



East and Southern Africa Annual Report 2007

SNV

Connecting People's Capacities

Netherlands
Development
Organisation



SNV is dedicated to a society where all people enjoy the freedom to pursue their own sustainable development.

We contribute to this by strengthening the capacity of local organisations

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Abbreviations

DFID	Department for International Development (UK)
DGIS	Directorate General of International Cooperation (Netherlands)
DLMC	district livestock marketing council
EDAE	Environmental Development Association Ethiopia
GTZ	German Agency for Technical Cooperation
KLMC	Kenya Livestock Marketing Council
LMA	livestock marketing association
MDG	Millennium Development Goal
MININFRA	Ministry of Infrastructure (Rwanda)
NDBP	National Domestic Biogas Programme (Rwanda)
NEDA	National Energy Development Agency
NGO	non-governmental organisation
OVC	orphan or vulnerable child
SIDEP	Samburu Integrated Development Programme
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund

Foreword

In 2007, the five SNV regions—Asia, Balkans, East and Southern Africa, Latin America and West and Central Africa—developed their respective strategies based on the corporate framework known as the Business Case. The Business Case is informed by more than four decades of SNV's work in development and hands-on experience in capacity development over the last five years. Building on previous successes and a proven track record in strengthening meso-level organisations, SNV East and Southern Africa Region developed a two-year strategic plan for 2008 and 2009. The strategic planning process leveraged existing bottom-up (informed by realities on the ground) and top-down (alignment with the mandate of SNV) experiences.

The core focuses of the strategy are **IMPACT** and **RESULTS**.

The drivers (impact and results) will ensure we continue our focus and use of resources optimally. In addition, the strategy will assist us to accelerate learning within SNV, with our clients and other development organisations, including knowledge-based institutes.

Our positioning choices are linked to the ambitions of national development plans and the Millennium Development Goals. In addition, the strategy is aligned with the main trends of aid architecture and the Paris Declaration in particular.

Consequently, we have a clear and unique **niche** in capacity development services.

While developing the strategy, the region was simultaneously engaged in capacity development, ensuring that the strategy was fully informed by practice, not just by theory. While our advisory practice remains the main channel of implementation, stronger emphasis has been given to engaging **local capacity builders** to work with us in supporting our clients and enhancing local ownership. In the coming years, local capacity builders will be given more emphasis as SNV's core business is to stimulate and develop local capacity to contribute to sustainable development and combat poverty. **Knowledge development, brokering and networking** also gained prominence in 2007, building relationships with knowledge institutes in various sectors and value chains. These partnerships inform our practices and enable the sharing of experiences. They are also increasingly instrumental in influencing policymakers at different levels.

Strategic partnerships remain critical for the work of SNV. We strongly believe, given the complexity of development work, that coordination and complementary effort are the only ways to achieve sustainable development. To this effect, SNV in the region has developed strong partnerships with key development actors in various sectors.

As a learning organisation, SNV regularly receives feedback from clients and partners. The feedback in 2007 was encouraging. It confirmed the effectiveness of our strategy and the logic of our approach to development. A central approach is bringing together **key stakeholders** in specific sectors and value chains. The stakeholders include government, civil society and NGOs, international development actors and the private sector. This approach was much appreciated and has become a **trademark** of SNV's capacity development services. Instead of focusing on the weaknesses, as in traditional capacity development approaches, the stakeholder forums facilitated by SNV are avenues for connecting strengths and jointly seeking solutions. These forums also make evident that instead of assuming capacity must come from outside, there is a tremendous amount of capacity readily available locally. The forums also create strong ownership and empower local actors to hold mandated organisations accountable. Thus the forums are excellent vehicles to ensure good governance. Governance for Empowerment which includes gender, social inclusion and sustainability, is at the core of SNV's work.

SNV views its large network of clients, local capacity builders and partners, including knowledge networks, as important assets. In terms of our internal capacity, the region has 250 highly qualified and passionate professional advisors (about 70% are national advisors and 30% international). These advisors are supported by 130 dedicated staff, including leaders and managers, who are strongly connected to the practice on the ground.

The achievements in 2007, as highlighted in this report, are excellent indicators that the region is well positioned to realise the ambitious expectations as set out in the 2008 and 2009 strategic plan. Of course, the continued support of our clients and partners remains the key to the success of our strategy.

Worku Behonegne
Regional Director
East and Southern Africa
May 2008

Introduction

Global presence—local impact

SNV is proud of its global presence in 33 countries with 900 advisors whose efforts are geared towards achieving local impact. We are *dedicated to a society where all people enjoy the freedom to pursue their own sustainable development. We contribute to this by strengthening the capacity of local organisations.* SNV supports local actors to enhance their performance in effectively realising **poverty reduction and good governance.**

Poverty is perpetuated by the disempowerment of people in society, excluding them from processes that advance human wellbeing and create the freedom to pursue their own development. SNV therefore emphasises the need to change power relations at all levels in order to expand the assets and capabilities of poor people and marginalised groups that they may participate in, negotiate, influence, control and hold accountable institutions, policies, values and relations that affect their lives. In pursuing **Governance for Empowerment**, SNV pays particular attention to gender equity and the social inclusion of marginalised groups.

SNV's capacity development services enhance the capability of those meso-level organisations with the potential to effectively reach out and positively impact upon the lives of poor people. Achieving a catalytic and multiplier effect and bridging the micro-macro divide between national policy and reality on the ground are central to SNV's work.

To achieve this SNV focuses on two broad **impact areas** to which our advisory services contribute: Access to Basic Services and Production, Income and Employment.

On the basis of acquired expertise and experience gained, and considering the potential for greatest impact, the region selected to concentrate its efforts in 2007 on the Basic Services of primary education; water, sanitation and hygiene; and renewable energy with a focus on biogas. Within the impact area of Production, Income and Employment, SNV adopted a value-chain approach benefiting smallholder farmers by strengthening the whole chain from producers and processors through to consumers. Based on extensive market analysis in the region, the potential to provide income and employment for the poor and on the experience of its advisors, the East and Southern Region concentrated on five value chains in 2007. These are Oilseed, Livestock, Horticulture, Non-timber Forest Products and Sustainable Pro-Poor Tourism. In addition, 'innovative space' was created to explore interventions into vocational and skills training, biofuels, rice and grains, and coffee in selected countries. Ensuring an equal balance and creating links between interventions is essential for SNV in its work with clients and partners to contribute to tangible impact over the long term.

For all selected sectors and value chains, objectives and targets were set within the regional strategy and aligned to the

goals of national development plans. This contributes to the wider ambitions of national governments and realisation of the Millennium Development Goals (MDGs). Working with clients and partners towards concrete development results, SNV advisors analyse governance issues at local and national level—effectiveness and efficiency, accountability and transparency, participation, rule of law and equity—that prevent the poor from accessing basic services, that discriminate against certain sections of the population such as women or people living with HIV and AIDS, or mechanisms and services restricting the full involvement of the poor in production and marketing their produce.

What factors cause services not to be delivered to defined standards? What prevents the market from operating as it should? What are the underlying institutional dynamics that disempower groups of people? These questions are central to identifying governance issues. Supporting the creation of an enabling policy and institutional environment to tackle such issues became an important focus of SNV's work in 2007. Also new was increased attention, not only to the supply side of governance (that is, working with local government and authorities), but also to the scaling up of activities to strengthen the demand side, allowing citizens' voices to be heard.

Although the principal work in 2007 for over 300 SNV advisors in nine countries[†]

in the region remained providing capacity development services, there was a shift in SNV's approach. Rather than working with individual organisations, SNV advisors identified issues on the ground, such as lack of safe drinking water and poorly performing schools. SNV facilitated the coming together of key actors and stakeholders (for instance from local and national government, private sector, NGOs and donor organisations) around these issues to collectively address them. Key clients or *client constellations* were identified, whose enhanced performance will accelerate and ensure sustainable solutions. Facilitating *multi-stakeholder platforms* became a key mechanism for promoting local solutions and capacity. To increase effectiveness and guarantee the sustainability of interventions, SNV worked increasingly with *local capacity builders*, whose involvement will grow steadily in the coming years.

A new channel to achieve impact, '*Knowledge Development, Brokering and Networking*', was introduced in 2007. This channel aims to promote the sharing of vast existing knowledge and experience of clients and stakeholders and link them to national, regional and international knowledge institutes. Providing local institutions with the latest information and knowledge enhances their capacity to identify local solutions to local problems. It assists addressing bottlenecks in the provision of services and access to markets and employment opportunities. Ultimately clients are able to influence national

[†] Ethiopia, Kenya, Mozambique, Rwanda, South Sudan, Tanzania, Uganda, Zambia, Zimbabwe

policy formulation and the creation of an enabling environment[†]. In this respect, an important partnership with the International Fund for Agricultural Development (IFAD) on market information development and dissemination took off in 2007. Collaboration with the British-based think-tank, the Overseas Development Institute, around pro-poor tourism was strengthened through joint publications and workshops. This partnership will be formalised in early 2008.

Establishing *strategic partnerships* to collaboratively achieve development impact through a balanced pooling of resources and sharing risks and responsibilities¹ is central to implementing SNV's strategy. The partnership with the respective country Embassies of the Kingdom of the Netherlands was strengthened in the course of the year ensuring a

[†] Two further 'delivery channels', international advocacy and the creation of a fund for local capacity development, are contained in the Business Case but were not pursued in 2007.

complementarity between at least 50% of the programmes of the two organisations. In 2007 a long-standing partnership with UNDP on localising the achievement of the MDGs was further developed and new avenues of joint programming explored. An agreement with the UN World Tourism Organisation was negotiated under its Sustainable Tourism–Eliminating Poverty programme. Across the region partnerships with the MDG Centre East and Southern Africa, Agriterra, the Fairtrade Labelling Organization and the World Business Council on Sustainable Development were all instrumental in 2007 in working towards increased impact. Based on existing country-level partnerships, new promising possibilities of regional collaboration with UNICEF around water and sanitation in schools emerged in 2007.

This annual report provides more detail of the strategic position choices SNV East and Southern Africa made in 2007 and illustrates our approach with case studies from our practice.

Access to basic services

A major focus of SNV is availability of quality basic services for the poor. In East and Southern Africa particular emphasis was given to the basic services of water, sanitation and hygiene, primary education and renewable energy. National governments in the region give these sectors priority, as do the Embassies of the Kingdom of the Netherlands. In addition, wide-scale initiatives of international organisations to address these sectors—for instance the African Ministers Council on Water, the EU Water Initiative and the newly formed G8 fund for education—heighten the possibility of success of interventions. Considering the growing challenge of climate change on the continent and the linked environmental degradation, there is increasing concern to pursue renewable energy sources in Africa. Building on the vast experience and success of SNV-supported biogas programmes in Asia the region has identified biogas as a viable source of renewable energy. Feasibility studies carried out in Rwanda and Ethiopia in 2006, the launch of the African initiative 'Biogas for Better Life' in May 2007 and related funding possibilities, as well as the commitment of national governments, indicate a high potential for success.

Water, sanitation and hygiene

Not having access to water and sanitation is a polite euphemism for a form of deprivation that threatens life, destroys opportunity and undermines human dignity.

Human Development Report 2006²

Clean water, sanitation and hygiene are among the most powerful drivers of human development. SNV East and Southern Africa thus identified 'water, sanitation and hygiene' as a key sector through which fundamental changes in human wellbeing can be achieved.

Although 10 million people per year in sub-Saharan Africa gained access to improved drinking water between 1990 and 2004, high population growth has meant that the absolute number of unserved people has in fact increased by about 60 million over the same period. Consequently, the number of additional people obtaining access to drinking water annually would need to triple to reach MDG 7: halving the portion of people without sustainable access to safe drinking water and sanitation by 2015. The situation is even worse for sanitation: for the region to reach the MDG, 35 million more people annually need access to improved sanitation, compared with the current rate of 7 million. Even then, by 2015 some 234 million people in sub-Saharan Africa would still lack access to safe drinking water and 317 million to improved sanitation.





Currently, all countries in East and Southern Africa face serious degradation of land and water resources. In a number of instances, lake levels in Ethiopia, Kenya and Tanzania have dropped and river flows decreased dramatically; deforestation has caused severe floods in Kenya and Mozambique, and throughout the region, groundwater levels are dropping. Although initiatives are under way to reverse the situation, much more has to be done.

SNV seeks to ensure that increasing numbers of poor households and vulnerable groups enjoy the benefits of water. We aim to secure sustainable supplies of clean drinking water and improved sanitation and hygiene. We seek to support sound water resource management of river basins and catchments to ensure adequate availability of water in balance with growing demands for household and economic use. We therefore work towards promoting integration between water resource management and efficiency of water use to avoid violent conflict in places where there is scarcity.

Building on a wealth of client experience at the meso level and on increasing recognition in bridging the macro–micro divide, SNV East and Southern Africa aims:

- to enable local, district, national and regional level actors to be connected to one another in their quest to improve water and sanitation conditions
- to foster information sharing, resource sharing and joint action between actors
- to catalyse local, district and national action to address water and sanitation issues
- to develop information management systems that capture evidence of what action has worked and what has not, to validate this information and use it horizontally for learning and to inform policy
- to develop the capacity of individual local, district and national actors to exploit opportunities

In two towns in Kenya, SNV worked with water and sewerage supply companies to improve delivery of clean drinking water to urban catchments of 200,000 people. In Isiolo, following measures to improve performance, 7,000 people who did not have water now have access to it. A new billing system has reduced customer complaints and has increased revenue to enable this expanded service. The volume of water unaccounted for has declined by 6%. In Eldoret, the water company has now taken deliberate measures to target poor populations aiming to expand network coverage, improve customer satisfaction and reduce wastage.

Safe water for an Ethiopian community

The Mutulu community in Ethiopia held a ceremony in 2007 to inaugurate its new water supply system. Six months earlier, Mutulu did not have access to safe water. With an investment of only €12 per person, 2,500 villagers and 1,500 school children, a health post and three church communities have clean water within a 10-minute walking distance. By working with four organisations and planning jointly, the Mutulu community realised its long-held dream of safe water.

The project installed a spring box and a 25-m³ tank. There are 11 water points; 29 households have direct access. The pipeline is 7,100 m long, average distance from user households is 600 m, and 276,000 litres of water are available per day (3 litres/sec). Total project cost is €30,000, of which 14% is the community labour contribution.

Mutulu village is in Toke Kutaye District, Oromia Regional State in Ethiopia. The district has a population of over 140,000 people, but only 18% have access to clean water. A perennial spring just 7 km away has plenty of good water, but it is in a deep gorge that makes reaching it difficult. Thus fetching water placed a heavy workload on women and on children helping their mothers.

The Mutulu community had long sought help to get clean water. But the various governmental and non-governmental development agencies in the district had never come together to respond to community appeals. Missing was a comprehensive approach to address the sanitation and hygiene needs of the community.

The Environmentalist Development Association Ethiopia (EDAE), a local NGO, approached SNV for support, resulting in a partnership between SNV, the NGO and the Toke Kutaye District Water Resource Office. The assumption was that with coordination, it would be possible to make a difference even with the limited human, financial and logistical resources available.

SNV assigned a senior advisor. EDAE looked for donor support. The community provided sand, stones, labour and hand tools, and local knowledge.

Specifically, SNV—

- helped actors team up in assessing, designing and implementing a water supply scheme and ensured environmental protection around water sources
- provided technical advice to EDAE on designing the project, mobilising the community and writing proposals
- provided the district water resource office with logistical and technical support
- facilitated dialogue among all actors

Results: The village has clean water, which can be fetched in a walk of less than 10 minutes. Incidence of waterborne diseases has decreased. And the Mutulu people are understandably proud of themselves. Four NGOs, three district government development offices (health, education and water) and the district council have created a consortium concerned with water supply, sanitation and hygiene. SNV is further facilitating joint planning for developing capacity, mobilising financial resources and implementing projects.

Lesson learned: Combine an institutional arrangement, which takes long, with a quick-win activity that shows what can happen once actors agree to work towards a shared vision.

Development organisations are often financially poor, to even cover the minimum costs needed to organise consultations or make preliminary assessments. Thus logistical and financial support is imperative to kick-start the dialogue and reflection that trigger the essential new thinking and creativity.





Education

Education is a critical sector whose performance directly affects and even determines the quality and magnitude of Africa's development.

COMEDAF 2006³

Access to education is recognised as a fundamental human right and is the first step in developing the individual—and thus in developing the nation and creating wealth. 'Education is expected to equip individuals with needed skills and thereby promote individual and national development, transform values and attitudes, improve health, promote effective citizenship and democracy, eliminate inequality, and reduce poverty.'⁴

Despite positive overall trends in sub-Saharan Africa towards providing universal primary education, it remains doubtful whether the MDG target of achieving universal primary education will be attained by 2015. Among sub-Saharan African countries, 65% are considered to be seriously off track in attaining the goal and are unlikely to reach the target before 2040, while only 8% are considered on track.⁵ A particular challenge for many African countries is guaranteeing access to education for the girl child as well as for young and adult women. The 2007 *Global Monitoring Report* notes that less than one-quarter of the countries in sub-Saharan Africa met critical enrolment and gender parity targets in 2005.⁶ These targets are vitally important because they not only represent rights



and wellbeing; they also help make it possible to achieve the other MDGs.⁷

For most of the countries in the East and Southern Africa region, the education sector is supported by a wide range of development actors. A main objective throughout the region is expanded access to basic education, and significant effort and resources have been allocated to this end. The principal approach has been to open more primary schools. This has precipitated expansion throughout the education system: teachers, textbooks, instructional materials, school furniture, oversight and supervision, management and administration, assessment and evaluation.⁸

SNV's involvement in education is relatively new. SNV Zambia, with the longest-standing practice, has worked in the sector only since 2003. This 'new'



perspective offers intriguing potential to identify and attract new clients and partners who find the SNV approach interesting and relevant. SNV has carved a niche as a supplier of capacity development with activities focused on improving education system effectiveness, stakeholder involvement in decision making, and enhanced transparency and accountability to influence achievement of better pupil-based ratios. Girls' education is at the centre of our interventions as girls tend to be most socially and culturally disadvantaged.

In 2007 SNV East and Southern Africa provided capacity development in basic primary education with a focus on quality of service delivery (towards improved access to and quality of basic services) in all countries with the exception of Ethiopia.

Working both directly and through local capacity builders in 10 districts, SNV Uganda supported 20 pilot schools and indirectly 100 schools in 20 subcounties. These schools have a population of 40,000 children. Throughout the districts where SNV is working, this support resulted in improved school development planning by school management committees, increased community participation in education, an increase in school attendance by more than 20%, a reduction in teacher absenteeism by 10% and an increase in the frequency in school management and governance structures, with their meeting monthly instead of half yearly.



Effective partnerships in Zimbabwe bring access to education

Sara has lost both her parents from AIDS, and as the eldest child in a family of three she now has to juggle her time and efforts between school and caring for the family. Her options to keep the family together are limited—early marriage, petty trading or perhaps commercial sex work. Whichever option, she will have to drop out of school, further entangling her in poverty and the risk of contracting HIV and AIDS. Above all, Sara is deprived of her basic rights—access to education and the right to be a child.

Bulilima and Mangwe districts and Plumtree town, like most of Zimbabwe, are experiencing an unacceptably high number of school dropouts, many of them orphaned girl children. The intensity of the problem has been further aggravated by HIV and AIDS. Every time a parent becomes ill or dies from AIDS, children are abandoned to their fate and become victims to physical, emotional and societal dangers, even having to drop out of school.

In 2004, the three districts recorded 25,000 orphans, 20% having lost both parents and 50% having lost a father, most likely the breadwinner. Despite the huge problems facing orphans and vulnerable children (OVCs), neither government nor local authorities appeared organised to help. Local authorities thus invited SNV to support them in forming a collaborative partnership to address the plight of OVCs.

SNV convened an all-stakeholders convention in 2005 to generate a common vision and draw commitment from all stakeholders to ensure access to quality and relevant education for 10,000 OVCs in the three districts.

SNV facilitated an initiative that raised US\$465,500 from UNICEF for a two-year programming period. Our role then evolved into that of building partnership support:

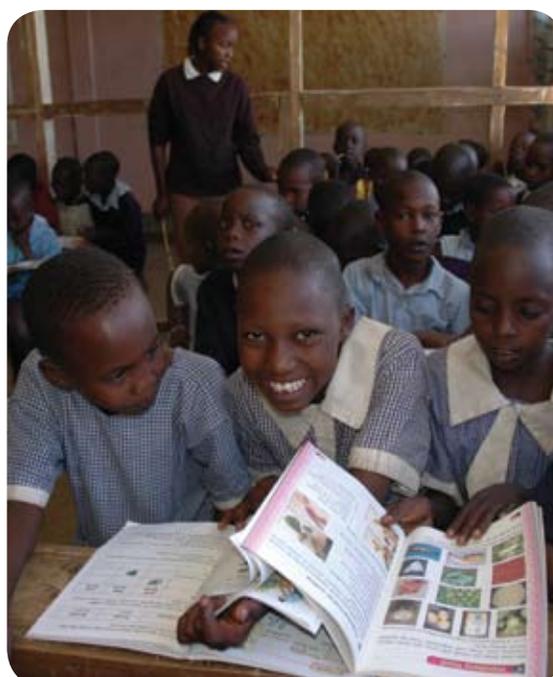
- facilitating multi-stakeholder partnerships
- designing the programme, implementing its management, monitoring and reporting
- developing the network by facilitating links between community-based enterprises and providers of business development services
- setting up collaborative management systems, including mobilising resources and upscaling programmes

Local authorities' active participation has been key to progress. Coordinated effort to support OVCs has reached out to approximately 93% of the known OVC population in the three districts. To date, 10,592 OVCs have been re-enrolled and stayed in school. The partnerships have also improved the average of pupil-to-textbook ratio from 10:1 to 2:1 in the 23 schools that benefited. A total of 36,793 children benefited from knowledge about HIV and AIDS, making them less vulnerable and susceptible to becoming infected themselves.

Source of support	OVC supported (no.)
Education block grants	2,747
Council grants	352
School income-generating projects	1,450
Community-based enterprises	1,052
Total direct beneficiaries	10,592
Indirect beneficiaries	36,793

Sisonke Madabe Primary School runs a dressmaking project that sews uniforms for income generation. 25% of the price of each uniform sold is channelled towards supporting OVC education.

SNV and stakeholders realise that multi-stakeholder development processes are successful if they are owned and steered by local actors and based on local realities.



Renewable energy

Given that the role of energy is catalysing growth and poverty reduction is unquestionable, securing the supply of primary energy and securing the demand to sustained services is paramount to achieving the MDGs.

Millennium Project 2005⁹

Africa has abundant renewable energy resources, yet its energy sector is largely reliant on conventional sources. In East and Southern Africa countries these sources are predominantly biomass.¹⁰ For the large populations living on less than US\$2 a day, biomass is the single most important source of energy for essential heating and for cooking. Some 80% of rural households are dependent on biomass, but many are increasingly facing difficulties to access the energy they need. The availability of traditional cooking fuels such as wood, agricultural waste, dried dung and charcoal is declining, while commercial fuels are too expensive and their availability unreliable. Collection of traditional fuels devours time, in particular that of women and children, which could otherwise be spent in productive activities or at school. By burning these fuels, women and small children are exposed to smoke, subjecting them to respiratory illnesses and eye ailments. It is estimated that several hundred thousands of women and children die annually in Africa because of respiratory diseases originating from traditional fuel

burning. Often the same households also face the consequences of poor hygiene or improper sanitation, resulting in waterborne diseases.

SNV is presently building on the success of the programmes it has supported in Asia and is involved in biogas programmes being introduced in Ethiopia and Rwanda and that can be expanded to other countries in the region. The success of SNV has been recognised by a large number of donors and development agencies, among them the Netherlands Directorate General of International Cooperation. These organisations have established a partnership, 'Biogas for Better Life: An African Initiative'. The initiative was formally launched in Nairobi in May 2007 at a conference attended by representatives from 26 African countries. The aim of this initiative is to install two million biogas units in Africa by 2020.

A feasibility study of a National Biogas Programme for Ethiopia resulted in a formal partnership between the Ethiopian Rural Energy Promotion and Development Centre and SNV Ethiopia. An implementation plan has been developed, endorsed by multiple national and regional stakeholders and submitted to the Biogas Africa Initiative requesting co-financing. Stakeholder workshops resulted in widespread confidence and support for launching a national biogas programme. Regional governments have included biogas and allocated budget in their development plans.



Biogas, a cheaper, eco-friendly energy source in Rwanda

Rwanda has one of the highest population densities in Africa. Engaged in subsistence farming, 90% of rural households depend on fuelwood to meet their energy needs. As fuelwood becomes scarce, satisfying daily energy needs becomes increasingly difficult and time consuming.

Yet over 110,000 Rwandan families have the water and animal dung needed to operate a biodigester. A biodigester provides biogas—clean energy for cooking and lighting, reducing the burden and time required for collecting wood. Using biogas for cooking virtually eliminates respiratory diseases and eye ailments associated with indoor air pollution. Also biodigester residue, bioslurry, is an effective organic fertiliser that improves agricultural productivity.

The Rwandan National Domestic Biogas Programme aims to provide financial returns and to reduce greenhouse gas emissions and pressure on the local environment in a sustainable manner. SNV Rwanda helps implement the programme by providing advisory services to develop a commercially viable, market-oriented biogas sector. The programme aims to reach 15,000 households by 2011, thus helping to reduce poverty, build gender equality, and improve health and environmental sustainability.

A National Domestic Biogas Programme Unit established within the National Energy Development Agency coordinates activities. Through it, SNV Rwanda is strengthening the capacity of all actors in the sector and optimising institutional arrangements with the longer-term aim of ensuring sustainability.

Beneficiaries have been identified for a demonstration phase in collaboration with partner organisations including Heifer International and the Lutheran World Federation and with farmers' associations. The Kigali Institute of Science and Technology and the Centre for Innovation and Technology Transfer are putting up a demonstration plant and training masons and construction supervisors.

Biodigesters are now operational in all the 109 households included in the demo phase. These households have completely stopped using firewood. These will reduce the workload of an estimated 763 people.

Pierre Ndorokundiye's family spends almost an hour every day collecting and splitting firewood—tasks that become even more time consuming in the rainy season.

Ndorokundiye is a cattle keeper who learned about biogas through his cooperative. He has applied for a home biodigester, well aware that it will light his house after sunset and make cooking smoke free and easier.

SNV Rwanda's main contribution is to provide advisory services, working closely with all partners to foster national strategic planning and policymaking on biodigester dissemination. Once the market is developed, the sector will become self-sufficient, attaining the ultimate aim of the programme.





Charles Rugambage is one of the first cattle keepers fortunate to own a biogas burner at his home, where he lives with his wife, Josephine, and four children, ages 13 to 6. Josephine uses her biogas burner to prepare meals. Since she started using the biogas burner, she no longer has eye irritation and infections, which occurred commonly when she was burning firewood. Cooking and even dishwashing take less time and is easier. A local pastor visiting the family became fascinated with the technology and now plans to install it himself.

The success of the programme will largely depend on innovative farmers taking the risk of investing in a biogas burner and convincing others to do the same. Contrary to economic

forecasts, farmers are eager to purchase biogas burners and are showing high commitment to this new technology.

Constructing biogas burners is the business we have been waiting for. With our new biogas company, we hope to achieve a lot in coming years.

Musoni Thèogène
Renewable Energy Company

The best promotion is a well-functioning biogas burner and the best advocate is a satisfied user. Biogas lighting is a much-sought-after commodity. Potential users have shown clear willingness and ability to invest in a biogas burner, by cash or on credit.

Production, income and employment

Poverty is about lack of opportunity not just a lack of income. ... Economic growth is the single most powerful way of pulling people out of poverty.

DFID 2006¹¹

Improving productivity and market access for workers and producers in the informal economy is at the heart of many poverty reduction efforts in Africa.¹² The primary objective of the region's production, income and employment interventions is to translate these policies into reality and contribute to reducing household poverty and improve livelihoods towards achieving MDG Target 1: reduce by half the proportion of people living on less than US\$1 a day. SNV does this by increasing production and facilitating access to formal markets. This objective is aligned with efforts of national governments and key international bodies to significantly reduce poverty on the continent.

In the East and Southern Africa region, agriculture accounts for over 40% of the gross domestic product and 80% of the export earnings; it employs 80% of the work force. A major thrust of national strategies for reducing poverty in the region is to focus on transforming subsistence agriculture to market-oriented farming. In line with national priorities, SNV concentrates on strengthening agricultural value chains and improving rural livelihoods. In addition it ensures an enabling environment by strengthening financial and business development services linked to these chains.

Based on comprehensive studies and market analysis carried out between 2005 and 2007 of those areas of production with the greatest potential to improve the livelihoods of the rural poor, SNV focuses on the following value chains: *Oilseed, Horticulture, Livestock, Non-timber Forest Products and Sustainable Pro-Poor Tourism.*



SNV East and Southern Africa strengthens the capacities of local organisations and enhances their links to quality value chains, improving governance and ensuring more effective coordination. SNV provides a range of services in these value chains, linking producers with clients in processing, export, local governments, private sector development companies and civil society organisations. These services are:

- market assessment to facilitate understanding of value-chain and market-entry constraints
- business development services to enhance ratios of production cost to profit
- financial services
- market access to meet market compliance requirements
- policy environment improvement

Oilseed

Oilseed crops, both edible and non-edible, have been identified in many national development strategies and by development partners as an entry point in the region to combat and reduce poverty. Oilseed crops contribute directly and indirectly to food security; the seedcake can be used for animal feed; the crop can be converted to biofuel, producing energy that can in turn be used to add value to the oilseed through processing and packaging; and it makes good bee forage, improving honey production. Overall, oilseed crops can contribute significantly to household incomes. Oilseed profit margins are high.

The medium- to long-term strategy of SNV within the oilseed sector is to strengthen the capacity of clients along the chain to target both existing and new markets with new and value-added products. To achieve high profit margins that will lead to sustainable economic development, small-scale and medium-sized producers will need to shift from overemphasis on producing oils for domestic use to producing industrial oil that can be processed into biofuel, biogas, soap, as well as essential and medicinal oils. To do so, macro-economic players in various sectors need to help formulate and implement development policies regarding oilseed for micro-level beneficiaries. SNV plays a leading role in involving governments, donors, international non-governmental organisations, civil society organisations and private sector players dealing with oilseed. Ethiopia, Tanzania, Uganda and Zambia are involved in this value chain.

In Uganda, rural information system interventions supported by SNV provided access to market information for about 4,600 oilseed producers from three districts. Income among households engaged in the oilseed industry has increased by 20% and productivity by 30%. To help develop the value chain for oilseeds and apiculture, value-chain financing and Business Development Services were also provided.



Jatropha to bring energy to rural Zambia

Supplying modern energy services to rural communities for domestic, social and economic purposes is a pressing challenge facing rural Africa. A major barrier to increasing production, incomes and employment in rural Zambia is the lack of accessible, affordable and sustainable energy. Presently fuelwood provides 80% of Zambia's energy needs. The national electricity grid reaches only 1.5% of the rural population.

Agriculture provides the livelihood for more than 70% of Zambia's people. However, limited access to affordable energy services constrains local capacity to add value to agricultural products. Entrepreneurial potential remains unfulfilled and poverty locks out many good ideas. Expanding existing capacity and exploring alternative clean energy sources is therefore critical although commercially unviable at present.

The link between energy and poverty is direct. Low-income households must rely on wood, dung and other biomass fuels, generally low in efficiency. Women and girls typically spend large amounts of time and energy in gathering fuelwood.

Exploring sustainable clean energy options with the potential to reduce poverty is high on the Zambian government agenda. Thus exploration of alternative energy sources, including biofuels, is particularly relevant. Biofuels offer an opportunity to diversify agricultural production, increase income for producers and processors along the value chain, and increase employment in the renewable and clean energy sector and other productive sectors.

The main biofuel crop grown in Zambia is *Jatropha curcus*, with an estimated 80,000 hectares under cultivation. *Jatropha* has the highest oil-to-energy ratio among local

oilseed crops. It is drought resistant, can be harvested up to three times a year and by-products can be used to make fertiliser, livestock feed, soap and medicines. Jatropha can grow everywhere and be harvested for 40 years without replanting.

Thus SNV Zambia has set a number of goals for 2008–2010 for developing the jatropha value chain in three provinces in Zambia. They include establishing cooperatives and nurseries, facilitating rural energy enterprise platforms and business links and enterprises producing lantern oil, soap and fertiliser, thereby increasing producer incomes.

SNV Zambia, key partners and clients are embarking on the Zambia Community Energy Enterprise Scheme in Northern, North Western and Western provinces to produce biodiesel from the jatropha seed. Multiple goals are to stimulate production of jatropha for fuel stock, increase incomes of small-scale producers, stimulate employment in the jatropha value chain and provide rural communities with clean, renewable energy.

SNV Zambia has hinged its programme largely on private sector leadership through partnership with the Biofuels Association of Zambia and the Agri-business Forum. Currently 2,000 farmers are under contract farming arrangements through SNV collaboration and partnership; the aim is to contract approximately 5,700 farmers. Currently 6,000 farmers countrywide are producing jatropha in the SNV programme; 15,000

small-scale growers are expected to participate and benefit actively by early 2010, cultivating 100,000 hectares of jatropha for a range of markets.

SNV became involved in the sector in 2006 during a stakeholder workshop on jatropha, honey and moringa. In 2007 SNV facilitated a jatropha stakeholder session to promote small-scale jatropha cultivation in North Western Province. The European Union funded a proposal in this province to encourage smallholder jatropha cultivation in outgrowing schemes, generate rural energy for production, and stimulate smallholders to produce jatropha candles, lantern oil, soap and fertiliser.

In late 2007 and early 2008 in Northern Province, jatropha producers established a local private rural electricity company after SNV had facilitated a feasibility study. The electricity company aims to provide much-needed electricity to farmers engaged in irrigated vegetable cultivation and also rice millers, local schools, clinics and households in the area. SNV is working in partnership with the Africa Rural Energy Enterprise Development programme (AREED) to roll out this model where SNV provides capacity development services and AREED is the technical partner.

In Western Province, SNV Zambia aims to work with a local partner to stimulate contract farming to expand jatropha cultivation and an agreement with the Western Province team is currently under negotiation.

Under another initiative, locally produced jatropha seed will be bulked and processed locally. Jatropha-powered diesel engines and generators in villages will provide mechanical power and electricity. Engines used will power such equipment as cereal mills, huskers, alternators, battery chargers, pumps, welding machines, carpentry machines.

The energy crisis in southern Africa makes the jatropha value chain a relevant and timely initiative.

Horticulture

The horticulture industry is enormous in eastern and southern Africa. This value chain was selected based on its

capability to raise household incomes. Horticultural products need less land area for cultivation than agricultural crops and are therefore an ideal source of income for smallholders. Products have a ready market locally, regionally and internationally. The fact that private sector actors have a keen interest in large quantities of horticultural produce for export also benefits small-scale farmers.

SNV is currently developing the capacity of producers in this value chain to increase their income from the production of fruits and vegetables. In Ethiopia, Mozambique, Tanzania, Uganda and Zimbabwe, the value chain includes pineapple, mango, banana and cashew nut.



Opportunities for increased production and better markets for 2,500 banana farmers in Maputo and Manica provinces of Mozambique have been identified. SNV is brokering contacts between small-scale farmers and five commercial companies, providers of business development services and development partners. These contacts will result in financial and technical assistance to improve yields per hectare as well as marketing agreements (volumes, prices). An early concrete result was linking a group of 21 farmers to a supermarket chain in the city of Maputo, resulting in a 75% increase of banana farm gate price, from US\$0.16 to US\$0.28 per kg.

Ethiopia is dealing with the commodities pineapple, apple and mango within the horticulture value chain. SNV facilitated the increase and improvement of national pineapple production and the delimitation of 1,145 hectares of land for potential investors by the Southern Nations and Nationalities and Peoples regional government. Eight private sector actors are presently investing in this programme. In collaboration with the Jimma Agricultural Research Centre and the Ethiopian Institute of Agricultural Research the necessary laboratory procedure and protocol for mass propagation of pineapple is being developed and tested. About 500,000 plantlets of improved pineapple varieties are being propagated to be distributed to smallholder farmers.

SNV advisors were involved in introducing producers to improved technology and linking them to markets, including international ones, and to sources of credit. Capacity development services offered to producer organisations enable them to become market oriented. Baseline studies and research into the factors holding the growth of the sector and existing opportunities have also been conducted.

Livestock

Livestock accounts for about 10% of the total gross domestic product (GDP) in sub-Saharan Africa, and for 18% of agricultural GDP, with wide differences across countries in the region. The proportion contributed by livestock to agricultural GDP has risen by about 2% over the last decade.

Performance of livestock production in the region has been poor in recent years and local demand far outstrips local supply. The consequence has been a large import of dairy products into the region. Alone, milk worth US\$800,000 was imported into the region last year from the United States of America. Livestock numbers are slowly increasing, but cheap imports and dumping of processed meat and dairy products on the local market make it difficult for a vibrant sector to emerge. The pastoralist communities of East Africa have a huge potential to develop and improve livestock products. Pastoralists, who number almost 30 million, already provide meat products to some 60–70% of the domestic market.



About 90% of the livestock in eastern and southern Africa is owned by smallholders and pastoralists. Current production systems are predominately traditional or pastoralist or a mix of the two, which means there is opportunity and space to improve productivity and thereby increase income and alleviate poverty. Since women are the principal owners of small stock and primarily engaged in processing dairy produce, their incomes can be improved enormously through the development of this value chain. Currently, the annual average income from livestock stands at US\$10–200 for small stock and cattle. These amounts could grow by 10% if inefficiencies in production and marketing are overcome. Livestock also has the potential to stimulate employment in related industries such as the leather industry (hides and skins), the dairy industry, fertiliser production and energy production.

SNV South Sudan has supported the opening of new 'cattle corridors' between areas controlled by conflicting Toposa and Turkana tribes. By brokering peace through the support of key local peace network organisations, both tribes peacefully share water and grazing and allow secure cattle movement across both areas. This is a foundation for improving needed cattle trade.

In Ethiopia, Kenya, Sudan, Tanzania and Zimbabwe SNV is focusing on the livestock value chain. Ethiopia's focus is on dairy farming and products; Kenya is involved in the whole sector of cattle, camels, small livestock and dairy production; Zimbabwe's emphasis is on goat production to increase the incomes of women and people living with HIV and AIDS. In the course of 2008 Tanzania will be exploring its entry into this value chain.



A livestock market that reconciles economic interests in rural Kenya

In predominantly semi-arid Samburu District in Rift Valley Province, Kenya, traditional livestock rearing provides the livelihood for 98% of the households. Livestock and related economic activities also generate most of the revenue for local councils.

Inefficiencies at every stage of the value chain in the livestock trade adversely affect returns for producers. Producers typically sell livestock to middleman 1, who treks the animals to the market, possibly more than 50 km away. Mortality en route is high, local charges occur en route, and stock are subject to theft. Middleman 1 turns the animals over to middleman 2, who sells the animals in the marketplace. Ultimately, producers get less than half of the sale price.

To deal with these difficulties, SNV in partnership with a local NGO, the Samburu Integrated Development Programme (SIDEP), and the Samburu County Council explored the potential of establishing a market within Loguniani village, where individual producers could walk in and sell their animals. Such an interior (primary) market would strengthen pastoralist economy and serve as a business model.

To do this, SNV with SIDEP and other stakeholders—

- brokered discussions on revenue sharing between the community and the county council
- formed and strengthened a community livestock marketing association
- formalised the link between the livestock association and the county council
- advertised the market to distant buyers
- monitored progress



The Lolguniani community has about 800 households, with an estimated population of about 4,000. It is more than 200 km from Isiolo, the nearest town. Accessibility is poor and basic services for the community are few.

This vibrant interior market therefore has given the community a new breath of life. It now gets resources by sharing livestock trade revenue with the county council. On an average day, the market sells 700–800 goats at an average of €15 each, 100–150 cows at €180 each and 15–20 camels at €100 each. This means about €30,000 revolves within the market on any market day. Before the market was established, more than 40% of this money never reached the community.

On average, women involved in hawking general merchandise make profits of €16 and food vendors €33 per day. The partnership has also provided youth in the area with employment. They participate in collecting cess and in managing the livestock sale yard.

- Most producers sell directly and do not use brokers, increasing their profit margins by 40–50%.
- The community has used resources accumulated from sharing revenue with the county council to employ seven nursery-school teachers, giving over 200 children access to early-childhood education.
- At least 23 community livestock traders have used a revolving fund to buy and sell animals and to buy veterinary drugs.
- The proximity of Lolguniani market has let many women participate in market activities.
- Local youth have become involved in livestock trade and petty trade, reducing the level of insecurity arising from cattle raids and petty theft.
- On average, an equivalent of about €44,000 circulate during any weekly market day, leading to emergence of subsidiary businesses such as hotels, butcheries and shops, most of which women handle.
- The county council has increased the amount of revenue it collects from the market by 50%—from an average of €3,100 to €6,400, from livestock sales only.
- The 50-50 sharing of revenue from the livestock cess has increased community confidence in the county council and the community is therefore willing to collaborate in other ways—a key prerequisite in rural development.

The interior market has brought other goods and services closer to the community: veterinary services, trade in basic foodstuffs, vendors of food, second-hand clothes and handcrafts.

The success of the intervention is shared at team meetings and across portfolios during quarterly SNV meetings. Other SNV Kenya clients have visited Samburu to learn from this business model and some councils in the province such as West Pokot are already adapting it. A detailed case study of this model will be used for upscaling nationwide. The model has been made possible through the partnership agreement between SNV Kenya and the Ministry of Local Government.



Non-timber forest products

Within the East and Southern Africa region, non-timber forest products have traditionally been mainly confined to honey and other bee products (apiculture) but there are growing markets for other non-timber forest products including aloe gum and gum arabica, to which Kenya, Sudan and Tanzania are contributing.

Apiculture as an industry has been growing rapidly (more than 15% in value terms) responding to demands in local and international markets. Key honey producers in the region are Ethiopia, Kenya, Uganda and Zambia, and increasingly Rwanda.

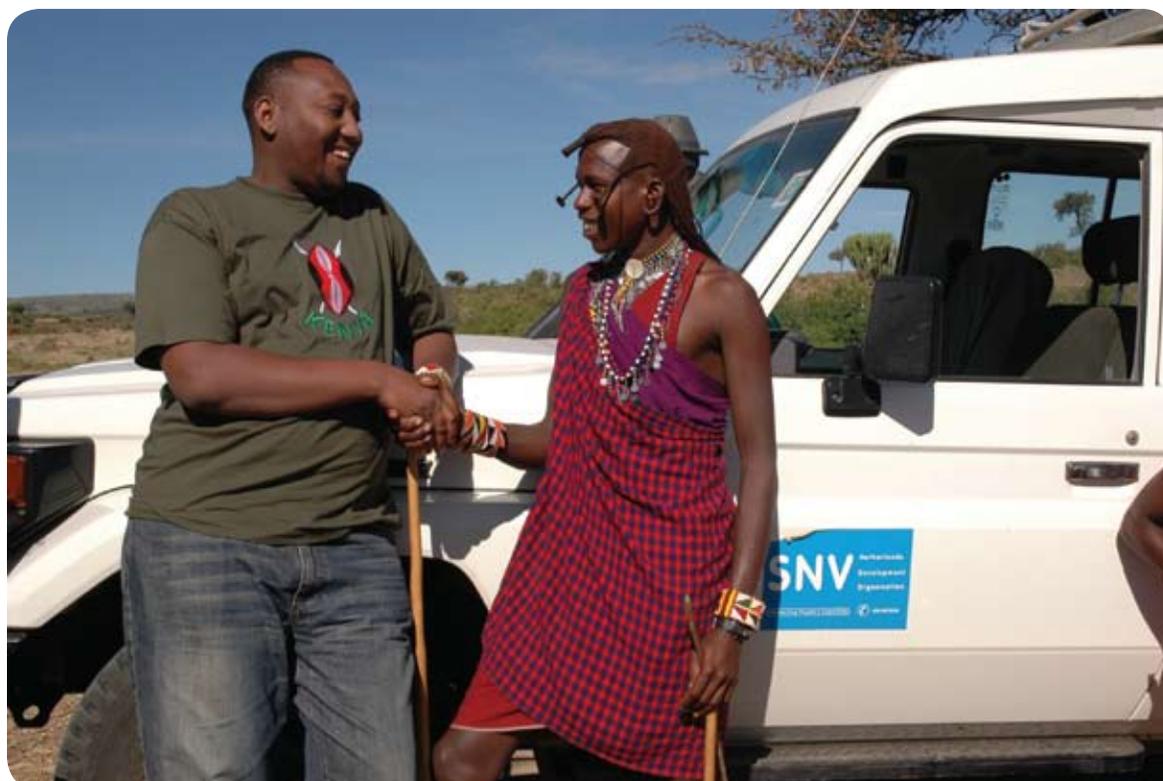


As this value chain is lucrative in local and international markets, it helps realise national poverty reduction strategies by presenting alternative opportunities for income and livelihood. It has the potential to improve the income for a large number of poor households and for future growth.

In Rwanda, SNV has contributed to increased production of honey in cooperatives. An estimated 102 tonnes was sold for US\$186,333 on behalf of beekeepers and US\$149,000 for others in the value chain. Two cooperatives received US\$24,000 in financing from local microfinance institutions through SNV's facilitation.

Tourism

Tourism in eastern and southern Africa can best be described as emerging; in 2005 it amounted to 1.2% of the world market share in terms of international tourist arrivals and 0.8% in international tourism receipts. However, the share is rising at a markedly fast pace. Between 2000 and 2005, arrivals in sub-Saharan Africa increased by 48% compared with a growth of 34% in all developing countries and 17% worldwide. Receipts from tourism grew in the same period by 76%, while in comparison receipts grew by 41% worldwide. In general the tourism sector in eastern and southern Africa is 90% owned by foreign operators





and hence the economy faces a key challenge to equitably share the wealth that the sector generates. For instance in Kenya, the Ministry of Tourism estimates that currently only 2–3% of the revenue from tourism actually reaches tourist localities.

SNV participation in this sector has largely been determined by the fact that tourism in Africa is predominantly dependent on two main resources:

natural or nature-based tourism and cultural tourism. This foundation is by and large owned by the poor and therefore it offers many African countries the opportunity to empower the poor and to expand and diversify their income base as well as the revenue sources of entire national economies. Growth trends in the sector illustrate that more and more jobs are being created by tourism globally and that women represent 46% of the workforce.



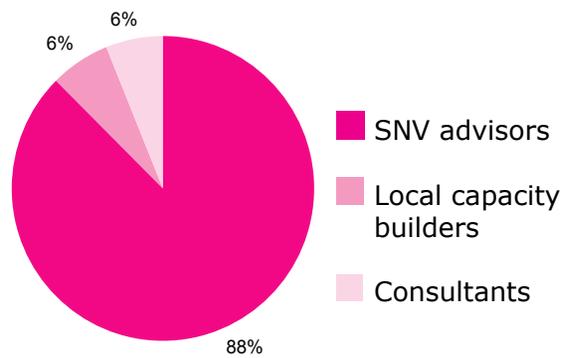
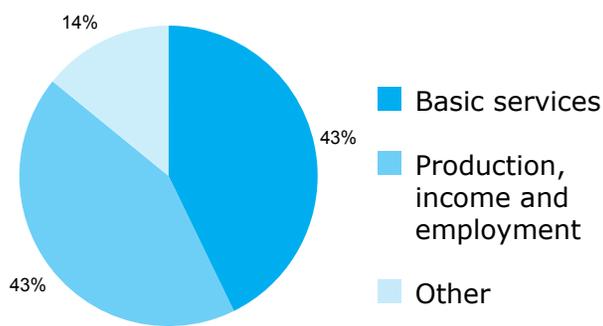
In Ethiopia, Kenya, Mozambique, Rwanda, Tanzania and Zambia, SNV selected this value chain as it is in line with national priorities to stimulate growth of this sector towards achieving MDG 1. For Ethiopia and Zambia this is an emerging chain and will be scaled up by the end of 2008 if initial experience is positive.

SNV interventions in this sector are largely aimed towards expanding the participation of the poor in the sector through forging and brokering links between formal tourism providers in existing traditional tourism markets—beach, wildlife safari, business and cultural tours—and small-scale, informal suppliers of basic commodities such as vegetables, handicrafts, transport, communication services and cleaning services. SNV also focuses on stimulating participation of smallholder, small-scale entrepreneurs in new tourism markets—conference tourism, sports tourism, home stays, ecotourism and community-based tourism.

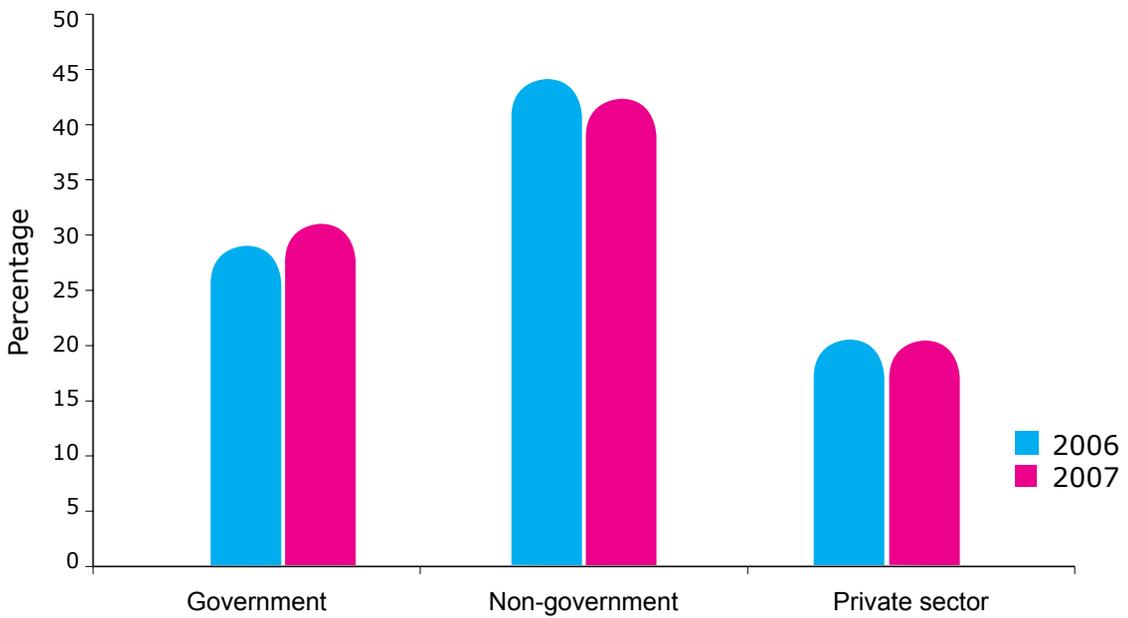
In Tanzania, the Pangani Saadani Project was approved by the World Tourism Organization (WTO) as a programme for Sustainable Tourism to Eradicate Poverty (ST-EP). Partial funding of US\$77,500 was received in February 2007. SNV facilitates the Tanzania Tourist Board and the Ministry of Natural Resources and Tourism to implement the WTO ST-EP initiative. SNV entered into a partnership with the Hotels Association of Tanzania to explore the 'economic embeddedness of hotels in the local economy' and improve the income and employment from tourism for Tanzanians. Together with students from Erasmus University in the Netherlands, an initial assessment among the major hotels in Dar es Salaam and Arusha was undertaken, which clearly indicates areas for action in 2008.

Facts and figures

Primary process days 2007



Clients



Conclusion

2007 was an extraordinary year for the region. Advisors, support staff, leaders and managers were intensively engaged in developing the regional strategy based on the overall corporate framework and the reality on the ground. The collaboration with other SNV regions, including Head Office, was driven by the spirit of thinking and acting as one SNV. The SNV Board was very supportive in providing the space and freedom to innovate, take risks and learn from mistakes. The decentralised structure of SNV had indeed a strong empowering effect. At the same time, the Board also kept us on our toes and held us accountable for results and contribution to impact. This helped us to focus and deliver on our promises.

We have a realistic strategy, which is tested as indicated in this report; we have highly qualified and dedicated staff; we have the systems developed over the years to guide our practice; and we have the support required at all levels. With the confidence clients have in SNV and its way of working and the alliances we have forged with development partners, including knowledge networks, the region is definitely set on the right course to meet the ambitions of 2008 and beyond.

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