



SWISS CAPACITY BUILDING FACILITY
for Income and Employment Generation

4th Biannual Progress Report

01.06.2012 – 31.12.2012

Note: reporting period aligned to new SCBF Policy & Procedures

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1. SCBF | Swiss Capacity Building Facility – Fact Sheet

Key figures

(status 31.12.2012)

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 financial contribution ear-marked for North Africa) ○ Realized: CHF 3'594'900 (thereof CHF 1'500'000 financial contribution for North Africa) • Financial + technical manpower contributions from Swiss private sector: <ul style="list-style-type: none"> ○ Committed: CHF 1'000'000 ○ Realized: CHF 318'610 • Financial self-contributions from financial intermediaries and third-parties: <ul style="list-style-type: none"> ○ Target: CHF 1'100'000 ○ Realized: CHF 1'620'263 • Private investments within 5 years after initial budget phase: <ul style="list-style-type: none"> ○ Target: CHF 30'000'000 ○ Realized: tbd during mid-term evaluation
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Activities under management since inception	<ul style="list-style-type: none"> • 21 projects approved or approved in principle, (of which 3 for North Africa fund) • Overall project volume : CHF 4'803'207 (NAF: CHF 854'317) • Approved SCBF contributions: CHF 3'182'944 (NAF: CHF609'118) • Average SCBF contribution: CHF 176'830 (NAF: CHF 203'039) • Average cost share of Financial Intermediaries and third parties: 34% (NAF: 29%)
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Outreach	<ul style="list-style-type: none"> • Direct beneficiaries: 27 Financial Intermediaries supported, of which: <ul style="list-style-type: none"> ○ 3 Micro Banks ○ 13 deposit-taking Microfinance Institutions ○ 3 micro-credit Organisations ○ 6 Banks (5 commercial banks + 1 postal bank) ○ 1 Commercial Insurance Companies ○ 1 Microfinance Programme
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- **End beneficiaries:** The objective of the SCBF is to reach through up to 65 financial intermediaries a total number of 640'000 new low-income clients thereby causing direct positive income and employment and/or risk mitigation effects for the latter (reaching around 3'200'000 low-income family members) within five years upon completion of the CB support.

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

On September 14th 2012, the formal decision to transform the SCBF into a non-profit association domiciled in Fribourg has been taken by the SCBF Steering Committee.

At this occasion, the founding members of the SCBF initiative have been joined by four new member organizations: Allianz SE Reinsurance (Zurich), Bamboo Finance, Swiss Re and Syngenta Foundation for Sustainable Agriculture.

The registration process at the register in Fribourg was initiated accordingly and formal publication was made on January 3, 2013. With the registration as an association, SCBF has formally re-submitted a request for tax exemption of the association. A response to the tax exemption request is expected during Q1-2013.

The new status of the SCBF as an association underscores the long-term commitment of its members to pool human and financial resources for an effective contribution in up-scaling innovative financial services that help reduce poverty in the developing and emerging economies. The association remains open to further institutions to join.

During the reporting period 01.06.2012 – 31.12.2012, three Steering Committee meetings and four sub-committee meetings were held beside the Inaugural Meeting. By December 31th, a total of 21 projects have been approved resp. approved in principle, with a total project volume of CHF 4'803'207 and a SCBF contribution of CHF 3'182'944. The self-contribution of financial intermediaries and third parties is at 34%, which remains above the minimum target of 20%.

For the North Africa Fund, 3 projects have been approved, with a project volume of CHF 854'317 and a SCBF contribution of CHF 609'118 (71%). The self-contribution of financial intermediaries and third parties is at 29% for projects financed through the North Africa Fund.

3. Activity overview

3.1 Activities under management

Projects 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
- # 2012-02 Rwanda: Fostering Financial Inclusion in Rural Areas through Innovative Channels
- # 2012-03 Zambia: PFSL Interconnectivity
- # 2012-04 Tunisia: Launch of MSME loan products

Projects approved or approved in principle, but not yet launched:

- # 2012-05 Cambodia: Capacity Building for Housing Microfinance
- # 2012-06 Guatemala: Institutional strengthening for financial inclusion
- # 2012-07 Tanzania: Launch of ABT's SME lending operations
- # 2012-08 Mozambique: Strengthening asset building strategies through micro insurance
- # 2012-09 India: Leading the expansion of gendered individual lending
- # 2012-10 Mozambique: Outreach expansion through mobile banking services
- # 2012-11 Nepal: Down-scaling to increase outreach to microfinance clients
- # 2012-12 Vietnam: Upscaling of savings mobilization

Projects completed:

- n/a

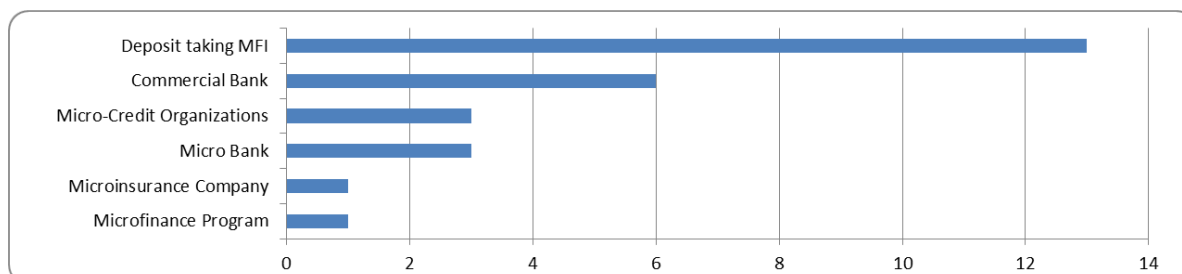
3.2 Scope and outreach of activities

Out of the 27 Financial Intermediaries that are supported by the SCBF within the 21 projects approved so far the majority are deposit-taking MFIs (13), followed by Commercial Banks (6), and Micro Banks (3), all providing a full range of banking products to their clients. Furthermore, 3 micro-credit organisations and one microfinance program are supported.

On the insurance side, SCBF is currently supporting 1 commercial insurance company in its process of developing specific microinsurance products.

Thanks to the SCBF support received, all supported financial intermediaries should be able to significantly increase their service offerings to low-income clients.

Table 1: Types of Financial Intermediaries supported since inception

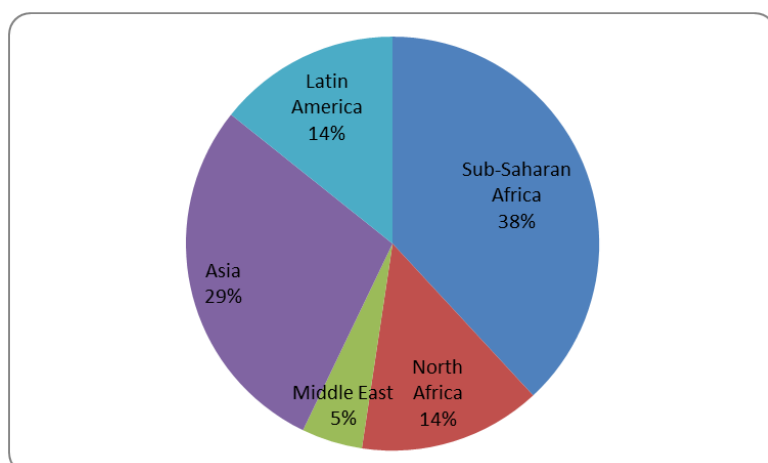


Tables 2: Type of financial products

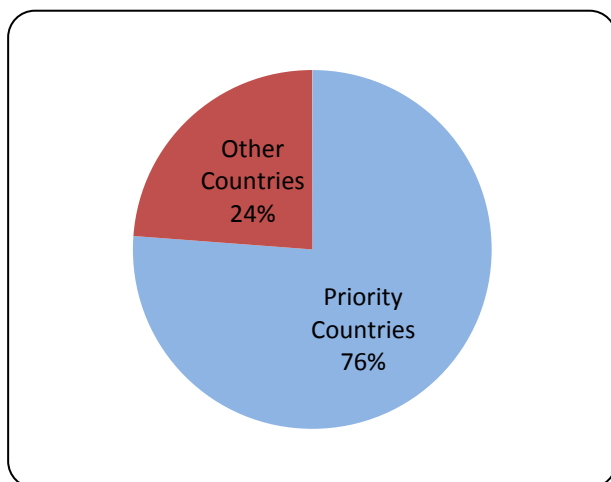
1st level	2n level				
Banking	Downscaling	MSME lending	Savings	Money transfer	Delivery channels
	2	4	5	0	4
Insurance	Life	Agriculture	Health	Catastrophic	Others
	1	0	0	0	0
Combined banking and insurance	Savings plan w. insurance comp/ Life insurance w. savings plan				
	3				
Others	e.g. Housing finance, Inst. strengthening, ...				
	2				

Geographically, projects are implemented in regions and countries as indicated in tables 3 and 4 below. The target of the SCBF is to implement at least 50% of project in SDC priority countries.

Tables 3 : Regions of project implementation



Tables 4: Project implementation in SDC priority countries vs other eligible countries



4. Status of financial and human resources

4.1 Financial resources

The budget remained unchanged to the previous reporting period. SDC is committed to provide financial resources in the amount of CHF 6'250'000 , whereof CHF 2'250'000 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 during 2012 – 2014.

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

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

○ Credit Suisse 1724600-01:	CHF	1'958'235.98
○ Credit Suisse 1724600-01-1 "North Africa":	<u>CHF</u>	<u>1'270'618.54</u>
Total:	CHF	3'228'854.52

4.2 Utilisation of allocated expertise

(all amounts excl. VAT)

Partner	Allocated annual ressources								Purchased resources								Used						Remaining					
	Financial		Expertise				Expertise				Expertise				Expert		Manager		Secretariat/Office		Expert		Manager		Secretariat/Office			
	General	North Africa	Expert		Manager		Secretariat/Office		Expert		Manager		Secretariat/Office		Expert		Manager		Secretariat/Office		Expert		Manager		Secretariat/Office			
	CHF		days	value	days	value	days	value	days	value	days	value	days	rate	value	days	value	days	value	days	value	days	value	days	value			
SDC	year 1	1'000'000	-	20.0	26'000	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			53.0	68'900	n/a		n/a		-13.0		-16'900					
	Total	2'000'000	750'000	60.0	78'000										73.0	94'900					-13.0		-16'900.0					
Credit Suisse	year 1	-	-	12.5	16'250	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			11.0	14'300	n/a		n/a		1.5		1'950					
	Total	150'000	-	25.0	32'500										23.5	30'550					1.5		1'950.0					
Zürich	year 1	-	-	12.5	16'250	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			6.6	8'580	n/a		n/a		5.9		7'670					
	Total	-	-	25.0	32'500										19.1	24'830					5.9		7'670.0					
Swiss Re	year 1	-	-	-	-	n/a		n/a		n/a		n/a			-	-	n/a		n/a		-							
	year 2	-	-	12.5	16'250	n/a		n/a		n/a		n/a			12.5	16'250	n/a		n/a		-							
	Total	-	-	12.5	16'250										12.5	16'250					-		-					
Allianz	year 1	-	-	-	-	n/a		n/a		n/a		n/a			-	-	n/a		n/a		-							
	year 2	-	-	5.0	6'500	n/a		n/a		n/a		n/a			5.0	6'500	n/a		n/a		-							
	Total	-	-	5.0	6'500										5.0	6'500					-		-					
Bamboo	year 1	-	-	-	-	n/a		n/a		n/a		n/a			-	-	n/a		n/a		-							
	year 2	-	-	12.5	16'250	n/a		n/a		n/a		n/a			3.8	4'940	n/a		n/a		8.7		11'310					
	Total	-	-	12.5	16'250										3.8	4'940					8.7		11'310.0					
Syngenta	year 1	-	-	-	-	n/a		n/a		n/a		n/a			-	-	n/a		n/a		-							
	year 2	-	-	12.5	16'250	n/a		n/a		n/a		n/a			3.8	4'940	n/a		n/a		8.7		11'310					
	Total	-	-	12.5	16'250										3.8	4'940					8.7		11'310.0					
Swisscontact	year 1	-	-	12.5	16'250	12.5	13'750	n/a		n/a		n/a			12.5	16'250	5.9	6'490	n/a		-		6.6	7'260				
	year 2	-	-	12.5	16'250	12.5	13'750	n/a		n/a		n/a			6.9	8'970	2.3	2'530	n/a		5.6	7'280	16.8	18'480				
	Total	-	-	25.0	32'500	25.0	27'500								19.4	25'220	8.2	9'020			5.6	7'280.0	16.8	18'480.0				
FIDES/SMH	year 1	-	-	12.5	16'250	12.5	13'750	15.0	10'500	-	-	60.0	66'000	-	700	-	12.5	16'250	42.5	46'750	15.0	10'500	-	-	30.0	33'000	-	-
	year 2	-	-	12.5	16'250	12.5	13'750	15.0	10'500	-	-	60.0	66'000	-	700	-	12.5	16'250	75.5	83'050	15.0	10'500	-	-	27.0	29'700	-	-
	Total	-	-	25.0	32'500	25.0	27'500	30.0	21'000.0	-	-	120.0	132'000	-	1400	-	25.0	32'500	118.0	129'800	30.0	21'000	-	-	27.0	29'700.0	-	-

5. Outlook

Identification of projects, with a focus on microinsurance and North Africa region

One of the key challenge remains to further increase the number of insurance partners and projects related to microinsurance. The current SCBF insurance partners are invited to propose own projects or to identify potential project partners. Furthermore, the SCBF Steering Committee will intensify its efforts to identify eligible projects in Northern Africa.

Projects proposals under preparation

At the end of December 2012, two projects proposals were under preparation and should be ready for presentation to the Steering Committee in Q1 2013. Furthermore, there are about twenty projects under discussion in the pipeline 2013/14 for the following countries:

- Senegal, Burkina Faso, Ivory Coast, Ethiopia, Tanzania, Kenya, Benin, Ethiopia
- Laos, Myanmar, Mongolia, India
- Morocco, Tunisia, Egypt, Lebanon, Palestine
- Ecuador, Haiti

Looking at the pipeline of potential future projects, it can be expected that eight to ten projects proposals can be presented to the Steering Committee by end of June 2013.

Strengthening of project acquisition capacity

Project acquisition was defined as a core responsibility of the SCBF Steering Committee members. However, efforts have so far mainly been made by the SDC representative. In order to increase the acquisition capacity, FIDES in its role as the SCBF administrator will take efforts to provide additional resources to increase the acquisition capacity of SCBF in 2013, with special focus on the North Africa region.

Annex 1: Project Factsheets

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

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

Annex 2: Audit Report 2012 (page 10)



Schweizerische Treuhandgesellschaft
Société Fiduciaire Suisse
Swiss Trust Company

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

01. Januar 2012 bis 31. Dezember 2012

Ersetzt Bericht der Revisionsstelle vom 1. Juli 2013



Swiss Capacity Building Facility (SCBF)

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

Bern, 11. Juli 2013

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 Geschäftsjahr 2012 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 im Berichtsjahr 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	31.12.2011	31.12.2012
	CHF	CHF
Aktiven		
Credit Suisse CHF 1724600-01	1'780'489.53	1'958'235.98
Credit Suisse CHF 1724600-01-1	750'011.19	1'270'618.54
Vorsteuer auf Income and Employment Generation	16'365.19	0.00 ¹⁾
Verrechnungssteuer	810.68	1'642.73
	<hr/>	<hr/>
Total Aktiven	2'547'676.59	3'230'497.25
	<hr/> <hr/>	<hr/> <hr/>
Passiven		
Passive Rechnungsabgrenzung	2'400.00	75'780.00
Total Passive Rechnungsabgrenzung	2'400.00	75'780.00
Fond Income and Employment Generation	1'795'858.11	1'909'530.20
Fond Earmarked for North Africa	749'418.48	1'245'187.05
Total Kapital Fond	2'545'276.59	3'154'717.25
	<hr/>	<hr/>
Total Passiven	2'547'676.59	3'230'497.25
	<hr/> <hr/>	<hr/> <hr/>

SWISS CAPACITY BUILDING FACILITY (SCBF)

Erfolgsrechnung

01.01. - 31.12.2011
CHF

01.01. - 31.12.2012
CHF

Fondverwendung

Fondverwendung Income and Employment	-204'160.87	-886'327.91
Fondverwendung Earmarked for North Africa	-581.52	-254'231.43
	<hr/>	<hr/>
Total Fondverwendung	-204'742.39	-1'140'559.34
	<hr/> <hr/>	<hr/> <hr/>

Projektfinanzierungen

Projektfinanzierungen	-138'564.81	-1'023'221.11
	<hr/>	<hr/>
Total Projektfinanzierungen	-138'564.81	-1'023'221.11
	<hr/> <hr/>	<hr/> <hr/>

Management und Verwaltungsaufwand

SCBF Management und Verwaltung	-66'000.00	-71'280.00
Verwaltungsaufwand	-2'400.00	-6'145.00
Ausbuchung Vorsteuer		-38'926.19 ¹⁾
Werbung, Inserate	-	-3'213.89
Bankzinsen	2'295.42	2'377.30
Bankspesen	-73.00	-150.45
	<hr/>	<hr/>
Total Management und Verwaltungsaufwand	-66'177.58	-117'338.23
	<hr/> <hr/>	<hr/> <hr/>

SWISS CAPACITY BUILDING FACILITY (SCBF)

Kostenträgerdeckungsbeitrag

Income and Employment Generation

Fond per 31.12.2011		1'795'858.11
Fondeinnahmen		<u>1'000'000.00</u>
Total Fondvermögen		2'795'858.11
Projektfinanzierungen		
Projektfinanzierungen	<u>793'661.61</u>	
Total Projektfinanzierungen	793'661.61	
Verwaltungskosten		
SCBF Management und Verwaltung	50'673.30	
Verwaltungsaufwand	4'338.75	
Ausbuchung Vorsteuer	37'752.84 ¹⁾	
Internetauftritt	1'831.95	
Bankzinsen	-2'007.39	
Bankspesen	<u>76.85</u>	
Total Verwaltungskosten	92'666.30	
Total Fondverwendung	<u>886'327.91</u>	
Fond per 31.12.2012		<u><u>1'909'530.20</u></u>

¹⁾ Auf Grund vorläufigem MWST-Entscheid ist die SCBF nicht der MWST unterstellt. Demzufolge kann die Vorsteuer nicht geltend gemacht werden.

SWISS CAPACITY BUILDING FACILITY (SCBF)

Kostenträgerdeckungsbeitrag

Earmarked for North Africa

Fond per 31.12.2011		749'418.48
Fondeinnahmen		<u>750'000.00</u>
Total Fondvermögen		1'499'418.48
Projektfinanzierungen		
Projektfinanzierungen	<u>229'559.50</u>	
Total Projektfinanzierungen	229'559.50	
Verwaltungskosten		
SCBF Management und Verwaltung	20'606.70	
Verwaltungsaufwand	1'806.25	
Ausbuchung Vorsteuer	1'173.35 ¹⁾	
Internetauftritt	1'381.94	
Bankzinsen	-369.91	
Bankspesen	<u>73.60</u>	
Total Verwaltungskosten	24'671.93	
Total Fondverwendung	254'231.43	
Fond per 31.12.2012		<u><u>1'245'187.05</u></u>

¹⁾ Auf Grund vorläufigem MWST-Entscheid ist die SCBF nicht der MWST unterstellt. Demzufolge kann die Vorsteuer nicht geltend gemacht werden.