



# Annual Report 2006





## Foreword

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The work of the Skat Foundation shows that well-managed cooperation and sharing of knowledge are crucial to effective and efficient development cooperation and humanitarian aid.

In 2006, the Skat Foundation initiated various projects on sharing knowledge and experience or was involved in workshops. The year's outstanding event was the first Threads Workshop on the Management of International Networks for Knowledge Sharing, which was held in St. Gallen from the 25<sup>th</sup> to the 28<sup>th</sup> April 2006. The four-day workshop was attended by 42 participants from 16 countries and four regions across the world (Europe, North America, Africa, Asia) who discussed issues and gathered ideas on how to improve the management and coordination of international networks of experts and organisations.

Bringing together 290 specialists and project desk officers from more than 40 countries, the Fifth Forum of the Rural Water Supply Network (RWSN) in Accra (Ghana) represented a further highlight. Finally, the workshop on the topic of Waste, Health and the Millennium Development Goals (MDG), organised by the Collaborative Working Group on Solid Waste Management in Low- and Middle-Income Countries (CWG) and the Water and Sanitation Collaborative Council (WSSCC) in Calcutta, was a great success as well.

The evaluations of these events show that they are in considerable demand and that the interactive and participatory workshop methods that assign the participants a central position are highly appreciated and suitable for sustainable knowledge dissemination.

The work of the Skat Foundation has only been possible thanks to the financial support and dedicated activities of those involved. We would like to thank everyone who has made an effort to promote the Foundation and thus increased the effectiveness of development cooperation. Our special thanks go to Skat Consulting, which enables the work of the Foundation as a whole with its personal and financial engagement.

Dr. Rolf Leutert  
President of the Foundation Council

Dr. Urs Karl Egger  
Managing Director



## Activities

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The Skat Foundation was set up by the development organisation Skat to promote the sharing of knowledge and experience in development cooperation. To this end, the Foundation pursues three strategies: facilitating access to the knowledge and experience resources of Skat, supporting international networks and initiating innovative projects.

### Information and Knowledge

The Skat Foundation creates access to Skat's experience, which it offers to the public. This is achieved by the distribution of publications and by the website.

### Publications

In Switzerland, the Skat Foundation distributes its own specialist publications as well as those of partners. Internationally, distribution is run together with the organisation ITDG Publishing in the United Kingdom. Since the Skat Foundation was issuing fewer publications, 2006 saw a decline in turnover.

### Capitalising on experience for sustainable rehabilitation

The United Nations Environment Programme (UNEP) commissioned the Skat Foundation to compile a handbook on sustainable rehabilitation following tsunamis or other natural disasters. After disasters such as the tsunami in Southeast Asia, the urgency of and extent of demand for shelter, coupled with the provision of optimally sustainable shelter for those affected, is a huge challenge. The handbook is aimed at supporting those involved in rehabilitation (e.g. desk officers, construction staff, authorities) in performing rehabilitation in a sustainable manner, thus minimising the negative impacts of inadequately managed projects. It assists in opting for the right construction material and technologies while taking into consideration the criteria of acceptance among those affected, cost efficiency and ecological aspects. In addition, the handbook refers to a large number of further sources of information.

### Website

Skat and the Skat Foundation present themselves on a common website with the address <http://www.skat.ch> which is based on the Open Source solutions Zope (application server) and Plone (Content Management System).

The website offers a range of information on Skat and the Skat Foundation, such as the most important projects, links to interesting websites as well as a large number of publications that can be downloaded free of charge. Web statistics show that the website is visited around 3,000 times a month.



## Networks

Networks are of considerable importance in the international sharing of knowledge and experience. The Skat Foundation offers its services as an umbrella organisation for networks.

### Rural Water Supply Network

The Rural Water Supply Network (RWSN) is an international network that has set itself the goal of improving the living conditions of the poor rural population by facilitating better access to clean water. This network above all focuses its work on knowledge and experience sharing in the area of appropriate technologies and sustainable practices in rural water supply. The network's members come from government bodies, multilateral organisations, bilateral donors, non-governmental organisations and private enterprises. RWSN above all focuses on four topics: cost-cutting in well-drilling for water, promoting self-initiative among individual households to improve water supply step by step, sustainable maintenance models for handpumps and the local manufacture of handpumps. These four areas are important elements towards achieving the Millennium Development Goals.

The Skat Foundation has run the Secretariat of the Rural Water Supply Network since 1992. In 2006, the Skat Foundation commissioned Skat to organise the fifth RWSN Forum in Accra, Ghana, in addition to its usual secretarial tasks. This event brought together 290 specialists and desk officers from more than 40 countries, enabling four days of contacts and sharing of experience. The Forum also formulated the network's strategic objectives for the coming years.

RWSN is supported by the Swiss Agency for Development and Cooperation (SDC), the Netherlands Directorate-General of Development Cooperation (DGIS), UNICEF, the World Bank's Water and Sanitation Programme, the African Development Bank and various other donors.

### Collaborative Working Group on Solid Waste Management – Workshop

Skat has been an active member of the Collaborative Working Group on Solid Waste Management in Low- and Middle-Income Countries (CWG) for some time and heads its secretariat. CWG is a network of specialists in the field of waste disposal in developing countries.

With a contribution from SDC (one of several further contributions), the Skat Foundation supported the organisation of an international workshop that was held in Calcutta from the 1<sup>st</sup> to the 5<sup>th</sup> February 2006. The workshop was organised by CWG and the Water and Sanitation Collaborative Council (WSSCC).

For five days, more than 80 experts dealt with the topic of Waste, Health and the Millennium Development Goals (MDG). The aim of the workshop was to share experience in how better waste disposal could improve the living conditions of the poor and disadvantaged. The results of the workshop were summarised in a report and published on the CWG website (<http://www.cwgnet.net>).



## Innovative Projects

The Skat Foundation acts as an initiator and organiser of innovative projects on sharing knowledge and experience in development cooperation. The projects are run in partnership with other organisations and are intended to be financed by various executing agencies.

From the 25<sup>th</sup> to the 28<sup>th</sup> April 2006, the first Threads Workshop on the Management of International Networks for Knowledge Sharing took place in St.Gallen. The workshop, attended by 42 participants from 16 countries and four regions of the world (Europe, North America, Africa, Asia), was organised jointly by the Skat Foundation and Helvetas.

The workshop above all pursued two goals: strengthening the sharing of knowledge among network managers and coordinators about how international networks are efficiently and effectively run and mutual assistance in solving problems and learning from past experience.

For four days, the participants were able to compare their network with others, gain ideas and insights on how the effectiveness and efficiency of their networks could be improved, get answers to specific questions and problems, and establish links with other network managers and specialists that they will be able to contact in the future.

Various interactive methods were employed in the workshop: a World Café, to give everyone an overview of the topic; case studies allowing an in-depth insight into the management of networks; an Open Space in which participants could discuss their pressing issues with others.

On the third day, all the participants joined three parallel excursions aimed at gaining new perspectives regarding networks and new insights into the management of networks as well as improving the networking of the participants themselves. Items on the agenda included visits to Zurich Public Transport (VBZ), the Georg Fischer company in Schaffhausen and SR Technics. The fourth day served the purpose of summarising the insights and drawing conclusions for one's own work.

The results of the workshop were published on the website <http://www.threads.ch>. Some contributions have also been published in the September issue 2006 (Vol. 2, No. 2) of the Knowledge Management for Development Journal (KM4D Journal) on the topic of Capacity Building for Networking. The KM4D Journal is a freely accessible online journal. All of the articles are available at <http://www.km4dev.org/journal>.

This workshop also saw the launching of the Threads Platform. Under the motto "Improving Management Practice through Sharing and Learning", Threads is going to form the umbrella for joint activities with other partners.



## Further Projects

### Fauno – Making Markets Work for the Poor

The Skat Foundation continues to coordinate the Fauno mandate of the Employment and Income Division (E+I) at the Swiss Agency for Development and Cooperation (SDC). In the framework of this mandate, the Foundation works together with the organisations Swisscontact (Switzerland), INBAS (Germany), FACET (the Netherlands) and the Springfield Centre (United Kingdom). The aims of this mandate are to: identify new trends to promote employment and income in developing countries, strengthen the conceptual and methodical coherence of the development approaches, provide critical support for the work of E+I and gather information by participating in networks. Activities in 2006 above all focused on Making Markets Work for the Poor, a development approach seeking to improve the integration of the poor and disadvantaged in the market. To illustrate this approach, various case studies were compiled and a public event was organised in May 2006.

### Learning for more effective humanitarian aid

In 2006, the Skat Foundation took up two further mandates dealing with more efficient and effective handling of humanitarian aid.

After the tsunami on the 26<sup>th</sup> December 2004, together with many other organisations, UNICEF performed emergency relief in India, Indonesia, the Maldives, Sri Lanka, Myanmar and Thailand. Along with water supply and shelter hygiene, UNICEF provided around 66 million dollars. The extent of the disaster represented a huge challenge in terms of planning, coordination, running and monitoring by UNICEF. In order to learn from the difficulties that arose and be better prepared for future disasters, UNICEF commissioned the Skat Foundation to review the employment of resources. Using a participatory approach, together with UNICEF staff, the weaknesses were identified and viable solution concepts were formulated. The recommendations of this review were submitted to UNICEF's Management in New York.

Commissioned by UNICEF, after the Lebanon War, the Skat Foundation placed a consultant who coordinated cooperation between the Government of Lebanon and national and international organisations dealing with water supply and shelter hygiene from the 26<sup>th</sup> July to the 30<sup>th</sup> September 2006. The aim of this coordinating was to ensure that all activities were carried out as efficiently as possible, gaps were identified and duplication was avoided.



## Organisation

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The Skat Foundation is a charitable foundation that is legally independent of its parent organisation Skat and is under the supervision of the Swiss Federal Supervisory Board for Foundations.

Skat sees itself as a socially responsible organisation that aims to make its knowledge available to everyone. For this reason, Skat covers the operating costs of the Foundation, provides the infrastructure and entrusts a staff member with the Foundation's management on a part-time basis.

### **Board**

The Skat Foundation is led by a Board comprising leading figures from organisations involved in international development cooperation, industry, politics as well as science and education. The Board is in charge of the strategic management of the Foundation.

### **Committee of the Board**

The Committee of the Board prepares the affairs of the Board and monitors management activities.

### **Council of Patrons**

The Skat Foundation is supported by a Council of Patrons consisting of leading personalities from national and international organisations in development cooperation, Government, industry, science and politics.

### **Partners**

The Skat Foundation works together with various experienced partner organisations, such as its parent organisation Skat, the development organisations Caritas, Helvetas and Swisscontact, EMPA (Materials Science and Technology Research Institution), and the University of St.Gallen. In addition, the Foundation maintains close links with various partners and competence centres in developing countries and countries in transition.

### **Staff**

Executive Secretary of the Skat Foundation is Urs Karl Egger. He works as a Senior Knowledge Management and Networking Specialist for Skat.



## Balance Sheet as of 31.12.2006

Description	2006 (in CHF)	2005 (in CHF)
<b>Assets</b>		
Cash and bank accounts	327'791	324'369
Accounts receivable	489'241	32'106
Work in progress	368'158	29'624
Total current assets	1'185'190	386'099
<b>Total assets</b>	<b>1'185'190</b>	<b>386'099</b>
<b>Liabilities</b>		
Accounts payable	245'855	172'192
Prepayments	590'387	137'012
Deferred income/accrued charges	260'940	1'300
<b>Total liabilities</b>	<b>1'097'182</b>	<b>310'505</b>
Paid-in capital	215'000	215'000
Deficit brought forward	-139'406	-153'844
Year's profit	12'414	14'438
Total capital of the organisation	88'008	75'594
<b>Total liabilities</b>	<b>1'185'190</b>	<b>386'099</b>



## Profit & Loss Account from 1.1. – 31.12.2006

Description	2006 (in CHF)	2005 (in CHF)
- Contributions Swiss authorities	210'302	137'100
- Contributions local authorities	-	30'000
- Contributions international organisations	365'207	151'570
- Contributions others	108'824	7'469
<b>Total restricted contribution</b>	<b>684'334</b>	<b>326'140</b>
- SDC, various mandates	-	3'707
- SDC, Fauno	248'932	227'884
- GTZ, various mandates	-	30'242
- Various mandates	-	-
<b>Total project income</b>	<b>248'932</b>	<b>261'833</b>
Fund raising	10'470	-
Bookshop	5'281	7'207
Research- and Innovationsfonds	-	-
<b>Operating revenue</b>	<b>949'017</b>	<b>595'179</b>
Consultancies Skat Consulting	-682'416	-385'442
Other Consultants	-207'731	-189'996
Direct project costs	-42'912	-3'981
Personnel costs	-	-
<b>Total direct project expenditures</b>	<b>-933'059</b>	<b>-579'418</b>
Personnel costs	-	-
Office and administration costs	-3'697	-2'158
Advertising and PR	-106	-615
<b>Total administration expenses</b>	<b>-3'803</b>	<b>-2'773</b>
Interest income	471	422
Interest expenses and bank charges	-768	-474
Exchange gain/loss	556	121
<b>Financial income/expenses</b>	<b>259</b>	<b>69</b>
Release research and innovation fund	-	1'380
<b>Total extraordinary profit</b>	<b>-</b>	<b>1'380</b>
<b>Net surplus for the year</b>	<b>12'414</b>	<b>14'438</b>



## Annex to the Annual Account as of 31.12.2006

	2006 (in CHF)	2005 (in CHF)
In 2006 and 2005 the administration costs where paid by Skat Consulting		
Total amount of net dissolved quiet reserves	-	16'427
Research- and Innovationsfonds		
Asset at 1.1.	-	1'380
Dissolution of funds according decision funding board	-	-1'380
Provisions	-	-
<b>Balance at 31.12.</b>	<b>-</b>	<b>-</b>
Provisions for Threads Workshop Networks		
Balance at 1.1.05 / 31.12.04		54'143.65
Donation Lotteriefonds		30'000.00
Donation Skat Consulting		8'000.00
Costs preparation Threads Workshop Networks		-37'469.40
<b>Balance at 31.12.05</b>	<b>54'674.25</b>	<b>54'674.25</b>
Donation Swisscontact	5'000.00	
Donation Swisscom IT Services AG	7'000.00	
Donation ABB Switzerland	3'000.00	
Donation SDC	30'000.00	
Donation Mercator Foundation	50'000.00	
Contributions participants	4'269.15	
Costs 2006 for Threads Workshop Networks	-139'250.40	
<b>Balance at 31.12.06</b>	<b>14'693.00</b>	



## Notes on the Balance Sheet

In 2006, the profit of the Skat Foundation was a bit lower than in 2005. Still, the Foundation's capital, which had diminished during the first three years owing to negative operating results, was raised by CHF 12'414.

The reason of the relatively high amount of the receivable accounts and work in progress is a number of projects that had not been settled by end of the year. The same holds for the payable accounts and the prepayments.

## Notes on the Profit and Loss Account

In 2006, the Skat Foundation received contributions tied to projects from the Swiss Agency for Development and Cooperation (SDC), UNICEF, DGIS (Netherlands Directorate General for International Cooperation), Swisscontact, the Mercator Foundation, Swisscom IT Services, ABB Switzerland.

A free contribution of CHF 10'000 was given by Skat, the parent organisation of the Skat Foundation.

The Research and Innovation Fund was dissolved by the end of 2005 according to the decision of the Board. The Fund's assets were transferred to those of the Foundation.

On the expenses side, it has to be noted that the staff costs amount to nil because the Skat Foundation does not have any salaried employees. The Foundation's Executive Secretary is seconded by the parent organisation Skat on a part-time basis. The costs of this, of the infrastructure and of all administrative efforts on the part of the Foundation as well as the costs of distributing publications are all borne by Skat.



## Report of the External Auditor

TREHAG

### Treuhand St. Gallen AG



STV/USF

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**Bericht der Revisionsstelle**  
an den Stiftungsrat der  
Stiftung skat foundation  
9000 St. Gallen

St. Gallen, 17.04.2007  
AR/km

Sehr geehrte Damen und Herren

Als Revisionsstelle haben wir die Buchführung und die Jahresrechnung (Bilanz, Erfolgsrechnung und Anhang) der Stiftung skat foundation für das am 31. Dezember 2006 abgeschlossene Geschäftsjahr geprüft.

Für die Jahresrechnung ist der Stiftungsrat verantwortlich, während unsere Aufgabe darin besteht, diese zu prüfen und zu beurteilen. Wir bestätigen, dass wir die gesetzlichen Anforderungen hinsichtlich Befähigung und Unabhängigkeit erfüllen.

Unsere Prüfung erfolgte nach den Schweizer Prüfungsstandards, wonach eine Prüfung so zu planen und durchzuführen ist, dass wesentliche Fehlaussagen in der Jahresrechnung mit angemessener Sicherheit erkannt werden. Wir prüften die Posten und Angaben der Jahresrechnung mittels Analysen und Erhebungen auf der Basis von Stichproben. Ferner beurteilten wir die Anwendung der massgebenden Rechnungslegungsgrundsätze, die wesentlichen Bewertungsentscheide sowie die Darstellung der Jahresrechnung als Ganzes. Wir sind der Auffassung, dass unsere Prüfung eine ausreichende Grundlage für unser Urteil bildet.

Gemäss unserer Beurteilung entsprechen die Buchführung und die Jahresrechnung dem schweizerischen Gesetz und den Stiftungsurkunde.

Wir empfehlen, die vorliegende Jahresrechnung zu genehmigen.

Mit freundlichen Grüssen  
**TREUHAND ST. GALLEN AG**

B. Brunschwiler  
(Leitender Revisor)

R. Allenspach



## Organisation

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### Board

Dr. Rolf Leutert, Neuhausen, President  
 Jürg Christen, Skat, St.Gallen  
 Dr. Xaver Edelmann, EMPA, St.Gallen  
 Dr. Urs Egger, Swisscontact, Zurich  
 Melchior Lengsfeld, Helvetas, Zurich  
 Prof. Dr. Georg von Krogh, ETH Zurich  
 Dr. Felix Walker, St.Gallen  
 Karl Wehrle, Skat, St.Gallen  
 Albert Wyss, Caritas Switzerland, Lucerne

### Committee of the Board

Dr. Rolf Leutert, Neuhausen, President  
 Melchior Lengsfeld, Helvetas, Zurich  
 Jürg Christen, Skat, St.Gallen  
 Karl Wehrle, Skat, St.Gallen

### Council of Patrons

Dr. Eugen David, Member of the Council of States, St.Gallen  
 Prof. Dr. Thomas Dyllick, IÖW, University of St.Gallen  
 Dr. Richard Gerster, Gerster Consulting, Richterswil  
 Dr. Gourisankar Ghosh, WSSCC, Geneva  
 Dr. Ashok Khosla, Development Alternatives, New Delhi  
 Dr. Rolf Wilhelm, former Deputy Director, SDC, Niederscherli

### External Auditor (Accounts)

Treuhand St.Gallen AG, St.Gallen

### Management

Dr. Urs Karl Egger, Executive Secretary



## Contact

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Euro IBAN: CH57 0025 4254 6599 7161 K

US-Dollar IBAN: CH03 0025 4254 6599 7160 P