



3rd Biannual Progress Report

01.12.2011 – 31.05.2012

Table of Contents

1	SCBF Fact Sheet	2
2	Main achievements	3
3	Activity overview	3
4	Status of financial and human resources	5
5	Outlook	7

Annexes

- 1 Project Overview
- 2 Project Factsheets (2011-01 to 2012-01)
- 3 Audit Report 2010 and 2011

1. SCBF | Swiss Capacity Building Facility – Fact Sheet

Key figures

(status 31.5.2012)

Budget phase I : (01.12.2010-30.11.2014)	<ul style="list-style-type: none"> • Financial + technical manpower contributions from SDC: <ul style="list-style-type: none"> ○ Committed: CHF 6'380'000 (thereof CHF 2'250'000 ear-marked for North Africa) ○ Realized: CHF 2'816'300 (thereof CHF 750'000 for North Africa) • Financial + technical manpower contributions from Swiss private sector: <ul style="list-style-type: none"> ○ Committed: CHF 1'000'000 ○ Realized: CHF 273'595 • Financial self-contributions from financial intermediaries and third-parties: <ul style="list-style-type: none"> ○ Target: CHF 1'100'000 ○ Realized: CHF 674'858
Activities under management since inception	<ul style="list-style-type: none"> • 10 projects approved and launched • Overall project volume : CHF 2'341'346 • Approved SCBF contributions: CHF 1'666'488 • Average SCBF contribution: CHF 166'648.80 • Average cost share of Financial Intermediaries and third parties: 29%
Outreach	<ul style="list-style-type: none"> • Direct beneficiaries: 14 Financial Intermediaries supported, of which <ul style="list-style-type: none"> ○ 2 Microbanks ○ 4 deposit-taking Microfinance Institutions ○ 2 micro-credit Organisations ○ 3 Banks (2 commercial banks + 1 postal bank) ○ 2 Commercial Insurance Companies ○ 1 Microfinance Programme • End beneficiaries: The objective of the SCBF is to reach through financial intermediaries a total number of 560'000 poor clients, hence impacting on about 2.8 million poor family members within five years of support received by financial intermediaries from the SCBF. A detailed analysis of achievements will be made within the mid-term evaluation. Based on the current status, it can be expected that target numbers will be met.

2. Main achievements

During the reporting period 01.12.2011 – 31.05.2012, one formal Steering Committee meeting and two sub-committee meetings were held. 7 projects have been approved and for 3 of them, limited tender procedures were conducted. By May 31th, a total of 10 contracts have been signed with a total project volume of CHF 2'341'346 and a SCBF contribution of CHF 1'666'488 (71%). The self-contribution of financial intermediaries and third parties is at 29%, which is above the minimum target of 20%.

Discussions with Allianz RE, SwissRe, Syngenta Foundation, Bamboo Finance and Raiffeisen have taken place and it can be expected, that at least 4 new partners will join SCBF before the end of 2012.

In preparation of the upcoming transformation of the SCBF into an Association, several steps have been taken: bylaws of the new association have been developed and are discussed with all founding partners and interested parties. Policy and procedures have been adapted accordingly and are currently reviewed by all SCBF members. The association will be formally incorporated in September 2012.

3. Activity overview

3.1 Activities under management

By 31.5.2012, following projects have been launched:

- # 2011-01 Palestine: Pilot savings mobilisation of UNWRA credit project
- # 2011-02 Senegal: Technology pilot with micro bank and MFI
- # 2011-03 Cambodia: Strengthening savings mobilisation with big MFI
- # 2011-04 Nepal: MIS support & launching of savings-based MI products
- # 2011-05 Morocco: New distribution channel of postal bank
- # 2011-06 Tanzania: Women business training & lending
- # 2011-07 Egypt: launch of savings-based MI products
- # 2011-08 Nicaragua: risk management of MFI transforming into bank
- # 2011-09 Ecuador: savings mobilisation of working poor
- # 2012-01 Senegal: Asset building strategies of poor households/micro enterprises

Projects approved, but not yet launched:

- # 2012-02 Rwanda: Fostering Financial Inclusion in Rural Areas through Innovative Channels

Projects approved in principle:

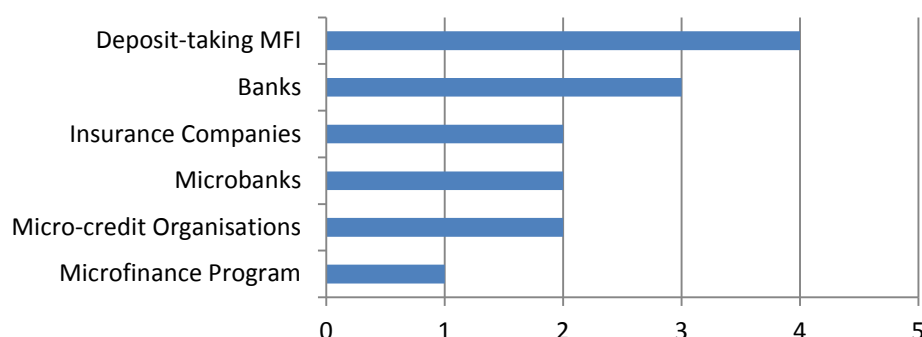
- Zambia: EFC Zambia Interconnectivity
- India: Leading the Expansion of Gendered individual lending
- Peru: risk management for SCAs as part of new regulations
- Ghana: launch of savings-based MI products via phone operator

3.2 Scope and outreach of activities

The majority (9) of the 14 Financial Intermediaries that are supported by the SCBF within the 10 projects approved so far are either deposit-taking MFIs (4), microbanks (2) or commercial banks (3), including 1 postal bank, providing a full range of banking products to their clients. Furthermore, 2 micro-credit organisations and one microfinance program are supported. All of them will with the support of SCBF significantly increase their service offerings to target groups of the SCBF.

On the insurance side, SCBF is currently supporting 2 commercial insurance companies, which are in the process of developing specific microinsurance products.

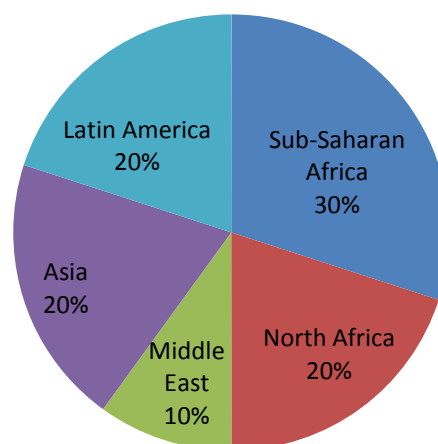
Table 1: Types of Financial Intermediaries supported since inception



Geographically, projects are implemented in regions and countries as indicated in tables 2 and 3 below. The SCBF Steering Committee is confident, that the target of implementing at least 50% of project ins SDC priority countries will be met over the entire project period.

Tables 2 and 3: Countries and regions of project implementation

Region	Country	No. of projects
Sub-Saharan Africa	Senegal	2
	Tanzania	1
North Africa	Egypt	1
	Morocco	1
Middle East	Palestine	1
Asia	Cambodia	1
	Nepal	1
Latin America	Ecuador	1
	Nicaragua	1



4. Status of financial and human resources

4.1 Financial resources

In addition to the already committed funds of CHF 4'000'000 which will be paid in annual tranches of 1'000'000 each, SDC has been entrusting additional CHF 2'250'000 for the period 2012-2014 to the SCBF through its North Africa Programme for projects in Egypt, Morocco, and Tunisia. The North Africa contributions will be paid in three annual tranches of CHF 750'000.

Credit Suisse has confirmed its contribution of a total CHF 450'000, which will be paid in annual tranches of CHF 150'000 in year 2, 3 and 4. A first payment will be issued upon formal incorporation of the association.

As per May 31st, 2012, the SCBF account statements are as follows:

○ SCBF Initial:	CHF 1'609'939.77
○ SCBF North Africa:	<u>CHF 520'525.19</u>
Total:	CHF 2'130'464.96

4.2 Human resources (expertise)

Committed Expert and Management resources have been used according to budget (please refer to the table below).

Overhead and management cost of the facility continued to be low thanks to the efficient use of available resources, which has again been repeatedly acknowledged by the SCBF Steering Committee and its funding partners. A purchase of 30 management days to cover the period December 2011 – May 2012 was approved by the Steering Committee on November 22, 2011.

Table 4: Utilisation of allocated resources (status 31.5.2012)

(all amounts exd. VAT)

Partner	Allocated annual resources								Purchased resources						Used						Remaining									
	Financial		Expert		Expertise		Secretariat/Office		Expert		Expertise		Secretariat/Office		Financial		Expert		Expertise		Secretariat/Office		Financial		Expert		Expertise		Secretariat/Office	
	General	North Africa	days	value	days	value	days	value	days	value	days	rate	value	days	value	days	value	days	value	days	value	days	value	days	value	days	value	days	value	
	CHF													CHF	CHF									CHF	CHF					
SDC	year 1	1'000'000	-	20.0	26'000	n/a	n/a	n/a	n/a	n/a	n/a	n/a			20.0	26'000	n/a	n/a			-	-								
	year 2	1'000'000	750'000	40.0	52'000	n/a	n/a	n/a	n/a	n/a	n/a	n/a			31.0	40'300	n/a	n/a			9.0	11'700								
	Total	2'000'000	750'000	60.0	78'000										51.0	66'300					9.0	11'700.0								
Credit Suisse	year 1	-	-	12.5	16'250	n/a	n/a	n/a	n/a	n/a	n/a	n/a			12.5	16'250	n/a	n/a			-	-								
	year 2	150'000	-	12.5	16'250	n/a	n/a	n/a	n/a	n/a	n/a	n/a			6.5	8'450	n/a	n/a			6.0	7'800								
	Total	150'000	-	25.0	32'500										19.0	24'700					6.0	7'800.0								
Zürich	year 1	-	-	12.5	16'250	n/a	n/a	n/a	n/a	n/a	n/a	n/a			12.5	16'250	n/a	n/a			-	-								
	year 2	-	-	12.5	16'250	n/a	n/a	n/a	n/a	n/a	n/a	n/a			3.7	4'810	n/a	n/a			8.8	11'440								
	Total	-	-	25.0	32'500										16.2	21'060					8.8	11'440.0								
SMH	year 1	-	-	12.5	16'250	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1'207'370	459'118	12.5	16'250	n/a	n/a			-	-	942'630.0	290'882						
	year 2	-	-	12.5	16'250	n/a	n/a	n/a	n/a	n/a	n/a	n/a			4.0	5'200	n/a	n/a			8.5	11'050								
	Total	-	-	25.0	32'500										16.5	21'450					8.5	11'050.0								
Swisscontact	year 1	0	0	12.5	16'250	12.5	13'750	n/a	n/a	n/a	n/a	n/a			12.5	16'250	5.9	6'490	n/a	n/a	-	-	6.6	7'260						
	year 2	0	0	12.5	16'250	12.5	13'750	n/a	n/a	n/a	n/a	n/a			2.3	2'990	2.3	2'530			10.2	13'260	16.8	18'480						
	Total	-	-	25.0	32'500	25.0	27'500								14.8	19'240	8.2	9'020			10.2	13'260.0	16.8	18'480.0						
FIDES	year 1	0	0	-	-	12.5	13'750	15.0	10'500	-	-	30.0	33'000	-	700	-	-	15.0	10'500	-	-	-	-	-	-	-	-	-	-	-
	year 2	0	0	-	-	12.5	13'750	15.0	10'500	-	-	30.0	33'000	-	700	-	-	7.5	5'250	-	-	13.8	15'125	7.5	5'250.0					
	Total	-	-	-	-	25.0	27'500	30.0	21'000.0	-	-	60.0	66'000	-	-	-	-	22.5	15'750	-	-	13.8	15'125.0	7.5	5'250.0					
Total	2'150'000	750'000	160	208'000	50	55'000	30	21'000	-	-	60	66'000	-	-	1'207'370	459'118	118	152'750	79	87'395	23	15'750	942'630	290'882	43	55'250	31	33'605	8	5'250

Note: Credit Suisse has committed an annual contribution of CHF 150'000.00 for year 2, 3 and 4. Payment for year 2 will be issued upon incorporation of the association.

5. Outlook

Transformation into Association and mobilisation of additional partners

In September 2012, the SCBF will formally be transformed into an association with headquarter in Fribourg. This will allow SCBF to acquire more actively additional funding from private investors and partners.

One of the challenges will be to increase the number of insurance partners and projects related to microinsurance.

Projects proposals under preparation

Several projects proposals are under preparation and should be ready for presentation to the Steering Committee in Q3 2012.

Projects pipeline:

- Ethiopia, Tanzania (2), Mali
- Mongolia, Laos, Vietnam, Pakistan, Nepal, Bangladesh
- Morocco, Tunisia, Jordan (2x)
- Honduras, Nicaragua, Bolivia

Looking at the pipeline of potential future projects, it can be expected that an additional 10-15 projects proposals can be presented to the Steering Committee in the second half of 2012 for approval.

Annex 1: Project Overview

Contract SCBF #	SCC / Consultant	FI	Country	Project title	Project period	Project cost [CHF]	SCBF contribution [CHF]	SC monitoring	Status
#2011-01	FIDES Fribourg	UNRWA, Jerusalem	Palestine	Pilot test of Savings products in a MFI in Palestine	09.2011 - 08.2012	196'435.00	149'300.00	H. Ramm / SDC	●
#2011-02	FIDES Fribourg	SLF, St. Louis/ Caurie, Thiès	Senegal	Better outreach and productivity for financial services in rural areas through the use of mobile phone technology	11.2011 - 10.2012	229'980.00	150'000.00	L. Hemrika / Credit Suisse	●
#2011-03	responsAbility Zürich	Hattha Kaksekar	Cambodia	Developing a sustainable savings strategy with leading MI in Cambodia	01.2012 - 12.2012	141'550.00	102'600.00	H. Ramm / SDC	●
#2011-04	PlanteFinance Geneva	Manushi/ PrimeLife	Nepal	Innovative Microinsurance products for rural poor in Nepal	02.2012 - 09.2013	215'382.00	149'570.00	H. Ramm / SDC	●
#2011-05	PlanteFinance Geneva	Al Barid Bank	Morocco	Innovative distribution channel: "Barid Cash" - Postal Banking	02.2012 - 03.2013	301'550.00	229'565.00	H. Ramm / SDC	●
#2011-06	Swisscontact Zurich	Equity Bank	Tanzania	Promotion of women small businesses in Tanzania	05.2012 - 10.2013	339'675.00	228'700.00	H. Ramm / SDC	●
#2011-07	PlanteFinance Geneva	ABA/ DBACD	Egypt	Launch of savings-based microinsurance product in Egypt	03.2012 - 10.2013	289'553.00	229'553.00	H. Ramm / SDC	●
#2011-08	FINCA Int./ Credit Suisse	FINCA Nicaragua	Nicaragua	Building risk management capacity to increase outreach in Nicaragua	05.2012 - 04.2013	233'464.00	147'900.00	P. Beez / SDC	●
#2011-09	ACCION Int./ Credit Suisse	Credifé/ Banco Pichincha	Ecuador	Promoting access to savings for the working poor in Ecuador	06.2012 - 05.2013	189'367.00	139'000.00	G. Crescini / Swisscontact	●
#2012-01	FIDES	SLF / Caurie	Senegal	Introduction of micro insurance in the product offer of rural MFI in Senegal	04.2012 - 03.2014	204'390.00	140'300.00	B. Mathews / Zurich	●

Annex 2: Project Factsheets

Factsheets of all approved projects are published on the SCBF website.

Please refer to <http://scbf.ch/projects/>

Annex 3: Audit Report 2010 and 2011

Swiss Capacity Building Facility (SCBF)

**c/o Financial Systems Development Services S.A.
Route de la Fonderie 2
1700 Fribourg**

Bericht der Revisionsstelle zur eingeschränkten Revision

Geschäftsjahre 2010 und 2011

Swiss Capacity Building Facility (SCBF)

c/o Financial Systems Development Services S.A.
Route de la Fonderie 2
1700 Fribourg

Bern, 10. Juli 2012

Referenz: AKP

Bericht der beauftragten Revisionsstelle zur Eingeschränkten Revision


Als beauftragte Revisionsstelle haben wir die Jahresrechnungen (Bilanz und Erfolgsrechnung) der **Swiss Capacity Building Facility**, für das am 31. Dezember abgeschlossene, erste Geschäftsjahr 2010 sowie 2011 geprüft.

Für die Jahresrechnung ist die Financial Systems Development Services AG, Fribourg, verantwortlich, während unsere Aufgabe darin besteht, diese zu prüfen. Wir bestätigen, dass wir die gesetzlichen Anforderungen hinsichtlich Zulassung und Unabhängigkeit erfüllen. Ein Mitarbeitender der Schweizerischen Treuhandgesellschaft (Bern) AG hat in den Berichtsjahren bei der Buchführung mitgewirkt. An der Eingeschränkten Revision war er nicht beteiligt.

Unsere Revision erfolgte nach dem Schweizer Standard zur Eingeschränkten Revision. Danach ist diese Revision so zu planen und durchzuführen, dass wesentliche Fehlaussagen in der Jahresrechnung erkannt werden. Eine Eingeschränkte Revision umfasst hauptsächlich Befragungen und analytische Prüfungshandlungen sowie den Umständen angemessene Detailprüfungen der beim geprüften Unternehmen vorhandenen Unterlagen. Dagegen sind Prüfungen der betrieblichen Abläufe und des internen Kontrollsystems sowie Befragungen und weitere Prüfungshandlungen zur Aufdeckung deliktischer Handlungen oder anderer Gesetzesverstösse nicht Bestandteil dieser Revision.

Bei unserer Revision sind wir nicht auf Sachverhalte gestossen, aus denen wir schliessen müssten, dass die Jahresrechnung nicht Gesetz und Statuten entsprechen.

STG Revision AG


Philipp Akeret
Revisionsexperte
Leitender Revisor


Donat Riedo
Revisionsexperte

Beilage

- o Jahresrechnung (Bilanz und Erfolgsrechnung)

SWISS CAPACITY BUILDING FACILITY (SCBF)

Bilanz	31.12.2010	31.12.2011
	CHF	CHF
Aktiven		
Credit Suisse CHF 1724600-01	1'000'011.69	1'780'489.53
Credit Suisse CHF 1724600-01-1		750'011.19
Vorsteuer auf Income and Employment Generation		16'365.19
Verrechnungssteuer	7.29	810.68
	<hr/>	<hr/>
Total Aktiven	1'000'018.98	2'547'676.59
	<hr/> <hr/>	<hr/> <hr/>
Passiven		
Passive Rechnungsabgrenzung		2'400.00
Total Passive Rechnungsabgrenzung		2'400.00
Fond Income and Employment Generation	1'000'018.98	1'795'858.11
Fond Earmarked for North Africa		749'418.48
Total Kapital Fond	1'000'018.98	2'545'276.59
	<hr/>	<hr/>
Total Passiven	1'000'018.98	2'547'676.59
	<hr/> <hr/>	<hr/> <hr/>

SWISS CAPACITY BUILDING FACILITY (SCBF)

Erfolgsrechnung

24.12.-31.12.2010
CHF

01.01. - 31.12.2011
CHF

Fondverwendung

Fondverwendung Income and Employment	-18.98	-204'160.87
Fondverwendung Earmarked for North Africa		-581.52

Total Fondverwendung	-18.98	-204'742.39
-----------------------------	---------------	--------------------

Projektfinanzierungen

Projektfinanzierungen		-138'564.81
-----------------------	--	-------------

Total Projektfinanzierungen	0.00	-138'564.81
------------------------------------	-------------	--------------------

Management und Verwaltungsaufwand

SCBF Management und Verwaltung		-66'000.00
Verwaltungsaufwand		-2'400.00
Bankzinsen	20.83	2'295.42
Bankspesen	-1.85	-73.00

Total Management und Verwaltungsaufwand	18.98	-66'177.58
--	--------------	-------------------

Kostenträgerdeckungsbeitrag

Income and Employment Generation

Projektfinanzierungen

Projektfinanzierungen	<u>-138'564.81</u>
Total Projektfinanzierungen	-138'564.81

Management und Verwaltungskosten

SCBF Management und Verwaltung	-66'000.00
Verwaltungsaufwand	-1'800.00
Bankzinsen	2'274.59
Bankspesen	<u>-70.65</u>
Total Management und Verwaltungskosten	-65'596.06

Total Projektfin./Management/Verwaltungskosten **-204'160.87**

Fondverwendung 2011 **204'160.87**

0.00

SWISS CAPACITY BUILDING FACILITY (SCBF)

Kostenträgerdeckungsbeitrag

Earmarked for North Africa

Verwaltungskosten

Verwaltungsaufwand	-600.00
Bankzinsen	20.83
Bankspesen	-2.35
Total Verwaltungskosten	-581.52

Total Verwaltungskosten **-581.52**

Fondverwendung 2011 **581.52**

0.00