



Annual Report 2010



2010 has been an important year as it marked the end of the second five-year period in the delivery of the Millennium Development Goals (MDG). However, the story does not end in 2015 and, as a sector, we need to start thinking and planning now about the programme that will follow on. For water and sanitation, in particular, the challenges are still immense, but there has been encouraging progress: since 1990 the number of people without access to an improved water supply has fallen below 1 billion and continues to decline; access to improved sanitation has increased steadily in many countries; and there has been a growing recognition about how critical water, sanitation and hygiene are to reducing disease, improving quality of life, protecting the environment and stimulating social and economic development.

However, sanitation provision remains woefully inadequate in many regions of the world - 2.6 billion people do not have access to improved sanitation and many countries are not on track to meet the MDG target of halving the number without regular access by 2015.

While access to improved and piped water supplies is improving globally, many statistics are heavily influenced by the dramatic progress of some emerging economies; China and India accounted for nearly half of the progress between 1990 and 2008. However, not all countries are on track, and while attention is often focused, rightly, on sub-Saharan African, it also needs to be recognised that states such as Moldova, Haiti and Laos are also struggling.

Within countries there is often a clear urban-rural discrepancy; too many rural areas are being left behind in the race to provide access to sanitation, hygiene education and clean, reliable water supplies. Gender, water governance, financing, regulatory frameworks, and targeting external aid also remain key issues, but there are an increasing number of examples where these challenges are being tackled successfully and the task now is to scale up those 'Islands of Success' to become, perhaps, 'Continents of Achievement'.

Looking further ahead, it is clear that multiple pressures for water and natural resources are increasing and so too is the risk of conflict between water users, and between communities that share common river basins or aquifers. There is a clear need to develop more integrated approaches to river basin management, at technical, political and economic levels. Water has the potential to trigger conflict but it can also be a catalyst for co-operation between settlements, districts and even nation states. There is an important role to be played by Skat and our partners in influencing policy in this area and providing tools to enable more integrated approaches to water management.

This Annual Report gives a snapshot of just some of the vital work that Skat has been doing to support clients and partners around the world in tackling these challenges. Since 1978, Skat has provided an invaluable resource of expertise and influence that has enabled professionals from policy makers to field practitioners to be more effective at tackling poverty in those regions and localities of the world where assistance is needed most. Since 2005, the Skat Foundation, our non-profit arm, has provided a unique resource for sharing and disseminating knowledge. Water and sanitation has been a central theme throughout the period that has enabled Skat to be well placed to meet the challenges of the coming years.

I would like to thank all our partners and clients for their support during 2010 and I am looking forward to continuing these productive relationships in 2011 and beyond. I would especially like to thank the Skat board members, shareholders and collaborators for their fantastic support, hard work and professionalism that are enabling us to fulfil our mission.

A handwritten signature in black ink, appearing to read 'Juerg Christen', written in a cursive style.

Juerg Christen
Managing Director, Skat

Skat's Mission and Areas of Expertise

Skat is an independent Swiss resource centre and consultancy company working in the fields of development and humanitarian aid. Skat has provided technical expertise and management support as well as training and research facilities since 1978.

Skat is committed to reducing the gap between rich and poor through the promotion of sustainable livelihoods and the improvement of the living conditions of disadvantaged and marginalised people.

Skat applies its expertise in an integrated way, taking technical, social and economic issues into account. Planning, design and implementation of projects are carried out applying a participatory approach that considers the perceptions of all stakeholders.

During 2010, Skat was working in rural and urban areas, and in **development** and **emergency contexts**.

With its current staff, Skat professionally covers the following areas of expertise:

- water supply and environmental sanitation, including solid waste management
- building and settlement
- mobility and transport
- governance
- economic development
- environmental management
- knowledge management

Services and Functions

Within the areas of expertise mentioned, Skat provided the following services throughout 2010, thus contributing to balanced and sustainable solutions:

- Policy and strategy development
- Assessment, monitoring and evaluation
- Knowledge sharing, capacity building and training
- Backstopping and technical advice
- Project planning, management and implementation
- Transfer of technologies and approaches



Decentralised water and sanitation services for rural Moldova

One of the greatest challenges Moldova faces in poverty reduction and reaching the Millennium Development Goals is the lack of adequate water and environmental sanitation services. Over the past 15 years, Moldova's citizens have suffered from significant deterioration of their water supply services and a virtual cessation of wastewater treatment. Poor condition of the facilities, underfinanced operation and maintenance systems, low implementation and management capacities, and inadequate regulation are some of the problems that must be addressed to improve the living conditions of the rural population in the country. Besides these problems, as a legacy from Soviet times, the Government of Moldova has been favouring centrally managed and often economically unviable water and sanitation infrastructure investments. Against this backdrop, the need for decentralised service delivery models has become evident, especially in the central part of Moldova, where small scale water supply systems can cover the needs of the rural citizens.

Water supply and sanitation infrastructure in Moldova, built in the 1970s, is crumbling. The National Water Supply and Sanitation Strategy estimates costs of CHF 2.3 billion to rehabilitate nationally centralised water and sanitation systems. The government, however, neither has the budget nor the human capacity to engage in such an endeavour.

Since 2000, Switzerland has been providing humanitarian support to Moldova following an international appeal by Moldova as it faced a severe drought. At that time, 72% of the popu-

lation had no piped water to their households. Shallow wells were the only source of drinking water and they did not meet the standards to ensure good health. Under these conditions, the strategy defined by the Swiss Agency for Development and Cooperation - SDC to improve the water supply situation in rural areas was to build decentralised water supply systems using springs near the villages. This solution worked and was well received by rural citizens. After such successful humanitarian intervention, SDC decided to adopt a longer-term development approach and it established

the Swiss Water and Sanitation Project in the Republic of Moldova (ApaSan), which has been implemented by Skat since 2008.

“We had to wait six hundred years for the Swiss to come and finally supply us with water” expressed one member of the Water Consumers Association of Cioresti, a commune of the Nisporeni District, when talking about how ApaSan has supported his community with the provision of drinking water.

The multi-level approach used by ApaSan empowers individuals and their communities and so far, the project has benefited: 24 villages (34,100 inhabitants) with improved water supply systems; 12 schools (4,500 pupils) with Ecosan toilet block; and seven constructed wetlands that treat the wastewater from about 1,600 people. This intervention has reached a critical mass of the population in the pilot areas and the project is now ready to begin a nation-wide scaling-up strategy.

“Since we have the new water supply system in the village, we did not have to close the kindergarten. Children don’t get sick with hepatitis anymore” said the mayor of Pascani, a settlement in Hincesti County supported by ApaSan.

Respecting the principle of social equity, ApaSan’s approach makes sure that the wider community is actively involved in making decisions. It provides equal conditions for all community members wishing to benefit from the water supply system. The villagers create a Water Consumers Association (WCA) that organises and manages the works. The WCAs are charged with ensuring the sustainability of the system through proper management of the operation and maintenance of the systems including the water fees collected.

“When you work with your sweat on the construction of a water supply system, then you know the price of your work – and if you see someone damaging it, you stop him” said a water user from the Lurceni village, when telling the story of WCA’s work in his village.

Because ApaSan has built working water and sanitation systems and the community organisations to maintain them, there is now a high demand for similar systems in other parts of the country. It has shown both residents and government officials that decentralised water supply and sanitation systems are a viable option for the rural Moldova. The success of the project is not only that, for example, piped water is supplied into the households of villages where such services never existed before; it

also provides a new way of water supply delivery, which can be implemented and afterwards successfully operated locally. And above all, it gathers people around an idea and demonstrates that it is possible to have and sustain their own water supply system.

On this basis, the decentralised water supply service delivery and management model based on local water sources is currently becoming embedded in the Moldovan institutions. The challenge now is for the relevant local institutions, under the drive of the government, to begin effective, efficient and sustainable scaling-up of decentralised water services. ApaSan has a vital part to play in this process, so that before too long, the rural residents of Moldova will enjoy the same level of water and environmental sanitation services as the rest of Europe.

As the Minister of Environment, Georghe Salaru said at the initiation of the new project phase: “the first stage of cooperation has already brought concrete results in villages. We gladly join the project’s noble goals to secure access to drinking water in a sustainable way and to create environmental sanitation facilities with European Standards for rural residents”.

For more information contact Roger Schmid at roger.schmid@skat.ch and Jonathan Hecke at jonathan.hecke@apasan.md or visit the website of ApaSan at <http://www.apasan.md>

Skat has been implementing the SDC financed and ADA co-financed ApaSan Project in Moldova since late 2008. The Project Facilitation Unit established in Chisinau (with a sub-office in Nisporeni) consists of an expatriate Project Coordinator with 9 technical and administrative staff and is supported by a Swiss management team from Skat headquarters.





Social Mobilisation in rural communities: Ensuring the provision of water supply services in a decentralised manner

In Ukraine, different factors hinder the implementation of a comprehensive decentralisation strategy; these include: a lack of a clear separation between central and local government functions; the inability of local government systems to ensure basic services to the community; a low level of service provision, and no clear way to engage the public in policy implementation. Also, communities and citizens do not yet have the capacities and skills to influence policy making in their communities and do not know the benefits of working together and mobilising themselves. The combination of these factors results in poor accessibility and quality of basic services offered to the population, particularly in rural villages.

In the Crimea, the village of Berehove lies in the south-western part of Bakhchysaray rayon, about 40 km from Simferopol and Sevastopol. The village was established by Estonian settlers in 1861, and many of their descendents still live in the area. Today, it is a popular holiday destination thanks to its fine beaches on the shores of the Black Sea's Carcinite bay. However, this community is struggling: a pipeline layed in the 1960s is the main water source in this village and regular ruptures of the worn-out pipes, together with the infiltration of groundwater and asbestos are the day-to-day worries of the Berehove families. Further, there

is no control of the water use; new residents are often connected to street water conduits without permission, leaving other users with no water and with expensive water bills. Facing these challenges, active citizens of Berehove decided to find new ways to improve their water situation and created the NGO "Novy Bereh" (New Shore) with the aim of improving social and environmental conditions of the village. With the support of the Swiss – Ukrainian Decentralisation Support Project in Ukraine – DESPRO and taking into account everyone's capabilities and needs, Novy Bereh mobilised the community, involving as many residents

"The effective work of the NGO activists, their commitment, ability to work as a team and belief in the final result are pre-requisites for the project's success."

Project participant, 2010

as possible in the renovation of the old water supply system.

DESPRO was set up in response to a request for support from the President of Ukraine in 2005. As a response, the Swiss Agency for Development and Cooperation - SDC made decentralisation and local self-government reform process in Ukraine one of the key priorities. In 2007, Skat was granted the opportunity to implement the Project DESPRO, which was launched in partnership with the Ministry of Regional Development and Construction of Ukraine. Social and economic support is provided by DESPRO, where around 15,000 residents of rural areas in the Oblasts of the Crimea, Vinnytsya and Sumy are being provided with access to improved water quality and services.

In another DESPRO project area, in Rayon Illintsi, Slobodyshe village has about 1,000 residents. The name of this village comes from the Slavic word *sloboda*, which means a "settlement of free people". The water supply system in this village provides water to almost all residents, but not for 100 families who live in the central part of town. Furthermore, water tariffs were never officially established and this created unfairness in the payment of water services. This situation prompted a group of motivated residents to set up a local organisation called "Chyste Dzherelo" (Clean Source), who under the principle of "all stakeholders should be involved in the project" constructed a water pipeline to provide water to those 100 families lacking a connection. They also mobilised all residents to agree upon the water tariffs. DESPRO provided support to Chyste Dzherelo in the organisation and mobilisation of the citizens using the Social Mobilisation approach.

Social Mobilisation is an approach used by DESPRO to stimulate democratisation and decentralisation so that solid foundation is laid for improving water and environmental sanitation services. As the examples of Berehove and Slobodyshe demonstrate, Social Mobilisation is a dynamic process, which involves organising people living in the same community with a specific purpose. DESPRO works together with different community organisations like "Novy Bereh" and "Chyste Dzherelo" by supporting and encouraging citizens to mobilise themselves to improve their access to water and sanitation. Since the beginning, the experience of DESPRO shows that Social Mobilisation is the key to fostering a belief and an understanding of how democracy and decentralisation can be powerful tools for solving problems, like water supply.



Strengthening the capacity of local communities and organisations is one of the priorities of DESPRO. This is a challenge in an area that historically has been told to rely on the largesse of a highly centralised state. DESPRO's Social Mobilisation approach has been applied and demonstrated in more than 43 community water supply projects and has achieved its goals by:

- Supporting the formation of self-governing Community Organisations (CO) at community level in the pilot villages
- Assisting COs to be officially registered, and thus legally approved
- Encouraging COs to follow the principles of transparency and participatory decision making.

"At the beginning, people did not believe that this project would work. Now everything is different, we got the money to construct our water system and the first part is already in operation. It has been more than a week that water is running in the homes of our families. People are so happy and they already believe in success" said Yuri Nikitin, from the town of Viline in the Crimea, when talking about the results achieved by DESPRO in his village.

For more information contact Jürg Christen at juerg.christen@skat.ch, Claudia Schneider at claudia.schneider@skat.ch and Oksana Garnets at o.garnets@despro.org.ua or visit the website of DESPRO at <http://despro.org.ua/en>

Skat has been implementing the DESPRO project since 2007. A Project Implementation Unit established in Kiev consists of professional, technical and administrative staff.



Switzerland leads response to global water crisis

Population growth, uncontrolled urbanisation, migration, and climate change: throughout the world, the water sector has to face new challenges that are taking place at a faster pace than ever before. Increased demands on the planet's water resources have made water security one of the most pressing challenges of the 21st century. As water scarcity intensifies, competing uses and conflicts over access will become more frequent. The challenge is to balance the supply of water for people, food, nature and industrial uses, whilst securing social equity, economic efficiency and environmental sustainability. Switzerland, whose stewardship of its own water resources has been exemplary, continues to reinforce its decades-long international commitment to the water sector. In 2010, supported by Skat, the Swiss Agency for Development and Cooperation (SDC) jointly with the State Secretariat for Economic Affairs (SECO) presented its achievements and plans for tackling the global water crisis. This was instrumental in triggering the decision of Swiss Parliament to increase Overseas Development Assistance (ODA) to 0.5% of gross national income.

"There exists an obvious relationship between poverty and access to water. According to estimates, half of the world's population will suffer from water shortage in 2030. Given the unceasingly increasing demand for water, it is urgent to intervene at a global level!"

M. Dahinden, SDC Director-General, 2010

Today 2 billion people live in water-stressed areas of the world and 3 billion have no running water within a kilometre of their homes. Over 2.6 billion people lack access to adequate sanitation. Nearly 1.2 billion face the indignity of open defecation every day. Drinking water shortages and the lack of sanitation alone are responsible for about 80% of the diseases prevalent in developing countries. Over half of the world's hospital beds are occupied with people suffering from illnesses

linked with contaminated water. More people die as a result of polluted water than are killed by all forms of violence including wars.

Water has therefore to be seen as an increasingly global issue that could undermine all the positive trends of the development in other areas if not adequately addressed. The poor are in the frontline of the most affected by a water crisis. However nobody is immune as it is an issue that will affect everyone and all levels of society.



Drilling to Success

Expertise on Cost Effective Boreholes is giving project managers, contractors, funders and governments the tools to deliver high quality, low cost water supplies in the ongoing push to achieve the Millennium Development Goals.

Improved groundwater supplies (particularly drilled and hand-dug water wells) provide a major proportion of rural dwellers with access to safe water within a reasonable distance of their home. Groundwater is almost ubiquitous in nature and can be developed relatively cheaply and progressively to meet demand.

Boreholes and wells often have a lower capital cost than surface water and generally have excellent natural quality that requires little or no treatment. A good aquifer also provides protection from the vagaries of the erratic rainfall. As long as it is built and managed properly, a borehole or well can provide water through long dry seasons when surface ponds and reservoirs have long since dried up or become unusable.

However, exploiting groundwater is not without its risks and challenges. Over-abstraction and pollution can drastically reduce the quality and quantity of water available. Protection from pollution is particularly key because once contaminated an aquifer can be rendered unusable. Another area of concern is the construction and maintenance of wells and boreholes and there are far too many examples of communities being left out of pocket and stranded with badly drilled boreholes and poorly installed handpumps.

Given the massive need for improved water supplies coupled with limited investment, the extent of these concerns has to be fully understood, and addressed.

About RWSN

The Rural Water Supply Network (RWSN) is a highly respected global network that believes that access to basic water and sanitation services is a fundamental right and essential for human development and poverty reduction.

RWSN aims to facilitate the provision of safe water and sanitation to the poor and deprived through the promotion of sustainable technologies and approaches that are affordable and responsive to the needs of the users.

Skat Foundation provides the secretariat for the RWSN and organises the International RWSN Forum.

The RWSN partners are currently:

- African Development Bank
- IRC
- Skat Foundation
- SDC
- WaterAid
- WSP
- UNICEF

Is your organisation interested in becoming an RWSN partner?

Contact Dr Kerstin Danert at the RWSN Secretariat (kerstin.danert@skat.ch)

In Ethiopia, for example, great distances, poor infrastructure, a rudimentary manufacturing sector, challenging drilling conditions, and difficulties of 'doing business' contribute to the high costs of groundwater drilling. Nevertheless, the private sector is expanding as a result of demand and increasing investment.

The Cost-Effective Boreholes Theme of the Rural Water Supply Network (RWSN) was set up in 2004 to focus on reducing the cost of conventional drilling, while improving quality and increasing the reach of very low cost manual drilling. The work has progress in several phases so far:

New RWSN publications in 2010

- Code of Practice for Cost Effective Boreholes
- Costing and Pricing
- Siting of Drilled Water Wells
- Myths of the Rural Water Supply Sector (English, Portuguese)
- Accelerating Self Supply (A Case Study from Ethiopia 2010)

- In the Foundation Phase (2004-06) an in depth study of the water well drilling sector was done in Ethiopia and a framework for evaluating cost-effective boreholes in other sub-Saharan African countries was developed. There was also promotion of manual drilling including the establishment of a hand drilling cluster group. This led to the publication of four Field Notes on these topics.
- The next two phases (2007-08 and 2008-10) focused on developing a code of practice for borehole drilling. This involved a study of the water well drilling sector in Nigeria and Mozambique; analysis of UNICEF History of Water Well Drilling; further promotion of manual drilling; and establishment of drillers' associations in Nigeria and Mozambique.

The final '*Code of Practice for Cost Effective Boreholes*' was published in June 2010 and is supported by a suite of Field Notes and Perspective reports.

Each of these invaluable documents share the characteristics of being concise, direct, practical and focused on providing practitioners the processes to follow, experiences to learn from and pointers towards the data they will need.

Dr Kerstin Danert, RWSN Co-ordinator for this theme said: "2010 has been a landmark year because the combined work and experience of dozens of experts and organisations is now freely available. The challenge now is to get these tools to those on the ground who can use them to deliver better groundwater projects."

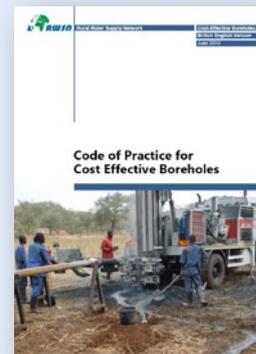
Looking to 2011 and beyond, more supporting Field Notes are in the pipeline and the topic will be central to the discussions at the 6th International Rural Water Supply Forum (29th November to 2nd December 2011, Kampala, Uganda). This will provide a fantastic opportunity to get feedback from around the world, as well as new case studies and experience.

- Accelerating Self Supply (A Case Study from Mali 2010)
- Accelerating Self Supply (A Case Study from Zambia 2010)

These, and many others, are available for download at www.rwsn.ch and hard copies can be ordered through Skat.

Skat Foundation hosts the Secretariat of the Rural Water Supply Network (RWSN). Dr Kerstin Danert has coordinated the Cost-Effective Boreholes theme of RWSN since 2005.

Skat Foundation was established by Skat Consulting Ltd in order to specifically support research, documentation, training and knowledge sharing on a not for profit basis. Skat Consulting Ltd covers the administration costs of Skat Foundation and invests a proportion of its profits every year into Skat Foundation for relevant projects. It should be noted that Skat Consulting Ltd is one of several service providers that support Skat Foundation in project implementation.





From Haute Cuisine to Good Fast Food – taking advantage of the momentum for Scaling Up in the Water Supply and Sanitation Sector

With some countries not being on course to reach the Millennium Development Goals in Water and Sanitation by 2015, the 26th AGUASAN workshop addressed the topic of Scaling Up, as a potential strategy to respond to the current challenges observed in the Water and Sanitation Sector. Scaling Up is about finding ways to accelerate coverage from “Islands of Success” to entire populations and to ensure that adequate institutional arrangements are in place to support management of the systems. Forty seven participants gathered together in June 2010 for five days to share experiences on Scaling Up with the aims of broadening the existing evidence on successful and failing Scaling Up processes, as well as learning from current efforts and developing practical strategies and tools for fostering Scaling Up initiatives.

“When you sit together with people that you trust, you know that the new knowledge that you receive is of high quality and is validated. You can find in the internet everything, however, in AGUASAN meetings and workshops you can be sure that the information you have has the empirical evidence”

Participant, 2010

Since 1983, AGUASAN workshops have brought together a wide range of specialists to promote wider and deeper understanding of key issues in water supply and sanitation in developing and transition countries. Being one of the oldest existing Community of Practice on the Swiss Water Sector, it nurtures the concept of integrated water resource management. The core activities of AGUASAN

are the quarterly face-to-face meetings held at the premises of SDC and annual five-day international workshops organised by Skat. The international workshops are held to provide a forum for in-depth reflection and learning, bringing together staff, desk officers, researchers, experts and consultants from all over the world, who are working together in the water sector.

AGUASAN workshops foster mutual learning and aim at applying the broad knowledge and experience gathered by participants in strategies and conceptual tools of practical use in development work. Important contributions of AGUASAN to the Water and Sanitation Sector have been the introduction and assessment of approaches such as: "Cross Sector Approach" (CSA), "Household Centred Approach" (HCA) and more recently the "Scaling Up Approach" (SUP). The CSA links water and sanitation with health, education and income generation interventions in order to have greater impact on the people's livelihoods and on poverty alleviation at the level of households. The concept evolved from the lessons learned and gathered by water and sanitation professionals, where quality WASH services are considered important not only for health reasons, but also for improving household economy. Similarly, based on the insights gained from a series of topic cases presented in plenary sessions and on the exchanges among participants in working groups, the AGUASAN learning community worked on the HCA model presented by the Environmental Sanitation Working Group (EAWAG/SANDEC) of the Water Supply and Sanitation Collaborative Council (WSSCC). This approach represents a radical departure from the centralised planning approaches of the past and puts the household and the neighbourhood at the core of the planning and decision-making process in WASH related projects and programmes (EAWAG/SANDEC and WSSCC, 1999)

In 2010, the workshop was dedicated to the topic of Scaling Up in the Water Supply and Sanitation Sector with a view to discussing the key elements that define an enabling environment needed for sustainable Scaling Up approaches. The workshop addressed the fact that successful experiences need to be synthesised, so that service delivery models can be easily replicated by others. This would require a thorough understanding of the processes, products and costs, as well as of streamlining mechanisms that ensure good governance. Additionally, examples of successful implementation of the service delivery models would have to be demonstrated.

It would also be essential to have a clear understanding of the potentials and limitations of the proposed models and adapting them to the existing structural challenges faced at national levels, ensuring nevertheless quality and sustainability. For development organisations this means generally to pass from isolated "Haute Cuisine" to wide-spread "Good Fast Food".

Based on this principle, Scaling Up takes root on an effective interrelation of the public sector, external financing agencies and influential development organisations. It also requires a coherent, holistic and functional national sector strategy integrating good practices. Enhancing Scaling Up may require changes in institutions, in financial policies and in legislation. Translating policies into action and implementing Scaling Up processes also require activities at intermediate and local levels.

AGUASAN participants discussed the preconditions required for a successful Scaling Up process and the ways it is currently being done in different countries. Four topic cases were presented on experiences from India, Uzbekistan, Nicaragua and Mozambique.

"We have learned a lot from each other during these five days at the AGUASAN workshop" said one participant from Burkina Faso, who was asked to share his story about Scaling Up processes in his country. "I was also able to reflect about the work we have been doing so far, and what I take with me is the lesson of involving the government actively in the process. The government has to be in the driving seat from the beginning, if you are up to following a comprehensive approach". In other words, the participation of the government at different levels and the existence of a supportive political and legal environment are a couple of important lessons learnt from the workshop. Another participant said that for successful Scaling Up, sufficient inception time is necessary for preparing and building the capacities of the different actors at different levels: "If you want to provoke behavioural change, you need to start building the capacities at local levels, but then engage national leaders on the process".

The main conclusions and lessons drawn from AGUASAN workshop for initiating and fostering successful Scaling Up between governments, development agencies and financing institutions are:

- coordination and partnership,
- long term sector strategy,
- good governance and an enabling environment,
- sustainable service delivery models,
- implementation capacity; and
- sound marketing and communication strategies.

For more information contact Roger Schmid at roger.schmid@skat.ch

Skat is one of the four funding members of AGUASAN and has organised all international workshops on behalf of SDC.



In 2010 the staff of Skat has also been engaged in short term consultancies. In this section selected ones are presented.

Water Supply and Environmental Sanitation

Project Name		
Mid-Term Review of SDC's Aguasan programmes in Central America		
Project summary		
<p>The Swiss Agency for Development and Cooperation (SDC) is involved since more than 30 years in supporting the water and sanitation sector in Central America. In recent years efforts have been placed on national "Aguasan" programmes in Nicaragua and Honduras and on a regional "Aguasan" programme aimed at strengthening institutions, knowledge management and policy dialogue on sector issues of regional interest. Skat was selected to conduct a mid-term review of the current phase 2008-2011 of all three Aguasan Programmes. Using an innovative methodology of "facilitated self-assessment", Skat supported the project team in thoroughly analysing key issues and formulating a set of recommendations that will guide the further development of the Programmes.</p>		
Location	Period	For more information contact
Nicaragua, Honduras and El Salvador	October to December 2010	jonathan.hecke@skat.ch



Community members in Panila, Honduras, lay the foundation of a new water tank

Project Name		
Sector Performance Report Uganda		
Project summary		
<p>Skat provided support to the Ministry of Water and Environment (MWE) to compile the 2010 Water and Sanitation Sector Performance Report (SPR). The report provides a succinct and transparent overview of investments, targets, achievements and outputs for water and sanitation, as well as the environment and natural resources in Uganda. It includes data and analysis with respect to the access, functionality and equity of improved water supplies and sanitation, hygiene, per capita investment cost, water quality, water storage, gender and community management as well as forest cover and land use.</p>		
Location	Period	For more information contact
Uganda	June 2010	kertin.danert@skat.ch

Emergency Response

Project Name		
Support to Helvetas Haiti		
Project summary		
<p>Helvetas, one of the leading Swiss NGOs, has been active in Haiti for 30 years, predominantly in the areas of rural water supply and sustainable use of natural resources and agro forestry. After the devastating earthquake, Skat was requested to support Helvetas Haiti in assessing the implications of the earthquake on ongoing programmes in the water sector, developing projects for immediate relief actions and preparing the involvement of Helvetas in the upcoming, large scale reconstruction efforts. During a 3-week mission in Haiti, Skat prepared a project for rainwater harvesting benefiting 600 families in the carstic Forêt des Pins area, for immediate implementation through SDC funding. Further, water supply projects linked to upcoming housing reconstruction projects were identified and recommendations to the ongoing Helvetas water programme were made. The Skat service package includes the option for further planning and backstopping support.</p>		
Location	Period	For more information contact
Haiti	February 2010	jonathan.hecke@skat.ch



Project Name		
Haiti post-earthquake rehabilitation and reconstruction project proposals for HEKS		
Project summary		
<p>In the late afternoon of 12th January 2010, the region near Port-au-Prince in Haiti was hit by a strong earthquake. Over 220'000 people were killed, many injured and infrastructure and ten thousands of houses have been heavily damaged or destroyed. Skat was appointed by HEKS to assess possible reconstruction projects in the strongly affected town of Petit Goave situated around 60 Km. west of Port-au-Prince. One month after the earthquake, two Skat experts visited the region for 14 days and analysed the pattern of destruction in several neighbourhoods of the town, evaluated possible areas and solutions for reconstruction projects. The proposals were discussed with local authorities and decision makers of international organisations that are leading the reconstruction process of Petit Goave. The three project proposals include technical measures for rehabilitation and new construction of houses with livelihood, environmental, water and sanitation components. Skat also provided a concept for the elaboration of a regional master plan proposing further negotiation between local authorities, international agencies and the civil society organisations on how to define the process of beneficiary selection.</p>		
Location	Period	For more information contact
Haiti	February 2010	andre.olschewski@skat.ch daniel.wyss@skat.ch



Building and Settlement

Project Name		
Ketsana-affected housing reconstruction in Cambodia		
Project summary		
<p>Typhoon Ketsana, one of the most destructive typhoons in recent years struck Cambodia on September 2009, leaving behind a path of devastation across Southeast Asia. The Swiss Red Cross and Swiss Solidarity assist the Cambodian Red Cross to install and improve the living conditions and reduce vulnerability of the Ketsana-affected families. Skat is mandated to provide support in the reconstruction of the destroyed houses. The foremost result is the construction of 111 multi-hazard resistant homes including Water and Sanitation facilities.</p>		
Location	Period	For more information contact
Cambodia	2010 - 2011	daniel.schwitter@skat.ch



Project Name
Support to the Reform of the Northern Agriculture and Forestry College in Laos

Project summary
 The Support to the Reform of the Northern Agriculture and Forestry College project was set up to assist the Ministry of Agriculture in its strategic reform to modernise agricultural college education. It is a bilateral cooperation of the Swiss and Lao Governments, financed by SDC and implemented by HELVETAS. Skat is mandated to provide assistance in infrastructure development. At the end of the project, the college will be able to accommodate about 600 students. The construction Phase 1 was completed and it includes academic-, accommodation-, catering and recreation facilities.

Location	Period	For more information contact
Laos	2009 - 2011	daniel.schwitter@skat.ch



Project Name
School and Storm Shelters in Myanmar

Project summary
 This project is implemented and financed by SDC and Skat is mandated to provide the architectural designs and general backstopping support. The project intervention reaches far beyond school and shelter construction. Multi-functional buildings are created by providing child-friendly schools that double-up as cyclone shelters. They are used for schools and community meetings and when a cyclone strikes, they provide a safe haven for the entire village population. The architectural design integrates local knowledge, appropriate materials and internationally recognised school design standards. The buildings also comply with international safety standards and are provided with Water, Sanitation and Hygiene facilities.

Location	Period	For more information contact
Myanmar	2009 - 2011	daniel.schwitter@skat.ch



Project Name		
Results Framework for the UN Refugee Agency UNHCR		
Project summary		
Skat was mandated to review UNHCR's main monitoring system and to identify alternative approaches for the design of a user-friendly and simplified Results Framework. The review consisted of a screening of the current results hierarchy, finding the right logical linkages between objectives, impact, outputs and performance, and the validation and sharpening of indicators, including quantitative and qualitative measurement. Analysis of findings, formulation of recommendations on data structure, indicators and data management methodologies were also part of this assignment.		
Location	Period	For more information contact
Switzerland	December 2010 – January 2011	claudia.schneider@skat.ch

Project Name		
Revision of SPHERE Common Standards		
Project summary		
The SPHERE Handbook is designed for use on disaster response, preparedness and humanitarian advocacy. Skat was commissioned to provide advice in the development of key indicators of the 2010 edition of the SPHERE Handbook. The purpose of the handbook's revision was to update qualitative and quantitative indicators as needed, enhancing linkages between sectors, and taking into account latest developments in the sectors. Part of this assignment was the formulation of a working definition of 'indicators', as well as, and the assessment of key indicators. Additional indicators were developed meeting the SMART criteria in the areas of Common Standards, Water Sanitation and Hygiene, Food Aid, Shelter and Health Services.		
Location	Period	For more information contact
Switzerland	January 2010	claudia.schneider@skat.ch

Project Name		
Vertical Shaft Brick Kilns (VSBK) - Dissemination through South - South collaboration		
Project summary		
<p>The introduction of Vertical Shaft Brick Kilns (VSBK) to the Indian Subcontinent started in the mid 90s, where Skat in collaboration with Development Alternatives and with the support of Chinese experts adapted the technology to the Indian context. Since then, with the funding from SDC, the technology has been further disseminated to Nepal, Afghanistan, Pakistan and lately, to South Africa. In 2010, Development Alternatives and Skat started also working in Bangladesh, where a pilot kiln has been constructed and production was initiated with funding of the World Bank. The so developed local know-how has been anchored in India and Nepal, where the demand from the private sector for technical support and establishment of new VSBK units is increasing day by day. The technology transfer is being supported by highly qualified specialists, who have gained considerable know-how over the past years. Experienced fire masters, working at the VSBK kilns in Nepal have been sent to other countries to support their counterparts in firing and operation of the respective pilot kilns. This South – South exchange brought valuable lessons and supported horizontal learning.</p> <p>As an offspring of the VSBK project in Nepal, the private company MinErgy Pvt. Ltd., has been funded. In 2010 and for the second time, MinErgy Pvt. Ltd has won the "Best Innovative Clean Energy Program" award in the Clean Energy Marketplace organised by USAID and ADB: http://cleanairinitiative.org/portal/node/4531. This award clearly demonstrates MinErgy's innovation and it is hoped that this reputation will open new business opportunities in the clean energy sector.</p>		
Location	Period	For more information contact
Nepal	2002 - 2011	urs.hagnauer@skat.ch karl.wehrle@skat.ch and visit www.vsbknepal.com



Knowledge Management

Project Name		
Impact Assessment of the Civil Society Index		
Project summary		
<p>Skat conducted an impact assessment of the CIVICUS - World Alliance for Citizen Participation Civil Society Index (CSI), Phase 2003 – 2006. CSI is a participatory needs assessment and action planning tool for civil society around the world, with the aim of creating a knowledge base and momentum for initiatives strengthening civil society. This impact assessment had the objectives of collecting and documenting evidence of successful actions of the programme and analysing the results of actions taken to strengthen civil society. The following focus areas were analysed: impact on knowledge creation, impact on knowledge-based actions, impact on intra-sectoral and cross-sectoral collaboration and networking. Five case studies were also produced in the framework of this assessment about the implementation of CSI in Uganda, Ukraine, Bolivia, Italy and Indonesia.</p>		
Location	Period	For more information contact
Switzerland, Uganda, Ukraine, Bolivia, Italy and Indonesia	December 2009 and January 2010	bertha.camacho@skat.ch

Project Name		
Study tour from Bosnia-Herzegovina in Switzerland		
Project summary		
<p>From 18 to 22 April 2010, Skat together with Una Consulting organised and facilitated a study tour to Switzerland for a delegation of municipal and cantonal officials from different regions of Bosnia and Herzegovina. The Study Tour was prepared in the framework of the GOV-WADE, a Swiss funded project for the development of municipal management in the region of Bihac, Bosnia and Herzegovina. The tour included a tailor-made series of meetings, site visits and workshops for the 16 high-ranking delegates, who were given the opportunity to learn first-hand from Swiss political representatives, cantonal officials, mayors, councillors and utility managers about a wide spectrum of governance issues, particularly as applied to municipal services such as water supply, wastewater treatment and solid waste management. The organisational, management and financial set-ups of communal and regional water supply schemes of different scales, as well as, solid waste treatment and recycling infrastructures were studied and discussed, providing participants with practical insights and ideas on how to best move forward in their home constituencies.</p>		
Location	Period	For more information contact
Switzerland	April 2010	jonathan.hecke@skat.ch karl.wehrle@skat.ch



Governance

Project Name

Backstopping Mandate to the Decentralisation and Local Governance Network

Project summary

The Decentralisation and Local Governance Network (dlgn) is a thematic network of the Swiss Agency for Development and Cooperation (SDC). Consisting of around 140 members, the network brings together SDC staff and partners working in the area of decentralisation and local governance in different parts of the world. In cooperation with Ximpulse Consultants, Skat provides support to the SDC's Focal Point of the network in different aspects related to online communication and networking. The main activities carried out by Skat were the moderation of thematic online discussions; the dissemination of information through a newsletter; the facilitation of communication processes of network members and contribution to social reporting of the network face-to-face (F2F) event that took place in Sarajevo.

Location	Period	For more information contact
Switzerland	from September 2010 until June 2011	claudia.schneider@skat.ch, bertha.camacho@skat.ch or look at the following link http://www.dlgn-f2f2011.ch



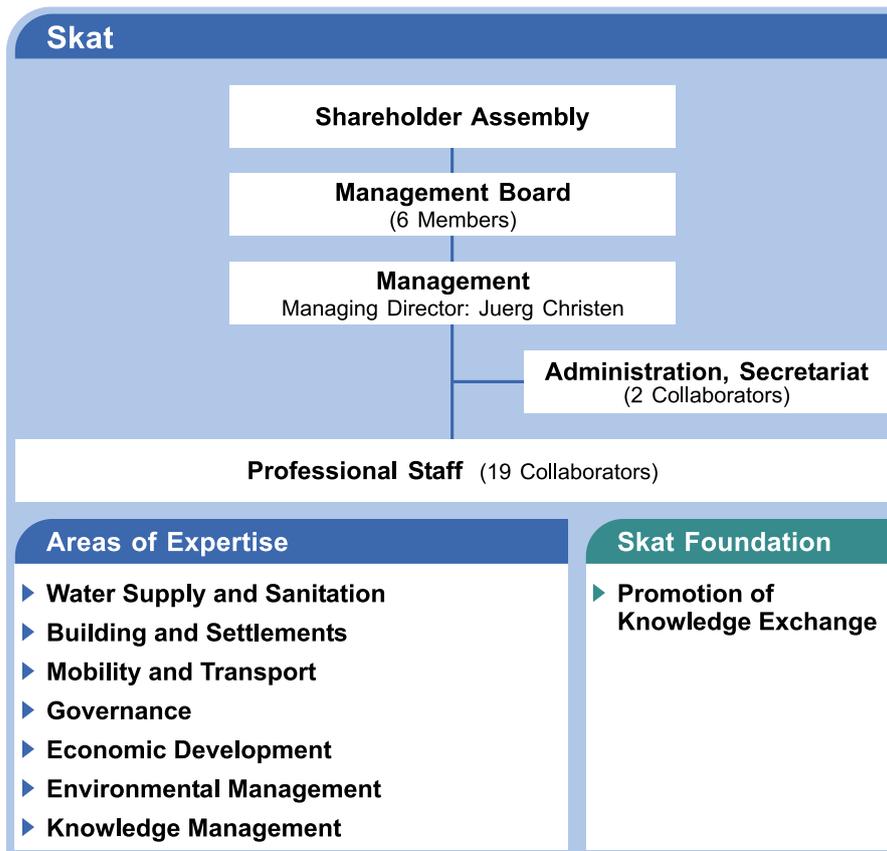
Photo: Adrian Gnägi, SDC



Photo: Adrian Gnägi, SDC

Organisational Set-up

Since January 2005, Skat has been operating with an organisational set-up characterised by a lean management structure and the full operational integration of the Skat Foundation in the overall organisation. This structure has proven to be not only efficient but also cost-effective.



Personnel and Staff News

In 2010, two new team members joined Skat supporting the work in the field of water and environmental sanitation.

Christian Eggs, geographer by training with an environmentalist MSc, joined Skat in October 2010 for a full-time Water and Environmental Sanitation specialist position. For about 70% of his time, Christian has been supporting SDC in Bern, specifically the agency's Water Initiatives Division in drafting project and credit proposals for the programming of the secured and expected additional funds for water sector initiatives at global and regional level.

Anne Sophie Aublet holding a MSc. in Tropical Farming Development and Water Management joined the Skat team on a part-time basis in June 2010. Within the framework of the SDC backstopping mandate in Water and Sanitation, she acted as event manager in different public performances of SDC's Water Initiatives in 2010 and will continue to do so in 2011 mainly in relation to the agency's continued public campaign on sanitation.

With 19 professional collaborators, approximately 18 full-time positions were staffed.

Skat Staff 2010

Staff and Functions

	Name	Function
Management:		
1	Juerg Christen (100%)	Managing Director, Specialist, Water and Environmental Sanitation, Governance
Professional Staff:		
2	Anne Sophie Aublet (40%)	Specialist, Water and Environmental Sanitation (from June)
3	Bertha Camacho (100%)	Specialist, Knowledge Management
4	Kerstin Danert (100%)	Specialist, Water Supply, Quality Management
5	Christian Eggs (100%)	Specialist, Water and Environmental Sanitation (from October)
6	Urs Hagnauer (100%)	Programme Manager, VSBK Programme Nepal
7	Jonathan Hecke (100%)	Specialist, Environmental Sanitation
8	Bernhard Hiller (100%)	Team Leader, ApaSan Project Moldova
9	Martin Läng (100%)	Specialist, Communication, Desktop Publishing, ICT
10	Agnès Montangero (80%)	Specialist, Water and Environmental Sanitation (until December)
11	André Olschewski (100%)	Specialist, Water and Environmental Sanitation
12	Marianne Pecnik (100%)	Programme Manager, VSBK Programme Pakistan (until December)
13	Roger Schmid (100%)	Specialist, Water and Environmental Sanitation, Mobility/Transport
14	Claudia Schneider (96%)	Specialist, Sustainable Building and Settlement Development
15	Daniel Schwitter (90%)	Specialist, Sustainable Building and Settlement Development
16	Rod Stickland (66%)	Team Leader, RRRSDP, Nepal
17	Jakob Strässler (100%)	Programme Manager, VSBK Programme Afghanistan (until June)
18	Karl Wehrle (100%)	Specialist, Water and Environmental Sanitation
19	Daniel Wyss (95%)	Specialist, Sustainable Building and Settlement Development
Support Staff:		
20	Laura Garcia (100%)	Office Manager
21	Norolalao Robson (40%)	Assistance

Clients and Geographical Experience

In 2010, Skat carried out 70 assignments for the following clients:

- bilateral development agencies from Belgium, Denmark, Germany, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom
- multilateral agencies including the Asian Development Bank, the World Bank, WSP, ILO, UNICEF, UNIDO, UNDP, ICRC, WFP and WHO
- non-governmental organisations such as Caritas, Helvetas, the Swiss Red Cross in Switzerland, and many NGOs abroad

Skat staff have experience in numerous countries throughout the world:

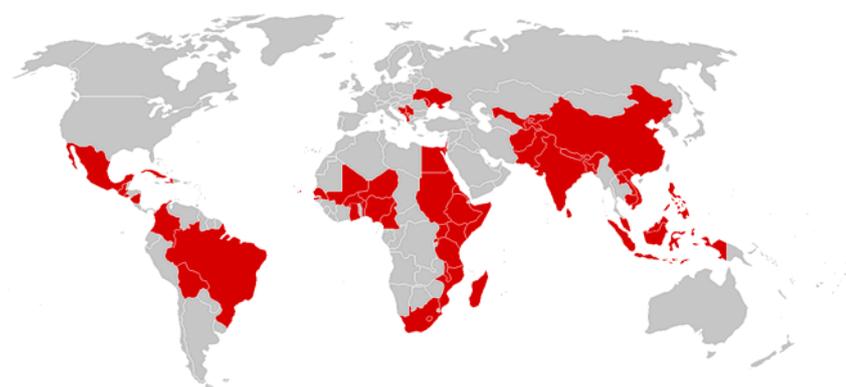
Africa: Benin, Burkina Faso, Cameroon, Cap Verde, Eritrea, Ethiopia, Ghana, Kenya, Lesotho, Madagascar, Malawi, Mali, Mozambique, Niger, Nigeria, Rwanda, Senegal, Somalia, South Africa, Sudan, Tanzania and Uganda

Asia: Afghanistan, Bangladesh, Bhutan, Bolivia, Cambodia, China, India, Indonesia, Laos, Malaysia, Nepal, Pakistan, Philippines, Sri Lanka and Vietnam

Latin America and the Caribbean: Brazil, Cuba, El Salvador, Colombia, Guatemala, Haiti, Mexico and Nicaragua

Eastern Europe and CIS: Albania, Bosnia Herzegovina, Kyrgyzstan, Uzbekistan, Moldova, Serbia and Montenegro, Kosovo, Tajikistan, Ukraine and Moldova

Middle East: Egypt and Palestinian Territories



Partners

In 2010, Skat further expanded its partnerships with national and international organisations. A number of close partnerships exist with associated consultants and other Swiss NGOs such as Swisscontact, Caritas, the Swiss Red Cross, Heks and Helvetas but also with various organisations internationally, such as Netwas

in Kenya, CREPA in Burkina Faso, Development Alternatives in India, AproCon in Nepal and WASTE in the Netherlands, to mention but a few. These partnerships have greatly enhanced our understanding of local contexts and therefore further improved the quality of our work in 2010, too.

Financial Report

Profit and Loss Account / Balance Sheet 2010

As reflected in the tables below, the 2010 accounts closed with a profit of approximately CHF 155,000. With this result, the positive trend of the previous years continued, and

the expected growth in turnover materialised. Altogether, about 2/3 of the overall capacity of Skat collaborators could be sold. Thanks to this positive result, the reserves could again be increased. In comparison, the balance sheet total has again significantly increased with a marked rise in shareholders' funds.

Profit & Loss Account from 1.1.2010 – 31.12.2010

Description	(CHF) 2010	(CHF) 2009	(CHF) 2008
Consulting revenue	8,363,636	7,771,627	5,187,917
Other revenue	1,680	1,420	1,632
Reductions of revenue	-41,306	-71,420	-36,717
Operating revenue	8,324,011	7,701,627	5,152,831
Materials	-26,535	-21,804	-64,317
Other chargeable costs	-30,531	-41,899	-13,817
Consultants	-904,374	-459,389	-537,188
Direct project costs	-4,068,515	-4,049,545	-1,544,231
Travel and working costs	-248,749	-239,053	-212,140
Total Materials/Costs third parties	-5,278,704	-4,811,690	-2,371,693
Profit contribution 1	3,045,306	2,889,937	2,781,138
Salaries	-2,016,772	-2,048,292	-1,921,180
Other personnel costs	-456,927	-402,871	-396,661
Total personnel costs	-2,473,699	-2,451,162	-2,317,841
Profit contribution 2	571,607	438,775	463,297
Office rent	-68,439	-69,793	-64,736
Maintenance and repairs	-10,877	-10,344	-11,059
Energy costs	-2,514	-2,646	-2,611
Office and administration costs	-178,190	-170,927	-146,369
Advertising and PR	-19,647	-17,562	-19,846
Other operating expenses	-2,434	-2,903	-2,716
Total administration expenses	-282,100	-274,174	-247,338
Profit contribution 3	289,507	164,601	215,959
Interest income	562	894	7,513
Interest expenses and bank charges	-1,916	-2,395	-4,585
Exchange gain/loss	-23,044	-8,665	-19,719
Financial income/expenses	-24,398	-10,165	-16,791
Profit contribution 4	265,109	154,435	199,168
Depreciation	-19,463	-21,436	-29,911
Extraordinary income/expenses	6,231	-11,895	-29,084
Allocation /reversal of accruals	-66,025	4,800	-4,000
Taxes	-31,363	-21,235	-31,460
Operating profit	154,489	104,670	104,713

Balance Sheet as of 31.12.2010

Description	(CHF) 2010	(CHF) 2009	(CHF) 2008
Assets			
Cash and bank accounts	3,781,895	1,878,376	2,511,393
Securities	1	1	1
Accounts receivable	933,350	1,459,535	748,909
Work in progress	2,846,000	1,119,400	1,047,000
Accrued income/deferred charges	13,595	4,703	386
Total current assets	7,574,841	4,462,015	4,307,688
Claims	20,000	20,000	30,000
Tangible assets	32,502	35,602	48,902
Total fixed assets	52,502	55,602	78,902
Total assets	7,627,343	4,517,617	4,386,590
Liabilities			
Accounts payable	333,985	135,326	105,611
Prepayments	5,560,822	2,838,198	2,835,060
Deferred income/accrued charges	286,640	265,031	224,059
General accruals	431,563	324,220	336,687
Total liabilities	6,613,011	3,562,774	3,501,416
Share capital	200,000	200,000	200,000
Compulsory reserve	56,000	49,000	42,100
Complimentary reserve	500,000	500,000	440,000
Profit brought forward	103,843	101,174	98,361
Years profit	154,489	104,670	104,713
Total shareholders' funds	1,014,333	954,843	885,174
Total liabilities	7,627,343	4,517,617	4,386,590

Budget 2011

On the basis of ongoing and planned projects, with an assumed capacity of about 18 full-time positions, it is estimated that approximately 135 person months will be sold in 2011. Contracts or firm commitments already exist for more than 75% of the expected turnover.

With the current staffing situation in 2011, the operating revenue will remain stable. This statement is also based on the assumption that, again, about 67% of the productive hours can be sold. This estimate translates into an operating profit of about CHF 100,000.

Report of the External Auditor



Kern Treuhand AG

Ihr Partner für umfassende Treuhand-Dienstleistungen

REPORT OF THE STATUTORY AUDITORS ON THE LIMITED STATUTORY EXAMINATION

To the general assembly of
skat_consulting AG, St. Gallen

As elected statutory auditors, we have examined the financial statements (balance sheet, income statement and notes) of skat_consulting AG for the year ended on 31st of December 2010.

The financial statements are the responsibility of the board of directors. Our responsibility is to verify these financial statements. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our examination was conducted in accordance with the Swiss Standard on the limited statutory examination. This standard requires planning and performing the examination in order to detect material misstatements in the financial statements. A limited statutory examination mainly consists of inquiries of personnel, analytical procedures and detail examination on test basis of documents available within the company. On the other hand, examination of operational sequences and internal controls as well as inquiries and other procedures to detect fraud are not included in this examination.

During our examination, nothing came to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the company's articles of incorporation.


Kern Treuhand AG

Roland Scheibler
Executive Auditor

March 3, 2011

Enclosures:

- Financial Statements (balance sheet, income statement and notes)
- Proposal on the allocation of profits

Kern Treuhand AG | Hegnastrasse 60 | 8602 Wangen ZH | T: 044 835 95 95 | F: 044 835 95 99 | www.kerntreuhand.ch

Mitglied TREUHAND | SUISSE

Management Bodies

Management Board

- Karl Wehrle, Skat Consulting, St.Gallen, (President)
- Esther Oettli, Beringen (Vice President)
- Walter Kraehenbuehl, Weinfelden
- Kaspar Grossenbacher, Helvetas, Zuerich
- Roger Schmid, Skat Consulting, St.Gallen
- Juerg Christen, Skat Consulting, St.Gallen

External Auditor (Accounts)

- Kern Treuhand AG, Wangen

Executive Management

- Juerg Christen, Managing Director

skat_foundation

Annual Report 2010

The Skat Foundation publishes a separate annual report.

If you don't find a copy here, please order one per email: publications@skat.ch

Contact

Skat

Juerg Christen
Managing Director
Vadianstrasse 42
CH-9000 St.Gallen
Switzerland

tel: +41 71 228 54 54

fax: +41 71 228 54 55

email: juerg.christen@skat.ch
info@skat.ch

web: www.skat.ch

Imprint

Skat Annual Report 2010
Layout and photographs: Skat
St.Gallen, May 2011