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# Partnership and Resource Mobilisation Policy

Vision



# SNV

Connecting People's Capacities

Netherlands  
Development  
Organisation



# Content

<b>1. Background: The Need for High Impact SNV Strategic Relations</b>	<b>4</b>
<b>2. Partnership and Resource Mobilisation (PRM)</b>	<b>5</b>
<b>3. Drivers for PRM</b>	<b>6</b>
<b>4. The 4 Guiding Principles</b>	<b>8</b>
<b>5. Procedures</b>	<b>10</b>
<b>6. PRM Targets</b>	<b>11</b>

# Vision

“Partnership and resource mobilisation are more than an add-on. They are essential strategic relations to achieve the Millennium Development Goals in 2015. To work on partnership and resource mobilisation is to work from the outside-in. It is to connect, not to delineate. It is to create opportunities, not define turf. It is to seek alignment with the external rather than to segment from within. It is to be an innovating entrepreneur as well as a manager and administrator. In short it is about advancing and increasing opportunities for impact and sustainability.”

## 1. BACKGROUND: THE NEED FOR HIGH IMPACT SNV STRATEGIC RELATIONS

*To halve the face of poverty by 2015 we need to achieve more...*

In an era of globalisation, fostering the conditions under which all people can choose for themselves the rewards of economic liberty has become the pillar of the international development agenda. And now, more than ever, the ability of developing nations to keep pace with economic and social advances has become a precursor for peace and security. At no time has the call for solidarity and action been greater. Our role and responsibility are clear. The way to achieve more is to do more, do it even better and do it together with those who can make a difference and change the face of poverty — into larger freedom. Active knowledge sharing and collaboration among key actors and scaling up of successful practice are therefore needed. This is SNV in 2007-2015.

*...by building on our reputation for quality and passion...*

Over the last four decades, SNV has grown to be recognised as a front-runner with its ability to adapt to new challenges and to test innovative approaches. Since the early 1990s, supported by the Ministry of Foreign Affairs (DGIS), we have made a significant contribution to the lives of millions in some of the world's most remote and impoverished communities. This has helped to build The Netherlands' reputation for leadership and a commitment to performance. We are keen to continue with this contribution and indeed to increase it.

*... together with those who can make a difference ...*

Developing broader strategic relations is a key part of a SNV 2007-2015 Strategy for Impact, itself well integrated into The Netherlands' development policy formulated in Mutual Interests, Mutual Responsibilities: *Dutch Development Cooperation en Route to 2015*. This policy framework reaffirms sustainable poverty reduction as the main objective of Dutch development cooperation and the Millennium Development Goals (MDGs) as the basic reference point. The policy calls for increased partnerships and emphasises the need for an integrated and coherent policy framework for development, combining diplomacy, political dialogue, security, trade, market access and development cooperation. Here too SNV is determined to do more. In addition to filling important gaps in the delivery of the MDGs, like the macro-micro divide, we plan to work in regions and countries that still have considerable pockets of poverty but are not necessarily on the DGIS priority list. Two examples are the Balkans and Latin America.

*...with increased efficiency and focus on impact...*

Dutch development cooperation is underpinned by strong public support in The Netherlands. At the same time, opinion polls show that citizens want to be better informed about progress. They have also become more critical of how aid is delivered and a perceived lack of measurable impact. This has led to the ever-shifting debate over the aid industry and the right way to help the world's poor acquiring a new, welcome focus on measuring results. It is no longer enough to point, with pride or with criticism, at the raw volume of money transferred or in the case of SNV the number of Advisory Days spent with clients. We must do more. An example of a step in the right direction is set by the DGIS *Resultaten in Ontwikkeling (Results in Development)* 2004 Results Report. In the Report different types of results are described per sector. They include cases on capacity development, common results, results in terms of MDG indicators at country level, challenges per sector and for every sector a specific result chain. SNV needs to continue to further strengthen its own effectiveness. And we need to develop a systematic focus on impact that shows the plausible contribution we are making to the lives of those we serve. Linking impact with strategic relations and producing SNV's own *Resultaten in Ontwikkeling* is one of our most pressing challenges in the 2007-2015 Strategy period.

*...we need to continue to learn and promote entrepreneurship...*

It is the emergence of social entrepreneurship as a global movement, the escalating interest in double and triple bottom line investments, the increasing numbers of experiments in Bottom of the Pyramid markets and the growing number of cross-

*...that will brand SNV as an innovative partner for harnessing wealth for public good.*

*Matching contributions, sharing risks and responsibilities...*

*...with a drive to increase income for SNV primary and support process...*

*...further boosted by independent LCDF...*

sectoral approaches to solving intractable human and social problems that makes this an excellent time to drive for rapid change and accelerated results from more jointly coordinated development efforts. We are well positioned at the cutting edge of this effort and our regions are exploring opportunities for action. These opportunities are made all the more challenging by the development donors' increasing focus on Africa at the expense of other regions — around the world, poverty still hurts millions of people.

We are already an attractive strategic partner well suited to connect. SNV's position is unique in combining local presence and international outreach with an advisory capacity development role. This presents us with a number of opportunities to leverage our expertise, resources and networks for increased impact. On the one hand, we can maximise the complementarity with DGIS, especially in bilateral countries, to mutually reinforce each other. Our connection with the Netherlands (and the European Union) is part of our existing brand that carries with it a perception of entrepreneurship, professionalism and openness. A drive to connect with external parties will also put us in a position to increase our impact by tapping into funding and expertise of a whole range of public and private actors that lack our local dimension. These actors include multilaterals and bilaterals, national and local governments, corporate organisations, foundations and associations. Managing strategic relations (with or without a resource mobilisation component) is a highly competitive, time-consuming and substantial investment. While we have some expertise already, we need to learn how to do this even better. To meet the growing demand for accountability and transparency, to make ourselves an attractive strategic partner, and to share learning, we also need to strengthen our ability to get the message out by means of a mix of an effective branding, communication and PR strategy.

## 2. PARTNERSHIP AND RESOURCE MOBILISATION (PRM)

### 2.1 PRM Policy and Rules of the Game for Funding

The PRM Policy replaces the 8 December 2003 Rules of the Game for Funding as of 1 January 2008. The PRM Policy offers a major advancement on the Rules of the Game in that it sets out to diversify our funding base and boost our impact by stimulating entrepreneurship, introducing a comprehensive set of tools to assist us in managing risks and increasing the decision-making power of the field.

### 2.2 Definitions

Partnerships at country, regional and corporate level are a big priority for SNV in the coming years to achieve more impact.

SNV defines a partnership as a strategic relationship between SNV and other actors<sup>1</sup> that are committed to work collaboratively to achieve development *impact* by a balanced pooling of resources and sharing risks and responsibilities. Whilst SNV's contributions to a partnership can be in cash, in-kind contributions (e.g. in the form of primary process days) are often preferred, as such contributions are likely to facilitate the integration of the partnership in our primary process.

We see resource mobilisation as a *specific form of partnership*. Its definition is broad. SNV defines resource mobilisation as any financial income stream received by SNV to finance its *primary and support process costs* to realise the *impact* it strives for. Primary process includes the four delivery channels:

- Advisory Services
- Knowledge Development, Brokering and Networking
- Advocacy
- Local Capacity Development Funding Mechanisms (LCDF)

Management fees received from partners are also considered RM.

We may mobilise funds through a variety of ways on condition that the PRM Policy is followed and cost-benefit considerations are taken into account. These may include

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<sup>1</sup> Clients, suppliers or membership organisations are outside this definition. Client relations that are primarily based on the agreement that SNV provides capacity strengthening services to the other party do not fall under the partnership guidance and procedures provided in this document. In SNV supplier relations SNV pays for the delivery of specific services. We can buy a computer for instance. SNV also has membership relations: SNV is a member of different kinds of organisations, networks and concordant organisations. SNV then usually pays a membership fee. Sometimes there is a collaboration aspect to it, but ad hoc and not based on a specific agreement or action plan (SNV as member of Partos, for example).

direct negotiations, tenders, calls for proposals, subsidies and, under specific conditions, contributions from clients. Preference should not be given to tenders. Judgement should be exercised in entering tender procedures as there may be more effective ways of leveraging SNV resources.

Besides resource mobilisation, SNV may manage funds for third parties that are not intended for our primary and support processes<sup>2</sup>. This is called an **Externally Financed Project (EFP)**, money for which we are accountable. **In principle, SNV does not want to manage EFP funds.** In the exceptional case where we may assume responsibility for fund management, the Appropriate Person (PRM Procedures: Annex 1 and Annex 6) may accept such responsibility only if it can be demonstrated that:

- no suitable third-party alternative is available;
- a concrete plan is in place to strengthen the capacity of the client/partner or a third party to assume said responsibilities in no more than 3 years, taking full account of both financial management capacities as well as the broader environment (transparency, accountability, corruption, etc.); and
- the total amount of funds to be managed is below 25% of the mobilised resources. Over that amount, BoD approval is needed.

In these situations, SNV should aim to ask for a minimum management fee of 7.5% of the EFP amount to cover the additional SNV management tasks. Fund management is not considered resource mobilisation.

By end of 2008, we should be in a position to allow various forms of cost sharing, which will be underpinned by an MIS/accounting mechanism that will allow us to separate distinct funding streams (more fully described in the Procedures) for reporting purposes.

For a few externally financed projects it is not worth it to setting up a whole project structure in the bookkeeping. Therefore externally financed project amounts lower than 10% of the resource mobilisation funds are considered marginal and can be posted as RM in our accounting for practical reasons — even though technically it falls outside the RM definition.

When we (help) mobilise resources directly for a third party, we call this 'Brokering for Funds' and not resource mobilisation because these resources are not meant to finance our primary or support processes. Brokering for funds can be important for SNV as our 'clients cannot swim (capacities) without water (funds)'.

Externally mobilised LCDFs are in principle not considered to be RM, as these funds do not directly cover our own primary or support process cost. Only those external funds SNV receives to cover PPDs, programme support cost or other SNV incurred cost for the establishment and operation of LCDFs constitute RM. (To avoid confusion, mobilising external funding for LCDFs will be an important aspect of the LCDF set-up. Even though it is not considered to be RM in the narrow definition used here, external LCDF funding will be a key indicator for leveraging SNV's contribution to this delivery channel. Separate targets for LCDF external funding will be set each year and we will ensure that our management information will highlight the leverage achieved.)

### 2.3 Broad Definitions to Enable Entrepreneurial Approaches

The PRM definitions are broad on purpose to stimulate entrepreneurship, itself a key dimension of the 2007-2015 Strategy. In addition, for instance, to classic fundraising from public and private donors, we are keen to explore new and innovative business models such as fees for services and other forms of social entrepreneurship. We expect that the resulting diversification of our finance base will leverage the investment in development by Dutch taxpayers, encourage innovation and improve quality. Donors may include multilaterals, bilaterals, foundations, corporations and international NGOs.

## 3. DRIVERS FOR PRM

We have already gained some experience in exploring, building and managing partnerships and resource mobilisation. The time has come to translate our experience into a policy that will coherently guide SNV professionals in what needs to be done,

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1 Transfer of funds between a partner and a client in which the client ensures the financial administration but in which SNV remains the final responsible entity is also considered as EFP.

*... and complemented by our efforts to increase the 'size of the envelope'...*

*Entrepreneurship is at the heart of SNV Strategy...*

*...helping us to increase IMPACT and diversify our funding sources...*

how, when and by whom. The development of the PRM policy is driven by two interrelated drivers:

- Our desire to make greater impact; and
- The necessity for diversification of our funding sources.

We will discuss the drivers in greater detail in three paragraphs below. Firstly, we will discuss the impact drive through partnerships; secondly through additional resource mobilisation. Thirdly, we address diversification of our resource base as a separate driver.

### 3.1.1 Impact Through Partnerships

SNV recognises that it cannot act in isolation and that it needs to forge high-leverage partnerships to maximise its impact and share knowledge. We therefore strive for a blend of partnerships at various levels (country; region; corporate) to the benefit our primary as well as our support processes. In 2006, some 6 million euro was invested in partnership building to leverage 4 million euro against our partners' resources. The SNV impact areas, delivery channels and positioning choices make important starting points for partnership scenarios for increased impact.

Especially partnerships with international agencies can help bridge the **micro-macro (knowledge) divide** and thus lead to increased impact. Current examples are our partnerships with UNDP and UNWTO. In many developing countries, the micro-, meso-, and macro-level are not well connected, resulting in large discrepancies between policies formulated and results achieved. To help bridge this micro-macro divide, SNV explores partnerships with national and international agencies. In such partnerships, SNV will assist local organisations to participate in, and influence, the development and implementation of national poverty reduction strategies and sector programmes, so that these will relate to their local realities. Local organisations will be supported to make effective use of the financing opportunities and institutional mechanisms that such programmes provide. The partners with a role at macro-level will support the localisation of their processes to create room for local dynamics, will incorporate local knowledge and specificities, and will ensure that their working mechanisms empower, rather than limit, local actors to become effective and efficient.

An important trigger for exploring new partnerships is to **scale up initiatives geographically**. An example of this could be finding Biogas partners in West Africa after initial success of the programme in Asia. Exploring such possibilities within SNV globally is essential if we want to leverage our existing experience and efforts for impact. Ideally, the potential to scale up should be explored in the early stages of each and every client assignment.

The development sector's current knowledge architecture is largely geared towards national actors and international forums, not necessarily to the needs of local actors. Over the past few years, SNV has experimented with forms of knowledge networking and professional learning. Now, it wants to intensify its efforts through collaborative action in **Knowledge Development and Brokering**.

To support local capacity development effectively, funding flows and the design and roll-out of policy processes need to be influenced, in order to allow national and meso-level agencies to shape and fulfil their roles. SNV has already begun to engage in partnerships that specifically aim to influence the macro-dynamics and mechanisms of the development sector. SNV will seek to intensify its alliances, to improve conditions for effective local capacity development in a sustainable manner. **LCDF** will also require collaboration to be successful and to not depend solely on SNV.

### 3.1.2 Impact Through Increased Resources

While attaching numbers to causal relations between the work of SNV advisors and the impact we achieve is far from straightforward, it does provide a strong indication for resource mobilisation targets that we could set ourselves in the coming years. By 2010, we expect to make sufficient progress on measuring and managing results to enable SNV to link the funds we invest with the impact we have. Our strategy is inspiring and strongly practical. We believe in it. We are keen to implement it with vigour and to imbue Donors with our passion and commitment. To maximise the impact of our Strategy, we will need to engage in vigorous resource mobilisation from the start.

In our quest to achieve more impact, two complementary forces are at play: increased effectiveness of our strategy and the resulting business model and attracting additional funds. The actual balance of the mix will very much depend on regional realities and appropriate policy choices.

*...thus strengthening our ability to...*

*...bridge the micro-macro divide...*

*...scale up initiatives geographically...*

*...improve knowledge development and brokering...*

*...and ensure the success of local capacity providers.*

*To implement our inspiring, coherent, and IMPACT-oriented Strategy...*

*...we need to act now...*

*...leveraging DGIS support and developing appropriate scenarios.*

*Leveraging funds at our disposal is a duty...*

*... and an opportunity to improve risk management, innovate and boost quality.*

*PRM are guided by Four Principles...*

*...which start with the **2007-2015 STRATEGY FOR IMPACT...***

*...that targets populations earning less than US\$2 per day...*

*...commits to a Global Presence...*

Thanks to the DGIS grant, we have considerable resources at our disposal. This financial security gives us time to experiment with what is our optimal size on the ground. Each region will need to develop its own scenario. In developing scenarios, special attention will need to be paid to managing emerging opportunities that may not be fully anchored in advance in the regional PRM strategy.

### **3.2 Diversification**

It is our belief that we owe it to Dutch taxpayers, who generously underpin much of our existing effort, to leverage additional resources to match their investments in SNV and its value proposition. Through SNV, these investments continue to build up development capital around the world. This capital includes our unique value proposition, trust, networks, expertise, know-how, track record, local knowledge and synergies of scale. We feel it our duty to continue serving the interests of people in developing countries and consequently the interests of Dutch taxpayers by contributing to the success of an integrated and coherent policy framework for development.

This duty is translated into three objectives:

- To stabilise, increase and make more predictable the financing of SNV activities from existing sources
- To broaden the donor base within the public and private sectors
- To stimulate creative fundraising, including through collaboration with the business community.

The benefits of a diversified income base are significant. They will enable SNV to better manage risks. Working with a wider plethora of donors will add a financial stimulus for innovation and is likely to be an additional incentive to improve on quality. On the downside, resource mobilisation increases the risk of mission creep. This will have to be carefully managed by observing SNV's 2007-2015 Strategy.

## **4. THE 4 GUIDING PRINCIPLES**

In pursuing partnership and resource mobilisation we must follow 4 guiding principles. These are listed below.

### **4.1 SNV Strategy for Impact**

*Vision, Mission, Values*

We only seek engagement in PRM relations with actors who fit SNV Vision and Values: a vision of a society in which all people enjoy the freedom to pursue their own sustainable development. Chief among our values are trust and respect, equality and quality, and diversity and people-centredness.

*2007-2015 Strategy*

Our target population are individuals with an income below US\$2 per day.

The Key elements of the SNV 2007-2015 Strategy are:

- We orient our activities to impact in two areas: access to basic services (BASE) and production, income & employment (PIE), and focus on specific targets within these in the context of national development priorities
- We engage strongly with local capacity builders, as they are essential to the sustainability of poverty reduction efforts and thus to our success
- We keep advisory services as the core, but as these are insufficient to help achieve impact on their own, we complement these with additional "delivery channels"
- We see "governance for empowerment" as a concept and body of expertise that is critical across all our work
- We see clients as part of broader actor constellations and help strengthen micro-macro linkages in order to accelerate impact on poverty and governance
- We will substantially diversify partnerships and resources to leverage our expertise for increased impact
- We sharpen our drive for quality in staff, work processes and result measurement.

Furthermore, it is a deliberate strategic choice that:

- SNV will continue its presence in all regions
- The 'mix of channels' will be fine-tuned to regional and country-level conditions
- SNV will fund its operations through core subsidy and other financial resources
- Core subsidy will gradually decline in the Balkans and Latin America. In both regions SNV will explore alternative business models.



*...builds on collaboration with the Ministry of Foreign Affairs...*

In the spirit of the Paris Declaration, we are firmly committed to be complementary in our efforts and have made a strategic decision to intensify our close working relationship with The Netherlands' Embassies (EKN) and DGIS. In particular:

- At multi- and bilateral level: making the system work through bridging the macro-micro divide
- At country level: increased collaboration through coherent and consistent positioning
- At thematic level: increased collaboration through joint action within sectors – 50% of SNV resources is to be invested in mutually agreed sectors and themes in partner countries.

Our strategic priority is to secure and wisely use the annual investment (Subsidy) by DGIS. This will ensure that SNV has the capacity to implement its core work programme. One of the major goals of this resource mobilisation strategy is to broaden the income base of SNV. Fundraising from non-governmental sources is becoming more important, although it should be seen as supplementing DGIS and government contributions and not as a substitute for them.

*...leverages DGIS Subsidy with additional resources...*

It is planned that these strategic guidelines will be updated to cover three phases: 2008-2009, 2010-2012 and 2013-2015.

#### *Local Capacity Builders*

Extreme caution should be exercised when we compete with Local Capacity Builders. Thus for example, if a decision is made to apply for calls for proposals or tenders, consideration should be given to engaging local actors in assuming the lead, forming a consortium with SNV or otherwise working with them in a substantial way. Full consideration of implications should be given to a situation when we are part of one local consortium competing against another. The essence of the challenge is to see how to ensure that resources are brought to underpin the development of local capacity builders to the fullest extent possible.

*...and demands a focus on Local Capacity Builders.*

*Secondly, SNV needs to ensure compliance with all applicable **LAWS AND REGULATIONS** to keep its reputation.*

#### **4.2 Laws, Regulations and Reputation**

All PRM efforts will need to comply with legal regulations in countries where these activities are undertaken. It should be borne in mind that in the different countries where SNV enters into contracts, raises resources where it intends to attract funding or where funding is sourced, there may be different statutes and legal principles that apply to not-for-profit organisations and to resource mobilisation. Consideration may need to be given to issues of direct and indirect taxation, particularly VAT regimes.

*Extra care must be taken to respect and follow applicable legislation. Failure to do this could lead to a loss of current preferential fiscal treatment of SNV and land us with a considerable fiscal and criminal liability and loss of reputation. It is good reputation that has enabled us to achieve so much in the past and is needed to do even more in the future.*

#### **4.3 Managing Risks**

Crucial to the successful implementation of the PRM Policy and its ambitious targets will be the way in which we manage risk inherent in working with other actors. Some of the risks are legal, other political in nature. There are some grey areas that will require the exercise of judgement by senior SNVers. Special attention should be paid to preserving the rules of Fair Competition, avoiding the risks of double charging and maintaining and strengthening goodwill and strong relations with Netherlands' Embassies (EKN)/DGIS.

*Thirdly, the success of the PRM Policy will depend on how well we manage risk...*

#### *Fair Competition (Spoiling the Market)*

In accepting the DGIS grant, we are obliged to observe the rules of fair competition and NOT 'spoil the market'. We risk 'spoiling the market' if we, as subsidised players, enter into direct competition for specific resource mobilisation deals with non-subsidised players.

*... this implies a respect for the rules of Fair Competition...*

The Subsidy provided to SNV by the Dutch Ministry of Foreign Affairs, through DGIS, qualifies as "State Aid" (Article 87(1) of the EC Treaty). It is nevertheless not deemed to distort the market because it does not involve a market in which there is trade between Member States. EU legislation regulates here only *competition and trade between Member States*. 'Spoiling the market' carries wider implications. These mean that Regional Directors supported by their staff will need to exercise judgement involving strategic, ethical, political and practical considerations in deciding whether or not pursue a particular type of funding.

As SNV is partly funded by the Dutch taxpayer, we should be particularly sensitive to Dutch commercial interests and NOT compete with Dutch commercial capacity service providers for clients who can afford their services. Country Directors are expected to stay networked and generally plugged in while making their judgement calls.

*...avoidance of the risk of double accounting ...*

#### *Avoiding the Risk of Double Charging*

Our core business is to provide services to those who cannot afford to pay. At the same time, experience shows that increasing client participation and ownership strengthens and helps to sustain the impact of our efforts. We should therefore create the possibilities for support of programme costs.

Most of our advisors are already paid for by the Subsidy. SNV advisors cannot and should not be charged to both DGIS and another source or party.

Currently, programme costs amount to some 10% of the total service cost. Examples of programme costs include: room hire, transportation, meals at workshops and printing costs. This we can charge. It should be made routine practice whenever a client is willing to pay, following an appropriate judgement call.

*...and the need to align with The Netherlands' Embassies.*

#### *Alignment with The Netherlands' Embassies (EKN)/DGIS*

It is an important strategic choice and a contractual agreement to endeavour to align some 50% of our Subsidy resources with the EKN development policies in mutually agreed sectors and themes in DGIS partner countries.

This creates considerable opportunities for SNV clients to tap into extra funding stimulating further alignment between embassies and the private sector.

*Finally, **QUALITY** considerations will constitute an important judgement call in raising funds.*

#### **4.4 Quality**

We are proud of our achievements to date. Today, SNV is recognised as a leading global capacity builder. This is largely due to the hard work, commitment and professionalism of our staff that deliver.

The DGIS continues to be the most important player in the 2007-2015 grant cycle. Our key task is to ensure that the obligations undertaken under the 2007-2015 Subsidy Agreement are fully met. One part of these obligations concerns quality of our primary and support processes. Another relates to a specific undertaking that SNV will develop and implement a resource mobilisation strategy and policies to attract additional financial resources. This may create a tension between the wish to promote the delivery of quality benefits and services to our clients and resource mobilisation.

The tension is likely to be particularly apparent in the Strategy roll-out period ending in 2009. For a learning organisation like SNV, PRM can have a substantial positive influence on the way we work, stimulating learning and innovation. A case-by-case judgement call will need to be made whether or not a specific resource mobilisation opportunity should be pursued even if work is still to be done to reach the quality standards we strive for.

## **5. PROCEDURES**

*The **FOUR** Guiding Principles are translated into Procedures to harness creative genius of our people AND preserve SNV institutional integrity.*

Our PRM success will very much depend on how well we manage to capture the hearts and imagination of those SNV staff and stakeholders who can make a difference. It will be sustained by our ability to delineate the playing field that harnesses their creative genius while preserving our institutional integrity. The procedures that follow in Part II set clear rules for effective, efficient and integrated global teamwork.

Special attention is given to ensure that proper due diligence is carried out before engaging. This includes a check on a potential partner's or donor's compatibility of vision, track record and extent of network, personal match and existing trust, mutual benefit, governance and transparency of processes, rules and roles; financial stability and reliability as well as major risks like conflicts of interest or reputation impact.

*We need PRM targets to inspire and concretise the roll-out of our Strategy.*

## 6. PRM TARGETS

Key considerations for RM target setting are:

- We engage in RM to increase our impact
- Additional resources are needed to maintain SNV global presence
- We need to diversify our resource base substantially and become more entrepreneurial between now and 2015
- In setting targets we need to look at the tension between the desire to raise ambitious funds and our ability to deliver quality services
- Targets will be set for 2015 so we can start working towards these throughout the organisation and translate these into realistic regional targets.

Our target is to reach a diversification level of 40% externally mobilised resources of SNV Core (Subsidy) Budget. This is considered to be a strong resource balance that would significantly reduce risk, increase opportunities, and enable SNV to maintain a global presence. On a total estimated budget for 2015 of 117.6 million euro, this would mean that SNV would be operating on 33.6 million euro in externally-mobilised resources in the year 2015. Excluding LCDF, the total RM volume multiple to be achieved over the 9-year period is 4.8 taking the 2006 7 million euro resource mobilisation realisation as the base. The year-on-year increase needs to be some 19%. By 2015, the given target results in a RM percentage amounting to some 30% on Core Subsidy for Asia and Africa.

For Partnerships, the key target setting considerations are:

- We engage in Partnerships to increase our impact
- Various entry points for partnerships exist, such as
  - o bridging the micro-macro divide
  - o scaling up initiatives geographically
  - o innovation in delivery channels
  - o critical outreach in value chains and sectors of SNV choice
- The quality and impact of partnerships is more important than the number
- The 50/50 cost sharing principle.

Based on these considerations the Board recommends between now and 2015:

- To broaden our partnership portfolio (driven by country or regional dynamics), boosting our impact in PIE and BASE
- For every region to identify at least one (regional or country-level) partnership in the period 2008-2009 on Basic Services:
  - o that could be scaled up in another regional setting; or
  - o to improve impact
- We suggest that SNV regions explore (regional) partnerships for improved impact through LCDF after the recommendations of the LCD Task Force are known.