



Annual Report
2007

Swisscontact Annual Report 2007

Swiss Foundation for Technical Cooperation

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Swisscontact is the organization of the Swiss private sector for development cooperation. Its aim is to promote private economic and social development in selected countries in the South and East through advisory services, training and continuing education. By applying the principle of helping others to help themselves, Swisscontact and its local partners are fighting poverty effectively.



The poor constitute the potential for the global market of the future. Swisscontact's goal is to improve the framework conditions in such a way that the poor can become drivers of development and thereby contribute to economic growth.

Private initiative promotes development



Urs Egger, Peter Grüschow

In the year under review, we discussed in detail and approved the private-sector development strategy. This strategy amalgamates Swisscontact's lengthy experience in the areas of promoting small enterprises, vocational training, microfinance and environmental protection into a conceptual framework. It also illustrates how the projects contribute to economic growth in our partner countries. All activities are geared to involving the poor in economic growth, thereby reducing poverty.

The projects outlined in this report illustrate how entrepreneurial initiative reduces poverty over the long term. Private initiative is the driving force behind every economic and social development, and it is Swisscontact's role and that of its public partners to improve the basic conditions so that private individuals can develop economically. Indeed, the enormous potential of poor people can be activated even with relatively modest means. The global market of the future lies at the bottom of the social pyramid. Ever growing numbers are now recognizing the opportunities around the globe, including major corporations operating in our partner countries. Consequently, the chances of the combined forces of the private and the public sector as well as civil society being able to reduce poverty, as set forth in the UN Millennium Development Goals, are also increasing.

Not only our partners need to operate as entrepreneurs; as an organization Swisscontact is required to display similar skills as well. In the year under review, these skills enabled us to further diversify our client base. More specifically, our position on the German market was enhanced through our subsidiary office in Stuttgart. Without support from our loyal private-sector donors and the contributions that we receive from municipalities and cantons, it would not be possible for us to execute our projects. We were particularly encouraged to see yet another increase in the amount of donations in 2007 to more than 5.5 million Swiss francs. We would therefore like to thank you and those responsible at the Swiss government for the excellent cooperation. And, not least, our thanks go to all our staff and to the board of trustees for their professional work.

Peter Grüschow, President
Urs Egger, Executive Director

The present annual accounts were produced in accordance with the accounting recommendations of the Swiss GAAP FER 21 for charitable, social non-profit organisations.

Revenue was increased by approx. 5.36% compared with the previous year. This is attributable, on the one hand, to the increased position in local markets and, on the other, we recorded a further increase in donations.

Since 2005, the securities portfolio has been gradually realigned to achieve the target asset allocation. As a result, despite the recent turmoil on international money markets affecting the equities asset class and USD-denominated investments in particular, the portfolio still managed to post a "pleasing" annual performance of +2.35%.

Furthermore, as at 31.12.2007, the portfolio had succeeded in guaranteeing the full amount of its exchange rate fluctuation reserve of 10% of the portfolio's market value.

The cost structure and the allocation for administrative expenses, administrative programme expenses and direct programme expenses were effected in accordance with the recommendation of the ZEWO Foundation, which was approved in 2005.

Consolidated profit and loss account for the year 2007

	2007	2006
in KCHF		
Income		
DONATIONS		
Donors contributions	4'129.3	2'724.7
Contributions from municipalities and cantons	1'368.1	1'506.7
Contributions from «Freundeskreis»	100.9	137.3
Swiss Government contributions tied to projects	4'500.0	5'395.4
	10'098.3	9'764.1
INCOME FROM PROJECTS		
Swiss Government mandates	15'594.5	22'301.8
Swiss Solidarity	2'818.3	2'924.1
Local principals	5'071.7	3'961.3
Third party contracts and sundries	10'325.2	2'724.7
	33'809.7	31'911.9
Total income	43'908.0	41'676.0
Expenditure		
EXPENDITURE OF PROJECTS		
Albania	1'334.2	1'526.7
Bangladesh	7'230.0	6'313.8
Benin	607.3	643.0
Bolivia	2'702.9	2'174.8
Burkina Faso	1'016.7	1'104.6
Central America, regional programme	1'232.1	1'252.4
Costa Rica	37.0	0.0
East Africa	794.2	955.3
Ecuador	3'047.9	1'982.9
El Salvador	757.8	492.8
Honduras	1'124.1	870.9
Indonesia	6'165.7	6'155.2
Kenya	85.0	0.0
Kosovo	1'290.7	1'136.0
Mali	604.0	736.6
Moldova	209.5	154.1
Nepal	290.9	410.5
Nicaragua	111.0	197.3
Niger	443.2	327.9
Peru	2'880.7	3'660.4
Russia	0.0	253.2
Serbia	0.0	135.4
South Africa	484.1	533.5
Sri Lanka	1'177.9	1'582.4
Tanzania	912.8	899.9
Uganda	72.3	0.0
Vietnam	1'621.0	1'273.7
Swiss Research Partnership projects	199.7	464.5
Senior Expert Corps, SEC	520.2	511.8
Junior experts	0.0	40.4
Other projects	190.9	422.0
Coordination office project countries	334.7	0.0
Subsidiaries	619.7	424.9
Project support	1'684.6	1'917.3
	39'783.0	38'554.2
EXPENSES FOR ADMINISTRATION AND MARKETING		
Coordination office project countries	553.8	0.0
Subsidiaries	677.0	424.9
General administration	1'781.6	1'969.4
Information including fund raising	597.4	427.0
	3'609.8	2'396.4
Provisions	-907.8	-89.8
Operating result	1'423.0	815.2
Net financial income	195.7	276.1
Exceptional result	0.0	-19.5
Result before changes in funds	1'618.7	1'071.9
Change in restricted funds	-330.4	-117.1
Change in free funds	-15.2	-198.7
Result after changes in funds	1'273.1	756.1
Allocation to internally generated designated capital	-1'011.0	-540.0
Result after allocation internally generated designated capital	262.1	216.1

Consolidated balance sheet as at 31st December 2007

	2007	2006
in KCHF		
Assets		
CURRENT ASSETS		
Cash in hand and at bank	11'997.7	15'317.3
Advances to projects	3'832.9	4'061.4
Marketable securities	5'059.7	5'079.0
Other receivables	4'173.3	5'139.5
Receivables due from related parties	8.1	2.3
Accrued incomes	555.8	760.3
Credits for participation in projects	3'267.5	2'853.6
	28'895.0	33'213.4
NON-CURRENT ASSETS		
Tangible assets	227.2	149.1
Intangible assets	81.7	211.8
Investments	0.0	14.8
	308.9	375.7
Total assets	29'203.9	33'589.1
Liabilities and equity		
CURRENT LIABILITIES		
Other liabilities	1'850.3	2'704.4
Accrued liabilities	1'405.5	783.7
Advance payments for participation in projects	11'256.2	16'121.1
	14'512.0	19'609.2
NON-CURRENT LIABILITIES		
Other non-current liabilities	15.3	8.6
Provisions	3'855.0	4'734.3
	3'870.3	4'742.9
RESTRICTED FUNDS		
Restricted capital funds	627.1	807.5
Restricted income	2'249.6	1'738.9
	2'876.7	2'546.4
EQUITY		
Trust capital	5'194.1	5'012.0
Internally generated designated capital	1'551.0	540.0
Unrestricted funds and reserves	937.7	922.5
Year end result	262.1	216.1
	7'944.9	6'690.6
Total liabilities and equity	29'203.9	33'589.1

Report of the statutory auditors to the Board of Foundation of Swisscontact, Swiss Foundation for Technical Development Cooperation Zurich

We have audited the accounting records and the consolidated financial statements (balance sheet, income statements and notes) of Swisscontact for the year ended December 31 2007, from which the summarized financial statements were derived, in accordance with the Swiss auditing standards. In our report dated March 28, 2008 we expressed an unqualified opinion on the accounting records and the consolidated financial statements from which the summarized financial statements were derived.

In our opinion, the accompanying summarized consolidated financial statements are consistent, in all material respects, with the financial statements from which they were derived.

For a better understanding of the Swisscontact's financial position and the results of its operations for the period and of the scope of our audit, the summarized consolidated financial statements should be read in conjunction with the consolidated financial statements from which the summarized financial statements were derived and our audit report thereon.

We further confirm that the relevant provisions of the foundation ZEW0 have been observed.

PricewaterhouseCoopers AG,
Armin Bantli Richard Ritter
Auditor in charge

Zurich, March 28, 2008

Appendix to the annual report

Change in funds

	Opening balance	Income	Allocation	Expenditure	int. Transfer	Closing balance
RESTRICTED CAPITAL FUNDS						
Kodis	94.4	0.0	0.0	-94.4	0.0	0.0
Social projects	713.1	42.3	0.0	-128.3	0.0	627.1
Total	807.4	42.3	0.0	-222.6	0.0	627.1
RESTRICTED INCOME						
Soms	770.5	0.0	0.0	0.0	0.0	770.5
Restricted donations	968.4	0.0	4'598.4	-4'087.7	0.0	1'479.1
Total	1'738.9	0.0	4'598.4	-4'087.7	0.0	2'249.6
UNRESTRICTED FUNDS						
	922.5	0.0	966.7	-951.5	0.0	937.7

This financial report of the fiscal year 2007 is a condensed version. The complete annual report with detailed financial statements in accordance with SWISS GAAP FER 21 can be ordered in German from the Head office of Swisscontact or downloaded from www.swisscontact.org.



6 Africa

To ensure that African people can overcome poverty by their own efforts, Swisscontact is improving their access to vocational training, microfinance and markets.

Projects (without small Projects) Financing	Since	Expenses 2007 CHF
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East Africa

KENYA

Promotion of SMEs/Microfinance

Swisscontact/SDC	1996	697'390
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TANZANIA

Rural Development

SDC	2005	883'188
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UGANDA

Promotion of SME/Microfinance

Swisscontact/SDC	1995	95'073
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West Africa

BENIN

Vocational Training for Youngsters

Swisscontact/SDC	2002	607'271
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BURKINA FASO

Apprenticeship Training

Swisscontact/SDC/Liechtenst. Development Service	1999	543'187
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Assistance to a Vocational Training Centre

ADA (Austrian Development Agency)	2003	473'534
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Projects (without small Projects) Financing	Since	Expenses 2007 CHF
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MALI

Vocational Training for Youngsters

SDC	1999	546'317
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NIGER

Opportunities for Young Unemployed Persons 2005

Swisscontact/SDC/Liechtenst. Development Service		443'175
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South Africa

Promotion of SMEs

Swisscontact/Seco	2003	283'269
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Community Development

ADA	2006	57'059
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Access to Finance for SMEs

IFC (International Finance Corporation)	2007	108'207
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South Africa: Promoting small and medium enterprise

Not everyone is profiting from the economic growth that South Africa has witnessed since the end of apartheid – least of all those against whom discrimination should have ceased along with legalized racial segregation. Many non-white South Africans have never been able to make up for the education that was denied them and are now particularly hard-hit by unemployment and poverty. SMEs that are run by non-whites are often lacking business-management knowledge. Moreover, they are virtually excluded from the commercial credit market.

Those who run South Africa's SMEs require expert assistance to ensure that they can participate in the country's

Promoting South Africa's small and medium enterprise sector (SME) means involving disadvantaged people in economic growth.

economic growth. Swisscontact is therefore providing further training for business development service providers that have specialised in small and medium enterprises. These agencies enable the SMEs to exploit their potential. The resulting impetus in the SME sector is ultimately of benefit both to the consultants and those receiving their advice. As a consequence, the number of SMEs contributing to South Africa's GDP has increased. The 25 SMEs that received support in 2007 created 57 jobs. Disadvantaged individuals can thus become the agents of growth and alleviate poverty in a sustainable way and of their own accord.

Project news ●

Burkina Faso

Swisscontact is supporting the setting up of a dual vocational training system in Burkina Faso. Local trade associations, the responsible authorities and Swisscontact are jointly developing training programmes for apprentices, together with further training opportunities for the instructors. As part of this project, 283 young women and 250 young men were in apprenticeships in 2007 (learning bicycle and motorcycle maintenance, hairdressing, tailoring, refrigeration and air conditioning technology and electronics). Another 192 craftswomen and 326 craftsmen underwent further training to become instructors. This project is being supported by the Liechtenstein Development Service.

Kenya

Some 1500 farmers and their families living close to the city of Endarasha in the Rift Valley have been able to boost their incomes thanks to assistance from Swisscontact. They are now growing a different type of onion, with which they achieve better harvests. In a pilot project in 2007, Swisscontact promoted the use of micro-leasing. The farmers were thus able, for example, to lease a cow and pay the monthly leasing instalments from the proceeds of the milk that they sold. Other microfinancing activities ranged from assisting with the start-up of small savings and loan cooperatives through to a strategic cooperation with Equity Bank, Africa's largest microfinance bank.

Mali

In Mali, Swisscontact is supporting the development of dual vocational training on the job and in an accompanying professional school. In 2007, the activities were extended to include five additional locations and other professional sectors. Working groups that comprise representatives of the local economy as well ensure that the enterprises acknowledge

The main ways in which Swisscontact generates work and incomes in Africa are by providing vocational training in the West and by promoting SMEs and offering microfinance in the South and East.

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the importance of solid vocational training. These regular contacts also help trained youngsters to gain a footing in the labour market.

Benin

In 2007, Swisscontact set up a centre for textile production in the small town of Savè to promote training for women running small enterprises and for the town's young women. The women covered all the individual work operations from the raw-cotton stage right through to the finished item of clothing. Sixty textile workers were trained in 2007. Swisscontact is also assisting with the development of dual vocational training in Benin. The apprenticeships in hairdressing, tailoring, bicycle and motorcycle maintenance as well as refrigeration and air-conditioning technology that have been devised as part of the project have now been recognized by the ministry responsible. During 2007, 291 young men and women received their diplomas.

Niger

In 2007, 478 youngsters, including 200 young women, from the capital city of Niamey and its rural surroundings were able to undergo a brief manual skills training programme. Swisscontact also assisted the Ministry for Social Development, the Population and the Promotion of Women in staging the first national forum to reinvigorate Niger's women's centres. Representatives of these Foyers, as they are known locally, and of the State administration decided that the centres will in future offer training courses for women and develop their entrepreneurial skills. The activities in Niger are being financed by the Liechtenstein Development Service.



8 Latin America

Swisscontact's main focus in Latin America is on the promotion of small and medium enterprise. As the largest providers of jobs, SMEs can provide millions of people with a way out of poverty. Emphasis is also placed on environment-protection projects.

Projects (without small Projects)	Since	Expenses 2007
Financing		CHF

BOLIVIA

Promotion of SMEs		
SDC	1996	1'346'050
Sustainable Tourism		
Seco	2000	175'206
Urban Ecology		
Swisscontact/SDC/LDS	2002	537'170
Clean Air		
SDC	2003	561'277

ECUADOR

Promotion of SMEs (Ending 2007)		
Swisscontact/SDC	1986	158'624
Financial Services		
SDC	1988	811'234
Reduction of Industrial Emissions		
SDC	1994	349'897
Promotion of Village Banking		
Swisscontact/SDC/Geneva Global	1998	741'563
Financial Services in Rural Areas		
Inter American Development Bank	2005	986'537

PERU

Training Vouchers for SMEs		
Government of Peru/European Union	2000	379'102
Clean Air		
SDC	2003	858'170
Training Vouchers for SMEs		
European Union	2004	695'758
Promotion of Sustainable Tourism (South of Peru)		
Seco	2005	324'123
Promotion of Tourism (Region of Ancash)		
Government of Peru	2005	105'521

Projects (without small Projects)	Since	Expenses 2007
Financing		CHF

Promotion of the Competitiveness of SMEs

Government of Peru	2005	189'937
Strengthening of Credit- and Savings Cooperatives		
Microfinance Initiative Liechtenstein	2007	167'808

Central America

COSTA RICA

Ecological Coffee Drying		
Swisscontact/Hilti Foundation	2001	18'314
Urban Ecology		
Swisscontact/SDC	2007	36'969

EL SALVADOR

Vocational Training		
Swisscontact/SDC	2000	552'733
Analysis and Technical Assistance of SMEs		
European Union	2007	205'080

HONDURAS

Marketing of Agricultural Products		
SDC	2001	837'675
Promotion of SMEs		
SDC	2004	697'553
Promotion Fund for Tourism Enterprises		
Inter American Development Bank	2007	217'595

NICARAGUA

Promotion of SMEs		
SDC	2001	534'524
Modernization of Vocational Training Centres		
KfW Development Bank	2005	111'036

Honduras: Market-oriented consulting creates jobs and incomes

Lack of knowledge is one of the causes of poverty. This applies both to people without vocational training and also to farmers with no knowledge of what demand is for their produce. An example of the latter is the rural population of the Central American state of Honduras, 65% of whom live in poverty and struggle to survive as subsistence farmers. Agricultural imports have been rising for the past 15 years, whereas the handful of industrial processing plants in Honduras can barely find home-grown fruit and vegetable of the necessary quality to satisfy their requirements.

Local consultants, so called business development service providers (BDSP) have the knowledge and contacts that these farmers are lacking, and Swisscontact is therefore encouraging them to adapt their services to the requirements of the small-

holder cooperatives. The cooperatives and their BDSP draw up a business plan and establish the organizational and technical changes that need to be made to enable the smallholders to supply clients such as supermarkets, restaurants and processors of agricultural produce.

At the heart of this project, which Swisscontact is carrying out on behalf of the SDC (Swiss Agency for Development and Cooperation), lies the consultancy services market, which stimulates the development of small and medium-sized agricultural producers. In 2007, 47 cooperatives received advice, creating 1 953 new jobs. Swisscontact acts as a mediator without intervening in the market, thereby ensuring that smallholders who are particularly hard-hit by poverty can profit from the scheme.

Project news ●

Bolivia

The project financed by the Liechtenstein Development Service to promote safe hospital waste management was expanded in 2007 from the four largest cities to include the eight next largest cities. The corresponding training programmes are being given by national specialist teams that have been formed with the help of the project. These teams now cover their own costs – which is an innovation in the Bolivian health system.

The tourism project, funded by the Swiss State Secretariat for Economic Affairs, was completed successfully and, with Swisscontact's support, privately financed "destination-management organizations" were set up in Santa Cruz and La Paz. These organizations co-ordinate the activities of the different tourism-sector providers and thereby boost the competitiveness of their regions.

Ecuador

Swisscontact extended the scope of its financial services activities in 2007 to include four additional savings and loan cooperatives in the coastal region. In particular in agricultural areas with water shortages, where often only one annual harvest is possible, access to savings and loan facilities provides those affected with the opportunity to overcome poverty by their own efforts. Activities that can be carried out irrespective of weather conditions, such as keeping small animals for breeding purposes or running a small bakery, are particularly apt in such situations.

Peru

The financial services project supported by the Microfi-

nance Initiative Liechtenstein (MIL) is working closely together with a small bank and two savings and credit cooperatives in southern Peru, whose staff are now learning how attractive and sustainable financial products can be created and marketed on the basis of market research; this is especially beneficial for small companies.

Swisscontact is carrying out a clean-air project on behalf of the Swiss Agency for Development and Cooperation. Representatives of the project have held successful dialogue with the state authorities, as a result of which fuel tax rates in Peru are now fixed to take into account how harmful the fuels are for humans and the environment. As such, the cost of using polluting fuels will increase considerably.

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Central America

External assessment of the SME projects in Central America underlined just how important a role they play in creating jobs and incomes in selected value chains. By way of an example, 19 000 jobs have been generated in Honduras and Nicaragua over the past two years. The Inter-American Development Bank project aimed at strengthening small bee-keeping businesses in Honduras has now been completed. Thanks to the Argidius Foundation, the same tried and tested methods can now be applied in other parts of the country. In 2007, Swisscontact also succeeded in securing notable mandates from national governments: in Honduras the organization is administering a fund aimed at strengthening tourism companies, while in El Salvador SMEs are being assessed on behalf of the Ministry for Economic Affairs for profitability and productivity and made more competitive through individual and group consulting.



10 Asia

In Asia, Swisscontact is working in the fields of vocational training, promotion of SMEs, microfinance and environmental protection, with the goal to offer the poor the opportunity to improve their lives by helping themselves.

Projects (without small Projects) Financing	Since	Expenses 2007 CHF
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BANGLADESH

Promotion of SMEs		
SDC/DFID/SIDA	2000	7'155'556

INDONESIA

Vehicle Emission Control (Ending 2007)		
SDC	1997	361'306
Promotion of SMEs		
Swisscontact/SDC	2001	356'450
Regional Economical Development		
GTZ	2005	223'472
Promotion of Tourism West-Manggarai		
Cardno Acil Pty Ltd, Australia	2005	513'489
Local Economic Development (Flores and Alor)		
Swisscontact/SDC/CORDAID	2005	585'614
SME Recovery in Sumatra		
Swisscontact/Seco/Swiss Solidarity	2005	1'578'415
Mobile Training in Construction (Aceh)		
Swisscontact/Swiss Solidarity	2005	1'020'917
Financial Services for SMEs		
Seco	2005	455'182
Regional Economical Development (Aceh)		
GTZ	2006	352'167
Regional Economical Promotion of Tourism		
GTZ	2006	251'816

Projects (without small Projects) Financing	Since	Expenses 2007 CHF
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Reconstruction after Flooding (Jakarta)		
Swisscontact/SDC	2007	250'187

NEPAL

Instructors Training		
SDC	1991	290'891

SRI LANKA

Peace Advancement		
SDC	2000	178'946
Local Economical Development		
Swisscontact/SDC	2005	378'922
Economical Promotion of Women (Ending 2007)		
Swisscontact/Swiss Solidarity	2005	192'473
Training in Construction		
Swisscontact/Swiss Solidarity	2005	272'786
Local Economical and Social Development		
Swisscontact/Swiss Solidarity	2007	154'757

VIETNAM

Clean Air		
SDC	2004	1'040'487
Promotion of Vocational Training Centres		
Swisscontact/SDC	2005	528'052

Indonesia: Market forces helping to reduce poverty

Swisscontact's project for rebuilding small textile companies after the flooding in Jakarta is an example of how market mechanisms can be encouraged for the benefit of the poor. Consequently, the project did not merely serve to replace damaged machinery; it also introduced the necessary know-how for installing and repairing it. In the meantime, individual textile workers have started offering this service on a commercial basis. As a result of the project activities, 3 377 full-time jobs were safeguarded (939 occupied by women) and 792 full-time and 629 part-time jobs created (787 women).

A key element here was making the small-businessmen and women aware of the benefits of taking out insurance. At

Swisscontact is encouraging small enterprises to invest in their own development for the years ahead and to take precautions against damage in the future.

the same time, it was possible to persuade the international insurance company Allianz to offer the textile companies an appropriate solution. When large, profit-oriented financial institutions acquire micro-companies and small companies as clients, this represents an important step for both parties.

The project has created a platform that allows the small-businessmen and women to discuss their problems and possible solutions. As a result, they are assuming responsibility for the economic development of their own business and the entire textile centre. The project has thus extended beyond the rebuilding and is triggering sustainable economic development.

Project news ●

Bangladesh

Through the Katalyst project, Swisscontact is assisting micro-enterprises and small enterprises, mainly in rural areas and in 20 different economic sectors. One such sector is vegetable-growing. In Rangpur, for example, Katalyst is providing growers with knowledge about better cultivation methods and also contacts to buyers. In 2007, the growing and marketing of cauliflower proved to be a particular success. In the last harvest season, 15 to 20 full truckloads of cauliflowers left Rangpur each day bound for customers in Dhaka, Chittagong and Sylhet; the year before, there had been just 10 daily truckloads. The growers were thus able to boost their earnings by an average of 68%.

Nepal

The project to build a training centre for vocational training instructors in Nepal was successfully concluded in August 2007. Around 6 600 people completed instructor courses at the Training Institute for Technical Instruction (TITI) in Kathmandu between 1992 and 2006. Since then, their teaching skills have benefited more than 120 000 apprentices. TITI has also trained teaching staff and managers from various other countries. To ensure that the high quality of the training courses is maintained, Swisscontact is assisting the centre with a small-scale follow-up programme funded by its own financial means.

Sri Lanka

In Eastern Sri Lanka, Swisscontact has successfully implemented and completed a first rebuilding project following the tsunami, with the result that a total of 2 600 people have been able to benefit from having their livelihoods restored. Among these, 600 tradesmen received replacements for their lost tools, while 1 200 youngsters completed short training courses for various building-related professions (stonemasons, plumbers, electricians and carpenters). They were then em-

Despite the economic dynamism in Asia, a large part of the continent's population live in poverty. Swisscontact is doing its bit to ensure that more people can have a share in the upswing.

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ployed on building sites for the reconstruction work. Since April 2007, the experiences and structures used in this venture have been benefiting a new project that assists families and individuals who have moved to newly-built residential areas to establish both economic and social relationships.

Vietnam

Swisscontact is supporting vocational training centres in Vietnam with the training and further training of instructors and teaching staff and with developing curriculums and teaching materials. The short courses offered are predominantly aimed at socially disadvantaged youngsters with minimum scholastic education. In 2007, some 20 000 youngsters completed a training course. Particular attention was paid to ensuring that women were given fair representation and physically disabled people were included in the training, while the course subject matter focused on founding and running a small business.

Indonesia

Swisscontact is assisting the local economy on the islands of Flores and Alor. After receiving organic certification, 850 cashew farmers were able to boost their incomes and create additional jobs. Cocoa and seaweed farmers also profited from the consulting and likewise increased their sales.

The clean-air project in Jakarta and the surrounding area was completed in 2007. Representatives of the authorities underwent further training in devising and implementing strategies to improve air quality. As part of the same project, 39 driving instructors received further training in how to drive in a more environmentally friendly manner ("eco-driving"). Two transport companies employing a total of 35 000 drivers introduced similar programmes. This project also attracted particular attention with its presentation at the UN Climate Change Conference in Bali.



12 Eastern Europe

Eastern Europe's integration into the global economy is now in full swing. To ensure that the less well-off can profit from this, they need to be equipped with modern professional skills. Swisscontact is playing its part in its capacity as a consultant to help the countries improve their educational systems and make them accessible to all levels of society.

Projects (without small Projects) Financing	Since	Expenses 2007 CHF
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ALBANIA

Support of Vocational School Programmes		
SDC	2006	89'808
Development and Reform of Vocational Training		
SDC	2007	1'244'379

KOSOVO

Promotion of Women Entrepreneurs		
SDC	2000	368'110
Promotion and Modernization of the Vocational Training		
SDC	2000	922'635

Projects (without small Projects) Financing	Since	Expenses 2007 CHF
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MOLDOVA

Assistance to Educational Reforms		
SDC	2006	209'520

Moldova: Less poverty thanks to improved vocational training

One of the main reasons for the high level of unemployment in Moldova is the fact that vocational training is not geared to the real needs of the economy. Companies often search in vain for trained staff, while several qualified people are unable to find a job. This is where Swisscontact's project comes into play. In partnership with the German consulting firm INBAS and on behalf of the Swiss government, Swisscontact is pursuing the goal of introducing a demand-oriented and flexible vocational training system. The requirements and specifications of the employers are being incorporated into curriculums and professional qualification standards. As such, the vocational training system ensures that the companies are provided with the staff that they need and who are able to

If a jobseeker's professional qualifications fail to match the requirements of companies that are recruiting, both will suffer. Modern professional standards reflect the needs of the economy and help trained applicants to find a job.

cope with the task. The chances for trained people to find work are, of course, greatly improved if their qualification is one that is really in demand.

A modernized and demand-oriented vocational training system is helping more Moldovans to find work and earn money. The salary that they receive not only represents their personal escape from poverty, but also serves to benefit those whose goods and services they can now afford. For their part, these suppliers can then employ more people to satisfy the increasing demand. The economy thus gains impetus and poverty declines – and all as a result of better vocational training in the Republic of Moldova.

Project news ●

Kosovo

Since 2001, Swisscontact has been working on behalf of the Swiss Government to improve the vocational training system in Kosovo, the aim being to ensure that the vocational training institutions offer high-quality training programmes that are of relevance to the market. To achieve this, the staff are being given advice and further training. In 2007, the 10 partner training centres in the project implemented practice-oriented training modules in vehicle mechanics, heating and plumbing installation and electrical installation, as well as administration and commerce. Swisscontact acted as a coach in this process.

In 2007, the development of a two-year apprenticeship for food retail staff began at the agricultural training centre in Prishtina. Several food retailers from the city are working closely with those in charge of the school. A branch manager of the Swiss retailer Migros assisted those involved in the development as an expert advisor, informing retailers and their suppliers about modern standards with regard to hygiene, customer service, product presentation, purchasing and goods storage. In so doing, he also made them aware of the importance of good vocational training and provided them with useful input for building a professional profile.

Swisscontact is doing its bit to modernize vocational training in Eastern Europe. The more people who have the qualifications that firms are looking for, the more will be able to escape from poverty by their own efforts.

13

Albania

Swisscontact is assisting the Albanian vocational training system at all levels, from vocational training colleges right up to the government positions responsible for the general reform. Nine training centres received expert support in 2007, and more than 5 000 young men and women attended one of the courses started as part of the project. A survey shows that the unemployment rate among those who have completed such a course is well below the national average.

As part of the vocational training project, 2007 saw the setting up of mobile training units, the aim being to send these units into the mountainous northern region of the country to provide practice-oriented vocational training for the young men and women living there. As Swisscontact has already successfully established similar mobile structures in Indonesia and Vietnam, representatives from the Albanian Ministry of Work and the national employment authorities visited these projects on a fact-finding trip.



Total 1767 MISSIONS ACCORDING TO CONTINENTS 1979 TO 2007

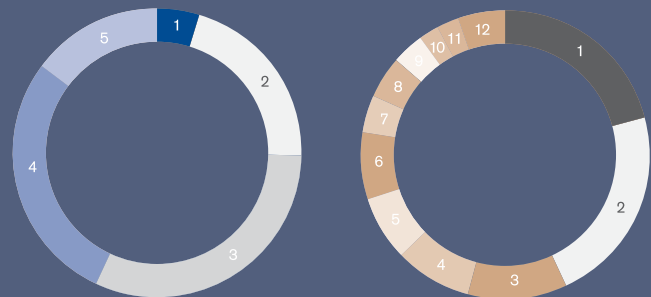
1 Marketing and management consultants 2 Electrical, civil and mechanical engineers 3 Hotel and tourism specialists 4 Food engineers 5 Education specialists 6 Craftsmen 7 Medical doctors and health care specialists 8 Agronomists and forestry engineers 9 Designing engineers 10 Chemists and pharmacists 11 Journalists 12 Various

POOL OF EXPERTS BY AGE

- 1 over 75
- 2 71 – 75
- 3 66 – 70
- 4 61 – 65
- 5 under 61

Over 600 experts are available as volunteer consultants. They are highly qualified specialists. The average age is 66 and the participation of women 12%.

EXPERTS BY PROFESSIONAL QUALIFICATIONS



14 Senior Expert Corps

Retired Swiss experts are sharing their knowledge with small and medium enterprises in developing countries and Eastern Europe and, in doing so, are helping them to help themselves.

In 2007, 110 successful consulting assignments were carried out in 27 countries, with particular emphasis on Nepal, Kosovo, Peru, Benin and Ukraine. One highlight of the year was the 13th Senior Expert Service World Conference in Zurich, which was organised by Swisscontact for the first time. Delegates from Senior Expert Organisations from the USA, Japan, India, Peru, Germany, Netherlands, France, Spain, Italy, Portugal, the UK and Ireland exchanged experiences at the 13th SES World Conference. These represent a total of more than 30 000 experts who are involved in around 10 500 consulting assignments each year, 6 500 of which take place internationally and 4 000 in their own countries.

In the case of nearly all of the organizations, including the Swiss-contact Senior Expert Corps, the consulting assignments in developing countries are staged for small and medium enterprises. The latter assume part of the costs, which in turn increases their motivation to implement the suggestions they receive. The Senior Expert Corps is thus playing its part in helping the recipients to help themselves.

Consulting by Senior Expert Corps

Projects (without small Projects) Financing	Since	Expenses 2007 CHF
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DEVELOPMENT COUNTRIES

Promotion of SMEs		
Swisscontact/SDC	1979/93	463'735

EASTERN EUROPE

Promotion of SMEs		
SDC	2000	56'512

110 ASSIGNMENTS ACCORDING TO INDIVIDUAL SECTORS

Sectors	Assignments 2007
Tourism and hotel sector	20
Food processing	38
Management	10
Trade	10
Technology	11
Education and health	8
Agriculture and forestry	5
Construction, chemistry and environment	8

Your donation makes a difference!

Poverty and individual initiative are by no means mutually exclusive; on the contrary, in fact. In developing and emerging countries, millions of people struggle with admirable dedication and on occasions original methods to earn their daily bread or raise sufficient funds to send their children to school. However, many of them lack the necessary know-how to put their small businesses on a solid footing, to use their modest means efficiently and to plan for the long term. These same people are also frequently denied access to important services. Micro-enterprises find it particularly difficult to obtain credits at a reasonable rate, to open a savings account or to take out insurance. Moreover, for many, officially registering their own business is an almost insurmountable hurdle. As a result, instead of developing their business and providing men and women from their community with work, they find themselves becoming bogged down day after day and making no headway.

With your donation you will be helping these people. Thanks to you, Swisscontact can support poor people who are economically active by providing consulting facilities, further training and contacts. Together, we can enable them to overcome poverty by their own efforts.

Thank you for your donation:

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Bank: UBS AG, CH-8001 Zürich

IBAN: CH60 0020 6206 3134 2301B

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