



Annual Report 2007



Preface

In October 2002, Skat set up the „Skat Foundation“ with the conviction that promoting the exchange of knowledge and experience is crucial to efficient and effective development cooperation. Both good personal and professionally organised networks between organisations play an important role in this exchange.

The Skat Foundation has addressed this topic several times. First of all, the booklet „International Networks for Knowledge Sharing – Lessons Learnt“ was published, which contains three case studies. Subsequently, various further projects developed with the Swiss Agency for Development Cooperation (SDC) and the German Agency for Technical Cooperation (GTZ) via networks. One of the highlights in this context was the international Workshop on the “Management of International Networks for Knowledge Sharing”, held in St. Gallen in April 2006.

Finally, experience gathered with networks has also been included in a GTZ publication. The manual “Work the Net – A Management Guide for Formal Networks” provides a practical guide to managing and facilitating networks. The third English edition has already been printed, and a translation in French, Portuguese and Spanish is available as well. Setting out from this, Skat has been able to develop a network management course for GTZ. Skat is planning to offer this course also to other interested professionals and organisations.

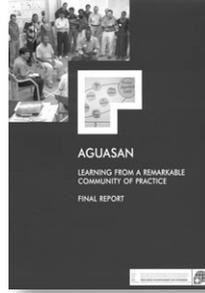
Thus, over the years, a simple Skat Foundation booklet has led to a number of successful projects. This is exactly what the Skat Foundation is aiming for: taking up innovative ideas contributing to effective development assistance.

Just how this works in practice is successfully demonstrated by the Rural Water Supply Network (RWSN), for which the Skat Foundation provides an umbrella. This network gives crucial impulses for better water supply in rural regions, over the last few years above all in Africa.

Helping innovative ideas make a breakthrough is a tedious but ultimately rewarding task that would not be possible without the active support of many actors from a content, financial and administrative angle. The Skat Foundation would like to thank all those involved for their effort. And special thanks goes to Skat Consulting. It was they who enabled the work of the Foundation with their staff and financial support in the first place.

Dr. Rolf Leutert
President, Foundation Council

Dr. Urs Karl Egger
Executive Secretary



Activities

The Skat Foundation is an endowment of Skat to promote the exchange of knowledge and experience in development cooperation. To this end, the Foundation pursues three strategies: ensuring access to Skat's wealth of knowledge and experience, supporting international networks and initiating innovative projects.

Information and Knowledge

The Skat Foundation creates access to years of experience gathered by Skat and makes this experience publicly accessible. This is achieved by distributing publications and via the website.

Publications

In Switzerland, the Skat Foundation distributes its own specialist publications as well as those of partners. Internationally, distribution is carried out in cooperation with Practical Action Publishing in England. While interest in various publications does continue to exist, distribution is on the decline. All Publications are available for download as PDF files from the Skat Website: <http://www.skat.ch/publications>

Website

Skat and the Skat Foundation are represented on a joint Website with the address <http://www.skat.ch>, which is based on the Open Source solutions Zope (application server) and Plone (content management system).

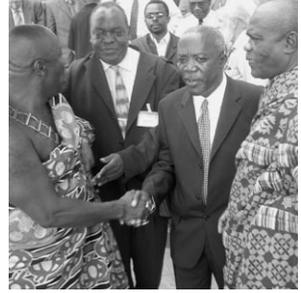
The Website presents a wide range of information on Skat and the Skat Foundation, such as the most important projects, links to interesting websites and a large number of publications that can be downloaded free of charge. According to the web statistics, around 3,000 visits a month to the Website have been recorded.

Networks

Networks are of considerable significance to the international exchange of knowledge and experience in development cooperation. 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 with the aim of improving the living conditions of the poor population in developing countries by improving access to drinking water. This network enables the exchange of knowledge and experience



concerning appropriate technology and tried-and-tested methods to improve rural water supply. The members of the network are representatives of various government bodies, multilateral organisations, bilateral donors, non-governmental organisations and private companies. The network currently focuses on four goals: cutting costs in well-drilling, promoting the self-initiative of individual households and improving one's own water supply, improving maintenance and local hand-pump production.

Since 1992, the Skat Foundation runs the Secretariat of the Rural Water Supply Network. Subsequent to the fifth RWSN Forum in Accra (Ghana) towards the end of 2006, the network developed plans for measures in order to achieve the four goals it had defined. The network will continue to focus on work in Africa, where there is the greatest need for action world-wide, so that the Millennium Development Goals for water can be achieved. RWSN is supported by the Swiss Agency for Development Cooperation (SDC) and various further donors.

Innovative Projects

The Skat Foundation acts as an initiator and executor of innovative projects on the exchange on knowledge and experience in development cooperation. The projects are run in partnership with other organisations and are to be financed by various contributors.

Although the Skat Foundation initiated no new projects in 2007, it is involved in the preparation of various project ideas.

Further Projects

VSBK – Environmentally Friendly Brick Manufacturing

In 2007, the Skat Foundation had itself registered as an NGO in Afghanistan in order to execute a project on environmentally friendly brick manufacturing which is being financed by the Swiss Agency for Development Cooperation (SDC). With a firing procedure in so-called "vertical shaft brick kilns" (VSBK), environmental pollution can be reduced by 90% in comparison to conventional brickyards. In addition, 50% less energy is required for the firing process.

In June 2007, local businesses in Afghanistan commenced the construction of the first three kilns, receiving specialist advice from Skat and partner organisations. In November, the first kiln was put into operation for trial runs in order to test the fuel used (local coal), train the necessary work routines and test the quality of the bricks. By the end of April 2008, two further kilns will be completed so that all three can commence production from May on. By the end of 2008, seven further kilns are to have been put into operation for brick manufacturing.



Skat can boast years of experience with the VSBK technology, which has also been successfully introduced in India and Nepal. Thanks to the intensive exchange of experience and support from Nepal, the necessary empirically established know-how can now be handed on to Afghanistan.

Fauno – Making Markets Work for the Poor

In 2007, the Skat Foundation continued to coordinate the “Fauno” mandate of the Division of Employment and Income (E+I) in the Swiss Agency for Development Cooperation (SDC). The Foundation works for this mandate in a consortium with the organisations Springfield Centre (United Kingdom), Swisscontact (Switzerland), INBAS (Germany) and FACET (The Netherlands). The aims of this mandate are to identify new trends to promote employment and income creation in developing countries, strengthen conceptual and methodological coherence in funding approaches, critically support the activities of E+I and gather information by participating in networks. The first phase of the mandate is to be concluded by mid-2008.

One of the activities in 2007 was supporting the Employment and Income Division in working out a new medium-term strategy for 2008-2011. Furthermore, a survey was conducted in Uganda in order to examine the significance of radio broadcasts in rural regions in improving local economic conditions. Finally, in May 2007, a successful public event was organised for the Employment and Income Division – this time on the topic of “Making Markets Work for the Poor - Private Sector Delivery of ‘Public Benefit’ Goods and Services”.



Organisation

The Skat Foundation is a legally independent, charitable foundation of Skat that is seated in St.Gallen and is under the supervision of the Swiss Federal Supervisory Board for Foundations.

With the Foundation, Skat seeks to make knowledge and experience that it has gathered over several years available to all and promote the international exchange of knowledge and experience. As a socially responsible organisation, 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 personalities from organisations in international development cooperation, industry, politics, science and education. The Board is in charge of supervising the Foundation.

Committee of the Board

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

Council of Patrons

The Skat Foundation is supported by a Council of Patrons that provides moral support for the Foundation's goals and activities. The Council of Patrons comprises leading personalities from national and international organisations of development cooperation, public bodies, industry, education and politics.

Head Offices

The Foundation maintains Head Offices which also comprise its Secretariat as well as the Foundation bodies.

Partners

The Skat Foundation cooperates with various experienced partner organisations, especially with its parent institution Skat and the development organisations Caritas, Helvetas and Swisscontact. In addition, the Foundation maintains close working relations with various partners and competency centres in developing countries and countries in transition.

Staff

Urs Karl Egger, Senior Knowledge Management Specialist with Skat, is the Foundation's Executive Secretary. He will be leaving Skat at the end of May 2008 and stepping down from his post as Managing Director of the Skat Foundation once a successor has been elected.



Balance Sheet as of 31.12.2007

| Description | 2007 (in CHF) | 2006 (in CHF) |
|--|----------------|------------------|
| Assets | | |
| Cash and bank accounts | 242'005 | 327'791 |
| Accounts receivable | 52'282 | 489'241 |
| Accrued income | 4'770 | - |
| Work in progress | 215'019 | 368'158 |
| Total current assets | 514'075 | 1'185'190 |
| Total assets | 514'075 | 1'185'190 |
| Liabilities | | |
| Accounts payable | 26'400 | 245'855 |
| Prepayments | 229'412 | 590'387 |
| Deferred income/accrued charges | 154'520 | 260'940 |
| Total liabilities | 410'331 | 1'097'182 |
| Paid-in capital | 215'000 | 215'000 |
| Deficit brought forward | -126'992 | -139'406 |
| Year's profit | 15'736 | 12'414 |
| Total capital of the organisation | 103'744 | 88'008 |
| Total liabilities | 514'075 | 1'185'190 |



Profit & Loss Account from 1.1. – 31.12.2007

| Description | 2007 (in CHF) | 2006 (in CHF) |
|---|-----------------|-----------------|
| - Contributions Swiss authorities | 225'675 | 210'302 |
| - Contributions local authorities | - | - |
| - Contributions international organisations | 4'467 | 365'207 |
| - Contributions others | 8'155 | 108'824 |
| Total restricted contribution | 238'297 | 684'334 |
| - Various order projects SDC | - | - |
| - Various order projects GTZ | 478'512 | 248'932 |
| - SDC, Fauno | - | - |
| - Various other order projects | - | - |
| Total project income | 478'512 | 248'932 |
| Fund raising | 15'000 | 10'470 |
| Bookshop | 2'313 | 5'281 |
| Research- and Innovationsfonds | - | - |
| Operating revenue | 734'112 | 949'017 |
| Consultancies Skat Consulting | -289'801 | -682'416 |
| Other Consultants | -424'335 | -207'731 |
| Direct project costs | -1'618 | -42'912 |
| Personnel costs | - | - |
| Total direct project expenditures | -715'754 | -933'059 |
| Personnel costs | - | - |
| Office and administration costs | -1'927 | -3'697 |
| Advertising and PR | -628 | -106 |
| Total administration expenses | -2'555 | -3'803 |
| Interest income | 440 | 471 |
| Interest expenses and bank charges | -1'171 | -768 |
| Exchange gain/loss | 653 | 556 |
| Financial income/expenses | -77 | 259 |
| Release research and innovation fund | - | - |
| Total extraordinary profit | - | - |
| Net surplus for the year | 15'736 | 12'414 |



Annex to the Annual Account as of 31.12.2007

| | 2007 (in CHF) | 2006 (in CHF) |
|---|---------------|---------------|
| In 2006 and 2007 the administration costs were covered by Skat Consulting | | |
| Total amount of net dissolved quiet reserves | - | - |
| Provisions for Workshop on Networks | | |
| Balance at 31.12.2005 | | 54'674 |
| Donation Swisscontact | | 5'000 |
| Donation Swisscom IT Services AG | | 7'000 |
| Donation ABB Switzerland | | 3'000 |
| Donation SDC | | 30'000 |
| Donation Mercator Foundation | | 50'000 |
| Contributions participants | | 4'269 |
| Costs 2006 for conducting workshop | | -139'250 |
| Balance at 31.12.2006 | 14'693 | 14'693 |
| Costs 2007 for workshop follow-up | -8'155 | |
| Balance at 31.12.2007 | 6'538 | |

Notes to the Balance Sheet

in 2006, the profit of the Skat Foundation was a bit higher than in 2006. The Foundation's capital, which had diminished during the first years owing to negative operating results, was raised by CHF 15'736.

The reason for the amount of 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 2007, the Skat Foundation received contributions tied to projects from the Swiss Agency for Development and Cooperation (SDC), UNDP and the Dutch Organisation Aqua for All (A4A).

A free contribution of CHF 15'000 was given by Skat, the parent organisation of the Skat 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 borne by Skat.



Report of the External Auditor

TREHAG

Treuhand St. Gallen AG

 MITGLIED DER TREUHANDKAMMER
MITGLIED SCHWEIZERISCHER
TREUHÄNDER-VERBAND

Telefon 071 / 243 18 18
Telefax 071 / 243 18 81

Homepage: www.trehag.ch
E-Mail: info@trehag.ch

Notkerstrasse 10, CH-9000 St. Gallen

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

St. Gallen, 28.03.2008
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 2007 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. Brunswiler
(Leitender Revisor)



R. Allenépach



Organisation

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External Auditor (Accounts)

Treuhand St.Gallen AG, St.Gallen

Management

Dr. Urs Karl Egger, Executive Secretary

Contact

Skat Foundation

Dr. Urs Karl Egger
Executive Secretary
Vadianstrasse 42
CH-9000 St.Gallen
Switzerland

Tel: +41 71 228 54 54

Fax: +41 71 228 54 55

E-Mail: foundation@skat.ch

Web: www.skat-foundation.org

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