



swisscontact

Annual Report
2013

Employment and income open up pathways out of poverty into a future with real opportunities



Sustainable growth, driven by an innovative private sector, adding value to underdeveloped regions and engaging disadvantaged populations as active market participants is the foundation of Swisscontact's project work, which focuses on four core areas:

- **Skills development:** enabling labour market access and creating the basis for employment and income generation
- **SME promotion:** supporting local entrepreneurship with the objective to strengthen its competitiveness
- **Financial services:** facilitating access to local services such as credit, savings, leasing and insurance products
- **Resource efficiency:** promoting efficient use of resources through energy- and material efficient production methods, as well as through measures to promote clean air and sustainable waste management

In this way Swisscontact is creating appropriate conditions for entrepreneurship and the overall basis for a competitive, socially responsible and environmentally-friendly private sector as the fundamental pillar of all development.

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Highlights



Africa: fragile contexts and labour market integration

In Kakuma, Kenya, work began on the promotion of basic qualifications of youth living in and around the largest refugee camp in Africa. Over the next two years, young men and women will be taught technical know-how and soft skills, which will allow them to gain access to the local labour market or start their own businesses. Linking general educational, technical, and entrepreneurial abilities addresses the demands of the labour market and local economy. The project is based on Swisscontact's many years of broad experience working in the informal education sector, combined with the technical knowledge of the Norwegian Refugee Council (NRC), which focuses specifically on refugees.



Asia: Myanmar emerging

Since its political liberalisation, Myanmar has experienced a dramatic economic boom that will become even stronger in 2015 with its entry in the Asean Free Trade Area (AFTA) and establishment of the Asean Economic Community (AEC). With a new mandate, Swisscontact can bring its many years' experience in skills development in Asia to the region's newest growing economy. It is making an important contribution to strengthening the qualifications of people who currently have little or no access to the few public and private vocational training centres and programmes available.

On a national level, the project supports the introduction of vocational training standards into Myanmar's newly established National Skills Standards Agency (NSSA). On a sub-national, regional level, the project will establish a mobile training network in the south-eastern area of the country that will give village inhabitants access to basic vocational skills. The project also supports the emerging tourism sector.



Latin America: a new generation of beekeepers

Swisscontact is building on the successful regional enhancement and positioning of beekeeping in Central America. Nearly 3,000 SME farmer families in the last few years were motivated to start beekeeping. In certain cases they have increased their agricultural yields, while contributing to a twofold increase in the region's honey production.

In Nicaragua there are more than 200 beekeepers currently applying for organic certification. In addition to improving technical know-how, the continuing education programme for a new generation of beekeepers places great value on the environment: only healthy vegetation will supply enough nutrition for productive bee populations. These are the best conditions for success in entering the international market as well. The PymeRural project in Honduras and Nicaragua offers specialised technical skills to farmers and small businesses.



Clean air and energy efficiency

The «Climate and Clean Air Coalition to Reduce Short-Lived Climate Pollutants» (CCAC) initiative under the United Nations Environment Programme (UNEP) recognises Swisscontact's leading role in promoting resource-efficient brickmaking, reducing emissions in the transport sector and recycling of household, industrial and farm waste. The coalition of 40 partners from 34 countries has set a united objective to fight environmental toxins in the areas of health, nutrition and energy.

In May 2013, the EELA (Energy Efficiency in Artisanal Brick Production in Latin America) project entered its second phase, encompassing six Latin American countries. Technological improvements in SME brick production significantly increase energy efficiency of the brick kilns. This results in production increases, decreased pollution and greenhouse gas emissions falling by 13,000 metric tonnes of CO² per year.



Social responsibility in the textiles industry

The textile factory fires in Bangladesh have shown in the most tragic way how important it is to implement and enforce social standards in developing countries. For Swisscontact, supporting the private sector in the implementation and enforcement of these guidelines is an important matter. In the Promotion of Social and Environmental Standards in the Industry, Awards for Social and Environmental Excellence were given, as part of efforts to promote social and environmental standards in the Bangladeshi apparel industry. Five awards and honourable mentions in the field of «Society and Environment» were awarded to factories that were assisted by Swisscontact. Partner factories were given three further awards. In addition and beyond the scope of this official competition, one factory was awarded the title of «Excellent Business» for energy efficiency.



Sustainable tourism development

In the Regional Tourism Development Project WISATA, Swisscontact helped to make the Indonesian island of Flores, – a two hour-flight from Bali – into an internationally recognised tourist destination. Together with the government, communities and local businesses, the tourism potential is being developed in such a way that the natural and cultural identity of the island will be protected. Local and regional tourism management organisations strengthen stakeholders in the local value chain to improve the selection of tourism services they have to offer. They provide partner organisations with knowledge and experience, supporting promotion efforts in national and international markets. With the image of the destination improved, the number of international visitors has increased substantially and the duration of stays has become considerably longer due to the improved tourism services.

A year of significant progress

Swisscontact launched new projects to give more disadvantaged populations opportunities for employment and business development.



Heinrich M. Lanz, President

I am quite pleased to say that Swisscontact successfully made key progress in implementing its «2020 Strategy». If 2012 was defined by reworking, clarifying and broadly supporting Swisscontact's strategy, then 2013 will be remembered as the year of organisational changes. In addition, a rapidly-changing and competitive environment made 2013 an important year.

The foundation's endowment increased slightly and cost efficiency, especially at headquarters, has improved. In light of our work in fragile contexts, a disciplined approach to risk management continues to be essential.

In order to be able to implement our strategy successfully, we have modified our organisational structure. To this end, we have made our internal processes more efficient, thereby rendering it easier for us to implement our projects according to the highest standards as well as improve our collaboration with partners at regional and cross-cutting levels even further.

Our annual theme «Resource Efficiency» can be interpreted both literally and figuratively, and that was the point: on the one hand we demonstrated how international cooperation between development organisations and the private sector can reduce resource consumption, which opens up opportunities for a clean environment, an environmentally-friendly

economy and a healthy society. On the other hand, it was important to sensitise our partners and donors to the idea that a business-like approach and inclusion of the private sector are key factors in the fight against climate change and help generate prosperity for broad segments of society.

Swisscontact's Board of Trustees was enhanced with the appointment of Dr. Myriam Meyer Stutz, Dr. Reto Müller, National Council member Elisabeth Schneider-Schneiter and Dr. Ursula Renold. These individuals all bring a wealth of experience, diverse skills and an extensive network to the organisation. Dr. Guido Condrau announced his resignation after 10 years on the Board. I would like to thank the outgoing Board for its commitment and am excited for future, active cooperation with our new Board members.

As always, very demanding tasks await us. I am confident that we are well equipped for this. My thanks go out to all our long-term partners and donors who, above all, have made our work in underdeveloped regions possible. I would also like to thank the entire Swisscontact team around the globe, who with their continuous engagement and impressive achievements over the last year, are the reason behind Swisscontact's success.

Heinrich M. Lanz
President

Short steps and far-reaching results

In various respects, 2013 was not just a transitional year, but represented an important turning point. With a fast, ever-changing environment, we must continue innovating in the future. Change offers the opportunity to build on what works and be open to new things at the same time.



Samuel Bon, CEO

We look back at a successful operational year with great satisfaction, during which we started important new projects.

2013 was a turning point in two respects. First, the last phase of our reorganisation, which began in 2010, was implemented. Organisational structures and processes were optimised. For this, shorter decision-making processes, a streamlined organisational structure, efficiency and efficacy, as well as clear tasks and allocation of responsibilities were at the forefront.

Secondly, the spatial changes we underwent with the office move and complete overhaul of our IT infrastructure provided our staff with a new work environment. Through the process optimisations we were able to put together various tasks and allocate responsibilities in Customer Service, Operations and Project Management, in addition to Human Resources and Administration.

Furthermore, a central issue in our reorganisation was closer collaboration between our regional offices in the field. Here it is our intention to promote an open work culture, rich with initiative.

We have had success in our efforts to find more donors and partners for our projects in North America. New country offices in Tunisia, Laos, Rwanda, Mozambique and Myanmar have been opened and started operations.

Modernising our public image and launching our new website allow us to strengthen Swisscontact's public profile even further, as well as to better present our project work and intensify our communications at all levels.

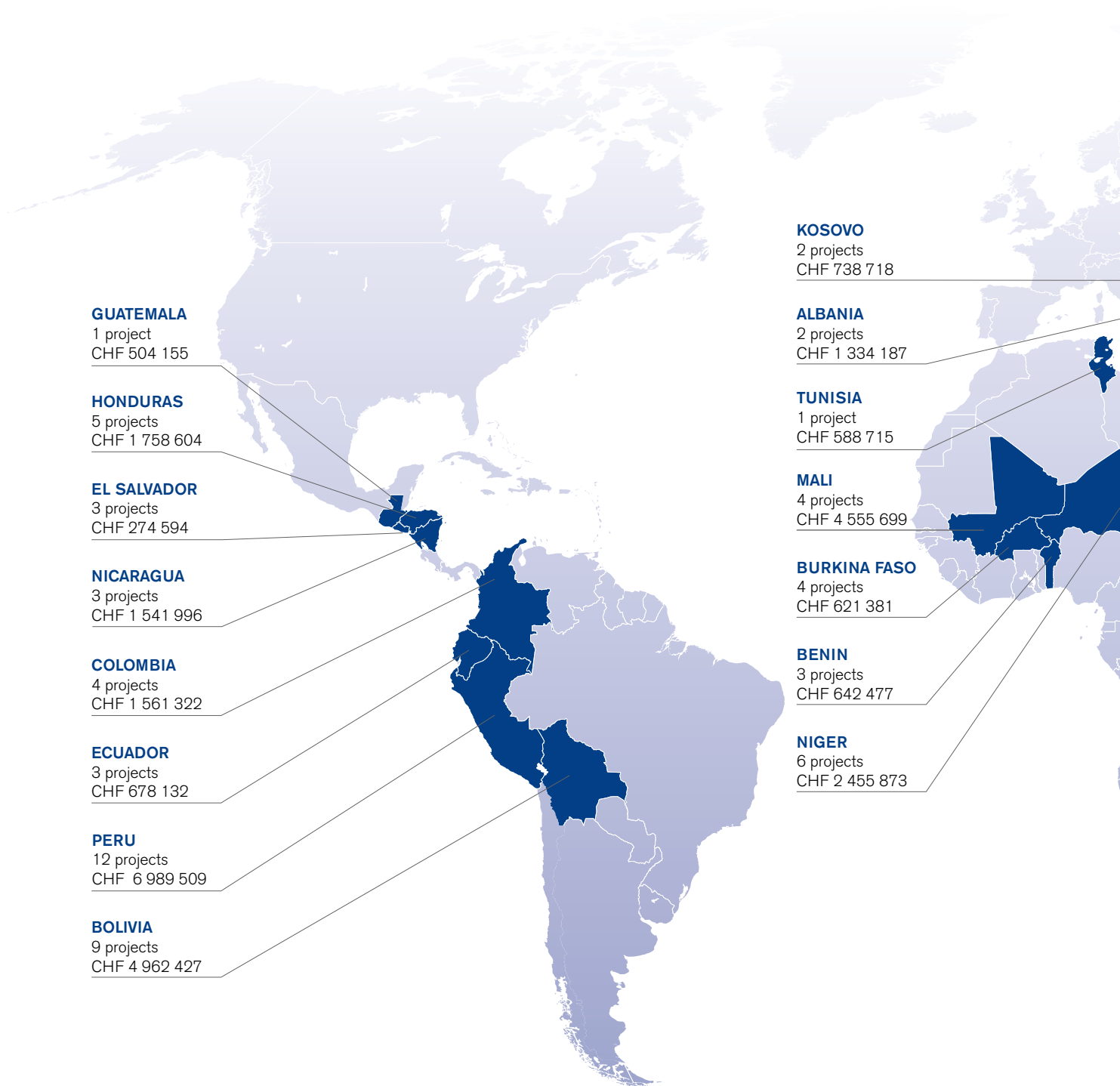
In early 2013 we started a global project to introduce a standardised programme evaluation. Our objective is to improve project activities by making them results-oriented and achieve more transparency in terms of results through modern management and a culture of collaboration.

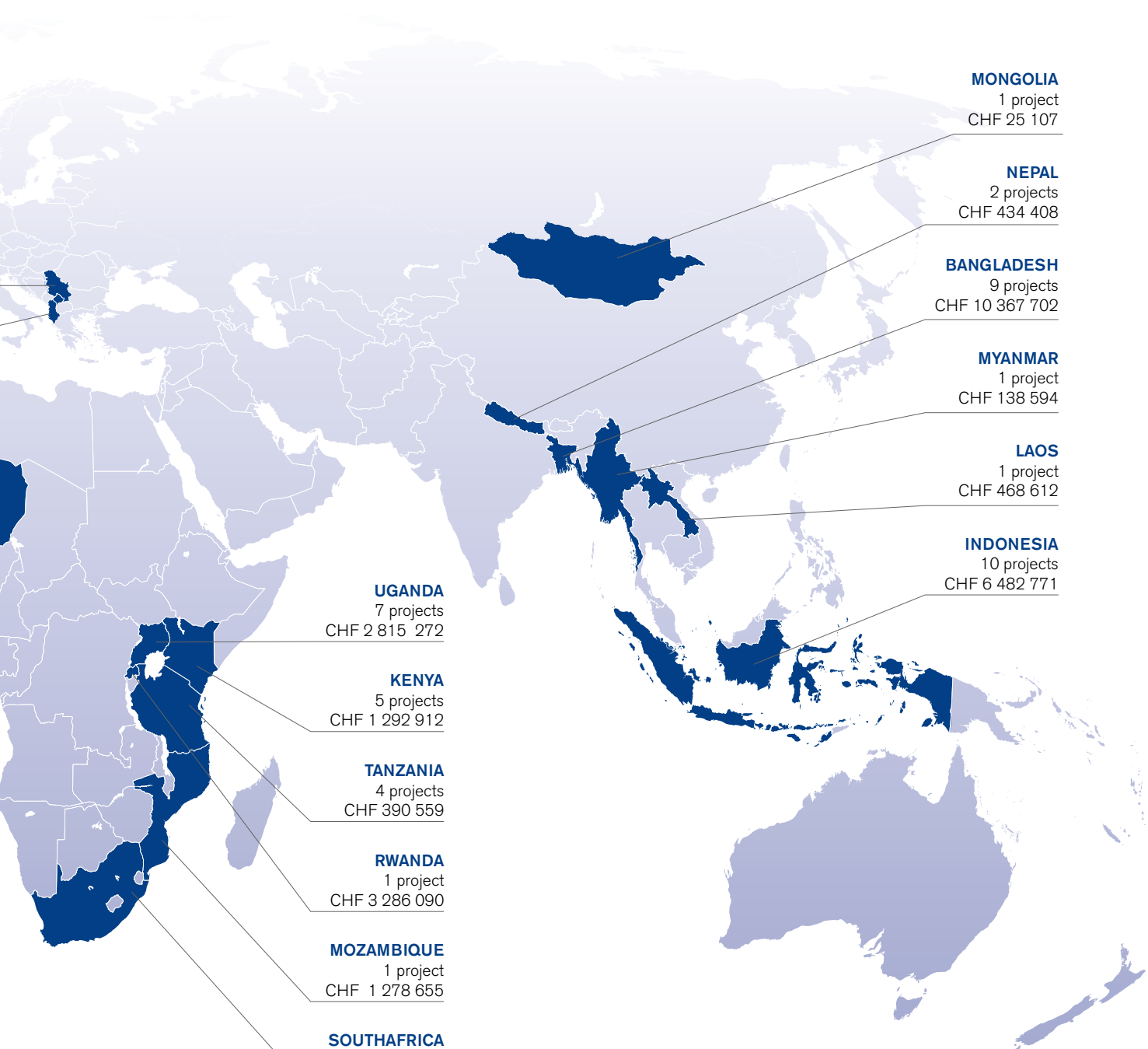
By establishing these requirements we are looking confidently to the future. This system will make it possible for us to strengthen Swisscontact's position as a flexible, knowledgeable, and quality-minded organisation, creating real value for disadvantaged populations in developing countries and emerging economies. In order to continue our commitments with friends, donors and partners, we want to abide by our values and apply them in our everyday work.

This past year has placed extraordinary demands on our staff in terms of flexibility and special efforts. For this reason I owe them my deepest gratitude and heartfelt thanks!

Samuel Bon
CEO

109 projects in 27 countries





Turnover projects per country (December 2013)

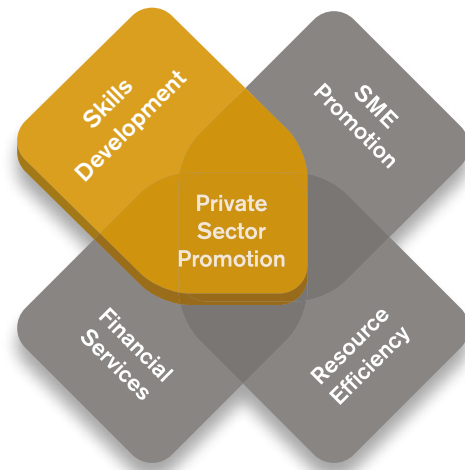
Well-equipped for the future thanks to skills development

Skills development affects the employment environment significantly; it is not only the basis for employment, but also for economic development. Since our founding, vocational training has been a hallmark of Swisscontact's successes; it has been our primary focus in Albania since 1994. Reform of the vocational training system is facing a two-fold challenge: on the one hand the system needs to be re-structured to offer youth an attractive alternative to an academic education and provide the economy with the necessary qualifications and skills sets. On the other hand, vocational training needs to be made more accessible to disadvantaged groups and minorities.

Both the Albania VET Support Programme (AlbVET) and Coaching for Employment projects address these two issues. The AlbVET project is already in its third phase and is making key contributions to reform the system. The Coaching for Employment project is in its first phase and addresses disadvantaged groups and minorities (especially Roma), the handicapped and unemployed youth.

In the AlbVET project Swisscontact is supporting a national reform of the vocational training system in two sectors: thermohydraulics (heating, ventilation and plumbing) and IT. The programme involves new approaches to teaching and learning, the inclusion of the private sector, institutional partnerships, new and in-demand vocational trainings and dual training approaches. Nationwide, AlbVET is an important counterpart for the government in strategy development and legislation.

The Coaching for Employment project supports youth and young adults from disadvantaged groups and provides them guidance for 12-18 months along their way to the work world. One-on-one consulting, business internships, vocational and general training courses and teamwork constitute the various stations along this road. To implement this project, Swisscontact is collaborating with 12 local NGOs and the National Employment Service. Swisscontact is training coaches using a modular approach in collaboration with Lucerne University of Applied Sciences and Arts. By the end of 2014 the project will have reached 500 youths and young adults.



Thanks to 22 projects in 2013 across all four continents, around 54,000 mostly young people, of whom 51% are women, could start improved vocational education and training courses. The training was provided in more than 20 vocational sectors, from agriculture to automobile repair and tailoring, hospitality and health. 12,600 women and men received coaching and guidance in their search for employment opportunities.



Welder in training in Elbasan, Albania

Project Example: Mozambique

Better market opportunities create sustainable growth

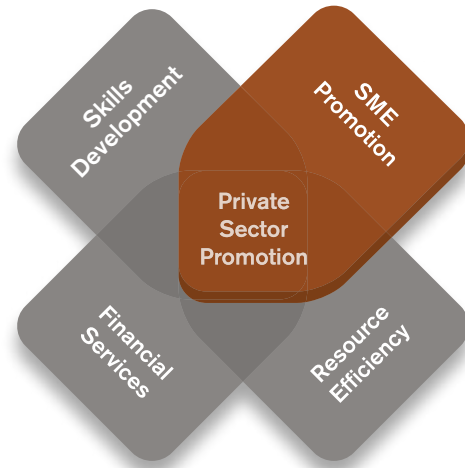
The majority of the population of northern Mozambique lives on agriculture, often below the poverty line. Fighting poverty here is essentially achieved through agricultural development.

The impetus for the Horti-Sempre project was a supply bottleneck: in the Nacala Corridor in the country's north, demand for fresh, high-quality vegetables rapidly increased. Since local SME farmers could not satisfy the demand, it became necessary to import expensive produce from South Africa.

Against this backdrop, a project was set up to improve production and marketing of high-quality fruits and vegetables in the Nacala Corridor. This serves as the basis for sustainable and broad-based growth in this traditionally underdeveloped region of the country.

The programme facilitates extension of new agricultural technologies and combines these with improvements in irrigation systems and the creation of sustainable access to credit and markets. The objective is for the various project activities to reach over 4,000 producers by 2016.

Initial results indicate that thanks to the introduction of new seed material and development of low-cost irrigation systems, the variety of vegetables cultivated has expanded substantially and overall quality has improved as well. Due to the creation of producer groups and facilitation of contractual relations with local wholesalers, the entire value chain was brought to a whole new level.



Improved access to information, services and resources have provided opportunities to hundreds of thousands of SMEs and farmers in Africa, Asia and Latin America to increase their incomes. All in all, some 350,000 businesses increased their revenues in the year under review. The growth in incomes for companies participating in 19 projects was at least \$75 million. In just three projects in Central America, Bangladesh and Indonesia, new sources of employment for 13,000 full-time jobs were created.



SME farmers in Mozambique

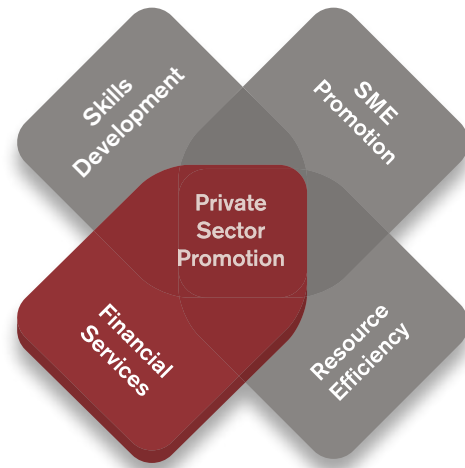
Increased productivity due to access to microleasing services

Credit instruments in rural areas need to fulfil special requirements and be adapted to agribusinesses. However, often Latin American financial institutions supply the agricultural market with credit instruments that have been developed for their urban clientele. From its pilot and innovative financial services projects in places like Kenya, Swisscontact has come to know farmers' credit needs. We are now transferring this knowledge to Latin America. SME farmers and businesses in rural environments depend on specially adjusted terms of payment, payment periods and risk management of microfinance adapted to suit their needs. Only in this way can SME revenues improve, thereby resulting in higher productivity and incomes.

How should a successful microleasing product be structured? What modalities are essential to lessees? Who are the right partners?

Swisscontact has asked these questions while developing asset-backed and capital leasing products in Kenya. The answers and the knowledge gained will now be adapted and transferred to Latin America. In the first project phase, which started in 2013, the services already available were evaluated, partner companies were sought out and demand was assessed. The goal in Latin America is to introduce a product that supports the development and productivity of SME farmers and businesses. With a lease, borrowers need not become indebted and the leased product becomes a platform upon which they can make money and thus meet their lease repayments.

Swisscontact is currently working on introducing the microleasing project in the Latin American countries of Honduras, Nicaragua, El Salvador, Colombia, Ecuador, Peru and Bolivia.



Along with the further development of the capabilities of savings groups and savings and credit cooperatives, in East Africa the volume of leasing contracts for agricultural inputs increased from \$8.3 million to \$15 million and thus 25,000 rural producers gained access to inputs in the year under review.



Bank branch office in East Africa

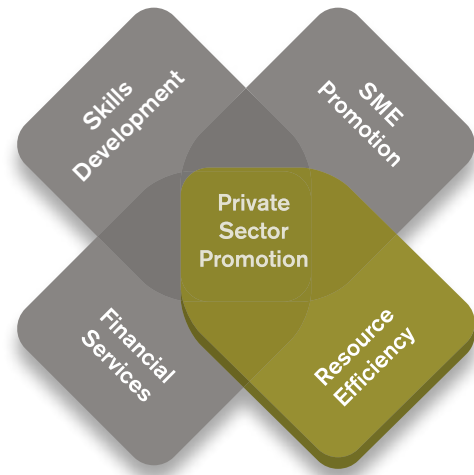
Sustainable waste management with economic potential

With approximately 160 million inhabitants, Bangladesh is one of the most densely populated countries in the world. Increasing industrialisation and rural flight are causing massive population pressures in the country's urban areas. This becomes evident when witnessing the immense garbage heaps that accumulate every day. Waste disposal, sometimes in official (but mostly unofficial) dumps causes surface, soil, groundwater and air pollution. It is becoming an ever-increasing threat to the health of local inhabitants.

In the capital Dhaka, Swisscontact has established a goal to increase the awareness of the local population to the value of waste separation. Swisscontact does this through publicity campaigns explaining how to separate household waste, as well as by training waste collectors. Local residents are trained in workshops to separate recyclables responsibly and safely from waste, and they have the opportunity to provide their own inputs as well. The introduction of labelled receptacles in buildings and homes makes waste separation easier. Furthermore, given the earning potential

from the recyclables sector, it is important to promote private sector and SME growth to achieve market solutions to sustainable waste management. The project intends to increase the awareness of 300,000 residents in three neighbourhoods to waste management issues. It will also train 250 waste collectors, and by increasing the quantities of separated recyclable materials, create jobs for 250 recycling sector workers. Close collaboration with the corresponding public and private stakeholders will ensure that the Dhaka recycling sector, which is based on existing structures, will grow sustainably. Furthermore, the project will build the capacity of neighbourhood associations.

By the end of the project, they will therefore be in a position to continue managing and financing the awareness and information campaign to households in the waste management system on their own. As soon as households are familiarised with waste separation, composting of organic waste will become an opportunity for project expansion with a significant impact: around 70% of waste is organic.



In four projects across Latin America and South Africa, the reduction in energy consumption by brickmakers and recycling waste are of primary importance. Greenhouse gas emissions from cars, brick factories and garbage dumps were reduced in 2013 by 37,000 metric tonnes of CO₂. Thanks to the recycling of 11,000 tonnes of waste, participating waste collectors and businesses increased their incomes and improved their working conditions.



PET-Recycling in Dhaka, Bangladesh

Senior Expert Corps

Cost-effective solutions that stimulate production

In 2013, 146 experts provided input. Since the creation of the Senior Expert Corps (SEC) in 1979, more than 2,200 volunteer assignments have been carried out in 60 countries. Each year, between 110 and 150 interventions are carried out and currently 620 individuals are registered in Swisscontact's expert pool. SEC interventions are timely and provide incentives to support individual companies in their further growth directly and unbureaucratically. In order to increase sustainability of these interventions, the SEC programme

team and the advisory commission have developed a new strategy incorporating the inputs offered by the coordinating centres in various countries. In the future, interventions will focus on less countries and sectors, concentrating on specific regions within a given country. Furthermore, more interventions will focus on resource efficiency.

An example of a consulting intervention uniting these new approaches is that of Rosmarie Müller and Peter Pfister in a large printing company in La Paz, Bolivia.



Processing paper waste in the Sagitario printing house in La Paz, Bolivia



Rosmarie Müller and Peter Pfister testing the construction material

With the support of these two experts, the printing company was able to produce a new and low-cost building material out of paper waste. In the future, low-cost housing will be built for employees. From an interview with the architect Rosmarie Müller and engineer Peter Pfister:

This was your first assignment with the Senior Expert Corps. What was your greatest challenge?

In La Paz, it was finding solutions for developing a new product, and the challenge was to evaluate appropriate on-site technologies. In addition, the building brick we developed had to fit in with the local culture of the country. This includes acceptance price, and quality assurance so that there is a market opportunity for the product.

What did you achieve?

We were able to convince the owners of the printing house that waste paper is not waste,

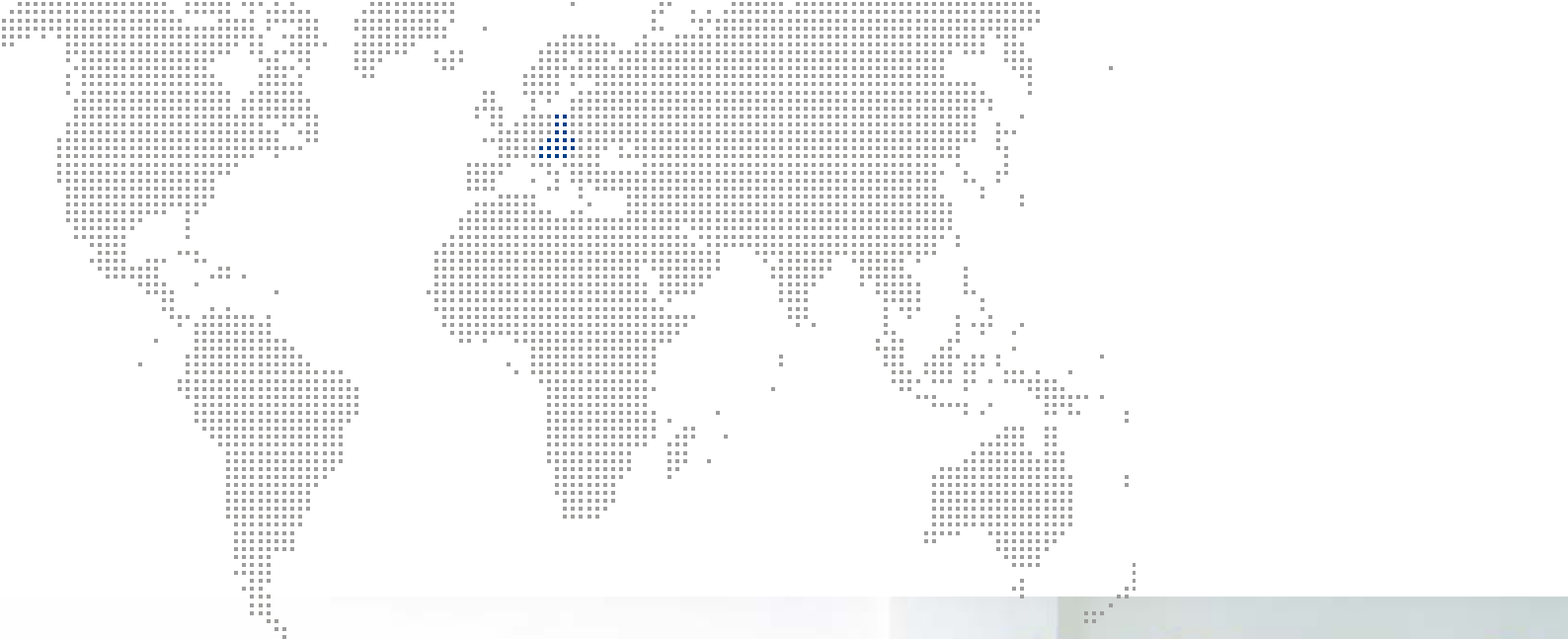
but a valuable raw material for a new product. Specifically, we developed a project to turn the waste paper into a building block as an alternative to the conventional brick and that could be successful in the market.

You were active in the area of resource efficiency/ecology. Why is that important to you?

In our work in Switzerland we are always trying to find simple solutions that are compatible with the needs and culture of our clients, not only in terms of ecology, but also economically and socially. These criteria also apply to the same degree in development projects.

What is your greatest highlight?

The contrast between the high-end products in the large printing business in La Paz, produced in accordance with international standards using state-of-the-art technology, and the low-end product, the simple building block, couldn't be greater. It is analogous to the contrast between various populations in Bolivia.



Entrepreneurship Workshop in Pristina, Kosovo

Eastern Europe

The **Western Balkans** is still fraught with political, economic and social challenges. Swisscontact has worked in Albania and Kosovo for 20 years to reform the vocational training system. Through targeted support of various reform efforts, Swisscontact made significant contributions to the development of the vocational training system of both countries. Its projects supported vocational schools, developed teaching curricula together with the ministries in charge and the private sector, and trained teachers. New training approaches were introduced, in particular involving the private sector and targeting specific populations. In addition, advice was integrated into the further development of these countries' national vocational training systems. In Kosovo the project closed out in 2013 and in Albania both projects will close out in 2014.

As before, this underdeveloped region is dealing with a high rate of youth unemployment and outward migration to Western Europe. Both the European Union and Switzerland will continue to invest in the economies of Balkan countries. Swisscontact is committed to contribute to this development and expand its presence. The focus will be on vocational training and private sector promotion. In 2014 Swisscontact's regional infrastructure and staffing resources will be strengthened in order to take on new projects in the region.

“ *Promoting skills development in developing countries is a longstanding tradition at Swisscontact. In this practice area, Swisscontact helps people find jobs and stay employed. Solid vocational training ensures a living and is the basis for participating in and contributing to society. In this way Swisscontact is creating promising opportunities for people in developing countries.* ”



Dr. Myriam Meyer Stutz
Member of various supervisory boards, Member Swisscontact Board of Trustees



Mavuno group (Savings and Credit Cooperative) in Sikasso Region, Mali

Africa

Exclusion of greater population groups from participating in economic life and the resultant social disintegration are common in North and West Africa; the causes are structural deficits, weak civil society and violent conflict. The most prominent example of this situation was the 2013 crisis in Mali caused by warring factions that threatened to destabilise the Sahel region.

In the face of this rather negative trend, Swisscontact was able to expand its project portfolio in **West Africa**, especially in education. The four largest skills development projects, covering nearly all regions of Mali and Niger, are creating vocational training opportunities in demand-oriented professions and are helping to create 60,000 jobs in rural areas. Additionally, we were able to extend the experience and skills in the West African financial services sector to Benin and Burkina Faso by developing new products together with local savings and credit cooperatives. In 2013, Tunisia became a new member of our regional country portfolio. Within the framework of the migration partnership with Switzerland, Tunisia is making an important contribution to reducing youth unemployment.

Many of the world's least developed countries are in **Eastern, Central, and Southern Africa**, especially because of poorly functioning market structures. The SME promotion project in Tanzania, which has also been working in waste management since 2013, is addressing deficiencies in market systems. Whilst the project portfolio in Uganda and Kenya has been broadened, a new, large-scale skills development programme started in Rwanda that is supporting the redesign of the national vocational training system. In Mozambique, Swisscontact launched a project to stimulate the significant growth potential of vegetable production. Available water and land resources are being used for year-round production with the help of micro-irrigation systems. The Asian technology for energy-efficient brick-making that Swisscontact successfully transferred to South Africa was further adapted in 2013 so that by 2014 commercial serial production is poised to grow. The fact that our overall project portfolio in this region grew by 50% is reason to celebrate.

“ *Savings opportunities, microloans and insurance stabilise the living situation for broad swaths of the population and support local economic development. The Swiss Re Foundation therefore supports Swisscontact's approach of working together with financial institutions in emerging economies to develop financial products for low-income clients.* ”



Walter B. Kielholz
Chairman Swiss Re and
Swiss Re Foundation



The owner of a local Mobile Service Centre in Dhaka, Bangladesh

Asia

After years of economic growth, most Asian countries face the challenge of an imbalance between rich and poor. This is in addition to growing environmental problems and the need to adapt vocational training to the rapidly changing demands of the economy.

In **South Asia** the central project focus is Bangladesh, where Swisscontact has implemented Katalyst, one of the largest country programmes, and staked out a strong position in private sector promotion and skills development. Along with political tensions associated with elections, dramatic textile factory fires have put the country in the international spotlight. Swisscontact recognised the dangers in the booming textile sector early on and thus for several years has been working with manufacturers and buyers to improve social conditions in the factories. Beyond its existing solid project portfolio in private sector promotion, Swisscontact also intends to put more efforts into assisting the vocational training sector. This sector will become much more important as the economy continues its rapid economic growth. Having been awarded

a large vocational training project, we at Swisscontact have made an important step in this direction. Swisscontact has once again gained a foothold in Nepal with its programme and a large value chain development project.

In **Southeast Asia** Swisscontact further consolidated its strong position in private sector promotion, winning a large economic development project in eastern Indonesia. Together with its existing large-scale projects in the cocoa and tourism sectors, Swisscontact is present throughout Indonesia. Thematically, with the integration of a financial component in the cocoa project, there is now an opportunity to develop the holistic approach of this programme further and establish ourselves more firmly in the financial services development sector. With the award of a large-scale vocational training project we successfully expanded our Myanmar portfolio into the Mekong region two years ago. Over a 10-year horizon, this project will make a major contribution to the development of the vocational training system currently being planned.

“ *Helping to shape changes in values. The goal of successful SME promotion is to apply the principle of sustainability as seen in the Swiss economy. The classic family entrepreneur wants to preserve his or her company for subsequent generations and have it prosper. 70 percent of all jobs and 80 percent of all apprenticeships are held or created in SMEs.* ”



Peter Steiner
Vice-President of the Board of Directors of the Steiner Group, Member Swisscontact Board of Trustees



Potato seed material selection in Guinope, Honduras

Latin America

Latin America's economic and social transformation over the last few years is overall a positive development. Most governments took on the burgeoning economic crisis deliberately and successfully. Despite this, continued high levels of social injustice, the dependence on raw material exports and the often high crime rates cloud the future.

Swisscontact has decades of experience integrating **Central America's** socially marginalised youth into the labour market. Swisscontact has been awarded with a new vocational training project in Honduras, which will make a significant contribution to the prevention of violence. After five years, the exceptionally successful PymeRural project in Honduras and Nicaragua entered its final phase. The project strengthened various value chains, facilitating increased competition, local innovations and a new economic dynamic. 6,166 producers and businesses benefited from the advisory services and continuing education programmes.

In **South America** as well, old projects closed out and new ones started up: The Prose-rural economic development project concluded successfully. In six provinces and 48 municipalities, beneficiaries achieved

improvements and modernisation in agricultural productivity and quality. To ensure that thousands of other SME farmer families still living in poverty in other regions of Bolivia are linked to these successes and their living conditions continue to improve, the new «Acceso a Mercados Rurales» extension project will be implemented with enhanced integration efforts over the next four years.

In Bolivia the successful Ecovecindarios waste management project will enter a new four-year phase with waste separation and recycling methods in mid-sized cities. Previously an environmental problem largely ignored by local authorities, the topic has come to dominate the agenda of municipal authorities from the neighbourhood level on up. Swisscontact is now using these experiences from Latin America throughout the region and in new projects in Africa and Asia as well.

In Colombia, export promotion initiatives of specialty cocoa through support for improved production methods and post-harvest technologies are beginning to take root. In this way Swisscontact is guiding the producers step-by-step toward international markets.

“ Through our joint ‘Ecovecindarios’ project, 274 jobs in 10 Bolivian municipalities were created and 5,821 tonnes of organic waste properly discarded. This resulted in greenhouse gas emission reductions of approximately 5,530 tonnes of CO₂. In addition, the labour conditions and incomes of waste collectors improved, which in turn facilitated the development of SMEs in the recycling sector. It is this measurable outcome of our joint work with Swisscontact which we value in particular. ”



Dr. Nathalie von Siemens
Managing Director / Speaker
of the Board Siemens
Foundation

Knowledge and Content Management

Our employees' knowledge, skills and experience are Swisscontact's most valuable assets. Providing these skills at the right time, place and in the proper manner is a major challenge. The requirements of professional and broadly effective project implementation must live up to the organisation's objectives. Accordingly, we channel available knowledge from our projects, developing it further, while disseminating it throughout the organisation and ensuring it takes root.

With this in mind, in 2013 a co-ordination centre for global knowledge management was established, which fosters and promotes the culture of exchange and mutual learning throughout our organisation. The enhanced knowledge transfer not only supports our work

at the project level, but it also facilitates funding for Swisscontact and our participation in international networks.

Swisscontact's 2013 annual theme was resource efficiency. To this end, a core thematic statement was published and an interdisciplinary training conducted with the participation of all project managers involved in this area. It was also the theme of our annual meeting held in the Kongresshaus Zürich convention centre. Finally, in 2013 Swisscontact launched an intranet project to strengthen collaboration between various regions and projects. This facilitates knowledge exchange and all information is disseminated in targeted fashion throughout our organisation and used productively.



Tourism experts in Laos

Monitoring and Result Measurement

Achieving the greatest effect efficiently is central to Swisscontact's project work. Monitoring target results in different projects in uniform and comparable fashion is a key tool for our quality assurance, learning processes and reporting.

Therefore, in 2013 Swisscontact began to provide all our projects with applicable tools and standards. Seven newly appointed regional advisors are working with our projects to introduce this new system. Swisscontact is aligning itself to internationally recognised standards, in particular those of the Donor Committee for Enterprise Development (DCED).

We conducted seminars to further train our project managers in all six regions where we work. Data from «good practice projects» was analysed and shared.

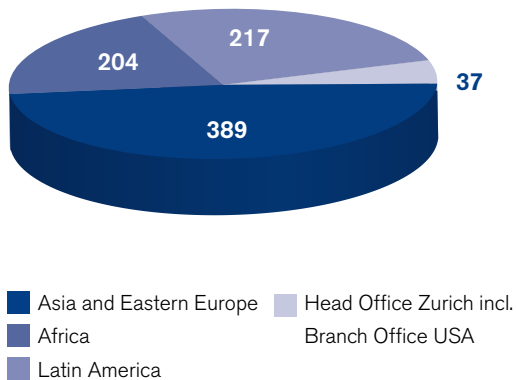
The monitoring and results measurement system that Swisscontact has put in place demonstrates the economic and environmental sustainability of our projects, in addition to the relevance of the strategies, actions and tools applied.



Data collection in Morogoro, Tanzania

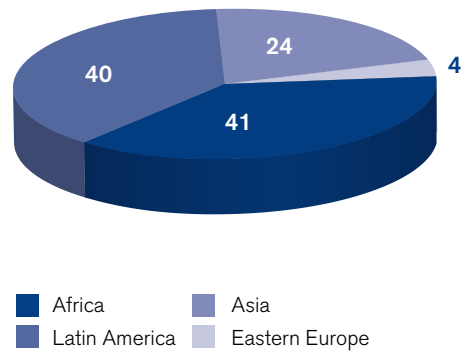
Facts and Figures

Employees worldwide 2013



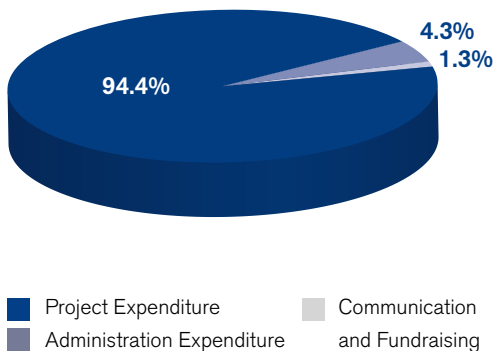
Total: 847 (not adjusted for part-time personnel)

Number of projects per continent 2013

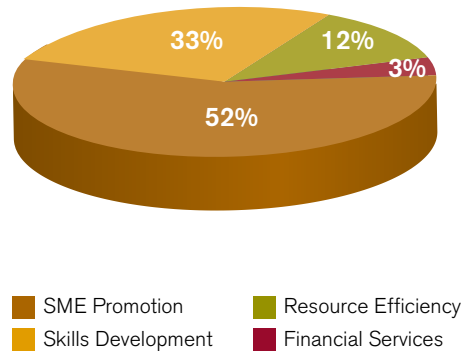


Total: 109

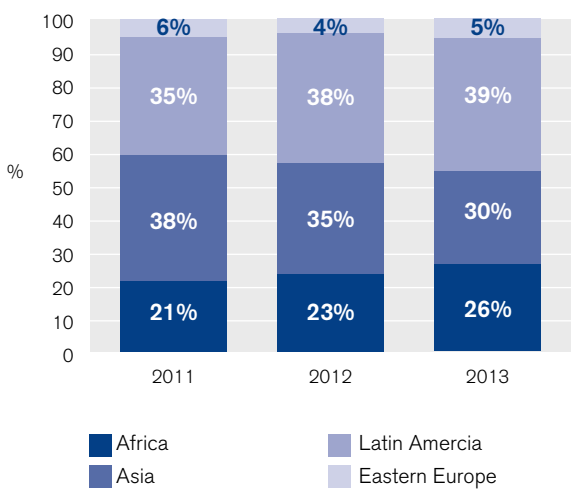
Ratio of project costs to administration costs (in %)



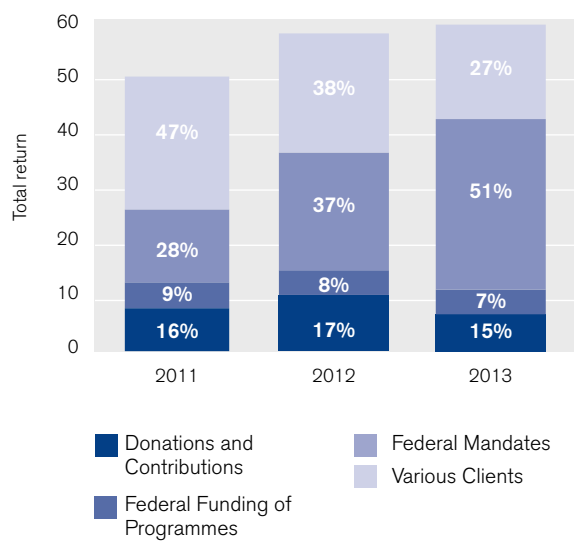
Expenditure according to core areas (in %)



Expenditure according to continents 2011-2013 (in %)

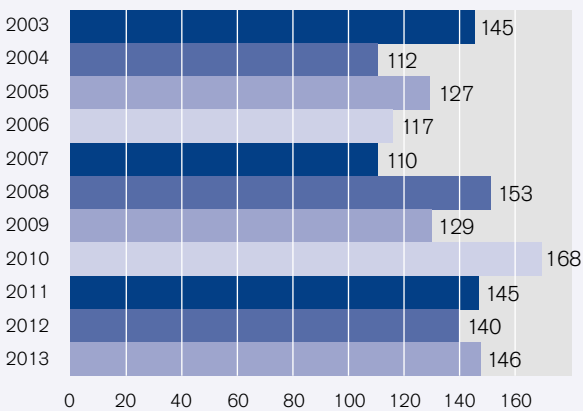


Source of Funds (in %) and total return in CHF million 2011-2013

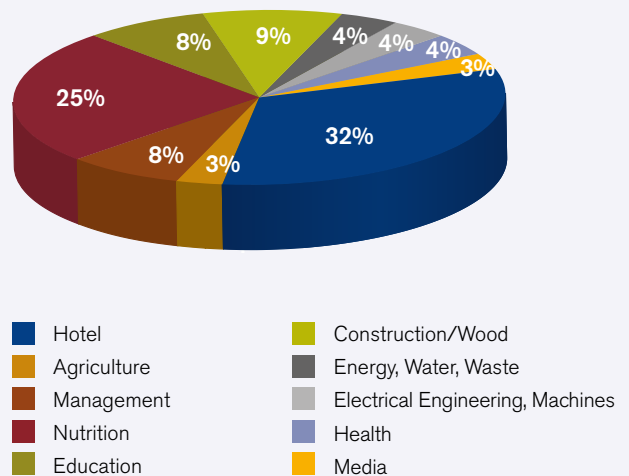


Senior Expert Corps 2013

Number of assignments



Assignments per industry sector in %



Notes on the Financial Statement

General Information

The presented financial statement was prepared in accordance with the Swiss GAAP FER Financial Reporting Standards for charitable, social non-profit organisations.

In the operating report, in accordance with FER 21, the annual report according to the net change in cash and cash equivalents is of importance. The donations are allocated to the funds directly (Allocation of Funds Affecting Net Income). The earmarked or unspecified donations thus included in the funds are subsequently spent for the intended purpose or in accordance with the general mandate of Swisscontact to finance project activities (Utilisation of Funds Affecting Net Income). This can be done immediately in the year of allocation or in the following reporting periods.

The structure of costs and allocation for administrative expenditure, the administrative programme expenditure and the direct programme expenditure abide by the recommendations of ZEW Foundation adopted in 2005.

Important Benchmark Figures and Key Performance Indicators

Compared to the previous year, an increase of 1.50% in the volume of projects implemented

is recorded. In terms of donations and contributions (donations with a performance mandate), a decrease of 24% (from kCHF 7657 to kCHF 5816) has been recorded. Furthermore, the trend for private as well as institutional donors is more towards project-related donations. In the reporting period, a further decrease in unspecified donations were recorded from kCHF 474 (kCHF 777 in the previous year). In 2013, the expenditure for fundraising amounts to kCHF 743 (kCHF 728 in the previous year), which corresponds to 13% of the income (10% in the previous year). In relation to the total expenditure, fundraising expenditure amounts to 1.30% (1.27% in the previous year). The ZEW Standard Value for this key performance indicator stands at 8%. The entire office administration expenditure is within the budget limits and stands at 4.31% in relation to the entire budget. (4.52% in the previous year). The ZEW Standard Value for organisations with operations abroad stands at 11%. With a positive annual result of kCHF 1900 and a change to the free appeal fund of kCHF 177 it was possible to increase the organisational capital from kCHF 5007 to kCHF 7080 considering the currency translation effects.

Consolidated profit and loss account for the year 2013

INCOME	2013	2012
	in 1000 kCHF	in 1000 kCHF
<i>Income from Donations and Contributions</i>		
Donations from government donors	2 009	2 308
Donations from private donors	1 808	1 945
Donations from "Freundeskreis"	137	513
Swiss Government contributions tied to projects	4 300	4 500
Contributions government donors	3 195	2 415
Contributions private donors	1 477	2 768
<i>Total Donations and Contributions</i>	12 926	14 449
<i>Income from projects</i>		
Swiss Government mandates	29 924	21 433
Government principals	8 771	15 393
Private principals	7 133	6 893
<i>Total income from projects</i>	45 828	43 719
<i>Other income</i>		
Other	316	27
Total income	59 070	58 195

EXPENDITURE	2013	2012
	in 1000 kCHF	in 1000 kCHF
<i>Expenditure of projects</i>		
Albania	1 178	887
Bangladesh	8 612	10 182
Benin	558	707
Bolivia	4 516	2 529
Burkina Faso	544	660
Colombia	1 412	806
Costa Rica	0	60
Dominican Republic	0	49
East Africa	618	641
Ecuador	583	658
El Salvador	260	474
Guatemala	442	315
Honduras	337	148
Indonesia	5 690	7 524
Kenya	476	232
Kosovo	580	448
Laos	411	0
Mali	3 499	1 268
Mozambique	1 075	138
Myanmar	122	0
Nepal	306	0
Nicaragua	355	205
Niger	2 156	2 053
Peru	4 264	7 134
Rwanda	2 919	193
South Africa	1 167	957
Tanzania	135	2 285
Tunisia	488	0
Uganda	2 548	1 961
Central America, regional programme	2 245	1 850
South America, regional programme	2 078	4 060
Senior Expert Corps (SEC)	614	542
Other projects	15	206
Coordination office project countries	1 367	1 168
Subsidiaries	373	1 783
Project support	2 023	1 824
<i>Total expenditure of projects</i>	53 967	53 947
<i>Expenses for administration</i>		
Subsidiaries	131	508
General administration	2 337	2 077
Information including fund raising	743	728
<i>Total expenses for administration</i>	3 211	3 313
Operating result	1 892	935
Net financial income	-86	145
Exceptional result	1	-5
Result before changes in funds	1 807	1 075
Change in restricted funds	270	-65
Change in free funds	-177	-701
Result after changes in funds	1 900	309
Allocation to internally generated designated capital	-1 900	-309
Result after allocation internally generated designated capital	0	0

Consolidated balance sheet as at 31st December 2013

	2013	2012
	in 1000 kCHF	in 1000 kCHF
ASSETS		
Current assets		
Cash in hand and at bank	19 340	19 610
Advances to projects	4 190	3 925
Marketable securities	0	492
Other receivables	1 643	1 839
Accrued income	386	833
Credits for participation in projects	2 630	3 253
<i>Total</i>	28 189	29 952
Non-current assets		
Tangible assets	339	165
Intangible assets	476	374
<i>Total</i>	815	539
Total assets	29 004	30 491
LIABILITIES AND EQUITY		
Current liabilities		
Other liabilities	2 031	1 463
Accrued liabilities	1 366	2 403
Advance payments for participation in projects	17 981	20 517
Provisions	38	76
<i>Total</i>	21 416	24 459
Restricted funds		
Restricted capital funds	50	297
Restricted income	458	728
<i>Total</i>	508	1 025
Equity		
Trust capital	4 299	3 994
Unrestricted funds and reserves	881	704
Year end result	1 900	309
<i>Total</i>	7 080	5 007
Total liabilities and equity	29 004	30 491

Appendix to the annual report

Change in funds

in 1000 kCHF	Opening balance	Income	Allocation	Expenditure	Closing balance
Restricted capital funds					
Social projects	297	-297	0	0	0
<i>EIAB</i>	0	0	50	0	50
<i>Total</i>	297	-297	50	0	50
Restricted income					
SOMS	297	0	0	-93	204
Restricted donations	431	0	3 480	-3 657	254
<i>Total</i>	728	0	3 480	-3 750	458
Unrestricted funds	704	0	474	-297	881

Report

As auditors, we have examined Swisscontact's consolidated Financial Statement (Balance Sheet, Statement of Accounts and Appendices) for the financial year that ended on 31 December 2013, on the basis of which the accompanying summarised financial statement is compiled in accordance with Swiss Auditing Standards. In our audit report dated 3 April 2014 we have issued an unqualified audit opinion on Swisscontact's consolidated Financial Statement.

In our opinion, the accompanying summarised consolidated Financial Statement (abbreviated) is consistent in all material respects with the Financial Statement from which they were derived.

To better understand Swisscontact's financial position and the results of their operations for the period as well as the scope of our audit, Swisscontact's summarised consolidated Financial Statement should be read in conjunction with the Financial Statement from which the summarised consolidated Financial Statement was derived and on which our audit reports.

We would further like to confirm that the relevant provisions of ZEWO (Agency governing charitable organisations which collect donations) have been adhered to.

PricewaterhouseCoopers AG

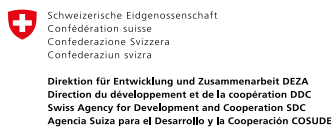
Arno Frieser
Lead Auditor

Marcel Lederer
Audit Expert

Zurich, 3 April 2014

This financial report of the fiscal year 2013 is a condensed version. The 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.

Institutional Partners



Private Partners



Thematic Partners



Donors

Companies

Abnox AG, Advantis Versicherungsberatung AG, Bader + Niederöst AG, Blaser Swissslube AG, Bucher Industries AG, cemsuisse - Verband der Schweiz. Cementindustrie, Diethelm Keller Management AG, EIAB Europäisches Institut für Aussenhandel Basel, Fritz + Caspar Jenny AG, Gewerkschaft Unia, Hesta AG, Imbach + Cie AG, Kaba Holding AG, MMH Invest AG, MPW Beratungsteam AG, Ms Jones, Oberson Avocats, PubliGroupe S.A., Roland Schwab Holding AG, RONDO Burgdorf AG, Roschi Rohde & Schwarz AG, Schenker-Winkler Holding AG, Scherler AG, Schweizerische Nationalbank, Steiner AG, Treier Management Services AG, Victorinox AG, zCapital AG, Zürcher Kantonalbank

Foundations

COFRA Foundation, EHW-Stiftung, Elea Foundation, Stiftung ESPERANZA - Kooperative Hilfe gegen Armut, Fondation Manpower SA, Foundation for Agricultural Education, Johann Jacob Rieter-Stiftung, Lotex Stiftung, René und Susanne Braginsky-Stiftung, Steinegg Stiftung, Stiftung für praktische Berufsbildung, Stiftung Las Rosas Rojas, SYMPHASIS, Uniscientia Stiftung, Walter und Bertha Gerber-Stiftung

Communes, towns and cantons

Gemeinde Belp, Gemeinde Erlenbach, Gemeinde Herrliberg, Gemeinde Küsnacht, Gemeinde Maur, Gemeinde Meggen, Gemeinde Riehen, Gemeinde Romanshorn, Gemeinde Saanen, Gemeinde Uitikon-Waldegg, Gemeinde Wallisellen, Gemeinde Zumikon, Kanton Aargau, Kanton Basel-Landschaft, Kanton Glarus, Kanton Graubünden, Kanton Luzern, Kanton Obwalden, Kanton Schwyz, Kanton Thurgau, Kanton Zürich, République et Canton de Genève, Stadt Baden, Stadt Bern, Stadt Bülach, Stadt Wetzikon, Stadt Zürich

Parishes

Evangelisch-reformierte Kirchgemeinde Andelfingen, Regensdorf, Evangelisch-reformierte Kirchgemeinde Regensdorf, Evangelisch-reformierte Kirchgemeinde Uitikon-Waldegg, Reformierte Kirchgemeinde Küsnacht, Römisch-katholische Kirchgemeinde Burgdorf, Römisch-katholische Kirchgemeinde Münchenstein, Römisch-katholische Kirchgemeinde Wettingen

Private individuals and families

Baer Stephan, Küsnacht am Rigi; Bally Claus, Conches; Balmer Willy, Ebikon; Bärfuss Rudolf, Bern; Besomi Andrea, Carona; Bolliger Arthur, Zürich; Bonnard Luc, Hergiswil NW; Bruderer Martin, Tüscherz-Alfermée; Chowdhuri Zema, Villigen; de Senarclens Marina, Zürich; Fahrni Friedrich, Zollikon; Gisler Ralph, Altdorf UR; Gloor Peter, Basel; Grüschow Peter, Muntelier; Hentsch Jean-Claude, Corsier GE; Holliger Nicolas, Horgen; Hugentobler Luzi, Buchs SG; Irniger Dominik, Niederrohrdorf; Jenny Robert, Weesen; Kissling Esther, Wallisellen; Klingspor Daniel, Zürich; Koch Anton, Thalwil; Kündig Armin, Brüttisellen; Lindenmeyer Christoph, Zug; Marti Christoph, Schlieren; Meier Bruno, Jona; Meier Alex, Horriwil; Ming Hans Peter, Zumikon; Mohr Pascal, Buch am Irchel; Möller Matthias, Schaffhausen; Mosimann Josephine, Thalwil; Muheim Markus, Bern; Paganoni Roberto, Zollikon; Peter Patrick, Oberlunkhofen; Quaderer Sascha, Vaduz; Raheja Satish, Genève; Reinhart Nanni, Winterthur; Reiter Matthew, Richterswil; Ringli Kornel, Zürich; Schreiber Mirjam, Zürich; Schwarzenbach Theo E., Brunnen; Tappolet Margrit, Zürich; Theiler Georges, Luzern; Wassmer Rudolf, Zürich; Wheatley Susanna, Zürich; Widmer Urs, Schaffhausen; Zemp Roman, Rengg; Familie Blaser, Hasle b. Burgdorf; Familie David, Fällanden; Familie Grimm, Würenlingen; Familie Hanselmann, Richterswil; Familie Merz, Männedorf; Familie Mösli, Zug; Familie Müller, Männedorf; Familie Schiltknecht, Zürich; Familie Stockar, Bern; Familie von Planta, Cham; Familie Weber, Aarau; Familie Zenker, Lachen SZ

(Donations of CHF 500.- or more)

Governance

Swisscontact is a politically independent and non-sectarian operating foundation. Its highest governing body is the Board of Trustees, which issues the Articles of Association, approves the Annual Report and elects the Board of Trustees Committee and the President of the Board of Trustees. The Board of Trustees Committee is the strategic management body. The office in Zurich manages Swisscontact's activities at home and abroad. Swisscontact is committed to the principles of good governance for responsible management, control, and communication according to the Swiss NPO Code, fulfils the requirements of Swiss GAAP FER 21, and was again

re-certified in 2011 by ZEW and SGS (NGO Benchmarking) with top marks. With regard to the steadily rising expectations of our partners, we work diligently to continue developing our systematic controlling. In this way we can guarantee the efficiency and effectiveness of our processes with regards to quality, cost and time requirements.

Centre-stage is our integrated management information system (MIS) which guarantees the promotion of the effective, well-documented and transparent implementation of the aims of our foundation. Other central components are our control system and risk management.



Graduation ceremony for the ULEARN project in Nansana, Uganda

Organisation

(per 31.12.2013)



From left: Dr. Christoph Lindenmeyer, Dr. Anna Crole-Rees, Marc Furrer, Heinrich M. Lanz, Arthur Bolliger, Marina de Senarclens

Committee of the Board of Trustees

Heinrich M. Lanz

President Swisscontact, Vice Chairman / Member of various Boards of Directors and Boards of Trustees

Arthur Bolliger

Board Member, Banque Cramer & Cie SA, Geneva, Klingelberg AG, Zurich, Neue Bank AG, Vaduz

Dr. Anna Crole-Rees

Founder and Consultant, Crole-Rees Consultants, Lausanne, Program Leader PROFICROPS, Research Station Agroscope, Changins-Wädenswil (ACW), Wädenswil

Marina de Senarclens

Founder and President of the Supervisory Board, Senarclens, Leu + Partner AG, Zurich, Founder of IngCH Swiss Engineers Shape our Future, Co-founder, Group of Fifteen, Zurich

Marc Furrer

President, Federal Communications Commission (ComCom), Berne

Dr. Christoph Lindenmeyer

Chairman of the Board of Schindler Management AG, Ebikon, Vice-President Swissmem, Member of the Committee of the Board of Directors, economiesuisse, Zurich, Chairman / Member of various boards of Directors

Members of the Board of Trustees

Egbert Appel

Trustee Martin Hilti Family Trust, Schaan
Präsident Hilti Foundation, Schaan

Nicolas A. Aune

General Secretary, Union Industrielle
Genevoise (UIG), Geneva

Rudolf Bärffuss

Former Ambassador, Berne

Dr. Thomas W. Bechtler

Chief Executive Officer (CEO), Hesta AG, Zug

Dr. Guido Condrau (Resignation 31.5.2013)

Attorney, Zollikon

Prof. em. Dr. Fritz Fahrni

University of St. Gallen and Swiss Federal
Institute of Technology (ETH), Zurich

Dr. Pascal Gentinetta (Resignation 3.4.2013)

Chairman of the Executive Board,
economiesuisse

Peter Grüşchow

Engineer, Muntelier

Dr. Urs Grütter

Owner and CEO, Max Ditting AG

Prof. Dr. Fritz Gutbrodt

Managing Director, Swiss Reinsurance
Company

Hans Hess

President, Hanesco AG, Pfäffikon SZ, President,
Swissmem, Zurich, President of the Supervisory
Board, COMET Holding AG, Flamatt, President
of the Supervisory Board, R&M Holding AG,
Wetzikon

Wilhelm B. Jaggi

Swiss Ambassador to the OECD 2001-2006,
Executive Director of Switzerland at the EBRD
1997-2001

Dr. Gottlieb A. Keller

General Counsel, Member of the Corporate
Executive Committee, F. Hoffmann-La Roche
Ltd, Basel

Hanspeter Kurzmeyer

Credit Suisse, Zurich, Global Head Philanthropy
& Responsible Investment

Dr. Myriam Meyer Stutz (Entry 17.1.2013)

Member of the Board of SITA, Repower AG, Bedag
Informatik AG, Vice President of the Commission
for Technology and Innovation (KTI), Member of the
Commission for International Cooperation (SDC /
IZA)

Dr. Reto Müller (Entry 17.1.2013)

Chairman and Founding Partner (co-owner) of
the Helbling Group, Director of Forbo Holding AG,
Board Member of Swissmem

Dr. Herbert Oberhänsli

Vice President, Nestlé SA, Vevey

Raphaël Odoni

Engineer, Bussigny

Thomas E. Preiswerk

Management Consultant, Basel

Dr. Albin Reichlin-Boos

President, University of Applied Sciences, Eastern
Switzerland (FHO), St. Gallen, Member Rectors'
Conference of the Swiss Universities of Applied
Science (KFH), Berne

Prof. Dr. Ursula Renold (Entry 24.10.2013)

Head of the education systems research area,
KOF economic research department, ETH Zurich

Dr. Michael Salzmann

General Manager, Neurimmune Holding AG, Zurich

Elisabeth Schneider-Schneiter (Entry 24.10.2013)

National Councilor, Canton of Basel-Landschaft

Peter K. Steiner

Vice Chairman of the Board of Directors,
Steiner AG

Prof. Dr. Ulrich W. Suter

Swiss Federal Institute of Technology (ETH),
Zurich, Institute of Polymers, Zurich

Georges Theiler

Member of the Council of States, Entrepreneur,
Lucerne

Auditors

PricewaterhouseCoopers AG, Zurich

Zurich Office

(per 31.12.2013)



From left: Florian Meister, Benjamin Lang, Béatrice Horn, Peter Bissegger, Samuel Bon, Gabriella Crescini

Management Board

Samuel Bon

CEO

Gabriella Crescini

Head of Partner and Client Relations

Béatrice Horn

CFO

Peter Bissegger

Continental Director Asia/Eastern Europe

Benjamin Lang

Continental Director Latin America

Florian Meister

Continental Director Africa

Departments, Coordination and Branch Office



Stefanie Hosse
Head of Human
Resources and Services



Francine Thurnher
Head of Communication



Anne Bickel
Head of Development
Programme and Senior
Expert Corps



Markus Kupper
Head of Monitoring and
Result Measurement



Sibylle Schmutz
Coordination Knowledge
and Content Management



John Meyers
Managing Director
Swisscontact North America
New York

Cover: A miller in Mali notes the amount of milled grain on his door
Pictures: Swisscontact staff
Layout: Pierre Smith Creative, South Africa

Swiss NPO-Code: The structure and management of Swisscontact conforms to the Corporate Governance Regulations for Non-Profit Organisations in Switzerland (Swiss NPO-Code) issued by the presidents of large relief organisations. An audit conducted on behalf of this organisation showed that the principles of the Swiss NPO-Code are adhered to.

ZEWO-Seal of approval: Swisscontact was awarded the Seal of Approval from ZEWO. It is awarded to non-profit organisations for the conscientious handling of money entrusted to them, proves appropriate, economical and effective allocation of donations and stands for transparent and trustworthy organisations with functioning control structures that uphold ethics in the procurement of funds and communication. Swisscontact is regularly audited on the adherence to these criteria. (Source: ZEWO)

Société Générale de Surveillance (SGS): Swisscontact has been awarded the Certificate of the International Inspection Agency Société Générale de Surveillance (SGS) within the NGO Benchmarking Programme.







We create opportunities

Swisscontact

Swiss Foundation for Technical Cooperation
Hardturmstrasse 123
CH-8005 Zurich

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Fax +41 44 454 17 97

www.swisscontact.org

info@swisscontact.ch

Cover picture: A miller in Mali notes the amount of milled grain on his door