



Annual Report
2006

Swisscontact Annual Report 2006

Swiss Foundation for
Technical Cooperation

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Senior Expert Corps

NGO-Benchmarking

The management system of Swisscontact
was recertified November 1, 2005 by SGS.



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.

If a private initiative is to bear fruit, the framework conditions must be right. Swisscontact is working with local partners on all levels to change conditions for the better. It's a matter of sounding out the limits and possibilities. The goal is for Swisscontact to get the greatest possible impact locally out of every donated Swiss franc that is spent.

Commitment to establishing suitable framework conditions



A stable political environment and efficient public administration are essential preconditions for the successful development of private businesses. The examples of business support listed in the annual report show that private initiative is the engine of the development process. But this engine will run at full speed only if the framework conditions are right. These conditions include, for example, infrastructures tailored to the needs of the companies, an education system accessible to all, no bureaucratic obstacles to establishing a small business, a functioning financial sector, etc. Development cooperation projects can only conditionally influence the creation of such framework conditions. In the projects carried out by Swisscontact, we attempt to create these conditions by empowering the major players in private industry or partner organisations to voice their needs in the policy dialogue with the government on different levels. Last year a policy paper containing the analysis of experiences was formulated on this topic under the title „Enabling Environment“.

This example, too, shows the possibilities and competencies of Swisscontact in transforming aid into helping others to help themselves.

New structures for first-class cooperation

It is our faithful donors from the private sector, private persons and contributions from municipalities and cantons that alone make successful implementation in project work possible. Fortunately, in 2006 we were able to keep donations coming in at the high level of over 4 million francs. For this we would like to thank all donors very much. We would also like to extend our thanks to the responsible parties with our mandators for their excellent cooperation in project completion. Not least, we thank all colleagues and the board of trustees for their professional work. Their extra commitment last year led to the development of a strategy for the overall organisation, which will contribute to the decentralisation of acquisition and fund raising. This should make it possible to meet the requirements of international cooperation with the competencies and high quality standards of Switzerland.

Swisscontact continues to be committed to the efficient execution of its social commitment, with which every donated and project-specific franc can produce the greatest possible effect on site.

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. 9.35% 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 rise in donation income at community and canton level.

The securities portfolio was already successively reallocated the previous year towards an asset allocation that was required. The specific stock risk was also largely eliminated last year, i.e. all new investments were made in well diversified, first-class funds and structured products. The price fluctuation reserve of 10% of the market value as at 31.12.2006 was created in full.

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 2006

	2006	2005
in K CHF		
Income		
DONATIONS		
Donors contributions	2'724.7	2'472.1
Contributions from municipalities and cantons	1'506.7	1'485.0
Contributions from „Freundeskreis“	137.3	91.5
Swiss Government contributions tied to projects	5'395.4	4'404.6
	9'764.1	8'453.2
INCOME FROM PROJECTS		
Swiss Government mandates	22'301.8	22'795.6
Swiss Solidarity	2'924.1	1'550.9
Local projects	3'961.3	2'923.3
Third party contracts and sundries	2'724.7	2'388.7
	31'911.9	29'658.5
Total income	41'676.0	38'111.7
Expenditure		
EXPENDITURE OF PROJECTS		
Albania	1'526.7	1'415.3
Bangladesh	6'313.8	4'881.3
Benin	643.0	619.1
Bolivia	2'174.8	2'323.2
Burkina Faso	1'104.6	1'129.4
Central America, regional programme	1'252.4	1'901.9
East Africa	955.3	1'403.3
Ecuador	1'982.9	2'026.3
El Salvador	492.8	454.3
Honduras	870.9	798.4
India	0.0	123.8
Indonesia	6'155.2	4'838.4
Kosovo	1'136.0	1'539.3
Mali	736.6	801.1
Moldova	154.1	0.0
Nepal	410.5	529.7
Nicaragua	197.3	152.9
Niger	327.9	129.2
Peru	3'660.4	2'945.7
Philippines	0.0	50.4
Russia	253.2	705.2
Serbia	135.4	336.8
South Africa	533.5	571.9
Sri Lanka	1'582.4	1'229.6
Tanzania	899.9	0.0
Vietnam	1'273.7	880.3
Swiss Research Partnership projects	464.5	225.1
Senior Expert Corps, SEC	511.8	521.0
Junior experts	40.4	137.7
Other projects	422.0	247.9
Subsidiaries	424.9	230.9
Project support	1'917.3	2'084.2
	38'554.2	35'233.6
EXPENSES FOR ADMINISTRATION AND MARKETING		
General administration	1'969.4	1'984.9
Information including fund raising	427.0	498.9
	2'396.4	2'483.8
Provisions	-89.8	357.2
Operating result	815.2	371
Net financial income	276.1	221.4
Exceptional result	-19.5	-42.7
Result before changes in funds	1'071.9	215.8
Change in restricted funds	-117.1	-124.6
Change in free funds	-198.7	0.0
Result after changes in funds	756.1	91.2
Allocation to internally generated designated capital	-540.0	0.0
Result after allocation internally generated designated capital	216.1	91.2

Consolidated balance sheet as at 31st December 2006

	2006	2005
in K CHF		
Assets		
CURRENT ASSETS		
Cash in hand and at bank	15'317.3	15'783.9
Advances to projects	4'061.4	2'915.0
Marketable securities	5'079.0	4'331.1
Other receivables	5'139.5	3'845.1
Receivables due from related parties	2.3	0.0
Accrued incomes	760.3	339.0
Credits for participation in projects	2'853.6	1'229.4
	33'213.4	28'443.5
NON-CURRENT ASSETS		
Tangible assets	149.1	153.5
Intangible assets	211.8	330.7
Investments	14.8	6.0
	375.7	490.2
Total assets	33'589.1	28'933.7
Liabilities and equity		
CURRENT LIABILITIES		
Other liabilities	2'704.4	2'662.1
Accrued liabilities	783.7	962.4
Advance payments for participation in projects	16'121.1	12'423.0
	19'609.2	16'047.5
NON-CURRENT LIABILITIES		
Other non-current liabilities	8.6	1.1
Provisions	4'734.3	4'798.6
	4'742.9	4'799.7
RESTRICTED FUNDS		
Restricted capital funds	807.5	1'085.4
Restricted income	1'738.9	1'343.9
	2'546.4	2'429.3
EQUITY		
Trust capital	5'012.0	4'842.1
Internally generated designated capital	540.0	0.0
Unrestricted funds and reserves	922.5	723.9
Year end result	216.1	91.2
	6'690.6	5'657.2
Total liabilities and equity	33'589.1	28'933.7

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 2006, from which the summarized financial statements were derived, in accordance with the Swiss auditing standards. In our report dated March 23, 2007 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 ZEWO have been observed

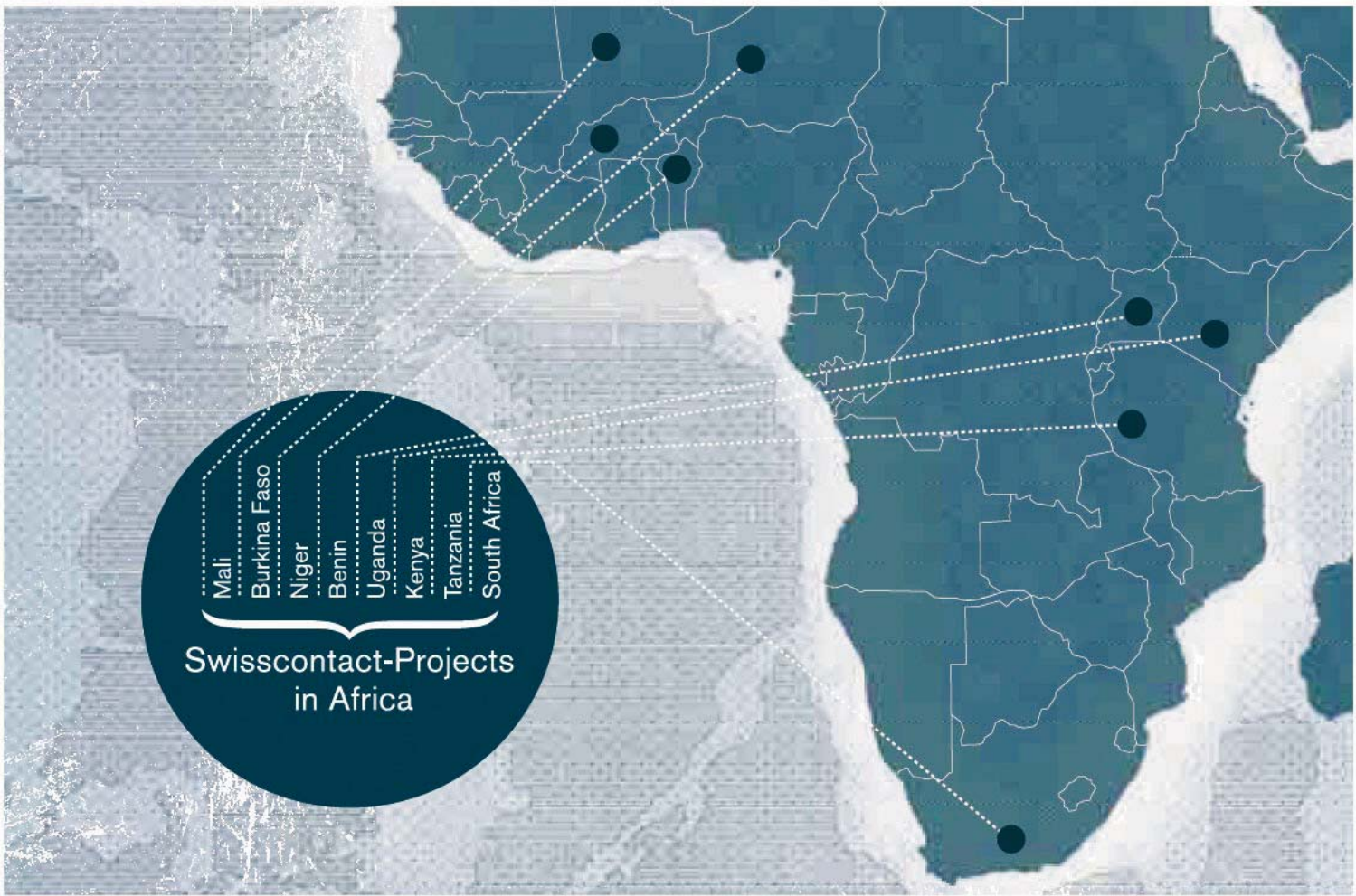
PricewaterhouseCoopers AG,
Armin Bantli Yolanda Wespi
Auditor in charge
Zurich, March 23, 2007

Appendix to the annual report

Change in funds

	Opening balance	Income	Allocation	Expenditure	int. Transfer	Closing balance
RESTRICTED CAPITAL FUNDS						
Kodis	169.4	0.0	0.0	-75.0	0.0	94.4
Social projects	916.0	45.9	0.0	-248.8	0.0	713.1
Total	1'085.4	45.9	0.0	-323.8	0.0	807.5
RESTRICTED INCOME						
Soms	770.5	0.0	0.0	0.0	0.0	770.5
Restricted donations	573.4	0.0	3'202.6	-3'131.4	323.8	968.4
Total	1'343.9	0.0	3'202.6	-3'131.4	323.8	1'738.9
UNRESTRICTED FUNDS						
	723.9	0.0	1'255.8	-1'057.1	0.0	922.5

This financial report of the fiscal year 2006 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

In Africa, Swisscontact uses hands-on vocational training to create a qualified new generation and helps micro-finance institutions to develop innovative products for SMEs and farmers' associations.

Project (without small Projects)	Since	Expenses 2006
Financing		CHF

East Africa

KENYA

Promotion of SMEs/Microfinance		
Swisscontact/SDC	1996	633'440.35

TANZANIA

Promotion of SMEs/Microfinance		
Swisscontact/SDC	1993	142'345.60
Rural Development		
SDC	2005	846'807.75

UGANDA

Promotion of SMEs/Microfinance		
Swisscontact/SDC	1995	114'591.60

West Africa

BENIN

Apprenticeship and Trainer's Training		
Swisscontact/SDC	2002	624'960.45

Project (without small Projects)	Since	Expenses 2006
Financing		CHF

BURKINA FASO

Apprenticeship and Trainer's Training	1999	
Swisscontact/SDC/ Liechtenst. Development Service		498'637.03
Apprenticeship and Trainer's Training		
SDC	2000	23'050.87
Assistance to Vocational Training Centre		
ADA (Austrian Development Agency)	2003	582'907.88

MALI

Apprenticeship and Trainer's Training		
SDC	1999	310'138.73

NIGER

Training for Young Unemployed Persons		
Swisscontact/SDC/LED	2005	327'903.05

South Africa

CAPE TOWN REGION

Promotion of SMEs		
Seco/Swisscontact	2003	160'818.91

More development opportunities, thanks to micro-leasing

Micro-leasing is a new innovative approach in which everyone involved benefits; whether it's a sewing machine or a milk cow, almost anything can be leased.

Thousands of micro-businesses and producers in Kenya are dependent on financial services just to keep them running economically. Without loans they can buy neither commodities nor seed. Yet up to now, the formal banking system has ignored this group of customers. To tap into this segment and to make it attractive to banks, new approaches are needed, unfamiliar to the traditional commercial banking system.

Project news ●

Benin

In 2006, about 1'100 boys and girls nationwide completed dual apprenticeships (training in the sponsoring firm and concomitant vocational school education) in four occupations (hairdressing, tailoring, motorcycle mechanics, refrigeration/air-conditioning technology). In February 2006, the first 150 apprentices received their official vocational diplomas. In December, another 300 followed. 2'500 businesses, one-third of which are managed by women, received technical support.

Burkina Faso

For the first time, Swisscontact in Burkina Faso, together with vocational schools and trade associations, has received public funding for vocational and continuing training courses in mechanics and hairdressing. The government has officially recognised three vocational apprenticeship certificates. Swisscontact is committed to ensuring that the system of practice-oriented vocational apprenticeships with a state-certified diploma is established nationwide in the medium term.

Mali

The dual apprenticeship is formally recognised in Mali, and is also partially funded by state organisations. The system is being expanded to additional areas and trades, with more than 1'500 apprentices already taking their final exams each year. Decentralisation and the provision of modular and market-specific vocational training are intended to make it possible for an even larger portion of the young population in the semi-urban and rural catchment areas to complete such vocational apprenticeships in the future.

Niger

In Niger many young people lack education and career prospects. Short courses, counselling and coaching prepare them for the job market.

With financial support from the Liechtenstein Development Service (LED), Swisscontact enables unemployed youth to attend short vocational training courses lasting an average of one month. This opens up new horizons for them and promotes their integration into the job market and society. Courses are offered only for occupations for which there is potential

Micro-leasing is a new innovative approach in which everyone involved benefits; whether it's a sewing machine or a milk cow, almost anything can be leased.

Along with cooperative producer organisations and rural micro-finance institutions, Swisscontact has developed innovative financing products that meet the significant demand and at the same time constitute a profitable business for the micro-finance institutions. One example is micro-leasing, which permits small farmers without means to make needed investments.

Whatever we learn through our work, we will put it to the service of other development projects. **7**

in the respective regions. In addition to courses conveying technical knowledge, courses in reading and writing are also offered, and important health topics (e.g. Aids prevention) are also dealt with. This is all the more important because many of the young men and women have very little education.

Tanzania

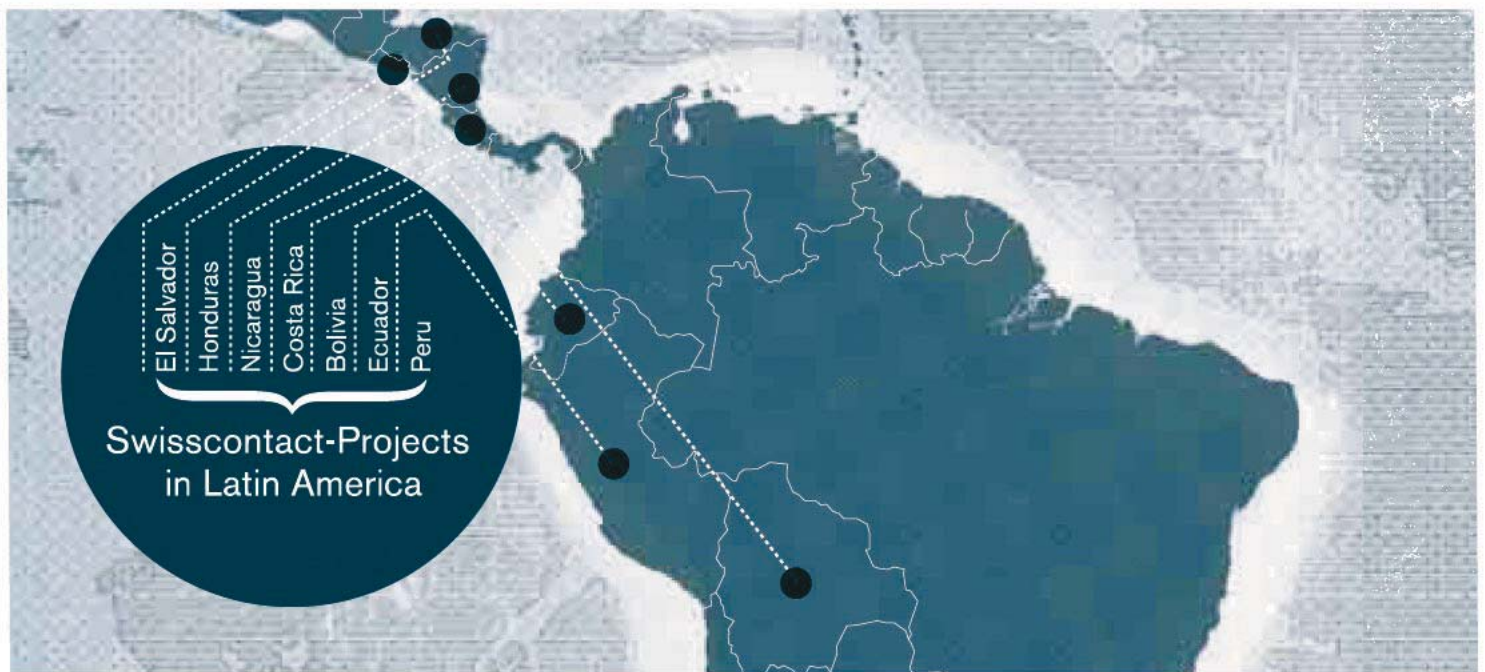
In cooperation with Moshi University College, Swisscontact developed a training programme in microfinance. The certificate complements the already existing postgraduate study programme of the University of Dar es Salaam and will likely be offered in four more locations. In the future, this microfinance training will also be offered in Kenya and Uganda as a supplement to existing courses. In connection with the programme for raising rural incomes in Tanzania financed by SDC, Swisscontact has been working with Intercooperation since 2005. With the assistance of 15 different partnership projects, it was possible by the end of 2006 to increase the income of about 50'000 rural producers substantially.

Uganda

Commercial Micro Finance is a small microfinance institution with headquarters located across from the Owino market in Kampala, the largest market in East Africa. The company currently has 200'000 customers and is supported by Swisscontact in the area of organisation and process development; it benefits from the sound technical knowledge that was acquired in collaboration with the Equity Bank in Kenya, among others.

South Africa

The SME promotion programme funded by Seco in Cape Town was concluded last autumn. A follow-up project is aimed specifically at businesses with good growth potential. These businesses are given consulting support in implementing expansion plans and in financial decisions. Businesses within selected value chains are supported in their efforts to transmit know-how to upstream and downstream businesses, which strengthens the entire chain.



8 Latin America

Whether it's promotion of trade and industry, vocational training, environmental measures, microfinance or tourism initiatives: in Latin America, Swisscontact is performing important and multifaceted pioneering work.

Project (without small Projects) Financing	Since	Expenses 2006 CHF
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BOLIVIA

Promotion of SMEs		
SDC	1996	750'393.83
Ecology Programme		
Swisscontact/SDC/LDS	1999	575'361.94
Promotion of Tourism		
Seco/Tulum Ltd.	2000	228'092.14
Vehicle Emission Control		
SDC	2003	620'988.95

ECUADOR

Promotion of SMEs		
Swisscontact/SDC	1986	415'217.69
Financial Services		
SDC	1988	572'714.76
Reduction of Industrial Emissions		
SDC	1994	369'057.92
Training Financial Experts		
Swisscontact/SDC	1998	433'105.76
Promotion of Financial Services in Rural Areas		
Inter American Development Bank	2005	159'917.21

PERU

Training Vouchers for SMEs		
Government of Peru/European Union	2000	770'826.71
Vehicle Emission Control		
SDC	2003	1'511'489.42
Training Vouchers for SMEs (Lima)		
European Union	2004	326'770.39

Project (without small Projects) Financing	Since	Expenses 2006 CHF
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Promotion of SMEs

Government of Peru	2005	378'021.97
Promotion of Sustainable Tourism (South of Peru)		
Seco	2005	195'320.68
Promotion of Tourism (Ancash)		
Government of Peru	2005	122'953.21
Promotion of the Competitiveness of SMEs		
Government of Peru	2005	197'614.09

Central America

COSTA RICA

Ecological Coffee Drying		
Swisscontact/Hilti Foundation	2001	22'759.61

EL SALVADOR

Vocational Education and Training		
Swisscontact/SDC	2000	492'764.34

HONDURAS

Marketing of Agricultural Products		
SDC	2001	754'982.89
Promotion of SMEs		
SDC	2004	862'180.01

NICARAGUA

Promotion of SMEs		
SDC	2001	390'211.75
Modernization of Vocational Training Centres		
KfW Development Bank	2005	197'271.95

New jobs by strengthening the value chain

In Bolivia, Swisscontact focuses on the market potential of rural producers. These producers join together in groups to be able to establish a stronger presence in the market. The groups are advised on how to improve the quality of their products and reduce costs. Many of these groups deliver their unprocessed products to companies that process the raw materials, for example to make dried llama meat and marmalade. Swisscontact helps them with their marketing. Thus, for example,

Along the entire value chain, Swisscontact offers a hand in making qualitative and market improvements.

we succeeded in networking local companies with national commercial firms. To supplement this effort, access to loans for rural producers is being promoted so that they can make the necessary investments. All these commitments lead to the creation of new jobs in rural Bolivia, and poverty is being sustainably reduced.

Project news ●

Bolivia

The air quality project carried out on behalf of SDC is helping four Bolivian cities (Cochabamba, El Alto, La Paz and Santa Cruz) to implement their clean air plans. The successful project for the safe treatment of hospital waste, supported by the Liechtenstein Development Service (LED), and the project for supporting regional tourism organisations, are also counting on close cooperation with local public and private partners.

Ecuador

In the highlands, Swisscontact is supporting the training of employees of savings and loan cooperatives. A special technical qualification programme was developed for internal auditors. As of 2007, the people in the sparsely populated coastal areas will also be provided improved access to savings and loans. The know-how of our local colleagues in the area of financial services is now also in demand internationally. For example, they are also making an important contribution by providing consultation for a project in Peru, which is being funded by the Microfinance Initiative of Liechtenstein and will start in 2007.

Peru

In the south of the country, Swisscontact is supporting the training of local tourism organisations on behalf of Seco. In addition, two other projects funded by the Peruvian government are pursuing the goal of promoting sustainable tourism

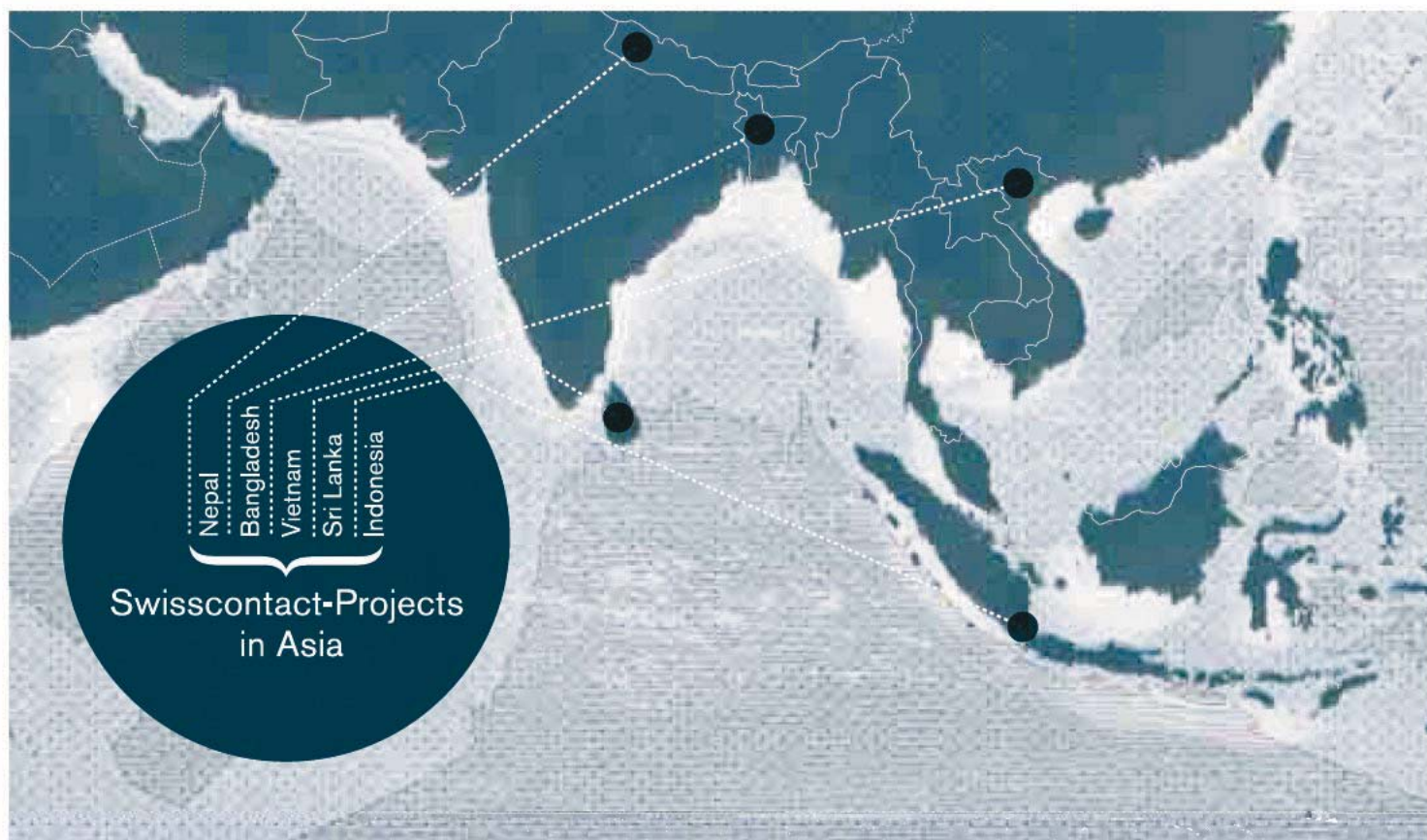
Local communities can profit from tourism – provided that they get the right know-how.

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and allowing the local population to profit from this endeavour. The environmental project funded by SDC has been supporting the city administrations of Arequipa, Cusco and Trujillo in the development of air quality strategies since the beginning of 2004. At their request, emissions-intensive industries are being addressed in addition to road traffic: an energy efficient and more cost effective kiln for baking bricks was developed, and measures were taken to reduce odours and smoke emissions from the extremely popular and ubiquitous rotisserie chicken-restaurants.

Central America

Providing evidence of the effect of projects is one of the big challenges in development cooperation. A new approach to solving this problem now comes from Central America, where the two SME promotion projects, ProEmpresa and Agropyme, have developed an efficient system of impact measurement that will also be applied in 2007 in the vocational training project in El Salvador. In 2006, ten workgroups were set up in rural areas to coordinate local training and employment promotion. Although the training of young gang members who were ready to leave their gangs had to be discontinued for safety reasons, Swisscontact, along with local institutions, still continues to support training measures to prevent youth from sliding into gang criminality.



10 Asia

Loans for small farmers, strengthening vocational training, improvement of the air quality in the big cities and tourism promotion in marginal regions: Swisscontact is committed on many fronts in Asia, too.

Project (without small Projects) Financing	Since	Expenses 2006 CHF
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BANGLADESH

Promotion of SMEs		
SDC/DFID/SIDA	2000	6'261'616.00

INDONESIA

Vehicle Emission Control		
SDC	1997	663'334.62
Promotion of SMEs (Java)		
Swisscontact/SDC	2001	410'850.20
Local Economical Development (Flores)		
Swisscontact/SDC/CORDAID	2005	590'650.53
Reconstruction after Earthquake (Alor)		
AUSAID	2005	137'418.00
Mobile Training in Construction (Aceh)		
Swisscontact/Swiss Solidarity	2005	1'409'903.03
SME Reconstruction (Aceh)		
Swisscontact/Swiss Solidarity/Seco	2005	932'634.85
Improvement of Clean Air in Jakarta		
ADB	2005	671'185.77
Regional Economical Development		
GTZ	2005	256'576.06
Financial Services for SMEs		
Seco	2005	530'098.16
Promotion of Tourism West-Manggarai		
Cardno Acil Pty Ltd, Australia	2006	313'800.50

Project (without small Projects) Financing	Since	Expenses 2006 CHF
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NEPAL

Instructors Training		
SDC	1991	410'456.60

SRI LANKA

Peace Advancement		
Swisscontact/SDC	2000	179'111.24
Local Development		
Swisscontact/SDC	2005	609'959.91
Support of Women Entrepreneurs		
Swisscontact/Swiss Solidarity	2005	227'981.22
Training in Construction		
Swisscontact/Swiss Solidarity	2005	565'381.92

VIETNAM

Vehicle Emission Control		
SDC	2004	566'717.69
Strengthening of Vocational Training Centres		
Swisscontact/SDC	2005	707'006.45

Media in the service of the SMEs

Many small and medium-sized enterprises in Indonesia have little access to information on prices, markets or technologies, because of inadequate networking. This limits their growth potential. Swisscontact is therefore involved in an innovative project designed to facilitate access to useful information for these businesses. The goal is to convince the Indonesian mass media that SMEs represent a huge yet undiscovered target group. If we succeed in closing the existing gaps in knowledge and supplying this audience with important information, they will be in a better position to grow and hold their ground in the market. The development policy consideration behind this initiative is that SMEs are the engi-

For many SMEs in Indonesia, the mass media are the only reliable source of information. It's high time that the media developed offers that meet the needs of the target-group.

nes of the Indonesian economy, which will continue running even when financial crises shake the nation.

The project will initially concentrate on television stations and magazines in Jakarta, where programmes and spots will be established on relevant topics. In cooperation with the corresponding associations, journalists will be made aware of the information needs of SMEs. Regular surveys on reader and audience opinions will be used to examine which additional activities need to be developed to improve access to information. This will help the Indonesian mass media become more and more aware of SMEs as an important target group.

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Project news ●

Bangladesh

„Katalyst“ is a comprehensive project to promote private business, with a total of over 130 activities. One such activity is located in the maize cultivation region of Rangpur, and is aimed at creating income opportunities for the families of farmers. There is enormous potential in maize cultivation because demand is not being met by home growers in the country. Katalyst supports farmers entering into maize cultivation through knowledge transfer, arranging small loans and establishing contacts with customers. The farmers benefit from a secure market for the harvest and wholesalers benefit from a continuous supply. In three years, the number of maize farmers under contract has increased from 350 to over 3000; their yield per hectare has almost doubled.

Indonesia

The programme was further expanded in 2006. Nationwide, twelve projects were initiated or implemented in all Swisscontact areas. Plans for improving air quality in five large cities were developed, and in the province of Aceh good progress is being made on the two projects for reconstruction: six centres opened with the help of local partners provide services for SMEs, resulting in the creation of over 1'200 jobs. In addition, since February, three well-equipped, mobile training units have been deployed to make application-oriented short vocational training courses possible even in the most remote areas. So far about 2'500 people have received basic training in eleven different occupations. At mid-year, on behalf of the Australian government, a project was begun to promote tourism in the eastern part of the island of Flores.

Nepal

It was a turbulent year for Nepal and for the project for training vocational school teachers there. The political situation during the first quarter, with strikes, demonstrations and curfews, made it practically impossible to conduct scheduled work. After tensions eased towards the end of April, optimism on all sides returned once again. Fortunately, work on the project was not too seriously hindered on the whole, and the

In Jakarta and Hanoi Swisscontact helps improve the air quality.

supported teacher education institute continues to receive international recognition – from the Indian Society for Training and Development, for example, which in 2006 gave the Institute an award for innovative training practices.

Sri Lanka

In the central district of Kurunegala, Swisscontact is conducting a project to promote the local economy. This is done in close cooperation with all the important local private and state players. The initial effort involved a careful inventory and the creation of a platform for the mutual exchange of ideas. The idea is to identify opportunities, promote personal initiatives and jointly identify the region's competitive sectors. During the first phase, these will include the milk sector and the potted plant and betel nut cultivation. About 200 families working in these sectors increased their incomes by 20% during the year under review. In addition, the needs of the local public structures have been examined, and the constraints hindering the development of the private sector analysed.

Vietnam

The clean air project for the greater Hanoi area, started in 2005, is developing measures against the further deterioration of air quality. Since the signing of the bilateral agreement between Switzerland and Vietnam in mid-2005, we have been working with local partners towards concrete results: on the national level, we are supporting the completion and implementation of an action plan for exhaust gas reduction and the development of a legislative basis for air pollution abatement. In Hanoi, measures for comprehensive air quality management were taken, including the development and expansion of a reliable database structure. Swisscontact and the authorities worked together to make it possible to advance a successful project for strengthening regional vocational training centres. Currently, ten centres are receiving support for course design and the training and continuing education of teachers, via the provision of technical equipment or consultation in school management issues and lesson plan design.



12 Eastern Europe

The focus of our commitment in the East is on vocational training. While the projects in the Balkans are well-established, in Moldavia the development of occupational standards has just begun.

Project (without small Projects)	Since	Expenses 2006
Financing		CHF

ALBANIA

Short-term Training of Young and Unemployed Persons		
SDC	2001	1'299'760.91
Support of Vocational School Programs		
SDC	2006	136'738.22

KOSOVO

Vocational Training		
SDC	2000	773'852.70
Promotion of Women Entrepreneurs		
SDC	2000	349'941.61

Project (without small Projects)	Since	Expenses 2006
Financing		CHF

MOLDOVA

Assistance to Educational Reforms		
SDC	2006	154'083.93

RUSSIA

Financial Services and Promotion of SMEs (Ending 2006)		
SDC	1997	160'087.41

SERBIA

Support of Educational Reforms (Ending 2006)		
SDC	2003	135'364.30

New prospects via hands-on vocational training offerings

Most young people in Albania enter the workforce without solid vocational training. The antiquated education system, which is still based on the system established during the dictatorship, no longer meets the needs of the job market. Most who have left school do not possess relevant qualifications and have very few career prospects. This leads to situations where young people have little job security and income and will not improve considerably over time, e.g. when they will have families, which leaves people threatened by acute poverty now and in the future.

To break this vicious cycle, Swisscontact has been committed to improving vocational training and continuing education in Albania since 1993. Young people will receive employment only if they can acquire the skills that companies

Albanian companies need qualified employees just as urgently as young people need jobs. The key is vocational training.

are effectively demanding. The objective of the commitment is therefore to develop broad demand-based, market-oriented training and study opportunities that cover most of the economic sectors. At the same time, the task involves increasing awareness on the part of the young people of the necessity of good vocational training. They will be able to recover in a very short time the costs that they must bear for this training.

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Project news ●

Albania

Until the end of 2006, the primary emphasis was placed on the development of short, modular courses to facilitate the entry into careers of those just out of school. The many years of experience, and the trust that Swisscontact has established with local partners and with its mandator, made it possible to start a major programme to support the Albanian vocational training system as of January 2007. The Albanian partners on all levels (schools, ministries, municipalities) were involved in the planning of this project and made substantial contributions. Among other things, we intend to provide support of the decentralisation process in vocational training, cooperation with various schools with respect to the expansion of the course offerings, and in general to increase the quality and relevance of the courses offered. In addition, the Ministry of Labour will receive technical support with the introduction of mobile instruction units in rough, mountainous northern Albania.

Kosovo

Labour market-specific training, especially for women, is not enough. An improvement in the social framework conditions is also necessary.

Swisscontact promotes women entrepreneurs and unemployed women to give them the opportunity to position themselves favourably in the job market and/or to generate income and thereby to reduce poverty. Training and consulting companies will receive assistance in the development of demand-based and specific job market courses and consulting for this target group. Women entrepreneurs will also be supported in the preparation of business plans, marketing strategies, etc. This will permit the establishment of new SMEs

The establishment of occupational standards is the basis of a market oriented vocational training.

managed by women, and businesses that already exist will continue to grow. Unemployed women are mainly offered training in high-growth sectors such as journalism, administration, banking and insurance. An important element for improving the framework conditions for women is awareness education in the form of radio programmes, magazine articles and exhibitions. Successful business women will be presented as positive examples to encourage young women and to diminish prejudices.

Moldavia

Since the spring of 2006, Swisscontact has been working in a partnership with the German consulting firm INBAS on behalf of SDC in the Republic of Moldavia as well. The goal of the project: with the establishment of a modern system for preparing occupational standards, we aim to make a relevant contribution to the integration of employment seekers in the job market. Too often, the qualifications of job seekers do not meet the requirements of the market because training is based on antiquated lesson plans from the Soviet era. Occupational standards can serve as the basis for the preparation of curricula by the education system, while permitting qualification on the basis of the requirements of the job market, whether the required knowledge is acquired in the formal education system or „on the job“. These standards are prepared in multiday workshops conducted by a group of respected occupational practitioners who can identify precisely which skills are necessary for a good job performance. The first standards were prepared for welders and pastry chefs.

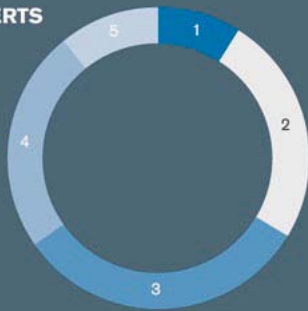


Total **1657** MISSIONS ACCORDING TO CONTINENTS 1979 TO 2006

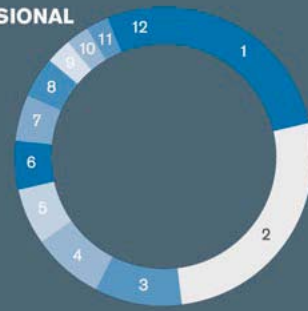
1 Marketing and management consultants 2 Electrical, civil and mechanical engineers 3 Hotel and tourism specialists 4 Food engineers 5 Education specialists 6 Craftsmen 7 Medical doctors and health care specialists 8 Agronomists and forestry engineers 9 Designing engineers 10 Chemists and pharmacists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

POOL OF EXPERTS BY AGE

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



EXPERTS BY PROFESSIONAL QUALIFICATIONS



Over 700 experts are available as volunteer consultants. They are highly qualified specialists. The average age is 66 and the participation of women 12%.

14 Senior Expert Corps

The work of Senior Experts is well appreciated by the beneficiaries and helps sensitize the Swiss for the needs of developing countries.

The work performed by retired managers and technical experts

In 2006, 96 experts carried out 117 successful missions in 25 countries. The focus was on Nepal, Panama, Ecuador and Ukraine. The situation in Ukraine developed especially well, although a national representative started her duties only at the beginning of the year. A positive development was the relaxing of political tensions in Nepal, which will further boost the development of small businesses. Fewer requests came from Romania and Bulgaria, possibly as a result of their imminent admission to the EU.

For 2007 the plan is to increase the number of assignments, beginning in Indonesia and Bangladesh, and to appoint a national representative in Moldavia. During the reporting year, the pool of experts grew by 6.6%, and at the end of 2006 it included a total of 708 experts (+44) with an average age of 66, and a 12.3% proportion of women.

The Senior Expert Corps is financed through donations from individuals, companies, foundations, municipalities, cantons, church communities and contributions from the Swiss government.

Consulting by Senior Expert Corps

Project	Since	Expenses 2006
Financing		CHF

DEVELOPMENT COUNTRIES

Promotion of SMEs		
Swisscontact/SDC	1979/93	462'144.36

EASTERN EUROPE

Promotion of SMEs		
SDC	2000	49'705.54

117 ASSIGNMENTS ACCORDING TO INDIVIDUAL SECTORS

Sectors	Assignments 2006
Tourism and hotel sector	34
Food processing	38
Management	11
Trade	6
Media	3
Technology	4
Education and health	13
Energy and infrastructure	2
Construction and chemistry	3



Photos: Swisscontact

Poverty, with all its accompanying deprivations such as lack of access to health services, inadequate education, poor diet and insecurity, can be tackled most effectively if local private enterprise is given the appropriate incentive. We are convinced of this.

