1,200 nutrition action groups (NAGs) and 26 nutrition coordination committees on their roles in promoting nutrition-sensitive agriculture; and water, sanitation and hygiene (WASH) practices within their communities. Using targeted communication, they focused on the benefits of agrobiodiversity, dietary diversity and hygiene practices by promoting

its adoption through social behaviour approaches.

Government-aided primary schools (23 in total) were co-opted as nutrition hubs with demonstration gardens showing agro-biodiversity. Communities were then mobilised to learn from the schools and supported to replicate the best practices learnt at the school demonstration gardens in their households.



To date, **85% (10,460)** of the participating households in **56** out of **80** targeted villages have adopted good agricultural practices in their home gardens and consumption of diverse diets.

At the national level, the SN4A Five Finger (5 food groups) model has been adopted by the Uganda Nutrition Action Plan line ministry, (Office of the Prime Minister, Ministry of Agriculture, Animal Industry and Fisheries, Ministry of Education and Sports, Ministry of Local Government, Ministry of Health) and is being reviewed for scale-up by the Government of Uganda as part of the Uganda Nutrition Education Guide.





SN4A - Community triggering

## Chairman LCI champions nutrition initiatives in his village

Eria Businge is the Local Council I Chairman Busoro village, in Nyabuharwa sub-county in Kyenjojo district. As village Chairman, he was selected by the project team to be part of the Nutrition Action Group (NAG) in his community. "Chairman", as he is popularly called, took his role as a NAG member very seriously. He had learnt that the project was celebrating villages that scored highly on the nutrition and WASH parameters. These were:

- **Adoption of nutrition-sensitive agriculture** - at least 80% of households should have an established vegetable garden with at least one vegetable and fruit.
- **Consumption** - 65% of households were consuming at least three meals daily from the five food groups.
- **Water, Sanitation and Hygiene (WASH)** - a minimum 75% of households owned and were using a latrine and had a functional handwashing facility.

Eria worked closely with other NAG members to make sure that their village passed these set parameters. To create unity among the members and motivate them to attend meetings, they started a village Savings and Credit Cooperative Society (SACCO), called the Busoro NAG Members Association (BUNAGMA). As membership increased, the household to NAG member ratio decreased, as the members were able to reach more households effectively.

The SACCO saved UGX 1.1 million (EUR 262) in less than a year which they loaned out to their members. They also bought chickens to encourage the uptake of poultry among both NAG members and members of the community. Now they have the resources and a team to move around, sensitising the rest of the community on nutrition and sanitation and hygiene. Eria and his NAG team members' efforts paid off. By the end of the year, 90% of the households in their village had a functional latrine and handwashing facility and had established a vegetable garden and planted at least one fruit tree.

*"We are proud of the SN4A project which opened our eyes to the potential within us. Had it not been for the SN4A project our village would still be lagging behind. It gives me great joy to see my community members thriving and healthy," Eria said.*



## Climate and Business

Climate and Business product builds on our expertise in working with the private sector to accelerate the adoption and scaling of climate-smart business practices that incorporate productivity, resilience and mitigation measures along agricultural value chains. This reduces the vulnerability of small- and medium-sized enterprises, farmers and households to the impacts of climate change and helps them to increase productivity.

**Climate change is undermining all aspects of food security and sustainable development, threatening to erode and reverse gains made in ending hunger and malnutrition. At the same time, food production needs to flourish to feed the growing population. Increasing production through unsustainable methods will increase deforestation, greenhouse gas emissions and environmental degradation. Applying climate-smart agricultural practices reduces**

**the risks of climate change and lowers greenhouse gas emissions while increasing productivity and incomes. However, most businesses do not currently fully understand their exposure to climate change or recognise the growing business opportunities in climate action. Changing agro-businesses' behaviour is pivotal to shift food systems to sustainable practices and realise climate change adaptation and mitigation in agriculture.**

### Climate Resilient Agricultural Value Chains



The population in East Africa has continued to grow, currently averaging 3% per annum in Uganda and Tanzania and 2.5% for Kenya. Food production in these countries, therefore, has to increase significantly to feed the growing population. Adoption of climate-smart production methods is key to improving the productivity of the existing food crop production and supply systems.

This, however, requires concerted efforts and joint investments by supply chain actors and public sector partners in the different food crop systems to support effective adaptation and mitigation strategies.

**The Climate Resilient Agribusiness for Tomorrow (CRAFT)** project funded by the Netherlands Ministry of Foreign Affairs (DGIS), aims to increase the availability and accessibility of climate-resilient food for the growing populations East Africa, including Uganda. This will be realised by:

- Increasing the adoption of climate-smart practices and technologies among farmers and agro enterprises;
- Increasing investments and busi-



ness growth in climate-smart value chains;

- Creating the environment necessary to enable and ensure the large-scale roll out of market-driven climate-smart agriculture.

The project team implemented a number of initiatives during the year, aimed at supporting value chain actors to adopt and build resilience to the effects of climate change.

### Climate risk assessments

The CRAFT team carried out a series of climate risk assessments. The assessments use the latest science to develop climate change projections targeting specific crops and regions. The impact of climate change on the different crop yields was then determined using these climate projections and agronomic data.

In Uganda, the team carried out climate risk assessments of the potato, sunflower, soybean and sesame value chain. Using climate projections and impact on crop yield as input for discussion, value chain actors identified and prioritised climate-related risks affecting their business as well as assessed the feasibility of potential adaptation options addressing these risks. They also identified and assessed new opportunities emerging from climate change.

### CRAFT Climate Innovation and Investment Facility (CIIF)

The CRAFT project also launched its Climate Innovation and Investment Facility (CIIF) during the year, awarding EUR 354,481 to two private sector companies in Uganda. The CIIF aims to leverage co-investments from private sector actors while promoting climate-smart solutions and innovations along the project targeted agricultural value chains.

Co-investment with the private sector

is one of the key strategies identified by the CRAFT project to achieve sustainable results. The project will work with, and through, the private sector to promote climate smart agriculture related innovations at farming systems and value chain level. It will also support public sector partners in creating the institutional environment for wide-scale adoption of climate smart agriculture (CSA) practices.

Through the partnership with the two grantees, a total of 38,000 small-holder farmers in the soybean and sesame value chain stand to improve their farming practices and resilience to climate change.

*“Our goal as a cooperative is to increase the income of the small-holder farmers who are members of Nyekorac farmers’ cooperative by promoting the adoption of climate-smart production technologies and practices both at the farmer level and at the cooperative. With the co-investment we are looking at improving the standard of doing business at the cooperative and creating sustainable market linkages to boost cooperative business,” Dennis Obua, Cooperative Manager, Nyekorach.*

**Financial Inclusion** - The CRAFT project pursued linkages and collaborative efforts with financial institutions to address access to finance issues which is one of the major barriers that hinder climate-smart adoption by input suppliers, farmers, SMEs involved in trading and processing.

The project signed Memoranda of Understanding (MoU) to formalise the framework for collaboration with four

financial institutions. The MoUs will strengthen the working relationship with the financial institutions who are ready to co-invest in climate-smart agriculture.

In turn, this will aid the private sector companies to leverage and acquire credit facilities from the commercial financial institutions beyond the life of the CRAFT project.

### Strengthening the public and private sector agricultural extension system in climate-smart practices

During the reporting period, the CRAFT project also launched a series of trainings on climate-smart practices targeting extension workers, village agents and lead farmers.

The trainings which were conducted using a climate-smart farmer field school approach aimed at building a pool of Master Trainer of Trainers (MTToTs) and Trainers of Trainers (ToTs). These in turn will train small-holder farmers and encourage them to apply the same climate-smart practices in their own fields, thereby ultimately increasing their productivity and ensuring greater resilience of their farming system.



## Opportunities for Youth Employment

Opportunities for Youth Employment product uses a push - match - pull methodology that has been tested and refined in practice. The approach is based on SNV's existing partnerships with the private sector: unskilled, unemployed young people are matched with real employment opportunities (pull), based on their expressed trade preference. Participants follow training and apprenticeships that will fast-track their skills development to enable them to succeed (push - match).

**Youth unemployment and underemployment hamper sustainable economic development and can lead to social instability. Connecting local companies and unemployed youth can help create meaningful employment opportunities. SNV operates as a bridge between the public and private sectors to develop meaningful and**

**sustainable employment opportunities for thousands of young people. By enabling youth to acquire relevant market-based skills and develop their leadership and entrepreneurial competencies, SNV improves their capacity to access employment opportunities and establish their own enterprises.**

### Unlocking Opportunities for Youth Employment



*Youth in southwestern Uganda construct a spray race*

SNV Uganda has actively pursued opportunities to engage and create employment opportunities for the youth. One such example is through The Inclusive dairy Enterprise (TIDE) where the project carried out an assessment of youth's aspirations and linked them to where they were needed the most.

These were mostly in dairy services where the provision of silage/hay-making services, farm mechanisation (youth tractor operators) and extension services were identified.

Through the cooperative strengthening initiative with Agriterra, the project helped cooperatives identify more opportunities for expansion as well as ways in which they could leverage the available, young, educated labour force within the region.

A total of six cooperatives were able to expand their business operation to different areas, employing **19 youths** in the process.

For graduates, the project also sought buy-in from established Savings and Credit Cooperatives (SACCOs) to expand their branch networks and recruit young professionals as agricultural loans officers.

As a result of the drive, a total of **16 young professionals** were gainfully employed.

Milk collection from farmers to the cooperative bulking/cooling centres has, until recently, come under the control of traders, some of whom prey on the ignorance of the farmers.

By directly linking the milk quality to milk collection and transportation practices, an incremental number of cooperatives started seeing the value

of a well-structured and centrally managed milk collection and transportation system.

A total of **369 youth** across **75 cooperatives** are now designated as full-time employees in charge of milk collection and transportation.

Following the severe drought in 2019, farmers realised the importance of growing fodder (maize corn and Napier grass) for their cattle. The increase in acreage of land for fodder production, however, created a new dilemma for farmers: there was no ready equipment or service providers who could assist in harvesting the fodder. Seeing this gap, TIDE worked closely with ten cooperatives to pilot a youth-led model on fodder harvesting as a service.

In the last two seasons, the youth groups have been able to harvest a combined total of **593.3 acres** of fodder, earning them total revenue of **UGX 71,196,000 (EUR 16,951)**.

With more farmers growing fodder, the potential for youth to increase their income is enormous.

In 2019, to address the knowledge and skills gap among farmers, the project expanded the cooperative based extension services model to cover 40 cooperatives, up from the original 14 in 2018.

Although the model needs further strengthening to bridge the gaps for it to be sustainable, it has proved to be a good avenue for employing youth.

By the end of 2019, **45 youths** were employed under a cost-share arrangement between the cooperatives and the TIDE project, with funding by the Agriterra Jobs youth programme.

SNV will continue to explore this model under Phase II of the project to prove its sustainability and ability to create add-ins that increase value to farmers and cooperatives. Potentially 350 well-educated youths could be gainfully employed as extension officers across the current pool of 150 progressive cooperatives in Southwestern Uganda.



# AgriProFocus

## Collaboration for Collective Impact

The AgriProFocus Network in Uganda has played a pivotal role of cultivating sustainable collaborations among stakeholders within Uganda's agri-food sector. Established 10 years ago, AgriProFocus has positioned itself as the go-to platform for agri-food related knowledge, opportunities, business partnerships and collective influence on systemic issues. The Uganda Network has grown with a membership of over 18,000 agribusiness professionals and 250 agribusiness related organisations (online and offline). The ambition of AgriProFocus has always been to make agribusiness work for development. This is hinged on the need to realise Sustainable Development Goal 2 with a focus on accelerating progress and achieve deeper impact on food and nutrition security through collaboration.

*“Through the Network we understand the existence of relevant knowledge, and we are kept abreast of different trends and developments in the agricultural sector. This makes us, both as individuals and as a Network broader and stronger in creating impact. Our work through the Network has given Solidaridad and its stakeholders (both national and international) a big mileage. We want to appreciate AgriProFocus Uganda for the job well done on knowledge brokering”. Julius Ssemyalu, Country Representative Solidaridad*

AgriProFocus uses the Dutch Diamond model, in which private sector, government, civil society, and knowledge institutions connect and combine their expertise and resources. The Network's signature solutions on linking, learning and leadership have enabled it to successfully facilitate new collaborations and opportunities for stakeholders to learn from the evidence and lessons available to scale up and scale out innovations. Emphasis was placed



*Joris-van Bommel, Deputy Head of Mission Embassy of the Kingdom of the Netherlands in Uganda shares a light moment with Judith Bakirya, one of Uganda's best female farmers during the harvest money Expo*

on Agripreneurship in food systems' transformation and efforts made to combine the strengths of networking and knowledge brokering to accelerate collaboration for tangible impact. Below are some of the Network's key contributions.

**Dairy Development** through a multi stakeholder approach; AgriProFocus successfully facilitated joint agenda setting through several dairy related events, communities of practice and learning journeys. The Network supported issues mapping to facilitate dialogue and review of policies around dairy taxation and financial inclusion for small holder farmers.

The Network, through its AgriFinance Thematic group, contributed to the Sector Strategic Plan 2025 whose recommendations are pending approval. The Agenda on dairy taxation has been taken up by the Uganda Dairy Processors' Association.

**Food and Nutrition security;** Given the Network's ambition to make agribusiness work for development, private sector became the centre of focus on the network's food and nutrition agenda. Network initiatives emphasised

the role of private sector in increasing access to safe and nutritious food. In collaboration with the Ministry of Trade and Hivos, AgriProFocus supported the development of the SMEs handbook on Good Manufacturing and Hygiene Practices.

The Network further facilitated a joint agenda setting initiative to review challenges faced by the private sector in maintaining food safety standards and opportunities for streamlined regulation. Key recommendations for implementation and follow up were taken up by the directorate of Quality Assurance & Standardization MSMEs at the Ministry of Trade, Industry & Cooperatives with continued support from Hivos. Through the Network's regional approach, 4 food security clusters were established in the Eastern, Lango, Acholi and Rwenzori Regions to further support small holder farmers to access markets finance and have a voice on policy related challenges.

**Financial Inclusion;** Access to finance for small holder farmers and SMEs in agribusiness is a continuing systemic issue and a challenge for stakeholders. The Network facilitated increased outreach of financial institutions to differ-

ent regions in Uganda thereby changing the dynamics of interaction with small holder farmers in their cooperatives. The Network facilitated the Bank of Uganda to increase the outreach of the Agriculture Credit Facility to six additional regions in Uganda and the review of the AgriFinance yearbooks. With support from GIZ the Network developed an online repository for AgriFinance related information from different partners.

**Youth in Agribusiness;** AgriProFocus facilitated collaboration among stakeholders on the youth employment in agribusiness agenda. Guided by a country situation analysis, AgriProFocus facilitated joint agenda setting among stakeholders through a youth in agribusiness community of practice. The Network facilitated a number of youth in agribusiness boot camps, mentorship programs, inspirational conferences, caravans and business to business events for youth. Over 6,000 youth were directly impacted through the different programmes. As a result a 3 year Youth in Agro-ecology and Business Learning Track programme was developed that is currently being implemented in Uganda, Kenya, Ethiopia and Rwanda.

“Through AgriProFocus, I have managed to expand my network and gain insightful knowledge on agribusiness and key contacts that have added value to my organisation (Agro-tourism Association). AgriProFocus has given us an opportunity for our voices to be heard as we contribute to shaping ideas that help address the youth unemployment in Uganda” Joseph Talemwa, Young and Chairman of the Agro tourism Association.

### Making Gender work

Promoting Gender in value chains development has been a longstanding agenda in AgriProFocus over the last seven years. Through collaboration with Fair and Sustainable, AgriProFocus

successfully developed gender related services to support its members to put in place strategies that enable the balancing of benefits for both women and men. The Network developed two gender toolkits, learning trajectories specific for agriculture related programmes and E-modules for gender practitioners. The Network also carried out five annual learning trajectories with over 30 organisations to develop and implement gender strategies for their organisations and programmes. One of these organisations is AVSI foundation which AgriProFocus helped develop a tailor made trajectory specifically for their youth employment in the agribusiness SKY project. The Network has now trained a pool of 10 gender coaches locally who can independently support organisations with gender related activities.

“The collaboration through AgriProFocus has been very good. Our SKY team are now able to express and articulate gender issues with ease. We appreciate the APF expert facilitation on gender mainstreaming on youth employment in Agribusiness. We hope to continue collaborating, in developing the gender cases as a learning reference for existing and future projects,” Felicity Acan, Agribusiness and Privates Sector Development Advisor SKY Project

### Sustainable business and partnership solutions:

AgriProFocus has continuously helped to accelerate the business agenda of local and international companies to generate more impact on food security and nutrition and do business sustainably. The Network has promoted local and international businesses in Uganda through platforms such as the: annual Netherlands-Uganda trade missions; the Netherlands Villages at the harvest money expo, the 2 year PAINT (Promoting Agribusiness Trade and Investment) program

and the Business to Business networking events. The Network's support has fostered successful business partnerships and enabled stakeholders to gain rich and in-depth outreach, expertise and understanding of local and international trade dynamics. The key value sectors that have thrived in this facility are horticulture, dairy, and poultry with piggery as an emerging sector.

### Digital Networks and knowledge management:

AgriProFocus oversees an interactive and vibrant online platform of over 31,000 agribusiness professionals. The platform is a one stop source for agri-related information and a repository for members where they can share and store information.


### Our new future:

AgriProFocus Uganda will be transitioning into the Netherlands Food Partnership (NFP). The NFP is built on the foundation of AgriProFocus and The Food and Business Knowledge Platform and will combine the strengths of the two organisations i.e. networking with impact and knowledge brokering.

The ambition of NFP is to boost transformative approaches for sustainable food systems and healthy diets in low and middle income countries (LMICs). It will build on the extensive assets of AgriProFocus, its network, knowledge and experience in cultivating collaboration and knowledge brokering.

Therefore, as we wrap up our of the AgriProFocus Network activities in Uganda, we look back at our achievements in the past 10 years with a big smile, sense of accomplishment and gratitude to our Network members who have kept the Network alive.





In 2019  
our work in the energy  
sector improved the  
lives of **5,232**  
people who now have  
clean energy for  
cooking and lighting.



# Energy

SNV is implementing two projects under the Sustainable Energy Markets product.



## **Sustainable Energy Markets**

develops energy markets for biodigesters, clean cooking and heating, as well as for off-grid electricity.

Energy is essential for human development. All energy provision is also directly climate-relevant, particularly in cooking, where unsustainable use of biomass results in greenhouse-gas emissions.

In Uganda, the primary energy consumption (93%) comes from biomass (firewood, charcoal or crop residues). Biomass fuel is used in non-efficient stoves which emit much smoke, leading to indoor air pollution that aggravates respiratory and eye conditions, especially in women and children who spend long hours in the kitchen.

This over dependency has also led to deforestation and the subsequent negative flow-on effects such as lower agricultural yields resulting in reduced incomes and inadequate nutrition for families.

SNV's work in Energy is primarily guided by the UN's Sustainable Development Goal (SDG7). Sustainable energy for all would significantly improve the lives of those without access and boost their economic prospects.

Women particularly stand to gain by cutting the time spent gathering fuel and cooking and avoiding indoor air pollution.

## Sustainable Energy Markets

Sustainable Energy Markets product develops energy markets for biogas, clean cooking and heating, as well as for off-grid electricity. Based on our local knowledge and as appropriate, we combine demand creation, technical and business advice for entrepreneurs, incentives to distribute quality products, support to government agencies to run market-based energy programmes and advice to improve enabling environments.

### Sustainable Energy Access for All

On average, a farmer in Uganda saves up to EUR 300 per annum by switching to biogas for cooking. The challenge, however, is the initial installation cost.

Investment costs for a biogas digester that provides four hours of cooking a day and four hours of lighting, range between EUR 500-600. For most rural families in Uganda, this figure is far out of reach. This significantly affected the attainment of the project targets in 2019. SNV Uganda is one of five countries (Burkina Faso, Ethiopia, Kenya, Tanzania, Uganda) implementing the **Africa Biogas Partnership Programme (ABPP II)** with funding from the Netherlands Ministry of Foreign Affairs.

The programme goal is to develop a sustainable domestic biogas sector characterised by sustainable demand and supply, and supported by an enabling environment and balanced interactions between consumers, providers/suppliers and policymakers. To achieve this goal, the programme focused on:

- Development of innovative solutions to promote the uptake of biogas;
- Addressing the affordability challenge;
- Continued promotion and institutionalisation of biogas, use of bio-slurry and obtaining carbon revenue.

By the end of the programme in 2019, ABPP II had supported **3,988 households** to construct biogas digesters, improving the lives of **23,928 people** who now have clean energy for cooking and lighting.

### Overall project impact



**3,988** bio-digesters constructed



**20,334** people improved their agricultural productivity as a result of bio-slurry application



**23,928** people with access to affordable clean energy for cooking



**20** Biogas Construction Enterprises supported to become operational across the country



**5** Biogas Marketing hubs established and fully functional



**52,888** tonnes of CO2 emissions reduced



**3** Bio-slurry business cases operationalised with the capacity to bulk and sell bio-slurry

### Development of innovative solutions to promote the uptake of biodigesters

As a strategy to make the biodigester more affordable, the project introduced two biodigesters into the market. The "BSU 2015" (released in 2015) is a more compact biodigester, and the Sistema Biobolsa is a prefabricated biogas system that uses agricultural waste to generate biogas as well as bio-fertiliser in the form of a slurry. Since their launch, over 1,950 "BSU-2015" and 64 Sistema Biobolsa digesters have been constructed.

The programme also launched five biogas marketing hubs, covering 29 districts in the Central, Southwestern and Mbale regions of Uganda to promote linkages between different actors (farmers, value chain organisations, financial institutions and biogas construction enterprises).

The hubs were established to oversee the marketing and promotion of biodigesters within the different geographical areas, instead of leaving the marketing to biogas construction enterprises primarily. This significantly contributed to the increase in the number of biodigesters constructed during the project, especially in 2017 to 2019.

In 2019 alone, 80% (710) of the constructed biodigesters came from the hubs. The uptake was prominent in Southwestern Uganda due to the increase in the number of farmers adopting commercial dairy farming and utilising their increased incomes.

### Addressing the affordability challenge

Access to credit towards the construction of biodigesters remained a challenge with interest rates from traditional lending sources ranging from 24-32%. Consequently, most farmers could not afford the credit, or they lacked collateral to secure credit from



*Launch of the Sistema biobolsa*

the financial institutions.

The programme introduced a Credit Fund facility to provide interest-free loans to financial institutions so that they could in turn avail affordable low-cost biogas loans to farmers. By the end of the programme, 16 microfinance institutions had partnered with the programme to provide this loan facility to farmers.

**This enabled 102 farmers access loan facilities to construct their biodigesters.**

### The business case for commercialising bio-slurry

Declining soil fertility is a fundamental impediment to agricultural growth and a significant reason for slow growth in food production in developing countries. Commercialisation of bio-slurry thus presents a good nexus in energy and agriculture.

Farmers can use the bio-slurry as an organic fertiliser to enhance agricultural productivity and sustain soil fertility. The projected income from bio-slurry sales can be used to pay back loans taken to construct their biodigesters within a period of one and a half years.

The programme supported three businesses: Agency for Integrated Rural Development (AFIRD), Rukundo Farm and Bushika Integrated Area Cooperative Enterprise to bulk and sell bio-slurry. On average, the three businesses sold more than 30,000 litres of bio-slurry over a period of 12 months since they started to take up bio-slurry as a business.

**In 2019 alone, 80% (710) of the constructed biodigesters came from the hubs.**



## A Biogas user's journey to becoming a model farmer.

Lydia lives in Namayumba, in Wakiso district, central Uganda. She is a model farmer, a bio-slurry trainer, and the winner of the "Best Farmer" award from the New Vision Uganda Harvest Money. But just seven years ago, she and her husband were struggling to cultivate crops because of the rocky soils in their region. She and her husband unsuccessfully relied heavily on expensive fertilisers to produce a market worthy- crop, and like many farmers in Namayumba, they had been trying to find a way to improve their production. In 2013 Lydia constructed her biodigester with the hope that the returns would pay off in the long run and she was not disappointed. She set up a compost pit in a bid to improve the quality of her fertilisers and started applying bio-slurry in her banana and coffee plantations. Her garden gradually changed and everyone in the village could tell there was something behind the shine.

Farmers started visiting and consulting her so that they too could improve on their farms. At first, she would give them bio-slurry free of charge, however, with the increased demand from the community she started selling a 20-litre jerry can of bio-slurry at UGX 500 each and offering practical lessons to farmers who came to her farm. This was not only witnessed by the locals but by a community-based NGO as well who hired her to train their farmers and supply them with mango, avocado and other fruit seedlings. From her humble beginning, Lydia is now recognised as a model farmer.



Lydia turning her compost

“ In 2019, we earned UGX 2,140,000 (EUR 510) from the sale of bio-slurry, compost and seedlings that we're growing using our bio-slurry. Our investment in biogas has paid off, we have recovered all the money we invested into it and are now reaping the benefits of using bio-slurry in our gardens. Biogas profits a lot. You not only get gas for cooking and lighting, but you can also improve your agricultural productivity if you make use of the bio-slurry.” Lydia said.

## Affordable Modern Energy Solutions for Refugees

Uganda hosts over a million refugees, which is the third-largest refugee population in the world. One of the most significant challenges facing refugees is the lack of quality, reliable, affordable, and clean energy sources - for both electricity and cooking.

Uganda shares this acute need for energy, considering that it has one of the lowest per capita electricity consumption in the world with 215 kWh per capita per year. Access to energy is covered only up to 15% at the national level with only 7% in rural areas.

In settlements, the prevailing humanitarian approach has created a market

distortion through free distributions that do not always meet quality standards and has precluded possible last-mile post-sale customer care and warranty.

SNV in partnership with Mercy Corps Netherlands, implemented **the Access to Modern Energy in Humanitarian Settings (AMPERE)** project, to test, prove and build evidence for quality, affordable and reliable market-driven energy access solutions in humanitarian response programming.

With funding from Netherlands Enterprise Agency (RVO), the partners worked with the private sector to test approaches to overcome known barriers in refugee settlements, including affordability, perceived creditworthiness of refugees and costs of last-mile access

in settlements with less dense population centres. Pay-as-you-go (PAYGo) solar energy markets were one of the mechanisms identified to improve energy access for refugees. PAYGo makes solar systems accessible to consumers who otherwise cannot afford the large upfront payment by distributing purchasing costs over time.

To facilitate penetration into hard to reach markets, a Result Based Financing facility (RBF) was introduced in a phased approach where solar companies received an incentive payment for each solar system installed, and the consumers had an attractive loan payment system which allowed them to pay for solar products over a reasonable period of time.

This was aimed at motivating private companies to invest and bring their services closer to the refugee settlements. Once the market was catalysed, the RBF was stopped. At the end of the pilot in 2019, the private companies were selling the lanterns at the normal market price without subsidies.

Over **3,630** solar products have so far been sold through the pilot project, giving **3,600 households** access to lighting systems. Out of the total solar products sold, **320** were purchased through the **PAYGo systems**.

The off-grid solar companies - Village Power Ltd and D. Light Design Uganda Ltd have now set up and branded their

distribution and service centres to provide services to the refugees and host communities.

The project selected and funded four innovative ideas through the Response Innovation Lab to be implemented in Bidibidi settlement. These included; community-led briquette production for clean cooking, energy service cooperatives, a digital point-based saving system for purchasing energy products, and Interactive Voice Response (IVR) for clean energy awareness-raising. This has resulted in the:

- Establishment of two community-level energy cooperative shops by ENventure with products sourced from D. Light and Village Power (neither of whom had

previously ventured into refugee settlements before),

- Building of a saving culture among members to acquire energy products.
- Emergence of the Raising Gabdho Foundation that has trained community members in the production of briquette and heat-retaining cooking baskets.
- Promotion of Interactive Voice Response messages by VIAMO/ANCHOR to community members on clean energy options and retail points.



*D. Light sales agent demonstrates to the community in Bidibidi settlement camp how the solar lights work*





In 2019, our WASH  
programme improved the  
lives of **386,495**  
people who gained  
access to clean water  
and sanitation.

Photo Credit: USHA



# Water, Sanitation and Hygiene (WASH)

The WASH sector has three projects under implementation, across two products.



## **Sustainable Sanitation and Hygiene for All**

strengthens the capacity of local authorities to develop and enforce area-wide sanitation service delivery models for their jurisdictions.



## **Area Wide Rural Water Supply**

ensures sustainable access to water supply systems that are responsive to the needs of changing communities.

In Uganda, 22.9% of the rural population is still practising open defecation, with only 36% of the people in rural areas washing their hands with soap after using the toilet according to the Ministry of Water and Environment Sector Performance Report 2019.

SNV's WASH interventions aim to support the Government of Uganda to progressively achieve the right to safe water and sanitation for all Ugandans. As such, our WASH programmes are careful not to exacerbate or deepen existing inequalities. Rather, our approach supports local and national government efforts in designing and implementing service delivery models, at scale.

This entails adjustments in the set-up of service delivery models and amendments in the roles and responsibilities of all involved: the government, the private sector, civil society organisations (CSOs) and service users.



## Sustainable Sanitation and Hygiene for All

Sustainable Sanitation and Hygiene for All product strengthens the capacity of local authorities to develop and enforce area-wide sanitation service delivery models for their jurisdictions. We use a hands-on approach, working collaboratively towards improved sanitation and hygiene, and continuously reflecting and learning. Our approach creates demand for sanitation services, develops sanitation supply chains in rural areas, builds capacity for behaviour change and strengthens WASH governance systems.

**For many rural households in Uganda, well-maintained sanitation facilities and handwashing stations are inaccessible. Knowledge of technological solutions for different soil conditions and budgets remains low and often results in poorly-constructed facilities. Access to sanitation in rural areas has stagnated at 77%, and only 17% of rural households use an improved toilet facility that is not**

**shared (Sector Performance Report 2019) whilst access to handwashing with soap remains low. Inaccessibility to sustainable sanitation and hygiene is a risk for rural families' health and a barrier for sustainable development of entire communities. SNV is addressing these challenges through innovative programs that address the issues at their source.**

### Pioneering Results-based Financing for Sanitation and Hygiene

Although access to improved sanitation is a basic human right, a majority of communities (especially in rural areas) still lag behind. Progress in accessibility barely keeps up with population growth, and disparities continue to increase.

Improved sanitation ensures dignity and minimises the risk of disease, thereby reducing overall vulnerability. To combat these risks, SNV partnered with the UK Department for International Development (DFID), to enable

access to improved sanitation and hygiene facilities for low-income vulnerable groups through the **Sustainable Sanitation and Hygiene for All (SSH4A)** Results Programme.



*Stakeholders at the SSH4A project closeout event in Kampala*

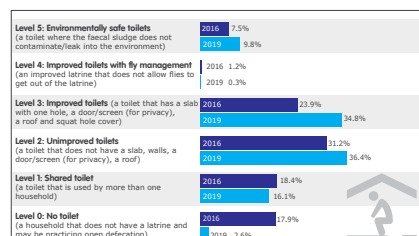


# Sustainable Sanitation & Hygiene For All (SSH4A) Journey in Uganda

## 1. Access to sanitation facilities

(Baseline December 2016 versus Endline November 2019)

Universal access to adequate sanitation is a fundamental need, human right and a key part of the Sustainable Development Goals (SDGs). The 9 SSH4A Districts were supported by SNV through the SSH4A program to improve sanitation and Hygiene.

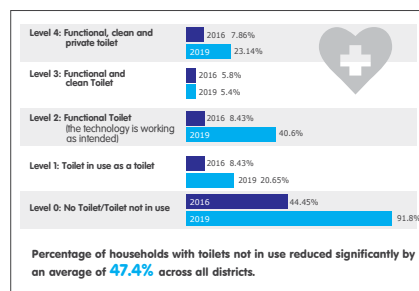


Percentage of households with no toilets reduced by **15.3%**  
The percentage of households with improved toilets increased by **10.9%**

## 2. Hygienic use and maintenance of sanitation facilities (Clean and properly maintained toilets)

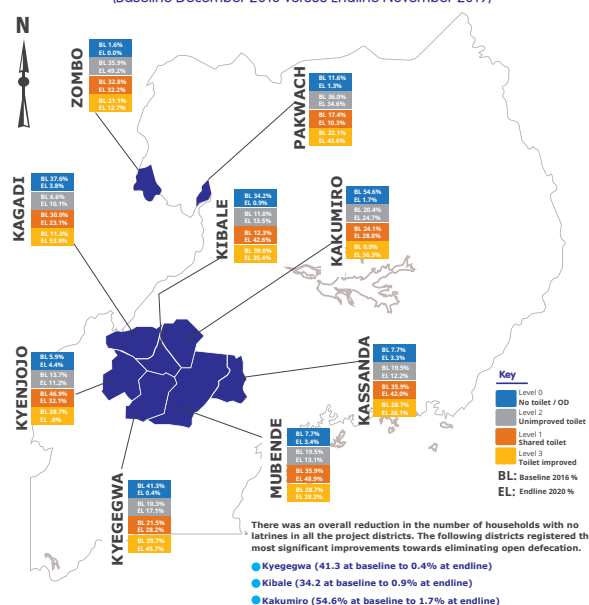
(Baseline December 2016 versus Endline November 2019)

Once a toilet is in place and used, cleanliness and maintenance needs to be ensured.



Percentage of households with toilets not in use reduced significantly by an average of **47.4%** across all districts.

Map showing access to sanitation facilities in the 9 districts  
(Baseline December 2016 versus Endline November 2019)



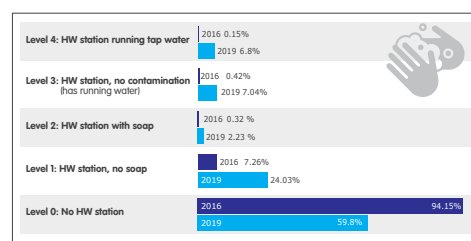
A map of SSH4A Areas of intervention 2014 - 2020



## 3. Presence of hand washing station near the toilet

(Baseline December 2016 versus Endline November 2019)

Having and maintaining a toilet alone is not good enough. Households also need to have a hand washing facility near their toilet and practice hand washing with soap to improve their hygiene and health.



Number of households with a hand washing station near the toilet increased by an average of **1.9%** across all districts. Hand washing with soap however remains a challenge that needs more attention.

## Sanitation progress and challenges

All the districts made great progress towards reducing Open Defecation. Handwashing with soap however remains a challenge. The Districts need to focus on sustaining and consolidating the progress achieved so far and continue to:

- Equip communities and social groups with knowledge and skills for latrine improvement using locally available materials to enable them make progress along the sanitation ladder.
- Intensify targeted Follow Up MANDONA for the attainment of district sanitation and hygiene targets.
- Engage supply chain actors to bring sanitation products like SATO pans closer to the communities.
- Continue to implement tailored aspiration based Sanitation Behaviour Change strategies especially towards addressing the low rate of handwashing with soap within communities.

<https://snv.org/project/sustainable-sanitation-hygiene-all-results-programme>

Between 2016 and 2019, open defecation (OD) rates fell from an average of **23% to 2%** in the nine project districts.



**932,392** people with improved access to sanitation



**174,030** people practising handwashing with soap and water after defecating



**608,151** people with environmentally safe toilets (a toilet where the faecal sludge does not contaminate/leak into the environment)



## Sustainable Sanitation and Hygiene for All (SSH4A)

This innovative programme was designed to ensure that tangible impacts on community health and quality of life are recognised and measured systematically.

As a results-based finance programme, it linked programme financing directly to outputs and outcomes, with verifiable indicators and an external evaluation process that validated and ensured programme impact.

The SSH4A programme was implemented in nine countries across Asia and Africa, including Uganda. These results are based on the Sustainable Sanitation and Hygiene for All Results Programme (SSH4A RP) household survey conducted in December 2019 in the programme districts of Zombo, Pakwach, Mubende, Kassanda, Kyegegwa, Kyenjojo, Kibaale, Kakumiro and Kagadi.

**Demand Creation:** SSH4A employed the Community Led Total Sanitation (CLTS) approach right from the start to create demand. The triggering sessions targeted all villages in the project intervention areas.

The programme team, in partnership with Ministry of Health, first trained CLTS – facilitators, who in turn trained sub-county and parish-based staff to carry out CLTS activation sessions.

The phasing of the implementation allowed teams to gain experience and analyse the best methods of application while minimising costly errors. This was supported by joint follow up by the village health teams, local leaders and politicians at various levels.

The following districts registered the most significant improvements towards

eliminating open defecation:

- **Kyegegwa (41.3% at baseline to 0.4% at end line);**
- **Kibale (34.2% at baseline to 0.9% at end line);**
- **Kakumiro (54.6% at baseline to 1.7% at end line);**
- **Kagadi (37.6% at baseline to 3.8%).**

**WASH Governance:** As with many other community initiatives, the team recognised that success would be most feasible with local governments championing the programme.

With SNV support, their capacity was strengthened so that they could spearhead sanitation and hygiene initiatives, thereby generating demand for quality sanitation services within their communities. This included key initiatives such as the development of district Sanitation Plans and Behaviour Change Communication Strategies.

With this in place, the districts were able to plan, implement and monitor sanitation and hygiene interventions.

“The SSH4A programme built the capacity of our technical and administrative staff. Before we started working with SNV, we did not have district sanitation plans. Today all the nine districts that have been supported by SNV have sanitation plans that we use in our annual planning and budgeting cycle,” Amandu Alfred, District Health Inspector Zombo District.

### Strengthening Sanitation Supply Chains and Finance:

SSH4A recognised the many challenges that communities often faced getting appropriate and affordable products and services.

This had been a prohibitor to building and improving their latrines, so SSH4A supported grass-root businesses to develop sanitation products that address the needs of the various customer segments.

To ensure sustainability when promoting sanitation improvements within the community, the groups were encouraged to use low-cost materials for example;

- Fitting squat hole covers made from wood to control flies and smell from the latrine,
- Doors made from local material to ensure privacy,
- Handwashing facilities (tippy taps) constructed and installed next to the latrine to promote handwashing with soap.

The programme also linked local partners to **SaTo pan** manufacturers to boost improvements in latrines. The SaTo pan uses a mechanical and water seal to close off pit latrines from open-air, reducing disease transmission from flying insects that come into contact with human waste.

To date, over 2,000 SaTo pans have been sold through the project's initiative.

The number of households using an improved latrine increased by **14%**, from an average of **22% to 36%** across all the nine districts.

### Behavioural Change Communication (BCC):

The implementation of district-specific BCC strategies has resulted in a significant and long-lasting improvement in hygiene promotion. BCC's provided, and continue to provide, guidance to extension workers and other stakeholders at sub-county

and district level.

To make it contextualised to each location, emphasis was placed on the main aspirations of the communities in each district.

Key sanitation and hygiene messages were developed for example:

**"Don't miss the opportunity of benefiting from government programmes because your home doesn't have an improved latrine."** or **"Talk to your husband about constructing an improved latrine today!"**

These significantly boosted the number of households that improved their latrines and increased number of homes that abandoned open defecation.

Despite the fact that many households were able to construct handwashing facilities, few adopted handwashing with soap (0.3% in 2016 to 2.6% in 2019). Handwashing with soap still requires more focus.

## Promoting Governance and Private Sector Engagement in WASH

Progress towards the uptake of improved sanitation facilities in many rural areas in Uganda is still slow. Registering only a marginal increase over the last 10 years, from 14% in 2000 to 19% in 2019, the limited progress is attributed to market failures, poor housing situations and to the confines of the approaches typically used in sanitation promotion.

As a result of disorganised and fragmented supply chains, people are not able to easily find affordable sanitation products that suit their needs and preferences. To rectify this, the USAID funded Uganda Sanitation for Health Activity (USHA) project is investing in product design and supply chain development and exploring financial instruments to address constraints for households and private investment in WASH services.



*Kitone James, chairman Nyamihindo local council Kibale district engages in latrine hygiene.*

### Uganda Sanitation for Health Activity (USHA)

The project identifies and supports key supply chain actors such as sanitation promoters, masons, pit diggers and hardware store owners. Working with the district and sub-county local governments, USHA assisted the development and roll-out of a national marketing strategy aimed at unlocking public, private, and household investment in sanitation products and services.

Through engagement and training, supply chain actors were supported to identify the gaps and opportunities so that they could avail improved toilet products and services to the communities. By the end of 2019

- 360 households constructed improved toilets;

- Over 600 households upgraded their toilets (Floor, SaTo installation, door etc.);
- An additional 1,430 households had started the process of improving their toilet structures;
- Handwashing facilities were installed in 1,180 households complete with soap and water.

Community Led Total Sanitation implementation guidelines were also completed during the reporting period. The guidelines will be used for orienting and training implementing partners (grantees) as well as district staff in order to scale up sanitation efforts in their communities.

To address water, sanitation, and hygiene (WASH) needs at schools and health care facilities, the USHA project

worked with community leaders and administrators.

Together, they supported health facility hygiene audits, WASH friendliness assessments, and action planning. In 2019 the project identified 53

schools that would be supported to construct WASH facilities that have Menstrual Hygiene Management (MHM) facilities such as latrines, MHM bathrooms and incinerators, latrines segregated according to gender and access to handwashing facilities. By the end of

2019, 35 of the schools were nearing completion of their school toilet blocks.

### Leading by Example - Godfrey Nkutu Mpala is Improving Sanitation in his Community (Credit: Samuel Waiswa, USHA Communications and Grants Management Intern)

Godfrey's decision to invest in a toilet came from his love for his community, and the fact that he is a chairman who aspires to lead by example. "Good sanitation is good for us all," says Godfrey, "On this note, every person who comes to my hardware store is encouraged to improve their sanitation." Godfrey is the village chairman of Kibinga A village in Luuka district - Uganda. He decided to invest in an improved toilet with a cement floor fixed with a SaTo pan after attending a masons training.

The mason training was conducted with support from USHA as part of the activities implemented under the Market-Based Sanitation Implementation Approach (MBSIA), a model used by the project to move households from unimproved to improved sanitation. It successfully opened Godfrey's eyes to some of the benefits of improved sanitation, such as prevention of diseases and odours from unimproved toilets.

Additionally, having an improved toilet would earn him dignity and respect from his community. After the training, Godfrey decided to lead by example, first improving his home sanitation status before encouraging his community to do the same. As a hardware store owner, he also saw this as an excellent opportunity to invest in toilet construction materials.

Back home, Godfrey collected construction material and began his project. He hired a pit digger, and one of the USHA trained local masons, Yosia Kitamirike to assist with the toilet construction. After the job was complete, Godfrey and Yosia started sharing the lessons and knowledge from the training with other members of the community. Together, they have inspired people to improve their existing facilities or construct new, improved toilets with a cement floor, walls and roofing constructed using permanent materials.

Godfrey applauds USHA's approach to improving sanitation as it encourages collective efforts of all value chain actors including masons,



*Godfrey Nkutu Mpala Irungu sub-county Luuka district invested in a toilet immediately after the MBSIA training*

pit diggers, hardware stores and SACCOs. The community leader also commends USHA for not only improving sanitation services and products access but also for creating a profitable business environment that is increasing their personal income and strengthening local economies.

Today, Godfrey sells an average of 30 bags of cement in less than a week. This has greatly changed his life. He testifies,

*“Ever since I started implementing what USHA taught us during the training, for example working with masons, there has been a notable improvement in my business, and now I can comfortably take care of my extended family as well as contribute to improving sanitation in my community.”*





## Area Wide Rural Water Supply

Area Wide Rural Water Supply product seeks to ensure sustainable access to water supply systems that are responsive to the needs of changing communities. In pursuit of this, we contribute to the creation of economies of scale to increase the financial viability of water supply delivery. Our work builds the capacity for sustainable service delivery at different levels in the system: users, operators, service providers, local governments and regulators.

**SNV's Area-wide Rural Water Supply Services (ARWSS) approach supports local governments to realise the human right to water. Through ARWSS, we strengthen linkages and accountability across local governments and communities. Together, we work on water supply innovations that raise the quality of service provi-**

**sion and equitable access while embedding these in local government systems and sound water resource management. In Uganda, SNV's work includes: promoting water supply management, monitoring and social inclusion.**

### Improving Water Supply Sustainability (IWAS) in Northern Uganda

An improved water source should provide both drinking and non-drinking water in sufficient quantity throughout the year. The reality in many rural areas, however, is that many point water sources are working below their level of efficiency while others are broken down. The Ministry of Water and Environment Sector Performance Report 2019 puts the functionality of rural water facilities at 85%, where it has stagnated over the last three years.

Poor functionality is attributed to a number of factors including; weak capacity of communities to manage their water sources, inadequate institutional support mechanism, and the lack of readily available funds for quality repair services and spare parts.

#### Improving Water Supply Sustainability (IWAS) Phase II

The project in Northern Uganda aims to contribute to improving the functionality of rural water sources, thereby giving communities' uninterrupted access to a sustainable, safe water supply. A vital aspect of the project is ensuring a more professionally managed rural



*A well protected water source in Akalo Sub-county – Kole district*

water supply system by making the relationships more formal and accountable. Specifically, the project focuses on strengthening the Water User Committees (WUCs), Hand Pump Mechanics Associations (HPMA); the Sub-County Water Supply and Sanitation Boards (SWSSBs) and enhancing the capacity of sub-county and district extension workers to operationalise and monitor the new operation and maintenance system.

By the end of 2019,  
27 non-functional point water sources  
(boreholes) were repaired,  
increasing water source  
functionality by **3.1% from 84.6% in  
January to 87.7%  
in December 2019.**  
As a result, **6,750 people**  
now have access to a  
reliable, safe water supply.

The Austrian Development Agency (ADA) funded project is implemented in partnership with the local governments of Lira, Alebtong, Dokolo and Kole and district-based partners. This is part of SNV's localisation approach to build capacities of local actors, district and sub-county staff.

At the sub-county level, coordination and funding of preventive operations and management (O&M) has been boosted through the creation of the Sub-County Water Supply and Sanitation Boards (SWSSB).

Revamping of the Water User Committee (WUCs) of 783-point water sources that subscribe to their respective SWSSBs has ensured that funds are available for monthly preventive maintenance and minor repairs.

The approach has greatly enhanced water safety through water safety protection measures. There is also increased ownership of the processes and costs involved by communities who now appreciate the operation and maintenance being their responsibility, as opposed to the past where all repairs were looked at as the responsibility of the government.

## Te-Kworo Water User Committee, a Role Model in Alito Sub County

Te-kworo water source in Alito parish, Alito sub-County in Kole District is one of the 56 water sources that have been supported by the IWAS project and registered under the new sub-county board. During the baseline survey conducted in May 2019, the source was found to be non-functional, and community members were walking more than 1.5 kilometres to other water sources each day.

Despite the water source being non-functional, the project team went ahead and re-activated the Water User Committee (WUC) and trained the members and other users on their roles and responsibilities in operation and maintenance (O&M). Among the key roles of the WUC are the collection of user fees, record keeping, and safe water chain management.

The WUC was also encouraged to collect funds for the repair of the water source and register their water source with the Sub-County Water Supply and Sanitation Boards (SWSSBs). The WUC took this advice and started collecting UGX 1,000 from each household. Within one month, the WUC had collected UGX 100,000 (EUR 24). With the funds, they were able to engage the services of their sub-county hand pump mechanic, and the borehole was finally repaired!

Filled with excitement, the water users embarked on protecting their now functional water source. Using the Follow Up Mandona (FUM) - Simple Immediate Doable Action (SIDA) approach that they learnt during training, they rallied together and fenced their water source.

FUM is a hands-on participatory approach whereby community members jointly conduct follow up/monitoring visits to the WASH facilities and together, identify gaps/maintenance needs for improvement. They constructed the soak away pit and developed a rotational maintenance plan for different households to clean the water source and its surrounding. They also restored the drainage channel that had been eroded by rain.

*“We had a WUCs that for years had no understanding of their roles and responsibilities. Through this training, we finally got to understand what our role is. Our community has suffered without water because of our ignorance, however from now on we will guard our water source jealously and ensure that it doesn't break down again,” Jennet Awici Chairperson Te-Kworo WUC.*





## 2020 Priorities

- **Build a robust monitoring and evaluation system** for effective monitoring of project performance and ensure our projects are executed on time, within scope, budget and quality as well as achieve the intended impact.
- **Quality implementation** in all our projects through the timely delivery of results within the project timeframes and budgets.
- **Improve business data reliability and internal management reporting:** We will focus on upgrading our project administration procedures and ensure quality in project implementation as well as process execution. This will also include improving our operational efficiency by strengthening support structures for the delivery of project targets.
- **Systems Change and Leveraging Finance:** Emphasis will be placed on improving further our abilities to achieve and show systemic results beyond projects' boundaries in space and time by supporting better narration of our interventions.
- **Private sector engagement and support.** We will continue to work with and through the private sector as catalysts for economic as well as social transformation across the three sectors. This will involve supporting them access finances as well as provision of business advisory services.
- **Strengthen synergies between Energy and Agriculture:** We will seek to systematically integrate renewable energy and energy efficiency solutions in agricultural value chains. This will be undertaken by assessing current and future energy needs in value chains and identifying options to respond to projected energy needs with viable business cases. Such integration will potentially not only reduce emissions, fossil fuel use and costs, but also improve the competitiveness of the value chain, increase labour productivity, generate employment, and contribute to food quality and food security.
- **Advocate for and support improved nutrition** for infants, school-going children and women of reproductive age through multi-sectoral platforms at district and national level.
- **Expand our WASH portfolio** by working with local governments at all levels to make water, sanitation and hygiene available to everyone, especially for the most vulnerable in communities. We will also pursue opportunities to expand our WASH portfolio in refugee settlements as well as rural growth centres that are often left out of WASH interventions because they are neither urban nor rural.





## Financial Section

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## General Information

### SECRETARY / LAWYERS

Masembe, Makubuya, Adriko, Karugaba & Ssekatawa Advocates  
(MMAKS Advocates)  
3rd Floor, DTB Centre  
Plot 17/19 Kampala Road  
P.O. Box 7166  
Kampala, Uganda

### REGISTERED OFFICE

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

### AUDITOR

PricewaterhouseCoopers  
Certified Public Accountants  
10th Floor Communications House  
1 Colville Street  
P.O. Box 882  
Kampala, Uganda

### BANKERS

ABSA Bank of Uganda Ltd  
Plot 4, Hannington Road  
P.O. Box 7101  
Kampala, Uganda

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

# Corporate Governance

## Supervisory structure

The Country Management Team, headed by the Country Director, manages the SNV organization under supervision of the Managing Board (headed by the CEO) of SNV worldwide with its headquarters in The Hague. The Managing Board (MB) manages SNV under the supervision of an independent Supervisory Board. The Managing Board works as a collective that steers the strategic direction of the organisation. The MB consists of four members. The CEO chairs the Managing Board. The focus of the MB is on strategic medium-term issues and business positioning in an evolving landscape and maintaining consistency across the organisation, sectors, countries and departments.

The SNV Managing Board is supervised by an independent Supervisory Board. The Board Members come from different but complementary backgrounds including financial, corporate and development sectors, and with expertise in auditing, banking, international development, finance, governance, government, marketing, project management, social affairs and sustainability.

SNV's supervisory structure complies with international standards of good governance. Two members of the Supervisory Board hold seats on the selection and remuneration committee, which is responsible for recommendations to the full Supervisory Board regarding the appointment, evaluation and remuneration of the Chief Executive Officer and the Managing Board members.

Three members of the Supervisory Board hold seats on the Audit and Risk Committee. This committee monitors finance, risk and compliance and advises the Supervisory Board on finance, control and risk management issues.

The Chairman of the Supervisory Board is not a formal member of any of the Supervisory Board's committees but has a standing invitation to attend any of the Committees' meetings. The external auditor is appointed by and reports annually to the Supervisory Board.

## Guidance in case of (alleged) irregularities

A code of conduct is in place to provide guidelines for good conduct and directions for exercising good judgment in ethical matters and in situations of conflict of interest. A whistleblower procedure and a fraud response procedure are also in place and operational. These procedures provide guidance on how to report cases of (alleged) impropriety and set out SNV's procedures for dealing with (alleged) irregularities.

## Compliance and internal control

SNV International has a Small Internal Audit Unit (IAU) with a direct reporting line to the chief executive and the audit committee. IAU executes internal audits for SNV International and related entities including SNV based on a risk-based audit plan. These audits provide the managing board of SNV International with independent and objective information on the degree of control of (parts of) SNV's primary processes as well as supporting processes (such as finance and HR). The audits support the accomplishment of its objectives by assessing the organisation's processes to detect possible weaknesses, risks, good practices and foster organisational learning. Based on the information provided by the audits, the managing board takes measures where needed to improve the organisation.



## Risk management

SNV's risk register is updated annually. The most important risks that could prevent SNV from achieving its goals are updated, discussed, scored and prioritized by the Country Management Team. The updated risk register continues to serve as a means for providing information to the Supervisory Board.

The top three highest rated risks as included in the risk register 2019 are:

1. Insufficient project management: this may result in overspending the budget and/or not meeting donor requirements;
2. Inadequate cash flow management: due to a lack of insight in the flow/need of liquidities at the country and corporate levels, improper cash management might occur resulting in a shortage of liquidity which will jeopardize the execution of SNV's operations; and
3. Extra overheads due to a high level of unbilled hours: this may impact SNV's competitiveness and as a result SNV might fail to win contracts and generate future income.

Several controls, like a centralized budget facility at head office, improved donor reporting administration, a project management manual (including tools and training sessions) are in place to manage these risks. A centralized Treasury Policy has further been implemented in order to optimize the use and control over the various cash flows. Moreover, a Capital Allocation Policy will protect the capital base that was built over the last few years, to ensure a sound financial basis for SNV's future.

## Directors' Report

The directors submit their report together with the audited financial statements for the year ended 31 December 2019, which disclose the state of affairs of SNV Netherlands Development Organisation Limited ("SNV" or "the Company").

### INCORPORATION

SNV Netherlands Development Organisation Limited in Uganda was registered as a Non-Governmental Organisation in October 1990 under the NGO Registration Statute 1989 and was incorporated in May 1995 as a company limited by guarantee under the Ugandan Companies Act.

### SHAREHOLDING

SNV is a non-governmental organisation and a Company limited by guarantee and having no share capital.

### RESULTS

The surplus for the year of Shs 3,744 million (2018: surplus of Shs 3,694 million) has been added to the accumulated surplus.

### DIRECTORS

The Director who held office during the year and to the date of this report was:

Phomolo Maphosa      Country Director

The Director was supported by key management team disclosed on page 10.

### AUDITOR

The Company's auditor, PricewaterhouseCoopers Certified Public Accountants, continues in office in accordance with section 167(2) of the Ugandan Companies Act.

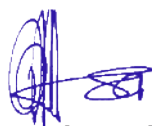
**Phomolo Maphosa**  
**Country Director**  
**30 September 2020**

## Statement of Director's Responsibilities

The Ugandan Companies Act requires the Director to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its surplus or deficit. It also requires the Director to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. The Director is also responsible for safeguarding the assets of the Company.

The Director accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with International Public Sector Accounting Standards and the requirements of the Ugandan Companies Act. The Director is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its financial performance in accordance with International Public Sector Accounting Standards and the Ugandan Companies Act. The Director further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements and for such internal control as the Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.



**Phomolo Maphosa**  
**Country Director**  
**30 September 2020**





# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SNV NETHERLANDS DEVELOPMENT ORGANISATION LIMITED

## Report on the audit of the financial statements

### *Our opinion*

In our opinion, the financial statements give a true and fair view of the state of the financial affairs of SNV Netherlands Development Organisation Limited ("the Company") as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards ("IPSAS") and have been prepared in the manner required by the Ugandan Companies Act.

What we have audited

The financial statements of SNV Netherlands Development Organisation Limited set out on pages 54 to 69 comprise:

- the statement of financial position as at 31 December 2019;
- the statement of financial performance for the year then ended;
- the statement of cash flows for the year then ended;
- the statement of changes in net assets for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

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

### *Independence*

We are independent of the Project in accordance with the IESBA International Code of Ethics for Professional Accountants (including International Independence Standards). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

### *Other information*

The directors are responsible for the other information. The other information comprises the annual report and the appendix but does not include the financial statements and our auditor's report thereon.

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

.....  
PricewaterhouseCoopers Certified Public Accountants, Communications House, 1 Colville Street, P. O. Box 882, Kampala Uganda. Registration Number 113042  
T: +256 (414) 236018, +256 (312) 354400, F: +256 (414) 230153, E: ug\_general@pwc.com, www.pwc.com/ug

Partners: C Mpobusingye, D Kalemba, F Kamulegeya, P Natamba U Mayanja  
PricewaterhouseCoopers CPA is regulated by the Institute of Certified Public Accountants of Uganda (ICPAU), ICPAU No. AF0004



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SNV NETHERLANDS DEVELOPMENT ORGANISATION LIMITED (CONTINUED)

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

#### *Other information (continued)*

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Public Sector Accounting Standards and in the manner required by the Ugandan Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SNV NETHERLANDS DEVELOPMENT ORGANISATION LIMITED (CONTINUED)

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

### Auditor's responsibilities for the audit of the financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of Director'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### Report on other legal and regulatory requirements

The Ugandan Companies Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

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

The engagement leader on the audit resulting in this independent auditor's report is CPA Clive Mayombwe – P0349.

Certified Public Accountants  
Kampala  
30 September 2020

CPA Clive Mayombwe



## Statement of financial performance

	Notes	2019 Shs'000	2018 Shs'000
<b>Revenue</b>			
Income mobilised from other donors	3	<b>35,749,594</b>	28,034,460
Other income		<b>580,884</b>	814,588
Staff salaries and benefits	4	<b>(11,000,200)</b>	(8,123,872)
Consultant fees		<b>(2,470,832)</b>	(1,746,036)
Local partners' fees		<b>(1,191,580)</b>	(875,309)
Office costs	5	<b>(1,333,438)</b>	(1,197,018)
Transport costs	6	<b>(826,953)</b>	(1,015,952)
Equipment costs	7	<b>(273,451)</b>	(387,735)
Direct assignment related costs	8	<b>(14,798,929)</b>	(12,426,968)
General costs	9	<b>(547,364)</b>	(285,122)
<b>Total expenses</b>		<b>(32,442,747)</b>	(26,058,012)
<b>Operating surplus</b>		<b>3,887,731</b>	2,791,036
Finance income	10	<b>(143,357)</b>	903,143
<b>Surplus for the year</b>		<b>3,744,374</b>	3,694,179

## Statement of financial position

	Notes	2019 Shs'000	Restated 2018 Shs'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	11	<u>1,009,800</u>	<u>778,583</u>
<b>Current assets</b>			
Receivables from non-exchange transactions	12	<u>37,951,022</u>	<u>24,425,826</u>
Cash and bank balances	13	<u>4,017,762</u>	<u>8,120,278</u>
		<u>41,968,784</u>	<u>32,546,104</u>
<b>Total assets</b>		<u>42,978,584</u>	<u>33,324,687</u>
<b>NET ASSETS/EQUITY</b>			
Accumulated surplus		<u>17,720,781</u>	<u>13,976,407</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	14	<u>20,667,064</u>	<u>13,049,684</u>
Deferred income	15	<u>4,590,739</u>	<u>6,298,596</u>
<b>Total liabilities</b>		<u>25,257,803</u>	<u>19,348,280</u>
<b>Total equity and liabilities</b>		<u>42,978,584</u>	<u>33,324,687</u>

The financial statements on pages 54 to 69 were approved by the Director and were signed on its behalf by:

**Phomolo Maphosa**  
Country Director  
30 September 2020

## Statement of cash flows

	Notes	2019 Shs'000	2018 Shs'000
<b>Cash flows from operating activities</b>			
Surplus for the year		<b>3,744,374</b>	3,694,179
Adjustment for:			
Depreciation expense	11	<b>299,499</b>	385,818
Changes in working capital:			
• Receivables		<b>(13,525,196)</b>	(8,185,580)
• Deferred income		<b>(1,707,857)</b>	4,607,581
• Payables		<b>7,617,380</b>	4,609,733
<b>Total non-cash movements</b>		<b>(7,316,174)</b>	1,417,552
<b>Net cash flows (used in)/ generated from operating activities</b>		<b>(3,571,800)</b>	5,111,731
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	11	<b>(530,716)</b>	(586,604)
<b>Net cash outflows from investing activities</b>		<b>(530,716)</b>	(586,604)
<b>Net (decrease)/ increase in cash and bank balances</b>		<b>(4,102,516)</b>	4,525,127
Cash and bank balances at start of year		<b>8,120,278</b>	3,595,151
<b>Cash and bank balances at end of year</b>		<b>4,017,762</b>	8,120,278



## Statement of changes in net assets

	Accumulated Surplus
<b>Year ended 31 December 2018</b>	
At start of year	<u>10,282,228</u>
<b>Changes in net asset for 2018</b>	
Surplus for the year	<u>3,694,179</u>
<b>At end of year</b>	<u><u>13,976,407</u></u>
<b>Year ended 31 December 2019</b>	
At start of year	<u>13,976,407</u>
<b>Changes in net asset for 2019</b>	
Surplus for the year	<u>3,744,374</u>
<b>At end of year</b>	<u><u>17,720,781</u></u>

## Notes

### 1. General information

SNV Netherlands Development Organisation ( SNV), is a Netherlands-based international development organisation that is dedicated to a society where all people enjoy the freedom to pursue their own sustainable development. SNV's advisors contribute to this by strengthening the capacity of local organizations through the provision of advisory services, knowledge networking, and evidence-based advocacy. SNV in Uganda is registered as a Company limited by guarantee and it also has a Non-Governmental Organisation (NGO) permit to carry out activities in all the districts of Uganda. The Company is domiciled in Uganda and the address of its registered office is:

SNV Netherlands Development Organisation  
P O Box 8339  
Kampala

For Ugandan Companies Act reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account is represented by the statement of financial performance in these financial statements.

### 2. Summary of significant accounting policies

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

#### (a) Basis of preparation

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

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

#### Changes in accounting policies and disclosures

##### i) New standard adopted by the Company

The following standard has been applied by the Company for the first time for the financial year beginning 1 January 2019. This standard has not had a material impact on the Company:

IPSAS 40 'Public Sector Combinations'. This recognizes two types of public sector combinations: amalgamations and acquisitions. By contrast, International Financial Reporting Standards, used by private sector entities, treat all combinations as acquisitions, which requires obtaining fair value information. Amalgamations, which are much more common in the public sector, do not require this information. The accounting requirements for amalgamations in IPSAS 40 are based on existing information, which enables public sector entities to avoid unnecessary valuation costs, while still meeting users' needs.

## Notes (Continued)

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

#### Changes in accounting policy and disclosures (continued)

##### ii) New standards that are not yet effective and have not been early adopted by the company

IPSAS 41, Financial Instruments, establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement and is applicable for financial statements covering period beginning on or after 1 January 2022. This standard is not expected to have a material impact on the Company.

IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:

- Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;
- Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
- Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

There are no other IPSASs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Authority.

#### (b) Revenue recognition

Revenue comprises grant income and non-core income (other income). Grant income comprises receipts from Head Office (Netherlands Ministry of Foreign Affairs) and resource mobilisation from other donors. Income is recognized in the statement of financial performance on an accrual basis. Other income relates to revenue received from non-core activities of the Company like disposal of fixed assets.

The timing of revenue recognition is determined by the nature of the conditions and their settlement. The donor funded projects require the Company to provide goods or services and revenue is recognised as and when expenses are incurred on the donor funded projects. Other income is disclosed as part of expenses in the statement of financial performance.

#### (c) Translation of foreign currencies

##### (a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Uganda Shillings ("Shs") which is the Company's functional currency.

##### (b) Transactions and balances

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



## Notes (Continued)

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

#### (d) Property and equipment

All categories of property and equipment are initially recorded at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The tangible fixed assets purchased by or for externally financed programmes are not taken into consideration as they will be handed over to the partners at the end of the programme period.

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

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

Buildings	6.67%
Motor vehicles	25%
Equipment	33%
Other equipment	25%

#### (e) Leases

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

#### (f) Receivables

Receivables are classified as arising from exchange or non-exchange transactions. Receivables from exchange transactions arise from exchange of assets or services and the reverse holds for non-exchange transactions. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. A provision for impairment of receivables is established where there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms for receivables. The amount of the provision is the difference between the carrying amount and the amount expected to be recovered. The amount of the provision is recognised in the statement of financial performance.

#### (g) Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## Notes (Continued)

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

#### (h) Provisions

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

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

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

#### (i) Capital base

The capital base comprises accumulated previous years' results and reserves. The reserves are available to SNV and is maintained to ensure that SNV can continue to carry out its mission.

#### (j) Cash and cash equivalents

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

#### (k) Deferred income

These are grants received but meant for futuristic projects to be carried out by the Company. Deferred grant income is determined based on the contractual amounts received in advance.

#### (l) Employee benefits

Retirement benefit obligations

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

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Company's contributions to the defined contribution scheme are charged to the statement of financial performance in the period in which they fall due.

#### m) Related parties

The Company regards a related party as a person or an entity with the ability to exert control individually or jointly or to exercise significant influence over the Company.

## Notes (Continued)

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

#### (n) Critical accounting estimates and judgements

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

##### (i) Critical accounting estimates and assumptions

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

##### Receivables

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

##### Useful lives of property, plant and equipment

Critical estimates are made by management in determining the useful lives and depreciation rates for property and equipment. The rates used are set out in (d) above.

#### (o) Financial risk management

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

##### Market risk

##### (i) Foreign exchange risk

The Organisation is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar and EURO. Foreign exchange risk arises from recognised assets and liabilities. The Company aims to manage exposure to fluctuations in foreign currency exchange rates by keeping a proportion of its cash balance in foreign currency.

At 31 December 2019, if the Uganda Shilling had weakened/strengthened by 5% against the US Dollar with all other variables held constant, surplus for the year and net assets would have been Shs 45 million lower/higher (2018: Shs 11 million), mainly as a result of the US Dollar bank balances and receivables.

Similarly, if, at 31 December 2019, the Uganda Shilling had weakened/strengthened by 5% against the Euro all other variables held constant, surplus for the year and net assets would have been Shs 862 million lower/higher (2018: Shs 848 million), mainly as a result of the EUR denominated bank balances, other creditors and intercompany receivables and payables.

##### (ii) Price risk

The Company does not hold any financial instruments subject to price risk.

##### (iii) Cash flow, fair value and interest rate risk

The Company does not hold any bank loans and loans from related parties subject to cash flow, fair value and interest rate risk.



## Notes (Continued)

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

#### Financial risk management (continued)

##### Credit risk

Credit risk arises from cash and short-term deposits with banks. The Company does not have any significant concentrations of credit risk.

The amount that best represents the Company's maximum exposure to credit risk at 31 December 2019 is made up as follows:

	2019 Shs '000	2018 Shs '000
Cash at bank	4,009,049	8,092,525
Receivables	36,165,288	18,426,930
	<u>40,174,337</u>	<u>26,519,455</u>

No collateral is held for any of the above assets.

##### Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities.

The table below analyses the Company's financial liabilities. These financial liabilities will be settled within a period of one year from 31 December 2019. The amounts disclosed in the table below are the contractual undiscounted cash flows.

	2019 Shs '000	2018 Shs '000
<b>Payables</b>	<u>20,667,064</u>	<u>13,049,684</u>

##### Financial instruments by category

#### Financial assets – cash at bank and at hand and receivables

Receivables	37,951,022	24,425,826
Cash at bank and at hand	4,017,762	8,120,278
	<u>41,968,784</u>	<u>32,546,104</u>

#### Financial liabilities – liabilities at amortised cost

Payables	<u>20,667,064</u>	<u>13,049,683</u>
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## Notes (Continued)

### Revenue Income mobilised from donors

Project code	Project Name	2019 Shs'000	2018 Shs'000
Agriprofocus (APF)	Agri-Hub Uganda	<b>779,800</b>	690,853
Department for International Development (DFID)	SSH4A	<b>2,716,515</b>	298,304
World Food Programme (WFP)	Agricultural Market Support (AMS)	<b>1,503,608</b>	479,866
Swiss Agency for Development	Sustainable Nutrition for all	<b>1,837,383</b>	1,461,735
Embassy of the Kingdom The Netherlands (EKN)	The Inclusive Dairy Enterprise (TIDE)	<b>14,661,214</b>	17,477,216
Embassy of the Kingdom The Netherlands (EKN)	Climate Smart Agriculture East Africa	<b>8,770,372</b>	2,335,993
United States Agency for International Dev't (USAID)	Sanitation for Health (S4H)	<b>2,018,772</b>	930,882
INBAR INTERNATIONAL NETWORK FOR BAMBOO AND RATTAN(INBAR)	Bamboo Value Chain Study	-	13,130
AbiTrust	DVCD PROJECT	<b>(71,211)</b>	42,852
Swedish International Development Co-operation Agency(SIDA)	Innovations against Poverty	<b>1,467,885</b>	1,776,056
DGIS through HIVOS	ABPP2, 4BF and others	<b>1,072,975</b>	2,073,741
Austrian Development Agency (ADA)	Improving Water Supply Sustainability in Northern Uganda	<b>992,281</b>	-
UNICEF through MoWE	National Handwashing Campaign	-	453,822
<b>Total</b>		<b>35,749,594</b>	28,034,460

## Notes (Continued)

### Staff salaries and benefits

	2019 Shs'000	2018 Shs'000
Salary national staff	5,366,518	4,431,109
Employers contribution national staff	612,536	479,904
Secondary employment benefits national staff	1,112,335	577,104
Salary international staff	1,679,406	1,272,707
Secondary employment benefits international staff	1,219,420	660,599
Other staff costs	1,009,985	702,449
	<b>11,000,200</b>	<b>8,123,872</b>

### Office Costs

Office supplies	451,801	325,194
Communication costs	290,336	309,972
Depreciation buildings	50,333	37,405
Insurance/taxes buildings	8,212	9,476
Rent for offices	95,822	88,191
Utilities	399,145	386,118
Information communication technology	37,789	40,662
	<b>1,333,438</b>	<b>1,197,018</b>

### Transport Costs

Maintenance vehicles	123,387	80,078
Depreciation vehicles (note 11)	144,516	109,602
Insurance/ taxes - vehicles	83,821	61,512
Fuel SNV vehicles	216,817	134,297
Rent of vehicles and other related costs	223,306	159,246
Purchase of project vehicles	35,106	471,217
	<b>826,953</b>	<b>1,015,952</b>

### Equipmet Costs

Purchase of project equipment/ inventory	137,193	107,601
Maintenance and rental of equipment	7,192	9,557
Depreciation equipment (note 11)	104,650	238,811
Insurance/taxes equipment	7,395	5,677
Licenses and maintenance software	15,008	2,755
Low value equipment	2,013	23,334
	<b>273,451</b>	<b>387,735</b>



## Notes (Continued)

	2019 Shs'000	2018 Shs'000
<b>Direct assignment related costs</b>		
Donations/ sub-grants/ subsidies	4,023,835	8,046,976
Workshops/ trainings/ assignment costs	3,490,462	2,764,515
Subcontracted activities	6,194,779	1,615,477
Consortium partners -staff	833,418	-
Consortium partners - non staff	256,435	-
	<u>14,798,929</u>	<u>12,426,968</u>
<b>General costs</b>		
Expenses for meetings (travel and lodging expense)	23,757	52,209
Subscriptions, contributions and literature	11,049	3,627
Audit costs	64,782	119,789
Support staff and consultants	-	9,393
Legal support	38,061	13,344
Other general expenses	303,724	86,760
Publicity	105,991	-
	<u>547,364</u>	<u>285,122</u>
<b>General costs</b>		
Foreign exchange differences	112,415	(930,989)
Bank charges	30,942	27,846
	<u>143,357</u>	<u>(903,143)</u>

## Notes (Continued)

### Property and equipment

	<b>Buildings Shs'000</b>	<b>Vehicles Shs'000</b>	<b>Equipment Shs'000</b>	<b>Total Shs'000</b>
<b>At 1 January 2018</b>				
Cost	1,036,972	954,925	1,817,790	3,809,687
Accumulated depreciation	(697,517)	(917,211)	(1,617,162)	(3,231,890)
<b>Net book amount</b>	<b>339,455</b>	<b>37,714</b>	<b>200,628</b>	<b>577,797</b>
<b>Year ended 31 December 2018</b>				
Opening net book amount	339,455	37,714	200,628	577,797
Additions	-	506,081	80,523	586,604
Depreciation charge	(37,405)	(109,602)	(238,811)	(385,818)
<b>Net book amount</b>	<b>302,050</b>	<b>434,193</b>	<b>42,340</b>	<b>778,583</b>
<b>At 31 December 2018</b>				
Cost	1,036,972	1,461,006	1,898,313	4,396,291
Accumulated depreciation	(734,922)	(1,026,813)	(1,855,973)	(3,617,708)
<b>Net book amount</b>	<b>302,050</b>	<b>434,193</b>	<b>42,340</b>	<b>778,583</b>
<b>Year ended 31 December 2019</b>				
Opening net book amount	302,050	434,193	42,340	778,583
Additions	229,073	156,522	145,121	530,716
Disposals				
Cost	-	(660,198)	-	(660,198)
Accumulated depreciation	-	660,198	-	660,198
Depreciation charge	(50,333)	(144,516)	(104,650)	(299,499)
<b>Net book amount</b>	<b>480,790</b>	<b>446,199</b>	<b>82,811</b>	<b>1,009,800</b>
Cost	1,266,045	957,330	2,043,434	4,266,809
Accumulated depreciation	(785,255)	(511,131)	(1,960,623)	(3,257,009)
<b>Net book amount</b>	<b>480,790</b>	<b>446,199</b>	<b>82,811</b>	<b>1,009,800</b>

### Receivables from non-exchange transactions

	<b>2019 Shs'000</b>	<b>2018 Shs'000</b>
Prepayments	444,382	459,680
Other receivables	1,341,352	5,539,216
Funds claimable from donors	4,937,927	1,135,297
Amounts due from related parties (note 16a)	31,227,361	17,291,633
	<b>37,951,022</b>	<b>24,425,826</b>

## Notes (Continued)

### Cash and bank balances

	2019 Shs'000	2018 Shs'000
Cash at hand	8,713	27,753
Cash at bank	4,009,049	8,092,525
	<u>4,017,762</u>	<u>8,120,278</u>

### Payables

Accruals	610,662	303,776
Other payables	2,857,283	2,768,074
Amounts due to related companies (note 16)	17,199,119	9,977,834
	<u>20,667,064</u>	<u>13,049,684</u>

### Deferred income

At 1 January	6,298,596	1,691,015
Movement during the year	(1,707,857)	4,607,581
At 31 December	<u>4,590,739</u>	<u>6,298,596</u>

### Related party transactions

SNV is a non-governmental organisation and a Company limited by guarantee and having no share capital. SNV is a Netherlands-based international development organisation. The following transactions were carried out with related parties.

### Receivables from related parties

	2019 Shs'000	2018 Shs'000
SNV Bangladesh	2,362	2,462
SNV Burkina Faso	89,668	93,481
SNV Cambodia	3,466,840	2,128,347
SNV Cameroon	16,969	10,170
SNV Ethiopia	8,509	1,864
SNV Ghana	2,206	2,300
SNV Kenya	9,974,001	4,610,483
SNV Laos	1,329	-
SNV Netherlands	8,194,020	4,589,172
SNV Rwanda	8,237	9,998
SNV Tanzania	2,205,558	-
SNV Zambia	6,582,547	5,398,384
SNV USA	675,115	444,972
	<u>31,227,361</u>	<u>17,291,633</u>



## Notes (Continued)

### Related party transactions(continued)

	2019 Shs'000	2018 Shs'000
<b>Payables to related parties</b>		
SNV Bhutan	11,807	-
SNV Ethiopia	57,365	-
SNV Kenya	580,655	-
SNV Netherlands	16,442,422	9,896,278
SNV Tanzania	106,870	73,651
SNV ZAMBIA	-	7,905
	<u>17,199,119</u>	<u>9,977,834</u>

### Key management compensation

Salaries and other employment benefits	<u>2,870,247</u>	<u>1,933,306</u>
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## Appendix

### Statement of comparison of budget and actual amounts

#### Explanation of key differences between budget and actual amounts

The revenue realized was 3% higher than the budgeted due to the increased volume of matching grants majorly under the TIDE project. Other income majorly relates to the VAT refunds realized during the year.

#### The budget approval process

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

#### Budget information

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Company. Therefore, the financial statements and the budget are prepared on a comparable basis. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts. The annual budget figures included in the financial statements are for the Company only. The budget of the Company is not made publicly available.

	Original budget	Adjustment	Final budget	Actual on comparable basis	Performance difference
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
<b>Income</b>					
Income mobilized from donors/other	34,750,800	-	34,750,800	35,749,594	(998,794)
<b>Income -Projects</b>	<b>34,750,800</b>	<b>-</b>	<b>34,750,800</b>	<b>35,749,594</b>	<b>(998,794)</b>
Other income	-	-	-	580,884	(580,884)
<b>Expenses</b>					
Staff salaries and benefits	(9,080,093)	-	(9,080,093)	(11,000,200)	1,920,107
Consultant & Local Partners	-	-	-	(3,662,412)	3,662,412
Office & equipment costs	(1,072,537)	-	(1,072,533)	(1,606,889)	534,356
Transport costs	-	-	-	(826,953)	826,953
Direct assignment related costs	(20,731,032)	-	(20,731,032)	(14,798,929)	(5,932,103)
General costs	-	-	-	(547,364)	547,364
Financial income	-	-	-	(143,357)	143,357
<b>Total expenses</b>	<b>(30,883,662)</b>	<b>-</b>	<b>(30,883,658)</b>	<b>(32,586,104)</b>	<b>1,702,446</b>
<b>Surplus for the period</b>	<b>3,867,138</b>	<b>-</b>	<b>3,867,142</b>	<b>3,744,374</b>	<b>122,768</b>

## Sustainability Report

This report represents a commitment by SNV to sustainable development and to comprehensive reporting thereon to all stakeholders.

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

The Guidelines have been issued for voluntary use by organizations for reporting on the economic, environmental and social diversion of their activities, products and services aimed in articulating the understanding of their contribution to sustainable developments.

### Value Added Statement

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

The resulting amount is distributed to the stakeholders who include employees, local capacity builders and the direct program support.

	2019 Shs'000	% of 2019 total	2018 Shs'000	% of 2018 total
<b>Value Added</b>				
Mobilized funds from donors	35,749,594	98%	28,034,460	98%
Other income	580,884	2%	814,588	2%
<b>Total income</b>	<b>36,330,478</b>		28,849,048	
<b>Less:</b>				
Office costs and other service costs	(2,024,159)		(578,998)	
Transport costs	(826,953)		(1,015,952)	
<b>Wealth available</b>	<b>33,479,366</b>		<b>27,254,098</b>	
<b>Distribution of available Wealth</b>				
National staff salaries and other benefits	7,091,389	21%	5,488,117	20%
International staff salaries and other benefits	2,898,826	9%	1,933,306	7%
Short-term support /consultancy costs	2,470,832	7%	1,746,036	6%
Staff recruitment, training & travel costs	1,009,985	3%	702,448	3%
Local capacity builders' costs	1,191,580	4%	875,309	3%
Equipment, furniture & fittings	273,451	1%	387,735	1%
Workshops and related costs	14,798,929	44%	12,426,968	46%
Surplus	3,744,374	11%	3,694,179	14%
<b>Wealth distributed</b>	<b>33,479,366</b>	<b>100%</b>	<b>27,254,098</b>	<b>100%</b>

## Sustainability Report ( continued )

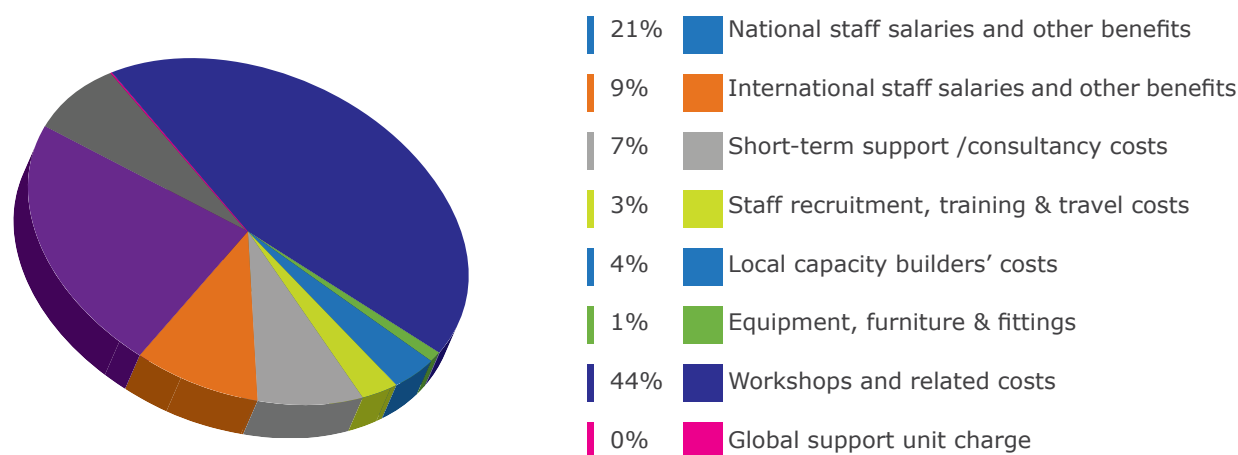
### Value Added Statement (continued)

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

Of the total wealth available in 2019,

- Shs 7.091 billion (21%) was distributed to national employees as remuneration and benefits.
- Shs 2.89 billion (9%) was distributed to expatriate employees as remuneration and benefits.
- Shs 1.19 billion (4%) was distributed to Local Partners (Community Based Organizations) as remuneration for their services.
- Shs 14.79 billion (44%) was spent locally on workshops and other related costs, a further finance contribution to the economy.

### 2019 wealth creation



### Value for money criteria

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

To ensure value for money in all its services, SNV uses a result measurement framework that:

- incorporates lessons learnt with respect to functionality and group thinking;
- is fully aligned with the new strategy;
- consolidates attention for the quality of practice;
- explores the ultimate levels of results (outcome and impact); and
- integrates organisational and development results.



## Sustainability Report ( continued )

### Value Added Statement (continued)

SNV emphasises managing for results which is achieved through:

- indicating from the start what the results are that we aim for;
- determining baselines and set targets on SMART indicators;
- emphasizing what is to be achieved instead of what is to be done; and
- SNV management asking the right questions and promoting result orientation as part of SNV culture.

The purpose of SNV's results framework is to assess results in a systematic way for internal steering (to move), accountability (to prove) and continuous learning (to improve). Bottom line is that it contributes to increasing SNV's relevance, effectiveness and efficiency.

**Internal steering:** The results framework goes beyond the measurement of results and puts emphasis on the use of results to create impact. With the emphasis on managing for results we know from the start what the results are that we aim for. It implies that 'achieving results' is a driving force for all SNV staff. SNV management takes leadership for results by asking the right questions and promoting result orientation throughout the organisation and aligning the required SNV systems.

**Accountability:** Results are used to render accounts to SNV leadership and key stakeholders, from client organisations (by conducting output measurement) to donors. SNV has a monitoring protocol that summarizes our monitoring mechanisms and key indicators for accountability purposes to our donors.

**Learning:** Results-based learning is fostered in a number of ways, by systematic reflection on results (in the form of evaluations reports, case studies, MoU/assignment reviews) by line management, advisors and clients.

SNV's result framework includes SNV's intervention logic that obtains and applies resources in a most effective and efficient manner (organisational results) in order to produce services (output) that improve the performances of local organisations and sectors (outcome) which in turn leads to long lasting improvement of the situation of the poor (impact).

The framework provides a holistic view of SNV results. It combines and links development results and organisational results:

- Development results refer to what we accomplish externally – in terms of services and changes at the level of organisations and poor people. We distinguish three result levels: impact, outcome and output. Impact is the change in the situation of poor people; outcome refers to the change in the performance of clients and the sector as a whole, while output refers to SNV services.
- Organisational results refer to what we accomplish internally as an organisation. We distinguish three result areas: Finance, Human Resources and Strategy. SNV has organised its support services around these three functional areas, at all levels in the organisation: from Head Office to regional offices to country offices and portfolios.

At the organisational level the cause – effect relations are assumed to be linear. This allows SNV to measure and account for these results. Moving up the result chain these assumed cause – effect relations become more and more complex due to the increasing influence of other actors and factors. At the level of outcome and impact we focus on assessing the plausibility of SNV's contribution to impact.

SNV always strives to make optimum use of its means to maximize impact by making the right strategic choices, translate these choices into practice, manage and control its financial and human resources and learn systematically. As reflected in SNV's organisation structure, at all levels in the organisation, the work is organized around three functional areas. Consequently, in each of these areas – Finance, Human Resources and Strategy – we aim for and assess these (internal) organisational results. These result areas are in full development and subject to changes.

## Sustainability Report ( continued )

### Value Added Statement (continued)

#### Finance

The objective of the Finance area is to manage and control SNV's resources in a most transparent, effective and efficient manner. Finance is organized in five work areas: Finance and administration, planning and control, ICT, audit and procurement.

Key performance indicators used to monitor results include: SNV revenues, costs, cost efficiency and quality assurance. Results indicators help to improve budget allocation and realization, minimizing support costs, maximizing productivity and compliance to internal rules and regulations.

The instruments used in the field of Finance for planning, registering and assessing results are the following:

1. Integrated Planning Cycle (IPC): This organizes SNV's annual planning, resource allocation and subsequent reporting in a transparent and consistent manner through all levels of the organisation. This cycle includes the Framework Letter (which gives strategic direction), Management Agreements (approval of detailed annual operations), Midyear, Annual Reports and Year End Closure all in the planning, monitoring and reporting.
2. SAP By Design: SNV uses this cloud-based application to support the IPC, Finance, and Human Resource administration.
3. The Control Self-Assessment (CSA) assists finance and administration staff to self-assess its compliance to internal rules and regulations and subsequently improve its own functioning. The CSA forms an important ingredient of SNV's control procedures.
4. Management Audit /External Audit: The Management Audit is an independent internal assessment of compliance to rules and regulations conducted by SNV auditors. The External Audit is an independent external assessment of SNV's compliance to rules and regulations.

#### Human Resources:

The objective of work in the area of Human Resources is to attract, retain and develop Human Resources in a most effective and efficient manner. Human Resources are organized in five work areas: recruitment and selection; organisational development; human resource development; health and safety and compensation and benefits.

Key performance indicators used to monitor results include: SNV staff volume, staff composition, organisational learning and staff performance appraisal. Result indicators help to balance staff planning and realization, develop the quality of staff through systematic learning and performance management.

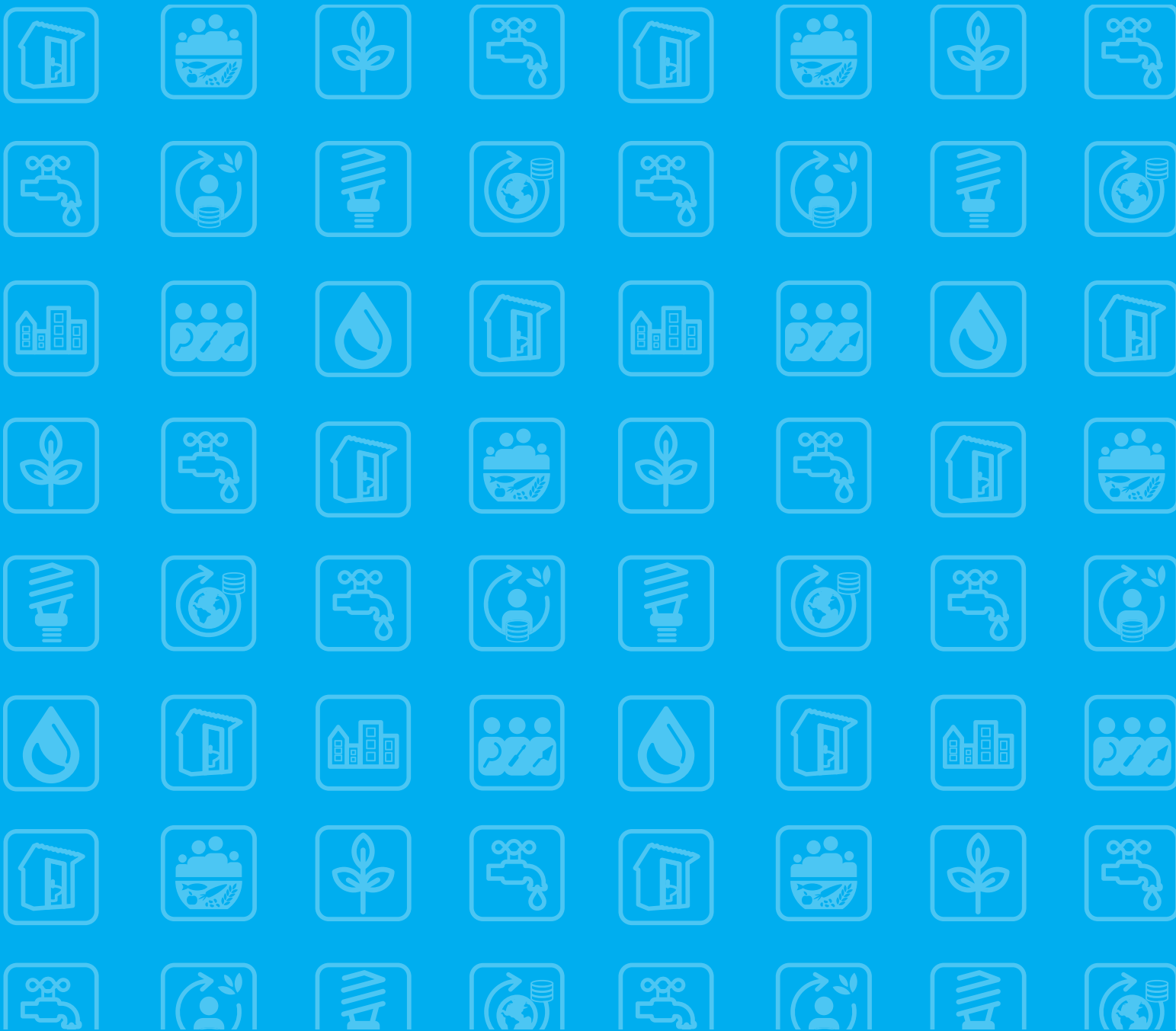
#### Strategy:

In 2019, SNV launched its new four-year strategic plan 2019-2022. The strategic plan describes SNV's ambitious goals: to improve the quality of life of 20 million people while contributing to systems change in the agriculture, energy and WASH sectors in at least 21 countries.

SNV changes systems and creates a new normal by influencing markets and governance processes to function better. Often development aid is structured in projects which are boxes in time and space, however, breaking the low-income poverty trap requires an impact to be created which lasts beyond these time and space boundaries. Over the 2019-2022 strategic period, SNV will design systems and implement projects which can contribute to changing these underlying structures which trap people into poverty.

We believe that only by changing underlying systems, can we break the low-income poverty trap that millions of people find themselves trapped in. This is why we design and manage our projects, so they do not just deliver direct results, but also contribute to systems change to create sustainable, large-scale impact.





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