

CAPABILITY STATEMENT



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**“COLLABORATIVELY SCALING IMPACT BY APPLYING
EFFICIENT FINANCE MECHANISMS”**

ABOUT HELVETAS

Helvetas was founded in 1955 as the first private organization for development cooperation in Switzerland. It has since grown to become a global nonprofit with sister organizations in the U.S. and Germany. For almost 70 years, Helvetas has been contributing to efforts to alleviate poverty, working to advance human rights, and fighting injustice across the globe.

With over 300 projects worldwide, Helvetas is present in **35 countries**, working in a decentralized structure and initiating real change in the lives of over 5 million disadvantaged people each year. All affiliated members share a common vision and mission and subscribe to common working principles and policies.

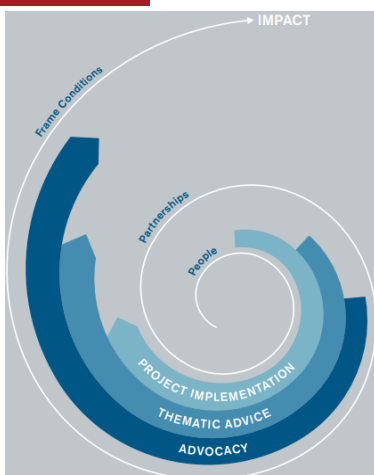
HOW HELVETAS WORKS

The impact of our work is the product of a three-pronged approach: **project work, thematic and methodological advice, and policy dialogue** at local, regional and international level. The organization's work centers around the following **three** thematic working areas:

1. **Skills, Jobs and Income,**
2. **Water Food and Climate**
3. **Voice, Inclusion and Cohesion**

WORKING THROUGH A SYSTEMIC APPROACH

In partnership with various local and international actors, Helvetas applies proven approaches such as the inclusive systems approach (ISA), also known as Market Systems Development (MSD), which originates from private sector development.



Helvetas is experienced in working closely with private sector actors. This collaboration creates vibrant entrepreneurial ecosystems by identifying and removing (or improving) key constraints in a market system that prevent it from functioning.

Micro, Small and Medium Enterprises (MSMEs) are engines of growth and they need support to improve their performance (e.g. through access to information, markets, finance, market linkages, technology and innovation). They need both non-financial (e.g., business development support) and financial services (e.g. access to and use of finance and financial literacy) to create more decent jobs. This approach aims to foster sustainable and green economic growth and accommodate the influx of millions of youth, women, and other marginalized groups entering the labor market annually.

Over the last couple of decades Helvetas has gained particular experience in partnering with private sector actors operating in agricultural export value chains originating in the Global South. Helvetas has paved the way for hundreds of thousands of smallholders towards environmentally sustainable production practices and connect them to global markets to assure a fair and stable income. Consequently, the access to affordable capital that would allow local private partners to purchase higher volumes and to invest in processing facilities, emerged as a major bottleneck for economic growth.

Private Sector Development (PSD) vs. Private Sector Engagement (PSE)

In PSD typically the MSMEs are the target group. While in PSE, we aim to collaborate with private companies, notably transnational and substantial domestic companies, to increase the benefits of our interventions for the target group, e.g. vulnerable groups of people.

We thus consider leveraging finance and resources of the private sector to achieve bigger impact as part of our PSE. More information on Helvetas' position regarding PSE can be found [here](#) or in our PSE policy.

IMPACT FINANCE AT HELVETAS

Helvetas' experience shows that a major constraint in market systems is the lack of **access to and the availability of (fair) finance** to support the growth of MSMEs and to create decent incomes and jobs. Available financial services are often underperforming, inexperienced or not affordable for small businesses. **Impact finance** can be a valuable alternative source of much-needed capital.

Helvetas operates in sectors that have recently seen increasing inflows of capital from impact investors (e.g. water, sanitation and hygiene (**WASH**), vocational skills development (**VSD**), **PSD** and the **agriculture** sector). The organization is committed to improving access to finance and creating positive social and economic impacts across all these sectors.

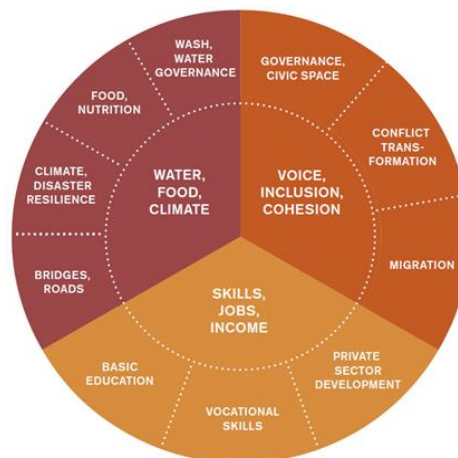
Impact Finance

- ... refers to approaches and instruments to mobilize financial and non-financial resources from new non-traditional sources for sustainable development.
- ... aims at creating scalable and effective ways of adapting "traditional" development aid funds by utilizing the positive aspects of financial solutions and mechanisms.

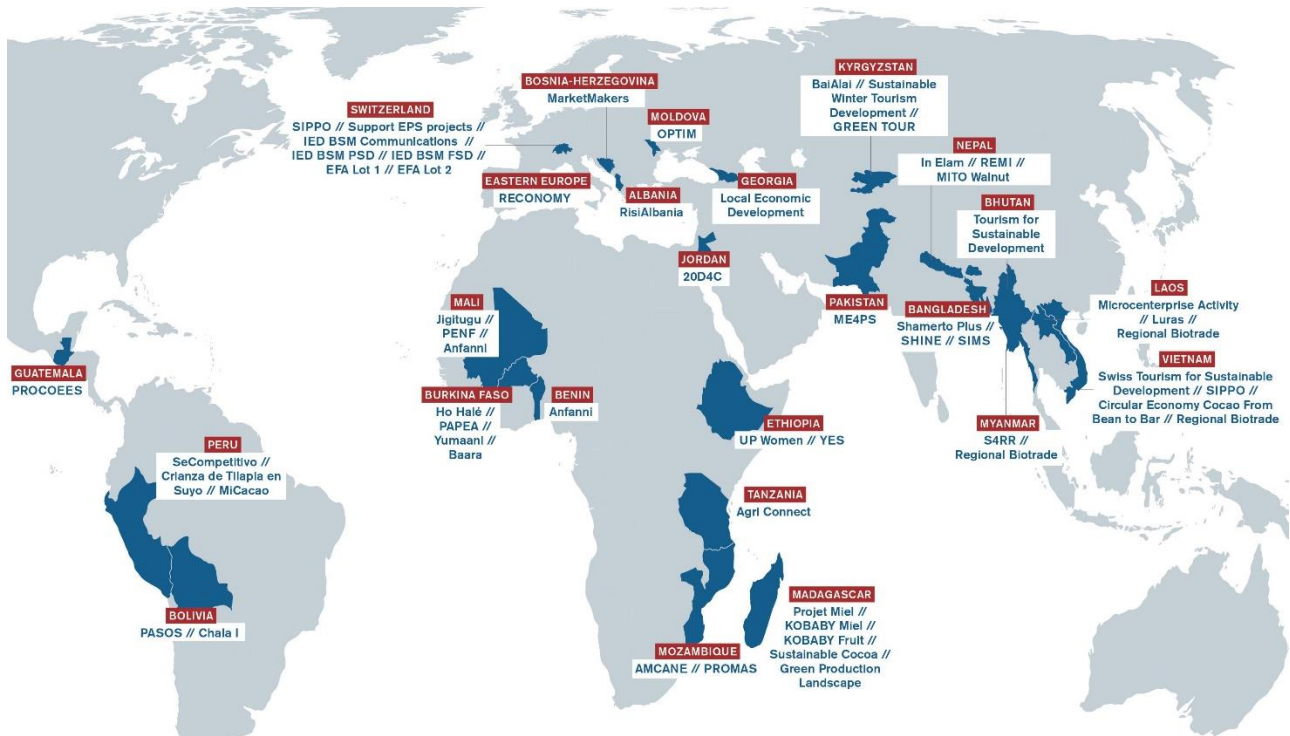
Helvetas' Comparative Advantage

- Large and well-established networks within partner countries and amongst target recipients of impact finance (MSMEs, social enterprises, etc.) due to our long-term presence.
- Unique thematic width through our in-house Advisory Services Department in sectors suitable and relevant for impact finance (see graphic)
- Fit to establish a geographically-specific pipeline of MSMEs with a lower risk profile as a result of our engagement
- Field-tested approaches such as [ISD](#), gender and social equity, policy dialog to create business friendly environments and standardized and well-proven processes (PSE Manual)
- Large philanthropic donor network and in-house fundraising competencies
- Broad and long-standing experience in PSE (PSE policy, project partnerships, [PSE symposium 2022](#))
- Well-established relationships with major donors engaging in impact investment such as SDC, SECO, EU (Switch Asia Program), DANIDA (Market Development Partnership), USAID, BMZ, SIDA and others
- Competencies to capacitate and prepare local businesses for investment readiness through our technical assistance

Helvetas **supports opportunities of impact finance** to leverage resources and to accelerate the growth of MSMEs by building strategic networks with Swiss-based and international institutions. To achieve this, **we offer our technical expertise and provide access to relevant stakeholders** through our well-established worldwide networks.



WHERE WE WORK



HOW WE CREATE IMPACT

Private sector development, entrepreneurship and financial inclusion

Helvetas fosters the development of market systems to strengthen MSMEs in creating jobs and sustainable wages. The organization promotes self-employment and entrepreneurship (e.g. business and financial planning), especially among young people and women. We promote sustainable growth of MSMEs in supply chains of (agricultural) production, but also in value addition (processing, labelling and trade) of different sectors such as construction, food and services like ICT, tourism and hospitality. We see the need of micro and small enterprises to get access to business development services and financial services (e.g. trade capital, credits, savings and insurances) and facilitate linkages to finance and micro- insurance institutions and improve financial literacy in our target groups as well as organizational development to be reliable business partners.

Technical assistance

Helvetas advisory services offers **technical assistance** services in three different working areas on topics such as PSE (e.g. agricultural value chains), VSD, WASH, etc., and has extensive and context-specific experience to make MSME's **investment-ready** and to allow them to **increase their social or economic impact**. By applying the ISA local financial service providers, such as microfinance institutes, banks or insurance companies are supported with technical assistance to better meet the needs of MSMEs.

Helvetas is highly experienced in **providing training** to a wide range of clients. We delivered training courses in all partner countries, where we run offices for clients such as the USAID Bureau for Resilience and Food Security, SDC, Swedish International Development Cooperation Agency (SIDA), International Fund for Agricultural

Multi-stakeholder and systemic approach

Helvetas is convinced that sustainable change is driven by local ownership and the initiative and cooperation of system actors. By taking a facilitative role, we challenge the stakeholders to ensure that the sustainability focus remains their priority.

We work with a systemic approach, with the private sector, the public sector actors and with civil society organizations. We avoid performing permanent functions within systems and thereby distorting them. Instead, we take on the role of a facilitator, encouraging system actors to support change within the targeted systems for a far-reaching impact.

Impact-linked finance (ILF)

Helvetas aims to act as a player in ILF. Either as a deal structurer and/or as an impact verifier.

As a **deal structurer**, we will connect the outcome payer to the business (that comply with human rights, labor rights and ESG standards as defined in our Private Sector Policy), selected by us through a financial and risk analysis, and a thorough due diligence to verify its impact capabilities. Once selected, a negotiation process starts with the outcome payer whereby the impact-linked milestones and financial rewards are defined. Upon successful negotiations and signing of the contract between the outcome payer and social enterprise, Helvetas will take care of the transaction management.

As an **impact verifier**, we will assess the impact created by the selected enterprise by applying measuring, monitoring and evaluating tools. With our own experts we can provide context expertise on a variety of sustainability topics and offer advice on learning, innovation, collaboration, and results-based management (RBM), in virtual and in face-to-face contexts.

Youth employment and skills development

Helvetas addresses the challenge of youth unemployment through the ISA that perceives labor markets as systems of demand for and supply of workforce, with related supporting functions and

Development (IFAD) and the Swiss State Secretariat for Economic Affairs (SECO).

Our technical experts provide thematic advice and knowledge management for SDC's Economy and Education (E+E) network in private sector and financial sector development and in vocational skills development. We also provide assistance to the SDC Quality Assurance and Digitalization network in the area of Economic and Financial Analysis (EFA). Our experts develop guidelines, implement training courses and conduct cost benefit analysis.

Results-based finance (RBF)

As opposed to a traditional financing mechanism that pays for the inputs (e.g., training delivery), RBF pays for achieved outputs and outcomes of the intervention (e.g., employment). This provides an incentive for partner institutions to go beyond delivering inputs, but also focus on impact. Helvetas is experienced in applying the RBF approach in education and taking on the role of the outcome verifier as well as of the funder ([see VSD RBF Study Ethiopia](#)).

Market & context studies

Helvetas has conducted various market studies, specifically on financial market systems to analyze underlying causes of the limited use of financial products and services. Those studies adopt a systemic view of the market to identify root causes of its underperformance, using the MSD approach.

Specific objectives are to look into investments and the needed access to finance for businesses to grow in order to increase their revenue and create new jobs by 1) analysing the macro-operating environment, 2) identifying the main financial actors and 3) developing a value proposition to (impact) investors.






connected policies. Depending on the context, we select different entry points like: improvement of the skills development system, fostering investment by private sector companies in job creation, strengthening supporting services like job matching, or facilitating effective dialogue and advocacy mechanisms for a conducive policy environment. We place particular emphasis on gender and social equity.

OUR IMPACT IN 2022

- In 2022, Helvetas reached more than **5.1 million people** (of which 50% were women and 53% disadvantaged) through projects and programs in **38 partner countries**.
- **12,897 small and medium-sized enterprises** were supported.
- **449,370 people** benefited from the support for **sustainable growth of micro and small enterprises** across economic sectors.
- **724,254** young and mostly disadvantaged women and men gained access to education and vocational training, found a job or started their own business with Helvetas' support.
- Over 618'000 people (51% women) improved practices for **sustainable agriculture, livestock, and forest** management.
- Almost **3 million** women and men gained sustainable access to WASH, better nutrition or natural resources and benefited from higher yields or improved climate resilience.
- Helvetas and its partners helped **969,491** women and men to plan their labor migration safely, responsibly and profitably.

IN-HOUSE EXPERTISE

Helvetas can offer substantial in-house experience from its advisory group. All advisors have a different skill set that is relevant to impact finance, coupled with sound expertise in working in development cooperation in Asia, Latin America, Sub-Saharan Africa, the MENA region or the Balkans/Eastern Europe. These advisors' experience thus combines the two main aspects of impact finance and offers a unique understanding of both the financial aspects and context-specific knowledge.

				
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OT4D

CLIENT/ FUNDING SOURCE: SECO

IMPLEMENTED BY: IFOAM - Organics International & Consortium of the Research Institute of Organic Agriculture (FiBL) and Helvetas

DURATION: 2021 - 2024

The Organic Trade for Development Program's (OT4D) overall goal is to increase and enhance jobs in rural areas, particularly for youth and women, and to contribute to the multiple positive effects of organic farming in terms of economic growth, innovation and natural environment by supporting companies which sustainably invest in organic export business and want to expand their local operations through public-private partnerships (PPP). The PPP co-financing facility supports projects in Albania, Serbia and Ukraine in activities that go beyond usual business activities and contribute to the achievement of the SDGs. Within OT4D, Helvetas' responsibilities are to:

- Manage the matching fund of SECO (50% private, 50% SECO)
- Publish calls for proposals (and set the criteria)
- Select businesses (through a selection committee)
- Oversee and manage contracting
- Supervise implementation through partner organizations in the different countries
- Assess and verify implementation and reporting
- Create communication materials

SECOMPETITIVO - PERU

CLIENT/ FUNDING SOURCE: SECO

IMPLEMENTED BY: Helvetas

DURATION: 2015 - 2027

SeCompetitivo main objective (since 2015) is to support Peru in improving the competitiveness of the private sector, thereby contributing to sustainable economic development and poverty reduction. The project focuses on supporting the public and private sector in increasing productivity, fostering skills development and facilitating access to international markets, aiming at the creation of more and better jobs. The project strengthens value chains with links to international markets, which have the potential to become drivers of competitiveness of their regions

and also fosters inclusive and decentralized economic development in the country.

In its second phase (2018-2022) the program, in collaboration with the Development Finance Corporation (COFIDE), strengthened the management of the Fondo Crecer and the Fondo de Capital para Emprendimientos Innovadores (FCEI), which invests public funds in private venture capital funds (under the blended finance logic) with the objective of boosting the venture capital market in favor of Peruvian startups. Further, the program provided support for the creation of the National Advisory Board for Impact Investment (NAB), a member of the Global Steering Group for Impact Investment (GSG).

WAPRO

CLIENT/ FUNDING SOURCE: SDC

IMPLEMENTED BY: Consortium, lead Helvetas

DURATION: 2015 - 2022

The Water Productivity Project **WAPRO** ran from 2015 to 2022, covered six countries and ten sub-projects. It included the engagement of many global and national private sector partners and three multi-stakeholder initiatives. Among the private partners were renowned companies such as the transnational company Mars or the Swiss retailer Coop. Through its "push - pull - policy approach" it aimed at increased water use efficiency in two crops of global importance: rice and cotton. It reached more than 110'000 smallholder producers, who were able to use the precious water resource more efficiently (in average 39%) and increase their income significantly (in average 121 USD / hectare in 2022). In its second phase the financial contributions from private partners – either as direct payments to projects or in the form of premiums paid to the producers – **multiplied** the donor funding provided by SDC **several** times.

UP WOMEN – ETHIOPIA

CLIENT/ FUNDING SOURCE: Private Foundations

IMPLEMENTED BY: Helvetas Ethiopia

DURATION: 2021 - 2024

The **Up-women** project is a four-year project implemented in Sidama Regional State. The project aims at creating employment opportunities and

thereby securing decent incomes for 3500 disadvantaged young women by engaging them in short term vocational/occupational skills training through employing a gender transformative approach.

The project developed a strategy on financial inclusion starting with financial education through financial literacy and numeracy skills. For women setting up their own businesses, the project has set up a credit line as a loan guarantee fund with one of the major micro finance institutions. This collaboration has permitted better financial products & services conditions for the project's target group.

SHAMERTO – BANGLADESH

CLIENT/ FUNDING SOURCE: USAID
IMPLEMENTED BY: Helvetas Bangladesh
DURATION: 2022 - 2025

Shamerto is a private sector engagement project implemented by Helvetas Bangladesh. The project supports improving business resilience of two food processing sectors and increasing employment opportunities for marginalized groups, thereby contributing to poverty reduction and economic growth in Bangladesh.

USAID committed to providing grants for 50% of the total budget, while the two participating private companies will finance close to the remaining 50% of the budget as leverage to the project. Helvetas is working very closely with the private sector, which invests in this project to promote skilled labor to meet their regular requirement of skilled workers through a systemic approach.

RISI – ALBANIA

CLIENT/ FUNDING SOURCE: SDC
IMPLEMENTED BY: Helvetas Albania & Albanian local partners
DURATION: 2013 - 2025

The project's work using a PSE approach to stimulate access to certification services such as group Global G.A.P or cybersecurity has unlocked access to high-value export markets for businesses in the agribusiness and ICT sectors, which in turn has allowed for the creation of high-quality job opportunities for Albanian youth. RISI provides technical assistance in two forms: first, by building local problem-solving capabilities through improved

coordination and cooperation, and second, by broadening the availability of productivity enhancing services such as standards, finance, technology and market linkages. **RISI** further strengthens the job intermediation system by building institutional capacities of intermediation service providers (public and private), while at the same time supporting private and non-formal training providers to improve the effectiveness and relevance of their training offers to young people.

RECONOMY

CLIENT/ FUNDING SOURCE: Sida
IMPLEMENTED BY: Helvetas
DURATION: 2022 - 2027

RECONOMY is an MSD program focusing on inclusive and green economic development in the Eastern Partnership and the Western Balkan countries. The main goal of RECONOMY is to enable women and youth, including the most disadvantaged and excluded, to benefit from economic opportunities by increasing their income and sustainably taking up decent and green jobs. RECONOMY places a high priority on the "triple dividend," or the addition of social, economic and environmental values. The multi-country team closely works with the private sector and other systemic actors to analyse barriers in different market systems and capacitate stakeholders and disseminates and manages collected learnings and information to encourage knowledge sharing between countries.

SKY I & II ETHIOPIA

CLIENT/ FUNDING SOURCE: Helvetas
IMPLEMENTED BY: Helvetas Ethiopia
DURATION: 2015 - 2021

The Skills and Knowledge for Youth (**SKY**) project is an example of RBF in education, where performance-based contracts and financial incentives are used to focus service providers' attention on quality vocational training, leading to long-term gainful employment of the beneficiaries. Accordingly, the vocational training institutions supported through the project only receive partial payments for the beneficiaries completing the training and full payment once the trainees have found steady and gainful employment (meaning earning at least the minimum wage) or have successfully established their own business. This project is an example of an innovative financing mechanism

designed to “make the existing finance go further” and improve efficiency and effectiveness of resources. Applying RBF, the project intends to improve the quality of training programs (including follow-up support) and the employment outcomes of graduates, and to increase access to training programs and employment for vulnerable youth.

EYE – KOSOVO

CLIENT/ FUNDING SOURCE: SDC

IMPLEMENTED BY: Helvetas

DURATION: 2017 - 2020

The overall goal of **EYE** phase II was a dynamic and socially inclusive labour market that provides more and decent jobs, including self-employment for young people in Kosovo. The project analysed investments and access to finance for businesses to grow in order to increase revenue and create new jobs. The assessment revealed a weak regulatory environment protecting equity investments, making valuation, recourse and exit very difficult; however, these assumptions had to be verified.

The project brought in Helvetas advisors to conduct a research study to verify the assumptions above and assess the financial market in Kosovo to identify a potential area of intervention. The objectives of the study were to:

- Assess the macro-operating environment of Kosovo from an investor’s perspective
- Identify the main financial actors and assess the demand for investments
- Identify gaps between demand and supply of financial services and products
- Develop the value proposition for impact investors

MORE INFORMATION

[Helvetas](#)

[Helvetas Inclusive Systems Blog](#)

[Helvetas Market Systems Development](#)



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