



swisscontact

Annual Report
2012

Swisscontact promotes economic, social and ecological development by supporting people to successfully integrate into local commercial life. Swisscontact creates opportunities for people to improve their living conditions as a result of their own efforts.

The focus of Swisscontact's systemic interventions in the private sector is the strengthening of local and global value chains. Through increased economic productivity, Swisscontact fosters added value for all involved – namely the local population and small enterprises.

Swisscontact concentrates on four core areas of private sector promotion:

- Vocational training: facilitates access to the job market and creates the prerequisites for employment and earning income.
- Promotion of SMEs: encourages local entrepreneurship with the aim of strengthening competitive ability.
- Financial services: access to local financial services such as credit, savings, leasing and insurance products.
- Resource efficiency: encourages efficient use of resources by means of energy-efficient and material-efficient production methods, as well as measures for maintaining clean air and sustainable waste recycling.

Swisscontact carries out high-quality project work on site. It demonstrates the cost-effectiveness and efficiency of its services by means of well-documented, transparent quantification procedures. Regular internal and external inspections and audits document continuous and sustainable further development of contents and methods.

Swisscontact was established in 1959 as an independent foundation made up of notable figures from the worlds of commerce and science in Switzerland. It is exclusively involved in international development cooperation and since 1961 has carried out its own, as well as external projects. Since it was founded, Swisscontact has had close ties with the private sector. In 2012, Swisscontact was active in 25 countries with a workforce of over 800 people. The Foundation's head office is in Zurich.

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Highlights 2012



Africa: New horizons

After a 25-year absence, Swisscontact is again active in Tunisia and making an important contribution to vocational training for young unemployed people.

Having obtained the SDC contract for vocational training in the Great Lakes region of East Africa, a new area is being opened up for Swisscontact. The project was started in November in Rwanda and will contribute to increased employment and the generation of income for the population, in particular in the western provinces.

In addition, Swisscontact commenced an innovative private sector project in Mozambique in the autumn. This project creates new prospects for farmers who are urgently seeking new market opportunities for their products. Swisscontact also remains strongly committed in Mali, despite the fragile political situation, and is also continuing to expand its various vocational training projects in other West African countries.



Latin America: Environmentally-friendly and socially-conscious cocoa production

In the middle of 2012, Swisscontact started a new three-year project in Colombia, financed by the State Secretariat for Economic Affairs (SECO) under the title "Promotion of Production and Export of Fine Flavor Cocoa (FFC)". The aim of this project is to improve the competitive ability of cocoa producers in the three departments Nariño, Santander and Norte de Santander. Around 14,000 people who are involved in the cocoa industry will benefit from this project. In October it was presented to an interested trade audience at the 22nd Partnership Meeting of the World Cocoa Foundation (WCF).



Asia: Katalyst project in its third phase

The SME experts of Swisscontact continue to develop innovative approaches in Bangladesh in order to improve market conditions and the competitive ability of small businesses and farmers. Phase III of the project was submitted in October. The project budget for the next four years amounts to 32 million Swiss Francs.



Vocational training and international cooperation under the spotlight again

As part of the launch of a large number of new vocational training projects in Africa and Asia, Swisscontact proactively supported the new start of the Swiss Forum for Skills Development and International Cooperation (FoBBIZ) Forum. The objective is to encourage better networking between those involved from the Swiss and international vocational training world, as well as to specifically communicate and disseminate developments and issues in the field of international cooperation in vocational training. To achieve this, the forum runs working groups and dialogue events covering various topics.



Important international climate protection awards

The secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) has named the Energy Efficiency in Artisanal Brick Production in Latin America (EELA) Programme as a reference project as part of the UNFCCC "Momentum for Change" initiative. EELA (Energy Efficiency in Artisanal brick Production in Latin America) was started in Peru in 2010 and has been extended to nine countries in Latin America. The Langkloof Bricks Project in South Africa has also received an award. The "Eastern Cape Top Green Awards" of the Institute of Waste Management Southern Africa (IWMSA), together with the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT), recognised the technological innovation introduced into brick production, which reduces greenhouse gases along the entire value added chain in the construction sector.



Innovative financial services for entrepreneurs

To celebrate its 10-year commitment to microfinance, Credit Suisse in Zurich held a conference: "Financing solutions for the poor. Linking the top with the base of the economic pyramid". As part of this conference, Swisscontact presented its innovative financial service initiatives to leading representatives of the microfinance industry from all over the world. For a number of years, Swisscontact has offered thousands of young entrepreneurs (and primarily women) start-up support for new business models, particularly in Africa and Latin America. Also, thanks to microleasing, small farmers can obtain productive assets, which not only improve and diversify their earning potential, but also allow them access to technical innovations and financial services in general.

Facing new challenges with solid values



Heinrich M. Lanz, President

“Nothing is as constant as change.” This comment made by the Greek philosopher Heraclitus in 500 BC is more appropriate today than ever.

In our daily working environment we are met with rapidly changing economic, political and social conditions. Development cooperation has become more complex and presents us with significant new challenges. We face these challenges with vigorous commitment and innovative solutions.

Last year I had the honour of being able to take over the office of President. My predecessor, Peter Grüschow, spent seven years on the Committee as well as in the role of President. Swisscontact thanks him for his generous work and exemplary commitment.

Swisscontact also issued a revised mission statement in 2012. In it, the strategic orientation of our foundation on encouraging the private sector and important core values such as respect for people, the environment and culture are confirmed and expressed even more clearly. We plan to bring the revised mission statement into force when the Board of Trustees holds its annual meeting in the spring of 2013.

Swisscontact aims to remain a leading organisation in the field of international development cooperation. We are eager to further develop our experience and expertise in private sector promotion, which goes back over 50 years, and to guarantee the highest possible quality in the implementation of

our projects. In this respect, we again invoke our central creed: An economy in which entrepreneurial initiative can be deployed, creating jobs and income, and in so doing making a valuable contribution in developing and newly industrialised countries.

By assisting people to successfully integrate into the local economy, we enable them to improve their living conditions through their own efforts. This can only be achieved thanks to good cooperation between the commercial sector, state and civil society - and Swisscontact is devoted to this in its day-to-day work.

In close co-operation with our long-standing clients, donors and local partners, we are implementing our vision of making a sustainable contribution towards the reduction of economic disparity in a globalised world that continues to widen. Our partners are important pillars in our success, as are our management executives and employees in their various fields of responsibility – and I would like to thank them all sincerely on behalf of the Board of Trustees for their great commitment to achieving our common aims on a daily basis!

Heinrich M. Lanz
President

An organisation prepared for the future

The year 2012 featured many important and positive changes. Swisscontact is an organisation that has an obligation to its core skills and its tradition – this is part of our identity. It is also an organisation that simultaneously knows how to adapt flexibly to change and remain future-oriented. With new management executives, a clear strategic orientation and the stabilisation of our finances, this year we were able to lay more important foundation stones for a very promising future.

Newly strengthened and good relations with our most important partners, the Swiss Agency for Development and Cooperation (SDC) and the State Secretariat for Economic Affairs (SECO), as well as many committed companies and their foundations, are central to our work.

In this way, Swisscontact is well equipped to deal with upcoming assignments. However further organisational work awaits us. Our structures have to be adapted to the size and complexity of new tasks. In addition, we are strengthening our risk management, so that Swisscontact can also work increasingly within difficult contexts. In this respect, strong focus will be placed on the optimisation of our most important business processes. In particular, the measurement of effects and consistent transfer of know-how between projects are of great significance, so we can guarantee a consistently high quality in our work everywhere.

During the past year, Swisscontact increased its global project budget by 14% and expanded its activities to include such new countries as Tunisia, Rwanda and Mozambique. Furthermore, Swisscontact is again working in Nepal and is also active in Myanmar for the first time.

In considering the future organisational structure, Swisscontact concluded an agreement for a management buyout of its branch office in Germany. The former German office, which started working independently in 2013 under its own name, continues to take on support services for Swisscontact. In North America, Swisscontact will concentrate on building cooperation with the private sector and large foundations.

We would like to sincerely thank our entire workforce all over the world for their great, tireless and professional commitment. Swisscontact is an organisation that is entirely moulded and supported by its staff members. It is they who live and implement our vision every single day!

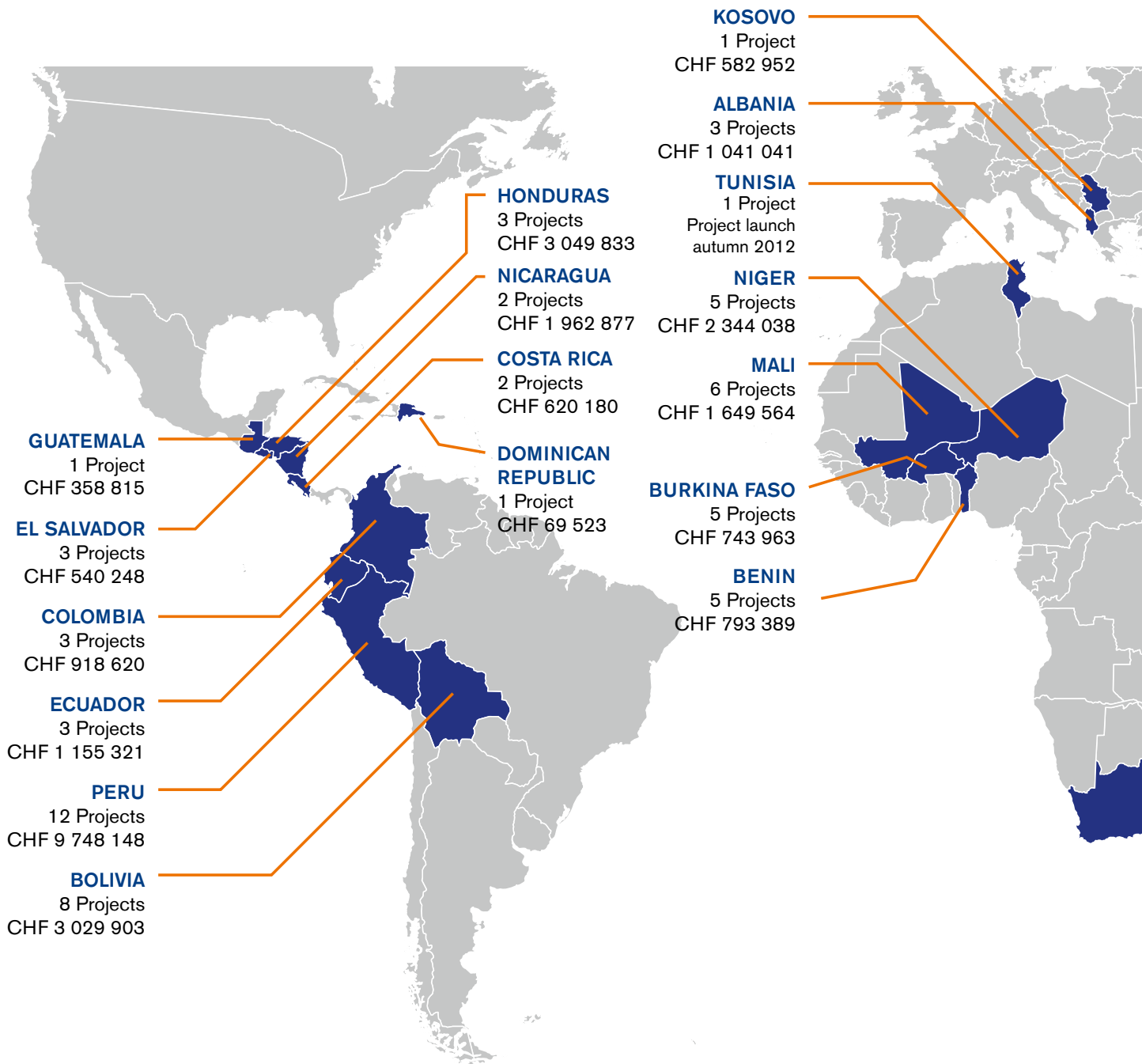
Samuel Bon
CEO and Executive Director

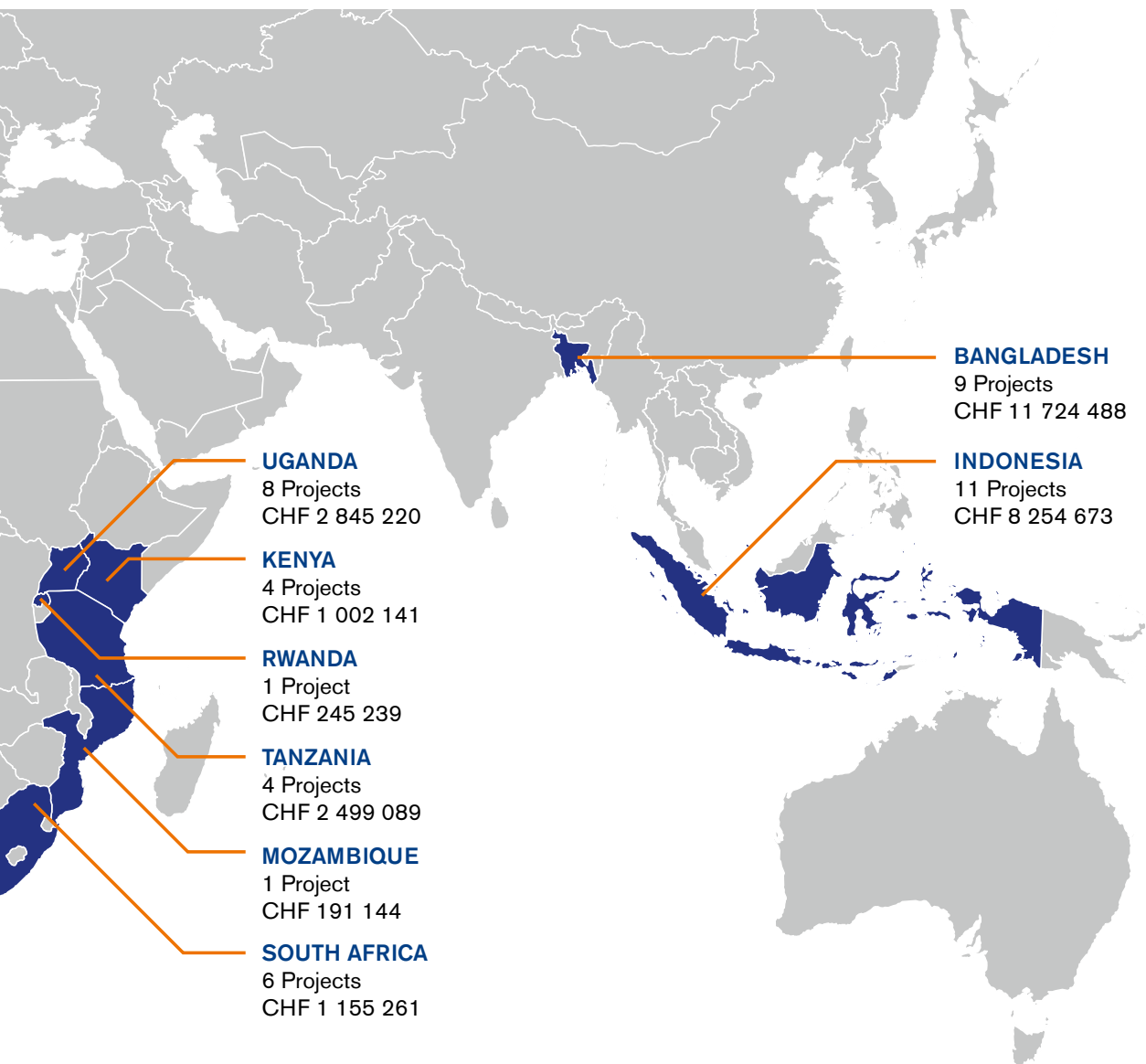
In the coming years it will be vital to focus on the expansion of key skills for the development of innovative solutions. We are therefore certain we will be able to mobilise our strengths and potential in order to address future challenges.



Samuel Bon, CEO and Executive Director

108 Projects in 25 Countries

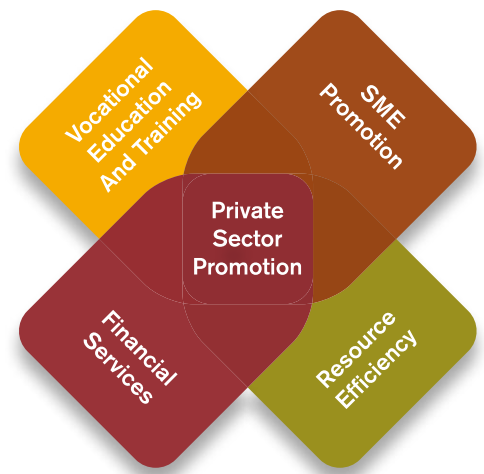




Turnover projects per country in 2012



Tomato market in Bangladesh



Private Sector Promotion

The aim of private sector promotion is sustainable economic growth, which guarantees people employment and a regular income. Through this we can make a contribution to reducing economic disparity in developing and newly industrialised markets.

Our work consists of putting the disadvantaged population in a position to exploit their economic potential – as producers, workers and consumers. Economic growth can only be generated by a private sector that is capable of development. Therefore, promotional measures in both the formal and informal private sectors make a direct and indirect contribution to reducing poverty.

Our project interventions encourage the development of functional free-enterprise structures, the creation of suitable general conditions for sustainable growth with a broad impact and the overall improvement of the competitive ability of local companies. Only in this way can disadvantaged population groups be integrated productively into economic circles.

The inclusion of underprivileged population groups in economic systems usually necessitates a system change. However, this not only affects the institutional and regulatory general conditions, but also one or more of the following key areas of successful private sector promotion:

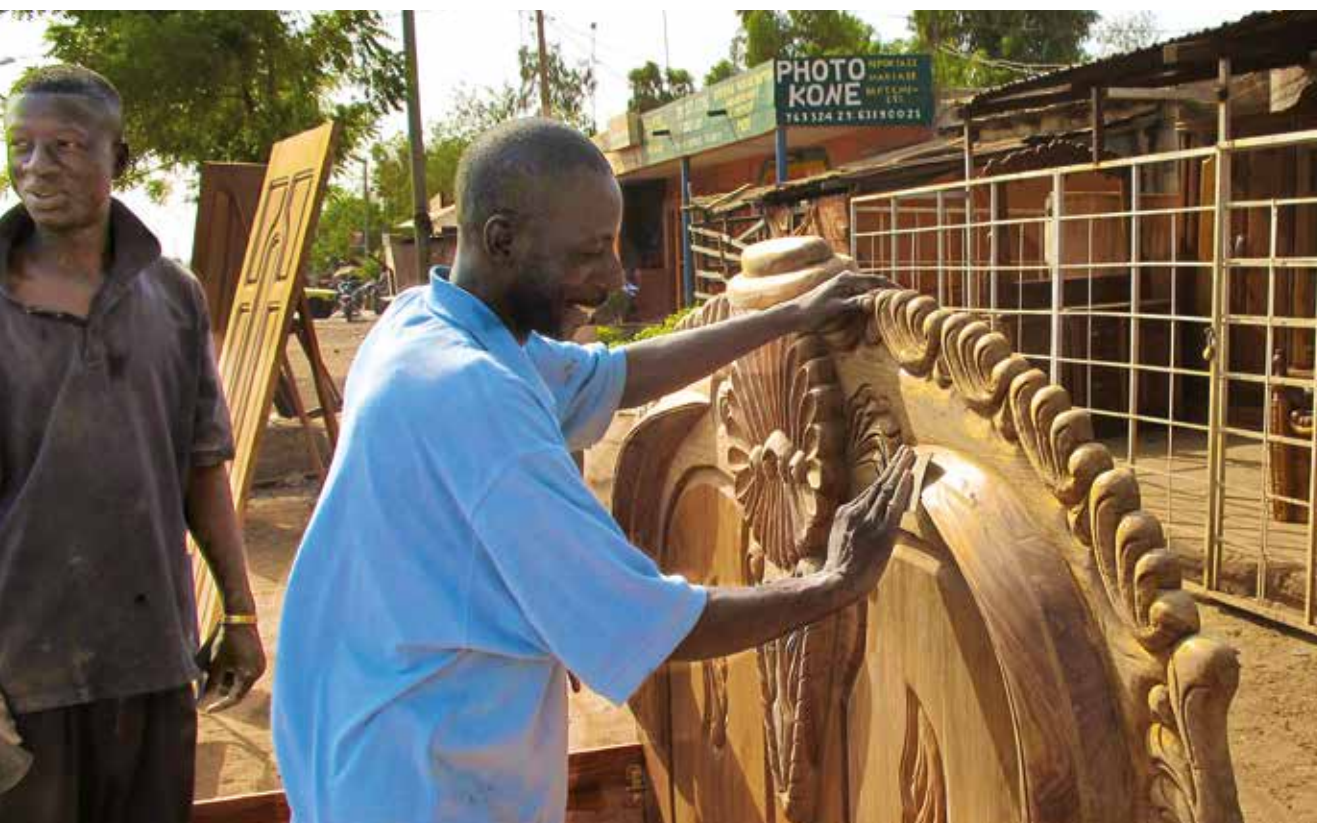
Increasing employability by means of vocational training, encouragement of SMEs to strengthen competitive ability and the creation of productive jobs, development of financial services as well as the efficient use of resources.

Irrespective of which area of intervention we are talking about or whether a combination of areas is used, the following remains clear: the private sector is the central source of employment and income, while the state is called upon to create favourable general conditions for the development of the private sector.

Education is vital to economic independence

Many young people in Niger, and throughout sub-Saharan Africa, seek economic independence. They want gainful employment, to earn their own money and therefore be able to feed their families. A solid basis is required for this. In this respect, vocational training represents a central foundation for success. But how can these young people find out which type of vocational training suits their talents and requirements? This is why Swisscontact makes an assessment before actual training starts. Together with the Ministry of Education and Employment, non-government organisations,

communities, private partners and training centres, 11 information platforms distributed over the entire country have been established. It is now a question of further strengthening and institutionalising these local structures, so that as many young people as possible can benefit from these consulting services offered. These information platforms are used to offer young people initial vocational orientation.



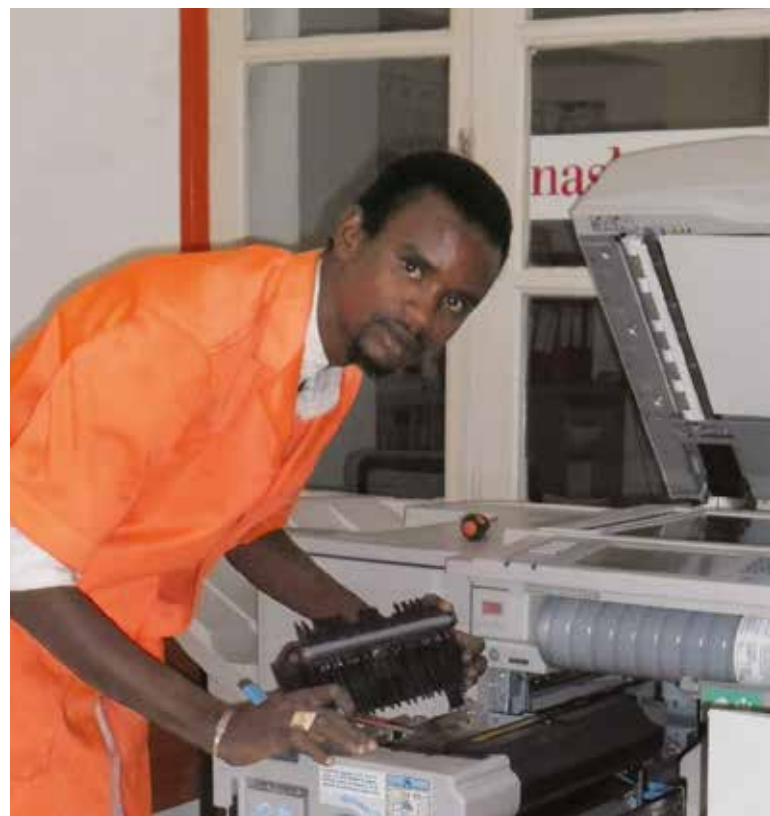
Carpenter in Mali



As part of our Development Programme, more than 25 000 trainees, 10 000 teachers and 1900 trainers worldwide have received basic and advanced training since 2009. A further 8612 young people were reached via the information platforms. When considering that their families also benefit, we reached a total of more than 230 000 people. 54% of the direct beneficiaries were women.

To date, a good 8000 young people have taken advantage of this opportunity and by 2016 the number is expected to reach over 10 000. Up until now, around 2500 of them have been individually chaperoned and advised on their path to a professional future, and with great success! A year after receiving advice, half of all young people without work were earning their own financial livelihood, and in the case of 72% of the trainees it proved possible to increase their income. This project is relevant above all in rural regions, where the number of youths who have not completed their school education is particularly high.

Mahamadou Halidoou Manou comments: "When I first approached this platform, I had no self-confidence, financial problems, no work and I was in great difficulty overall. The adviser quickly understood me, listened to me and helped me write my Curriculum Vitae. Today I have an indefinite contract of employment thanks to the platform and my adviser."

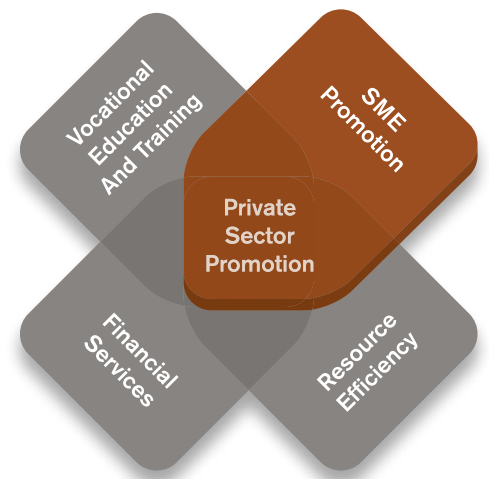


Mahamadou Halidoou Manou, Niger

Sustainably produced goods for long-term market partnerships



Paddy field in Indonesia



In Bangladesh (Katalyst), Tanzania (RLDP) as well as Honduras and Nicaragua (Pymerrural), 1 470 000 farmers and small businesses are integrated into a total of 22 value chains.

Cocoa is an important source of income for many small farmers in Indonesia. The project for sustainable cocoa cultivation which Swisscontact is implementing in partnership with SECO, the Dutch Sustainable Trade Initiative (IDH) and companies from the cocoa industry, has the aim of improving the income and living conditions of small producing farmers and their families. This can happen in particular by stepping up quality and quantity, but primarily by means of the improvement of access to sales markets. To achieve this, around 2000 select groups of small cocoa producers are trained in cultivation methods and post-harvest handling, management and areas of finance and organisation, certified according to international sustainability standards and networked with the international cocoa market. All participants in the value chain are involved so that optimisation of the entire system ensues, which benefits all those taking part.

The aim of the programme is to improve the living conditions of 60 000 small farmers by 2015, which will ultimately benefit around 240 000 family members. For small farmers like Inut Marlini of West Sumatra Province, it is primarily a question of learning. She hopes to gain something from the project: "I want to acquire knowledge for the best cultivation methods, so I can carry on sustainably with



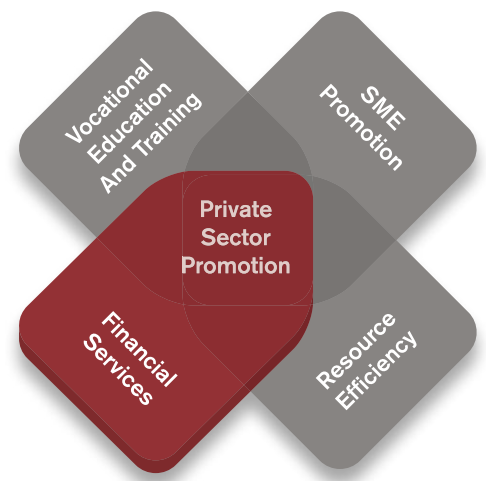
Inut Marlini, West Sumatra Province

my planting, which is currently suffering from pests. With the increased earnings from my improved harvest I can pay for the schooling of my children and then send them to university."

Building a future with the right microfinancing solution



Branch bank in Ecuador



Thanks to Swisscontact, in East and West Africa as well as Ecuador, around 50 000 members benefit from savings and credit unions, credits and other financial services.

Those who have nothing also have nothing to invest. This is the case for countless families in the north-east of the Manabi Province, in Ecuador's coastal region. In the small province of Flavia Alfaro 94.4% of the people are poor, with 51% living in extreme poverty. Some of them receive monthly social benefits from the state. Most people in Flavia Alfaro live in rural areas and work as small farmers. Agriculture is the main source of income, supplemented by raising small animals, which is frequently the responsibility of the women. The families are dependent on additional financial funding to be able to improve their living conditions. This is taken care of by the Cooperativa de Ahorro y Crédito Chone Ltda. (cooperative bank) for example, with the support of a Swisscontact financing programme. It grants communal microcredits and offers the population on a low income additional services such as life insurance, health insurance and insurance payable at death. Thanks to a communal microcredit, mother-of-two Virginia López was able to finance a pig farm. This enables her to supplement the income of her husband, who works for a road construction company. Using her first credit, Virginia also bought a plot of land and paid back the agreed instalments punctually. As a result, she was granted more credit, which allowed her to become the proud owner of her own house.



Virginia Lopez in Flavia Alfaro, Ecuador

Careful handling of precious resources

Dealing with natural resources is also increasingly becoming one of the most important issues in developing countries. Energy consumption is rising steadily, whereas resources on the other hand have limited availability and are increasingly rare. This also applies to South Africa, where large quantities of energy - primarily from coal - are required.

This prompted the government of South Africa to make a promise at last year's Durban Climate Change Conference to reduce greenhouse gas emissions by 34% by the year 2020. The construction industry in South Africa accounts for almost a quarter of the total greenhouse gases in the country. The brick industry with its out-of-date and energy-intensive kilns is one of the main culprits.



Brick production at the Langkloof Bricks factory, Jeffreys Bay, South Africa



Around 1000 brick producers in Latin America have each saved 100 tonnes of CO₂ emissions and improved their energy efficiency by 30%. In South Africa, a new technology in large factories makes an energy saving of up to 50% possible.

Consequently, in 2009 Swisscontact started a project in South Africa enabling the transfer of technology for constructing kilns with a vertical shaft. Successfully tested in India, this technology makes it possible to halve CO₂ emissions for the entire production process, therefore enabling South Africa alone to reduce annual greenhouse gas emissions by 1 million tonnes. Not only does the environment benefit from these energy-efficient kilns, but the investment also pays off for the entrepreneurs, because they improve competitiveness and optimise the production cycle. This becomes a win-win situation for the environment and entrepreneurs. It is the aim of Swisscontact in a second project phase starting in 2013 to change 50% of brick kilns in South Africa over to this new technology within four years.



Brick producer in Cuenca, Ecuador

Senior Expert Corps

The Senior Expert Corps (SEC) plays a special role within Swisscontact. It depends largely on the voluntary work of retired skilled people and does not pursue a systematic, but rather a selective approach. The Senior Experts pass on their knowledge and in so doing encourage the basic and advanced training of specialists, management executives, SME staff and instructors in developing countries and Eastern Europe. During their brief deployment they increase competitive ability, improve product quality and optimise company procedures in small businesses abroad. By doing this they contribute to increasing income and the creation of jobs.

An external evaluation of the work of the SEC demonstrates that the deployment of these experts makes an important contribution towards achieving the overriding political development aims, especially at a microlevel. 49% of the companies investigated were able to increase their profits after intervention by one of these experts and 39% were able to create new jobs. 82% of the businesses recorded a general improvement in quality. 77% of all companies examined proved to be more competitive in the market. A further 77% specified that the know-how of their employees had improved sustainably.



MediEscort School of Health Sciences in Nepal: healthcare professionals being trained by Wil Bussink

In 2012, the SEC realised a total of 140 consultancy assignments. The countries with the most placement included: Nepal (46), Ukraine (23), Honduras (14), Benin (10), Peru (8), Mongolia (8), and Ecuador (7).

Fredy Stauffer worked for 40 years as a master brewer in Switzerland. He was deployed for the first time as a Senior Expert in 2011 in Tibet. At the beginning of 2012 he advised a brewery in Benin, where during a follow-up placement in 2013 he will be developing quality control.

Mr. Stauffer, what characterises a successful Senior Expert?

They should be open, not make judgements, answer questions as comprehensively as possible and make sure his answers have been understood by then asking questions himself.

Do you feel that your answers were understood?

I achieved a lot during my assignments, even if not everything I undertook. You cannot serve an entire apprenticeship in four to seven weeks. But I was able to impart basic knowledge. I was very lucky: both the staff and the owners were very motivated.

With what challenges were you confronted?

In both Tibet and Benin failures in the electricity and water supplies are part of day-to-day life - all you can do is wait. There is a lack of skilled personnel for repairs to switch cabinets and for welding work. Another big problem was the difficulty in procuring reagents, laboratory equipment and spare parts.

What did your work as a Senior Expert involve?

In Tibet I advised a microbrewery belonging to an orphanage. As orphans in Tibet have



Fredy Stauffer on assignment

no network of connections and cannot find work when they finish school, they can be trained in this business. Firstly I explained the brewing equipment and the basic terminology of brewing to the existing personnel there. The brewery has now reached its capacity limit and is being extended. The operation in Benin is somewhat larger than the one in Tibet. Again here, the salaried staff had hardly any specialist knowledge so I gave them theoretical instruction on the Sunday. During the week I monitored the work and made corrections where necessary.

What have you learned from your assignments?

Patience, imagination and how to explain things simply. I now also know what it means to achieve simple things with few resources.



Vocational school in Albania

“ Who in their working life has the opportunity to visit a country with their laptop and a head full of ideas and six years later leave their successor a completely rebuilt campus that is full of life? This actually happened to me in Nepal in the 1990s. Throughout the years, Swisscontact has remained true to its standard whereby vocational training is a central prerequisite for employment and income. Swisscontact creates opportunities through a series of workshops and seminars, benefiting not only our partners, but also us as employees. ”



Matthias Jäger
Swisscontact National
Representative in Albania

Eastern Europe

The Western Balkan region is politically, economically and socially in a challenging situation. Croatia has made up lost ground and is poised to join the EU. Other countries, and in particular the two Albanian-speaking states, Albania and Kosovo, in which Swisscontact is active, still face a long path before them. As a result, the EU turned down a third request from Albania to join. Politically, the country is heavily divided. The crisis in Greece slowed down economic development and caused growth rates which had been high for years to fall. In this difficult situation, the creation of employment opportunities, and especially for young people and minorities, remains one of the central challenges. The job market is still affected by a high level of informality as well as a high

proportion of small and very small businesses with low value creation. The qualifications of the workforce, and in particular those trying to work independently, form the foundation for integration into the employment market and commercial development. Swisscontact has been working on reforming the vocational training system against this background in Albania and Kosovo on behalf of the SDC for almost 20 years. New to Swisscontact's portfolio is "Coaching for Employment" which is its own project aimed at integrating minorities into the employment market, and in particular Roma people. Its obligation in Kosovo runs out in 2013. Possible new initiatives and partnerships with the private sector are currently being clarified.



Metalwork students in Niger

“ By forging ties between the private sector and community groups, Swisscontact is bringing a holistic, grassroots approach to vocational and entrepreneurial training. The MasterCard Foundation partnered with them because we believe these kinds of models show great promise for ensuring Africa’s economic growth is truly equitable and inclusive. ”



Reeta Roy
President and CEO
The MasterCard Foundation

Africa

When most people think of development cooperation, Africa comes spontaneously to mind. So it comes as no surprise that Africa is still the continent into which most international aid flows, and this condition is unlikely to change in the near future. Despite the fact that a large proportion of these funds is pumped directly into the state as so-called “budget aid” not used for actual projects, Swisscontact sees great opportunities and potential in Africa. Development in recent years is clear proof of this. It has been possible to win a large number of new projects with bilateral, multilateral and private donor institutions. This is all thanks to high-quality project management. This has been

proven by practical and well-documented results benefiting disadvantaged population groups and better structured transfer of know-how between countries and regions. Swisscontact is involved in new countries such as Tunisia and Mozambique. It is all the more important for Swisscontact to keep an eye on the instability of some regions, and especially in West Africa, so that the risks of project implementation remain quantifiable. A project has been successfully started covering vocational basic and advanced training in Rwanda, as well as projects benefiting unemployed young people in Tanzania and Uganda.



Textile industry in Bangladesh

“ The first thing that happens when you are starting a business, you become a leader. Secondly, you organise linkages, people and resources. Third, you become conscious of management challenges. The transformation of that individual happens through access to the right skills and information needed to become an entrepreneur. This enables transformation of society as a whole. ”



Mahfuz Anam
Editor and Publisher of
“The Daily Star”, the largest
English-language newspaper
in Bangladesh

Asia

Messages are reaching us from Asia of growth rates that are well above the average in traditional industrial countries. The economy is booming, and a dynamic atmosphere of change is noticeable everywhere. The gross national product is growing at great speed and it would appear that the Asian markets will soon overtake us. The fact that this only reflects part of the truth becomes clear on closer inspection. Only a small proportion of the population is benefiting from this upturn and the majority continue to live on an income that puts them below the poverty line. Swisscontact is campaigning for these less privileged groups of society to also

be able to enjoy participation in the economic upturn. Therefore in Bangladesh, Nepal, Laos, Indonesia and from 2013 also Myanmar, over 2 million farmers are receiving support to give them access to markets, enabling them to develop a higher level of income. Apart from economic stimulation in rural areas, Swisscontact is placing emphasis on training specialist personnel. 120 000 workers in textile factories in Bangladesh for instance, will benefit from improved working conditions created in this way. Equally, vocational training represents the main issue with regard to development projects in Nepal and Myanmar.



Banana processing in Peru

“ Sustainable handling of resources and climate change are closely connected. We can only achieve real change if climate change mitigation strategies can be integrated into company activities and are no longer considered as ancillary measures. ”



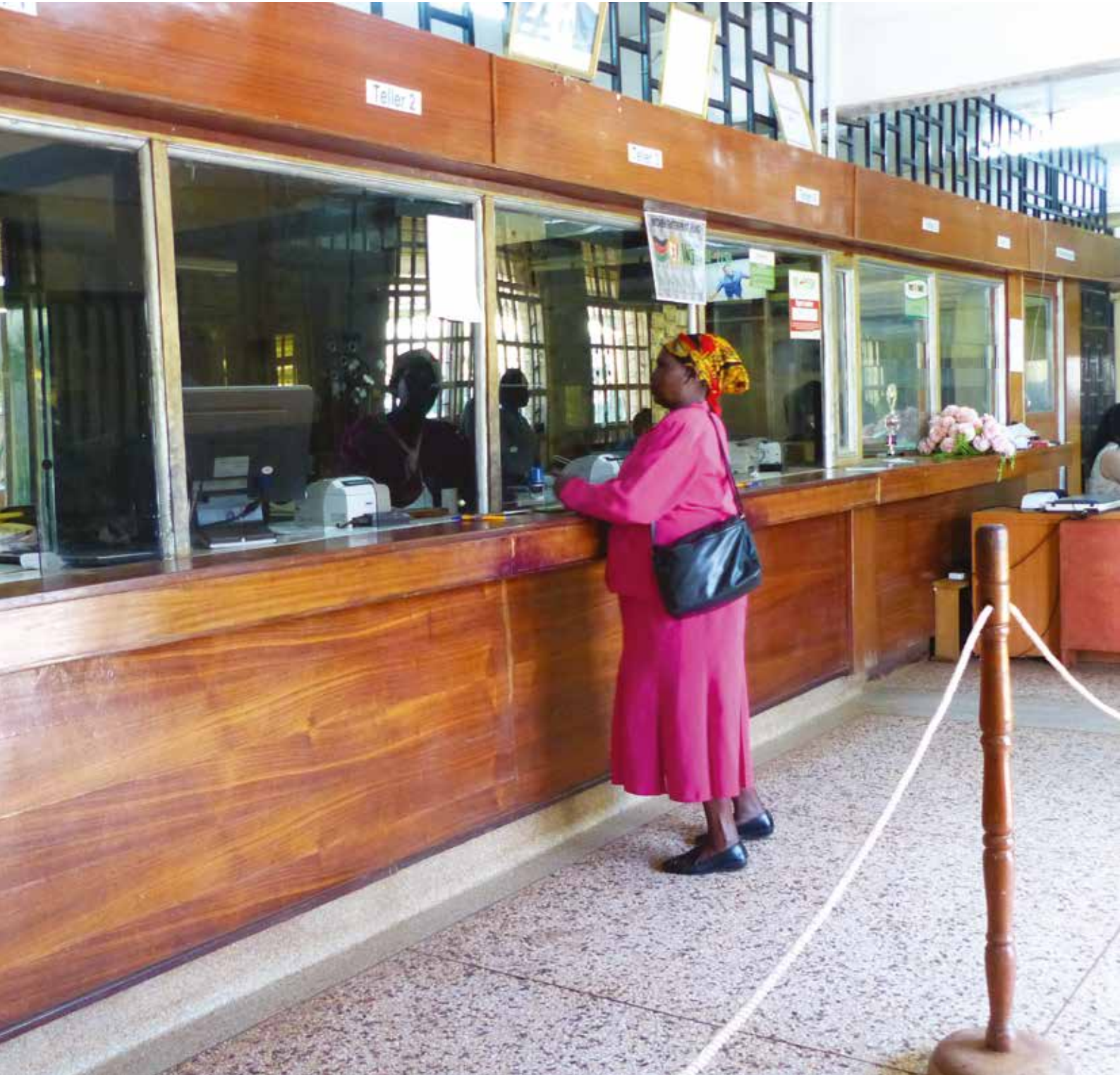
Gabriel Quijandría Acosta
Deputy Minister for the
Strategic Development of
Natural Resources at the
Ministry of the Environment,
Peru

Latin America

Swisscontact's projects in Latin America are many and varied in terms of subject matter, approaches and customers. Although Latin America is suffering from the fact that the focus of development is concentrated increasingly more strongly on Africa, a lot can still be achieved thanks to an active economic policy. Currently in countries such as Peru, which encourage the private sector as the motivation behind development, systematic economic stimulation is a route which leads to success. In such countries as Ecuador and Bolivia, on the other hand, in which the private sector receives little support or is even inhibited, the situation is significantly more difficult. These circumstances have

the consequence that projects can vary greatly from country to country. Currently, the national programme in Peru is the most widely supported. One of the prime objectives of Swisscontact is the development of vocational training projects. By way of a start it has already won a new SDC contract in Nicaragua. Invitations to tender for further SDC contracts are expected in 2013 and Swisscontact has set itself the target of acquiring new projects.

Swisscontact is also carrying out projects in Colombia, Ecuador and Guatemala. In addition, Haiti and Venezuela are being investigated as potential countries.



Customer in a cooperative bank in Kenya

Governance

Swisscontact has an obligation to the principles of good governance for responsible management, control and communication according to the NPO Code, fulfils the requirements of Swiss GAAP FER 21 and was re-certified in the year 2011 by ZEWO and SGS (NGO benchmarking) with top marks.

With regard to the steadily rising expectations of our partners, we work diligently to continue developing our systematic controlling. In this way we can guarantee the efficiency and effectiveness of our processes with regards to quality, cost and time requirements.

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

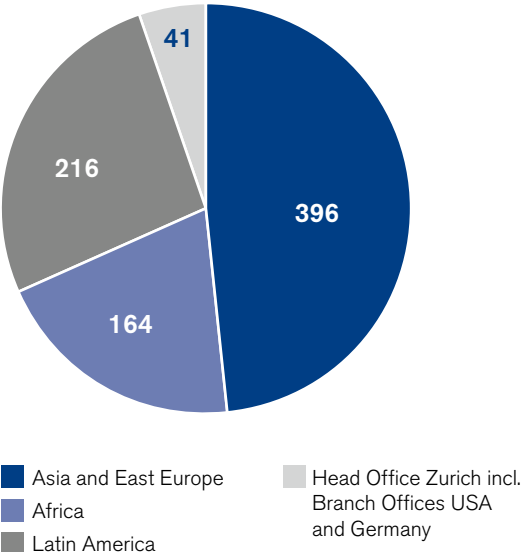
“ The aim is to combine our skills in order to support small entrepreneurs. For this reason, together with Swisscontact, we help independent entrepreneurs in Tanzania to start up and expand their businesses and in so doing increase their income. By means of the creation of financial services, training and advice in line with requirements, we are able to support the successful implementation of business ideas. ”



Dr. James Mwangi
CEO and Managing Director,
Equity Bank Ltd., Kenya.
Selected by Ernst & Young
Global Ltd. as “World
Entrepreneur of The Year
2012”.

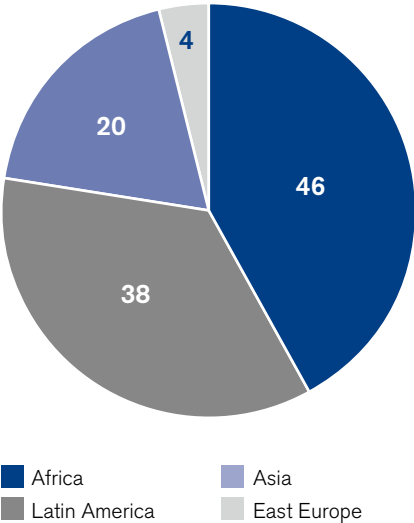
Facts and Figures

Employees worldwide 2012



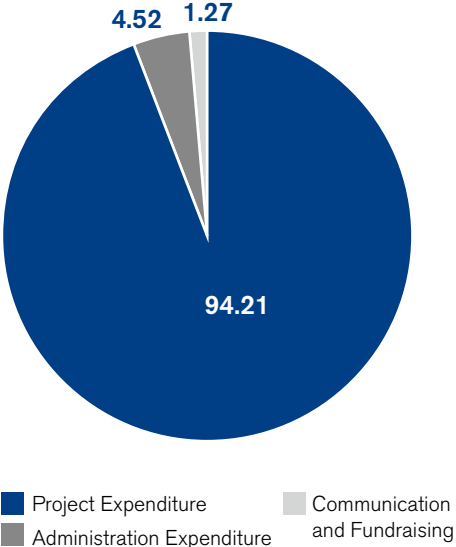
Total: 817

Number of projects per continent 2012

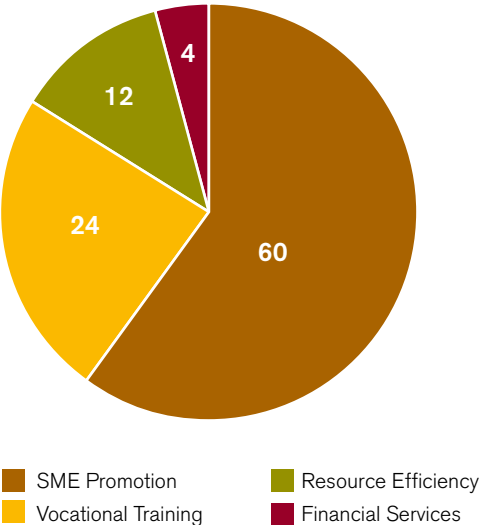


Total: 108

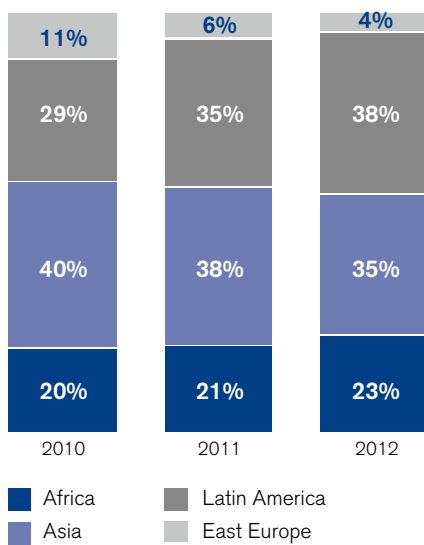
Ratio of project costs to administration costs (in %)



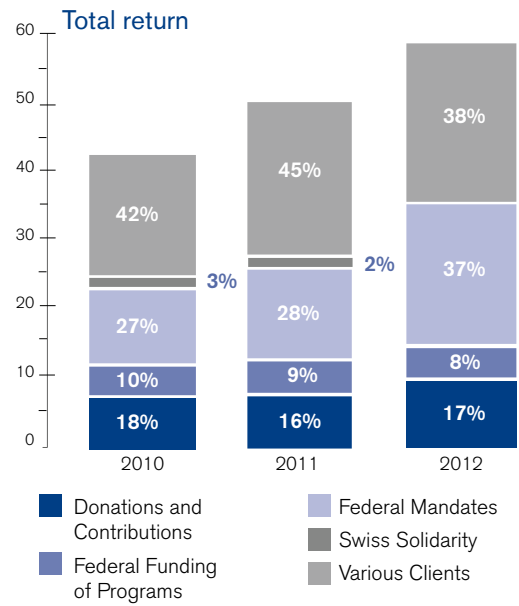
Expenditure according to core areas (in %)



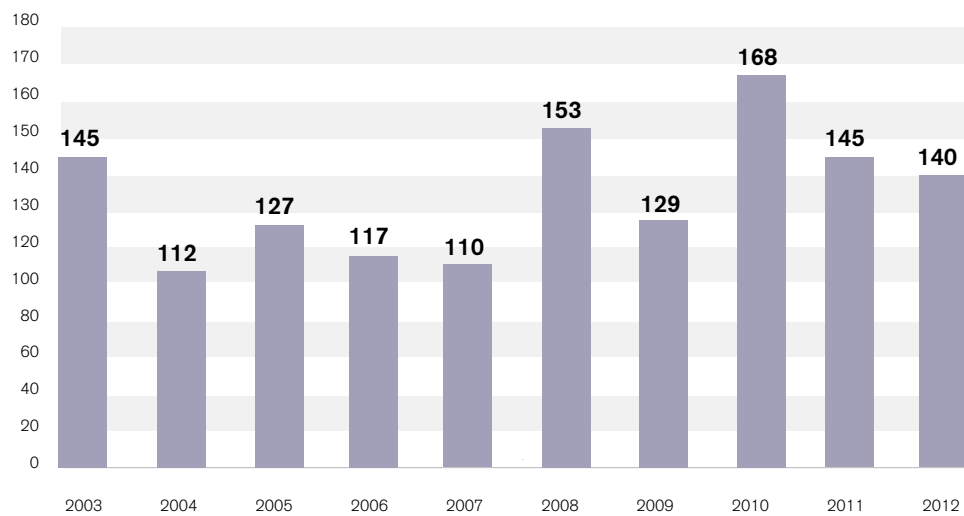
Expenditure according to continents 2010-2012 (in %)



Source of Funds (in %) and total return in CHF million 2010-2012



Consultancy Assignments Senior Expert Corps



Notes on the Financial Statement

General Information

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

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

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

Important Benchmark Figures and Key Performance Indicators

Compared to the previous year, a welcome increase of 14% in the volume of projects implemented is recorded. In terms of donations and contributions (donations with a performance mandate), an increase of 23% (from kCHF 6211 to kCHF 7657) 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 increase in unspecified donations is recorded from kCHF 402 to kCHF 777). In 2012, the expenditure for fundraising amounts to kCHF 728 (kCHF 640 in the previous year), which corresponds to 10% of the income (10% in the previous year). In relation to the total expenditure, fundraising expenditure amounts to 1.27% (1.24% in the previous year). The ZEWO Standard Value for this key performance indicator stands at 8%. The entire office administration expenditure is within the budget limits and stands at 4.52% in relation to the entire budget. The ZEWO Standard Value for organisations with operations abroad stands at 11%. With a positive annual result of kCHF 309 and a change to the free appeal fund of kCHF 701 it was possible to increase the organisational capital from kCHF 4001 to kCHF 5007.

Consolidated profit and loss account for the year 2012

INCOME	2012	2011
	in 1000 kCHF	in 1000 kCHF
<i>Income from Donations and Contributions</i>		
Donations from government donors	2 308	1 478
Donations from private donors	1 945	1 842
Donations from "Freundeskreis"	513	116
Swiss Government contributions tied to projects	4 500	4 500
Contributions Swiss Solidarity	0	1 055
Contributions government donors	2 415	2 462
Contributions private donors	2 768	2 366
<i>Total Donations and Contributions</i>	14 449	13 819
<i>Income from projects</i>		
Swiss Government mandates	21 433	14 510
Government principals	15 393	20 840
Private principals	6 893	2 007
<i>Total income from projects</i>	43 719	37 357
<i>Other income</i>		
Other	27	0
Total income	58 195	51 176

EXPENDITURE	2012	2011
	in 1000 kCHF	in 1000 kCHF
<i>Expenditure of projects</i>		
Albania	887	912
Bangladesh	10 182	9 076
Benin	707	855
Bolivia	2 529	1 492
Burkina Faso	660	567
Columbia	806	318
Costa Rica	60	37
Dominican Republic	49	101
East Africa	641	739
Ecuador	658	1 064
El Salvador	474	594
Guatemala	315	175
Honduras	148	156
Indonesia	7 524	8 408
Kenya	232	68
Kosovo	448	982
Mali	1 268	1 363
Mozambique	138	0
Nicaragua	205	233
Niger	2 053	1 132
Peru	7 134	7 125
Rwanda	193	0
South Africa	957	1 095
Sri Lanka	0	5
Tanzania	2 285	1 885
Uganda	1 961	1 166
Central America, regional programme	4 060	2 647
South America, regional programme	1 850	1 170
Senior Expert Corps, SEC	542	610
Other projects	206	521
Coordination office project countries	1 168	1 308
Subsidiaries	1 783	1 193
Project support	1 824	1 654
<i>Total expenditure of projects</i>	53 947	48 651
<i>Expenses for administration and marketing</i>		
Subsidiaries Germany, Costa Rica	508	508
General administration	2 077	1 761
Information including fund raising	728	640
<i>Total expenses for administration and marketing</i>	3 313	2 909
Provisions	0	0
Operating result	935	-384
Net financial income	145	-369
Exceptional result	-5	-29
Result before changes in funds	1 075	-782
Change in restricted funds	-65	366
Change in free funds	-701	12
Result after changes in funds	309	-404
Allocation to internally generated designated capital	-309	404
Result after allocation internally generated designated capital	0	0

Consolidated balance sheet as at 31st December 2012

	2012	2011
	in 1000 kCHF	in 1000 kCHF
ASSETS		
Current assets		
Cash in hand and at bank	19 610	13 108
Advances to projects	3 925	4 622
Marketable securities	492	5 294
Other receivables	1 839	2 060
Receivables due from related parties	0	0
Accrued income	833	361
Credits for participation in projects	3 253	2 388
<i>Total</i>	29 952	27 833
Non-current assets		
Tangible assets	165	221
Intangible assets	374	441
<i>Total</i>	539	662
Total assets	30 491	28 495
LIABILITIES AND EQUITY		
Current liabilities		
Other liabilities	1 463	2 184
Accrued liabilities	2 403	888
Advance payments for participation in projects	20 517	20 421
Provisions	76	40
<i>Total</i>	24 459	23 533
Restricted funds		
Restricted capital funds	297	298
Restricted income	728	663
<i>Total</i>	1 025	961
Equity		
Trust capital	3 994	4 402
Unrestricted funds and reserves	704	3
Year end result	309	-404
<i>Total</i>	5 007	4 001
Total liabilities and equity	30 491	28 495

Appendix to the annual report

Change in funds

in 1000 CHF	Opening balance	Income	Allocation	Expenditure	Closing balance
Restricted capital funds					
Social projects	298	-1	0	0	297
<i>Total</i>	298	-1	0	0	297
Restricted income					
SOMS	361	0	0	-64	297
Restricted donations	301	0	3 972	-3 842	431
<i>Total</i>	663	0	3 972	-3 906	728
Unrestricted funds	3	0	777	-76	704

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 2012, on the basis of which the accompanying summarised financial statement is compiled in accordance with Swiss Auditing Standards. In our audit report dated 28 March 2013 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 ZEW0 (Agency governing charitable organisations which collect donations) have been adhered to.

PricewaterhouseCoopers AG

Arno Frieser

Lead Auditor

Christian Hautle

Audit Expert

Zurich, 28 March 2013

This financial report of the fiscal year 2012 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

2012 was a positive year. We were able to apply for more offers from Swiss and international donors and acquire many new projects. We were able to further develop existing, important projects which is an important sign of the confidence placed in us by our partners.

Institutional partners

- Swiss Agency for Development and Cooperation (SDC)
- State Secretariat for Economic Affairs (SECO)
- Liechtenstein Development Service
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
- Department for International Development UK (DFID)
- European Union
- Kingdom of the Netherlands
- Canadian International Development Agency (CIDA)
- Cordaid
- Agence Française de Développement (AFD)
- Asian Development Bank
- Interamerica Development Bank (IDB)
- The Sustainable Trade Initiative (IDH)
- Peru Opportunity Fund (POF)
- Australian Government Overseas Aid Program
- The World Bank
- USAID

Private partners

- Credit Suisse Foundation
- Siemens Foundation
- Hilti Foundation
- Hirschmann Foundation
- Jacobs Foundation
- The Mastercard Foundation
- Medicor Foundation
- Elea Foundation
- Gebauer Foundation
- Infrassure
- Foundation for Practical Vocational Training
- Interamerican Foundation (IAF)
- Ford Foundation
- Nestlé Indonesia PT
- Mars Symbioscience
- Cargill
- ADM Cocoa
- PT Armajaro Indonesia
- Antamina Mining Company
- Swiss Capacity Building Facility (SCBF)



Bee-keeping in Honduras

Donors

The support of donors is exceptionally important for our work. These financial funds allow us to expand our innovative, high-quality project work, to strengthen our internal personnel competences and skills as well as to take advantage of the work offered by the Senior Expert Corps.

Companies

Abnox Ltd, Advantis Insurance Consulting Ltd, Ammann Group Holding AG, Bader + Niederöst AG, Blaser Swissslube Ltd, Bucher Industries Ltd, Bucherer Ltd, Casanova Service, cemsuisse [Swiss Cement Industry Association], Cofra Holding Ltd, Diethelm Keller Management Ltd, Elpro-Buchs AG, Ernst Basler + Partner Ltd, Fédération des Entreprises Romandes, Fritz + Caspar Jenny AG, Gewerkschaft Unia, Helbling Technik Ltd, F. Hoffmann-La Roche Ltd, Holcim (Schweiz) AG, Imbach + Cie AG, Infrassure, Federation of Migros Cooperatives, MPW Beratungsteam AG, MMH Invest AG, Nestlé Ltd, Novartis International AG, Prowald & Partner GmbH, PubliGroupe Ltd, PepsiCo Americas Beverages, Ricola Ltd, Ringier Ltd, Roland Schwab Holding AG, Roschi Rohde & Schwarz AG, Schenker-Winkler Holding AG, Scherler AG, Swiss Reinsurance Company, UBS Inc, Union Industrielle Genevoise (UIG), Union Bancaire Privée, UBP SA, Victorinox AG, zCapital Ltd, Cantonal Bank of Zurich

Foundations

EMF Enabling Microfinance, Ernst Göhner Foundation, Esperanza Foundation, Fondation Manpower SA, Fondation Sinopec-Addax Petroleum, Fondation professionnelle et sociale de Genève, Greendale Foundation, Kolb'sche Family Foundation, Medicor Foundation, Peru Opportunity Fund, Progreso Foundation, René and Susanne Braginsky Foundation, Schwyzer Foundation, Siemens Foundation, Stanley Thomas Johnson Foundation, Stiftung das hungernde Kind, Las Rosas Rojas Foundation, Symphysis Foundation, Vontobel Foundation, Werner and Louise Greuter-Briner Foundation

Communes, towns and cantons

Gemeinde* Baar, Gemeinde Belp, Gemeinde Binningen, Gemeinde Elgg, Gemeinde Erlenbach, Gemeinde Goldach, Gemeinde Küsnacht, Gemeinde Maur, Gemeinde Rüslikon, Gemeinde Stetten, Gemeinde Uitikon-Waldegg, Gemeinde Walchwil, Gemeinde Wallisellen, Canton Appenzell Ausserrhoden, Canton Basel-Landschaft, Canton Basel-Stadt, République et Canton de Genève, Canton Glarus, Canton Graubünden, Canton Obwalden, Canton Schaffhausen, Canton Schwyz, Canton Thurgau, Canton Zurich, Canton Aargau, Canton Lucerne, City of Berne, City of Biel, City of Lucerne, Municipality of Rapperswil-Jona, City of Solothurn, Municipality of Wetzikon, City of Zug, City of Zurich [*Gemeinde = Swiss community]

Parishes

Evangelical Reformed Parish of Andelfingen, Evangelical Reformed Parish of Regensdorf, Evangelical Reformed Parish of Uitikon-Waldegg, Reformed Parish of Küsnacht, Reformed Parish of Zumikon, Roman Catholic Parish of Münchenstein, Roman Catholic Parish of Wettingen, Roman Catholic Parish of Pfäffikon, Roman Catholic Parish of Wettingen

Private individuals and families

Baer, Stephan - Küsnacht am Rigi; Bally, Claus - Conches; Balmer, Willy - Ebikon; Benninger, Daniel - Berne; Bruderer, Martin - Herrenschwanden; Crole-Rees, Anna - Lausanne; de Senarclens, Marina - Zurich; Frech, Heinz W. - Feldbrunnen; Friedrich, Rudolf - Winterthur; Gisler, Ralph - Altdorf; Gloor, Peter - Basel; Gruschow, Peter - Muntelier; Hentsch, Jean-Claude - Corsier; Holliger, Nicolas - Horgen; Honold, Esther - Basel; Irniger, Dominik - Niederrohrdorf; Jenny, Susanne - Ziegelbrücke; Jenny, Robert - Weesen; Keller, Gottlieb A. - Zurich; Klingspor, Daniel - Zurich; Koch, Anton - Thalwil; Lanz, Heinrich M. - Zurich; Meier, Bruno - Jona; Meier, Alex - Horriwil; Ming, Hans Peter - Zumikon; Möller, Matthias - Schaffhausen; Mosimann, Josefina - Thalwil; Paganoni, Roberto - Zollikon; Quaderer, Sascha - Vaduz; Raheja, Satish - Geneva; Reinhart, Nanni - Winterthur; Sahbane, Judith - Geneva; Schedler, Armin - Haag; Schwarzenbach, Theo E. - Russikon; Stahel, Walter - San José; Tappolet, Margrit - Zurich; Theiler, Georges - Lucerne; Treier, Hannes - Gümligen; Vogel, Martin - Ennenda; Wassmer, Rudolf - Zurich; Widmer, Urs - Schaffhausen; Zemp, Roma - Rengg; Blaser family - Hasle b. Burgdorf; Fahrni family - Zollikon; Fiechter family - Chêne-Bourg; Grimm family - Würenlingen; Hanselmann family - Richterswil; Merz family - Männedorf; Möslin family - Zug; Schiltknecht family - Zurich; Stockar family - Berne; Widmer family - Oberwil-Lieli; Zenker family - Lachen

(Donations of CHF 500.- or more)

Organisation

(per 31.12.2012)

Swisscontact is a politically and religiously independent foundation. The most senior body is its Board of Trustees. It issues the Articles of Association, approves the Annual Report and elects the Board of Trustees Committee and the President of the Board of Trustees. The Board of Trustees Committee is the strategic management body. The office in Zurich manages the activities of Swisscontact at home and abroad.

Board of Trustees Committee

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, Genève, Klingelberg AG, Zurich, Neue Bank AG, Vaduz

Dr. Anna Crole-Rees

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

Marina de Senarclens

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

Marc Furrer

President, Federal Communications Commission (ComCom), Berne

Dr. Christoph Lindenmeyer

CEO Schindler Aufzüge AG, Ebikon
Vice-President Swissmem, Member of the Committee of the Board of Directors, economiesuisse, Zurich

Members of the Board of Trustees

Egbert Appel

Trustee Martin Hilti Family Trust, Schaan
Member of the Board and Managing Director Hilti Foundation, Schaan

Nicolas A. Aune

General Secretary, Union Industrielle Genevoise (UIG), Geneva

Rudolf Bärffuss

Former Ambassador, Berne

Dr. Thomas W. Bechtler

Chief Executive Officer (CEO),
Hesta AG, Zug

Dr. Guido Condrau

Attorney, Zollikon

Prof. em. Dr. Fritz Fahrni

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

Peter Grüschow

Engineer, Muntelier

Dr. Urs Grütter

Owner and CEO, Max Ditting AG

Prof. Dr. Fritz Gutbrodt

Managing Director, Swiss Reinsurance Company

Hans Hess

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

Wilhelm B. Jaggi

Swiss Ambassador at OECD 2001–2006
Executive Director of Switzerland at 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

Dr. Herbert Oberhänsli

Vice President, Nestlé SA, Vevey

Raphaël Odoni

Former Director of Suisse romande,
Siemens Schweiz AG

Thomas E. Preiswerk

Management Consultant, Basel

Dr. Albin Reichlin-Boos

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

Dr. Michael Salzmann

General Manager, Neurimmune Holding AG,
Zurich

Peter K. Steiner

Vice Chairman of the Board of Directors,
Steiner AG

Prof. Dr. Ulrich W. Suter

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

Georges Theiler

Member of the Council of States
Entrepreneur, Lucerne

Auditors

PricewaterhouseCoopers AG, Zurich

Zurich Office

(per 31.12.2012)

Management Board

Samuel Bon

CEO and Executive Director

Gabriella Crescini

Head of Partner and Client Relations

Béatrice Horn

CFO

Walter Horn

Continental Director Europe/Asia

Benjamin Lang

Continental Director, Latin America

Florian Meister

Continental Director, Africa



From left to right: Walter Horn, Beni Lang, Samuel Bon, Béatrice Horn, Florian Meister, Gabriella Crescini

Departments

Stefanie Hosse

Head of Human Resources and Services

Francine Thurnher

Head of Communication

Coordination Officers

Anne Bickel

Development Programme
Senior Expert Corps

Sibylle Schmutz

Knowledge and Content Management



From left to right: Anne Bickel, Stefanie Hosse, Sibylle Schmutz, Francine Thurnher

Branch offices



John Meyers

Swisscontact North
America, Inc.,
New York



Johannes Schwegler

Swisscontact Germany gGmbH,
Stuttgart

Cover: River Niger in Niamey
Fotos: Swisscontact staff, HP Jost, Frederic Meyer, Kim Bova Photography
Layout: Pierre Smith Creative, South Africa

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

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

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





The background of the entire page is a golden-hued landscape, likely a beach at sunset or sunrise, with waves in the foreground and a flat horizon. Overlaid on the right side of the image is a white dotted world map, showing the continents of North America, South America, Europe, and Africa.

We Create Opportunities

Swisscontact

Swiss Foundation for Technical Cooperation

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