

Adding value

Partner for sustainable growth



Heifer Nederland Strategic Plan

2017-2020

Executive Summary

The international Heifer network¹ has formulated the ambitious goal to help 4 million families out of hunger and poverty by 2020. Heifer Nederland (HNL) supports this goal and takes on a proportional part: in the coming 4 years we hope to enable 100,000 families to reach living incomes and leave hunger behind for good.

The impact goal of the International Heifer network is ambitious. It requires a growth in the number of people we work with, as well as deepening the impact of our work. Any strategic decision should answer the basic question how we can achieve such exponential impact. We have differentiated this question in 5 priority areas: programs, partnerships, income, public awareness and organization. Based on discussions with internal and external stakeholders we have developed ambitious but achievable plans for each of these areas:

Deliver quality support for effective and innovative projects

- For our projects we have discerned 3 thematic priorities that require special attention: climate resilient farming, inclusive value chains, and youth and employment. We have defined benchmarks of success at household, community and systemic levels. These benchmarks form the basis of our PME system,
- We will invest more in learning, to become a center of expertise on at least one of these focus areas.

Build strategic partnerships

- We will increasingly liaise with the Dutch agri-sector to broker shared value projects and promote innovation,
- We will work with the private sector in cause related marketing actions.

Raise sufficient financial resources

- We continue to invest in institutional fundraising as a source for long term income, leading and facilitating the European fundraising efforts for the global Heifer network,
- Building on our loyal donor base we will maintain and grow our Dutch donor constituency.

Spark the Dutch public's interest

- We will use social media and newsletter, as well as radio and television commercials, to reach out to our donors and the general public.
- We will advocate investment in small scale farming as a means to reduce poverty

Develop as a professional organization and a strong international network

- Building a strong team and contributing to the global strategy is key for our success.

We consider this strategic plan as a dynamic, living document. Developments, both externally and internally, are going so fast that we realize that additional strategic decisions may be needed over the coming years.

¹ In this plan 'the international Heifer network' or 'Heifer' is used for the network consisting of Heifer Project International (USA), its country offices in 22 developing countries worldwide and the independent Heifer organizations (Legally Separate Entities, such as HNL, Heifer China, Heifer Hong Kong and Heifer Ecuador).

Why / The challenge

Over the last few years, the number of food insecure people has fallen significantly. However, worldwide almost 800 million people are currently still undernourished². In Sub Sahara Africa (SSA) almost 1 in every 4 people (23%) is food insecure. Paradoxically, the majority of them depend on farming for their livelihood. Economic growth in SSA averaged over 5% per year in the last decennium, but growth is mainly concentrated in the cities. Rural economies lag behind, leading to a growing gap between urban and rural areas.

The agricultural sector is under serious pressure in many developing countries. Farmers increasingly feel the effects of climate change: higher temperatures, prolonged droughts, unpredictable rains, flooding. Their land is affected by erosion and leaching. It is estimated that 65% of all agricultural land in Sub Sahara Africa is now seriously degraded³. Access to markets is, in many rural areas, still problematic. Large numbers of youth are migrating to cities, but according to the World Bank only 25% of these youth will find paid jobs in the urban sectors.

At the same time, fast population growth leads to a growing demand for food. The demand for high quality proteins especially is increasing fast. In many African countries local production is not yet meeting that demand: most countries import large quantities of milk powder and meat.

HNL's vision, mission and goal

In our vision, **smallholder farmers – both men and women – play a key role to solve these issues**. With more knowledge, more assets, better cooperation and better access to markets, they have the potential to radically increase production, resilience and incomes, and manage natural resources more sustainably. This group of producers is crucial to build vibrant, sustainable regional food systems and end hunger and poverty in a green and inclusive way.

Our purpose is to **unlock the potential of smallholder farmers** to improve their food security, realize living incomes and contribute to vibrant, sustainable rural economies. Heifer aims to involve the Dutch public in this effort.

There is a growing consensus that hunger can be eradicated by our generation. In support of the concerted effort to reach Zero Hunger in 2030, the international Heifer network has formulated the ambitious goal to help 4 million families out of hunger and poverty by 2020. As a member of the network, **HNL aims to enable 100,000 families to realize living incomes and to leave hunger behind for good**.

² FAO, 2015, the state of food insecurity in the world

³ F.N. Muchena et.al., 2005, Turning the tides of soil degradation in Africa: capturing the reality and exploring opportunities, Elsevier, Land Use Policy 22

HNL works with small-scale farmers to increase agricultural production and improve the management of natural resources, while strengthening the social and economic fabric of their communities. Our added value lies in a strong focus on **livestock farming and crop-livestock integration**, as a way to make farming more sustainable and resilient.

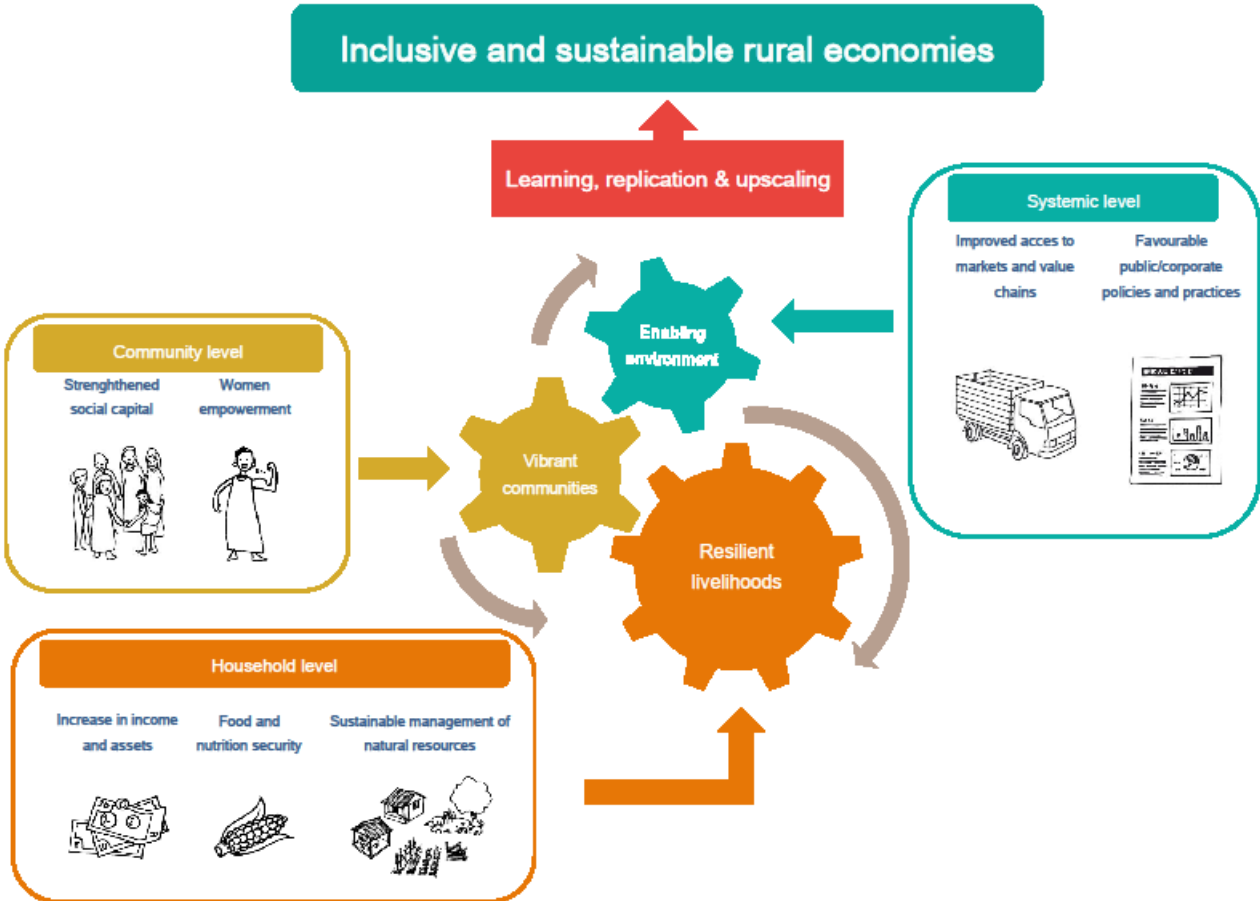
Livestock farming helps to meet the growing demand for milk, meat and eggs. At the same time, livestock is a powerful means to fight poverty. It provides a safety net to the poor and makes them more resilient to risks. It contributes to a healthy and diverse diet and higher incomes of farmers, while creating employment opportunities for others.

Livestock farming is increasingly associated with environmental problems, related to the emission of greenhouse gases and the misuse of nutrients and water. However, if well integrated into agricultural systems, livestock farming contributes to healthy, fertile soils that are less prone to droughts and flooding. Integrated crop-livestock systems lead to higher production levels and spreading of risks, contributing to increased resilience in the face of climate change.

Ways of working

3 levels, seven areas of work

HNL’s change model is based on interventions in 7 areas that are all essential, as well as mutually reinforcing.



At household level:

1. Crop livestock integration is a key element to increase production and so improve **food security**. We support households to build their assets (seeds, livestock) and capacities (in the field of farming, but also hygiene and nutrition) and contribute to inclusive food systems.
2. By helping farmers to diversify sources of income, increase production, develop entrepreneurial capacities, participate in strong producer organizations, and access markets we support them to increase their **incomes**.
3. Long term impact requires careful **management of natural resources** (NRM). We promote NRM through trainings on sustainable farming methods, agroforestry, soil and water management, and by facilitating access to sustainable energy and water solutions at family, community and basin levels.

At community level:

4. Investing in **women** and youth is key to fight hunger and poverty. In Heifer projects the division of labor and influence over family and community decisions are actively discussed. Participation of women, female leadership, access to assets and equal share of project benefits are actively promoted in all activities.
5. Increasing evidence shows that social cohesion is critical for communities to prosper economically and for development to be sustainable. We promote **social capital** by strengthening community and producer organizations and networks, promoting inclusiveness and assertiveness. A key element of this approach is the Passing on the Gift® (PoG): project participants pass on knowledge obtained in training and offspring of received animals to others in their communities.

At systemic level:

6. Heifer plays an active role to link farmers to inputs and service suppliers as well as traders and processors, and to improve access to credit and financial services and. By improving **access to markets** Heifer contributes to **inclusive value chains**.
7. Harmful policies and practices, both by the public and the corporate sector, can seriously undermine agricultural development. Heifer builds the capacity of farmers to advocate **policies that enable inclusive and sustainable rural economies**.

Dual approach

As economic growth in many developing countries continues, new opportunities arise for entrepreneurial farmers with access to markets. At the same time we see that many vulnerable families (e.g. female-headed households,

families affected by HIV/Aids or disability) are further marginalized. These trends require a dual approach: **market-oriented where possible, and focusing on the fight against hunger and poverty when needed.**

The international Heifer network uses the A to B to C approach, where farmers move from high vulnerability (A) to low vulnerability (B) and further to sustainable and resilient livelihoods (C). Farmers' needs and hence project approaches and funding requirements change with these stages.

More vulnerable farmers (net buyers) need productive resources, knowledge about sustainable farming and strong social networks to become more resilient. Heifer offers them trainings, high quality productive assets such as animals and seeds and values based community development efforts.

As incomes increase, farmers are able to take more risks and invest more in new technologies. Their need for Business Development Services (inputs, finance, extension), as well as strong producer organizations and policies that promote market development, grows. Heifer works with governments and the private sector to train farmers, promote entrepreneurship, strengthen cooperatives and link farmers to investors and market players.

Thematic priorities

Economic, climatic and demographic changes in and around the communities we work with require that we increase expertise, networks and investment in three programmatic areas:

1. Climate resilient integrated farming systems

As farming is increasingly affected by climate change, there is a growing need for techniques, technologies and services that reduce the vulnerability of farmers for droughts, flooding and higher temperatures. Heifer has strong added value in this respect: crop-livestock integration is a powerful tool to build stronger, more resilient farming systems and spread farmers' risks. Use of manure leads to healthy soils with high organic matter content that are more productive and less sensitive to water shortage or surplus.

We will develop clever tools for climate resilient project design and implementation. Translating our experience in the field into a learning and policy agenda, we aim to contribute to the policy development around Climate Resilient Agriculture.

2. Youth and Employment

Agriculture is still the best option for most rural youth. A wide variety of new technologies could make this option more attractive and viable. And a changing policy, economic and social environment is needed to give youth a better chance to realize living incomes. HNL aims to strengthen social capital amongst youth and build their capacity to access services, markets and policy makers. We will promote the use of new technologies that reduce labor and increase farming productivity. We will link (Dutch) companies, knowledge institutes and civil society organizations to Heifer programs, to stimulate innovation and entrepreneurship for youth. We will document lessons learned in this field and share those lessons with relevant networks

3. Inclusive value chains

Over the last few years the international Heifer network has piloted and built experience with dairy hubs: vibrant centers where farmers' organizations, service providers, input suppliers and customers meet. Strengthening producer organizations and access to services, this approach links vulnerable and small scale farmers with markets that were previously not accessible. HNL prioritizes the development of such inclusive value chains in its projects and promotes demand-driven market approaches in our project design. We link with others to build our capacity in this field.



Where we work

Over the past few years HNL has concentrated its activities in a number of African countries. Over the coming years, we will be more flexible. If we can provide added value to a Heifer consortium in other parts of the world we will take that opportunity. We will focus our efforts on those countries where added value is highest: countries where needs are high, where Dutch partners can provide useful services, or where Heifer field offices are not eligible for EU funding.

EU eligibility rules may require that we register in countries where HPI cannot apply for funding. We will pilot this approach in at least one country.

Organizational strategy

In the years 2017-2020 HNL aims to support 100,000 households to leave hunger and poverty behind for good. We will achieve that outcome on the one hand through HNL's own projects and on the other hand by facilitating fundraising of other members of the international Heifer network. We estimate that 30% of income raised by HNL will be used for HNL projects, reaching 30,000 families. 70% will go directly to HNL's partners, who will work with another 70,000 farming households to reach living incomes.

Our goal is the starting point for our organizational strategy for the coming 4 years. We have defined 5 priority areas that are crucial for success:

1. Deliver quality support for effective and innovative projects

Currently HNL has no field offices: so far we have always worked with local project partners. Our role is to help design, support and monitor high quality projects that have significant impact on the lives of farming families.

In our projects we intend to pay special attention to the thematic priorities outlined above, building expertise and networks in these areas. More than in the past we will develop as a capacity builder and knowledge broker, increasing our involvement in project implementation.

As our implementing role increases, we will gradually expand the presence of HNL staff in the field.

2. Build strategic partnerships

Heifer cannot grow its impact without working with others: governments, private sector, knowledge institutes and other civil society organizations that have complementary assets and capacities. This is true in the field of fundraising, as well as program implementation.

In the past a number of cause-related marketing actions with Dutch companies have been instrumental to increase both income from and brand awareness among the Dutch public. We intend to build on this experience and create new promising partnerships.

In the field, private sector partnerships are key to improve farmers' access to new technologies, services or markets. The Netherlands has a strong and highly innovative agri-sector. HNL meets these companies in our networks (such as Agri-Profocus) and actively approaches them. Equally, the presence of strong agricultural universities in the Netherlands provides opportunities for partnerships for learning and knowledge development. Partnerships with other Dutch or European NGO's provide access to new fields of expertise as well as new sources of funding.

3. Raise sufficient financial resources

In the past years HNL has shifted towards a stronger mobilization of institutional funds. This shift has been successful, and will be continued and extended. Careful analysis of the opportunities for institutional fundraising at the EU, EU member states and the Dutch government shows that there is considerable potential for funding in Europe. Strategic plans of EU delegations in 'Heifer countries' have a strong focus on food security and poverty alleviation. The Dutch government has a program for public private partnerships in the field of food security and many other member states invest in agricultural development as well.

HNL will lead the international Heifer network's fundraising at the EU or EU member states. HNL intends to increase institutional fundraising capacity to play that role. We will invest in institutional capacity building of partner organizations and play an active role in the network's pipeline management and pro-active partnership development.

The Dutch charity market is challenging, but we continue to invest in public fundraising, as a source of unrestricted funding, matching funds and moral support of a committed Dutch constituency.

Fundraising campaigns will focus on individual donors (increasing the number of structural donations), corporate donors, capital foundations and churches.

Based on previous experience we expect significant income from legacies, but we do not include legacies in our budget forecasts.

As farmers become more entrepreneurial, we see that financial needs amongst farmers and producer organizations change: they gradually shift from grants to investment. In our fundraising environment we see that a growing number of companies and foundations are interested in impact investment. HNL will cooperate closely with the international Heifer network and the associated Heifer Foundation, which are now developing an impact investment portfolio, to build our experience and role in impact investment.

4. Spark the Dutch public's interest in the development of green, inclusive food systems

Awareness raising and involving the Dutch public is an explicit goal of HNL. It is important to inform a wider public about the challenges and opportunities farmers in developing countries are facing, and about the role integrated farming can play to seize those opportunities.

We plan to reach 6 million people per year through radio and television commercials. Through our newsletter, website and social media we reach out to a smaller group of more interested people. And by taking part in public debates and contributing to policy development, we advocate investment in small scale farming as a way to reduce poverty and increase food security in our professional networks.

5. Develop as a professional organization and a strong international network.

As a small and flat organization we need highly professional, independent and committed team members. HNL continues to invest in training and team development to achieve and maintain the required level of professionalism.

HNL's success is closely intertwined with the success of the global Heifer network: its approach, its organizational culture and development. We firmly believe that the Heifer network has the potential to develop further as a significant and successful player in the fight against hunger and poverty. HNL will actively contribute to this effort, and is committed to be closely involved in the strategic developments that are required to fully seize Heifer's potential. To do that we build on our Dutch and European networks, and knowledge of developments in this part of the world.



Monitoring and evaluation

HNL carefully monitors progress on all aspects of the organizational strategy. Our Planning, Monitoring and Evaluation (PME) system is based on the indicators in the strategic plan's logframe. Progress at organizational level is monitored internally on a three monthly basis, through a progress report for management and supervisory board.

At project level we assess the situation at the start of the project through a baseline study that covers indicators for all areas of work. Every half year progress on result indicators is measured, and every year progress on impact is assessed. A mid-term evaluation and an external end-of-term evaluation provide insight in the impact, relevance, effectiveness and efficiency of the project.

At program level we aggregate results and outcomes of the different projects, to monitor progress towards our goal – 100,000 households out of poverty - on an annual basis.

We regularly review the PME system to keep it up to date. There are opportunities to increase efficiency by further harmonizing with the HPI system. Gradually, Heifer's online Kimetrica tool will be integrated in our way of working. New evaluation techniques will be tested, and eventually integrated in our PME toolkit.

We see it as HNL's explicit role to promote mutual learning, by facilitating the exchange of lessons amongst farmers and project partners. This role needs to be developed further and budgeted for in project proposals.

Budget

Implementing the organizational strategy, HNL intends to realize the following budget:

In Euro	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Income	Estimate	Budget	Budget	Budget	Budget
Own fundraising income (marketing)	900.372	730.000	798.000	872.000	940.000
Institutional Grants	518.622	1.004.441	1.654.284	2.401.328	3.360.000
HPI cofinancing through HNL	63.719	0	0	0	0
HPI investment in HNL	288.166	360.000	360.000	360.000	360.000
Total revenue	1.770.879	2.094.441	2.812.284	3.633.328	4.660.000
Expenditure					
<i>Programmatic support</i>					
Direct project support	930.662	1.050.000	1.650.000	2.350.000	3.300.000
technical assistance & PME	139.766	154.456	192.097	230.820	241.686
<i>Total project support</i>	<i>1.070.428</i>	<i>1.204.456</i>	<i>1.842.097</i>	<i>2.580.820</i>	<i>3.541.686</i>
<i>Education</i>	<i>311.918</i>	<i>359.159</i>	<i>380.804</i>	<i>395.340</i>	<i>413.545</i>
<i>Public fundraising</i>	<i>132.143</i>	<i>152.228</i>	<i>161.398</i>	<i>167.510</i>	<i>175.193</i>
<i>Institutional fundraising</i>	<i>92.949</i>	<i>200.990</i>	<i>217.294</i>	<i>234.306</i>	<i>241.410</i>
<i>Management and administration</i>	<i>69.883</i>	<i>77.228</i>	<i>82.048</i>	<i>87.410</i>	<i>92.843</i>
Total expenditure	1.677.321	1.994.060	2.683.642	3.465.386	4.464.678
Surplus / Deficit	93.558	100.381	128.642	167.942	195.322

The following ratios are expected:

Expenditure ratios	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Expenditure on goal/total income	83,1%	78,1%	74,7%	79,0%	81,9%	84,9%
Costs own FR/Income own FR	19,6%	14,7%	20,9%	20,2%	19,2%	18,6%
Costs admin / total expenditure	4,4%	4,2%	3,9%	3,1%	2,5%	2,1%

Risks

HNL has developed an extensive risk analysis that is updated every year. It contains risk factors in 4 categories:

- external risks factors in the Netherlands and Europe, such as economic decline, negative publicity in the development sector, changes in government's development policies or competition by likeminded organizations,
- external risk factors in project countries, such as political instability, climate change, failing infrastructure, increasing prices for animals and transport, animal diseases,
- Internal risks in the international Heifer network, including negative publicity for HPI affecting HNL, and quality issues in implementation,
- Internal risks in HNL, such as the high dependence on individuals in a small organization, loss in income, and safety issues during field trips.

For all identified risks consequences have been mapped, and mitigation strategies have been defined.

Logframe Strategic Plan FY 2017-2020

Mission	Heifer works with communities to overcome hunger and poverty and to care for the earth			
Programme Purpose	To unlock the potential of smallholder farmers to improve food security and incomes and contribute to vibrant and sustainable rural economies, and to involve the Dutch public in that effort			
Program Outcomes	<p>1. In HNL projects 30,000 households have been enabled to leave hunger and poverty behind for good,</p> <p>2. HNL has facilitated funding for the international Heifer network, to lift another 70,000 households out of poverty.</p>	<p>Benchmarks of success in HNL projects:</p> <p>At household level⁴:</p> <p>1a. 30,000 households above livable wage</p> <p>1b. 30,000 households food secure (through diverse and sufficient diets)</p> <p>1c. 30,000 households apply sustainable & climate change resilient natural resource management techniques</p> <p>At community level (social capital)</p> <p>1d 30,000 women have increased influence over family and community decisions</p> <p>1e Increased cooperation within targeted communities</p> <p>1f 30,000 beneficiaries (especially women and youth) participate in well-organized producers organizations</p> <p>At systemic level (policies, markets)</p> <p>1h 30,000 women and men are engaging in more inclusive value chain and market systems;</p> <p>1i 30,000 farmers have access to necessary inputs, support services and information;</p> <p>1j Private and cooperative businesses of 30,000 farmers are self-reliant, profitable and continue developing</p>	-	

⁴ Indicators as agreed in project design.

		<p>through profit investment and access to credit.</p> <p>1k XX farmers participate in, or are represented in policy dialogues with local/regional/national authorities.</p> <p>1j for 80% of these dialogues, improved participation of farmers has resulted in positive changes in policies and/or practices.</p>			
Strategic Priorities HNL	Support effective and efficient projects	Build strategic partnerships	Generate sufficient financial resources	Spark the Dutch public's interest in the Heifer method and build a strong brand	Develop as a professional organisation and a strong international network
Specific objectives	By June 2020 30,000 households have been supported to increase food security, incomes and climate resilience and contribute to vibrant communities and rural economies	Fundraising, brand recognition, innovation and project effectiveness are enhanced by 9 partnerships with companies, CSOs, knowledge institutes and/or governments	Through institutional and public fundraising a total income of € 13.2 million is raised	A wider Dutch public is aware of the importance of livestock farming in ending hunger and poverty and the added value of Heifer as a reliable and transparent organization.	HNL is a professional, efficient, innovative and accountable organization, which actively contributes to the strategic development of the international Heifer network
Results	<ul style="list-style-type: none"> 80% of project objectives have been met HNL has developed and applied specific program expertise/toolkits on climate smart farming, 	<ul style="list-style-type: none"> 2 new cause related marketing partners help to build brand recognition and generate income 3 new Shared Value Partnerships lead to improved access to 	<ul style="list-style-type: none"> Total institutional funds raised: 8.4 million, Of which 2.5 million for HNL led projects and 5.9 million for 	<ul style="list-style-type: none"> Yearly 6 million people have been informed about livestock farming in ending hunger and poverty and the added value of Heifer. 	<ul style="list-style-type: none"> HNL works with a committed, learning team that is capacitated to deliver the required results, HNL strictly implements its policy cycle (4-year Strategic Plan, annual Operational Plans, quarterly monitoring, mid-term

	<p>youth and employment and on inclusive (livestock) value chains.</p> <ul style="list-style-type: none"> • HNL has structurally facilitated exchange and dissemination of lessons by and between project partners; • Progress and impact monitored through an effective and efficient PME system • End evaluations have publishable quality • Cooperation between HNL and local partners is mutually satisfactory 	<p>technology or services for small holder farmers</p> <ul style="list-style-type: none"> • HNL participates in at least 3 new project consortia with institutional funding • HNL contributed to the formation of 7 additional project consortia with institutional funding that involve HPI. • 1 partnership with a university helps to improve learning • <i>Strategic partnership between European livestock NGO's offers new funding and shared learning opportunities</i> • HNL appreciated as a knowledgeable and trustworthy project partner 	<p>partner led projects</p> <ul style="list-style-type: none"> • An additional 7.8 million in institutional funding is secured for FY21-25. • Annual income growth leads to a total public income of 3.3 million <ul style="list-style-type: none"> ○ 1,655 million from individual donors ○ 910,000 from capital foundations ○ 655,000 from corporates ○ 159,000 from churches ○ 51,000 from other activities 		<p>evaluation and end-of-term evaluation) and delivers high quality annual reports</p> <ul style="list-style-type: none"> • HNL is financially healthy, implementing a strict financial policy abiding to internal and external financial norms; • HNL has a Corporate Social Responsibility strategy • HNL actively contributes to the organizational development and impact goals of the International network
Verifiable indicators	<ul style="list-style-type: none"> • 80 % of project reporting in time • 80% of project objectives have been met 	<ul style="list-style-type: none"> • # of partnerships • Qualitative appreciation of project partners 	<ul style="list-style-type: none"> • Amounts raised 	<ul style="list-style-type: none"> • Nr of people reached 	<ul style="list-style-type: none"> • Capacity increased according to need • Positive performance reviews; learning planned in personal development plans

	<ul style="list-style-type: none"> # projects implement M&E based on a preliminary plan 				<ul style="list-style-type: none"> SP, OPs, quarterly monitoring and evaluations established and implemented; high quality annual reports published before January CSR strategy available reserves up to 100% of annual costs; ratios on costs of fundraising, expenditure on goals/income and admin and control kept within agreed norms
Activities of HNL	<ul style="list-style-type: none"> High quality (annual) project & budget planning Project support with money (X euro) and capacity building Progress monitoring through a coherent and effective ME system Development and launch of 3 HNL-toolkits on priority issues Transparent reporting on results Contribution to policy debates through lobby letters, blogs, articles and presentations 	<ul style="list-style-type: none"> Active participation in networks around agriculture, entrepreneurship, livestock, climate change and youth, Management of existing relations with CSOs, institutional donors, companies, govt. agencies and knowledge institutes; Identification and prospecting of new relevant partners. 	<ul style="list-style-type: none"> Lead, write or advise >20 institutional proposals Pro-active pipeline management and coalition building Bind current donors and promote structural giving Reactivate lapsed donors Friend raising and prospect mailing 'club of 100' private sector campaign 	<ul style="list-style-type: none"> Inform and involve constituency (newsletter, website, social media) Develop a yearly media strategy to inform and involve the Dutch public Publication of articles in branch related national media Participation in relevant networks and debates 	<ul style="list-style-type: none"> Hire staff when needed Promote and budget for learning Plan timely performance reviews and innovate approach Develop CSR strategy Strictly implement policy cycle Strict financial management

	<ul style="list-style-type: none">• Organization of expert meetings among partners, icm HPI		<ul style="list-style-type: none">• Church campaign• Approach foundations		
--	---	--	--	--	--

Addendum to Heifer Nederland's Strategic Plan 2017-2020

Halfway the implementation of its strategic plan, Heifer Nederland (HNL)⁵ has reviewed the plan made in 2016. Taking into account trends and new developments, and evaluating progress of HNL's current activities, we propose a number of adjustments. This addendum explains those changes.

Trends and developments

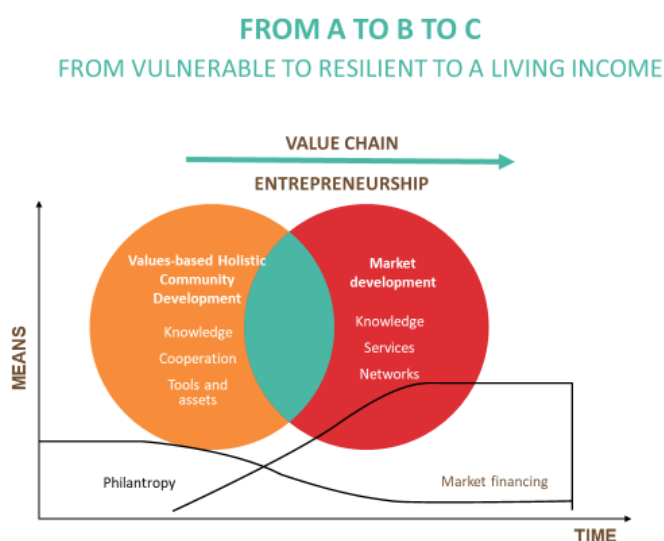
The context analysis made for the last strategic plan may not have changed significantly in the last two years, but some developments have become more prominent. These changes include the following:

Externally

- Institutional funders such as the EU invest in scale: there are less calls for proposals, but calls require more complex programs and have higher budgets,
- In institutional funding there is a notable shift of budgets towards the private sector,
- Public trust in the development sector continues to fall, and the integrity issues some development organizations have faced recently strengthen that development,
- Traditional media – notably tv – are losing exposure. Online and social media continue to grow and give a stage to new 'influencers'.

Internally

- Heifer's approach has developed quickly over the last few years. The new Accelerate strategy supplements Heifer's Values Based Holistic Community Development work with a market system approach, to enable farmers to increase resilience and realise living incomes. Innovation is key for this; HPI has introduced the Lean Start-up approach to test and upscale innovations.



⁵ In the document **HNL** refers to Heifer Nederland, **HPI** refers to Heifer Project International, and **Heifer** refers to the international network of Heifer organizations.

- To support business development, Heifer is increasingly looking for commercial capital to finance market activities. For this purpose Heifer itself is setting up an impact investment fund.
- Increasingly, and as a part of the market systems approach strategy, HPI works with large companies that seek to make their sourcing more sustainable. HPI's aim in these partnerships is to make value chains more inclusive and diversify livelihoods, in order to realise living incomes. The value chains HPI is working on are no longer only livestock related, but include products such as cocoa, coffee, cashew.

Progress HNL

Over the last few years HNL's projects have increased in scale, and strong partnerships with complementary organizations have formed. HNL has introduced several innovations, such as soil testing and 3R water management in Heifer projects. Public fundraising has become increasingly sophisticated, with better integration of all channels, and development of an attractive donor journey. Structural giving has increased radically, reducing the number of one-off donations.

HNL has further developed its expertise in EU fundraising, but institutional income was below expectation in the first 2 years of the planning period. Delays and changes in the EU planning of calls were a major cause this setback. Private sector fundraising also stayed below target, mostly as a result of limited brand awareness.

What will we do differently?

Over the last few years HNL has implemented several projects around technical innovations that have potential for small-scale farmers. Over the coming years we will use Lean start-up approaches to test and upscale such innovations. In our **projects**, our thematic priorities (climate resilience, youth and value chains) will increasingly be integrated in a more holistic approach. Our PME framework will be adjusted to better include these themes. This will enable us to learn, to adjust and to share our approaches externally. To increase our visibility we will be more strategic, rigorous and target-oriented in the publication of articles and blogs, with the strongest focus on climate resilience.

HNL aims to build **partnerships** that clearly contribute to our program goal 'to unlock the potential of smallholder farmers to improve food security and incomes, and contribute to vibrant and sustainable rural economies, and to involve the Dutch public in that effort.' We focus on building and maintaining partnerships that contribute to our strategic priority areas: increased farmers' resilience against climate change, inclusive and sustainable value chains, and improved employment opportunities for rural youth. Our existing partnership strategy will be finetuned to better reflect with whom, and how we can create synergy.

To strengthen visibility and make our communication more effective we will further develop our positioning and related **communication** (work now in progress). Our objective will read: 'a wider Dutch public is aware of the crucial role African smallholder farmers can play in realizing food security and sustainable rural economies, and of Heifer's effectiveness in unlocking farming families' potential.' We will tailor our positioning towards different stakeholders, including the private sector. A stronger presence on social media requires new online ambassadors, or influencers.

Our total **fundraising** target for the period is adjusted from € 13.2 to € 10.6 million. This is the consequence of the fact that targets for the first two years were not met. Total targets for the next two years have not been changed: we expect no significant changes in marketing income, and although we foresee a lower number of approved institutional proposals, we expect that approved projects will have larger budgets. Private sector relations will be designed for clear win-win. In fundraising, this entails

a stronger focus on cause related marketing actions that benefit both company and Heifer. In programs win-win cooperation is focussed on sustainable sourcing or market development. For this we will work more closely with HPI's Global Partnerships and Alliances team.

Technological developments in fundraising are developing fast. We will closely follow these developments and use external expertise to make optimal use of relevant new techniques. Improved use of the new donor data base should allow us to further improve the donor life cycle, and continue the shift from single to structural giving.

Flexibility is key in the **organization**. Over the last 2 years we have seen far less institutional calls for proposals than expected. Based on the current frequency of capacity needed, we will not hire a new institutional fundraiser, but work with a flexible group of external fundraisers. More flexibility is also required within the team: in order to make best use of each individual strengths, we will organize flexible teams around key stakeholders and activities.

Innovation in programs, fundraising and organization is important to grow effectiveness and efficiency. To stimulate innovation and learning, every member of the team will develop and maintain a learning document.

Integrity policies should be living documents. While Heifer codes of conduct will be part of contracts with new staff, we must ensure that we discuss our values and conduct on a regular basis.

Heifer's Accelerate strategy involves the development of an investment fund, and HNL will be closely involved in this. Targets for this work will be developed in a later phase.

With HNL's growing involvement in Heifer International's PME development, private sector relations, strategy development and investment activities, next to our fundraising in the Netherlands and the EU, HNL's role in the international Heifer network is broadening. This development is consistent with HNL's aim to contribute to a strong global network and brand.