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Having celebrated its 35th anniversary and being confronted with the rapidly changing policy environment and the rejection of its application to the Dutch Ministry of Foreign Affairs under the new subsidy scheme in 2010, the year 2011 was a very turbulent one for ETC Foundation. It had to redefine its role in keeping with the changes in the (Dutch) international cooperation sector and in North-South relationships. The organisation intensified acquisition activities, defined its thematic foci and strengthened alliances whilst finalising several long-term programmes.

Apart from being a sounding board to the Management Team and employing the Director, the main function of the Board of Trustees is to supervise the implementation of ETC’s policy and its general and financial management. Given the challenging period that ETC was experiencing, the involvement of the Board was intensive. Much attention was paid to the formulation of the future direction, organisational and personnel changes and financial consequences thereof. The Board had four formal meetings with the Management Team during 2010, in addition to regular e-mail and telephone contact.

In January 2011 a revised budget was discussed and approved taking into account recent developments, potential redundancy payments and termination of several temporary labour contracts. The Board was doubtful whether ETC could grow again in 2012-13 in view of the developments within the sector, and the difficult market circumstances which calls for lower fees. The Board also approved the Social Statute which - if needed - would regulate enforced redundancy in 2011. ETC was to consider temporary contracts first and support employees in ‘from-work-to-work’ trajectories.

The Board advised on specific issues such as the mode of operation of the Management Team and communication with the Company Council which decided to resign in February, before the end of its term, and to organise new elections in May.

In May, the Board of Trustees discussed the quality of organisations’ financial management, the financial figures and the liquidity position with ETC’s external accountant PricewaterhouseCoopers. The Board approved the 2010 annual accounts. Progress on income generation, adaptation of staff composition and flexible contracts were discussed with management.

The annual meeting of the Board with the Company Council took place in September. Since the new Company Council was elected in May, the meeting was also meant as a space to get acquainted with the new members. The Management presented the half year financial figures to the Board, the prognosis for 2011, future scenarios and measures for reorganisation.

At its November meeting, the Board approved the future scenario and the budget for 2012 which aimed at breaking even. The overhead savings (including freezing of salaries), the unfortunate but inevitable discharge of support staff and the level of redundancy payments were agreed on.

For 35 years, ETC has been a dynamic and innovative organisation which was able to anticipate and deal with new trends and changes in the policy arena. This year’s Annual Report presents yet again significant achievements in 2011 and shows ETC’s contribution to international cooperation and sustainable growth in the agricultural, energy and health sectors.

The Board would like to thank all ETC’s partner organisations for their commitment and successful collaboration. Special thanks to all donors who funded ETC’s work during these turbulent economic times. Last but not least we want to express our full appreciation to all staff of ETC for their outstanding efforts and dedication during these dynamic but also unsettling years.

Han van Dijk
Mariënne Verhoef
Hans Wouters (chair)

Board of Trustees ETC Foundation
International cooperation and the role of NGOs therein is changing rapidly in the slipstream of major developments in global economics and politics. Globalisation and global interdependency determine the work of organisations that focus on democracy, human rights, food security, protection of the environment, and development cooperation. The two most prominent crises are the breakdown of international economic and financial systems and the fundamental changes in political powers leading to uncertainties in the global governance system. The third crisis is the exhaustion of natural resources including the increasing scarcity of energy and water, climate change and food insecurity.

While the urgency for managing these systemic crises through international cooperation is stronger than ever before, public and political support is decreasing steadily. International cooperation is low on the political agenda, not only in the Netherlands but also in many other countries. Many of our partners in the North and the South are in transition or are in a process of redefining their strategies. ETC is also in a phase of transition attempting to address the current context and to anticipate further changes in the policy and economic arena. This implies changes in thematic foci and intervention strategies as well as in staff composition and internal organisation.

But, citizens of the North continue to be concerned about the lot of fellow citizens in the South. Meanwhile, there is a growing middle class and an increasing cadre of skilled professionals in developing countries. The private sector - both in the North and the South - is taking on more initiatives related to sustainable development. Collaboration with these different actors offers new potential to achieve transformational changes in health, energy and agricultural sectors. ETC Foundation has always been at the forefront of sectoral changes with a proven track record of innovative approaches and this ability will be important for carving a new niche for itself as a Northern NGO in these changing times.

A selection of innovative projects from the past year and their achievements are highlighted in Chapter 3. These refer in particular to achievements in knowledge management, innovation and institutional change and reflect ETC's added value in each situation.

**Partners and Strategic Alliances**

ETC supports and coordinates several international collaborative networks that work on joint themes and shared visions at regional and local levels. We regard these networks and partnerships as communities of practice in which information sharing, joint learning, capacity building and policy influencing are important components. The relationships within these communities of practice are based on equality of all members. Long-term financing for some of these networks through a number of key international donors came to an end in 2011, but the networks are well on the way to obtaining other forms of financing, including local and/or regional funding mechanisms and/or project financing, to continue their activities.

In these collaborative networks and other thematic programmes, we collaborate with approximately 200 partner organisations: international and national NGOs, community-based organisations, knowledge institutes and government agencies.

For many years, ETC Urban Agriculture supported RUAF Foundation (Resource Centres on Urban Agriculture & Food Security) and the finalisation of its main programme “From Seed to Table”. At the end of 2011, RUAF decided to set up an independent secretariat and the core staff of ETC’s urban agriculture team moved over to this secretariat. ETC will - as a full member of RUAF Foundation - continue its collaboration with this unique international network on urban agriculture.

Crystal, the ETC international public health consultancy group, collaborated for several years with Tangram, advisors on care and well-being, working also in the Netherlands. The synergy that was hoped to be achieved by combining the experiences and approaches from developing countries with those within the Netherlands appeared difficult to realise. In 2011, the formal participation of ETC in Tangram was dissolved but cooperation will continue whenever opportunities arise.

ETC is an active member of Agri-ProFocus (a Dutch association for strengthening producer organisations) and PSO (a Dutch association focusing on capacity development). ETC is also a member of Partos, the national platform for Dutch civil society organisations in the international development cooperation sector.
Geographical presence

The number and spread of countries in which we were active in 2011 is comparable to the situation in 2010. In 2011, we worked in 67 countries: Africa (33), Asia and the Middle East (17), Latin America (13) and Europe (4). Thirty of these were ‘Least Developed Countries’ whilst seven were ‘Other Low Income Countries’ on the OECD Development Assistance Committee’s list. ETC is active in 13 out of the current 15 partner countries of the Dutch Ministry of Foreign Affairs (excluding Afghanistan and the Palestinian Territories).

ETC has formal cooperation agreements with partners in 49 countries. Most of these partners are involved in the international collaborative networks mentioned earlier. In addition, ETC was involved in implementing short-term projects in 58 countries during the year 2011.

Funding and financial resources

ETC received € 9.6 million during 2011 as funding for our work and that of our partners. The funds from the Dutch Ministry of Foreign Affairs decreased from 42% of our total funding in 2010 to 22% in 2011, as a consequence of not being awarded a grant for the period 2011-2015.

Funding by donor category in 2011 (total € 9.6 million)

Sixteen donors provided more than € 100,000: Asian Development Bank, Australian Agency for International Development, Cordaid, Dienst Landelijk Gebied (the Dutch Government Service for Land and Water Use), the Dutch Ministry of Foreign Affairs, ECN (Energy Research Centre of the Netherlands), European Commission, Norwegian Agency for Development Cooperation, NUFFIC (Dutch organisation for international cooperation in higher education), PSO Capacity building in developing countries, Rockefeller Foundation, RUAF Foundation, St. Hulsebosch Priorfonds (a legacy), Swedish International Development Cooperation Agency, Vereniging Gezonde Waddenmelk (an
association of dairy farmers) and WASTE Foundation – Urban Waste Expertise Programme.

The diversity in our financial resources - 81 different donors and clients - remains high. However, 71% of ETC's funding still comes from Netherlands-based organisations (81% in 2010). Given the lack of direct funding to ETC from the Ministry of Foreign Affairs for 2012 and the decreasing funds available to those Dutch organisations that wish to contract ETC for advice, ETC has been seeking alternative funding from other types of donors (e.g. foundations, private sector) and from beyond the Netherlands.

**Finances 2011 and budget 2012**

In 2011, we worked on 186 programmes and projects, of which 78 started during the year (in 2010 these figures were 214 and 101). The total turnover of ETC was € 9.6 million of which € 6.1 million was intended for partner funding and for project costs. The operating financial loss including financial charges in 2011 was significant (~ € 628.000), despite the fact that the total turnover was only 14% less than the previous year. Approximately € 350.000 of this loss comprises payments for professional and support staff made redundant in 2011 and 2012 and the cost of restructuring the organisation. The remainder of the operational loss is attributed to under acquisition of professional staff to cover salaries and overhead costs. Trimming of overhead costs was not able to compensate this loss. Chapter 4 provides more details on the annual accounts.

However, the financial results did not vary much from budgeted figures. We were aware that several staff members had to finalise the long term (MFS-1) programmes which did not free up capacity for acquisition. We also knew that the focus on generating new funds and reorienting our fundraising and acquisition strategy for the medium term would not pay off immediately in the face of increased competition for subsidies and tenders.

As the financial resources from both Dutch and international donors available for long-term/large programmes decreases, our emphasis began shifting towards short-term/smaller projects and increasing our role as advisors. This trend is expected to continue for the foreseeable future and we therefore will strengthen our network of associate consultants and seek new alliances with organisations that complement our expertise to form competitive consortia. However, we will pursue creative avenues to continue our support to the international communities of practice under our wings, as we are convinced that these collaborative networks are successful in addressing sustainable development. In 2012, the expected income will be 15-20% lower than in the past year.

**Future strategy**

The transition within ETC will continue in 2012 and require fundamental changes in thematic foci and organisational structure. Our core themes will be Health, Agriculture and Food Security, and Energy Access. Within these themes, ETC occupies a specific niche in sustainable development and innovation with an inclusive and pro-poor focus. We will remain in our role as a stimulator of change with strong links to local people and the local context to ensure that changes become embedded in policies and institutions.

Our role and added value in the three themes can best be characterised by the main services as presented below. In 2012 the focus will be further elaborated.

ETC supports communities and countries to become more self-reliant in food security, water and energy supply, healthcare and education. Our strategy is to strengthen civil society, to facilitate fair business development and to support reform in governmental institutions. Pro-poor sustainable development requires policy change that can be brought about only through consistent and evidence-based policy influencing. Depending on the context, ETC influences legislation, policy, institutional reform and market dynamics through direct advice or relevant advocacy activities. We deploy our broad international experience in advising Northern donors and NGOs as well as local organisations and governments through short-term assignments, which include policy and programme evaluations.

**Commitment of team and partners**

Despite a difficult year of organisational and financial transition, we are proud to present an overview of innovative activities carried out in 2011 by ETC in collaboration with its partners and the results achieved. A special note of commendation goes to the staff members who were committed to take on new challenges and make a difference through their work.

We would also like to thank all those who were involved in ETC’s work. Without our partners and beneficiaries we wouldn’t have been successful in finding local solutions in a globalising world. We also thank all our donors – public and private, large and small – for their financial support and confidence in ETC. We look forward to working with you in the future and trust this annual report will lead to new inspiration and joint activities in the years ahead.

Frans Verberne
Director ETC Foundation
Students using well-maintained sewing machine as a result of SKIT project, Uganda
The context of international cooperation in 2011 called for ETC to put further emphasis on changing the focus of the organisation, its staff composition, its structure and management. Despite these measures, human resource management, knowledge management, quality management and good governance were maintained. The main activities and achievements in 2011 are outlined below:

**Human resource management**

The political changes in the development sector, the prospect of fewer funding opportunities and the need to re-orientate our role and position as a Northern-based organisation had a major impact on the numbers and composition of our staff. Uncertainty and increased workload led to more stress than in the years before.

Absenteeism due to illness (4.2%) increased significantly compared to 2010 and was higher than the national average (4.12%). In 2010, the figure at 0.9% was very low. In 2011, the number of short-term illness reported was lower than the year before, but the total increased due to long-term illness of three people (due to medical, personal and work-related causes). The confidential counsellor (vertrouwenspersoon) received no complaints of undesirable behaviour, and no accidents occurred.

Over the year, 8 people joined the organisation and 21 left. As of the end of 2011, ETC had 59 employees (equivalent to 44.2 FTEs). During the year 9 trainees were engaged in ETC on a temporary basis. 14 nationalities are represented within the staff cadre. The balance between female and male staff is 63% to 37% respectively for ETC as a whole, and 55% to 45% among the professional staff.

In 2011, all units were given time to redefine their focus and to develop new funding opportunities and alliances. During the year a number of short-term employment contracts were terminated and several professionals left ETC. Based on the strategic plan and the annual budget for 2012, a plan for the future staff composition was defined. Enforced redundancy of support staff was unavoidable at the end of 2011 in order to balance the proportion of professional to support staff.

Recruitment of new staff with niche expertise and competences continues to be a priority and is aimed at strengthening ETC’s capacity to respond to policy and market changes in the short and medium term. Training and education suffered from the heavy workload carried by management and staff.

**Knowledge management**

During lunch meetings, project and programme teams shared their practices and inspired one another to improve their work. We experimented with social media both within and beyond the organisation as a means of knowledge sharing and stimulating informal dialogue.

The on-going PSO-supported learn-work trajectory continued to be an important tool in knowledge management at organisational level. This trajectory aims at learning how to improve network partners’ capacities to develop, adapt and innovate partnerships capable of making fundamental changes for achieving a sustainable future. The following projects were implemented by ETC and network partners in 2011:

- A project with partners of EASE and ENERGIA networks to strengthen practical skills and strategies on the use of social media was completed. Two cases of ETC were included in a publication on social media (in Dutch: Omdat het werkt! 11 praktijk-casussen over leren met sociale media.)
- Learning for adaptation and innovation for ETC and its associated networks in the face of climate change concentrated on strengthening partners’ capacities to develop ways of working and collaborating around new emerging (thematic) issues and involved partners from three different thematic networks.
- Capacity building on strategic business planning on energy access was used to strengthen the capacity of EASE partners and the EASE network to develop new institutional structures needed for further scaling-up of energy access.
- Strengthening multi-stakeholder partnerships on promoting local innovation looked at dynamics within a selected number of national multi-stakeholder networks of PROLINNOVA and further strengthened partners’ capacities to facilitate their networks on the long term. This activity was part of an action research on international networks conducted by PSO. The experiences have been presented in the PSO publication “Looking at collaboration in North-South Networks”.
- Activities in learning and supporting strategic planning in the context of Regional Food Systems was postponed to 2012.

Joint learning events took place within ETC in September 2011 for exchanging experiences from the LWT projects on web 2.0 tools and climate change adaptation. Several more events are planned for 2012 to share experiences from the other projects mentioned above.

In 2011, ETC became the coordinator of a PSO Thematic Learning Programme “Strategically dealing with power dynamics in Multi-Stakeholder Processes”. This programme is being implemented in close collaboration with Both...
ENDS, CDI-WUR, Cordaid, Fair Trade Original, ICCO, and WASTE, and will be completed in 2012.

Quality management and good governance
ETC Foundation is a Common Public Interest Organisation (Algemeen Nut Beogende Instelling) meeting the criteria of the Dutch tax authorities. ETC also adheres to the principles of the code for proper management of charities (Code Goed Bestuur voor Goede Doelen, Wijffels Commission, June 2005).

In November 2011, Lloyd’s Register Quality Assurance conducted a three-day audit of our Quality Management System (QMS). The objective was to assess the effectiveness of the system in order to decide on re-certification for ISO 9001:2008. Besides one minor non-conformity and some points of attention, the QMS is functioning adequately and we received a new three-year certification.

Financial administration and management
Our accountants, PricewaterhouseCoopers, concluded that the administrative organisation of ETC met the requirements in 2011. The work processes of contract management, financial management and administration have been strengthened by creating a new function of portfolio managers.

The financial department developed a ‘cockpit’ to make relevant management information available. Performance at all levels (individual, project, team and organisation) is monitored in line with the budget and reports are now accessible for authorised individuals. The management information system now meets the requirements of donors and clients, of ETC managers at the team and project levels, and of the Board of Trustees.

Management of risks and capital
The liquidity position of ETC is a priority issue for ETC management. Due to negative results and a decrease of advance payments for long-term programmes, the liquidity position has further deteriorated in the past few years. ETC analyses its future liquidity on a regular basis, critically looks at payment conditions in new contracts, and focuses on keeping debtors to a minimum.

After a slightly negative operational result in 2010, our capital has decreased substantially in 2011. Our reserves at the end of 2011 amounted to €1.6 million of which approximately 57% was unconstrained. The reserve is slightly below the level needed to cover defined risks such as sickness, redundancy payments and replacement of fixed assets (building and office equipment).
In the Netherlands, ETC is composed of two legally distinct entities: ETC Foundation and ETC Nederland BV. These entities have separate administrative and financial reporting structures.

ETC Foundation hosts the subsidised activities. Supervised by its board of trustees, the Foundation is the owner of:

- ETC Nederland BV, which carries out the activities acquired by tender. While this is a non-profit organisation, it supports the accumulation of all necessary financial reserves.

A total of five units operate within the ETC Foundation and ETC Nederland BV, each with its own area of expertise: AgriCulture, Energy, Health, TVET and Rural development in the Netherlands.

The ETC Foundation provides support services (quality management, financial administration, personnel management, secretariat, office management, ICT and maintenance) to all programmes and projects of the units, irrespective of their administrative structure.

The achievements of the support services have been presented in the two preceding chapters. The individual units present their achievements in different sections of this chapter.

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March for and by caregivers, Ethiopia
Main outputs for the year 2011

Sustainable Dairy Farming
The group completed three projects in sustainable dairy farming across the Netherlands: from the northern part of Groningen (the Wadden area) to the western part of the country (Midden Delfland). Agribusiness was involved in one of these projects, namely the CONO dairy project (Noord-Holland and Overijssel), which delivers milk to Unilever for Ben&Jerry ice cream.

The group is also working on a national network of regional dairy projects under the Dutch labels of ‘Duurzaam Boer Blijven’ and ‘Kringlooplandbouw’. Farmers are supported in achieving optimal nutrient efficiency in milk production, lowering the environmental impact and ‘hoofprint’ of dairy farming. The group is also contributing to further development of financial remuneration for public services in water quality, called ‘Beloning voor prestatie’ in Dutch, through various projects and debates. The results of this lobby can be found on the websites of the group: www.duurzaamboerblijven.nl en www.boerenverstand.org

Environment and nature is under pressure and suffering from Europe’s increasingly tight regulations in agriculture. Bureaucracy is increasing. Farming is being stifled and restricted. None of the stakeholders are satisfied with these developments and we have demonstrated alternatives: to optimise the minerals by a short cycle, to certify and reward sustainability and thus improve performance, and to make sure that economics and environment go hand in hand. To support integral scoring for sustainable business, we have developed a cycle report and an environmental score, which we are currently fine-tuning.

Several debates, publications and awareness meetings in 2011 emphasised the relevance for regional development in anticipation of the Common Agricultural Policy (CAP) 2014-2020. Collectives of farmers in a specific area can show how they have reduced nitrate losses on their farms. Such reductions fit the objective of the Waterboards (Kader Richtlijn Water) to substantially reduce the nitrate-concentrations both in surface water and groundwater. Currently we are negotiating with the province of Drenthe on ‘farm development rights’ close to Natura 2000 areas, and with two Waterboards on financial remuneration for public services in water quality. The figure on page 12 explains the overall strategy of the network and links the various activities.

In this context, the Advisory Group also participates in a new business venture called ‘Boerenverstand’, which aims at certification of farming performance and negotiating remuneration for ‘the farms’ services to society’. See for more details the website www.bvboerenverstand.nl/

National Rural Network
Important issues in the National Rural Network were the activities in the field of alternative funding for local initiatives and deliberations on the CAP 2014-2020. Collecting best practices, setting up activities, bringing people and their organisations together, establishing creative linkages remain the core activities of the network team. Internet is becoming the most prominent tool in this endeavour.

Rural Development Programme
In preparation for Rural Development Programme (RDP)-3 and in addition to participating in the public debate, the Rural Network focused on the importance of broad based rural development. The network distilled learning points from the Mid Term Review of RDP-2, the outcome of the Health Check and from self-evaluations of the network team, of local groups and of regional committees.
Experiences with local autonomy were also included as this is gaining more relevance in light of the financial crisis in Western Europe.

Surveys at European level show that national networks have a positive impact on rural development. The National Rural Network has designed a monitoring and evaluation protocol for its own activities and impacts thereof. An increasing number of target groups is reached (via the website and magazine) and meetings are positively evaluated by participants. Results and impacts are communicated via reports, presentations and publications. More information and details are available on www.netwerkplatteland.nl

The National Rural Network team invested considerably in the preparation of a revised work programme for the last two years - 2012 and 2013 - on special request of the commissioning agency (Dutch Ministry of Agriculture). Provincial authorities as well as representatives of civil society organisations were involved in the preparations of the work plan.

The main points of the work programme derived from this consultation are:

- The rural development 'game' will undergo change. Innovative ideas, bringing actors together and facilitation of implementers are in demand.
- 'Veelzijdig platteland' (associations of groups farming for nature), LTO (Dutch federation of agriculture and horticulture), the association of small villages (LVKK) and other organisations wish to cooperate more closely with the National Rural Network.
- The approach and lessons should be transferred to increase the visibility and impact of rural development.
- Transfer of responsibilities and funding to local level is very relevant as roles between national, provincial and municipal authorities are changing considerably.
- Public services: the revision of the CAP and RDP-3 considers innovative, public services in rural areas. What do green services entail in practice? The Dutch Government aims at increasing sustainability and contracts with local collectives.

The National Rural Network team started preparations of the web campaign on Food Politics at the end of 2011. This campaign aims to facilitate a public debate with a European dimension that would contribute to the new vision on the future of our food. More information can be found on the website www.foodpolitics.eu. During a period of six months, Food Politics will connect online and offline stakeholders and communities culminating in an International Conference. Food Politics is an initiative of the Nederlands Agrarisch Jongeren Kontakt (NAJK), the Youth Food Movement (YFM), and National Rural Network. The project was facilitated by the Dutch Ministry of Economic Affairs, Agriculture and Innovation.

Two very successful conferences were held in November 2011, each one attracting close to 350 visitors from the Netherlands and from Belgium (Flanders): the National Conference for the Rural Areas and the Rural Parliament. More information can be sourced at www.netwerkplatteland.nl/plattelandvandetoekomst/ and www.plattelandsparlement.nl/

The group launched the website on the future of the CAP www.toekomstglb.nl providing information on the CAP, facilitating debates and being a platform for a range of events linked to the CAP.

Innovation & Social Media (www.netwerkplatteland.nl/np20) are very important tools for the network.

A concerted effort of the National Rural Network team and some external specialists helped to make better use of web 2.0 tools. The interest in training on web 2.0 shows scope for further development. In 2011, the team developed an open source course “Green Things” based on the Learning 2.0 programme, as developed by Helene Blowers of the USA. “Green Things” is different from other e-learning courses and programme – learning about social media applications is done through SELF discovery. Understanding each section studied is achieved through writing about it in a weblog. In addition, learning is enhanced by blogs of fellow students who see and respond to messages. The open source curriculum will be made available in early 2012.

The Advisory Group team

ETC Advisory Group has laid the basis for effective programmes and positive financial results in the future. Our main clients are from the public sector (central government, regional governments and municipalities). The team consists of six staff, a good mix of senior (2), medior (1) and junior (2) consultants and one web designer / program assistant. The group is working closely together with a circle of associates (freelancers working in close cooperation with the team in different assignments).
With funding from the provinces of North Holland and Overijssel and in cooperation with CONO Cheese Producers, farmers were offered an incentive to convert to organic dairy farming.

The ‘bio’ option of the Caring Dairy programme of CONO cheese producers encourages farmers to investigate organic dairy farming as a farming option.

Switching to organic farming is a tough investment and farmers need to know how their financial situation will change. Biological farming seems at first glance quite logical: organic milk provides about 8 euro extra per 100 kg milk. An average farmer can earn around 20,000 euro per year as additional income. But this is not all. A prudent farmer wishes to know the complete picture of costs before switching. A quick scan that could provide a complete financial picture for individual farmers was thus developed.

By calculating the company-specific data, individual farmers could make a conscious choice for organic dairy. In addition, the project offered various theme days and excursions to increase awareness on biological farming and to facilitate exchange of information between farmers.

This project has made clear that more than half of current Dutch dairy farmers can economically benefit from the bio option. 11% may even benefit more than the forecasted € 20,000 on an annual basis. The project has reached out to 415 farmers through 48 workshops. The quick scan provided company-specific data of in total 61 farmers. Nine farmers asked for individual advice and eight dairy farmers are serious about switching to organic farming. Three farmers have already made the switch. The result of the project continues to be disseminated via the website and via different publications.

ETC was the project coordinator of the Option Bio project. ETC organised the theme meetings and excursions, attended parts of the workshops and arranged communication.
ETC Crystal is a public health consultancy group that seeks to contribute to achieving the highest possible health status for people in low- and middle-income groups. Through technical assistance and advisory services, we assess health-sector policies and performance, help develop national health-sector support systems, develop and appraise health care programmes and support the efficient management of health resources. We also assist in the coordination of donor inputs and their alignment with national priorities. We continue to develop suitable (multi-sectoral) responses to the HIV/AIDS pandemic. We operate not just in countries that are following a planned development agenda, but also in ‘fragile states’ and in specific countries political or post-conflict transition pursuing health system strengthening trajectories. Our clients include governments, NGOs, development agencies and the private sector.

Overall results in 2011
In the course of 2011, Crystal engaged in a number of research assignments. These assignments included qualitative research, feasibility and impact studies, systematic reviews and reviews of demographic data on specific topics. In collaboration with the Free University in Amsterdam and local research institutes, we looked into linkages between the formal health system and (unpaid) care providers at community level and the evolution therein since anti-retroviral treatment was introduced for people living with HIV/AIDS. The research findings from four countries (Zambia, Malawi, South Africa and Ethiopia) are expected in 2012 and will be presented at the International AIDS Conference in Washington D.C. in partnership with the Caregivers Action Network, Cordaid and UNAIDS. A systematic review was conducted by ETC Crystal on the impact of health investments at country level for the Global Fund. Its outcomes are expected to be published in a peer reviewed journal in 2012. ETC Crystal consultants designed an extensive methodology for evaluating the impact of maternal health efforts in two countries. More detailed information on this assignment can be found on the next page.

Various reviews and evaluations were conducted in 2011 to assess the effectiveness and impact of health interventions and strategies. Among others, we assessed the impact of aid effectiveness (IHP+) in Ethiopia and the implementation of the health sector programme in Rwanda at mid-term. We evaluated an ECHO-funded humanitarian health programme in Haiti and explored the feasibility of introducing provider payment mechanisms in the health sector of Haiti. In collaboration with the consultancy firm Ace Europe from Belgium, we assessed a multi-country programme on use of female condoms. As in previous years, one of our consultants participated in country audits for the Global Fund.

ETC Crystal did extensive work on provider payment mechanisms in 2011, particularly on performance-based financing. The World Bank contracted our consultants to prepare a strategic plan for such an arrangement in Lesotho and an evaluation of a pre-pilot programme in Zambia. We continued to be involved in an EC-funded study in seven countries across Africa into country specific approaches and associated benefits of provider payment mechanisms. In Malawi, innovative performance-based financing (PBF) arrangements were rolled out among selected diocesan health providers in home-based care, while in Zimbabwe we assisted Cordaid in the initiation of PBF in two pilots anticipating further expansion in 2012.

Our long term engagements in 2011 included filling the post of interim health advisor for AUSAID in East Africa by one of our consultants and the Nuffic-funded Niche programme ‘strengthening privately run pre-service health training institutions for enhanced enrolment and quality of health workers’ in Tanzania with our partner Christian Social Services Commission (CSSC).

Current and future developments
Despite been involved in several significant assignments as presented above, Crystal experienced a decline in options with Dutch NGOs, combined with the departure of some of our consultants, who were hard to replace. Consequently, we had to revise our strategy and sought to consolidate our position in a limited number of promising fields such as PBF and community health care. Short-term consultancy will remain to be our core business.
Systematic review of country-level health impact; case study

The ETC Crystal unit mainly conducts short-term consultancies in which impact features as a variable in either the design of health-related programmes or in their review. Our own intervention is generally not subjected to impact measurements. However, in the course of 2011, ETC Crystal consultants engaged in several studies that aimed at measuring impact. Here we report on an example of our impact-related work: a systematic review of country-level health impact of scaled-up external funding for HIV/AIDS, Malaria and Tuberculosis (TB) control. We conducted this assignment for the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM).

The rationale for the assignment is self-evident: during the past decennia multiple global initiatives, including GFATM, have spent billions of dollars to scale up disease control in a range of low- and middle-income countries. It is widely acknowledged that these investments have led to considerable improvements in access to life-saving interventions in the domains of HIV/AIDS, Malaria and Tuberculosis. However, there is little systematic knowledge on the health impact of these investments that could guide future investment decisions of global initiatives.

The review thus set out to answer two main questions:

1. To what extent is scaled-up external funding for HIV/AIDS, Malaria and TB control programmes observable in increased intervention (service) coverage and health impact?

2. What are the specific areas and questions for future evaluation in order to further strengthen the evidence base supporting health impact of investments in HIV/AIDS, Malaria and TB?

We broadly followed the approach to systematic reviews developed by the Cochrane Collaboration for identification and selection of studies. However, the criteria for inclusion of studies of typical Cochrane reviews were considered too stringent for the purposes of this review and the methodology was therefore adapted to allow inclusion of a wider range of studies. In addition to peer-reviewed publications, we also searched for relevant publications in the ‘grey literature’. Results were limited to the period 2003-2011. Of the 1,539 titles initially identified only 12 articles, describing 10 individual studies, were considered eligible for inclusion, and from which all relevant data were extracted.

Using the causal chain - illustrated in the figure on the next page - we analysed the evidence across all three disease domains. Regarding the first step in this chain, we found that most papers do not provide data either on the scale of activities funded or the amount of funding provided, or both. It was therefore not possible to establish a clear quantitative link between the amount of funding and the extent of scale-up. Only a
few studies subsequently looked at the impact from programme scale-up on service availability and subsequent coverage in some detail. Although in most cases it remained unclear to what extent investments and programme scale-up translated into increased service availability, those studies that report on this show a positive correlation. Health impacts as a result of external investments in disease control programmes are reported in just over half of all studies. Although the overall trend here is again towards positive impacts, the magnitude of these impacts is very mixed. This is compounded by the fact that the impact indicators chosen vary in their degree of ‘directness’ by which they can be linked to particular interventions and their sensitivity to changes in preceding elements of causal chain.

Although the overall evidence supports the conclusion that external investments in HIV/AIDS, TB and Malaria programmes have resulted in positive impacts, questions remain about the sustainability of these impacts and about how impacts have been distributed over different population groups. Across the disease domains, authors of included studies have argued that continued funding is needed to sustain or exceed current levels of impact. However, although these claims may seem convincing at face value, none of the included studies provide strong empirical support for them. None of the studies addressed the pertinent question of the extent of the financial commitment for outcomes and impacts to be maintained at what constitutes an acceptable level.

The argument that external funding enables greater financial accessibility to services, particularly for underprivileged and vulnerable groups, is largely implicit in the studies. Yet, several of them suggest that it is in overcoming inequitable service provision that the impact of external funding has been particularly evident. These studies indicate, though, that achieving impact among poorer population groups may require more targeted strategies that have their own financial implications. Overall, none of the studies have explicitly focused on the dilemma between striving for universal access and preferential targeting of vulnerable and most-at-risk populations, nor have they addressed important questions of how, and at what cost, coverage of underprivileged areas and vulnerable populations should be programmed for outcomes and impacts to be maintained. Such questions are particularly salient in the face of declining resources.

A few limitations of our review should be mentioned. The first relates to the scope of the review itself and the resulting approach to study selection. Our primary research question was defined as: “to what extent is scaled-up external funding for HIV/AIDS, Malaria and TB control programmes observable in increased intervention coverage and health impact?”. In order to address this question we had to limit ourselves to studies that provided information on both ends of the causal chain: scale-up of activities and impacts as well as changes in resource availability that enabled such scale-up of activities. Although this approach to study selection provided the most rigorous, direct basis for exploring the link between external funding and impact, it also limited the body of available evidence to just ten studies, a small number considering the large number of HIV, TB and Malaria programmes that have benefitted from external support over the last decade. A second limitation was in the strength of the evidence generated. Only those studies that provided information on the individual steps along the causal chain to demonstrate correlation between investments and outcomes and impacts, together with convincing arguments for causation were included. Information gaps in the causal chain implied that many studies could not provide true evidence of causation, but could merely demonstrate correlation (or absence thereof) and had to be weeded out.

The causal chain framework suggests an alternative approach to addressing some of the challenges encountered in this review. Rather than formulating an overarching research question that attempts to cover both extremes of the causal chain at once, whilst still allowing for weaknesses in the intervening causal pathway, evidence could be synthesised for segments of the causal chain. If sufficiently strong arguments can be made for causality, or at least correlation, between these segments, one might argue that there is also evidence for the wider relation between inputs and impacts.
Local Innovation Support Funds (LISFs) boost research led by farmers

ETC AgriCulture is coordinating an action-research on farmer-managed ARD funding mechanisms, through the Farmer Access to Innovation Resources (FAIR) initiative, co-funded by the Rockefeller Foundation and DGIS. In 2011, partners piloting the initiative in eight countries took stock of achievements, assessed the impact and formulated lessons learnt. They concluded that local-level innovation funding mechanisms can be set up, run effectively, made directly accessible to and used by farmers to try out, develop, improve or spread innovative ideas and practices. Farmers - women, men and groups - received 784 grants under this pilot - out of 1224 grant applications - ranging from a minimum of € 10 to a maximum of € 2,000. Budgets of the larger grants included costs of (external) technical advice or research support. The impact studies revealed that the grants allowed farmers to (further) develop agriculture and NRM practices and systems, most of which were relevant in the local context and some with high potential for scaling up regionally, nationally and even across national borders. This has already led to livelihood improvements of farmer innovators involved in the pilots and others interacting with them. Farmers in Kenya tested locally-developed livestock feed and found it outclassed commercial feed mixtures. They have found an expanding market for their own mixture now. Small farmers in South Africa, for instance, explored the feasibility of growing a new cash crop (cherry peppers) analysing aspects such as performance, collective marketing and modes of collaboration with a large-scale farmer. Farmers themselves cited their increased capacity to experiment, to manage funding cycles, to critically assess technologies promoted by various agencies as important achievements alongside the fact that they are now recognised by the communities as a source of innovation and inspiration. Involvement of ARD staff in farmer-led experimentation has increased their appreciation of farmers as researchers in their own right and has created entry points for moving the LISFs beyond the pilot stage into an integral part of regular programmes supporting agricultural innovation.

From Seed to Table

ETC AgriCulture coordinated the programme “From Seed to Table (FStT)” which ended in 2011. It was funded by DGIS (MFS), IDRC-Canada, RUAF partners and collaborating organisations. FStT was implemented in 17 cities in seven regions and focused on strengthening of urban farmer organisations through capacity development in aspects such as farming systems innovation, micro-enterprise and value chain development.

Over 300 staff members (40% women) of local support organisations, universities and partners of multi-stakeholder forums improved their capacity to engage in the analysis, design, implementation and monitoring of sustainable farming and marketing enterprises, as well as in financial and policy lobbying. In many cities, local partners and governments have committed to continue providing follow-up and technical assistance to various producer groups in their city. In total, 18 farmer-led enterprises have been set up by urban producer groups that produce, process and directly market vegetables and livestock products. More than 1800 urban producers have been trained and more than 1650 households (58%
women) continue to produce, market and sell collectively. The involvement of women in decision-making and management of the producer groups and enterprises has increased. On average, 85% of all households have benefitted from improved food and nutrition security, and 75% of the households have seen an increase in income of 5-50% (average 10-25%).

Urban producer groups have increased their access through lobbying and contacts with specific credit and financing organisations. In 14 cities, 23 institutions connected to urban farmer groups to jointly design credit and financing schemes and 11 institutions modified their loan and financing conditions. Through capacity building support, all producer organisations showed improved performance in organisational functioning, increased overall member participation and established working relations with other stakeholders. By the end of 2011, multi-stakeholder platforms continued to function in 15 cities, improving information sharing, developing annual work plans, and jointly implementing projects. In 14 cities, policies on urban agriculture have been or are being (re-) formulated, while policy and programme development on urban agriculture is supported in 12 provinces/states and countries. For further information: www.ruaf.org

Review of IIED’s Drylands Programme

In 2010–11 a two-person team from ETC AgriCulture reviewed 25 years’ work of the UK-based International Institute for Environment and Development (IIED) Drylands Programme (DP) in sub-Saharan Africa. It assessed the DP’s approach, performance and impact. Since 1987, the DP has been involved in action research, training and communication to improve institutional frameworks for dryland development. The ETC review team focused on two themes – pastoralist development and land issues – and visited Ethiopia, Kenya, Tanzania, Mali and Senegal. It found that the DP and its partners – mainly African researchers and NGOs – had challenged common assumptions about degradation in the Sahel and had gathered and communicated evidence that indigenous knowledge and locally controlled institutions can support productive, sustainable land-use systems. The DP bridged English- and French-speaking countries, leading to cross-fertilisation of training tools and policy models. Long-term activities in a small number of countries allowed the DP to deepen relationships, learn iteratively and seize emerging opportunities, particularly in policy influence. IIED found the review to be very valuable in helping it reflect on and draw lessons from its experience and to map out future work in dryland development.

Biocultural Community Protocols feed UN discussions

“We demand free, prior and informed consent with regard to all resources in the community through our established traditional law and governance structure”. This is the first statement in the Tanchara Biocultural Community Protocol (BCP). Tanchara, a cluster of 10 communities in northern Ghana is piloting the BCP to demand their rights to be heard in the management of their natural resources. An Australian mining company wants to dig for gold in their lands. This would affect their sacred forest negatively. Through the BCP, the digging has been suspended till 2013. The Centre for Indigenous Knowledge and Organizational Development in Ghana (CIKOD) facilitated community discussions on the BCP document since late 2010. In northeast Kenya, 46 communities in the Lamu Archipelago are using the same BCP tool since 2011 for concertation and negotiation among various stakeholders. Together with network partners such as CIKOD, ETC COMPAS initiated regional initiatives in 2011 in Africa and Asia to get more insight in the effectiveness of the BCP tool for community empowerment and legal backing of their customary rights. In addition, an action learning programme on ‘Strategically dealing with power dynamics in multi-stakeholder processes’ looks at the power dynamics when community representatives and NGOs in Ghana and Kenya put their BCPs on the negotiation table. The practical experiences from these programmes will feed discussions in the UN Convention on Biodiversity, specifically the agreed goal of ensuring fair and equitable access to local communities on benefits derived from biodiversity and knowledge of biodiversity. More information: www.community-protocols.org
Evaluation of the Pantanal Ecoregional Action Plan

The Pantanal Ecoregion of Brazil and Bolivia is a mosaic of lagoons, wetlands and rivers and constitutes the flood plain for the Upper Paraguay River Watershed. It is one of the largest and best preserved wetlands in the world, with an extension of 158,000 km². The adaptation to the natural conditions of the wetlands by rural communities in the Pantanal has created the Pantaneiro way of life: cattle ranchers who live with the annual variation of water levels.

The World Wildlife Fund (WWF) attempts to contribute to the conservation of the amazing diversity of flora and fauna through its Pantanal Ecoregional Action Plan 2010-2012. The Pantanal programme is a continuation of the WWF conservation Programme in Bolivia and Brazil since 1998. WWF’s conservation actions depart from a vision of integral management of the watershed and coordinated work between WWF Brazil and WWF Bolivia offices. The transboundary character of the Pantanal programme provides a good opportunity for shared strategizing, implementation and learning.

ETC conducted an external evaluation commissioned by WWF-Netherlands to assess the achievements and constraints of the Pantanal transboundary watershed programme. The evaluation mission concluded that the Pantanal programme has been quite effective in promoting the conservation of the Pantanal basin. The Pantanal programme focused on four major strategies constituting the core of the conservation approach.

A. Increased understanding of the impact of climate change on the ecological functions of the Pantanal wetlands.

B. Enhancement of sustainable cattle ranching through organisational development, establishment of socio-economic and environmental production criteria and development of a niche market for organic beef.

C. The development of optimal land-use options contributed to capacity enhancement of institutions working with environmentally oriented land-use practices in both Brazil and Bolivia.

D. Corporate Social and Environmental Responsibility. The work on (illegal) charcoal production and trade has resulted in two studies which are expected to culminate into a clear strategy to mitigate this serious problem.

The findings by the ETC-led team were discussed in-depth with both the WWF teams in Brazil and Bolivia and shared with the various stakeholders who are participating in the Pantanal conservation programme. The recommendations to WWF Netherlands have contributed to the formulation of a new Ecoregional programme for the period 2013-2015.
ETC Energy manages energy access projects in rural areas in developing countries through business development support, gender mainstreaming, capacity building, technical and vocational education and training (TVET), policy influencing and research. ETC Energy’s approach is characterised by innovation, use of local knowledge and open, interactive processes, which we believe are key to a sustainable future. We work with a wide range of partners in the energy sector, such as governmental organisations, NGOs, financial institutions, research institutes, donor agencies, private sector partners and community-based organisations. ETC Energy hosts a number of global programmes in the form of network organisations with an extensive outreach: ENERGIA International Network on Gender and Energy, Enabling Access to Sustainable Energy (EASE) network and Energy for All Partnership of the Asian Development Bank (E4All).

Energy Access
The Energy Access team aims to bring modern energy products to the rural poor in developing countries. Together with our network of local partners, we facilitate up-scaling processes in the rural energy sector and in local energy markets. Our team does not believe that the energy problems of the poor can be resolved through mere technological breakthroughs or through large-scale financial support. Rather, our approach is to start projects by gaining a better understanding of the realities of the energy needs of the poor and their local energy markets which comprise of shopkeepers, technicians, promoters and (micro-) financiers. Identifying the bottlenecks in these local markets, we design and implement sustainable project models that can, in close cooperation with local stakeholders, be replicated in other energy-poor communities.

The main activities of the Energy Access team have taken place under the DGIS-funded MFS Energy Access programme. This programme focuses on poverty reduction through the provision of energy access to the poor. For more information see the box on the next page.

Several new projects were launched in 2011. One is an EU-funded improved cookstove project for households and institutions in Kenya with Hivos and SCODE, a Kenyan NGO. The goal is to create a sustainable cookstove market enabling entrepreneurs to earn a living by selling environmentally-friendly products. The first activity in 2011 was an inception meeting in which all partners developed an annual action plan.

Another project in Kenya, funded by the EEP southern and East Africa, together with our Kenyan partner Practical Action East Africa began developing sustainable briquetting businesses by professionalising their business skills. An initial market assessment was done in 2011 to identify the business opportunities and related gender issues for the briquetting sector.

In Vietnam, a new biogas project began operations supported by CCRD, our long-term EASE partner. The project started with a feasibility study, a kick-off meeting with all local stakeholders and a technical and marketing training for selected biogas entrepreneurs. These entrepreneurs have begun selling biogas systems to improve the living conditions of rural farmers. ETC continued with the MEET-BIS programme supported by the Switch-Asia EuropeAid programme. Our local energy efficiency and water-saving technology suppliers were supported in their marketing and sales activities. Through lead generation, sales campaigns, exhibitions, seminars and direct mailing campaigns we enabled them to generate more sales to SMEs and increased the awareness of SMEs on energy efficiency and water-saving solutions. For more information see: www.meet-bis.vn

Besides our longer term projects, the Energy Access Team implemented several short-term consultancy assignments. A short description per assignment is found below.

Technical Assistance to the Energy for All Partnership
In 2011, ETC Energy supported ADB in strengthening the Energy for All Partnership to reach larger numbers of beneficiaries with access to energy. We supported them by providing team leadership and strategic management, by developing a communication strategy and by supporting different thematic working groups in project implementation and collaboration activities. The aim of the partnership is to provide 100 million people with access to energy by 2015 through large-scale projects.
Enabling Access to Sustainable Energy

2011 was the final year of the EASE (Enabling Access to Sustainable Energy) Programme funded by DGIS.

The ultimate goal of EASE is to create self-propelling markets: energy access markets that continue to innovate and grow without any need for continued support or interventions by NGOs or the development community. First and foremost, EASE partners identify actors who have the potential to drive or lead market development. All EASE projects start from (i) an energy solution that satisfies the real energy needs of the poor, and (ii) a local business model that has the potential to provide sustainable services to the targeted end-users in, for instance, a geographical radius of about 30 km. Having observed that most local business models in a typical rural setting do not grow beyond the size of a small rural farm’s business (involving up to five people), the challenge of scaling up is who can replicate these business models?

The programme was designed to support NGOs through a repetitive cycle of intervention planning and implementation. Each project had to focus its interventions on specific ‘testing questions’ that reflected the key innovation needed to address the bottlenecks observed in the real market. Under a project contract, generally of one year, the partner worked on these innovations. At the end of the year, the progress and the impact were analysed and the testing questions had to be answered. A further contract was then discussed and planned to address the next round of innovation needs.

For example, in the pico-hydro market in Lao PDR, the project focused first on the question of how to overcome the low quality of installations in this informal market. This translated into testing questions addressing how to mobilise users to achieve better and safer installations, what could be done by the supply chain, and how the NGO could best provide support in addressing the problem. After analysis of the responses to these questions, the next phase of the project was designed to turn these insights into a manual for end-users and shopkeepers, and to launch a strategy to introduce electronic load controllers.

In 2011, our focus was on equipping the EASE partners with knowledge and support on how to continue the EASE programme sustainably even when the funding stopped. We organised a Strategic Venture Planning training provided by Nyenrode and supported by PSO. This equipped our partners with skills to continue their work and to think of scaling up project entrepreneurs into social entrepreneurs and to ensure a self-propelling market in the long run.

Mr. Chaka Koné in his repair shop for electrical appliances in Garalo, Mali

EASE PROGRAMMA IMPACT DATA

<table>
<thead>
<tr>
<th>Programme duration</th>
<th>2006-2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. countries</td>
<td>8 countries</td>
</tr>
<tr>
<td>No. projects implemented</td>
<td>70 projects</td>
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<tr>
<td>No. product market combinations</td>
<td>27 PMCs</td>
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<tr>
<td>No. toolkits developed</td>
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<td>No. rural suppliers supported</td>
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<tr>
<td>No. technicians supported</td>
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</tr>
<tr>
<td>No. people with modern energy access</td>
<td>505869 end users</td>
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</table>
Stakeholder analysis of biomass sector
AgentschapNL requested ETC Energy to undertake a stakeholder analysis of the biomass sector in Mali. The aim of the exercise was to get a clear picture of the current situation in the sector and to identify the main obstacles. The analysis was conducted in collaboration with ANADEB, the governmental agency for biofuels, also a strong stakeholder in the sector.

Inventory of policies related to sustainable energy
The IOB (Inspectie Ontwikkelings samenwerking en Beleidsevaluatie), in the Netherlands, commissioned an assignment for an inventory of the Dutch policy on sustainable energy in the period 1990 - 2010. This inventory served as an input for a larger evaluation on the effect of Dutch policy on improvements in the sustainable energy sector. ETC Energy was chosen to conduct this assignment.

Sustainable Energy Services for Africa (SESA)
SESA is a Public Private Partnership (PPP) between the Dutch government and Philips Lighting. The coordination and management of this project was awarded to the Energy Access team. Due to changes in the Philips’ strategy which puts more focus on Africa, activities of the SESA programme were picked up only towards the end of 2011 and are posed to accelerate in 2012.

Gender and Sustainable Energy Network
ETC Energy has fifteen years of experience in working with gender and energy issues. For several years, ETC has been managing ENERGIA: the International Network on Gender and Sustainable Energy (www.energia.org), as the legal host of its International Secretariat. Since 2007, ENERGIA has been working towards mainstreaming gender concerns in large- and medium-scale energy projects and programmes, covering a range of technologies such as grid electricity, solar photovoltaics, micro-hydro, biogas improved cooking and heating devices and liquid fuels. ENERGIA’s niche is in developing and testing gender tools as practical resources tailored specifically for the energy sector, and then in supporting their implementation. At the same time, ENERGIA has been working directly with national energy ministries, electrification agencies and electricity utilities to influence the content and direction of energy policies and electrification strategies to make them gender sensitive.

In 2011, the 4th funding phase of the ENERGIA programme was finalised. This programme phase received core funding from DGIS and Sida. At the close of the programme ENERGIA organised a high-level international policy and practitioners meet in December 2011, where network members, donors and prominent partners came together to discuss impacts of gender mainstreaming efforts in the energy sector. A special edition of ENERGIA News - the printed newsletter that looked back at ENERGIA’s major achievements and impacts - was developed for the occasion.

From its inception, ENERGIA has undertaken research and put together facts and arguments for getting focused attention to gender equity in the energy sector. Such sharing of information and experiences has contributed to networking, advocacy and gender mainstreaming activities. During ENERGIA’s early years, its main objective was explaining why gender issues are relevant in the energy sector. Having successfully put gender on the energy agenda, the focus in recent years has shifted to how gender can be mainstreamed in the energy sector. ENERGIA’s recent publications include: ‘Gender Mainstreaming in Energy Projects: A Practical Handbook’ and ‘Gender Mainstreaming Guide for the Africa Biogas Partnership Programme’. These publications are based on a proven methodology that ENERGIA has developed for mainstreaming gender through involvement in seven energy projects in Africa and Asia.

Since 2008, ENERGIA has been providing technical and financial assistance for gender mainstreaming in more than 22 large-scale energy projects in Africa and Asia. Most of these projects have developed gender action plans with clear gender goals, indicators and monitoring and evaluation frameworks. The ability of local project partners to mainstream gender in energy projects has been enhanced. Some of these organisations have begun addressing gender issues in other energy projects and proposals and have started a process to institutionalise gender mainstreaming within their organisations. In the Botswana Power Corporation, for example, it was found that the labour conditions allowed for maternity leave, but no arrangements had yet been made for paternity leave. This led to a gender review of the labour conditions with the purpose of redressing such gaps.

In some projects, gender mainstreaming has already contributed to reaching gender goals in welfare, income
Gender mainstreaming in Improved Cook Stove Programme in Kenya

The Clean Household Energy Dissemination and Enterprise Development (CHEDED) was a project implemented by Sustainable Community Development Services (SCODE), a non-governmental organization based in Kenya. The project aimed to produce, market and disseminate 25,000 improved cook stoves to rural households in the Rife Valley and Central Provinces of Kenya. With support from the ENERGIA International Network, which is managed by ETC Foundation, SCODE adopted a gender mainstreaming approach in its implementation of the CHEDED project, as the ‘gender neutral’ approach that was being used in the project resulted in limited participation and sharing of benefits by women.

With assistance from ENERGIA, project managers studied the divisions of labour between men and women and made suggestions for improved management and marketing strategies that would provide equal opportunities for women. Initially, participation of women in project activities, decision-making and leadership was very limited, and no financing mechanisms were available for women who ventured into stove businesses. By looking at the needs of women and men separately, the venues, duration and timing of activities could be arranged to ensure greater equity. Through the CHEDED project, both women and men received entrepreneurship mentoring and training in business development, as well as links to financing schemes as a means of achieving increased levels of income and employment.

Some specific targets that were achieved under the project’s gender-mainstreaming plan were:
- 50% of all stove entrepreneurs trained in business management and marketing were women;
- Women made up 20% of participants in the training in metal cladding and producing of ‘rocket stove’ models normally provided only to men;
- 40% of the stove entrepreneurs who received funds from microfinance institutions were women;
- Women entrepreneurs who were trained realised 20% increase in sales of ICS;
- 30% of the leaders of the Common Enterprise Groups were women;
- The retention rate of trained women clay molders was increased by 40%;
- Adoption of firewood burning ICSs increased from 17% to 37% in the project area;
- 20% of women ICS users in the project area established their own woodlots for fuel wood supply.
generation and empowerment spheres. Among the indicators for achievement of goals are saving of time, health improvements, uptake of gender-friendly technologies, increase of income and savings, increase in women's capacities to manage and sustain technologies, movement of women into non-traditional roles, and increase of women's roles in decision making. In Pakistan, for example, a gender-mainstreaming plan for the Domestic Biogas Programme convinced project managers to include women in user training sessions, and to make special efforts to open up new employment opportunities for women as well as men in building, marketing and financing the new biogas plants.

Over the years, ENERGIA has developed gender tools and training workshops that have enabled network members and government officials to conduct gender audits of energy policies. Reviewing energy policies to see if they take into account differences in the daily activities and roles of both men and women can help determine whether 'gender blind' policies inadvertently discriminate against women. In each country where gender audits have been held, follow-up policy level actions have been a direct result, such as the integration of gender in the Kenya Rural Electrification Plan and Biofuels Strategy. In India, the gender audit resulted in the integration of gender issues and priorities in the Integrated Energy Policy and a closer interaction between the Ministry of Women and Child Development’s Gender Budget Cells and the Ministry of New and Renewable Energy.

ENERGIA has successfully used training materials and workshops to help energy professionals and organisations understand the relevance of gender considerations and apply these concepts in their own energy projects and work environments. Some important elements in influencing organisations include strengthening the skills of staff to implement gender and energy plans hands-on, and building a ‘critical mass’ of individuals within organisations who recognise the importance of gender-sensitive approaches.

A review of ENERGIA's efforts in building capacities revealed that 75% of the energy project practitioners who participated in ENERGIA's national training programmes have subsequently integrated gender considerations in their work. In Vietnam, gender was included in the national baseline surveys on Access to Energy and Measures to Boost Up Electricity Access among the Poor in Urban Areas.

Over the past few years, ENERGIA members have provided technical support to a range of international development organisations, including Hivos, Norad, and the World Bank. Participating in these assignments and working in new countries as consultants has provided opportunities for network members to enhance their skills and expand their horizons.

The activities of ENERGIA’s network members in 22 countries have helped governments, institutions, and businesses to understand the differentiated needs of women and men in their countries, and the practical and policy implications of meeting those needs. The Gender, Energy and Water Network in Nepal collaborated for example with other organisations to develop a report on Gender Issues in Renewable Energy Policies of Nepal, with recommendations for gender-sensitive policies and data collection. As members of government departments were in a national workshop to discuss the findings, and the discussions leading up to and after it, it is likely that these recommendations will be incorporated into future energy policies.

ENERGIA has emerged as a leading advocacy organisation through a strategy that has created new links between grassroots and national women's organisations, energy experts, governments and international institutions. As such, ENERGIA is currently engaged in preparations for the 2012 Rio+20 UN Conference on Environment and Development and for contributing to plans for the 2012 UN campaign of “International Year for Sustainable Energy for All”.

ENERGIA is one of the leaders of the Women's Steering Committee coordinating preparations for Rio+20. ENERGIA is focusing particularly on women's energy roles in the context of promoting a ‘green economy’, sustainable livelihoods, and food security. ENERGIA is also a member of the Global Gender & Climate Alliance advocacy team, not only emphasising women's contributions to effective sustainable energy initiatives and climate change responses, but also the need for gender mainstreaming in Climate Investment Funds, including the programme on Scaling-Up Renewable Energy in Low Income Countries.
The Technical Training Program (TTP) focuses on strengthening the capabilities of technical schools, teacher training colleges, vocational training centers, SMEs and NGOs at lower and medium education levels in developing countries. The TTP portfolio consisted of over 35 international projects in 2011. A substantial part of the funding was provided by Hulsebosch-Prior Fund and Turing Foundation (see also www.etc-technicaltraining.org).

Some examples of the results generated by TTP projects in 2011:

- The ‘Further Introduction of Competence Based Training (CBT) project’ in Ghana was implemented with the University of Education Winneba (UEW) and four Vocational Technical Institutes (VTIs). The project generated CBT lesson plans and modules at the College of Technology Education Kumasi (COLTEK) of the university, and 10 lecturers developed capacities as CBT instructors. A total of 48 teachers of COLTEK and 234 teachers of the 4 VTIs have acquired specific competences in CBT. Teachers reported on increased capacities to deliver graduates that are better able to meet labour market needs. About 4300 students per year will profit from the project.

- The ‘Sewing Knitting Information Transfer (SKIT) project’ in Uganda was implemented with Uganda Rural Development and Training Program (URDT) and Derde Wereld Werkplaats. The project has resulted in upgraded training materials and lesson modules for URDT and 14 qualified and certified trainers/instructors. The trainers, employed at 15 VTIs, have upgraded the skills of about 1000 people in maintenance and repairs of knitting and sewing machines. URDT has upgraded the skills of 45 artisans who have been able to increase their income.

- The ‘Upgrading of Medium Technical Vocational School SMK3 in Pedan project’ in Indonesia. Teachers were trained in the use of modern machinery in the automotive and metal work departments. They revised lesson plans and teaching methodology. As a result, the school moved up from accreditation level B to A within 2 years of project implementation. Moreover, the accreditation committee ranked it as the fourth best technical school in Central Java. It has built itself a strong reputation, not only amongst students and parents, but also employers who now actively seek to recruit graduates from SMK3 Pedan.

The CASINDO project is aimed at capacity development in energy policy formulation and implementation of sustainable energy projects in Indonesia. The project works for regional authorities, universities and medium-level technical schools on energy policy and renewable energy in five provinces in Indonesia. The CASINDO project was implemented by a consortium of Dutch and Indonesian parties. ETC was responsible for strengthening the capacities of medium-level technical schools in renewable energy education. Results generated by the project were: completion of curricula in main renewable energy technologies in 11 vocational schools, 200 teachers and 30 school directors trained in handling curricula at school level, installation of demonstration equipment in the schools, rollout of renewable energy training to 100 teachers in 21 new schools, and the embedding of renewable energy curricula in the national curriculum.
Over the past years, the Indonesian medium technical schools (SMKs) saw an increasing demand for professionals with skills in renewable energy and energy efficiency. One of the components of the project CApacity development and strengthening for energy policy formulation and implementation of Sustainable energy projects in INDOnesia (CASINDO, implementation May 2009 – December 2011) aimed to develop and introduce renewable energy training modules at selected vocational schools in five target provinces (Central Java, Northern Sumatra, Yogyakarta, Nusa Tenggara Barat, Papua). This involved the selection of suitable SMKs, labour market surveys, the development of curricula and training materials, and the training of trainers and teachers. Institutional embedding in the national curriculum and further rollout to other schools were other important project components. CASINDO was implemented by a consortium of Dutch and Indonesian parties. Energy research Centre of the Netherlands (ECN) was consortium leader; ETC and the Indonesian Technical Education Development Centre (TEDC) worked closely together in strengthening the SMKs.

The results of the project can be summarised as follows. Eleven suitable SMKs were selected on the basis of school potential and multi-annual cooperation agreements were concluded. The demand for SMK graduates in renewable energy and energy efficiency technologies was assessed on the basis of labour market surveys in the target provinces. The assessment revealed that seven SMKs were to set up courses in micro-hydro power, six in photovoltaic, two in wind energy, and seven in biomass. About twenty staff members of TEDC were trained as trainers/advisors in preparing curricula, syllabi and training modules in a specific field of renewable energy.

The TEDC trainers trained some 100 SMK teachers in renewable energy technologies at TEDC. TEDC also elaborated a list of demonstration equipment, used for the purchase of equipment by the SMKs. A series of in-school trainings organised by TEDC trainers addressed the preparation of curricula, syllabi and modules at school level. Some 100 SMK teachers and 30 school directors and heads of curriculum development received these trainings. All SMKs have now defined the standard competences for renewable energy technologies, and have produced syllabi. TEDC also has taken the lead in the roll-out to other schools and has trained some 100 teachers of 21 new SMKs.

The Ministry of National Education has agreed to facilitate decision making to integrate education on...
renewable energy technologies in the national curriculum (Spectrum). Once the national curriculum is approved by the government, approximately 300 students per year will follow lessons on renewable energy and energy efficiency technologies in the first year. This number will grow with another 400-600 annually in the following two years.

ETC’s services in the project involved the facilitation of the selection of the 11 SMKs, the labour market surveys, monitoring of activities carried out by the SMKs, backstopping of all training activities and managing acquisition of demonstration equipment for TEDC and the SMKs. ETC also organised special training for officers of the Indonesian Ministry of Energy and Mineral Resources, and a study visit to the Netherlands.
The Board of Trustees approved ETC Foundation’s financial statements on 23 May 2012 after the preliminary assessment by PricewaterhouseCoopers (PWC), who expressed their unqualified view on the acceptability of the financial statement. The financial statements of ETC Foundation and its legal entities are available upon request.

Annual accounts and accounting principles
The accounts presented in this report are the aggregated accounts of ETC Foundation, ETC International BV and ETC Netherlands BV. Formally, ETC International BV has no employees and is therefore not represented in the 2011 presentation of the overall organisation. ETC Netherlands BV and ETC International BV jointly constitute a fiscal entity and the results of both entities are entirely attributed to ETC Foundation.

The annual accounts are presented in an abbreviated form here. The unabridged consolidated annual accounts, as well as the auditor's report, are available upon request. The accounting principles applied are as follows:

- Unless stated otherwise, all assets and liabilities are stated at face value.
- Tangible fixed assets are stated at acquisition cost after deduction of straight-line depreciation based on the estimated useful life of the assets.
- The wholly-owned subsidiary ETC International BV is stated at net asset value in statutory.
- The result after taxation from the subsidiaries has been taken into account under reserves. Exchange differences of the asset value of the previous year are included in the reserves.
- Accounts receivable are stated at fair value. Accrued income is stated at direct cost.
- A provision for uncollectable items has been taken into account. The amount of the provision is recognised in the income statement.
- Provisions are formed for obligations and risks legal or constructive, resulting from past events, which are connected with business operations.

Profit and loss account
The profit and loss accounts present the consolidated figures for ETC Foundation, ETC International BV and ETC Nederland BV, including other subsidiaries. Since activities by ETC International BV have been rather limited, this Annual Report largely relates to activities of the office in the Netherlands. The explanations below focus on the data reflecting ETC Foundation and ETC Nederland BV.

The overall financial result based on ordinary activities was a loss of € 614,000. This loss was caused mainly by ETC’s current transition phase, while the loss in 2010 (in a more steady situation) was only € 74,000. The gross result has deteriorated compared to 2010, as both the margin on time sold and work contracted out are reduced in addition to the redundancy payments effectuated.

The results based on ordinary activities are largely determined by the balance between time sold and the costs of our staff and overheads. The turnover and the value of sales as presented in the annual accounts are made up of both internal income and costs as well as reimbursable costs incurred by our partners. The budgeted costs for 2011, based on anticipated funding, for our own staff and to cover overheads was set at € 3.9 million, but the total income fell short at € 3.4 million. Cost reduction measures have decreased this gap to a certain extent, but combined with redundancy payments caused by the staff reorganisation during the year, this has led to the negative exploitation result of € 614,000.

The operating result was influenced negatively by the incurred financial charges and a negative income of subsidiaries resulting in a total result of − € 629,000 for ETC.

Explanation of key data:
- The total turnover in 2011 was 14% lower than in 2010. This figure includes time sold and reimbursable expenses and is influenced to a great extent by the reimbursable expenses. Time sold and handling fees (income to cover our staff and overhead costs) were lower than in 2010, and also lower than budgeted.
- The costs related to sales, which include staff salaries related to turnover and reimbursable expenses, was 12% lower than in 2010, mainly due to the decrease in reimbursable costs.
- As the decrease in costs of sales in absolute terms is lower than the decrease in turnover, the gross result of 2011 was 24% lower than in 2010.
- The operating expenses include overhead costs and the costs of support staff. The operating expenses were significantly higher than in 2010 due to the costs of staff reorganisation.
- The total number of staff (fte) was (on average) 11% lower than in 2010. Total staff costs (consultants and support staff) were around the level of 2010 (mainly caused by one-off factors such as redundancy payments for the staff leaving in 2011 and early 2012).
- The income consisted of the interest on saving accounts after deduction of the interest on programme funds, which was added to the programme funds.
- The result on ordinary activities was − € 628,000, which equals 6.5% of the turnover. Roughly − € 350,000 of this loss can be attributed to one-off factors caused by the reorganisation. The result was − € 393,000 for ETC Foundation activities and − € 235,000 for ETC Nederland BV.
- In 2008 we reached an agreement with the tax authorities that ETC Foundation, as a not-for-profit organisation and having ANBI status (Algemeen Nut Beogende Instelling), would be formally exempted from paying Company Tax (Vennootschapsbelasting).
- ETC Foundation is the legal owner of ETC International
Balance Sheet

The consolidated balance sheet of ETC Foundation includes ETC International BV and ETC Nederland BV. In 2011, ETC Foundation’s capital decreased by € 629,000. The liquidity ratio remained at the same level as in 2010: 1.2.

The total capital at the end of 2011 was slightly below € 1.6 million, of which approximately 57% was unconstrained and 43% reserved for the replacement of fixed assets (building and office equipment) at the current level. In 2009 ETC, in collaboration with PWC, conducted a Risk Management Inventory and Analysis and used its outcome to define the minimum required capital. The required reserve capital includes a contingency reserve to cover a worst-case scenario (such as being excluded from major subsidy schemes), the financing of tangible assets, specific risks (e.g. sickness), short-term operating risks and working capital. After a recalibration of the desired reserve-position, based upon the actual status of the organisation, the capital required is slightly above € 1.6 million, which means that the capital available is below the indicated level. The major concern for ETC’s management is to guide the organisation through the transition phase into a stronger, positive financial situation, starting from 2012.

Explanation of key data:

- **Tangible assets**: These include both the building and office equipment. ETC Foundation owns its office building. The value of the building remains effectively unchanged though some corrections have been made in the book value; the value of the office equipment is lower than the 2010 value.
- **Receivables**: Compared to 2010, receivables are at the same level though the underlying positions in current accounts and advances from donors have changed.
- **Provisions**: The provisions for maintaining the office building were reduced as a result of the redecoration carried out in 2010.
- **Current liabilities**: The overall level of liabilities is decreasing mainly due to a reduction in the advances within projects (as a consequence of the phasing-out of a number of larger programmes).

Remuneration of Board Members

Members of the Board of Trustees receive only a travel allowance. The salary of the Board of Directors (involving only one person) is a fixed amount; and the assessment by the external accountant is that this meets the directives of the Good Governance Code (Wijffels Commission).

### Profit and loss account for the year 2011

ETC Foundation, ETC Nederland BV and other subsidiaries, Leusden

<table>
<thead>
<tr>
<th>(x € 1,000)</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Turnover</strong></td>
<td>5,197</td>
<td>9,613</td>
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<tr>
<td><strong>Cost of sales</strong></td>
<td>4,608</td>
<td>8,700</td>
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<tr>
<td><strong>Gross result</strong></td>
<td>589</td>
<td>913</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>971</td>
<td>1,527</td>
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<tr>
<td><strong>Operating result</strong></td>
<td>-382</td>
<td>-614</td>
</tr>
<tr>
<td><strong>Financial income</strong></td>
<td>-11</td>
<td>-14</td>
</tr>
<tr>
<td><strong>Result on ordinary activities before taxation</strong></td>
<td>-393</td>
<td>-628</td>
</tr>
<tr>
<td><strong>Taxation</strong></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Result after taxation</strong></td>
<td>-393</td>
<td>-628</td>
</tr>
<tr>
<td><strong>Income of (other) subsidiaries</strong></td>
<td>-236</td>
<td>-1</td>
</tr>
<tr>
<td><strong>Result for the financial year</strong></td>
<td>-629</td>
<td>-629</td>
</tr>
</tbody>
</table>

### Consolidated balance sheet, ETC Foundation at 31 December 2011

(After result appropriation)

<table>
<thead>
<tr>
<th>(x € 1,000)</th>
<th>31-12-2011</th>
<th>31-12-2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Tangible assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and building</td>
<td>599</td>
<td>620</td>
</tr>
<tr>
<td>Office equipment</td>
<td>74</td>
<td>116</td>
</tr>
<tr>
<td><strong>Financial assets</strong></td>
<td>0</td>
<td>15</td>
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<tr>
<td><strong>Current assets</strong></td>
<td>5,921</td>
<td>8,295</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>6,594</td>
<td>9,046</td>
</tr>
<tr>
<td><strong>Capital and liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Capital</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ETC Foundation capital</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Retained earning</td>
<td>1,559</td>
<td>2,188</td>
</tr>
<tr>
<td><strong>Provisions</strong></td>
<td>19</td>
<td>24</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>5,000</td>
<td>6,818</td>
</tr>
<tr>
<td><strong>Total capital and liabilities</strong></td>
<td>6,594</td>
<td>9,046</td>
</tr>
</tbody>
</table>
Text

ETC offices in the Netherlands and abroad

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