

Strategy Paper 2007 - 2015

Local impact - Global presence



Netherlands

Development

Organisation

Preface

This document sets out SNV's course of action for the coming years. It outlines a corporate vision of our role and place in reducing poverty and improving governance. It focuses on who we are, what we do, how we relate to others, and how we will go about developing our relations and way of working. It is meant to share and communicate our strategy to all our staff.

This strategy is the result of a 1.5 year creative process. It has been fed by lessons from our client work over the last few years, strategy discussions by the Extended Board in 2005, a major external evaluation of SNV in early 2006 as well as various specific evaluations, a subsidy negotiation process with the Ministry for Development Co-operation mid 2006, discussions at 'strategy roadshows' in all regions during the autumn of 2006, explorations and proposals by three cross-regional taskforces and some parallel policy development trajectories during the first half of 2007, and on-going regional preparations for the strategic plan 2008/2009. We are very grateful for the many contributions (critical, positive, realistic, and innovative) that we have received from within and outside SNV. They have helped shape our understanding of where we stand and especially of the road ahead.

The present document replaces previous working drafts and the 'Bird's Eye View' document. It not only encompasses the Subsidy Agreement with DGIS, but guides all our work irrespective of the funding source. On a number of issues, the Subsidy Agreement contains more detailed agreements between SNV and DGIS on the core subsidy.

This Strategy replaces the previous Strategy Paper of 2000 as SNV's mid-term vision on its role and evolution. More detailed operational guidance will be provided in White Papers (see Appendix 1) and through annual Framework Letters and will be translated into multi-annual strategic plans (every three years) and annual management agreements. While it looks ahead to the next nine years and beyond, a revision or update may be required mid-term.

This document builds on and further expands our significant re-orientation of 2000. We are proud of what we have achieved since then. We have become an advisory organisation, with capacity development as our core business. We now focus on meso-level clients, providing them with a combination of thematic and change expertise. While we will continue to build on these key elements we have also learnt a number of key lessons and are eager to take significant steps forward.

The seven core elements of the new strategy are:

- We orient our activities on impact in two areas, basic services (BASE) and income, production & 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 maintain advisory services as our core business, but as these are insufficient to help achieve impact on their own, we complement them with additional 'delivery channels';
- We embrace 'governance for empowerment' as a concept and body of expertise that is critical across all our work;

- We view our clients as part of broader actor constellations and help strengthen micro-macro linkages in order to accelerate impact on poverty and governance;
- We seek to substantially diversify our partnerships and resources to leverage our expertise for increased impact;
- We sharpen our drive for quality in staff, work processes and result measurement.

The 2007-2015 strategy reflects an enhanced commitment to quality, engagement and effectiveness. We are excited about the opportunity to realise this ambition. This paper shares our passion and core business: accelerating the impact of local actors in reducing poverty and improving governance.

Dirk Elsen and Annemiek Jenniskens
Executive Board of Directors
August 2007

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1

Setting the stage

"We will spare no effort to free our fellow men, women and children from the abject and dehumanising conditions of extreme poverty, to which more than a billion of them are currently subjected. We are committed to making the right to development a reality for everyone and to freeing the entire human race from want."

UN Millennium Declaration – 2000

1.1 Our engagement in promoting development and good governance

The persistence of poverty in our world today is unacceptable. The poorest 40 percent — the 2.5 billion people who live on less than US \$2 a day — accounts for five percent of global income, while the richest 10 percent owns 54 percent of global wealth¹. Of the 1.9 billion children living in the developing world, one in three (640 million) lack adequate shelter, one in five (400 million) have no access to safe drinking water, and one in seven (270 million) have no access to health services.

Poverty, however, is not limited to a lack of income and employment, or access to basic services such as education, health, water, and energy. At its core, poverty represents the entrenchment of inequality and inequity, social injustice and vulnerability, insecurity, and conflict. Eliminating poverty therefore requires more than economic and technical improvements. It entails empowering the poor, improving governance, and increasing people's ability to provide for their own needs and make informed choices. In other words it is about improving the capacities of individuals, organisations and societies to take action to solve their problems and to continue to do so in future. Ultimately, eliminating poverty means creating an environment in which all people have the freedom to choose their own future and "to live in a way that respects and enhances the freedom of others" (Nelson Mandela).

Striving to eliminate poverty from our world is one of the great endeavours of humankind. We, SNV Netherlands Development Organisation, will utilise all our energies and resources to contribute to that endeavour.

As long as billions of people continue to live in poverty, ***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.***

SNV deliberately focuses on local organisations as these play a key role in reducing poverty in a sustainable manner and improving the lives of the poor. We therefore aim to:

support local actors to strengthen their performance to effectively realise poverty reduction and good governance.

This goal reflects the rising opportunities for capacity development. Capacities at the meso-level - our chosen entry point - are increasing. A growing number of development organisations, including capacity development organisations are emerging at all levels. New communication and information technologies are enhancing networking opportunities. Awareness of the need for capacity development in realising impacts in poverty reduction is increasing and with that an explicit demand for the services we provide. Our response to the new environment of 2007 is to: strengthen the localisation of capacity development services; address client constellations and help them establish basic services sectors and market chains; stimulate innovative collaboration mechanisms; and move into new areas such as knowledge brokering and advocacy for capacity development.

¹ UNDP Annual Report 2006

Capacities at the meso-level are growing. And with that both the awareness of the need for capacity development to realise development results and the actual demand for services. The environment of 2007 presents new opportunities for 'capacity development for impact'.

1.2 The global development agenda

"We reconfirm our commitment to accelerate progress in increasing alignment of aid with partner countries' priorities, systems and procedures and helping to strengthen their capacities"

Paris Declaration on Aid Effectiveness, 2005

The Millennium Declaration and the MDGs

With the adoption of the Millennium Declaration and the Millennium Development Goals (MDGs) in 2000 - and the reaffirmation of the Declaration and Goals made during the last UN World Summit in 2005 -191 countries declared that the persistence of poverty is unacceptable and collectively pledged to cut poverty in half by the year 2015. Unprecedented in ambition and scope, the Millennium Declaration provides the framework for thought and action on international development, beginning with core values such as freedom, equality and solidarity, and covering peace and security as well as development and poverty reduction. Equally unparalleled in timeliness and focus, the Millennium Development Goals force attention

on improvements in income generation, the provision of basic services and on the sustainability of development.

A potential negative side effect of the MDGs is that they focus very strongly on implementation and technical targets, which may decrease the exposure on essential, sustainable human development issues such as governance, social justice, empowerment, political rights and capacity.

As we approach the 7-7-7 mid-way point toward the year 2015 a broad picture of progress made on the MDGs is emerging. Roughly speaking, East and South-East Asia have made good progress with regard to the first MDG (eradicate extreme poverty and hunger), but show mixed results on other dimensions. The same applies to parts of Latin America. In most of Africa and South Asia, however, progress has been less than satisfactory. At the same time, certain segments of the population in relatively better off regions, especially in Latin America, remain locked in the poverty trap. Similarly in Eastern Europe and Central Asia, living standards are falling and poverty is on the increase since the demise of the Soviet Union.

Aid Architecture, harmonisation efforts and local actors

The definition and pursuit of development is a responsibility that lies within each society and can not be prescribed from outside. In this sense, MDG-based national development strategies (NDS) are increasingly recognised as providing a good vehicle for concentrating the minds of developing country governments and their people as well as donor agencies and international development organisations like SNV.



MDG-based development strategies enable countries to set priorities and commit themselves to their realisation. 'Sector Wide Approaches' are equally potentially useful tools - especially when the micro-macro link is addressed - for translating political ambitions into actions that lead to reduced poverty and improved access to basic services.

Although conceptually well designed, the architecture to enhance development as sketched above contains a number of flaws. For example, it is based on the assumption that societies are democratic and well governed. This is however often not the case. Despite participating in many consultation rounds, most national level NGOs and lower level NGOs, parliamentarians, elected local governments and private sector actors have not played a significant role in shaping development policy. This results in a lack of broad ownership of plans and the risk of not tapping into widely available local knowledge and existing local dynamics. An important consequence of this is a serious under-utilisation of potential resources in the implementation of development activities and a lack of institutional checks and balances.

With its local presence in approximately 100 locations across the world, SNV is uniquely positioned to address this flaw in the architecture and contribute to bridging what has become known as the 'micro-macro divide'. SNV and others have learnt that meso-level organisations have the position and the potential not only to enhance the capacity of poor people but also to help shape a conducive enabling environment for their development ambitions. These intermediary organisations participate in, negotiate with, influence and hold accountable the state and social institutions that affect the lives of the poor. They act and inspire others to act. Meso-level organisations have the

position and potential to exert influence for the public good. They can call upon the removal of social, legal, and political barriers that obstruct particular groups from taking action to improve their wellbeing - individually or collectively. Furthermore, SNV has learnt that alignment with and participation in the MDG-based NDS can provide meso-level organisations with the opportunity to become co-shapers, and thereby co-owners, of broader development agendas.

In fragile settings governments cannot or will not deliver core functions to the majority of its people. Under these circumstances there are no effective mechanisms for setting national poverty reduction priorities. Capacity development at sub-national level (including for civil society and the private sector organisations) is therefore an important (and often the only) starting point for poverty reduction and the reinstatement of 'good governance' mechanisms.

In both developing and developed country contexts, empowered people and organisations - as well as accountable and transparent local governments - are key to providing accessible and affordable basic social services, assuring the sustainable use of natural resources, and creating conditions for equitable economic growth. The participation of citizens in national planning and implementation processes helps increase responsiveness of central governments to local demands and ambitions.

New forms of development cooperation

Conventional development actors themselves are innovating: for example through new forms of collaboration such as public-private partnerships



and new solutions such as health insurance for the poor. But international co-operation is not shaped by NGOs and bi- and multilateral organisations alone. An important trend in the changing development landscape is the sizeable increase in contributions by private actors to meeting the MDGs. These include corporations that incorporate social responsibility into their value proposition; social investors that boost the amount and availability of social capital for use in development; and endowments by wealthy individuals to diverse foundations. These private actors use their entrepreneurial experience, drive for innovation and sense of technology to develop new models for alleviating poverty.

SNV is in a unique position to ensure that these new development dynamics connect effectively to local realities and existing efforts and opportunities. SNV can share its in-depth field expertise, provide strategic context and local contacts and help develop concrete ways of working needed for long-term success and sustainability.



1.3 SNV achievements and lessons learnt since 2000

SNV's current profile, mode of operation and identity result from an intensive change process. In 2000 SNV elaborated a new strategy. In 2002 the organisation became independent from the Ministry of Foreign Affairs of the Netherlands and steered away from project implementation to the capacity development of meso-level organisations.

Between 2002 and 2006, the following key changes were realised:

- A shift from project implementation and long-term assignments to flexible, team-based advisory work;
- Strengthening knowledge management, networks, professional learning, and publications output;
- Fostering partnerships with a range of international organisations including UNDP, ECDPM, World Tourism Organisation, Fairtrade Labelling Organisation, World Business Council for Sustainable Development, WWF, and Agriprofocus;
- Improving the SNV back office: including finance and HR systems and organisational set-up;
- Greater efficiency: with an increased number of advisory days against a reduction in costs per day.

In the external evaluation organised by DGIS and executed by ECORYS/SEOR end 2005, SNV received a solid grade of 8 (out of 10) as an indication of its overall performance since the introduction of the new strategy. While it made some critical remarks (such as the need for SNV to further improve its result measurement systems) the evaluation team concluded that 'there are clear indications that the services delivered contribute to the

envisaged results and that clients contribute to produce the expected impacts.'

In the process of providing capacity building services to our clients and analyzing the effectiveness of our work, SNV has learnt some important lessons. We have been characterised by a certain 'demand fundamentalism', planning for planning sake and an over-reliance on 'tools'. Our meso-level focus has been too rigid at times: we have not always aligned our interventions to national-level development priorities, and our complementarity with EKNs and other donor agendas has been sub-optimal. Working on the basis of incomplete contextual analyses we have too often promoted short-term quick fix assignments with clients and have not made the best use of knowledge and best practices.

In the 2007–2015 strategy we have drawn on these lessons to further increase the relevance of our endeavours and increase our impact:

Capacity development for impact: Capacity development services are more effective in contributing to the reduction of poverty and the promotion of good governance if they are context-sensitive, evidence-based, offered to (groups of) clients that have the potential to make a difference to the lives of poor people, and if they are explicitly focused toward impact.

National ownership and the challenge of the micro-macro divide: The relevance of our work is greatly increased when our capacity development services are embedded within 'home grown' national development priorities and agendas. It is increasingly recognised that

the micro-macro divide hampers development efforts. PRSPs and SWAPs will fail if this divide is not bridged.

Local capacity builders: Ownership and long-term sustainability of development processes is greatly served by strengthening the contribution of the rising numbers of local capacity builders (LCBs). Such organisations are becoming increasingly instrumental in spearheading local action, while the role of international organisations such as SNV is correspondingly moving away from undertaking local development towards supporting the growth and development of these local actors.

1.4 A distinct niche and identity

SNV's core business is to support local actors to increase their capacities to solve their problems, pursue their development goals, and contribute to the reduction of poverty and the promotion of good governance. On the basis of this clear vision, we have positioned ourselves in a distinctive niche, both within the Dutch context and internationally:

- SNV works with *private, public as well as NGO actors* and helps to build bridges between them in order to enhance impact and improve governance. While we continue to focus on clients that can not purchase the advice needed on the commercial market, we also work with other clients that are critical to poverty reduction;
- SNV offers a powerful *mix of change and thematic expertise*, oriented at the concrete needs of meso-level actors in their development realities;
- SNV works *across the micro-macro divide*. We support the involvement of local actors in charting national development agendas in order to ensure that micro-

level realities are taken into account in the formulation of macro-policies and that 'macro-promises' lead to concrete local results;

- SNV provides a strong and continued *local presence*, allowing us to respond effectively to local dynamics and to tailor make our support to local capacities. It also allows us to support system and societal changes over longer periods;
- With its 100 offices across 33 countries, SNV and its partners form a unique *global network* for capacity development expertise and action.

By combining these five elements, we help to reduce poverty and improve governance in a concrete and meaningful way. Empowerment of people is at the heart of our work. As an international network SNV and its partners are able to complement and enrich macro-level visions and plans with in-depth understanding of local settings. Together, we are also well positioned to address the need for effective local capacity development and action in specific thematic areas.

SNV has access to a multicultural team of highly qualified professionals who value *respect and trust, equity and quality, diversity, and people-centeredness*². These core values reflect not only the way our teams are composed and behave. They also reflect our vision on development. Development should be an endogenous process, owned and steered by local actors, and based on a thorough knowledge of local realities. Our development cooperation reflects relationships of equity, trust and respect in which gender and cultural diversity are acknowledged and where the dignity, creativity and capacities of people take centre stage.

² SNV Contours and Principles, 2001

By the end of 2006, SNV was present in 33 countries, employing 909 professional and 555 support staff. For strategic guidance, management, knowledge networking, and back-office support the organisation has five lean regional centres and a head office in the Netherlands. In coming years our geographic presence will be guided by the following principles and criteria:

- We will maintain a global presence across the five geographical regions. We will work in those countries in which demand for our services is greatest and where impact can be achieved most effectively. By orienting ourselves to both need and opportunity, we can foster South-South exchange and maximise our added value;
- We will seek to work in groups of countries within each region to allow for the effective exchange of

expertise and the emergence of regional communities of professionals. Furthermore, our presence will take on a certain flexibility: in relatively advanced areas we will seek to transform our role and presence to encourage the development of local capacity builders;

- We will continue to pursue cross-border activities where our impact can be enhanced by making a specific product or service available in a neighbouring country or by transferring it to a local organisation.

Taking on board lessons learnt and our ambition to further strengthen the impact and quality of our work, this 2007–2015 Strategy Paper charts a path for the coming years. The major evolutions and changes are sketched out in the table hereafter and are elaborated in the next chapter.

Key developments in SNV strategy for the period 2007-2015	
FROM (previous)	TO (the coming years)
Poverty reduction and improved governance	Poverty reduction and improved governance*
Local ownership	Local ownership*
Capacity development	Capacity development for impact*
Client demand	Client demand and selection in context of impact orientation and national development strategies
Advisers	Advisers and local capacity builders
Meso focus	Help meso actors to bridge micro-macro gap
Governance as a specific practice area	Governance for empowerment as central concept and expertise, influencing our work at all levels and in all areas
One way of working: advisory services	Expansion to four delivery channels
Individual clients, focus on internal organisational development	Clients and client groupings, seen as part of actor constellation and with focus on impact
'Practice areas' for external profile and strategising as well as internal knowledge management	'Positioning choices in Basic Services Sectors and Value Chains' on the one hand and 'flexible knowledge networks' on the other
Mix of thematic and change expertise	Mix of thematic and change expertise*
SNV serving its clients mostly on its own	Collaboration with local capacity builders, knowledge and advocacy organisations, donor agencies and other partners to increase impact
Results measurement focused on SNV output and client satisfaction	Sharpened result orientation: impact \leftrightarrow outcome in terms of client performance \leftrightarrow quality of outputs required
DGIS funding over 95%	Deliberate effort to leverage resources for greater impact
DGIS as provider of funding	DGIS as provider of funding and as strategic partner
Presence in Asia, ESA, WCA, Latin America and the Balkans	Presence in Asia, ESA, WCA, Latin America and the Balkans*

* Note that the items marked with an asterisk have indeed not changed. These are firm orientations and principles that we continue to pursue and apply.

2

Capacity development for impact:

main strategic directions

Our core business is capacity development to support local actors to strengthen their performance in realising poverty reduction and good governance. In addition, over the next nine years we have the ambition to systematically strengthen the in-country ability for capacity development for impact. For that we will engage much more strongly with local capacity builders.

2.1 Our core business

SNV defines capacity as the power of a human system (be it an individual, organisation, network of actors, or a sector) to perform, sustain and renew itself in the face of real-life challenges. It is about empowerment AND impacts. They go together.

More than ever before we emphasise that our ambition to help enhance the performance of local actors is specifically aimed at contributing to impact, which will be measured in terms of tangible results in poverty reduction and governance. We have the confidence to make this an explicit goal of our work and to situate our capacity development efforts within broader development interventions in specific basic services sectors or value chains. We fully realise that such impact can only be achieved by our clients and partners and not by us.

We focus on capacity development of, and with meso-level actors and processes, as they are uniquely positioned to help achieve impact and improve governance. Our support has four essential characteristics. First, it is informed by a strategic understanding of the specific sector or theme and is both demand-driven and impact-oriented. Second, we combine thematic and change expertise. Third, we usually support change processes over longer periods and in a variety of forms that respond to the needs and progress of the client or client grouping. And finally, in doing so we help to link actors and 'levels' (micro-meso-macro) around an issue and thus contribute to strengthening the wider 'actor constellation'.

Our capacity development services usually combine several of the following components: a) diagnosis, b)

organisational development, c) network and partnership development, and d) institutional development.³ For a specific sector or theme, this general approach is translated in specific products or services and packages of methodologies that we offer to our clients. The mix of products and services combine SNVs general approach to capacity development with specific thematic or sectoral knowledge. SNV Corporate will set overall frameworks relating to SNV practice and capacity development approach, including broad categories of capacity development services. Within that, products and services are to be shaped, defined and tailor-made to specific regional and country dynamics.

2.2 Impact orientation and strategic focus

Two overall Impact Areas

In embracing specific country level poverty reduction and governance priorities, SNV has chosen to place all its work in two broad impact areas:

- Access to basic services (BASE);
- Income, production and employment (PIE).

The two priority areas provide us with the basis for selecting specific national impact targets to contribute towards. Thus: SNV helps to strengthen the BASE and to increase the PIE.

The two impact areas cover an enormous terrain, requiring further delineation and focus in order to guarantee a critical mass of SNV expertise. In this we are

³ These components were originally developed for our advisory services. As we progress, we will refine and adjust this logic to apply, as much as possible, across all the delivery channels.



guided by a firm belief that it is only through high quality and focused efforts that SNV can make a difference to the lives of poor people.

Therefore in positioning ourselves in a country or region, we make two interrelated choices:

- a) Specific positioning choices for basic services sectors and for value chains, in which we want to make a significant contribution to change, and;
- b) Specific impact and governance targets (within national strategies and agendas) to which we want to contribute.

We seek to align our country programmes with national development strategies. Although far from perfect, the formulation of such strategies in most countries provide the starting point for an improved framework in which to focus development efforts and increase synergies between national government, local stakeholders as well as donor agencies.

Focus within Access Basic Services and within Production Income and Employment

Within the first impact area 'Access to Basic Services' SNV has chosen to concentrate on four MDG-related, sectors, namely:

- Education;
- Water & Sanitation;
- Health;
- Renewable Energy.

It is within these four basic services sectors that countries and regions will make more specific positioning choices to focus their work and relate to national (MDG-based) targets.

In the impact area 'Income, Employment and Production' no sector choices will be made at corporate level. Countries and regions will identify specific competitive value chains for selected commodities, products and services that have development impact potential in their context. However, a balance will need to be found here between the overly broad ('agriculture') and the unduly narrow ('honey').

In order to guarantee a critical mass of expertise, quality, outreach, external profile and meaningful contribution to impact, the positioning choices will be guided by considerations of regional coherence (see 3.2). Countries and regions will have (limited) room for innovation outside the vested basic services sector and value chain choices, but will need to adhere to SNVs overall impact areas and governance logic in all their work.

Why these impact areas, basic services sectors and value chains⁴?

Access to Basic Services (BASE)

Education is the foundation for progress in any country. 89% of the women in Mali over 15 years of age are illiterate.⁴ Quality education will equip them with the knowledge and skills needed to improve their lifestyle, to enhance their job opportunities, to protect themselves from diseases and to take an active role in social, economic and political decision-making. The broadly acknowledged importance of education for poverty reduction and sustainable development, the opportunities it provides for contributing to international development goals (like MDGs) as well as human rights agendas, its high priority within the programmes of Embassies of the

⁴ All statistics are taken from the UNDP Development Report 2006

Kingdom of the Netherlands (EKNs) in SNV host countries, and its linkages with health, income and employment, all make education a priority for SNV.

Water and sanitation play a central role in eradicating extreme poverty and hunger. 78% of Ethiopian people do not have access to an improved source of water. Providing them with clean water and sanitation will enhance their health, education, economic activity, food production and gender equality opportunities. The crucial importance of water and sanitation for poverty reduction makes it a priority for national and international development agendas, international partners and Dutch Embassies. Contributing to this sector will enable SNV to align its practice with that of other major players.

Health encompasses the right to access the highest attainable standard of health care quality services for poor people, including the specific needs of minority groups and women. One in every 100 Rwandan women dies during childbirth (as compared to one in 14,000 in the Netherlands). A key reason why SNV has adopted health as one of its priority sectors is its positive influence on education, employment and income and therefore its impact on poverty reduction.

Renewable Energy is defined as energy derived from resources that are regenerative or for all practical purposes can not be depleted. Traditional uses of biofuels, wind, water, and solar power are widespread in developed and developing countries; but the mass production of electricity using renewable energy sources has become more commonplace only recently, reflecting the growing awareness of the threats posed by climate change. A focus on renewable energy can have a strong impact on

poverty reduction because it enhances rural livelihoods by offering a clean alternative energy source and economic benefits to users. Renewable production of energy can be used to improve living conditions and stimulate socio-economic activities.

Income, Production and Employment (PIE)

SNV has made a deliberate choice for the triplet of production, employment and income. The statistics bear out this focus: 90% of Tanzanians, 80% of the Nicaraguans, 74% of the people from the Lao PD and 90% of the Malians live on less than 2\$ a day.

Income: A higher income increases people's freedom to choose the life they want to live. For SNV increased income is the basis for sustained development. Without it all efforts to promote development will remain at the level of charity and emergency aid. *Production:* SNV is equally interested in contributing to increased production. Higher production can form the basis for food sovereignty and income generation. Increased production does not, however, always lead to more income as a lot of the produce generated is either consumed directly or bartered for other products. *Employment:* It follows that SNV is also interested contributing to increased employment. Being employed means by definition earning an income. Creating or securing employment can prevent rural – urban migration and contributes to the maintenance and development of vulnerable communities or livelihoods.

Enhancing the inclusion of small scale producers and entrepreneurs in global value chains is a strategy to increase production, income and employment opportunities for the poor. However, pro-poor development is not an automatic outcome of such inclusion, which may also leave local pro-

ducers less empowered as they become subject to forces beyond their control. The contribution (or not) of value chains to pro-poor development is therefore an important subject for further exploration and research. Specific points of attention are the governance dimensions of value chains, including: dependency risks, bargaining power, nature of regulation and control, pro-poor policy environment and market linkages as element of broader livelihood strategies.

In 2009, SNV will use the experience gained in the first two years to assess whether or not to continue operations within the basic services sectors and value chains identified in 2007.

Result-orientation as an organisational culture

At any moment in time, an SNV adviser must be able to explain how the specific basic services sector and/or value chains support he or she provides to a specific client will contribute to poverty impact and governance results. While we want to prove, and improve, our contribution to impact, results measurement is simply an instrument for doing this. Result-orientation on the other hand is much broader as it encompasses the organisational culture and individual attitudes. Hence the basis for achieving the desired results is to have a 'results-oriented' way of planning and working.

Implementing this new approach requires an essential shift in logic. Unlike the past we do not start from demand and then try to identify what kinds of impact we may relate to the actions chosen. Instead, we make certain strategic choices on poverty impact and governance and then identify the kinds of capacity development demand we may respond to in order to best achieve the required impacts.

Of course new demand may also lead to new forms of impact that we may wish to contribute to, but essentially the impact focus is there right from the start. This also means that we are much more strategic in selecting who we work with and what services or activities we do. The fundamental questions are always: Is this an effective choice for contributing to poverty impact and improved governance? And are there other options in which the same effort would lead to more impact and governance?



2.3 Governance in our practice

"Good governance is perhaps the single most important factor in eradicating poverty and promoting development."

Kofi Annan, former UN Secretary General

In promoting sustainable human development, 'good governance' has become a frame of reference. Good governance is not only essential to make development efforts work. It also helps to sustain the capacities and efforts and allow people to pursue their own path of development. Good governance empowers citizen, makes development sustainable, and allows it to continue. SNVs experience in this area is being transformed into a cross-cutting governance stance, including a broad understanding of 'governance for empowerment', a practical translation in our products & services, and a specific focus in measuring results.

"Governance is the system of values, policies and institutions by which a society manages its economic, political and social affairs through interactions within and among the state, civil society and private sector. It is

the way a society organises itself to make and implement decisions— achieving mutual understanding, agreement and action. It comprises the mechanisms and processes for citizens and groups to articulate their interests mediate their differences and exercise their legal rights and obligations. It is the rules, institutions and practices that set limits and provide incentives for individuals, organisations and firms. Governance, including its social, political and economic dimensions, operates at every level of human enterprise, be it the household, village, municipality, nation, region or globe."

UNDP

SNV embraces the UNDP definition of governance and explicitly recognises that for governance to serve poor people, their explicit empowerment is of key importance. Experience shows that the effectiveness of governance systems in ensuring development for all depends to a large degree on the equitable empowerment of citizens, both individually and collectively. Where SNV works, this condition of governance is often fragile, weak or under stress. Hence, SNV's specific intention is to enhance the capabilities of those who are disempowered in, and by society. As a result they can fully engage with and influence the governance systems of which they are a part and which determine the freedom they can enjoy, ranging from the family to the international arena.

It is with this commitment that SNV's experience in governance is being transformed into a crosscutting governance stance, including:

- A broad concept of 'governance for empowerment' that orients SNV's context analyses, positioning choices, and capacity development strategies. In stimulating good governance SNV pays particular attention to gender equity and the social inclusion of marginalised groups;
- A nuanced approach in selecting our products & services: in each specific basic services sector or value chain SNV develops a specific understanding not only of how to achieve maximum impact, but also of 'disempowering' and 'empowering' dynamics in the basic services sector and value chain. Based upon this understanding specific product and service elements will be developed and mainstreamed in our capacity development services. In all our work with clients and partners, empowerment will thus be a concrete point of attention;

- A specific focus on measuring results: SNV will use a set of internationally accepted governance indicators. These indicators are related to the governance of its clients/client constellations (outcomes), as well as to overall empowerment of poor and excluded peoples (impact).

A 'governance for empowerment' perspective will be considered at each level (strategy development, MoU with client and in specific assignments) of SNV's primary process and will inform analysis, action and assessment (AAA). Analysis will include applying a lens of (dis)-empowerment and its causes at micro, meso and macro-levels. This will inform what type(s) of capacity development are necessary, and for whom, where and why. Subsequent actions and assessments need to be explained and justified not only in general impact and governance results, but also specifically in terms of the initial empowerment investigation.

Governance will be embedded throughout our practice and will be an essential component of contributing to sustainable poverty impact. In doing so, we will promote the characteristics of good governance that we value deeply: more legitimacy and voice, more transparency and accountability, more responsiveness from duty bearers, more fairness and equity and more sustainability in all its dimensions. The governance focus also embraces our belief in sustainable development. We do not believe in hand outs, but in development that stays, and in structural development instead of temporary alleviation of poverty. With sustainability, we refer to the multiple dimensions of lasting development.



2.4 Local capacity builders as key actors to work with

Our ambition to help improve the environment for local capacity development is one of the most essential evolutions in our strategy. Local capacity builders are a vital resource for effective and sustainable local development. The ambition to stimulate the enabling environment and work strongly with LCBs as clients, sub-contractors and partners is becoming part of the 'SNV brand': our way of achieving lasting development results.

The need for specific, tailor-made services is growing, as the number and the quality of meso-level actors continues to rise steadily in almost all settings. Nevertheless a number of structural challenges remain on the demand side. In most contexts local actors will not be able to pay for services from the commercial market for the foreseeable future. There are also issues on the supply side, key of which is the continued dominance, directly or indirectly, of (changing) donor priorities. This means that currently, the orientation on the real demand of local clients is weak. In addition quality varies and it is difficult for potential clients to judge.

In this context SNV aims to not only stimulate the existing players and market, but has as an explicit goal the improvement of the service environment in order to ensure a growing availability of adequate services for meso and local level actors. Ranging from relatively simple training on specific operational issues (financial management, planning, HRM) to more complex organisational development (OD), change process support and interactive processes such services should

effectively address local realities and be tailored to local needs. At present most of these services (as far as they are available at all) include a training module and some basic OD orientation. Next to these, we will stimulate the development of services that have a greater focus on strategic impact, support clients over longer periods, and that link various levels and actors.

For SNV a local capacity builder (LCB) is any type of actor that a) provides capacity development services to meso-level actors, and b) is owned and governed within the country or regional context. We engage with local capacity builders in three ways:

- As clients. As clients LCBs are entitled to a similar quality of service as other clients. We especially help them to understand their environment and develop viable business propositions, along with specific performance and internal organisational issues. The general client engagement criteria apply;
- As sub-contractors. In engaging local capacity builders as sub-contractors we apply the same quality criteria and result orientation as we do for any other contracting services. In addition to the primary aim of serving client needs, sub-contracting can also serve to stimulate better quality of supply and provide an LCB with an incentive to improve its services or products;
- As partners. We engage LCBs as partners when we share a broader objective, for example in developing certain approaches or products or when there is a shared desire to achieve impact and improved governance in a basic services sector or theme. The general approaches and rules for partnerships apply.

All three forms of engagement already exist in most of our country programmes. Our goal is to deepen them

and increase their scope, subject to further guidance in strategic and annual planning.

We ensure result-orientation, accountability, transparency and fairness in our relations with LCBs and we will preferably avoid and delicately manage competitive relations with them. In particular:

- In each country we will develop and maintain a strategic analysis of the environment for local capacity development (including demand-supply dynamics, price levels etc.) that informs our country strategy on engagement with LCBs;
- We will promote fair competition between providers in sub-contracting, both in terms of awarding contracts and in determining fees;
- In engaging with any LCB we will make an explicit choice on the nature of the primary and dominant relationship. The volume and length of engagement in double or triple relationships will be restricted and conditioned.

2.5 Expansion to four 'delivery channels'

A major evolution in our strategy had been to complement advisory services with three additional delivery channels: knowledge brokering, advocacy and support to innovative funding mechanisms for local capacity development. These channels are meant to complement and strengthen our contribution to both impact and governance.

Advisory services remain at the heart of our work. It is here that we work with well identified individual clients and client groupings (see 3.3) to improve their

direct performance in achieving impact and improving governance. These activities are undertaken on the basis of Memoranda of Understanding (MoUs) with specific (sets of) clients as well as more specific assignment contracts within such MoUs.

To strengthen our contribution to both impact and governance we will expand our repertoire with three additional delivery channels - knowledge brokering, advocacy and support to innovative funding mechanisms for local capacity development. While we already incorporate knowledge brokering and advocacy elements in our advisory practice, they have become separate 'delivery channels' with a clear set of activities. We will now allocate specific parts of our budget to these additional channels based on the recognition that they have a different character, quality requirements and modes of organisation (see below).

However, all four types of activities are explicitly meant to be mutually reinforcing. The specific combination of activities from different channels is a key element of strategic planning at country level and in specific basic services sectors and value chains.

The first of the three new delivery channels, Knowledge Brokering entails the development, facilitation and networking of knowledge. They are clearly different from advisory services in the sense that although they are client-based, they a) aim at a broader audience than our clients only and b) produce 'knowledge results' in the form of explicit knowledge, learning processes or networks of clients and other actors. They aim to enable local organisations and LCBs to access, apply and continuously renew knowledge. They can be specific for a basic services

sector or value chain, but also relate to cross-sectoral themes such as capacity development and governance. They also provide the 'evidence base' for policy influencing and advocacy. Knowledge brokering activities can exist at both country and regional level. Knowledge activities will be led and done by our regular staff, with clear MoUs/ activity plans and assignments.

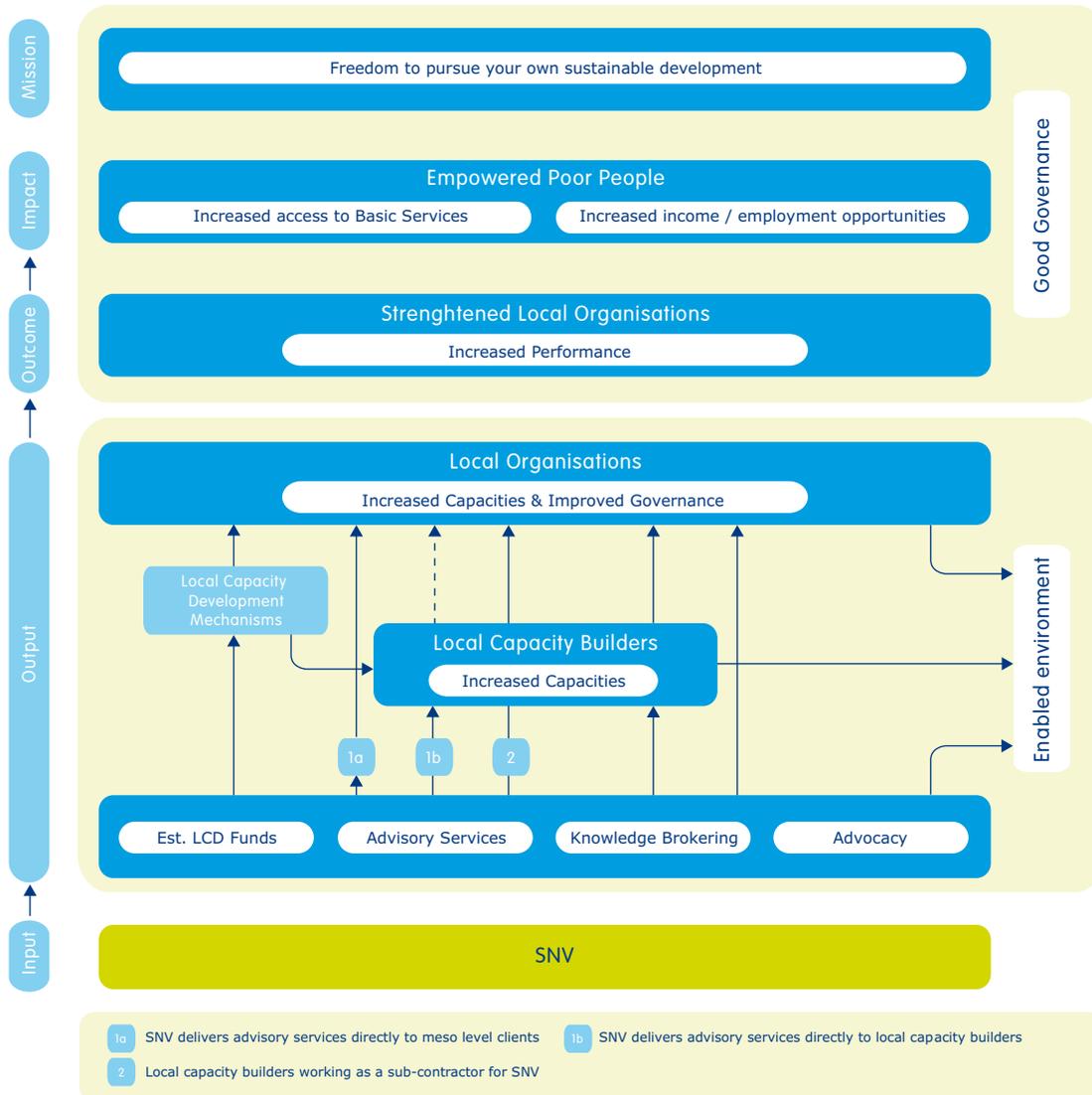
We have also taken up advocacy as a small but dedicated and coordinated activity at the regional and global level, with target audiences at national level as well. The aim of this delivery channel is to influence the thinking, decisions and actions of key national and international players in favour of effective local capacity development for impact, generically as well as in specific basic services sectors and value chains. In view of its very limited coverage, the advocacy agenda will be set at the corporate level and executed by staff from different levels in the organisation as appropriate. As with knowledge brokering the approach applied will include the development of MoUs/activity plans and assignments. Clearly, the advocacy agenda will be fed by our advisory practice and knowledge brokering activities and will in turn feed back into our practice.

The dominant 'budget support' modality in international aid does not adequately address the demand-oriented capacity development of local actors. SNV therefore aims to help increase access for local organisations to (sustainable) funding for capacity development in a way that empowers them and allows them to acquire tailor-made services geared towards their needs. To accomplish this goal we will help to establish local capacity development funding mechanisms (LCDFs). This final delivery channel is a new and innovative ambition for SNV. Our approach in this activity will be further shaped

in 2008 and 2009 on the basis of a limited number of specific pilots. It will not be managed through the regular field organisation of portfolio teams and country offices but through specific partnerships with other national and international organisations.



Overview of SNVs way of working and results-logic



2.6 Collaboration and partnerships

General

SNV recognises that it cannot act in isolation and that it needs to promote collaboration and partnerships to maximise its contribution to impact.

SNV collaborations take many forms. They include working with LCBs, with knowledge partners in countries and regions, in advocacy and policy influencing processes, in setting up innovative funding arrangements with international partners, and with our funders, especially DGIS. A 'partnership' is defined as a strategic working relationship between SNV and others to achieve more development impact (others not being clients, suppliers or membership affiliations).

Such alliances enhance our support to clients and others, by:

- creating access to knowledge, expertise, people and relations;
- pooling resources (of all kinds) to increase critical mass and outreach;
- strengthening voice and influence, for example in policy processes;
- fostering synergies, for example across the micro-macro divide.

Over the past two years SNV has demonstrated that it is increasingly capable of establishing (international) partnerships that pool expertise, relations and resources for improved quality and greater outreach. In the coming period we will invest in enabling these partnerships to mature, while continuing to seek other opportunities to form alliances, especially at country and regional levels.

DGIS and Embassies of the Kingdom of the Netherlands (EKNs)

Among our most essential partnerships is of course the one with DGIS, our core funding agency. DGIS and SNV are aware that the micro-macro divide hampers the effectiveness and efficiency of development cooperation efforts. SNV wishes to use its unique position and outreach potential to strengthen its complementarity with other international players and with DGIS in particular. Through the independent and fundamentally different roles that DGIS and SNV play they are well placed to mutually reinforce each other. To this end SNV will a) systematically coordinate and dialogue with EKNs in bilateral partner countries; b) allocate a minimum of 50% of the volume of its core subsidy in these countries to jointly agreed upon themes; c) develop a common vision with EKNs on these themes; d) monitor and feedback information on implementation at the meso-level to the national level; and e) stimulate and facilitate discussions between actors at various levels to address the micro-macro disconnect. Where SNV operates in non-partner countries, SNV will work to actively find other donors to fulfil complementary roles.

2.7 Funding: core subsidy, resource mobilisation and visioning

SNV appreciates the very significant core-subsidy from the Ministry of Foreign Affairs of the Netherlands, as an expression of the importance of our work and the dedication with which we do it. This allows us to serve clients that are essential actors in development but that are not able to buy advisory services and other support at commercial rates.



In the coming years we will seriously step-up our ambition to diversify and broaden our funding base whilst maintaining the integrity and coherence of our strategy. We believe that in doing so we can substantially scale-up the outreach of our expertise and thus our contribution to impact.

Diversifying our finances is also likely to be a driver for innovation, quality and performance. In relation to resource mobilisation, we will explore possibilities for new business models. New players, development cooperation models and various forms of finance are expected to present valuable opportunities in this regard. Resource mobilisation is a relatively new challenge for SNV that we want to explicitly deal with. We anticipate a three-phase development approach in this area:

- Maintain the current path in gaining experience, and exploring and seizing opportunities and modalities to get a sense of what is realistic and fits best with SNVs identity and strategy;
- Scale-up and realise significant achievement of the goals set;
- Continue mobilisation, draw conclusions for the future; sharpen our business model and prepare for the period beyond 2015.

The timeline drawn will be somewhat different in each region. The challenges regarding additional resource mobilisation are imminent for SNV activities in Latin America and the Balkans in view of the projected decline of the core subsidy to those regions. SNV staff is currently undertaking visioning exercises that intend to lay the foundations for continued SNV presence and contribution to impact in the regions concerned. The development of and experimentation with alternative business models is a real option under consideration, placing the teams in Latin America and the Balkans in the vanguard in inspiring the rest of the organisation.

3

Organising for service delivery and quality

We all share the challenge of how to develop the capacities of people around us towards impact.

3.1 Approach to strategy implementation

Phasing

We work in three 3-year strategic planning periods, including specific moments to review the effectiveness of strategic choices made. In the first 3 year phase, 2007-2009, we will fully adopt the new directions described in Chapter 2. While this Strategy Paper is being written, the new approach is already in progress during the first experimental year 2007.

In the period 2010-2012 the new strategy will take full shape. Our positioning in basic services sectors and value chains and our focus impact will need to be fully established by then. Our knowledge brokering activities will have started to demonstrate concrete results, while significant collaboration with LCBs will be in place. Our success in resource mobilisation will become evident and a plan for maintaining our presence in LA and the Balkans will have been finalised. As we continue to make progress towards realising our vision, the implications on the nature and size of our organisation will become clearer.

In the 2013-2015 period we expect to simultaneously consolidate the strategy and push it towards achieving the best possible results and impacts; while also preparing again for the period after 2015. Clearly the world will be a different place. But the problem of poverty will not be fully resolved and the need for capacity development will still be relevant for many actors. There will also undoubtedly be new challenges for SNV to contribute to.

Leadership for impact

The new strategy builds on the fundamental choices we made in 2000 and is an important and very significant

step forward in our institutional evolution. The key elements are: impact-orientation, local capacity builders, governance for empowerment, the four delivery channels, and a focus in our work on the basic services sectors/value chains and national strategies. These are, essentially, qualitative changes, presenting an exciting professional challenge to further raise our standards. Most of our energies in the next couple of years will need to be exerted to successfully realise these changes, which is predominantly about a focus on content, not structure. Hence for the coming strategic cycle we do not anticipate significant structural changes in terms of the organisational set up of regions, countries or portfolios⁵.

Leadership will be essential in realising these quality improvements, both by those in management positions, as well as the personal leadership expected of all professionals in the organisation.

Leadership is fundamentally about building relationships, and making the people around you feel respected, supported and confident. Leadership is also personal: it entails engaging people's hearts and minds, about valuing each other, and for the ambitions, dreams and vision that we bring to the challenges ahead. Leadership is a mindset; it is about seeking opportunities and benefits while not disregarding problems and pain. And leadership is about impact; creating the environment and conditions in which others can reach their full potential. When we talk about 'Capacity Development for Impact' as the cornerstone of the strategy – this also relates to leadership.

⁵ With the possible exception of Latin America and the Balkans depending on the outcome of the visioning processes.

Leadership is essentially about 'developing internal capacity for impact.' We all share the challenge of how to develop the capacities of people around us towards impact.

Combining guidance with creative and entrepreneurial professionalism

This Strategy Paper 2007-2015 provides a broad vision and set of directions to guide our day to day practice. This chapter provides a basic outline of general operational implications. More detailed considerations, direction setting and operational guidance or suggestions are provided in a series of Working Papers (see Appendix 1).

As before, annual Corporate Framework Letters will set additional guidance and request the regions and countries to detail their operational proposals and requirements. This will be laid down in 3 year strategic plans (2 years for the first 2008-2009 plan) and in annual management agreements. The experience gained in each implementation cycle will inform and improve the next cycle.

3.2 Corporate identity and regional diversification

SNV maintains a corporate identity while allowing for regional diversification. The SNV Corporate Identity is defined specifically in terms of:

- Our values;
- Our impact area, basic services sector and value chain focus as well as related criteria for positioning choices;
- Our delivery channels and criteria for the allocation of resources to each channel;

- Our capacity development approach (including our capacity development services) and related quality standards;
- Our mainstreamed governance and empowerment approach;
- Core elements of our HR house, financial systems, communication and result measurement.

It is within these corporate parameters that regions and countries position and profile themselves to translate strategy into action and good intentions into sustainable impact.

3.3 Sharpening our positioning and client choices

To ensure that the various positioning choices within basic services sectors and value chains are maintained throughout the implementation of the 2007-2015 SNV Strategy, the following selection criteria will apply:

- Potential for results in the two impact areas;
- Critical mass of local actor dynamics;
- Alignment with MDG-based home-grown development strategies;
- Alignment with EKN and other international actors;
- Possibly synergy between basic services sectors/ value chains and areas of interest within them;
- SNV and partners can supply sufficient quality expertise;
- Cost-effectiveness;
- Fundability of development perspectives in the sector.

Within each positioning choice, we will develop products and services that are as closely aligned as possible to other initiatives at the regional level, without limiting our



ability to remain relevant to specific country contexts and priorities. This alignment is essential to strengthen our external profile, the quality of our services, professional exchange and research and development (R&D), partnership development and resource mobilisation.

In order to maximise our contribution to poverty impact and improved governance, we will remain responsive to demand but be strategically selective and proactive in engaging with clients. We will engage with clients based on criteria including:

1. Their potential contribution to impact and governance;
2. Their linkages to broader poverty reduction strategies;
3. Their potential and willingness for change and ownership;
4. Their commitment as expressed, among others, through their contribution (in kind, financial or otherwise);
5. SNVs own ability to add value to their interventions.

We will not only sharpen our approach to planning for entry and starting-up in countries, and the selection of basic services sectors, value chains and clients, but also continuously reflect on the effectiveness and efficiency of our continued engagement. We will therefore also consciously consider ending client-relations, basic services sector or value chain involvement and presence in countries if our contribution can no longer contribute to broader impact and governance goals. Exit will be guided by the same criteria as entry and will be done with care and an emphasis on sustainability.



3.4 Knowledge management

Regions maintain and develop quality in specific fields through Knowledge Networks. These can focus on basic services sectors and value chains but also on cross-cutting expertise in for example capacity development and governance. Some will be permanent while others will be temporary. And their size and way of working may differ strongly depending on the topic or issue at stake. Corporate networks will be established in selected areas.

Where possible Knowledge Networks will contribute towards the development of open platforms, in which leading clients and external expertise centres and professionals take part. As such the SNV Knowledge Networks contribute directly to our externally oriented knowledge brokering activities. Knowledge brokering will also be undertaken independently from internal knowledge network activities (see 2.5).

The SNV Knowledge Networks have three key roles:

- a) improving the quality of advisory services, including product development, b) contributing to and learning from knowledge brokering activities, and c) profiling the professional identity of the organisation in each thematic area. Knowledge Networks will be organised by Regional Directors and led by a senior SNV adviser. Each Knowledge Network will be sponsored by a member of the regional management team (RMT). Innovation will be encouraged. A Management Agreement will be developed in agreement with the sponsor and results will be reported to RMT on an annual basis.

Regions will decide on the appropriate number of Knowledge Networks, of which most will be regionally coordinated. Once regions have identified their Knowledge Networks, SNV Corporate in consultation with the regions, will identify which Corporate Knowledge Networks will be established.

3.5 Quality assurance: the Triple AAA model

The impact areas and related positioning choices indicate the results we want to help achieve. The delivery channels sketch our work modalities for doing that. And finally ...

... the Triple AAA model defines the corporate standards for our work. It outlines the essential steps of our primary process that help us to maintain quality. It does so at three levels: a) how we develop, implement and update our *strategy* in a basic services sector, value chain or country as a whole, b) how we start, maintain, review and end a *client relation*, and c) how we prepare, execute and review specific work *assignments*.

By treating these three different levels as mutually interactive, the model provides for an adaptive working logic, in which results and lessons at the various levels can influence each other.

For each level the model distinguishes three basic steps:

1. Analysis & planning;
2. Action & monitoring and;
3. Assessing results & evaluation.

It is for this three-pronged approach that it was dubbed the Triple AAA model. At each level of our primary process (strategy, client, assignment) the model defines a number

of quality criteria, procedures and formats.

The Triple AAA model will be applied across the organisation for all advisory activities from 1 January 2008 onwards. During 2008/2009 the lessons learnt will be documented and specific efforts will be undertaken to expand this model or similar logic to apply to other delivery channels as well.

3.6 Result measurement

We undertake result measurement, because we want to a) work towards better results, b) learn from our experiences and c) account for the results of our efforts. We want to prove and improve our contribution to impact for the poor. Our logic has been sharpened and our terminology adjusted to general practice in the sector.

The basis for getting results is to have a 'result-orientated' way of working. Result measurement is an instrument; whilst results-orientation is an organisational culture and individual attitude (see 2.2) that we expect from everyone in the organisation.

When we adopt a results-orientated way of working we continuously question ourselves on whether our results are sufficiently:

- Relevant (did our actions contribute to impact?);
- Effective (did our output lead to positive outcomes in terms of client performance?);
- Efficient (did our inputs lead to sufficient output and outcomes?) and;
- Sustainable (will the results be long-lasting?).

This orientation expresses itself not only in formal result measurement practices, but also cuts across our delivery channels to influence a broader organisational learning culture. It also contributes to the quality of conversation with our clients and partners, our case descriptions and research, the use of interactive and reflective techniques that sharpen our analysis, professional debate and methodological development, and our efforts to innovate.

The results logic that we apply has been slightly adjusted in order to correspond better with common practice in the development sector. We now distinguish between:

- **Impact.** Defined in terms of actual access to basic services and income/production/employment realised and the related improvements in the well-being of poor people.
- **Outcome.** Assessed, against the objectives of each MoU in relation to an overall client or partner relationship. Such assessment can be done at key moments during the relationship and/or at the end. It focuses on capacity development in terms of the external performance of the client, partnership or sector, and in view of the broader impact and governance targets in that field.
- **Output.** Assessed for each assignment in qualitative and quantitative terms. The quality dimension indicates what has changed in the specific capabilities of the client (not in theory but in real-life daily operations).

3.7 Organisational structure

Until the end of 2009, the organisational structure of SNV will remain unchanged. It is felt that the current structure is well suited to accommodate and carry the new orientations. In 2009 we will assess if and what structural changes in (parts of) the organisation are should be put in place by 2010.

The basic responsibilities of line managers at all levels and their management teams will remain unchanged until 2009. However, in Latin America and the Balkans, changes in organisational structures might be made before that, as changes in the core subsidy will have consequences much sooner for those regions.

3.8 Finances and allocations

SNV's operations are highly dependent on financing by one donor, the Netherlands Ministry of Foreign Affairs. To strengthen quality impulses and leverage on our expertise, it has been agreed with the Ministry that SNV will diversify its financial sources.

The introduction of the four Delivery Channels reflects a shift in vision on how SNV will best contribute to impact and governance.

This vision will be reflected in a conscious distribution of our budget (core subsidy and mobilised resources) across the delivery channels and also for subcontracting to LCBs and for partnerships



In our allocations we will seek to build in more stimuli for quality and results orientation. The exact distribution will be indicated each year in the Framework Letters and subsequent Management Agreements.

3.9 Human Resources Management and Development

The new strategic orientations of SNV for the coming years provide some key directions for Human Resources Management and Development.

We will deploy our efforts across the different delivery channels and work increasingly with local capacity builders. To ensure an appropriate separation between provision of advice and funding, the LCDF channel will be implemented independently from the other three delivery channels and will require specialist staffing.

It is impossible to predict how staff levels will evolve over the coming nine years. Staff volume will become more closely linked to our external fundraising and will greatly depend on the development of our profile and collaborations. There may also be significant variations between countries and regions. In view of the strategic choices made overall staff levels may tend to decline to some extent, depending on our success in mobilising additional resources. Detailed formation planning will be done in the three-year strategic plan periods.

Staff will have to be able to relate our practice more explicitly to the wider policy environment and development processes. Moreover, new basic services sectors and value chains, knowledge brokering and

engagement with LCBs demand strengthened expertise and reorientation of staff.

SNV's primary process and therefore the basic profile of the SNV adviser will require a more diverse mix of 'skills sets' than before.

It will be essential to step up the momentum in furthering the quality of our staff. SNV has a Learning Strategy that will be further operationalised in a Corporate Professional and Management Development Framework that is presently under development. The framework links the provision of learning programmes to concrete performance improvement and team learning goals. The framework provides an instrument for individual staff, line managers and HR staff for making methodology choices, developing curricula and identifying minimum quality standards. It does so for the different categories of learning investments made for all levels of staff, especially primary process staff. It will be continuously aligned with the gradually evolving demands of the new strategy.

The ratio of senior/medium/junior staff will be set in such a way as to promote a gradual shift towards more senior advisors. The organisation strongly aims for an equal division between men and women and will maintain a minimum of 20% international staff in all SNV environments. Within the international population, a meaningful level of Dutch 'visibility' will be guaranteed.

Increasingly senior advisory staff will play a role in day to day coaching in order to raise the knowledge, skills and attitude of medium level and junior professional staff. This will be undertaken in a structured manner, action

oriented and based on actual work with clients and actor constellations.

Portfolio Teams and Knowledge Networks or teams will develop further as places of learning. Critical reflection and team learning will be better integrated in regular working patterns. These learning places will be opened up for selected LCBs, who work alongside SNV staff. Country management teams will aim at instilling a stronger learning culture in the organisation.

Lastly, performance management will become a continuous process. It will be seen as a continuous effort to stimulate in-team learning. The team, as well as the leaders, will be responsible for introducing a professional learning culture in which requesting and sharing feedback for learning become the norm.

Epilogue

"At no time in human history have the fates of every woman, man and child been so intertwined across the globe. We are united both by moral imperatives and by objective interests. We can build a world in larger freedom — but to do it we must find common ground and sustain collective action.... It is for us to decide whether this moment of uncertainty presages wider conflict, deepening inequality and the erosion of the rule of law, or is used to renew our common institutions for peace, prosperity and human rights. Now is the time to act. Enough words and good intentions."

Kofi Annan, former UN Secretary General

2015 and beyond

Even if the MDGs are fully achieved by 2015, half of the poverty in the world will still need to be addressed. And human development remains an ongoing priority at all times and across all societies. With the ambitious strategy that we have laid out for the coming years, we are confident that we will continue to perform, learn and self-renew and will remain a widely appreciated and attractive partner in global development efforts far beyond 2015. However, the exact form that this vision will take, particularly in terms of financing modalities and expertise is difficult to predict so far ahead. The strategic challenge is to start to make this vision a reality, right now. As we shape and live it, we will help to create the future.

Now, more than ever, the ability of developing nations and societies to keep pace with the economic and social potential of an increasingly globalised world has become a precursor for global peace and security. At no time has the call for collective action been greater. And at no time has SNV's role and responsibility been clearer. Together with many other partners and collaborators that share the same commitment and passion, it is now time for us to change the face of poverty - in larger freedom.

Appendix 1

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White Paper 'SNV and Local Capacity Builders', June 2007

Appendix 2

Abbreviations

General

BoP	Bottom of the Pyramid
DAC	Development Assistance Committee (of OECD)
DGIS	Directorate General of Development Cooperation of the Netherlands
ECDPM	European Centre for Development Policy Management
EKN	Embassy of the Kingdom of Netherlands
EU	European Union
G8	Group of 8
HR	Human Resources
HRM/D	Human Resources Management / Development
MDG	Millennium Development Goal
MoFA	Ministry of Foreign Affairs of the Netherlands
MoU	Memorandum of Understanding
NDS	National Development Strategy
NGO	Non Governmental Organisation
OD	Organisational Development
OECD	Organisation for Economic Cooperation and Development
PRSP	Poverty Reduction Strategy Paper
R&D	Research and Development
SNV	SNV Netherlands Development Organisation
SWAp	Sector Wide Approach
UN	United Nations
UNDP	United Nations Development Programme
Unicef	United Nations Children's Fund
WB	World Bank

SNV related abbreviations

BASE	Access to Basic Services
AAA	Analysis Action Assessment, SNVs primary process quality model
BoD	Board of Directors
CD	Country Director
CDS	Capacity Development Services
EB	Extended Board
ESA	East and Southern Africa
KB	Knowledge Brokering (externally oriented)
KN	Knowledge Network (internally oriented)
LA	Latin America
LCB	Local Capacity Builder
LCDF	Local Capacity Development Funding mechanism
PC	Portfolio Coordinator
PIE	Production, Income and Employment
RD	Regional Director
RM	Resource Mobilisation
RMT	Regional Management Team
WCA	West and Central Africa



Colophon

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