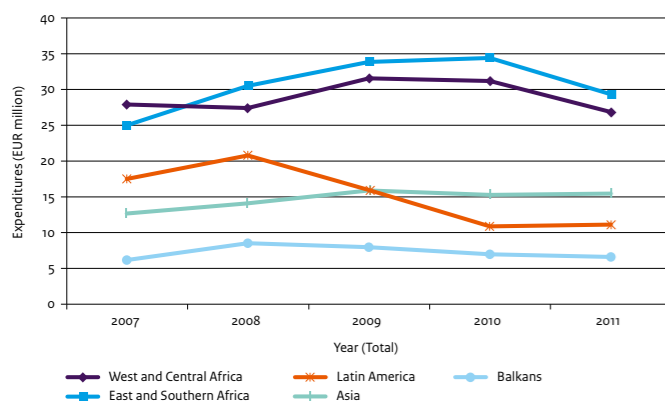


Background

SNV's grant application for 2007-2015 contained ambitious goals, conveyed in statements such as 'SNV is dedicated to a society in which all people enjoy the freedom to pursue their own sustainable development' and 'SNV's strategy is to develop the capacity of actors at different levels so that they can take measures aimed at sustainable development and poverty reduction themselves'. SNV defines 'capacity' as the ability of a human system (individuals, organisations, networks of actors, or sectors) to perform, sustain itself and self-renew in changing social circumstances. SNV focuses particularly on building the capacity of organisations and partnerships at provincial and district level. This choice is relevant, as donors rarely pay attention to capacity development at that level.

In the evaluation period SNV was active in 36 countries in Africa, Asia, Latin America and Eastern Europe. Since 2011 it has focused on three (sub) sectors: agriculture – value chains; renewable energy – biogas digesters; and water, sanitation and hygiene (WaSH).

Figure 1 SNV's expenditures by region, 2007-2011



Source: SNV database.

The years scrutinised in this evaluation were turbulent ones for SNV. The organisation made tremendous internal changes to get ready for future challenges. The Ministry has always been SNV's main financier, but its grant will end in 2015. SNV will still be eligible for grants for programmes or projects that it runs for the Dutch embassies and the theme-based departments in The Hague.

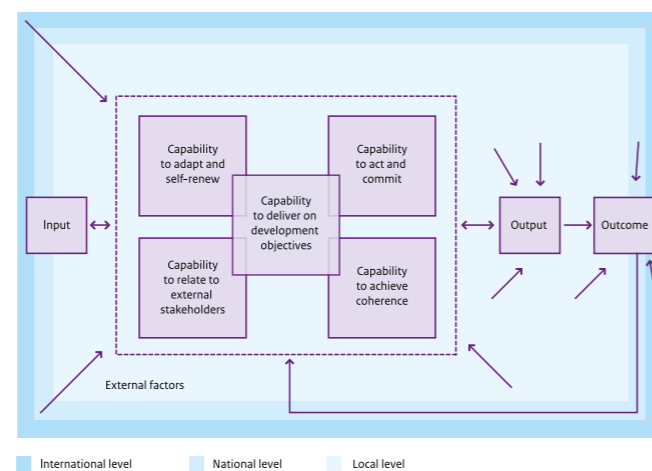
IOB's evaluation focused, in particular, on the SNV approach and the results of its activities. To what extent has SNV succeeded in building local organisations' capacity and services? To what extent have the poor gained better access to basic services? To answer these questions, IOB examined 12 programmes in four countries (Benin, Ethiopia, Tanzania and Vietnam).

Results

SNV has been successful in getting programmes up and running at village level at relatively short notice. These have helped improve access to and use of products and basic services, such as water and sanitary facilities, agricultural extension, seed stock and small-scale biogas plants. However, poorer people, like marginal farmers (male and female), often benefit less from SNV programmes. In Benin for instance, families couldn't or didn't want to pay for clean drinking water. In Ethiopia farmers couldn't afford to cut down their old fruit trees in order to plant new ones, and in Tanzania, men sidelined women in a sunflower-growing project as soon as it started making a profit.

In many cases, prospects for sustaining these positive results are inadequate, due in part to the complex environment in which the local organisations concerned operate, but certainly also due to their lack of capacity.

Figure 2 The analytical framework for capacity development: SNV's clients as open systems



Most SNV clients (ranging from associations to provincial/district authorities) have strengthened their capacity in some areas, such as providing better services or sustaining their relationship with stakeholders. But these improvements risk being undone by the failure to address structural weaknesses in the organisations. SNV gives little attention to learn organisations how to remain relevant or what is required to achieve their objectives in changing contexts. The interests of the poor are often insufficiently represented.

Various characteristics of the SNV approach explain the uncertain prospects for sustainable results. First, SNV's dual objective of strengthening the capacity of its clients on the one hand and taking responsibility for impact on the other hand puts local ownership at

risk. Second, SNV has not been consistent in the operationalisation of its capacity development strategy that integrates its ambitious poverty reduction and capacity development objectives. Third, SNV focuses on eliminating bottlenecks for programme implementation while neglecting other, more structural shortcomings that could hamper operations in the long run. Finally, SNV often lacks an exit strategy that it has agreed with its clients. Some of these characteristics are reinforced by donors' increasing preference for supporting projects with fast, visible results. According to IOB, this is part of a broader trend in the world of donors which signifies a return to separate project financing. This approach was abandoned after 2000 precisely because of lack of sustainable results.

Reporting – The Ministry was critical of SNV's reports on results throughout the 2007-2011 period. Several of SNV's annual reports were initially rejected on the grounds that they did not provide sufficient information on the results achieved, so that the Ministry could not establish if it was funding success or failure. SNV set aside only 0.2% of its total budget for evaluation. In a 2011 study, IOB assessed SNV's project monitoring and evaluation as unsatisfactory. It is therefore uncertain if and how SNV may have learned lessons based on tried and true practices. Even now, it remains to be shown that the changes made since 2011 will yield the desired reporting information.

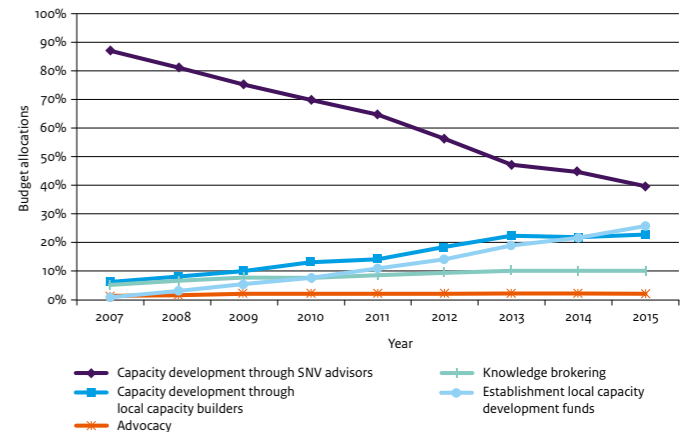
The Ministry and SNV

The Ministry had two reasons for concluding a long-term funding arrangement with SNV.

Complementarity – First, it intended Dutch embassies and SNV to work together in Dutch partner countries, with SNV sharing its knowledge and insights with Dutch embassies, thereby increasing the likelihood that Dutch bilateral aid would make a greater contribution to development at local level. In actual fact, however, the Ministry and SNV never systematically fleshed out this idea of complementarity and it therefore yielded little result. While knowledge was shared on an *ad hoc* basis at SNV's initiative, it often depended on personal ties between embassy and SNV staff.

Local advisers – Second, the Ministry counted on SNV to strengthen local organisations to the point that they could take over its role as adviser on capacity building. In 2011, SNV outsourced 41% of its advice days to local advisers. While the latter did, as a result, acquire more knowledge and skills and become better known, they did not become independent, professional consultants for organisational and institutional development. SNV did not adapt its strategy to favour local partners but continued to operate as an advisory organisation with its own remit. For SNV, outsourcing work to local organisations is a way of achieving economies of scale and improving its efficiency.

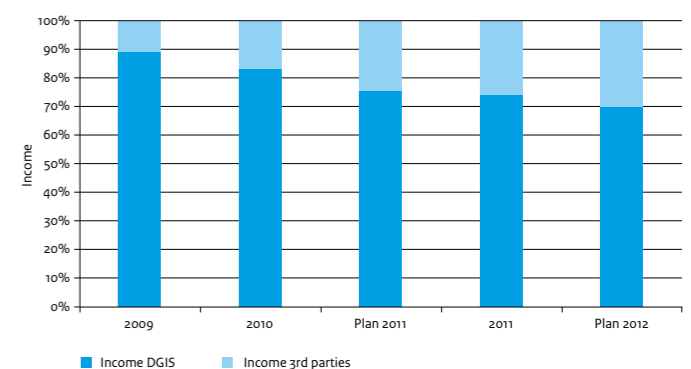
Figure 3 Budget allocations to SNV services, 2007-2015



Source: Subsidy application SNV 2007-2015 (May 2006).

SNV's financing – IOB observes that the Ministry's policy choices indicate ongoing tension about how much financial and policy-related autonomy SNV should have. The issue was partly addressed in 2008 when the MFA allowed SNV more space to raise additional funds, and was only resolved in 2011 when SNV was given a free rein to raise additional income. SNV has made considerable use of its new status. Since 2012, it has been increasingly successful in obtaining revenue from other donors through project and programme financing. Clearly, SNV is an attractive partner because of its proven ability to launch programmes in a short space of time, its preference for initiatives that are new to a locality, and its ability to link up different parties. SNV staff members are dedicated and encourage foreign and local advisers to work together. SNV generally has good contacts with other donors and developing country governments. It has strong networks and knows which sectors offer economic opportunities.

Figure 4 SNV's income from the MFA and other donors, 2009-2011



Source: SNV database.