



Swisscontact's work focuses on inclusive growth, driven by an innovative private sector that creates employment and income.



#### Skills Development

Productive employment and earning an income through marketoriented vocational training and improved labour market access.



#### Enterprise Promotion

Strengthening productivity and competitiveness of small and mediumsized enterprises through sustainable value chain interventions, improved market access and local economic development.



#### Inclusive Finance

Empowering entrepreneurial people by improving their access to financial products, services and financial literacy trainings.



#### Climate-Smart Economy

Creating green jobs through efficient use of natural resources and clean production.

In this way, Swisscontact creates the conditions for a socially and ecologically responsible private sector, contributing to poverty reduction.

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### Highlights



50 Years Swisscontact Peru

Swisscontact has been working in Peru since 1966. Initially, we trained precision engineers for the SENATI National Service for Industrial Training. Over the years, we began implementing additional projects to strengthen SME competitiveness, promote sustainable tourism, and improve energy efficiency and air quality.

Peru is the first country where Swiss-contact has been implementing development projects for 50 years without interruption. Our work has developed and evolved continuously according to the country's evolving needs. "We always try to adapt our work to changes on the ground – for the companies, so that they can better connect to the market; and for the people, who are searching for a better life," says Jon Bickel, Country Director Peru, Swisscontact.



Southern Laos: Top Destination in 2016

Southern Laos was awarded the 'PATA CEO Challenge Top Destination 2016' prize. This prestigious award from the Pacific Asia Travel Association (PATA) recognizes the region as an up-and-coming tourist destination with a unique cultural heritage. The prize includes a USD 500,000 digital marketing campaign from TripAdvisor.

With the goal of making this destination more attractive to a wider public, and thereby generating more income and employment for disadvantaged populations, Swisscontact launched a Sustainable Tourism Development Project in 2013. It features initiatives in the fields of vocational training, marketing, and destination management. The key element of the project is the creation of a brand that highlights the region's diversity and relaxed lifestyle. The PATA award serves as affirmation of Southern Laos' tourism potential.



Strategy 2020: Swisscontact on the Right Track

In February 2016, Swisscontact completed a Strategy 2020 interim review. We have met significant programmatic and administrative objectives in all areas and in some cases even exceeded them. The public has become more aware of our organisation and our sponsors and partners continue to reward us with a high degree of trust. This is in no small measure due to the fact that Swisscontact is committed to the principles of transparency and traceability in all our project results.

We also confirmed our long-term objectives for 2020. Swisscontact will continue to strengthen its risk capacity – in finances as well as in work – improving its competitiveness through innovative approaches and proven results, while continuing to invest in a reliable corporate governance model. This includes a more professional IT and knowledge management system, efficient processes, and high standards for impact assessment and compliance.



Win-Win for Brick Producers and the Environment

 $CO_2$  emissions from brick production are among the leading air pollutants in South America. Outdated kilns are damaging the environment and extremely harmful to the health of workers and communities. In 2016, Swisscontact closed out a seven-country project that reduced greenhouse gas emissions by 1,047,492 tonnes of  $CO_2$  over six years.

Swisscontact helped producers learn about new kiln models and introduced new firing technologies that improved energy efficiency and productivity. This in turn reduced harmful emissions while saving on expensive fuels and improving production quality. Just by installing a ventilator, brick manufacturers improved output by up to 10% and decreased CO2 emissions by 30%. In addition to the environment, technology suppliers also benefited as they were able to tap into new markets. The manufacturers themselves increased their earnings by reducing costs and making significant quality improvements.



**Greater Room for Manoeuvre for SMEs** 

Over the last 10 years, over half a million SME businessmen and women in East Africa have benefited from Swisscontact's financial services programme. Through the programme, they gained access to finance and were able to increase their incomes by an average of 10%.

Access to financial services remains an important consideration in developing countries. It plays an important role for companies seeking to integrate into local and global markets. Swisscontact will therefore be implementing more initiatives to support access to financial services in other projects. For example, training programmes will teach financial skills; in agricultural value chains, access to financial services for producers will be improved.



Swisscontact:
A Learning Organisation

Swisscontact's new knowledge-management concept is based on the strategic "learning organisation" principle. It applies knowledge as a strategic resource and aims to improve the skills of employees as well as the organisation as a whole. Moving forward, the structures will focus on promoting innovation as well as sharing and retaining knowledge.

With our new intranet, working groups and associations are able to share information across all regions, with thematic networks – with the participation of project staff and experts – forming the knowledge platform.

For more information on highlights, read the annual report online: report2016.swisscontact.org/en

# "Everyone should benefit from economic growth."

Heinrich M. Lanz, President of the Board of Trustees, and Samuel Bon, CEO and Executive Director, look back on 2016 – a year when Swisscontact reviewed its strategy and political debates on international development cooperation took place in Switzerland.



Heinrich M. Lanz, President of the Board of Trustees, and Samuel Bon, CEO and Executive Director

In 2016, the Swiss parliament conducted intense debate on the budget for international development cooperation. How did you experience these discussions?

Heinrich M. Lanz: Various commissions submitted requests for massive budget cuts, although the Federal Council's budget proposal had already been cut by one billion Swiss francs. Thus, international development cooperation shoulders one fourth of the stabilisation programme burden, despite only constituting four percent of the total federal budget. Bilateral technical cooperation, which is also Swisscontact's core activity, is most strongly affected by these cuts. This development is cause for concern. Fortunately, Swiss parliament finally complied with the Federal Council's proposal, but we cannot rule out further painful budget cuts in the future.

Migration is currently an important issue in Switzerland. Do you see international development cooperation as a way to deal with the refugee crisis?

Lanz: Long-term investment in professional education that is essentially grounded in practice and the market, can help relieve some of the pressures to migrate. However, it is illusory to believe that this can be achieved in a three-year vocational education project. There would also have to be a stable economic, social, and legal environment for the investments in professional training to be effective. Such processes cannot be implemented overnight. We must be clear: we're talking about a time horizon of one to two generations.

Swisscontact supports the private sector in developing countries in order to help alleviate poverty. Where have these efforts been particularly successful in 2016?

Samuel Bon: I'd like to highlight a skills development project in Uganda and Tanzania that we have been implementing for the last five years. In Uganda, it is difficult to get a

full-time job with a vocational education, because the economy is growing only sluggishly and too few new jobs are being created. Swisscontact therefore provides start-up kits to young adults after their training and guides them along their path to independence. Some 3,800 youths have benefited from this over the last five years. This model has convinced The MasterCard Foundation enough to extend the project for a further five years. In Bangladesh we have been implementing Katalyst, our largest market development project for more than 10 years, and are set to close it out in 2017. It has already reached 4.8 million businesses. Two-thirds of its beneficiaries live on less than USD \$2.50/day. Participating farmers and SMEs have increased their incomes by USD \$800 million. The ratio of project investments to resultant increases in net incomes of all beneficiary SMEs is 1:7. That is a very respectable figure. It has been possible to achieve this extraordinary result because Swisscontact has identified business opportunities for poor people and implemented them together with private businesses. We call this the "inclusive markets" approach, which specifies that local markets must also include the poor.

Swisscontact Management completed a Strategy 2020 interim review. Which objectives were achieved and on which areas will Swisscontact be focusing in the next few years?

Bon: We have reached our main objectives: we have grown and were able to stabilise Swisscontact's finances. Our donors place enormous trust in us. In Switzerland, we were able to shore up our core concerns and sharpen our public profile, as well as bolster our systematic impact assessment tools. We enjoy a stable network with good local and international partners. Now we must strengthen these partnerships even further. In our projects, South-South cooperation will become

increasingly important. With microleasing, Swisscontact has shown how this successful business model from Kenya can be transferred to Central America. This also includes building the capacities of local businesses and institutions. Content-wise, we are standing at the crossroads of differing interests. We are therefore concerned with the question of what our role as an international NGO should be, moving forward.

### How does the Board of Trustees judge the results of this evaluation?

Lanz: The process was very valuable. It was prepared with great care and the Executive Committee was involved. Our environment is changing, therefore the strategy review was both interesting and necessary from the point of view of the Board of Trustees. One trend, in addition to the South-South cooperation mentioned, is the economisation of international



Heinrich M. Lanz, President: "International development has content-oriented objectives."

development: donor organisations also intend to work more with the private sector. As an organisation with close ties to the business world, Swisscontact is well positioned to uncover ways such a collaboration could be structured to achieve the necessary results.

### Do you think the private sector is ready to cooperate?

Lanz: In principle, yes. However, we must be aware that the objectives of the private sector differ fundamentally from those of international development. International development aims to be inclusive of as many people as possible and support the poorest segments of society. Its objectives are not financial but content-related. At the end of the day, a company is focused on profits. When both interests meet, we should use the opportunity. We see particular willingness from companies to collaborate if it affects their value chains.

Swisscontact has been active in Peru for 50 years. In no other country has our foundation worked for so long without interruption. A reason to celebrate or to ask ourselves why our engagement is still needed?

Bon: Much has changed over the last 50 years. Swisscontact has seen Peru change from a developing country to an emerging economy. We have reinvented ourselves again and again and adapted to new situations. A large percentage of the population is not getting anything out of the economic boom in the cities; we will continue working on their behalf. In rapidly growing countries, there is the considerable danger that the income gap will widen significantly. The UN development goals refer to "inclusive growth", i.e. that all people should benefit from economic growth. But how can we include the entire population in this growth over the long term? We want to help solve this problem.

Over a year ago, the UN adopted its 2030 agenda for sustainable development. Has the message already reached the Swiss public? Lanz: The agenda is receiving more attention from policymakers and international business consortia than I had expected. This is a good thing and is rooted in the fact that for the first time all countries are being asked to define their own development goals. I also hope that over the course of this debate the broad public will update its perception of international development. Awareness of the classic aid worker is still quite widespread but the image has not reflected reality for a long time now. Development aid is meanwhile a highly complex affair at the crossroads of many economic, foreign policy, and socio-political interests.

#### In 2016, Swisscontact concentrated predominantly on the change in microfinance instruments over the last 10 years. Why this change?

Bon: There are three key points: insolvency is a risk in microcredit. Therefore, it is important that microcredit instruments are applied with a mind to improving productivity and therefore increasing incomes. Second: saving is almost more important than microcredit. We show SMEs how to improve their liquidity by saving. Third, SMEs lack financial skill, without which they don't have a chance to become interesting clients for larger financial institutions as well. Therefore, we provide a lot of training and counselling.

The Board of Trustees was enhanced with the addition of new staff. What further support from its highest governing body can Swisscontact expect to receive in the future? Lanz: At our annual conference this year we said goodbye to two long-time Board members: Professor Fritz Fahrni and Dr Thomas Bechtler. At year's end, Raphaël Odoni stepped down.



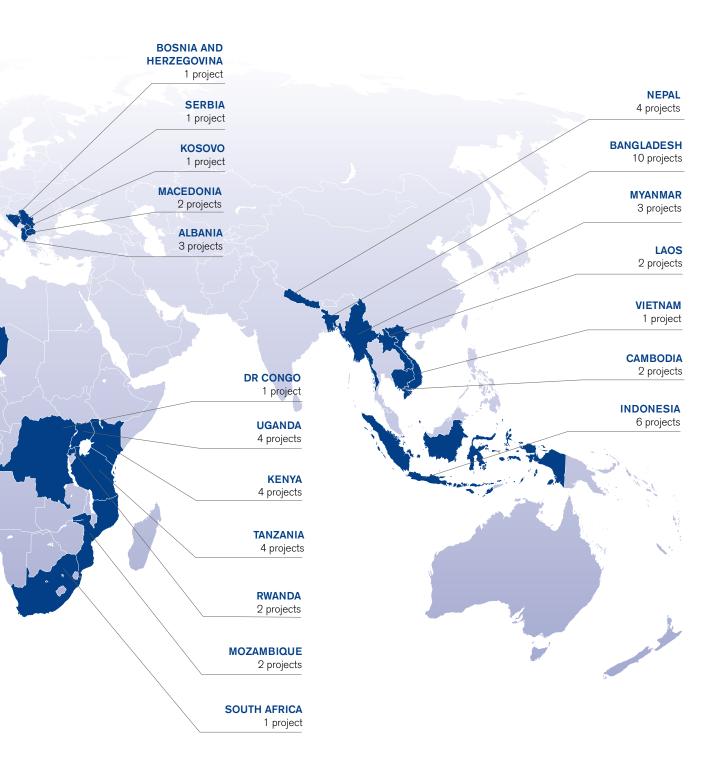
Samuel Bon, CEO: "A large percentage of the population is not getting anything out of the boom in the cities."

I wish to thank sincerely all three for their service. In 2016, we elected three new members to the Board of Trustees: Dr Berangère Magarinos-Ruchat, Claudia Coninx-Kaczynski, and Dr Thomas Sauber. We are excited about the new additions to our Board and collaborating with them and all other members of the Board of Trustees.

Interview: Katrin Schnellmann

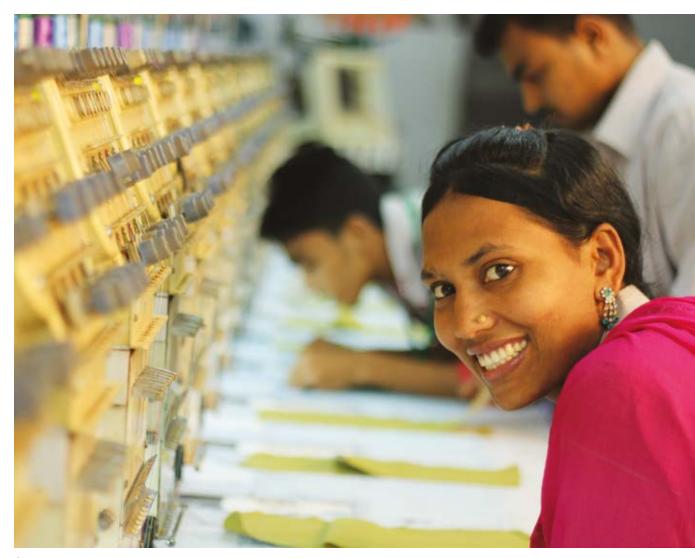
# 108 Projects in 34 Countries





# Collaboration with the Private Sector: A New Framework, thanks to SDGs

Swisscontact's country portfolio includes both very poor and fragile countries, as well as middle-income countries. In both contexts, Swisscontact was able to offer specific solutions and broaden its project portfolio in 2016, thanks to many years of experience. Swisscontact also has broad knowledge of collaboration with private sector companies – an objective of the UN's Sustainable Development Goals (SDGs).



Quality control in the textile sector in Bangladesh

# Reducing Poverty for People in Fragile Contexts

Swisscontact works in various countries where the state stands on shaky ground. Political or humanitarian crises render the creation of functional state institutions difficult. In North and West Africa, there is also the threat of violent extremists and terrorist outfits. Such fragile contexts present challenges to Swisscontact; the risks to project management, safety, and achieving our goals are more than in well-functioning states. Wherever state structures are weak, it is a particularly challenging to induce sustainable systemic change.

Of course, these challenges are not new. Over the last few decades, Swisscontact has learned how to make its mark fighting poverty even in fragile contexts. Key is the ability to react quickly and have well-established control mechanisms in place within projects. However, along with more stringent safety requirements, these involve higher operational costs and careful use of financial resources to cover these costs – with ever-tighter project budgets expected in the future.

In fragile contexts, Swisscontact is almost exclusively implementing technical projects

financed by bilateral donor organisations such as the Swiss Agency for Development and Cooperation (SDC) or private sector partners. The main focus of these types of projects is in Africa

## Job Creation for Middle-Income Countries

In poor countries, Swisscontact's work focuses mostly on the bottom of the pyramid of society. In middle-income countries, the focus is on involving those who otherwise do not benefit from general economic growth. Even though there is a growing middle class in these countries, income distribution is very uneven; poverty and hopelessness are still endemic.

The fact that Swisscontact's private sector development know-how in middle-income countries is recognised, is supported by the increased collaboration with the State Secretariat for Economic Affairs (SECO). Swisscontact is implementing several large-scale projects that sometimes span multiple continents, including the Swiss Entrepreneurship Programme in six countries, and the Swiss Import Promotion Programme (SIPPO) in eleven countries (as of 2017). There is also a project helping to improve the competitiveness of Colombian SMEs.

Middle-income countries often boast relatively stable governments and economies. This makes it easier to collaborate with private sector companies as outlined in the UN's Sustainable Development Goals (SDGs): the private sector should play a key role in achieving sustainable development goals.

# Defining the Distribution of Roles More Sharply

For Swisscontact, involving the private sector in development projects is a regular practice. For years now, we have been collaborating closely with private sector partners within our market development projects; these partners also contribute to project costs. Thus, for the Katalyst Project in Bangladesh, where public donors have invested over \$100 million over 10 years, the private sector has provided \$50 million in investment. One model that has already become established is the public-private partnership, based on matching funds. This means that the public sector supports the efforts of private companies to contribute to the SDGs by taking on a portion of the investments and thereby buying down some of the risk.

As a foundation with close ties to the business world, Swisscontact welcomes closer collaboration with the private sector. Swisscontact however sees the challenge in complementing private investments, not stifling them. The distribution of roles needs to be defined even more sharply: what are the roles of the private sector, the multilateral and institutional donors, and what can development NGOs like Swisscontact do? An example of how these roles could be allocated is provided by a Swisscontact project in the Indonesian cocoa sector financed by SECO: the public sector finances classic development policy objectives such as basic training or initiatives to improve gender equality. For its part, the private sector covers the costs of sustainability certification, traceability and monitoring. Swisscontact coordinates these efforts as a neutral arbiter.

## Development Programme: Focus on Entrepreneurship

For its development programme, Swisscontact implements its own projects supported by SDC and private sector partners. In the latest 2017 – 2020 phase, existing projects will be further developed so that they can achieve long-lasting impact. The programme will be



**Dr. Bérangère Magarinos-Ruchat** Vice-President of Sustainability Partnerships, Firmenich S.A., Meyrin, Switzerland; Member of the Swisscontact Board of Trustees

Swisscontact has for years been taking a very innovative approach to development, placing job creation, entrepreneurs and supply chains at the heart of poverty eradication strategies. Such an approach is fully aligned with the Sustainability Development Goals or SDGs. Supporting SMEs and developing skills has a powerful impact on most of the SDGs. In addition, the ability to partner across sectors is aligned with SDG 17 – focusing on collaboration. Swisscontact has the experience and the ability to be a convener and a partnership facilitator in the implementation of the SDGs, unleashing the positive energy of private sector solutions for development.

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expanded to Cambodia, by extending the project to promote tourism in southern Laos and by introducing new agricultural technologies. The thematic focus in the new phase is also on vocational education. The subject of entrepreneurship is being given more importance in that new approaches are being tested and innovative young adults are supported in their efforts to launch their own business concepts.

In terms of subject matter, Swisscontact has worked intensively with financial services during the reporting year. Access to financial services provides a basis for participating in economic life, and an economy can only become formalised and strengthened if local businesses are integrated into the financial sector. Based on various internal studies and discussions, a new strategy regarding this issue has come about. It stipulates that there should be access to financial services in all new Swisscontact projects: if Swisscontact is to introduce a new teaching curriculum in skills development projects, then this should include teaching basic financial skills. In value chain development programmes, it is also essential for smallholder farmers to be able to open savings accounts or access credit. Only this way will they be able to invest in their enterprise.

## Partnerships with Leading Educational Institutions

Swiss expertise is highly valued in Swisscontact's projects. Access is provided through our close collaboration with Swiss research institutes. In 2016, for example, experts from the University of Applied Sciences St. Gallen (FHS) and the Swiss Hotel Management Academy in Lucerne (SHL) shared their expertise with tourism firms in Macedonia, Based on solid collaboration with various institutes at the Lucerne University of Applied Sciences and Arts, a global and comprehensive agreement has been signed. Furthermore, during the reporting year, Swisscontact has worked closely with the Zurich University of the Arts as well as the Zurich University of Applied Sciences in Wädenswil.

Swisscontact is now working in 34 countries. In 2016, we opened an office in the Democratic Republic of Congo.



We have close institutional ties with Swisscontact and really value our close collaboration. Our common goal is to develop the beekeeping sector even further. In implementation, our focus is on sustainability and building the capacity of various public and private entities, out of which the whole ecosystem of value chain actors originates. In this way, we are strengthening competitiveness of apiculture and creating income opportunities for disadvantaged populations.

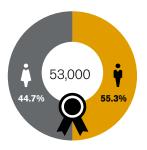




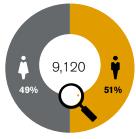
**Orestes Ortez Andrade**Minister of Agriculture and
Livestock, El Salvador

#### Indicators

# Skills Development



53,000 people have benefited from training programmes



9,120 people in 11 projects received assistance in their job search



Increases in income totalling 5.27 million Swiss francs for beneficiaries of our skills development programmes



Kyaw Kyaw Moe landed a job at a hotel in Yangon, thanks to Swisscontact



Project focus: Myanmar

### Swiss Know-how for Myanmar

Myanmar is at a critical period of transition. The country appears ready to open up. Its outlook is good as it has immense economic potential. Growth in the tourism sector is particularly brisk. However, the country lacks trained professionals to sustain its economic growth. Vocational education in Myanmar had been neglected for decades. Through the Vocational Skills Development Programme (VSDP) financed by SDC, Swisscontact is helping to bridge this gap.

The organisation is providing training, and fostering the employability of men and women such as Kyaw Kyaw Moe. Although this young man completed school, he could not afford further training. He switched from one odd job to the next. He had neither a regular income, nor any future prospects.

#### On-the-job Learning

Kyaw Kyaw Moe heard about of the 'Hotel Training Initiative', a component of Swisscontact's VSDP in Myanmar. He enrolled in a seven-week hospitality training course in Yangon. "I believe I'm a good communicator and therefore I'd be good as a waiter", says Kyaw Kyaw Moe.

The short courses combine theory and practice and for the past two years they have been held in Yangon and Nay Pyi Taw at hotels with which Swisscontact collaborates closely.

Trainees can apply their newly acquired skills immediately on the job. In return, hotel managers can also have their own supervisors and line staff trained. Hotels are therefore used as training venues, which provide the perfect setting for the trainees to observe and apply their knowledge and skills in real-life situations with customers.

A selected team of Master Instructors, previously trained by a Swiss hotel management school for nearly a year, trains supervisory level staff in order to become instructors. Subsequently, these instructors are in charge of training disadvantaged people and line staff together. Through the tireless efforts of the Swisscontact team and strong cooperation with partner hotels, the Ministry of Hotels and Tourism and community-based organisations, Myanmar's tourism industry has gained 2,355 new people trained in hospitality and nearly 300 instructors within a span of just two years.

After completing Swisscontact's course, Kyaw Kyaw Moe worked in banquet halls at various hotels. This allowed him to gain more professional experience. After three months, he found a full-time job at Silver Green Hotel in Yangon. Shortly thereafter, he was promoted to Food and Beverage Supervisor. With a secure source of income and regular employment his outlook also improved: "My dream is one day to become a Food and Beverage Manager".

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#### Indicators

## **Enterprise Promotion**



1,046,700 agricultural and artisanal businesses increased their incomes



106 million Swiss francs in additional income for businesses in 16 projects, thanks to access to equipment, markets and information



1,500 new jobs in 7 projects



Dried beans in an organic shop in Macedonia



Project focus: Macedonia

# Organic Beans: from Macedonia's Fields to Swiss Cooking Pots

Suzana Dimitrievska has been cultivating organic products on her farm in Mustafino, Macedonia for more than 10 years. She is a pioneer in organic farming in Macedonia. Her path has not been easy. Growing up in the countryside, she paid to educate herself in organic farming techniques. At the same time, with her dedication she has made significant efforts to advance the organic sector in Macedonia.

Suzana believes that people must find a way to grow food sustainably. Organic farming rises to this challenge. "Initially I sold my organic produce at the same price as conventional produce. The organic market in Macedonia didn't even exist yet. Nobody wanted to pay more just because I grew products organically. However, I didn't give up. I knew that my future was in organic farming," says Suzana.

#### Imparting Expertise

Swisscontact helped Suzana find high-quality seeds and import them to Macedonia. It also provided valuable advice and expertise for organic food production, irrigation, and crop protection. With Swisscontact's assistance, she also went to the world's largest trade fair for organic food, where she met buyers and suppliers.

In 2016, she planted three hectares of organic beans from high quality seeds imported from the Swiss company Sativa. Suzana's beans meet Swiss quality standards and will soon end up on Swiss supermarket shelves. "Swisscontact helped me export my first shipment of beans to Switzerland. If all goes as planned, I will be planting beans on at least 20 hectares in 2017", explains Suzana.

### Organic Production in Macedonia is Expanding

Suzana heads a local cooperative, helping nine other farmers with her knowledge and network. The cooperative plans to continue expanding organic production in the region and work with more farmers, employing more people on their farms. International buyers are also interested.

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#### Indicators

### Inclusive Finance



6,646 farmers and SMEs benefited from credit and leasing services



9,700 people from four finance projects increased their incomes by 5.9 million Swiss francs



A businesswoman in Rwanda



Project focus: Rwanda

# A Firm Understanding of Debits and Credits

Businesswomen in East Africa face particular challenges that differ from those faced by their male counterparts. They do not enjoy the same security, because it is usually the husband who manages the family finances. This makes it difficult for women to receive a loan from the bank. Without credit, they are unable to expand their enterprise and grow to their full business potential.

#### Increasing Credit Facilities with Training

Together with Equity Bank – one of the largest banks in East Africa – Swisscontact has developed special credit facilities for businesswomen in Rwanda and Tanzania. Conditions such as repayment terms or required collateral are tailored to the women's abilities.

Training expands the loan products Equity Bank can offer, and helps women improve their business skills. For example, they learn how to plan their own budgets and conduct basic bookkeeping. Swisscontact has trained bank employees on how to conduct this training themselves. They have since become an integral component of Equity Bank's credit mechanism. These training programmes will continue even after the project concludes.

Valentine Uwimbabazi runs a small bakery in western Rwanda. Before the business training conducted by Equity Bank, she had never kept any business documentation. "Now I am able to track the stock of everything from raw ingredients right up to the sale of finished goods. I keep solid accounts in a ledger," says Valentine. Now she has a good overview of expenses and revenue. She is able to plan for the long-term and might soon purchase a larger oven for her business.

#### Strengthening Networks

Swisscontact is tackling another impediment that businesswomen face: they usually lack good networks. A business club for women that Swisscontact helped establish makes it possible for businesswomen to connect above and beyond the training, discussing and benefiting from their mutual experiences.

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#### Indicators

# Climate-Smart Economy



Greenhouse gases reduced by 725,100 tonnes in five projects



3,286 brick manufacturers and recycling businesses increased their revenues by 8.35 million Swiss francs



A REEcicla employee in La Paz disassembles e-waste into its individual parts



Project focus: Bolivia

# Becoming a Successful Entrepreneur with Electrical Waste

Waste dumps in Bolivia are overflowing. Everything winds up in them, from kitchen waste to discarded household items all the way to e-waste. Poisonous materials contained in rubbish are harmful to the environment and human health. Swisscontact is working together with the government to improve waste management, serving as a resource to the authorities in drafting a new law. Furthermore, Swisscontact is helping entrepreneurs such as Jonnathan Butron Claure to take advantage of the economic potential offered by recyclable waste.

#### The First e-waste Recycling Business

Assisted by Swisscontact, the environmental inspector Jonnathan founded REEcicla in 2012. It was the first company in Bolivia for the proper disposal of e-waste. Jonnathan's employees take old electrical appliances for a small disposal fee. Next, they dissemble them into their individual parts. REEcicla then gives hazardous materials to specialists while selling recyclable materials such as copper, steel, and circuit boards. This is the company's main source of revenue.

In early years, it became clear to Jonnathan that the government found what he had to

offer highly desirable, but there was barely any demand in the population. "Companies and individuals understood it as a goodwill gesture if they disposed of their waste through a specialised company such as ours. They also believed that only the municipal government was responsible for waste disposal and not they themselves as the actual 'polluters'," says Jonnathan. He tries to address this challenge through awareness campaigns that he conducts together with the municipal government and Swisscontact.

The population has begun to re-evaluate. At the moment REEcicla processes 20 tonnes of e-waste each month and employs between 7 and 15 men and women, depending on the volume of work. Within four years this figure is expected to reach 70 tonnes per month. Jonnathan's goals are realistic: thanks also to the new waste disposal law, people are becoming more aware of the urgent need to dispose of e-waste properly. With REEcicla, Jonnathan has developed a business model that helps to solve an environmental problem, while at the same time creating jobs.

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### Global Projects

#### Senior Expert Corps (SEC)

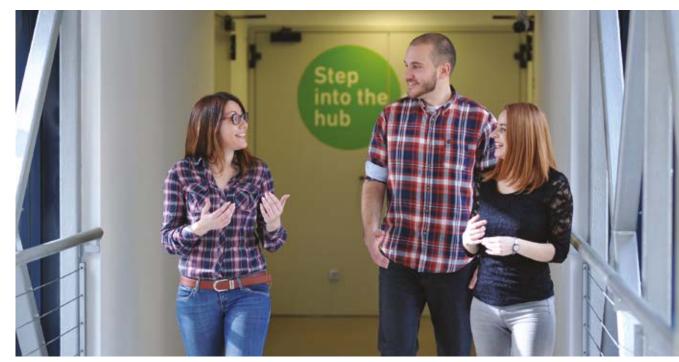
The SEC performed a total of 161 consultations in 23 countries in 2016. SEC experts are retired specialists who offer their time and expertise for short-term consultations as volunteers in order to help businesses in developing countries and Eastern Europe with technical, practical, and direct support.

Countries of particular focus in 2016 were Benin, Bolivia, Ecuador, Kosovo, Nepal, Nicaragua, and Peru, where the project co-financed their consultations. In other countries, it was clients who covered the costs. As in previous years, the most frequent consultations were conducted in the food industry, tourism, and vocational education.

A new film on Swisscontact's YouTube channel shows the SEC's immediate impact. Four clients in Nepal talk about the consultations and confirm the improvements their businesses were able to incorporate through them. The SEC experts explain what motivates them to perform these free consultations. Finally, the film reveals how the SEC consultations are a valuable experience for the experts themselves.



SEC expert Konrad Wirthensohn consults a metalworking factory in Nepal



Start-up hub, Serbia

# Swiss Entrepreneurship Programme

The Swiss Entrepreneurship Programme improves conditions for start-ups and growth-oriented companies in six countries. In 2016, the project team worked on the business models and service portfolios of 40 supported partner organisations offering specialised services to start-ups. On this basis, partners are now able to provide sustainable and targeted support to aspiring entrepreneurs wanting to grow their businesses.

In more than 60 consultancies, international entrepreneurship experts have worked closely with the partners' management teams, coaching them and sharing their expertise. They conducted workshops with experts and worked directly with each organisation in order to tackle their individual challenges. More than 160 mentors were trained and linked to the organisations, as mentoring is key to a start-up's successful development.

# Donor Committee for Dual Vocational Education and Training

On April 14, 2016, the Donor Committee for dual Vocational Education and Training (DC dVET) was officially launched to the public. Comprising representatives from Switzerland, Germany, Austria and Liechtenstein, the Donor Committee used the occasion to shed light on the various aspects of dual vocational education and training in international development in discussions with 100 participants. You can find documentation on the event and other information on the Donor Committee and dual Vocational Education on the Donor Committee's website (www.dcdualvet.org). The publication 'Dual vocational training in international development: Donor Committee insights and principles' was of particular interest, as were both expert reports commissioned by the Committee, respectively entitled 'Dual vocational education as an option in international development' and 'Dual vocational education in Germany, Liechtenstein, Austria, and Switzerland: a comparative analysis'.

### Knowledge and Content Management (KCM)

Further professional development and acquisition of know-how increases the quality of employees' work and is understood as a requirement for all employees. Professional knowledge management enables innovation and issues management, advancing Swisscontact's position as a competent expert organisation. In order to keep pace with increasing specialisation, complexity, and project expansion, Swisscontact will strengthen its knowledge management; implementation of these plans began in 2016.

In addition to organisational development, in 2016 two global seminars were held:

- Promotion of Financial Services: In the future, this will focus even more on SMEs and smallholder farmers.
- In environmental matters, with the Paris

Climate Accord there are new objectives and financing mechanisms to fight climate change. Swisscontact has defined pathways for making its contribution toward reaching these objectives.

In addition, Swisscontact tested gender guidelines for vocational education projects and expedited implementation of the St. Gallen model of sustainable tourism development. Internal experts created a handbook for introducing market development projects.

The Department of Knowledge Management supported presentations within national and international networks, including BEAM Exchange, the FoBIZZ Forum for Vocational Education and International Development, and the NADEL Centre for Development Cooperation at Swiss Federal Institute of Technology (ETH) Zürich.



Tourism expert in Cambodia

### Monitoring and Results Measurement (MRM)

The objective of Swisscontact's monitoring and results measurement (MRM) system is to gather data on project results, guide our activities, further develop our approaches on a continuous basis, and be accountable to our donors. Regional MRM advisors support the projects during planning and system implementation. Comparable indicators measured with reliable methods make it possible for Swisscontact to analyse data at both the programme and organisational levels.

The MRM team consists of a coordinator based at HQ and regional advisors. In 2016, the team developed planning documents for Swisscontact's own development programme.

It also optimised results measurement of projects in tourism, SME start-ups, and systemic change analysis, and developed a database that tracks the careers of Swiss-contact vocational education programme graduates.

In 2016, seven projects were reviewed by external auditors, including one formal audit conducted by the Donor Committee for Enterprise Development (DCED). These reviews make it possible to develop the MRM system even further and guide projects. The audit and exchange with external experts confirmed that Swisscontact's MRM system delivers robust and convincing results.

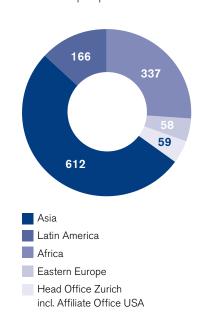


Farmer training in Bangladesh

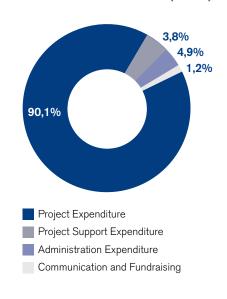
## Facts and Figures 2016

#### Employees worldwide

Total: 1 232 people

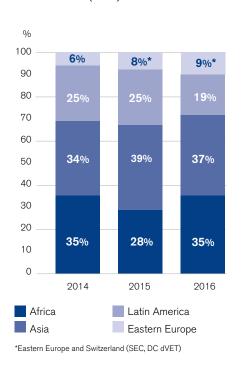


# Ratio of project costs to administration costs (in %)



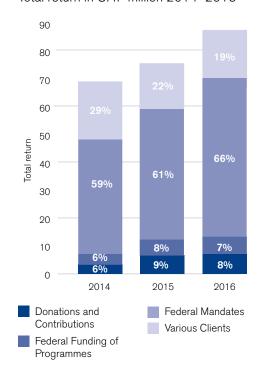
#### Expenditure

2014-2016 (in %)



#### Source of Funds (in %)

Total return in CHF million 2014-2016



### Work and income

In the reporting year

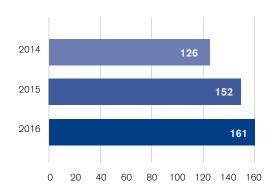




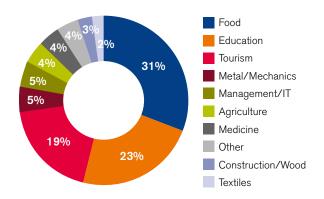


### Senior Expert Corps

Total number of assignments 2016: 161



Assignments per industry in %



### 2016 Annual Financial Statement

This annual financial statement has been prepared in accordance with the Swiss GAAP FER 21 financial reporting guidelines for charitable and social non-profit organisations.

For the statement of accounts, according to FER 21, it is important to report the year-end result after changes in funds. Donations are assigned directly to the fund. The earmarked or non-earmarked donations thus contained in the fund will then be used in accordance with their original purpose, or Swisscontact's task to finance project activities. This may be done during the year the donations are allocated, or else in subsequent reporting years.

The cost structure and apportionment of administrative expenses, administrative programme expenses, and direct programme expenses comply with the ZEWO Foundation guidelines.

#### Important benchmarks and figures

Compared with the previous year, project volume grew by 14.1% (from kCHF 76,200 to kCH 86,937 Swiss francs). Donations and contributions (donations tied to specific tasks) amounted to kCHF 6,751 Swiss francs, roughly the same as the previous year with kCHF 6,728 francs. In addition to donations and contributions from private and institutional donors and tied to projects, the fund for non-earmarked contributions grew by kCHF 115 francs.

Fundraising expenses for 2016 were kCHF 988 francs (previous year: kCHF 1,023 francs). This represents 1.2% of total expenses (previous year: 1.3%).

Swisscontact always tries to optimise the efficiency and effectiveness of its procedures in light of quality, cost, and time requirements. Our administrative expenses decreased from 4.0% to 3.2%.

Personnel costs and lump-sum compensation for the four Management Board members during the reporting year totalled kCHF 753 Swiss francs (vs. kCHF 746 francs the previous year).

With a positive year-end result of kCHF 1,615 Swiss francs and a change in free funds of kCHF 115, our trust capital increased from kCHF 8,777 to kCHF 10,507 Swiss francs (factoring in currency adjustments).

Our organisational capital on the one hand ensures we can remain committed to our projects by helping to mitigate short-term fluctuations in donations for project financing. On the other, to our donors and in our tender documents it presents proof of our liquidity and financial capabilities.

#### Consolidated profit and loss account 2016

	2016	2015
INCOME	in kCHF	in kCHF
Income from Donations and Contributions		
Donations from government donors	1 864	1 790
Donations from private donors	2 350	2 545
Swiss Government contributions tied to projects	6 000	6 000
Contributions government donors	688	1 210
Contributions private donors	1 849	1 183
Total Donations and Contributions	12 751	12 728
Income from projects		
Swiss Government mandates	57 806	46 309
Government principals	9 503	10 020
Private principals	6 848	7 163
Total income from projects	74 157	63 492
Other income		
Other	29	-20
Total income	86 937	76 200

(PENDITURE	<b>2016</b> in kCHF	<b>2015</b> in kCHF
penditure of projects		
Albania	1 628	609
Bangladesh	11 020	11 462
Benin	3 871	1 533
Bolivia	2 689	3 128
Bosnia and Herzegovina	175	50
Burkina Faso	623	769
Cambodia	477	59
Colombia	2 030	1 947
East Africa	1 146	553
Ecuador	700	622
El Salvador	211	250
Guatemala	709	621
Honduras	2 282	2 914
Indonesia	10 060	8 945
Kenya	582	786
Kosovo	1 910	1 665
Laos	591	644
Mali	5 603	5 650
Morocco	820	96
Macedonia	1 457	1 203
Mozambique	1 295	1 000
Myanmar	4 309	4 226
Nepal	1 435	518
Nicaragua	1 871	1 413
Niger	4 953	3 419
Peru	1 647	2 149
Rwanda	2 664	2 149
Switzerland	1 675	1 361
Serbia	282	113
South Africa	770	769
Tanzania	1 099	1 032
Tunisia	1 342	1 284
Uganda	1 625	1 323
Vietnam	402	42
South America regional programme	1 841	1 844
	0	71
Central Amercia regional programme	2 220	2 413
Coordination office project countries Subsidiaries	494	536
Project support	3 235	2 624
thereof included in country costs (mandate fee basis)	-1 468	0
Total expenditure of project	80 275	71 835
penses for administration and marketing		
Subsidiaries (Switzerland/Costa Rica)	75	81
General administration	3 763	2 810
Information and fundraising	988	1 023
Provisions	372	175
Total expenses for administration and marketing	5 198	4 089
perating result	1 464	258
Net financial income	-12	-88
Exceptional result	0	68
sult before changes in funds	1 452	238
Change in restricted funds	278	12
Change in free funds	-115	-34
sult after changes in funds	1 615	216
Allocation to unrestricted capital	-1 615	-216
sult after allocation	0	0

#### Consolidated balance sheet as at 31st December 2016

	2016	2015
ASSETS	in kCHF	in kCHF
Current assets		
Cash in hand and at bank	34 939	27 894
Advances to projects	7 490	5 903
Marketable securities	5 624	3 289
Other receivables	5 353	3 103
Accrued income	815	893
Total	54 221	41 082
Non-current assets		
Tangible assets	281	293
Intangible assets	648	717
Total	929	1 010
Total assets	55 150	42 092
Current liabilities	37 066	27 771
	05.000	
Other liabilities  Accrued liabilities	4 392	3 068
	396	222
Advance payments for participation in projects Provisions	2 603	1 790
Total		
Restricted funds	44 457	32 851
Restricted funds	186	464
Total	186	464
	100	404
Equity	7 803	7 587
Trust capital Unrestricted funds and reserves	1 089	
		974
Year end result	1 615	216
Total	10 507	8 777
Total liabilities and equity	55 150	42 092

#### Appendix to the annual report

Change in funds

	Opening				Closing
in kCHF	balance	Income	Allocation	Expenditure	balance
Restricted capital funds					
SDC	3	0	10	-13	0
EIAB	26	0	0	-20	6
TA-USA	78	0	50	0	128
Total	107	0	60	-33	134
Restricted income					
SOMS	59	0	0	-35	24
Restricted donations	298	0	3 946	-4 216	28
Total	357	0	3 946	-4 251	52
Unrestricted funds	974	0	208	-93	1 089



Argan seeds for oil extraction, Morocco

PricewaterhouseCoopers AG reviewed the accounting and annual financial statement, giving them their stamp of approval on both.

You can request a copy of their Audit Report and 2016 Financial Statement from Swisscontact's Head Office, Schweizerische Stiftung für technische Entwicklungszusammenarbeit, Hardturmstrasse 123, 8005 Zürich, or download them from our website at www.swisscontact.org.

### Governance

Swisscontact is committed to principles of good governance for responsible management, control, and communication under the Swiss NPO code. The Foundation fulfils the Swiss GAAP FER 21 guidelines for charitable and social non-profit organisations and is ZEWO-certified.

With the increase in our project volume and number of staff, along with increasing complexity of our projects, Swisscontact's area of risk has expanded accordingly. Swisscontact therefore remains committed to continuing perfecting our governance, business processes, controlling, and risk management. This also includes steadily reviewing and modernising our process efficiency and IT infrastructure. Our staff members undergo continuous training and instruction. With the improved IT-based project management, we can ensure our standards for project quality, cost and time savings are met. At the same time, we can monitor risks in real time at project, country, and organisational levels, implementing rapid action whenever necessary.



Skills Development in Mali

## Project Partners

#### **Institutional Partners**



Direktion für Entwicklung und Zusammenarbeit DEZA Direction du développement et de la coopération DDC Swiss Agency for Development and Cooperation SDC Agencia Suiza para el Desarrollo y la Cooperación COSUDE



Swiss Confederation

Federal Department of Economic Affairs, Education and Research EAER State Secretariat for Economic Affairs SECO





































SCBF SWISS CAPACITY BUILDING FACILITY
Association for Income and Employment Generation

#### **Private Partners**













































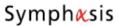












#### Thematic Partners

















Bern University of Applied Sciences































### **Donations**

Swisscontact extends its heartfelt thanks to all donations and project contributions in 2016 (Donations of CHF 500.- or more)

#### **Companies**

Abnox AG, Alobis AG, Ammann Group Holding AG, BDO AG, Fritz + Caspar Jenny AG, Gasthaus Piz Linard AG, Geistlich Pharma AG, Otto Mathys AG, Paradag AG, Roland Schwab Holding AG, Roschi Rohde & Schwarz AG, Scherler AG, Schweizerische Nationalbank, Smet Belgium, zCapital AG, Zürcher Kantonalbank

#### **Foundations**

Stiftung ESPERANZA, Fondation Manpower SA, Stiftung für praktische Berufsbildung, Fondation Tibetania, Greendale Charitable Foundation, Irène und Max Gsell Stiftung, Laguna Foundation, Paul Schiller Stiftung, The Social Entrepreneurs Charitable Foundation, Uniscientia Stiftung, Werner u. Louise Greuter-Briner Stiftung

#### Communes, towns and cantons

Kanton Aargau, Kanton Basel-Landschaft, Kanton Basel-Stadt, Kanton Genf, Kanton Graubünden, Kanton Obwalden, Kanton Schaffhausen, Kanton Schwyz, Kanton Thurgau, Stadt Baden, Stadt Rapperswil-Jona, Stadt Solothurn, Stadt Zug, Stadt Zürich, Gemeinde Maur, Gemeinde Riehen, Gemeinde Rüschlikon, Gemeinde Spiez, Gemeinde Uitikon-Waldegg, Gemeinde Zollikon

#### **Parishes**

Evangelisch-reformierte Kirchgemeinde Andelfingen, Reformierte Kirchgemeinde Küsnacht, Evangelisch-reformierte Kirchgemeinde Uitikon-Waldegg, Evangelisch-reformierte Kirchgemeinde Wallisellen, Römisch-katholische Kirchgemeinde Münchenstein

#### Private individuals, families and associations

Baer Stephan, Küssnacht am Rigi; Bally Claus, Engelberg; Bärfuss Rudolf, Bern; Beerli Andrea, Zumikon; Besomi Andrea, Carona; Böhni Walli, Neuchâtel; Bösiger Mark, Heimberg; Brändli Hannes, Meilen; Bruderer Martin, Evilard; David Lucas, Fällanden; de Senarclens Marina, Zürich; Fahrni Friedrich, Zollikon; Forstmoser Peter, Zürich; Familie Grimm, Würenlingen; Grüschow Peter, Muntelier; Gygax Rudolf Paul, Boll; Familie Hanselmann, Richterswil; Hellweger Erwin, Pettneu am Arlberg; Hentsch Jean-Claude, Corsier GE; Hess Jean-Louis, Genf; Holliger Nicolas, Horgen; Jenny Robert, Weesen; Klingspor Daniel, Zürich; Koch Anton, Oberrieden; Mathys Birchler, Unterentfelden; Meier Alex, Horriwil; Meier Bruno, Jona; Familie Merz, Männedorf; Ming Hans Peter, Zumikon; Möller Matthias, Schaffhausen; Familie Mösli, Zug; Muheim Markus, Bern; Familie Müller, Männedorf; Paganoni Roberto, Zollikon; Quaderer Sascha, Planken; Raheja Satish, Genf; Ringli Kornel, Zürich; Familie Schiltknecht, Zürich; Schwarzenbach Theo E., Oberägeri; Stahel Walter, Biel; Familie Stockar, Bern; Theiler Georges, Luzern; Ulrich Paul, Genf; von Ah Thomas, Zürich; Familie von Planta, Cham; Wassmer Rudolf, Zürich; Wheatley Susanna, Zürich; Familie Widmer, Oberwil-Lieli; Widmer Urs, Schaffhausen; Wirthensohn Konrad, Rickenbach b. Schwyz; Zemp Roman, Rengg

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### Organisation (as per 31 December 2016)

### **Board of Trustees**

#### **Committee of the Board of Trustees**

#### Heinrich M. Lanz

President Swisscontact; Member of the Advisory Committee on International Cooperation, Berne; Vice Chairman / Member of various Boards of Directors

#### **Thomas Bergen**

Co-founder and CEO, getAbstract, Lucerne

#### **Arthur Bolliger**

Board Member, Banque Cramer & Cie SA, Geneva; Klingelnberg AG, Zurich

#### Dr. Anna Crole-Rees

Head of Department and Member of the Executive Management, AGRIDEA, Lausanne; Founder and Consultant, CRC4change, Lausanne

#### Marina de Senarclens

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

#### **Marc Furrer**

President of the Swiss 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



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

#### 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 Bärfuss**

Former Ambassador, Berne

#### Dr. Thomas W. Bechtler

(Resignation 19.05.2016) Chief Executive Officer (CEO), Hesta AG, Baar

Claudia Coninx-Kaczynski (Entry 31.10.2016) Member of the Board of Directors, Forbo Holding AG and Swisscontent AG; Member of the Board of Trustees/Vice-President Orpheum Foundation for the Advancement of Young Soloists, Zurich; Member of the Human Rights Watch Committee, Zurich

#### Prof. em. Dr. Fritz Fahrni

(Resignation 19.05.2016)
University of St. Gall and Swiss Federal Institute of Technology (ETH), Zurich

#### Béatrice Fischer

Head Communication & Marketing, Credit Suisse (Schweiz) AG, Zurich

#### Dr. Urs Grütter

Owner and CEO, Max Ditting AG; Initiator project «LokalesWasser.ch»

#### Prof. Dr. Fritz Gutbrodt

Managing Director Chairman's Office, Swiss Reinsurance Company, Zurich

#### Prof. Dr. Thomas A. Gutzwiller

gwpartner AG, Gutzwiller, Wachsmann Partner, St. Gall

#### **Hans Hess**

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

#### Wilhelm B. Jaggi

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

#### Hans Jöhr

Corporate Head of Agriculture, Nestec Ltd., Vevey

#### Dr. Gottlieb A. Keller

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

#### Dr. Bérangère Magarinos-Ruchat

(Entry 26.04.2016) Vice President Sustainability Partnerships Firmenich S.A., Meyrin

#### **Armin Meier**

Managing Director Boyden global executive search, Zurich; Member of the Board of Zug Estates Holding, Kibag, Ameos and other Boards of Directors

#### Dr. Myriam Meyer Stutz

Member of the Board of Swiss Post Ltd, Repower AG, Bedag Informatik AG; Vice President of the Commission for Technology and Innovation (KTI).

#### Dr. Reto Müller

Partner BLR&Partners; Past President of the Helbling Group; Member of the Board of Directors of Forbo Holding AG, Georg Utz Holding AG, Riri Group and other companies

**Raphaël Odoni** (Resignation 31.12.2016) Engineer, Bussigny

#### Dr. Albin Reichlin-Boos

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

#### Prof. Dr. Ursula Renold

Head of the education systems research area, KOF Economic Research Department, Swiss Federal Institute of Technology (ETH), Zurich

**Dr. Thomas Sauber** (Entry 31.10.2016) Counsel, Lustenberger Attorneys-at-Law, Zurich

#### Elisabeth Schneider-Schneiter

National Councillor, Canton of Basel-Landschaft

#### Peter K. Steiner

Chairman of the Board of Peter Steiner Holding AG; Member of the Board of Directors of Sogelym Dixence, Lyon (F)

#### Prof. em. Dr. Ulrich W. Suter

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

#### **Georges Theiler**

Entrepreneur, Lucerne

#### **Leopold Wyss**

Head Sponsoring & Donations, Novartis International AG

#### **Auditors**

PricewaterhouseCoopers AG, Zurich

### Management Board



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

#### Samuel Bon

CEO and Executive Director

#### Peter Bissegger

Director Market Development

#### Urs Bösch

Director Business Administration

#### Florian Meister

Director Field Operations

### Management Team

#### Departments and Affiliate Office



From left: Markus Kupper, Head of Monitoring and Results Management; Adrian Stauffer, Head of Controlling; Stefanie Hosse, Head of Human Resources and Services; John Meyers, Affiliate Office USA; Anne Bickel, Head of Partner Programmes; Annette Altvater, Head of Knowledge and Content Management (from October 2016); Martin Koppa, Head of Acquisitions; Francine Thurnher, Head of Communications (sitting); Béatrice Horn, Head of Finance; Gabriella Crescini, Head of Client and Partner Relations

#### Regional Directors



From left: Benjamin Lang, South America; Ulrich Stucki, North and West Africa; Manish Pandey, South Asia; Veronique Su, Central-, East- and Southern Africa; Prashant Rana, Southeast Asia; Philippe Schneuwly, Central America; Henry Leerentveld, Eastern Europe

Cover: Recycling in Bolivia

Pictures: Swisscontact staff and friends Layout: One Identity, South Africa

**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)







