
SECO Start-up Fund (SSF)

Project Financing in Developing and Transition Countries

managed by FINANCEcontact Ltd., Zurich

Characteristics of the SECO Start-up Fund

1. **Unsecured loans for commercially viable investment projects** in the private sector of supported countries (defined by SECO)
2. **Start-up projects** within the first three years
3. Targeted clients : Swiss **SME's** in need for project financing in the supported countries
4. Projects must contribute to the **development of the supported countries** by
 - **Creation of jobs**
 - Training of employees (**know how transfer**)
 - Ecological production, education and increase of awareness for ecological aspects
 - Positive impact on the trade balance by exports of the goods or import substitution
5. Favorable terms
6. Only for projects, for which no other commercial financing sources are available

Countries supported by the SECO Start-up Fund

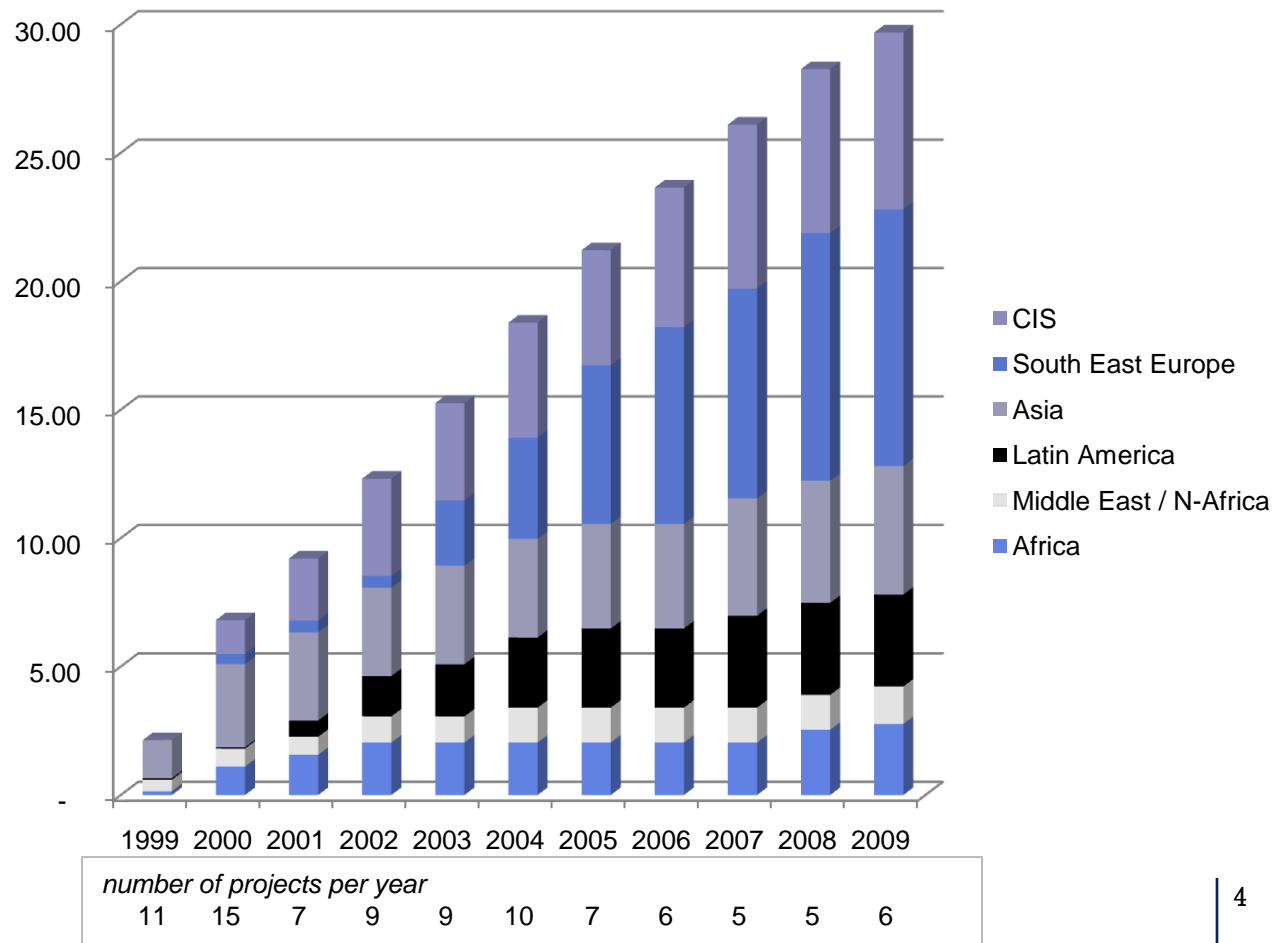


Since 11 years: 90 loans granted for CHF 30 million

Mobilized CHF 113 million of Investments for 10'300 New Jobs

Investments / Loan:
3.8 CHF

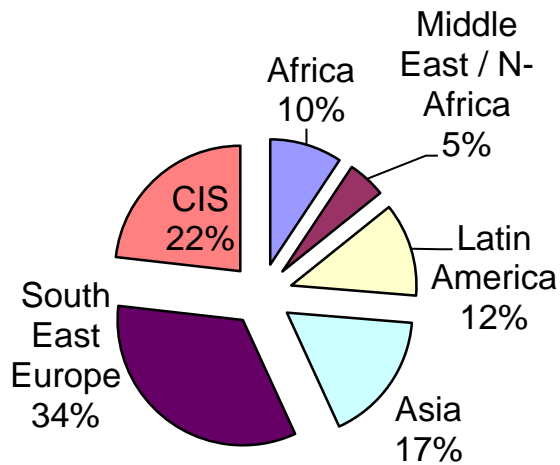
Loans / 1 Job:
2'900 CHF



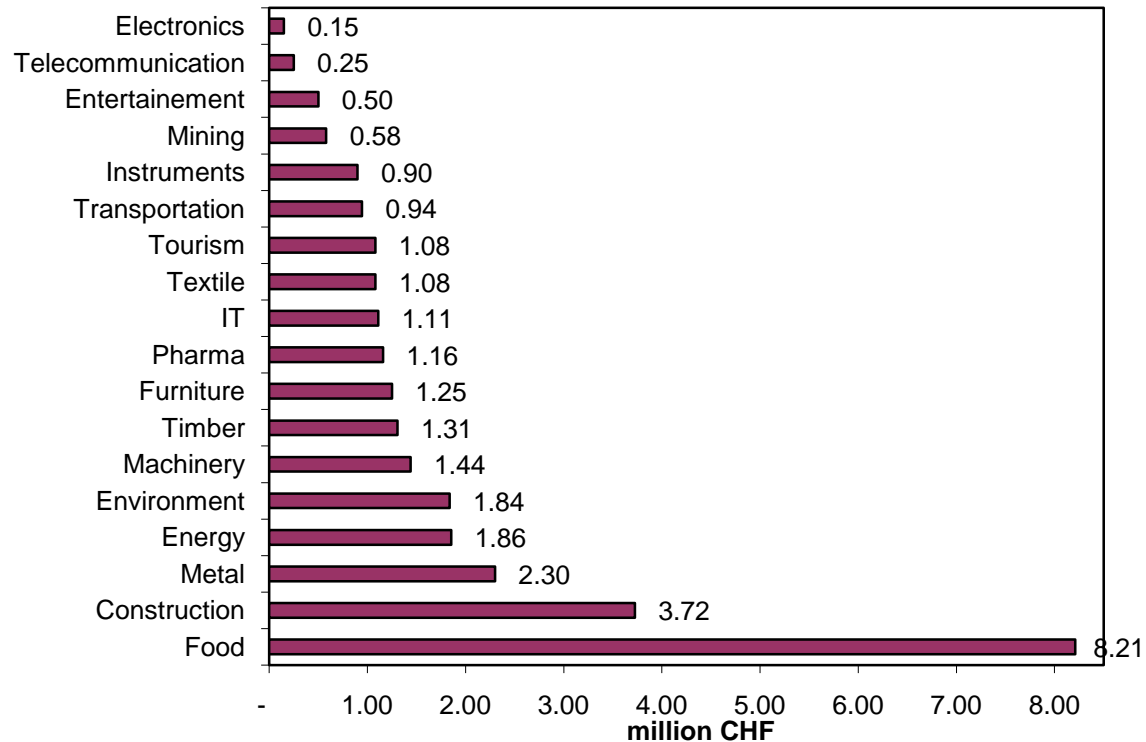
Loan Portfolio of SECO Start-up Fund

1999 - 2009: **90 loans granted** – **CHF 30 million**
 30 loans outstanding – **CHF 10 million**

Loans granted by Regions



Loans granted by Industries



SSF funded projects by country

CIS:

- Georgia
 - Bottled mineral water
 - Canned vegetables & fruits
 - Wood processing
- Kyrgyzstan
 - Tourist hotel
- Russia
 - Heating system
 - Fish processing
 - Window frame manufacturer
 - Wine
 - Potato chips production
 - Garage door assembly
 - Motion capture and 3D animation
 - Milk farming
 - Pig farming
 - Repair workshop
 - Farming (potatoes, cereals)
- Turkmenistan
 - Dyeing of socks
- Ukraine
 - Metal processing
 - Milk farming
- Uzbekistan
 - Yarn spinning

South - East Europe:

- Bosnia-H.
 - Garment factory (shirts)
 - Furniture factory
 - Wood processing
 - Bulgaria
 - Beech-wood processing
 - Wood machines
 - Furniture factory
 - Metal fittings
 - Metal part manufacturer
 - Macedonia
 - Software development
 - Concrete parts
 - Moldova
 - Trailer manufacturer
 - Poland
 - Wood furnaces production
 - Romania
 - Payment system
 - Electromechanical components
 - Spices for meat processing
 - Serbia
 - Ultrasonic welding
 - Optical lenses
 - Natural stone processing
- Cosmetics distribution
 - Dairy
 - Valvet
 - Poultry production
 - Wood pellets
 - Gastro-furniture

SSF funded projects by country

Asia:

- China
 - Pen-ball production
 - 'Micro-tunneling' research
 - Wastewater treatment & processing
 - Precision turned parts
 - Measurement instruments
 - Sterilization of herbs
 - Powder for metal parts
- India
 - Pilot project on Yarn spinning
 - Container transport system
 - Boogies for Indian Railways
 - Clinical diagnostic reagents
 - Lignin production
- Indonesia
 - Waste recovery
- Nepal
 - Feasibility study hydropower plant
- Vietnam
 - Raspberry plantation
 - Feasibility study e-business
 - Meat processing, sausage prod.
 - IT hardware

Latin America:

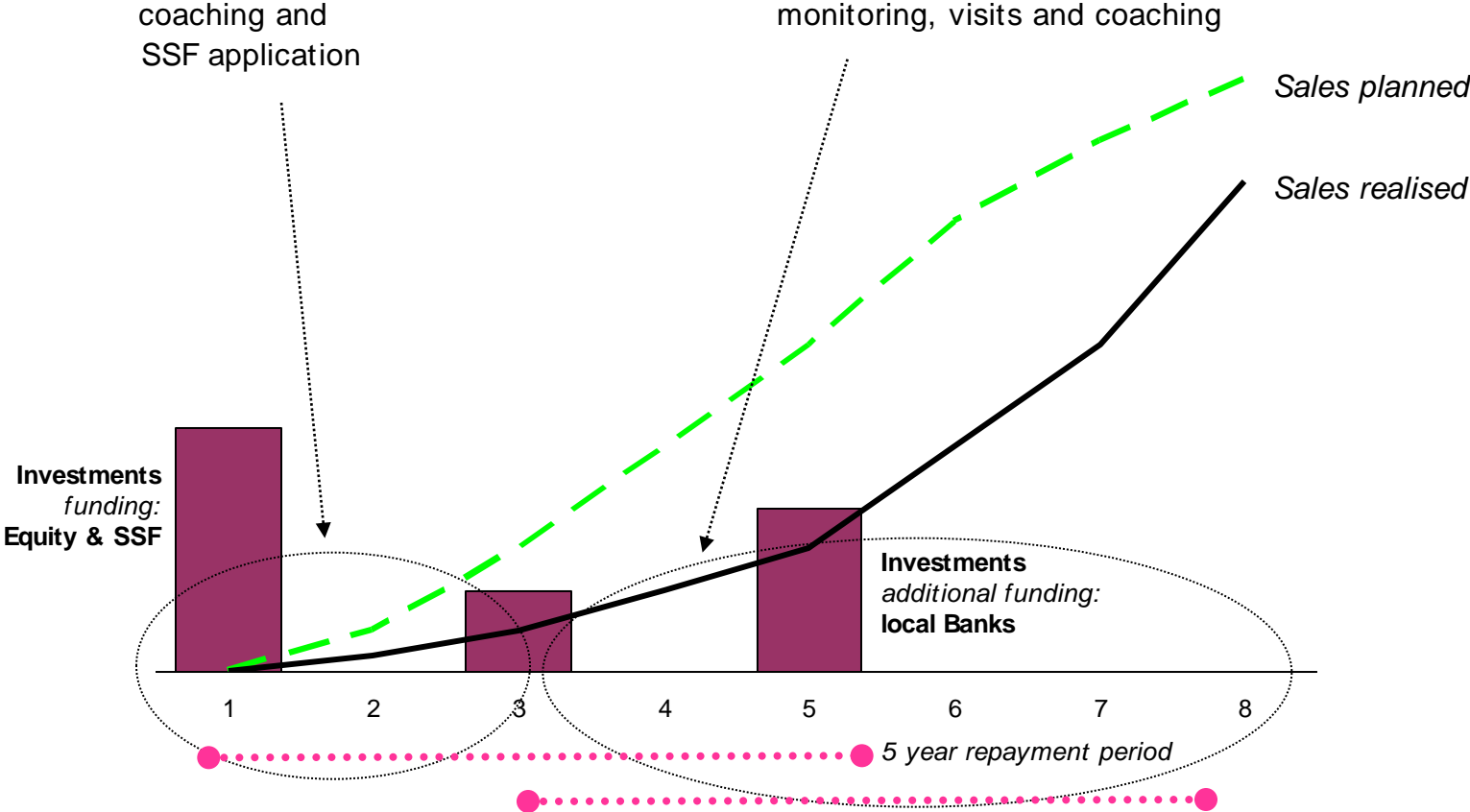
- Argentina
 - Preparation sustainable forestry
- Brazil
 - Production of shrimps
 - Remediation of soil contamination
- Peru
 - Photo-voltaic cells
 - Scallop processing
 - Wood products from sustainable forestry

Africa:

- Burkina Faso
 - Mango vinegar production
 - Dried fruit processing
- Egypt
 - Billing services for telecommunication
- Ghana
 - Mango production & processing
- Ivory Coast
 - Hors-sol tomatoes
 - Hydro-culture indoor plants
 - Papaya production
- Morocco
 - Waste Management
- South Africa
 - Oil absorption technology
 - DNA-sequencing and DNA-synthesis
- Tanzania
 - Specialty coffee
 - Safari lodge
- Tunisia
 - Photo-voltaic billboards
 - Tourist hotel
 - Organic dates

Typical SSF Project Development

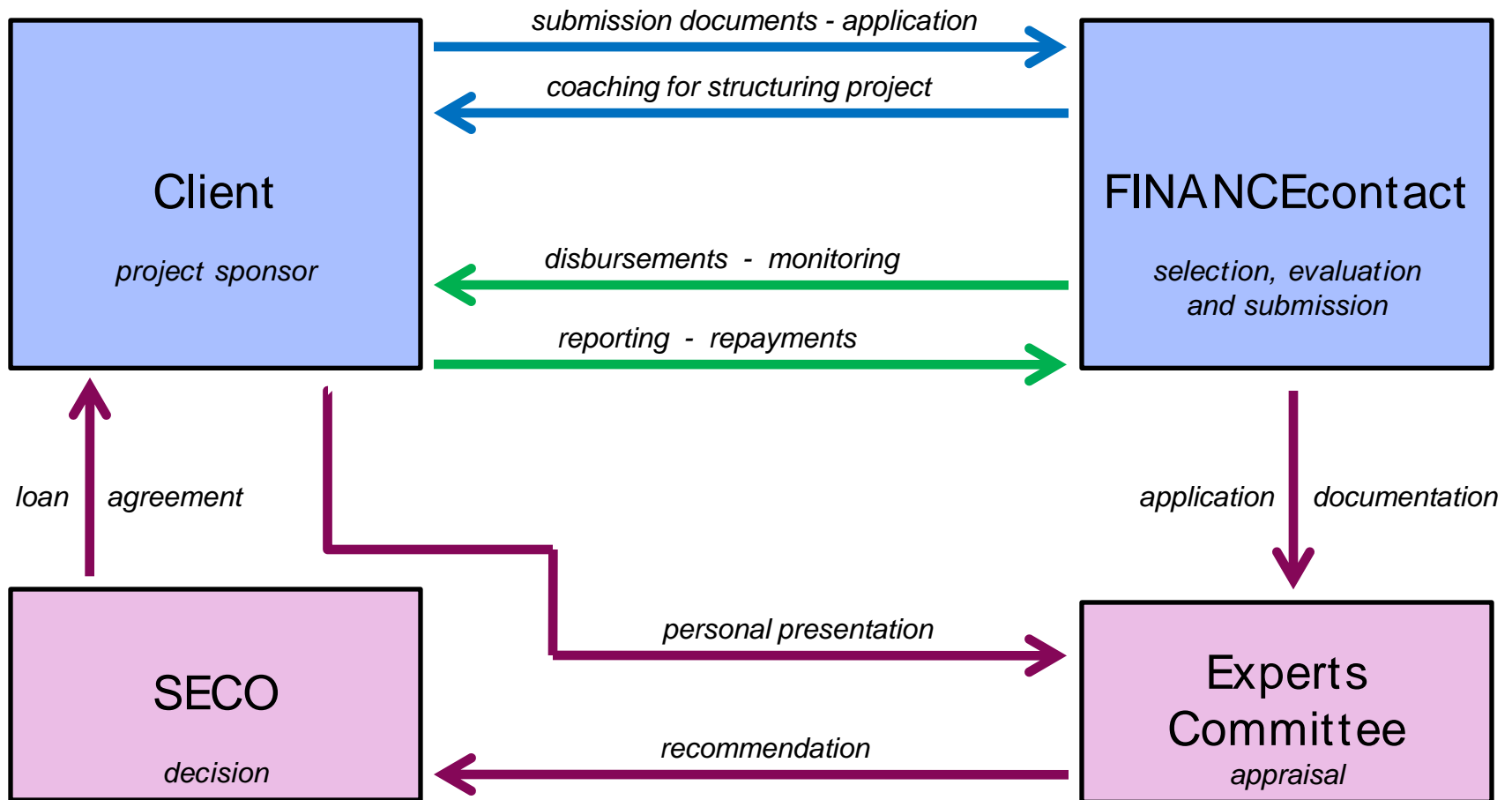
FINANCEcontact involvement:



Loan conditions of SECO Start-up Fund

1. Meeting **Eligibility Criteria:**
 - Eligible country
 - Swiss residency of the borrower
 - Private sector investment
 - Loan amount up to CHF 500'000 with the borrower at least raising 50% of initial investment costs
2. **Show business viability** of the project as well as financial and management capacity of the projects' promoter
3. **Loan Repayment** within 5 years
4. **Interest rate** based on the Swiss Export Base Rate (presently 1.375 %) plus an increasing risk premium. Present interest rates: 2.375% in the 1st year, up to 6.375% in the 5th year.
5. **Development Impact** and social factors of the planned investment

Role of various Bodies involved in SSF



Loan granting procedure takes about 3 months

1. Review of submitted **documents**
 - Business and financial plan
 - Legal documents
 - Financial statements /status of borrowers
2. Review of **business environment**
 - Interview with project sponsors
 - Country, market, technical inquiries
3. **Application sheet and fee** (1% of requested loan, minimum CHF 1'000)
4. **Expert Committee** 6 independent experts – about 6 meetings per year
express opinion about credit-worthiness of project to SECO
5. **Loan agreement** with SECO followed by planned disbursements
6. Monitoring – communications – visits – all administrative work by FINANCEcontact

Benefit of funding through SECO Start-up Fund

Liquidity	Liquidity or bank facility of the Swiss borrower is not affected by the new operation in an emerging market country
Co-financing	May facilitate co-financing through a local bank
No risk premium	Loans in High Risk Countries without charging a specific country risk premium.
Network	Broad SSF / Swisscontact network may help to arrange contacts to other funding partners, embassies, chambers, business consultants and Investment Promotion Agencies
Underdeveloped	SECO, Swisscontact and SSF are particularly inclined to foster projects in underdeveloped regions and economies in transition.
Support	Each team member has more than 10 years of expertise in business development in emerging market countries and can offer valuable advice and support.

Contact SECO Start-up Fund

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