



swisscontact

Annual Report
2014

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



The OECD honours a Swisscontact project in Bangladesh

Swisscontact's projects strive for broad-based impact. On October 7, 2014, the OECD honoured the ATC-P Katalyst Project in Bangladesh, by awarding it the 'DAC Prize for Taking Development Innovation to Scale'.

The project's innovative approach involves large seed producers, who were persuaded to begin offering high-quality vegetable seed mini-packets to small-scale farmers instead of only the large and expensive packages that were available. Through this initiative, farmers can now increase their production significantly, while women farmers are bettering their household nutrition with their own vegetables, and generating additional income through their sales. This is just one of many aspects of Katalyst's market development programme. Between 2008 and 2013, 2.4 million farmer families and small enterprises (SMEs) benefited from this project; their incomes increased by a total of US\$295 million.



Swisscontact is testing new financing models

In the United States, philanthropic foundations increasingly emphasize social investment models. Swisscontact is implementing more and more projects with these partners and shifting towards this new paradigm.

The Swisscontact Technical Assistance Facility launched in the US in September aims at building up profitable enterprises in Latin America, which offer new investment opportunities for socially engaged investors.

Not all service providers in developing countries have been institutionally prepared to implement new financial instruments - they must first become «investment ready». The Facility's purpose is to support them during this process. Specifically, the Facility will be used to extend the micro-leasing system to El Salvador, Nicaragua and Peru. Swisscontact has already developed this system in East Africa.



20-Year successful education campaign in Albania

In 1994, Swisscontact began to exert considerable influence on Albania's legal system as part of the country's national education reform process and in a bid to integrate marginalised populations into the economy.

Twenty years later, thousands of adolescents and young adults are benefiting from high-quality courses, based on new teaching and learning systems. Today, Albania has qualified teachers and proven models of collaboration with the private sector. Competent private and public service providers offer updated course modules. Labour market integration, along with continuing education and vocational training, are at the forefront of the government's agenda. This is largely due to the many years of Swiss assistance, and the implementation by Swisscontact of numerous projects.



Enhanced food security for Latin America

Improper post-harvest handling often results in massive losses to grain production, which in turn endangers the subsistence of grain producers and smallholder farmers in rural areas. Supply bottlenecks develop that vulnerable populations are barely able to overcome.

With its 'Programa Postcosecha América Latina' (Latin America Post-Harvest Programme), Swisscontact is supporting harvests and post-harvest handling by introducing new technologies to grain producers and smallholder farmers in Latin America. The focus is on applying new post-harvest processing techniques after the grains have matured. This encompasses harvesting, drying, threshing, storage and transporting. Through close collaboration with the private sector, smallholder producers are now generating new and sustainable business opportunities.



New development model in fragile environments

Most countries in which Swisscontact works are affected by poverty, violence and corruption. Unemployment and under-employment are widespread among young people and without enough opportunities for work and income, the propensity for violence increases.

This is where Swisscontact applies its innovative models. The purpose is to create opportunities with sustainable skills development projects in fragile environments. In Honduras, young people from high-crime areas get the opportunity to earn a vocational education. This offers an attractive alternative to widespread gang-related crime. Creating education opportunities is also the goal in Mali's unstable northern region. Together with the local government, Swisscontact is establishing structures that facilitate the integration of young people into professional life, which in turn paves the way for socio-economic independence.



Efficient waste management in Bolivia

The increase in waste products is a growing problem for countries such as Bolivia. Water, land and air are polluted by non-biodegradable materials, while in cities there is an increased resistance to rubbish dumps. Since 2011, Swisscontact has been committed to improving waste management in Bolivia, most recently in the Ecovecindarios Project. As of 2010, the project has helped 13 cities to separate, collect and properly dispose of waste. Furthermore, it supports the creation of a recycling industry.

An internal study conducted during the reporting year produced interesting results. Through Swisscontact's steady involvement, the volumes of recyclable and properly disposed waste have increased many times over. In addition, greenhouse gas emissions have been reduced substantially. At the same time, the local population – along with authorities, industry and the government – have exhibited more sustainable behaviour and skills. This is how protection of the «Madre Tierra» will also improve in the future.

We continue on a promising path

Our values and culture of solidarity, together with a passion for high-quality and effective project work, forms the basis of how we act.



Heinrich M. Lanz, President

We can look back on 2014 with pride and satisfaction. We launched and were awarded many new programmes while successfully closing out others. In the six global regions where Swisscontact is active, we successfully advanced our business strategies with a renewed focus. Last year, we achieved another significant growth milestone. As a result, the 2014 annual statement of accounts shows very encouraging and positive numbers. Thanks to strong team performance in the field, the Zürich Head Office, and our all-encompassing collaboration, Swisscontact once again has proven its ability to perform, achieving solid results.

On behalf of the Board of Trustees, I would like to thank all our staff for their efforts and motivation, as well as the commitment with which they advance our common values every day.

Our success in the 2014 financial year is also attributable to decisions we made with regards to our 2020 strategy. The transition process, which over the last three years has not always been easy for those involved, has proven to be a success today. This gives us the impetus to stay the course and the freedom needed to look to the future more confidently, and further invest in Swisscontact's development. It is our intention to become even better and to expand our capabilities. This demands the power of innovation – both in terms of developing and implementing projects and constantly renewing our structures and processes.

In 2014, the focus was on skills development. Over the last 50 years, Swisscontact has gained comprehensive experience in developing and implementing hands-on and market-oriented vocational education systems. The success factors serve as our compass, and to an appropriate degree, we adapt these to the realities of our target countries. Furthermore, our projects follow a clear strategy that involves the private sector effectively in all aspects of continuing education, vocational training and integration into the labour market. At various exchange fora and seminars, we have developed this strategy even further, communicating our concept of skills development more closely to the broader public.

Our Board Members have supported Swisscontact over the last year in various ways, often very actively. I would like to thank all of them for their commitment. The Board of Trustees was strengthened during the reporting year with the appointment of National Council representative Elisabeth Schneider-Schneiter and Prof. Dr. Ursula Renold. After many years as trustees, Mr. Thomas E. Preiswerk and Dr. Michael Salzmännli stepped down from the Board. I would like to thank our retiring trustees for their friendship and goodwill toward Swisscontact.

2014 was a successful year. However, we have not attained all of our goals. We can do so much more to help reduce economic disparity sustainably and effectively in an ever more complex and globalised world. This is our incentive in 2015.

Heinrich M. Lanz
President

Achieving broad-based impact with innovative ideas

Through appropriate forms of collaboration between the Zurich Head Office and the individual regions, we can now use our strength and development potential to achieve greater results.



Samuel Bon, Executive Director and CEO

Given the consolidation in our re-organisation process, last year we finalised and harmonised some important initiatives. Our organisation-wide business processes are now streamlined within an integrated, process-optimised system that supports our core competencies.

Since September, Urs Bösch has been helping the Executive Board in business administration, while assisting Human Resources, Finance, and IT in their efforts to work autonomously and be flexible to change.

During the reporting year, monitoring and evaluation became key components of our project work more than ever before. Assessing new indicators, harmonising standards and implementing internal training modules in impact assessments have advanced our quality management and mutual learning processes. The first study results now make it possible to assess the sustainability and extent of the changes we are achieving with our approach. Results of external audits not only confirmed our adherence and dedication to standards of the DCED (Donor Committee for Enterprise Development): they were also bundled conceptually and imparted to our internal knowledge management. For the first time we have been able to provide our donors with this knowledge resource.

With its focus on social impact investing, Swisscontact is bridging the gap between profit-maximising investments and addressing social and environmental problems. To this end, Swisscontact successfully launched the Swisscontact Technical Assistance Facility for Enterprise Growth in the United States in autumn 2014. This represents a new approach for a Swiss organisation to collaborate with foundations and socially responsible investors.

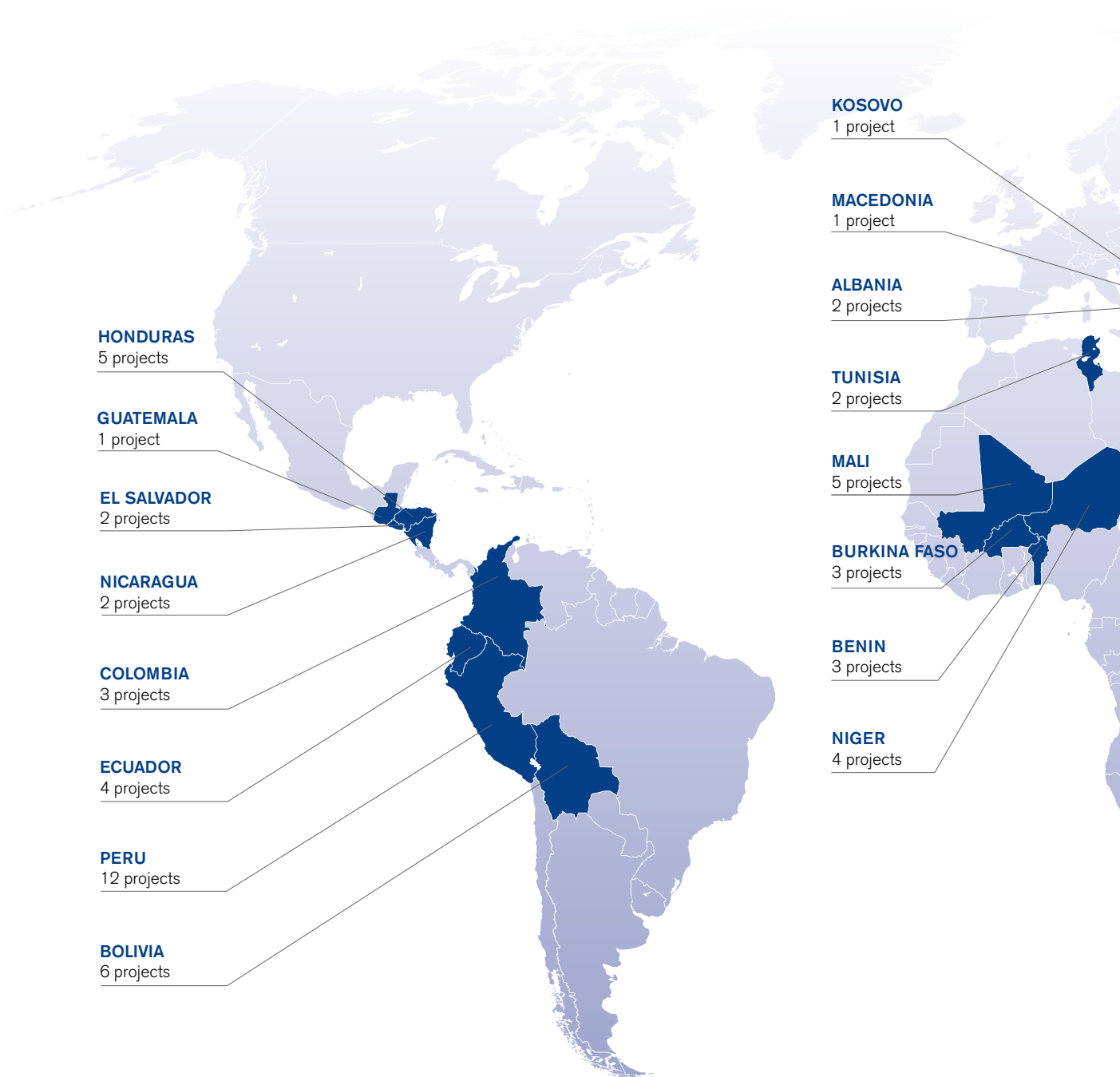
Many Swisscontact projects already apply innovative and socially responsible approaches. The objective is always to implement these approaches for broader impact. The fact that Swisscontact is mastering the art of scaling up innovative ideas has been recognised by the OECD's "DAC Prize for Taking Development Innovation to Scale". This prize was awarded to one of our projects in Bangladesh, financed by SDC and DfID. The recognition given is a hugely positive acknowledgement of our work. At the same time, it represents a commitment and an incentive to further develop such successful models within structured internal learning processes.

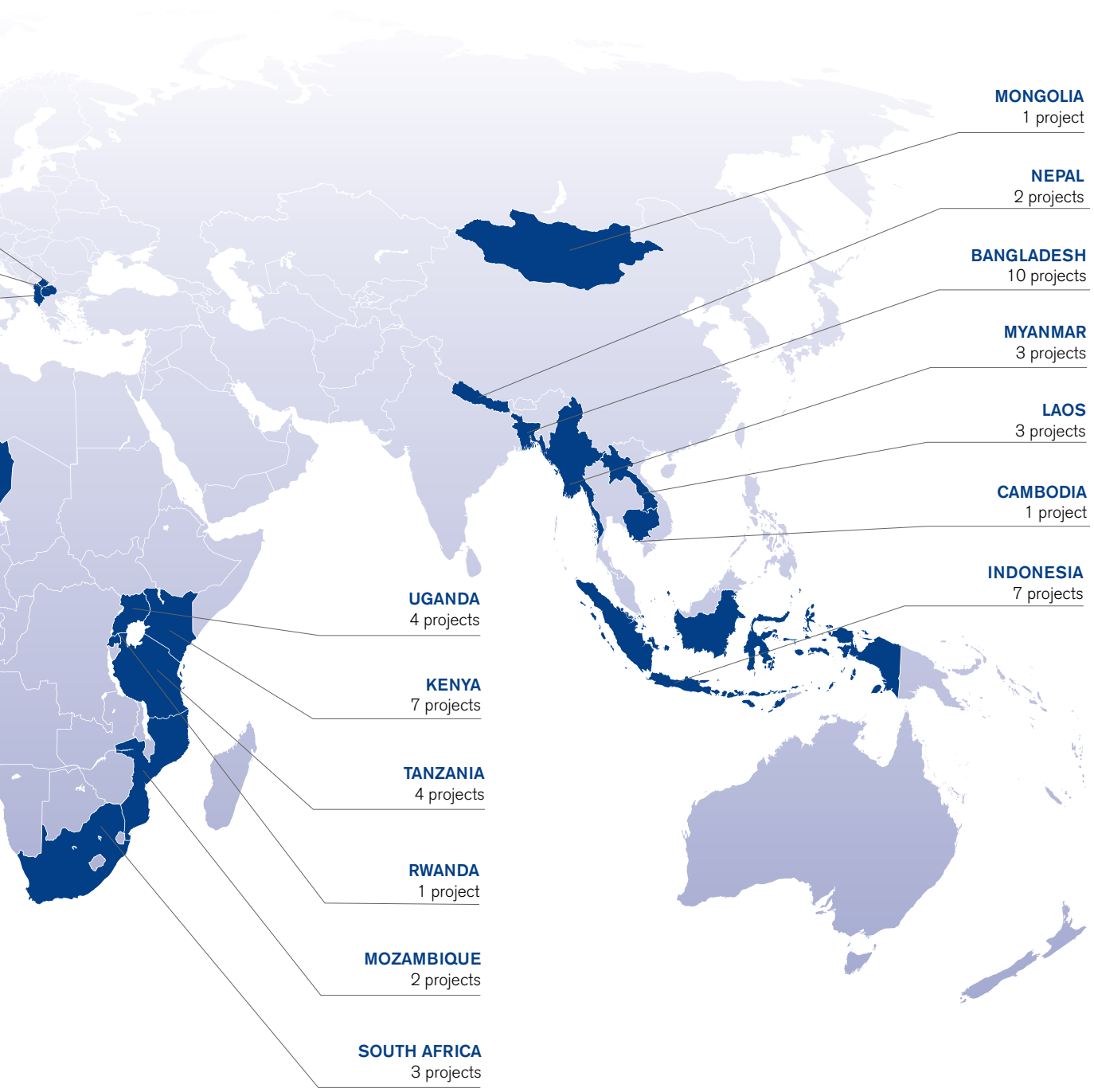
The success factors of Swisscontact's broad-based impact are based on the motivation and initiative of our staff, as well as our committed and faithful partners who carry on our successful development approaches. They all deserve our sincerest gratitude!

Samuel Bon

Executive Director and CEO

104 projects in 29 countries







Tailor shop in Macedonia

Eastern Europe

As an economic region, Eastern Europe is heterogeneous, with growth prognoses varying substantially from country to country. The negotiations regarding EU accession also vary in terms of progress, although in 2014, they came to a standstill in the entire region. The economies of all countries in Eastern Europe are closely linked to developments in the European Union.

The job markets in Albania, Macedonia, and Kosovo – countries in which Swisscontact works – remain precarious. The population is very young and salaries are low, creating favourable conditions for investors. One of the main problems is the lack of a well-trained labour force. As a result, youth unemployment

is very high. Swisscontact is therefore implementing two projects in Kosovo and Macedonia. Their purpose is to improve opportunities for young men and women in particular to find jobs in the private sector.

In Albania, Swisscontact successfully closed out its large AlbVET Skills Development Project in 2014, after 20 years. Today, public and private institutions and organisations collaborate with each other on a new level. In this way, the innovations introduced in the last project phase were institutionalised. For completing their training, Albanian coaches earn the internationally recognised “Certificate of Advanced Studies” from the University of Lucerne.

“ *Local SMEs are at the heart of sustainable market development in infrastructure-poor regions. They create jobs and are the economic link between international companies and local society. Moreover, they are the core of entrepreneurship and the middle class. Swisscontact is the ideal partner to promote local SMEs through training projects and skills transfer.* ”



Heinz Karrer
President economiesuisse

For more information about the region and the projects:
www.swisscontact.org/printings (Regional Reports)



Continuing vocational training in Uganda



Africa

In **North and West Africa**, international development co-operation continues to face difficult political and social challenges. Religious fundamentalism and the threats to health posed by the Ebola epidemic are destabilising the region.

Mali is an example of how – despite unsafe conditions – Swisscontact is still finding ways to advance its programmes. During two coup d'états and warlike turmoil, Swisscontact continued implementing its skills development projects. Swisscontact's efforts in Burkina Faso face similarly complex challenges. Here, the objective is to promote youth employment in small businesses, which is achieved through collaboration with the private sector and local authorities. Meanwhile, Benin's political situation is comparatively stable. And the dual apprenticeship-based vocational training has been firmly implemented into the official education system. In Tunisia, Swisscontact has expanded its project portfolio in tourism sector promotion. In the country's poorer south-eastern region, the goal is to involve other economic sectors positioned both down- and upstream, thereby bringing in many more actors.

“ *Solid vocational education is vital to economic success. It involves the private sector in all aspects and focuses on market requirements. Vocational education has become a core theme in development policy, owed in part to Swisscontact's projects.* ”

For more information about the region and the projects:
www.swisscontact.org/printings (Regional Reports)

In **East and South Africa** the economy has been growing more slowly than in the past, due to political instability and associated economic insecurity. As growth depends first of all on raw materials exports, it has not resulted in any significant improvement in well-being for the broader population. Furthermore, poverty prevents large percentages of the population from participating in the economy. In South Africa, the LEDNA project was closed out that tried to counter these effects. It provided a web platform to support local authorities in designing sustainable economic development initiatives.

Working at the crossroads of humanitarian aid and development co-operation in Kenya is a first for Swisscontact. In the northern town of Kakuma lies one of the largest refugee camps. Swisscontact is offering young people in the refugee camp and the surrounding region technical and general training courses. This experience has opened up possibilities for similar activities in other fragile African countries.



Elisabeth Schneider-Schneiter

National Councilor, Canton of Basel-Landschaft, Member Swisscontact Board of Trustees



Skills development in Nepal



Asia

This region was spared economic dips, largely because of China's massive economic pull. Asia is socio-economically, politically and culturally very diverse. What all these countries have in common is that they exhibit much sustainability and social harmony in terms of their development. Moreover, many Asian states are more advanced in terms of state involvement in the economy than OECD countries.

In **South Asia**, Swisscontact continues to focus on Bangladesh and Nepal. In Nepal, political stability and thus economic growth are shaky. Economic development depends very much on whether the government will have been able to ratify a new constitution by early 2015. Although Bangladesh exhibits brisk economic growth, income inequality remains high. In order for growth to be maintained, private sector companies are emphasizing the need to

raise the skills level of the workforce. Therefore, with a new programme, Swisscontact is engaging the apparel and construction industries to invest in the training of disadvantaged populations.

Swisscontact is encountering similar challenges in **Southeast Asia**. In Myanmar, Swisscontact launched a project to open up new demand-oriented employment possibilities for disadvantaged populations. In Indonesia, promoting tourism beyond Bali remains a priority. In recent years, initiatives have been tested on the island of Flores. In a new project phase, these were extended to three destinations: Tanjung Puting, Toraja, and Wakatobi. Indonesia's economy is in a phase of consolidation. Meanwhile, Laos remains closed both politically and economically. The country risks not acceding to the Association of Southeast Asian Nations (ASEAN).

“ *In the districts of Bone and Soppeng of South Sulawesi Province, we are implementing the Cargill Cocoa Promise Project and Sustainable Cocoa Production Programme (SCPP) to achieve sustainable cocoa production in Indonesia. This will result in improved seed material and planting techniques, as well as professional management of agri-businesses and improved nutrition for 3,588 men and women cocoa farmers. Since the programme started, our farmers' yields have grown by roughly 50%. This has increased incomes and improved the quality of life. Our intensive collaboration with Swisscontact has changed our producers' lives. We will continue to work on making smallholder cocoa producers in our sustainable supply chain into productive, reliable, and important farmers.* ”



Jos de Loor
President Cargill Cocoa & Chocolate

For more information about the region and the projects: www.swisscontact.org/printings (Regional Reports)



Innovative farming in Honduras

Latin America

There is solid economic growth in many places in Latin America, and the middle class is growing. Nevertheless, Latin America remains the region with the highest levels of social inequality internationally. The ideas of individual country governments on how to achieve prosperity often couldn't be more different. States such as Peru or Colombia rely on the private sector as the engine of economic growth. By contrast, Bolivia and Ecuador consider the creation of prosperity to be the responsibility of the state. With just a few exceptions, political and economic development in many countries of this region are stagnating.

As in other regions, development is undermined by the fact that SMEs are unable to invest in their business. The financial services sector has no suitable products to offer them. Facilitating SME access to financial services is becoming an increasingly important objective

for Swisscontact in **Central America**. This is especially the case in El Salvador and Guatemala. Furthermore, Swisscontact is fighting economic stagnation by helping Nicaragua and Honduras to create value-added processes. This has resulted in 8,000 new full-time jobs over the last six years.

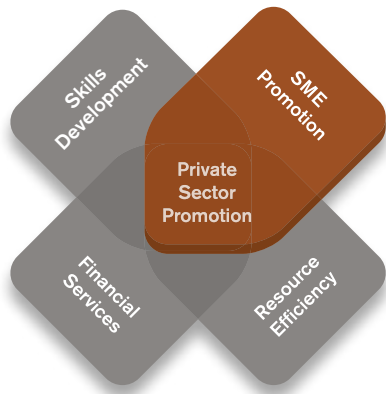
Within the projects in **South America**, the importance of working closely with municipalities, cities, and central governments is growing. For example, together with Colombia's state education institution SENA, Swisscontact is developing continuing education programmes for workers in the infrastructure sector. In addition, resource efficiency projects are being implemented. These include technical consultation provided to urban transport entities and introducing waste management systems to municipalities in Bolivia.

“ The implementation of sector-specific public initiatives is a priority for Swisscontact. These include enacting regulations and introducing monitoring and control mechanisms to check water and air quality over the long term. These initiatives support current efforts by the government to mitigate climate change and use natural resources efficiently. The goal is to live in harmony and balance with Mother Earth. All these efforts are only possible through a common vision and common ideas. ”



Cintya Vargas Amurrio
Head of Environment
Directorate, autonomous
government of the
department of Cochabamba,
Bolivia

For more information about the region and the projects:
www.swisscontact.org/printings (Regional Reports)



Indicators

SME Promotion

Through Swisscontact's work, in 2014, more than 310,000 agricultural and artisanal businesses in all regions increased their incomes by up to 50%. This is owed to their increased access to information, skills and markets. Total income growth in these businesses reached an estimated US\$56 million, while 2,800 new full-time jobs were created in 30,000 businesses.



Tourism development in Kosovo

Feature project: Kosovo

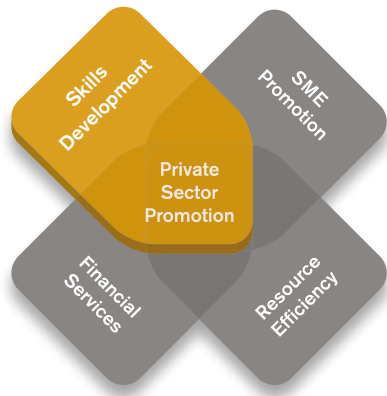
More jobs, thanks to the planting of local crops

The food industry in Kosovo has enormous potential. Today, the country imports most of its processed foods. Moreover, consumers would much rather buy domestically produced foods. Therefore, one of Swisscontact's priorities in Kosovo is to support growth in the food industry. This is also how we support positive trends in the labour market. Swisscontact helps producers to improve their sourcing and distribution processes, while generating market research data. In this way they use available capacity more efficiently. At the same time they acquire new market segments.

In this process, building a stable network between processors and farmers is crucial. 90% of agricultural production is still destined for the fresh produce market. In order to simplify collaboration, the project had collection centres built, while commonly defined product standards ensure quality.

In urban markets, demand for homemade products is growing. Many small-scale food producers – often rural women's groups – offer their delicacies. Swisscontact is supporting these women so that they can stabilise product quality and acquire new market niches through innovations.

For SME development, Swisscontact has another sector in its sights. In addition to the food industry, the project is concentrating on tourism (specifically, professional destination marketing) in the enchanting mountains to the country's west.



Indicators

Skills development

In 2014, 83,100 mainly young people (52% of whom were women) entered Swisscontact-supported training programmes in West Africa and South Asia. Of these, 12,300, of whom 71.4% were women, received support in their job search. In 15 projects, 69% of people who received training and guidance have obtained gainful employment.



Training programme in Tunisia

Feature project: Tunisia

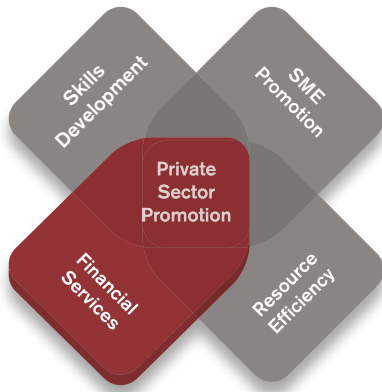
Real experiences in a virtual environment

The concept of “simulated companies” encourages the integration of long-term unemployed youth into professional life. In Switzerland, simulated companies have been a workforce development tool for many years. Swisscontact has adapted and implemented the simulated company concept in Tunisia.

Worldwide, there is a network of roughly 7,500 simulated companies engaging in business with each other. What they all have in common is that the business functions are real, but without covering the flow of goods. However, the goods and services traded are virtual. Just like a pilot practicing various manoeuvres in a flight simulator, simulated company “employees” are gaining business experience. This ranges from accounting and human resource management to marketing and the processes involved in international commerce. Coaches support the mostly young participants to learn these various skills.

Simulated companies are highly flexible. Young people can be employed and trained entirely according to the needs of future employers. Collaboration with the private sector is an important building block of this project. Exchange with various companies has resulted in the development of language skills, especially in French and business English, as well as professional workplace behaviour.

The young trainees are considered as temporarily employed and undergoing continuing education. They are given an employment contract, a job description and clear performance targets. Accordingly, at the end of their stint at the simulated company they are awarded a training certificate. An additional letter of reference is highly sought after among young professionals seeking employment in Tunisia.



Indicators

Financial services

In 2014, 33,000 East African farmers and SMEs were supported with financial services: US\$4 million was allocated for production equipment leases and US\$6 million in credit for savings and credit cooperatives. Their total income increase constituted more than US\$10 million. Out of this sum, US\$303,000 was set aside as savings for savings and credit cooperatives.



Financial services for Indonesian cocoa producers

Feature project: Indonesia

Access to financial services for 60,000 cocoa farmers

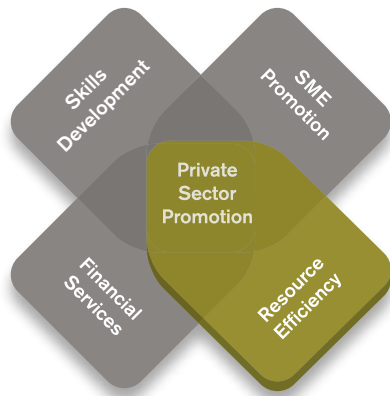
For years, cocoa farmers on Sumatra and Sulawesi have been working with support from Swisscontact to improve production methods. However, they often lack the capital to invest in their businesses. This makes it impossible for them to purchase fertilizer or additional land, for example. For this reason, production on cocoa plantations, and thus farmer incomes, are not reaching their full potential. Therefore, an additional project component aims to improve access to financial services.

According to estimates, approximately 2% of Indonesian cocoa farmers currently receive credit from banks. However, they obtain this credit only with collateral such as land titles and often with monthly repayments. Financial institutions are still too unfamiliar with the cocoa sector to be able to assess the risks. For this reason they are unable to offer financial products that are suitably flexible, affordable, and within adequately quick loan processing times. Appropriate savings products have never been much in fashion. Either the travel distance to banks is too great or farmer savings discipline too weak.

This is why Swisscontact only works with selected financial institutions – because these partners can only assess the risk correctly and develop adequate products for the cocoa farmers if they really understand the sector. Only when these institutions understand the sector, they are able to properly assess the risk and offer adequate financial products to cocoa farmers.

In addition, Swisscontact is training farmers to fill knowledge gaps and raise awareness on the importance of savings strategies. The farmers are learning about how savings and credit work. Equally important, they get to see what a financial institution expects from them when providing credit. In this way, they can help keep the risk to banks to a minimum, ensuring that credit will be available to the sector over the long run. Banks will only offer products that are commercially attractive to them.

Another activity is helping motivated farmers form agricultural cooperatives, through which their ability to self-organise is enhanced. The cooperatives offer various services to their members, such as cocoa bean purchasing, training or growing nurseries. They make for strong partners for commercial banks.



Indicators

Resource efficiency

In two energy efficiency projects for brickmaking in Latin America and South Africa, greenhouse gas emissions were reduced by 87,400 tonnes of CO₂ in 2014. Three resource efficiency projects in Bolivia have reduced greenhouse gas emissions by a further 36,000 tonnes. In four projects in Africa, Asia, and Latin America, 472,000 tonnes of waste have been disposed of properly, of which 28,800 tonnes were recycled.



Brick production in Argentina

Feature project: Peru

Simple measures with substantial effects

Big changes start with small steps. This is also valid for a Swisscontact project being implemented in seven Latin American countries. Its objective is to introduce more energy-efficient technologies to brickmaking while increasing producer incomes. The first step consists of showing brickmakers how to save on energy consumption by installing relatively simple ventilators to reduce fuel consumption. This step alone results in 30% less fuel consumption associated with less greenhouse gas emissions and lower operating costs. Further positive effects include reduced deforestation and improved air quality, which in turn lowers the health risks to workers.

Between 2013 and 2016, the project intends to reach out to roughly 4,300 SMEs, constituting roughly 10% of the entire sector. CO₂ emissions will be reduced by at least 800,000 tonnes each year, while producer incomes will grow by more than 20%. Through Swisscontact's interventions, developers of new technologies and financial services see SME producers as potential clients. SME producers are usually associated

with the informal sector and for this reason, they fall under the radar of local authorities, even though they create many jobs and contribute substantially to the construction industry. The result, among others, is that they are not included in national development planning.

Swisscontact began an intensive exchange with local governments. Today, brickmaking is a solid component of state programmes in the seven Latin American project countries of Bolivia, Brazil, Colombia, Ecuador, Mexico, and Peru. In Colombia and Brazil, national energy and emissions management standards have been already introduced, while in Peru they are about to be ratified.

Swisscontact is a member of the Climate and Clean Air Coalition to Reduce Short-Lived Climate Pollutants (CCAC) and also active in the global brickmaking initiative. Through joint efforts, it will be possible to reach the desired goals and share the experiences gained with other continents.

Senior Expert Corps

Volunteer SME development consultancies

In 2014, 126 experts carried out volunteer consultancies on behalf of the Senior Expert Corps (SEC), while 10 already-planned consultancies could not be carried out, due to the political crisis in Ukraine. The strategy developed last year to increase sustainability of short-term SEC consultancies is working. The number of follow-up consultancies that focus on specific regions and sectors has increased by roughly one third. This has helped bring clients and experts together in networks and promoted exchange. Students at the University of St. Gallen have conducted a “2014 returnee study”. This study attributes high cross-cultural skills to our experts

and identifies the important role they play in raising awareness in Switzerland. In addition, the study results show that the volunteer work of our experts continues on, extending far beyond the official two- to four-week consultancy periods. They invest on average an additional 42 hours in preparation and follow-up per consultancy. A second project with the University of St. Gallen involved developing a concept for an optimised, more efficient intervention planning and execution process. This won second place in the WTT Young Leader Awards (Wissenstransferstelle FHS St. Gallen).



Peter Tschanz, a master mechanic, consulting in Bolivia



Resource efficiency is an important area for SEC consultancies:
Josef Böni working at Quesos Chela, Panama

Interventions conducted on behalf of resource efficiency are becoming increasingly important. Wastewater specialist Josef Böni provided his support over five weeks to the Quesos Chela cheese factory in Panama. With roughly 100 employees, this enterprise processes 16,000 litres of milk per day during peak seasons. However, its technical equipment needs to be updated to meet today's regulatory and quality assurance requirements. To this end, Mr. Böni installed a pilot plant to purify the cheese factory's highly polluted wastewater. In addition, he developed a concept to build a modern facility to handle 45,000 litres of wastewater daily. In the future, the wastewater will meet the standards used for irrigation.

The consultancy was very successful. Mr. Böni explains: "I found out the cheese factory had been trying to solve its wastewater problem for ten years already. For this reason, preparatory work on the ground was key. By carrying out a targeted survey, I clarified the problems before conducting my intervention and made preparations. The pilot plant I designed was put into operation within the first two weeks. An employee was trained in the technical maintenance of the plant. This individual produces the necessary documentation for daily checks and assesses the results. This pilot plant shows employees a practical solution to an environmental problem that is becoming increasingly expensive, unacceptable in the community, and unpleasant. Along with cost savings, the cheese factory is making a huge step forward in clean and environmentally sustainable production."

Knowledge and Content Management (KCM)

The Swiss Year of Vocational Education provided Swisscontact with the opportunity to review its commitment to supporting skills development. Both internal and external experts convened numerous times at conferences, seminars and training workshops for knowledge exchange. The most important results were compiled into a concept paper.

A new brochure, along with the annual event in Zurich in October, provided an opportunity to share information and conclusions externally. In addition, they were discussed in the broader public.

A new task will involve leading the Office for Dual Apprenticeship-Based Vocational Training through its four donor organisations: the German Federal Ministry for Economic Cooperation and Development (BMZ), the Austrian Development Agency (ADA), The

Liechtenstein Development Service (LED) and the Swiss Agency for Development and Cooperation (SDC). This will allow Swisscontact to make a substantial contribution to promoting the dual apprenticeship-based vocational training system internationally.

Internal working groups exchanged experiences and concepts on a wide range of subjects, including cocoa, tourism, market development and gender equality. Here too, the lessons learned are shared continuously with international working groups and at conferences.

Participation in select national and international networks, events, and commissions, has facilitated mutual learning. It also has strengthened Swisscontact's role as a competent implementing organisation promoting private sector development.



Swisscontact experts, seminar in Nepal

Monitoring and Result Measurement (MRM)

Achieving the greatest effect most efficiently is central to Swisscontact's project work. Monitoring target results in different projects in a uniform and comparable fashion is a key tool for our quality assurance. The system, which was introduced in 2013, tracks and evaluates the results. It has proven effective in project planning and management, in addition to helping internal learning processes. It is also proving itself as an aid in the continuous optimisation of our interventions and reporting. Based on the Donor Committee for Enterprise Development (DCED) standard, the system facilitates streamlined assessment of project outcomes.

Regional MRM consultants have overseen its application in 46 projects. These individuals have been trained together with select project

staff. Compliance with the DCED standard has been verified by external auditors. The positive results are being used to further develop the system and individual tools.

Methods for assessing sustainable impact of our interventions in terms of systemic changes are increasingly in demand. In one project in Bolivia, a new method was tested on urban waste management and various recycling markets. With minimal expenditure it allows the assessment of sustainable changes.

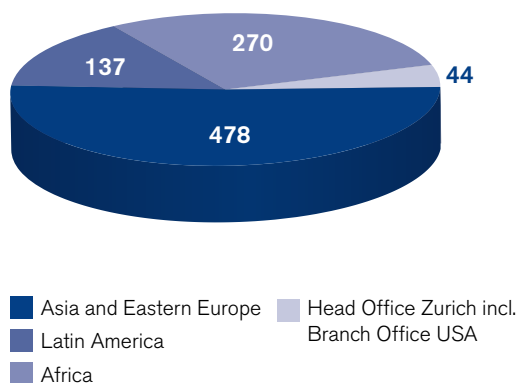
Participation at international DCED standard conferences and speeches, as well as in discussions with partners or within networking groups, have been instructive and have confirmed the value of a solid impact assessment.



Checking data for reporting in Tanzania

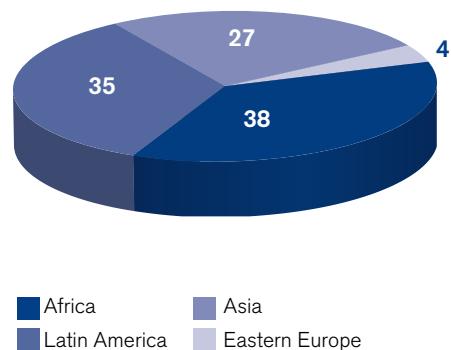
Facts and Figures 2014

Employees worldwide



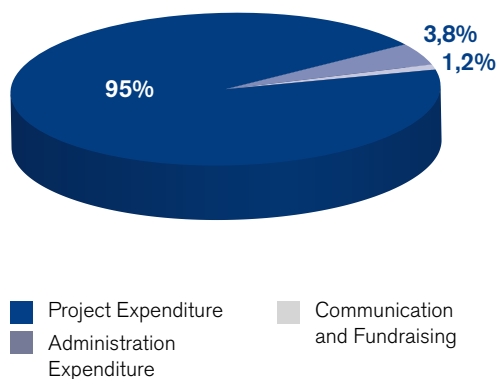
Total: 929 (not adjusted for part-time personnel)

Number of projects per continent

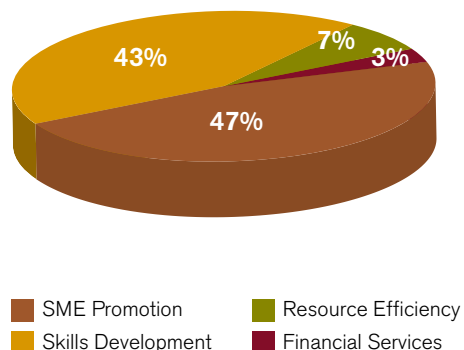


Total: 104

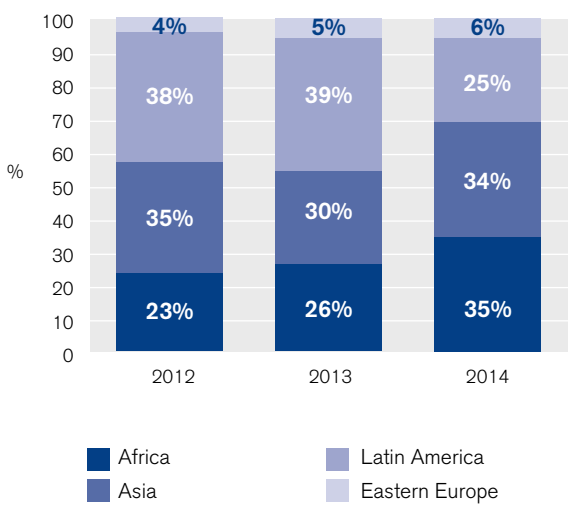
Ratio of project costs to administration costs (in %)



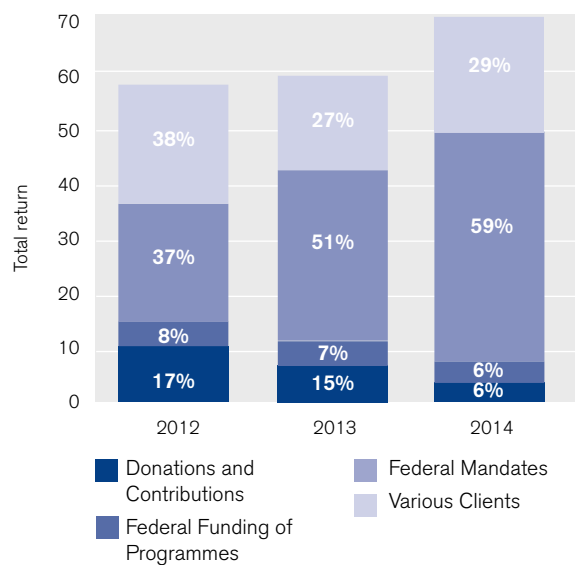
Expenditure according to core areas (in %)



Expenditure according to continents 2012–2014 (in %)

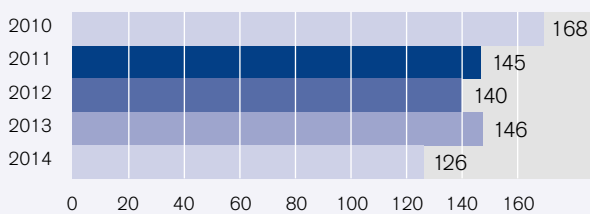


Source of Funds (in %) and total return in CHF million 2012–2014

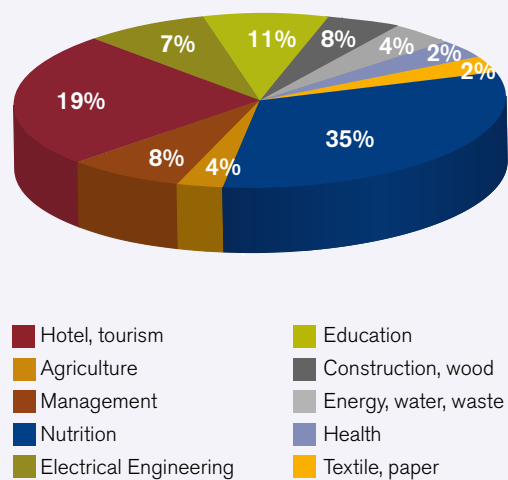


Senior Expert Corps 2014

Number of assignments



Assignments per industry sector



Notes on the Financial Statement

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 ZEWO Foundation adopted in 2005.

Compared to the previous year, an increase of 16.3% in the volume of projects implemented is recorded. At the same time, increased project costs in the development of employees and partners with international experts aim at ensuring the sustained benefit of our training concepts and successful integration into local business life. Capital expenditures have also been made to establish communication as a strategic element.

In terms of donations and contributions (donations with a performance mandate), a decrease of 5% (from kCHF 5816 to kCHF 5505) 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 351 (kCHF 474 in the previous year).

In 2014, the expenditure for fundraising amounts to kCHF 835 (kCHF 743 in the previous year), which corresponds to 15% of the income (13% in the previous year). In relation to the total expenditure, fundraising expenditure amounts to 1.2% (1.3% in the previous year). The ZEWO Standard Value for this key performance indicator stands at 8%.

With a positive annual result of kCHF 1373 and a change to the free appeal fund of kCHF 59 it was possible to increase the organisational capital from kCHF 7080 to kCHF 8527 considering the currency translation effects.

Swisscontact is always striving to optimise the efficiency and effectivity of processes used to determine quality, cost and time requirements.

The entire office administration expenditure is within the budget limits and stands at 3.8% in relation to the entire budget. (4.3% in the previous year). The ZEWO Standard Value for organisations with operations abroad stands at 11%.

Consolidated profit and loss account 2014

	2014	2013
	in kCHF	in kCHF
INCOME		
<i>Income from Donations and Contributions</i>		
Donations from government donors	1 987	2 009
Donations from private donors	1 826	1 808
Donations from "Freundeskreis"	123	137
Swiss Government contributions tied to projects	4 309	4 300
Contributions government donors	1 638	3 195
Contributions private donors	1 193	1 477
<i>Total Donations and Contributions</i>	11 076	12 926
<i>Income from projects</i>		
Swiss Government mandates	40 790	29 924
Government principals	9 742	8 771
Private principals	7 323	7 133
<i>Total income from projects</i>	57 855	45 828
<i>Other income</i>		
Other	-215	316
Total income	68 716	59 070

EXPENDITURE	2014	2013
	in kCHF	in kCHF
<i>Expenditure of projects</i>		
Albania	859	1 178
Bangladesh	10 861	8 612
Benin	659	558
Bolivia	2 435	4 516
Burkina Faso	755	544
Ecuador	759	583
El Salvador	163	260
East Africa	561	618
Guatemala	510	442
Honduras	1 139	337
Indonesia	7 011	5 690
Kenya	838	476
Colombia	1 703	1 412
Kosovo	967	580
Laos	663	411
Mali	6 065	3 499
Macedonia	722	0
Mozambique	1 212	1 075
Myanmar	1 772	122
Nepal	373	306
Nicaragua	1 011	355
Niger	3 531	2 156
Peru	3 138	4 264
Rwanda	3 259	2 919
South Africa	712	1 167
Tanzania	1 195	135
Tunisia	852	488
Uganda	1 563	2 548
South America regional programme	1 757	2 245
Central America regional programme	1 836	2 078
Senior Expert Corps (SEC)	624	614
Other projects	337	15
Coordination office project countries	1 613	1 367
Subsidiaries	410	373
Project support	2 109	2 023
<i>Total expenditure of projects</i>	63 975	53 967
<i>Expenses for administration</i>		
Subsidiaries	74	131
General administration	2 530	2 337
Information including fund raising	835	743
<i>Total expenses for administration</i>	3 439	3 211
Operating result	1 302	1 892
Net financial income	13	-86
Exceptional result	0	1
Result before changes in funds	1 315	1 807
Change in restricted funds	117	270
Change in free funds	-59	-177
Result after changes in funds	1 373	1 900
Allocation to internally generated designated capital	-1 373	-1 900
Result after allocation internally generated designated capital	0	0

Consolidated balance sheet as at 31st December 2014

	2014	2013
	in kCHF	in kCHF
ASSETS		
Current assets		
Cash in hand and at bank	25 680	19 340
Advances to projects	3 761	4 190
Marketable securities	1 946	1 643
Other receivables	1 935	386
Accrued income	2 653	2 630
<i>Total</i>	35 975	28 189
Non-current assets		
Tangible assets	408	339
Intangible assets	538	476
<i>Total</i>	946	815
Total assets	36 921	29 004
LIABILITIES AND EQUITY		
Current liabilities		
Other liabilities	3 038	2 031
Accrued liabilities	1 439	1 366
Advance payments for participation in projects	23 435	17 981
Provisions	47	38
<i>Total</i>	27 959	21 416
Restricted funds		
Restricted capital funds	134	50
Restricted income	301	458
<i>Total</i>	435	508
Equity		
Trust capital	6 214	4 299
Unrestricted funds and reserves	940	881
Year end result	1 373	1 900
<i>Total</i>	8 527	7 080
Total liabilities and equity	36 921	29 004

Appendix to the annual report

Change in funds

in kCHF	Opening balance	Income	Allocation	Expenditure	Closing balance
Restricted capital funds					
SDC	0	0	55	-16	39
EIAB	50	0	0	-5	45
TA-USA	0	0	50	0	50
<i>Total</i>	50	0	105	-21	134
Restricted income					
SOMS	204	0	0	-50	154
Restricted donations	254	0	3 529	-3 636	147
<i>Total</i>	458	0	3 529	-3 686	301
Unrestricted funds	881	0	351	-292	940

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 2014, on the basis of which the accompanying summarised financial statement is compiled in accordance with Swiss Auditing Standards.

In our audit report dated 2 April 2015 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

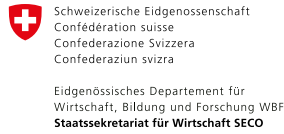
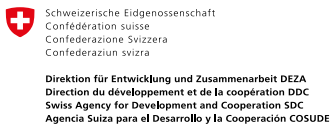
Marcel Lederer
Audit Expert

Zurich, 2 April 2015

This financial report of the fiscal year 2014 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.

Project partners

Institutional partners



Private partners



Thematic partners



Donors

Swisscontact extends its heartfelt thanks to all donations and project contributions in 2014.

Companies

Abnox AG, Ammann Group Holding 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, Ecom Agroindustrial Corp. Ltd., Fritz + Caspar Jenny AG, Gewerkschaft Unia, Hesta AG, Kaba Holding AG, MMH Invest AG, Paradag AG, Roland Schwab Holding AG, Roschi Rohde & Schwarz AG, Scherler AG, Schweizerische Nationalbank, Union Industrielle Genevoise (UIG), Victorinox AG, zCapital AG, Zürcher Kantonalbank

Foundations

Büchi Foundation, COFRA Foundation, elea Foundation, Ernst Göhner Stiftung, Stiftung ESPERANZA – Kooperative Hilfe gegen Armut, Fondation Manpower SA, Greendale Foundation, Irène und Max Gsell Stiftung, Johann Jacob Rieter-Stiftung, Paul Schiller Stiftung, Stiftung für praktische Berufsbildung, Uniscientia Stiftung

Communes, towns and cantons

Gemeinde Binningen, Gemeinde Erlenbach, Gemeinde Feldbrunnen-St. Niklaus, Gemeinde Hedingen, Gemeinde Küsnacht, Gemeinde Maur, Gemeinde Romanshorn, Gemeinde Rüslikon, Gemeinde Uitikon-Waldegg, Gemeinde Wallisellen, Gemeinde Zollikon, Kanton Aargau, Kanton Appenzell Ausserrhoden, Kanton Basel-Landschaft, Kanton Glarus, Kanton Luzern, Kanton Obwalden, Kanton Schwyz, Kanton Zürich, République et Canton de Genève, Stadt Baden, Stadt Bern, Stadt Rapperswil-Jona, Stadt Solothurn, Stadt Wetzikon, Stadt Zürich, Stadt Zug

Parishes

Evangelisch-reformierte Kirchgemeinde Andelfingen, Evangelisch-reformierte Kirchgemeinde Uitikon-Waldegg, Reformierte Kirchgemeinde Küsnacht, Römisch-katholische Kirchgemeinde Münchenstein, Römisch-katholische Kirchgemeinde Wettingen, Römisch-katholischer Stadtverband Zürich, Verband der stadtzürcherischen evangelisch-reformierten Kirchgemeinden

Private individuals and families

Baer Stephan, Küsnacht am Rigi; Bally Claus, Conches; Bassin Gian Martin, Zürich; Benninger Daniel, Bern; Besomi Andrea, Carona; Blaser Ruth Marie-Anne, Neuenegg; Bruderer Martin, Tüscherz-Alfermée; Chowdhuri Zema, Villigen; David Lucas, Fällanden; de Senarclens Marina, Zürich; Fahrni Friedrich, Zollikon; Furrer Marc, Bolligen; Forstmoser Peter, Zürich; Gafner Alfred, Kloten; Gerber Daniel, Ittigen; Gerstlauer Peter, Ahrensburg; Gloor Peter, Basel; Grüschow Peter, Muntelier; Hentsch Jean-Claude, Corsier GE; Holliger Nicolas, Horgen; Irriger Dominik, Niederrohrdorf; Jakob Michael, Bern; Jenny Robert, Weesen; Koch Anton, Thalwil; Koch Konrad, Uster; Meier Bruno, Jona; Ming Hans Peter, Zumikon; Möller Matthias, Schaffhausen; Mosimann Josephine, Thalwil; Muheim Markus, Bern; Paganoni Roberto, Zollikon; Quaderer Sascha, Planken; Raheja Satish, Genf; Ringli Kornel, Zürich; Schwarzenbach Theo E., Brunnen; Stähli Thomas, Bern; Stahel Walter, San José (Spanien); Theiler Georges, Luzern; Thoma Markus, Uster; Vogt Otto Hans, Andelfingen; Wassmer Rudolf, Zürich; Wheatley Susanna, Zürich; Widmer Urs, Schaffhausen; Wyser Susanne, Zürich; Ulrich Paul, Genf; Zemp Roman, Rengg; Familie Blaser, Hasle b. Burgdorf; Familie Grimm, Würenlingen; Familie Hanselmann, Richterswil; Familie Merz, Männedorf; Familie Mösl, Zug; Familie Müller, Männedorf; Familie Niederer Schupp, Meilen; Familie Schiltknecht, Zürich; Familie Stockar, Bern; Familie von Planta, Cham; Familie Widmer, Oberwil-Lieli

(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 constitutes itself. 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 re-certified in 2011 by ZEWÖ 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.



Dual, apprenticeship-based tailor training in Benin

Organisation (per 31.12.2014)

Board of Trustees

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, CRC4change, Lausanne

Marina de Senarclens

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



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

Members of the Board of Trustees

Egbert Appel

Trustee Martin Hilti Family Trust, Schaan
President 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, Baar

Prof. em. Dr. Fritz Fahrni

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

Peter Grünschow

Engineer, Muntelier

Dr. Urs Grütter

Owner and CEO, Max Ditting AG, President of the Supervisory Board, Organic Bamboo Industries 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

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

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

Dr. Herbert Oberhänsli

Vice President, Nestlé SA, Vevey

Raphaël Odoni

Engineer, Bussigny

Thomas E. Preiswerk (Resignation 22.5.2014)
Management Consultant, Basel

Dr. Albin Reichlin-Boos

President, University of Applied Sciences, Eastern Switzerland (FHO), Member Swissuniversities – Rectors conference of Swiss Universities, Berne

Prof. Dr. Ursula Renold

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

Dr. Michael Salzmann (Resignation 20.9.2014)

General Manager, Neurimmune Holding AG, Zurich

Elisabeth Schneider-Schneiter

National Councilor, Canton of Basel-Landschaft

Peter K. Steiner

Chairman of the Board of Peter Steiner Holding AG

Prof. em. Dr. Ulrich W. Suter

Swiss Federal Institute of Technology (ETH), Zurich, Department of Materials, Zurich

Georges Theiler

Member of the Council of States, Entrepreneur, Lucerne

Auditors

PricewaterhouseCoopers AG, Zurich

Management Board



From left: Urs Bösch, Samuel Bon, Florian Meister, Peter Bissegger

Members of the Management Board

Samuel Bon

CEO and Executive Director

Urs Bösch

Director Business Administration

Peter Bissegger

Director Market Development

Florian Meister

Director Field Operations

Management Team

Departments and Coordination



From left: Francine Thurnher, Head of Communication; Anne Bickel, Head of Partner Programmes; Stephanie Dreifuss, Head of Acquisitions; Sibylle Schmutz, Coordination Knowledge and Content Management; Gabriella Crescini, Head Client and Partner Relationships; Béatrice Horn, Head of Finance; Markus Kupper, Head of Monitoring and Result Management/Knowledge and Content Management; Stefanie Hosse, Head of Human Resources and Services

Regional Directors, Branch office



From left: Ulrich Stucki, North and West Africa; John Meyers, Branch office USA; Manish Pandey, South Asia; Walter Horn, Eastern Europe; Benjamin Lang, Latin America; Veronique Su, Central-, East and southern Africa; Prashant Rana, Southeast Asia

Cover: Sustainable cashew nut production in Honduras
Pictures: Swisscontact staff
Layout: One Identity, 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)







We create opportunities

Swisscontact

Swiss Foundation for Technical Cooperation
Hardturmstrasse 123
CH-8005 Zurich
Tel. +41 44 454 17 17

www.swisscontact.org

Cover: Sustainable cashew nut production in Honduras