

CAPABILITY STATEMENT



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**“COLLABORATIVELY SCALING IMPACT BY APPLYING
INNOVATIVE 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.

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). Helvetas is experienced in working closely with private sector actors. By identifying and removing (or improving) key constraints in a market system, vibrant entrepreneurial ecosystems are created. Micro, Small and Medium Enterprises (MSMEs) are engines of growth and they need support (both non-financial and financial) to improve their performance and to create decent jobs. This approach fosters 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 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.

Impact Finance at Helvetas

Impact finance involves mobilizing financial and non-financial resources from non-traditional sources for sustainable development. Helvetas identifies the lack of access to fair finance as a key constraint for

MSMEs, limiting job creation and income generation. Impact finance offers an alternative source of capital to support growth.

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.

By providing technical assistance and connecting stakeholders, Helvetas helps leverage resources from public and private sectors to close the SDG gap and accelerate MSME growth.

Helvetas' Comparative Advantage

- Large and well-established networks in partner countries.
- Unique thematic width of in-house Advisory Department.
- Fit to establish specific pipelines of MSMEs with lower risk profiles as a result of our engagement.
- Large philanthropic donor network and in-house fundraising competencies.
- Experienced in partnering with impact investors and in working innovative finance initiatives.
- Broad and long-standing experience in PSE (PSE policy, project partnerships, [PSE symposium 2022](#)).
- Well-established relationships with major donors (SDC, SECO, EU, DANIDA, USAID, BMZ, SIDA).

WHERE WE WORK



HOW WE CREATE IMPACT

PSD, 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 MSMEs to receive 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.

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, Helvetas challenges the stakeholders to ensure that the sustainability focus remains their priority. By

avoiding performing permanent functions within systems and thereby distorting them, Helvetas works with a systemic approach and instead takes 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, connecting the outcome payer to the selected business. 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. In young-markets, Helvetas might also consider taking over the role of outcome payer itself until scaling is achieved and donors can be mobilized.
- As an impact verifier, Helvetas can assess the impact created by the selected enterprise by applying measuring, monitoring and evaluating tools. With its in-house experts context expertise

on a variety of sustainability topics and advice on learning, innovation, collaboration, and results-based management (RBM), in virtual and in face-to-face contexts is provided.

Youth employment and skills development

Helvetas tackles youth unemployment through the ISA approach, viewing labor markets as systems balancing workforce demand and supply, with supporting functions and policies. Depending on the context, we focus on improving skills systems, fostering private-sector job creation, enhancing job matching services, or enabling policy dialogue and advocacy. Gender and social equity are central to our efforts.

Technical Assistance

Helvetas offers technical assistance in areas like agricultural value chains, VSD, WASH, helping MSMEs become investment-ready and 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 and has delivered training courses in all its partner countries for clients such as the USAID Bureau for Resilience and Food Security, SDC, Swedish International Development Cooperation Agency (SIDA), International Fund for Agricultural 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, in vocational skills development. In addition our experts develop guidelines, implement trainings and conduct cost benefit analysis for the SDC Quality Assurance and Digitalization network in the area of Economic and Financial Analysis (EFA).

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.

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.

GREEN RICE BOND

- Client / Funding Source: SDG Impact Finance Initiative (SIFI) Grant
- Implemented by: iGravity and Helvetas
- Duration: 2024 - 2025

iGravity and Helvetas have joined forces to design and launch the world's first Green Bond with the purpose of providing financing to actors in the rice production value chain in selected countries in Sub-Saharan Africa. The Bond has a target size of USD 50m and will be structured as a blended finance product, providing first-loss guarantees for commercial investors. A dedicated Technical Assistance Facility, managed by Helvetas, will support small-holder farmer organizations to adapt their processes to increase the share of sustainable rice production, enabling a strong impact on climate change. The Design phase will be concluded in Q3 2025, with the objective to launch the Bond in 2026.

OT4D

- Client / Funding Source: SECO
- Implemented by: IFOAM - Organics International FiBL and Helvetas
- Duration: 2021 – 2024

The Organic Trade for Development Program (OT4D) aims to create jobs in rural areas, especially for youth and women. It supports businesses investing in exports of organic products and expanding operations through public-private partnerships (PPP) in Albania, Serbia, and Ukraine. The co-financing facility supports projects aligned with the SDGs. Helvetas is responsible for:

- Managing SECO's matching fund (50% private, 50% SECO)
- Publishing calls for proposals and setting criteria
- Selecting businesses via a selection committee
- Overseeing contracting and implementation
- Assessing/verifying implementation & reporting
- Creating communication materials

SECOMPETITIVO - PERU

- Client / Funding Source: SECO
- Implemented by: Helvetas
- Duration: 2015 – 2027

The SeCompetitivo project supports Peru in enhancing private sector competitiveness to promote sustainable economic growth and reduce poverty. It focuses on improving productivity, skills development, access to

international markets and creating better employment. The program strengthens value chains linked to global markets and fosters inclusive, decentralized economic development. In its second phase, SeCompetitivo, in partnership with COFIDE, enhanced the management of the Fondo Crecer and Fondo de Capital para Emprendimientos Innovadores to boost venture capital for Peruvian startups. It also helped establish the National Advisory Board for Impact Investment, a member of the Global Steering Group for Impact Investment.

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 renown 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 – EHTIOPIA

- 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.

education, using performance-based contracts and financial incentives to improve vocational training quality and ensure long-term employment for beneficiaries. Training providers receive partial payment upon training completion and full payment when trainees secure steady employment (earning at least minimum wage) or establish their own businesses. This innovative financing mechanism enhances resource efficiency, improves training quality and follow-up support, boosts employment outcomes, and expands access to training for vulnerable youth.

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 exemplifies Results-Based Financing (RBF) in

MORE INFORMATION

[Helvetas](#)

[Helvetas Inclusive Systems Blog](#)

[Helvetas Market Systems Development](#)



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