



SECO Start-up Fund

Start-up Finance in Emerging Markets

The SECO Start-up Fund provides loans to entrepreneurs and enterprises with residency in Switzerland to co-finance start-ups in countries in emerging markets. The aim is to build strong and growing enterprises and support the creation of modern jobs in countries under development or in transition.

Why the SECO Start-up Fund?

Investments in developing and transition economies involve business risks beyond those generally encountered in Western countries. In addition, it is very difficult for single entrepreneurs and SMEs to access private sector financing for these projects. Swiss banks would not finance and local banks would request at least three profitable years and high guarantees, which is typically not possible for start-up projects.

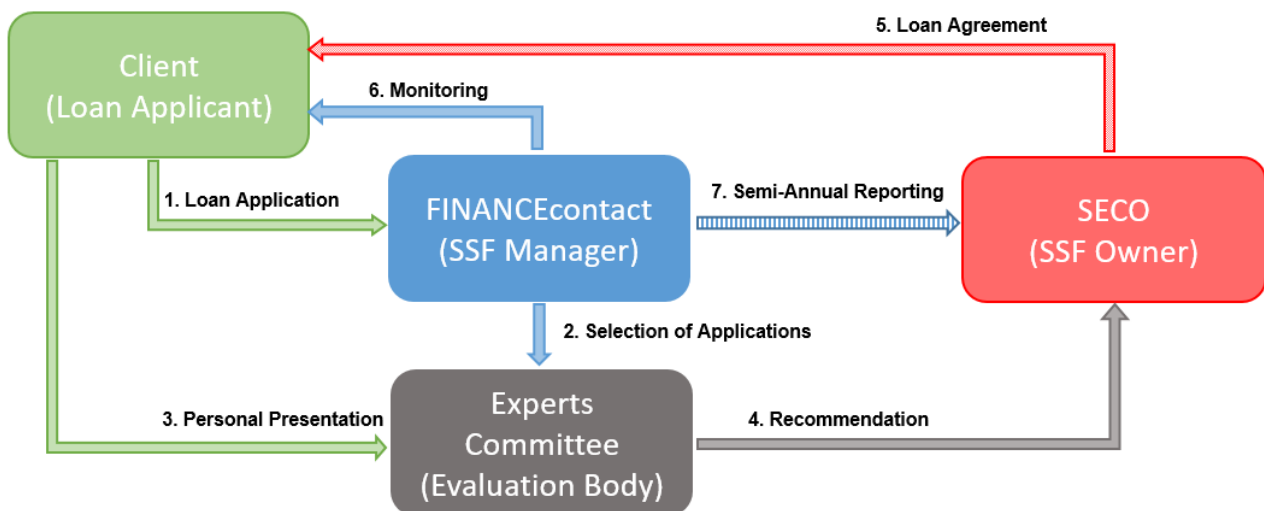
Risk sharing through unsecured loans

- Loan of up to CHF 500'000 and covering max. 2/3 of investment costs
- Repayment within 7 years with variable starting point
- Swiss residency of the borrower

Projects must contribute to the development of the supported countries by

- creation of decent jobs
- training of employees (know-how transfer/vocational training)
- social responsibility and environmentally friendly production

How does the SECO Start-up Fund work?



Country/region
Selected countries in
Africa/Middle East, Asia,
CIS, Latin America and
South East Europe

Executing agency
FINANCEcontact

Project duration
2017-2024

Total budget
CHF 18 mio

SECO contribution
CHF 18 mio



Outcomes achieved in SSF portfolio

since Inception	outcomes 2021																							
126 loans committed to start-ups out of which 87 companies still exist today	Portfolio of 27 loans totalling CHF 7'773'000	<p style="text-align: center;">Industries</p> <table border="1"> <caption>Industries Data</caption> <thead> <tr> <th>Industry</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Food, Beverages</td> <td>38%</td> </tr> <tr> <td>Energy</td> <td>13%</td> </tr> <tr> <td>Others</td> <td>9%</td> </tr> <tr> <td>Hotels, Tourism</td> <td>8%</td> </tr> <tr> <td>IT, Telecom</td> <td>3%</td> </tr> <tr> <td>Cosmetics, Pharma</td> <td>6%</td> </tr> <tr> <td>Metal</td> <td>9%</td> </tr> <tr> <td>Textiles</td> <td>4%</td> </tr> <tr> <td>Construction</td> <td>9%</td> </tr> <tr> <td>Furniture</td> <td>1%</td> </tr> </tbody> </table>	Industry	Percentage	Food, Beverages	38%	Energy	13%	Others	9%	Hotels, Tourism	8%	IT, Telecom	3%	Cosmetics, Pharma	6%	Metal	9%	Textiles	4%	Construction	9%	Furniture	1%
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CHF 30'899'000 SSF commitments mobilized CHF 396'189'000 private investments	2 new loans approved in the total amount of 1'000'000 CHF																							
16'954 Jobs created (8'192 direct jobs; 8'762 indirect jobs)	228 jobs created																							
Every CHF 1'823 from SSF supported creation of 1 job	395 employees trained	<p style="text-align: center;">Proportion of Success to Failure of SSF financed Start-ups 1.8 : 1</p> <table border="1"> <caption>Proportion of Success to Failure of SSF financed Start-ups 1.8 : 1</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Successful Start-ups</td> <td>45%</td> </tr> <tr> <td>Failed projects</td> <td>26%</td> </tr> <tr> <td>mixed results, too early to tell</td> <td>18%</td> </tr> <tr> <td>in preparation</td> <td>3%</td> </tr> <tr> <td>Not realized</td> <td>8%</td> </tr> </tbody> </table>	Category	Percentage	Successful Start-ups	45%	Failed projects	26%	mixed results, too early to tell	18%	in preparation	3%	Not realized	8%										
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More than 3/4 of loans extended to entrepreneurs, 1/4 to MSMEs	84% of staff earn more than 10% above statutory minimum wage																							
Most loans so far for production and processing of food and beverages	85% of portfolio companies report specific measures related to good labour practice																							

Creating Employment and Building Skills – Stories from SSF Portfolio

BAD SYSTEMS – Serbia This company was founded in 2016 by a team of Swiss and Serbian professionals and focuses on developing web-based software solutions for corporate customers from various industries. BAD SYSTEMS aims to accompany its customers in digitalization processes through tailor made solutions and support. The management undertakes strong efforts to build local IT expertise and to offer attractive jobs to young qualified people in South Serbia. BAD SYSTEMS is engaged in promoting the fruitful interaction between higher education institutions and private sector in Serbia through internships. The company successfully launched own products in Serbia and created a daughter company for data analytics. To date 31 jobs have been created.

Magic Design LLC – Mongolia With the desire to contribute to quality jobs and local production capacity in her country of origin, a Swiss business woman and her relatives in Mongolia founded a furniture carpentry shop in Ulan Bator. The loan of the SECO Start-up Fund was used to finance the purchase of modern equipment for the production of furniture. The company seeks to offer a locally produced, reasonably priced but still high-quality alternative to imported plastic furniture for children. Such imports dominate the Mongolian market and often are not in line with public health standards. Magic Design offers safe and pedagogically valuable products. Whilst currently focussing on the local market, in the medium-to-long term, Magic Design also seeks to export part to neighbouring countries. The company has so far created 15 jobs.

Choba Choba AG – Peru Founded by two long-standing chocolate and fair-trade experts and 36 farming families in Peru, Choba Choba offers a short and fully transparent supply chain where cocoa farmers sell the final product directly to customers. Choba Choba is also the first Swiss chocolate brand with cocoa farmers owning part of the equity and being involved in the decision making and price setting process for cacao. Over the past years Choba Choba has not only improved the livelihood of 36 local farming families and their communities but contributed to the conservation of rain forest and genetic diversity of cacao.