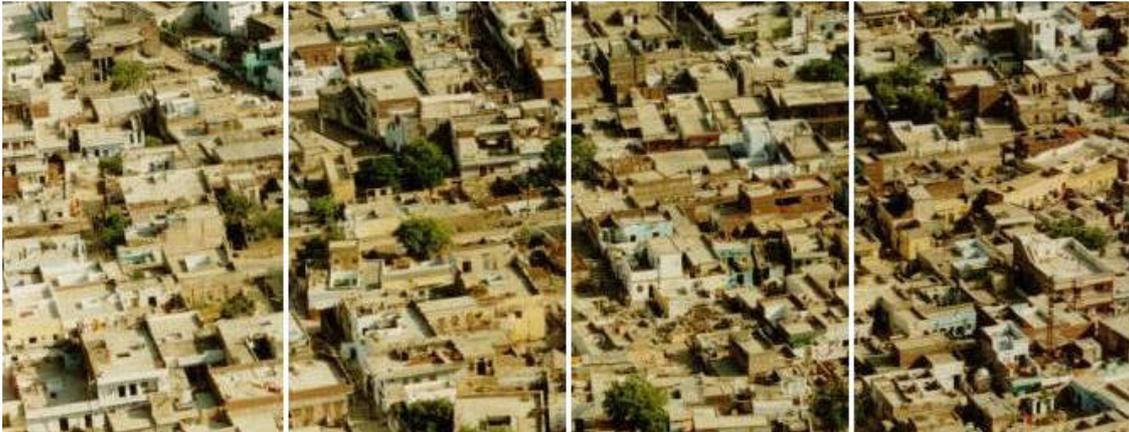


King Zollinger & Co. Advisory Services
Annual Report 2003 | 2004



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1. Introduction

The present report is the first Annual Report of King Zollinger & Co. Advisory Services and covers a period of 17 months (August 2003 to December 2004). King Zollinger was founded in February 2003 by the two partners Alison King and Urs Zollinger as a General Partnership under Swiss law (*Kollektivgesellschaft*). The company is registered in the Commercial Register of the canton of Zurich and started business on 1 August 2003.

2. Vision

We are convinced that poverty reduction and sustainable development can only be achieved collectively. Dialogue and innovative, goal-oriented development partnerships open up new dimensions and perspectives, leading to real change and well-being for all. The Millennium Development Goals form the basis of our work and serve as the framework for our commitment.

3. Services

King Zollinger is a consultancy firm working in the area of international development cooperation, and applying this specific knowledge and know-how in the fields of corporate responsibility and philanthropy.

4. Management and Council

The two founding partners Alison King and Urs Zollinger constitute the management of King Zollinger.



Alison King obtained her Masters' degree in Political Science (international relations) from the University of St. Gallen, Switzerland, in 1992. She has a broad knowledge of development issues and of the international development system from her operational work experience at the country-level in India, from her work at UN Headquarters in New York, as representative of the Government of Switzerland in various UN governing bodies, and, more recently, as an adviser to various development organizations. Alison is particularly concerned with questions relating to refugees, children, women, human rights, population, and health.



Urs Zollinger obtained his Masters' degree in Economic Sciences from the University of St. Gallen, Switzerland, in 1992. He has acquired an in-depth understanding of today's concept of development and the international development system from representing the Government of Switzerland in various UN governing bodies and as consultant for diverse international and Swiss aid agencies. Earlier, he served in the UNDP Evaluation Office in New York and gained operational work experience at the country-level with UNIDO in India. Urs is particularly concerned with questions relating to the environment and economic development. He is a specialist in results-based management and evaluation, as well as an experienced moderator.

In strategic and ethical questions, the management of King Zollinger is able to draw upon the experience and advice of its Council. The members of the Council in 2003 | 2004 were Hans-Christof von Sponeck and Wolfgang Wörnhard:



Hans-Christof von Sponeck, Germany, is the former UN Resident Coordinator in Pakistan and India and the former UN Humanitarian Coordinator in Iraq. Today, he is a renowned expert and author of books and articles on Iraq.



Wolfgang Wörnhard, Zurich, is an independent management consultant and mediator. He holds several honorary positions including that of President of the Swiss National Committee for UNICEF.

5. Clients and activities

Our clients in 2003 | 2004 were Swiss governmental and non-governmental aid agencies, international aid agencies, including United Nations organizations, companies, and foundations.

The activities of King Zollinger ranged from strategic positioning, research and analysis, performance assessment, partnership-building, drafting of reports, training, moderation, and evaluation. As guest speakers, we also shared our thoughts and knowledge with interested audiences.

Examples:

- Research into development policy issues (e.g. financing for development or the digital divide).
- Support in the development and formulation of positions, orientations, and strategies (e.g. with regard to the Millennium Development Goals, UN reforms, and government-fundraising).
- Analytical support in the external assessment of development agencies, their performance and activities (UNDP, UNICEF, UNFPA, FAO, African Development Bank).
- Identification of partner organizations and projects as part of corporate responsibility programmes (in the areas of education and inter-cultural dialogue).
- Drafting of reports (e.g. the Swiss Progress Report on the Millennium Development Goals).
- Conceptualization and/or moderation of events and workshops (e.g. the Swiss Launch of the UN Year of Microcredit 2005, two workshops "Working for the UN", mid-term reviews and annual programme planning, staff training).
- External evaluations (staff training by a humanitarian organization).
- Guest speakers on topics related to international development cooperation and the United Nations (e.g. UN Global Compact and "Working in International Development Cooperation" on the occasion of *forumcinfo* 2004).

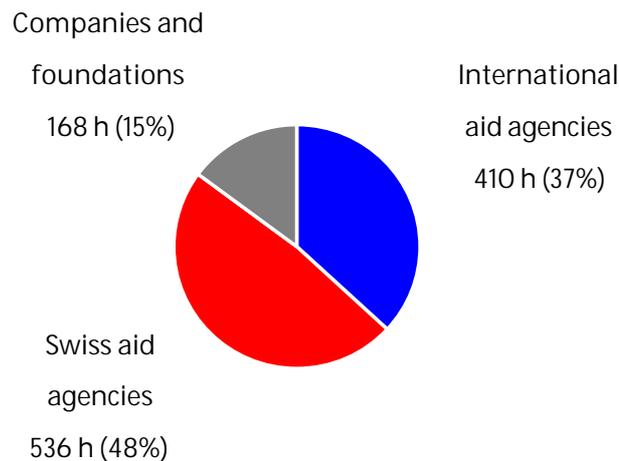
6. Facts and figures

In 2003 | 2004 (17 months) King Zollinger provided services to its clients of 1,113 hours (billed hours) in total, exceeding our cautious expectations for the start-up period. Swiss governmental and non-governmental aid agencies constituted the largest client group (48%), followed by international aid agencies (37%), including UN organizations, and companies/foundations (15%). All clients - on completion of initial assignments - returned with new requests for advisory services.

Volume of advisory services by client group

(hours billed, %)

2003 | 2004



7. Networking

King Zollinger was conscious of the need to network and to mark its presence as newcomers to the consulting business, in particular during its start-up phase. For this reason, and also for learning purposes, its managing partners participated in a number of events, both in Switzerland and abroad, such as:

- International Symposium on Human Rights and the Private Sector, Basle, 27.11.2003 (organized by the Novartis Foundation for Sustainable Development);

- First Swiss National Conference on Corporate Social Responsibility, Geneva, 13/14.11.2003 (organized by Philiias);
- 3rd European Forum for Sustainable Development and Responsible Company Management, Paris, 29/30.3.2004 (organized by Les Echos and UNDP);
- Seminar on the African Development Bank and business opportunities, Zurich, 20.4.2004 (organized by the Swiss Organization for Facilitating Investments SOFI);
- Event on the UN Millennium Development Goals and the role of the Swiss economy (*UNO- Millenniumsziele: Armut – was macht die Wirtschaft?*), Zurich, 7.6.2004 (organized by swisscontact and economiesuisse);
- 5th International Sustainability Forum on Business Investment in Development – Experiences and Perspectives, Rüslikon, 26/27.8.2004 (organized by the sustainability forum zurich);
- Human Rights and Sustainable Development: Towards a Mutual Reinforcement – Discussion and Workshops with the Former UN High Commissioner for Human Rights Mary Robinson, Berne, 2.9.2004 (organized by the Swiss Agency for Development and Cooperation);
- International Symposium on the Right to Health, Basle, 2.12.2004 (organized by the Novartis Foundation for Sustainable Development); and
- By invitation, King Zollinger regularly attended events organized by the Centre for Corporate Responsibility and Sustainability (CCRS) in Zurich.

Urs Zollinger is also member of the *Association Suisse – ONU* and the Swiss Society for Foreign Policy.

In addition, King Zollinger networked and collaborated with a number of individual experts and consulting firms with complementary competencies.

8. Our corporate responsibility

We are conscious of our own social and environmental responsibility and in 2003 | 2004 endeavoured to manage our own business activities in a responsible way.

In addition, King Zollinger provided pro-bono advice to the particularly visionary and innovative project 1000 Women for the Nobel Peace Prize 2005 (www.1000peacewomen.org). We also contributed ideas to the initial stage of the Swiss Model of the United Nations 2005 (www.swissmun.ch.vu) and donated funds to the Swiss Committee for UNICEF in aid of the tsunami victims in South Asia.

9. Publications and website

King Zollinger publishes issue papers in English and German which pick up current international development cooperation topics and aim to achieve two objectives: Firstly, they aspire to give new impetus to the global fight against poverty. Secondly, they seek to translate today's complex development debate into a language easily understood by non-development experts, and thus to provide a certain "translation service". Our issue papers are made available on the company's website at www.kingzollinger.ch. In 2003 | 2004, King Zollinger published six issue papers, to some of which electronic links were established by other expert websites:

- Business and Sustainable Development: Why Business Must Say Yes to Human Rights (October 2004)
- Go for It! How Sport Can Make a Difference in the Fight against Poverty: The UN Year for Sport and Physical Education 2005 (June 2004)
- Ten Years after the International Conference on Population and Development – the Roles of Business and Philanthropy (March 2004)
- The United Nations Human Rights Norms for Business and the UN Global Compact (February 2004)
- UNO-Reformen am Beispiel des UNO-Entwicklungsprogramms (UNDP) (January 2004)
- Die Schweizer Wirtschaft und die UNO – ein Jahr nach dem Beitritt (September 2003)

10. Outlook

2005 is a stepping stone and an important benchmark in the context of the 2015 Millennium Development Goals. In the coming weeks and months leading up to the Millennium Summit + 5 in September, King Zollinger intends to intensify and extend its services in this regard. The UN Millennium Project's recently published report *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals* will be an important point of reference. Among other priorities, the report recommends that large international businesses review their contributions to sustainable development through

a Millennium Development Goals scorecard. We believe that we are well-positioned to make a useful input in this regard.

In the near future, King Zollinger also intends to increase its share of services provided to individuals in the area of philanthropy. More and more individual donors seek to go beyond a mere transfer of money for an apparently good cause. Rather, they require a large degree of transparency and accountability on the part of charities, and are willing to invest in expert opinions in order to ensure the best possible use of their donations. A growing number of wealthy families are also establishing their own foundations, and rely on development experts such as King Zollinger in deciding on their activity areas and in selecting partners and projects. In future, King Zollinger will also pay increased attention to new innovative development approaches (e.g. social venture funds) in addition to the more traditional aid organizations.

Last but not least, we aim to seize opportunities for strengthening our development partnership brokering role, an exciting new area encompassing international development cooperation, corporate responsibility and philanthropy.
