



The Vitol Foundation  
Strategy  
2020-2022



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## Ian R. Taylor 1956-2020

The Vitol Foundation remembers with gratitude the late Ian R. Taylor (1956-2020), the driving force behind the establishment of the Foundation in 2002 and whose philosophy of striving for a better world for everyone, lies at the heart of our work.

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## The Vitol Foundation

We are a corporate foundation that operates independently of Vitol's wider business interests, but align ourselves with the ethos of its global reach and high tolerance for risk. Our purpose is to fund work that directly or indirectly supports children and families living in deprivation to escape the cycle of poverty and reach their potential in life.

We believe that all people have the right to the basic services and resources necessary to lead a dignified life and to live in societies where systems are in place to give everyone the opportunity to thrive.

### Our focus

We invest in equitable, replicable and scalable solutions across the following sectors: Education, Enterprise & Livelihoods, Health, Water, Sanitation and Hygiene (WASH) and Humanitarian Relief. Our aim in each sector is to improve performance, provide wider access and inclusion, foster innovation and catalyse access to finance. We invest in interventions globally, developing and supporting pragmatic solutions that include, where appropriate, advocating for policy change, and address the strategic priorities identified at the sector level. The work we fund is framed by the Sustainable Development Goals (SDGs).

### Our approach

We identify, engage and collaborate with a broad range of relevant stakeholders – civil society, the private sector, national governments, public institutions and local and international partners – to improve and strengthen existing in-country systems. Where systems are not working or do not exist, we seek to challenge the status quo by supporting innovation to bring about lasting and sustainable change.

As a mid-size, risk-tolerant and flexible funder, we are well placed to fill the funding gap at the point where an organisation needs to pilot, adapt and test a model's ability to scale. A large proportion of our funding focuses on organisations as they go through this transitional phase and proceed to scale. We support the capacity building of local stakeholders and encourage learning and foster deeper collaboration with some grantees by increasing the amount and/or duration of support.

We are able to provide financing in different forms (grants and other appropriate funding) to both non-profit and for-profit organisations. Our funding is typically either unrestricted within an overall project budget or fully unrestricted.

We are not limited geographically in where we will invest and each sector head has a high degree of autonomy to pursue their own defined strategy. However, we are opportunistic in coordinating work across sector areas when we can.

We place great emphasis on working in partnership with other donors and implementers. Because of this, we usually only provide funding to organisations that have already gained the confidence of like-minded funders and thus deserve



wide support for their potential to bring real impact to scale. As a result, we regret we cannot accept unsolicited applications.

We do not award grants for longer than a 3 year term although we fully acknowledge that some development programmes are implemented for much longer. There may be the opportunity to renew multiyear grants.

## Our values and principles

- We consider ourselves a discreet and pragmatic enabler
- We are flexible and adaptive with the organisations that we support
- We value partnerships across civil society, the private and public sectors, and the wider international development community
- We build strong networks with like-minded funders to share knowledge and leverage co-funding
- We seek to remain humble about the level of our influence and retain a low profile, in line with the corporate culture of Vitol

## Defining success

In accordance with our values and principles, we look beyond purely statistical or quantitative measurements to define success across the Foundation's portfolio.

**Our funding** – through both the work and organisations we support, we evaluate the impact of our funding against the following:

- improved performance
- wider access and greater inclusion
- fostering of innovation
- catalysing access to finance

**Our accountability** – we hold ourselves accountable to:

**Our partners and the communities they seek to serve** – as a supportive and responsible funder we expect to be monitored from our partners' perspective through:

- adhering to reasonable response and process times
- provision of, and access to, technical assistance
- identifying capacity gaps and supporting organisational growth
- providing flexible funding to address hard to fund budget gaps
- being critical friends where appropriate
- putting our professional networks at the disposal of our partners by sharing opportunities to connect with like-minded organisations and funders

**Vitol and its global staff** – we encourage engagement and aim to develop a sense of community with our colleagues worldwide by:

- regularly sharing project updates and achievements
- facilitating talks and events
- supporting individual and collective fundraising activities
- giving staff the opportunity to visit projects
- providing funds to support projects nominated by local offices and individual staff

## What we will not fund

- Projects outside our key sectors and the scope of sector specific strategies
- Projects working in parallel, rather than with or through, local authorities and systems
- Projects focusing exclusively on infrastructure, technology and physical assets
- Volunteering or bursary programmes, internships, scholarships, school exchange programmes
- Vertical, disease specific programming



Credit: Muso, Mali

# Education Strategy

The goal of our Education strategy is to **improve access to quality education for children and young people so that they are equipped with the skills needed for adulthood** in line with SDG 4 – Quality Education.

## Education funding philosophy

Access to primary education is a fundamental human right. But despite significant progress over the last 20 years, major challenges persist. In 2016 data from UNESCO showed that there were about 263 million – or 1 in 5 – children, adolescents and youth worldwide out of school.<sup>1</sup> There is also an urgent need to improve the quality of education and address the 'learning crisis.' These issues inform our Education investment areas:

### 1. Access for disadvantaged children and young people

Our focus is on improving access to education for children and young people. Within this group, we look to improve access for the most marginalised: the very poorest, living in rural areas or urban slums, disabled children and those affected by conflict and emergencies. For example, only 50% of refugee children have access to primary education and only 22% of refugee adolescents are in lower-secondary school.<sup>2</sup>

### 2. Quality education for disadvantaged children and young people

We want to achieve 'learning for all' in order that education deliver on its capacity to help eliminate extreme poverty and create opportunity and shared prosperity. We seek to address the shortcomings of education systems that fail to provide for students disadvantaged by poverty, conflict, gender or disability, in order that children are able to read and do basic math by the end of primary school.<sup>3</sup>

## How we fund

We are keen to support early stage incubation of initiatives or organisations with innovative approaches addressing our two Education investment areas. To achieve this we support smaller, evolving efforts that have not yet matured but have the potential to create lasting change.

We invest in organisations and interventions that:

- Promote equity in education in low income and low-middle income countries
- May have the potential to be delivered through public/private partnerships (PPPs)
- Commit to measuring impact, sharing learning and exchanging ideas

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1 Fact Sheet No. 48 February 2018 UIS/FS/2018/ED/48, <http://uis.unesco.org/sites/default/files/documents/fs48-one-five-children-adolescents-youth-out-school-2018-en.pdf>

2 <http://www.unhcr.org/uk/news/press/2016/9/57d7d6f34/unhcr-reports-crisis-refugee-education.html>

3 UNESCO Institute for Statistics. (2017). More Than One-Half of Children and Adolescents Are Not Learning Worldwide. Fact Sheet. Paris: UNESCO. Available from: <http://uis.unesco.org/sites/default/files/documents/fs46-more-than-half-children-not-learning-en-2017.pdf>



## What we fund

We invest in initiatives and organisations that support the development and education of children and young people by working on the issues of quality, equity, relevance and scale.

### Early Childhood Development (ECD)

We support programmes that ensure marginalised children have access to quality ECD and are better prepared to learn and participate in primary education, thereby maximising their long-term potential and impacting on future education attainment levels.

We support approaches that:

- Ensure that ECD provides children with the nurturing care and cognitive and language skills they need to flourish in school, gaining foundational literacy and numeracy
- Promote cost-effective expansion of quality, integrated ECD and early primary programmes
- Strengthen the skills/knowledge of ECD practitioners and caregivers to drive quality

## Quality education

We aim to support children and young people to transition and progress successfully through the education system, into employment on time and with acquisition of relevant knowledge, skills and competencies. This includes high-level cognitive and non-cognitive/transferrable skills (e.g. problem solving, critical thinking, creativity, teamwork, and conflict resolution) that will prepare young people for life after school.

We encourage transformation in education systems by:

- Supporting teaching and learning that is more student-centred through innovative school models and pedagogic approaches that can be scaled and/or replicated to improve learning outcomes
- Ensuring that learning is recognised both in the progress of children and young people in schools and in how 'consumers' of educated young people, i.e. society, communities, employers, etc., verify competencies
- Leveraging technology and data in a way that is effective and results-oriented

We seek to deliver equitable, relevant and quality primary, secondary and, to a lesser extent, higher education in our [education] investments employing a range of strategies including:

- Cost-effective ongoing educator support and professional development
- Appropriate, high quality learning materials and resources
- Education that adapts to the needs of the learner with new instructional techniques
- Results-based financing instruments that incentivise quality
- Incorporating 21st century skills and entrepreneurship education into the school curriculum
- Cost-effective models for the delivery of quality affordable private primary, secondary and in some instances higher education
- Innovations to strengthen and diversify the education workforce



Credit: PEAS, Uganda



## Enterprise & Livelihoods Strategy

The overall goal of the Enterprise & Livelihoods strategy is to **improve economic opportunities for poor people through the maintenance and creation of sustainable employment**. We aim to achieve this through investing in market driven solutions that increase income generation, promote enterprise growth and job creation, build capacity and resilience, and have the potential to scale.

The Enterprise & Livelihoods strategy is principally, but not exclusively, aligned with SDGs 2 and 8 – Zero Hunger and Decent Work and Economic Growth.

### Enterprise & livelihoods philosophy

The Enterprise & Livelihoods strategy addresses two of the major challenges currently reshaping people's ability to secure a sustainable and sufficient income for their future and that of their families.

Firstly, across emerging economies, urban labour markets are coming under increasing pressure as young people migrate from rural areas into cities. There is a growing mismatch between the supply and demand for skills. Limited formal jobs, combined with a youth population equipped with poor quality or limited education and skills, mean that youth are two times more likely than adults to be unemployed. However, in these economies, small and growing business (SGBs) are the largest employers across both the formal and informal sectors, contributing more than half of employment and GDP in most countries, irrespective of income levels.<sup>4</sup> We see the SGB sector as a means to drive growth, promote sustainability and contribute to economic diversification and resilience.

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4 IFC, 2010

Secondly, the move towards increasing urban populations is driven in part by the increasing challenges of climate change and agriculture often being seen as outdated, unprofitable and hard work by young people. Despite increasing attention to, and financing of, agriculture over the last decade, the potential of the sector remains largely untapped. With the livelihoods of 2.5 billion people worldwide dependent on agriculture, smallholder farmers have an enormous and growing market opportunity that we consider has the potential to generate sustainable transformation of their livelihoods and the rural economies in which they live.

## How we fund

The Enterprise & Livelihoods portfolio aims to catalyse impact across four pillars in both the rural and urban contexts:

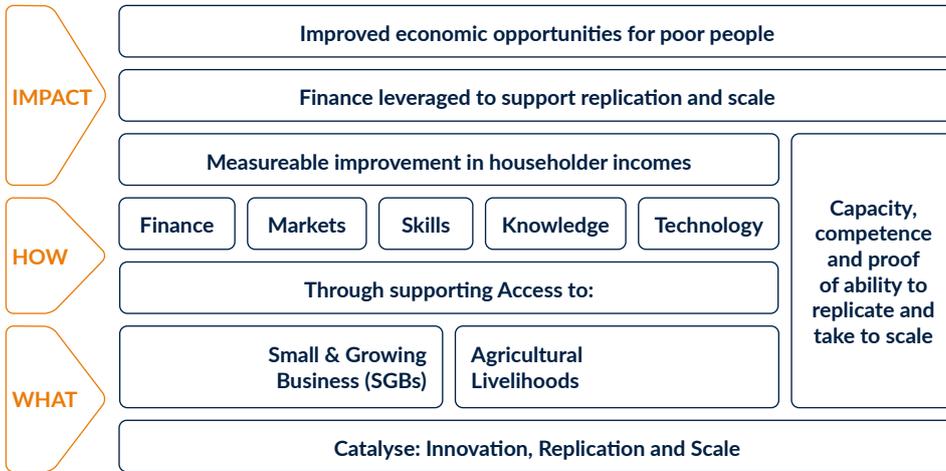
- 1. Inclusion:** we invest in business models, financing mechanisms and interventions that support income growth and promote equitable and fair access to information, markets, finance and employment opportunities for poor people – in particular women, youth and displaced persons – and which build greater resilience and the ability to cope.
- 2. Performance:** supporting individual and organisational capacity development, ensuring there is the potential ability to replicate and deliver impact at scale, is central to our funding approach.
- 3. Innovation:** we invest in new and creative approaches and solutions addressing pro-poor market challenges. Initial investment is through the provision of early stage financing to catalyse inclusive innovation and business incubation models.
- 4. Finance:** we aim to maximise our impact through taking a flexible funding approach, crowding in like-minded partners and providing organisations and businesses with the platform to leverage further investment. We also support innovative access to finance models targeting the missing middle.

## What we fund

Our funding focuses primarily on the following themes in emerging economies:

**Small and Growing Businesses (SGBs)** – with the right support SGBs can create employment and generate income, as well as produce goods and services with a significant pro-poor impact.

**Agricultural Livelihoods** – as a dynamic sector, knowledge about new and innovative agricultural production methods and opportunities for on and off-farm skill development offer a multitude of opportunities for entrepreneurship across the entire value chain.



We provide initial funding to interventions, organisations and businesses that:

- Have the potential for, and can demonstrate, pro-poor impact
- Promote innovation supporting long-term inclusive growth
- Show a clear and realistic pathway to replication and scale
- Portray value for money – efficiency, effectiveness, equity, economy and sustainability

Longer-term partnerships will be considered for intervention, organisations and businesses that:

- Can prove funding is pivotal to the organisation’s scaling strategy
- Demonstrate competent leadership and business acumen (preferably local)
- Can potentially exist beyond philanthropic grants and donations
- Have the potential to leverage additional finance
- Exhibit a sound exit strategy

Credit: Blue Ventures, Madagascar



## Health Strategy

The overall goal of the Health strategy is to **support local stakeholders to provide improved and sustained access to affordable, quality health services for those at the bottom of the pyramid.**

The Health strategy is principally, but not exclusively, aligned with SDG 3 – Good Health and Wellbeing.

## Health funding philosophy

Integrated, resilient services provided by trusted and competent public or private providers are central to ensuring access to quality health services for all. But the global shortage of qualified health workers, and the challenges faced by the public sector in low and middle income countries to retain healthcare workers, make achieving universal health service provision a difficult task. Population growth and demographic transition projections along with the gaps in long-term financing solutions necessitate collaboration between traditional, institutional sources of funding and philanthropy and between not-for-profit and for-profit implementing organisations.

Poor quality health data, inadequate health services and inequities in accessing care are major obstacles to improving health outcomes amongst the poorest. We prioritise pro-poor healthcare access as part of a wider approach to expanding health coverage and support effective engagement of institutional and philanthropic donors with private sector investors and service providers.

## How we fund

We look to support programmes that contribute to or develop strong national and regional health systems that deliver healthcare equitably and efficiently. We do this by supporting early stage models of healthcare service delivery to test their feasibility and validity ahead of scaling. We also support established programmes preparing for scale and recognise the core costs that need financing to maximise the chances of success. In addition to programmes supporting health systems, we equally recognise the need to increase demand for health services amongst marginalised communities, which have been previously underserved by health care provision.

Within these priority areas we look for interventions that address the following global health priorities:

- Integrated mental health services and sensitisation
- Integrated sexual reproductive health and rights
- Last mile healthcare delivery for communities >5km from health facilities
- Adolescent health (10-19yrs)

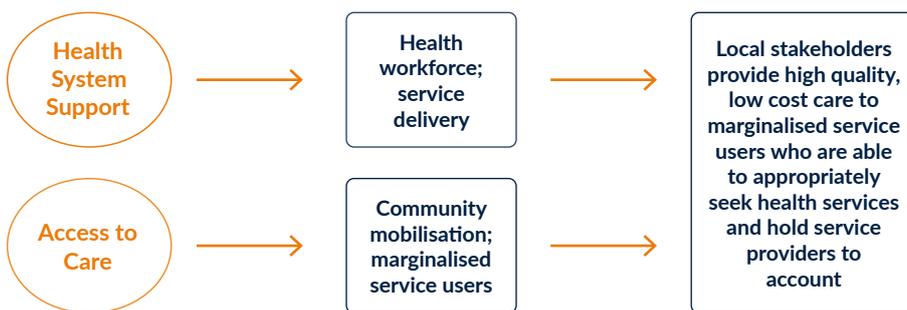
To optimise our support, we draw on practical, collaborative shared learning from health programmes in multiple contexts. We value our unique position in being able to access learning globally and seek to foster connections between stakeholders to encourage and promote wider learning.

Credit: Last Mile Health, Liberia



## What we fund

We support programmes that fit within two priority areas: **Health System Support** and **Access to Healthcare**.



## Health system support

We recognise that health system strengthening is a vast remit and target our support to two building blocks within the World Health Organisation (WHO) system strengthening framework.<sup>5</sup>

5 <https://www.who.int/healthsystems/strategy/en/> WHO Health Systems Strategy 2010



## 1. Health workforce

Stakeholders need the flexibility to explore cost reduction strategies, develop alternate staffing models, explore task-shifting options and reduce attrition. Programmes are eligible for support if they incorporate at least one of the following: **training and professional development of public and private health workers; accreditation systems for new training models; innovative strategies to reduce attrition; task-shifting.**

## 2. Service delivery

We support programmes working with government to deliver high quality preventative and/or curative services. For-profit health social enterprises are not excluded. Eligible programmes must align with national priorities, share data with the public sector and meet at least one of the following criteria: **preventative/curative services at the community level; market-based solution approaches; public sector management support.**

## Access to healthcare

We prioritise programmes that increase demand for health services. Programmes are eligible for support if they incorporate one of the following: delivery of scalable behaviour change initiatives with evidence of effectiveness; improvement of access to underserved and/or vulnerable populations; use of social networks and/or social media to improve access to services; promotion of financial protection that reduces impoverishing health spending.

## Water, Sanitation and Hygiene Strategy

The goal of the Water, Sanitation and Hygiene strategy is to improve access to safely managed water and sanitation services and to maintain safe hygiene practices. Supporting WASH projects not only contributes directly to SDG 6 – Clean Water and Sanitation, but also indirectly contributes to many other SDGs impacting on comfort and dignity, health, education, productivity, gender equality and security.

### WASH funding philosophy

Our WASH Programme prioritises **locations with low access to safely managed WASH services and practices, and where this can be improved significantly**. Most projects give specific attention to the poorest, most vulnerable and hardest to reach, however some projects also try to improve the access to and use of WASH services for relatively less poor communities, where there is reason to believe they will later also benefit the poorest.

The links between improved WASH and better health, education and livelihoods are complex and often very context- and time-specific. WASH impacts (e.g. on health or education) are difficult and costly to quantify, and the causality difficult to establish. The Vitol Foundation therefore prefers to focus on WASH outcomes (i.e. making sure good services are available and used, in the long term) rather than trying to target specific impacts through WASH. In other words, **our WASH programme aims at improving WASH services rather than at improving people's health or education**.



Credit: WASH United India

## How we fund

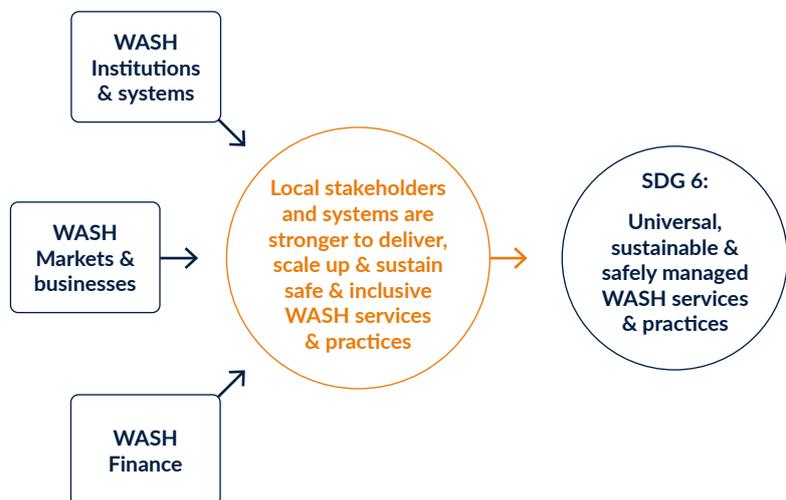
The WASH sector faces numerous challenges, including increasing pressure on scarce water resources through competing needs and growing populations, weak institutions and markets, and limited financial, human and technical resources to address the issues. We cannot solve these WASH problems globally, but believe small, targeted and catalytic investments can enable, directly or indirectly, other stakeholders (public, private, communities and civil society) to do so.

We take an alternative view to the typical time-bound “project” approach, and its focus on WASH infrastructure and capital costs, and instead aim for systemic solutions and sustained service delivery.

## What we fund

Our overall goal is to strengthen local stakeholders and systems to deliver, scale up and sustain inclusive, safe WASH services and practices – not only for households but also for institutions such as health facilities, schools and businesses.

To reach this goal, we invest in three key WASH themes. Many of the projects we support tackle more than one of these themes at the same time.



**Strengthening local WASH institutions & systems:** (e.g. policies, strategies, procedures) to manage and sustain WASH services. This is the most challenging area within WASH, as it requires working over a relatively long time frame, at various scales (local, district, national) and with a range of stakeholders (public authorities mainly but also private companies, civil society), to reinforce their capacity and systems to assess, plan, finance, build, operate, manage, monitor, maintain and extend WASH resources, infrastructure and services.



**Supporting innovative WASH businesses and markets:** There are large potential WASH markets, to satisfy the needs of customers and complement overwhelmed utilities. However, this potential is often constrained by poor or inappropriate supply, low demand, affordability and willingness to pay, market instability and distortions. We support demand creation, diversification of products and services, supply chain improvements and a more business-friendly and customer-oriented environment.

**Increasing WASH financial investments:** Traditionally the sector relies on tariffs paid by users, local taxes, and transfers from donors. Not only do these financing streams need to be increased, blended and optimised, but to expand services massively and rapidly, additional sources of funds will be needed, e.g. micro-finance, loans (philanthropic, or commercial), impact investments and funds, Development Impact Bonds, WASH levies, and WASH insurance.

## Humanitarian Relief Strategy

The goal of the Humanitarian Relief strategy is to provide rapid funding to combat low profile man-made and natural disasters, thereby supporting the achievement of all 17 SDGs in service of “leaving no one behind”. Humanitarian crises disrupt people’s lives, economies and societies, and can reverse many of the achievements of development. There is clear overlap between humanitarian and development agendas, where progress in humanitarian terms is also progress in SDG terms.

## Humanitarian Relief funding philosophy

We know that conflict remains the main driver of humanitarian needs, while natural disasters continue to cause many people to need emergency aid. Overall, more than 134 million people across the world currently need humanitarian assistance and protection – and more funding than ever before is required to help them.<sup>6</sup>

Our Humanitarian Relief Programme supports people and communities in the aftermath of both natural disasters and conflict. We support trusted partners who are responding with interventions in line with our four programmatic areas: Education, Health, Enterprise & Livelihoods and Water Sanitation and Hygiene (WASH).

## How we fund

We prioritise funding low profile emergencies. We consider low profile to mean those that are hard to fund, do not get significant media coverage or in which the public have lost interest. High profile emergencies (e.g. mainstream emergencies that staff and the public are aware of) are also eligible for our support but are not the priority.

Humanitarian grants are typically smaller than those issued under our development programmes. However, we employ a flexible approach that enables us to turn humanitarian applications around rapidly, and ensures a catalytic contribution. We fund projects that address immediate needs and do not compromise sustainable recovery.

## What we fund

We prioritise low profile emergencies within the below contexts:

1. **Natural Disasters** – typically characterised by sudden, unexpected, unstable or dangerous conditions that demand timely intervention to alleviate the situation
2. **Protracted Crises** – typically characterised by a significant proportion of the population being vulnerable to death, disease or disruption of their livelihoods over a long period of time. There is often a mixture of acute and long-term needs
3. **Complex Emergencies** – typically characterised by conflict and a considerable breakdown of authority; populations are displaced and there is a need for large-scale multi-faceted humanitarian assistance

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6 <https://interactive.unocha.org/publication/globalhumanitarianoverview/>



We primarily support interventions during the initial phases of an emergency response:

1. **Response** – with the objective of meeting the basic needs of affected populations, life, health and other assets are preserved. We recognise this phase can be greatly extended in protracted crises.
2. **Recovery** – with the objective of rebuilding lives and communities following an emergency, services are returned to pre-emergency onset standard, in a sustainable manner.

## Humanitarian Relief selection criteria

We adhere to the following guidance that has been compiled by the Centre for Disaster Philanthropy for donors supporting humanitarian partners <sup>7</sup>:

- **Involve the local community:** Fund responses that partner with local organisations, have established a strong relationship with the local community and have a contextual understanding
- **Balance relief with recovery:** Support work that aims to restore normal daily life, does not build aid dependency and helps communities 'build back better'
- **Be flexible:** Encourage accountability but give the organisation latitude to use funds as the situation develops
- **Experienced:** Fund organisations that have long histories of development work in the geographical area
- **Connect with other like-minded donors:** share learning, strategies and best practice
- **Fund with a view to adherence to Core Humanitarian Standards on quality and accountability:** These describe the essential elements of principled, accountable and high quality humanitarian action
- **Pooled funding:** Entrust large, reputable organisations with strategically allocated gifts of non-designated, pooled funds as they will likely have a longer-term impact.

7 <https://disasterphilanthropy.org/resources-2/basic-tips-for-disaster-giving/>

