



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.

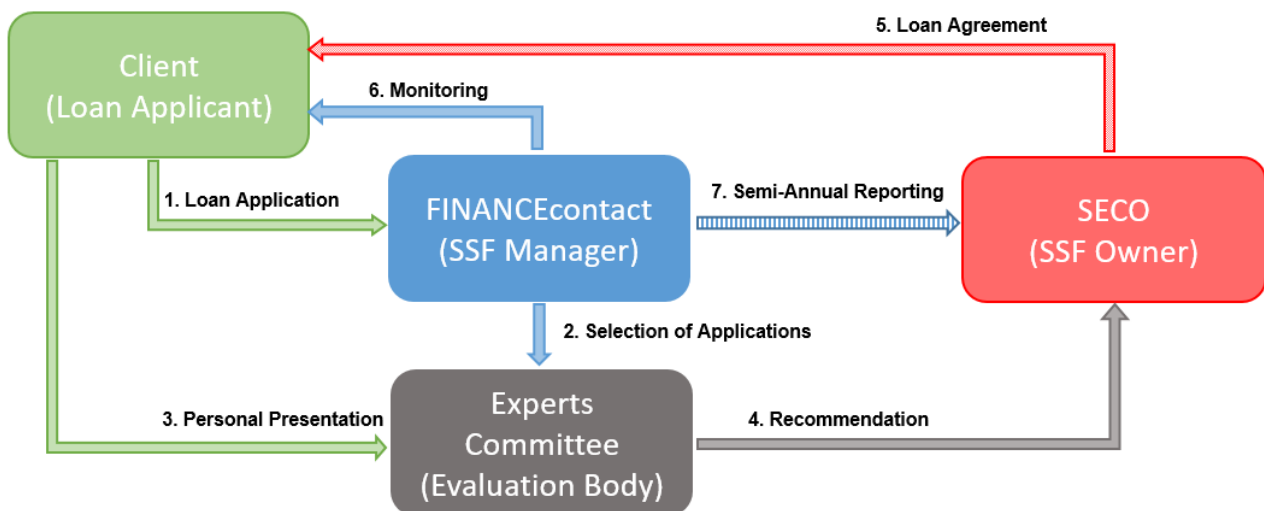
Risk sharing through unsecured loans

- 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 the SSF portfolio

since Inception	outcomes 2023																					
132 loans committed to start-ups out of which 90 companies (68%) still exist today	Portfolio of 23 loans totalling CHF 8'006'000	<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>Construction</td> <td>17%</td> </tr> <tr> <td>Metal</td> <td>12%</td> </tr> <tr> <td>Energy</td> <td>13%</td> </tr> <tr> <td>Hotels, Tourism</td> <td>8%</td> </tr> <tr> <td>IT, Telecom</td> <td>2%</td> </tr> <tr> <td>Others</td> <td>3%</td> </tr> <tr> <td>Textiles</td> <td>1%</td> </tr> <tr> <td>Cosmetics, Pharma</td> <td>6%</td> </tr> </tbody> </table>	Industry	Percentage	Food, Beverages	38%	Construction	17%	Metal	12%	Energy	13%	Hotels, Tourism	8%	IT, Telecom	2%	Others	3%	Textiles	1%	Cosmetics, Pharma	6%
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CHF 33'789'000 SSF commitments mobilized CHF 485'993'000 private investments	2 new loans approved in the total amount of 900'000 CHF																					
19'860 Jobs created (9'809 direct jobs; 10'051 indirect jobs)	289 jobs created ¹																					
Every CHF 1'707 from SSF supported creation of 1 job	817 employees trained	<p style="text-align: center;">Proportion of success to failure of SSF financed start-ups</p> <table border="1"> <caption>Proportion of success to failure of SSF financed start-ups Data</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>successful start-ups</td> <td>37%</td> </tr> <tr> <td>failed projects</td> <td>28%</td> </tr> <tr> <td>mixed results, too early to tell</td> <td>25%</td> </tr> <tr> <td>in preparation</td> <td>2%</td> </tr> <tr> <td>not realized</td> <td>8%</td> </tr> </tbody> </table>	Category	Percentage	successful start-ups	37%	failed projects	28%	mixed results, too early to tell	25%	in preparation	2%	not realized	8%								
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Close to 4/5 of loans extended to entrepreneurs, 1/5 to MSMEs	67% of staff in the portfolio companies earn more than 30% above statutory minimum wage																					
Most loans so far for production and processing of food	93% of portfolio companies report specific measures related to good labour practice																					

Creating Employment and Building Skills – Stories from the SSF Portfolio

Sustainable Safari Lodge – Tanzania// In 2006, a Swiss-French couple embarked on a safari lodge business with the assistance of an SSF loan. Since its inception, their model has seamlessly combined the pursuit of a financially sustainable business with a commitment to wildlife and environmental conservation, as well as support for the well-being of local communities. In 2008, the company secured a lease for 4,000 hectares of land in a Wildlife Management area bordering Lake Manyara and the Tarangire River. In 2013, an additional 155,000 hectares were added. The lodge's beginnings were sobering: the reserve was empty, plagued by poaching, and littered with illegal herds of cows. Moreover, it suffered from illegal logging. However, the reserve was also rich in mineral-laden grass and home to Lala palms, whose fruits are loved by elephants. Leveraging these assets and investing significant time and personal resources, the entrepreneurial couple gradually restored the reserve and continually expanded the lodge. Today, ChemChem Safari Lodge stands as a shining example of a sustainable business, offering guests a unique safari experience while actively engaging in conservation efforts and supporting the local community. The lodge provides full-time employment for 200 local residents and generates income for over 20 casual workers each month. Thanks to unwavering commitment, persistence, and close cooperation with surrounding villages, ChemChem overcame multiple obstacles, including a challenging business environment and temporary crises like the Covid lockdown. As a direct result of ChemChem's presence, the corridor between the two ecosystems—Lake Manyara and the Tangarire River—has been restored. After more than 40 years,

elephants are once again using this vital pathway. This is a huge success that no other company in Tanzania has accomplished. Its impact is invaluable for both the country and its people.

Source of the Nile Namanve – Uganda // With the help of an SSF loan the young entrepreneur couple has built a modern guesthouse in the Kampala Industrial Business Park. The hotel with 27 beds, seminar rooms, restaurant and catering, responds to the growing demand for quality accommodation and catering capacity in the business sector in Uganda. The entrepreneurs also want to professionalize and expand the training of employees in the hospitality sector and create good and sustainable jobs. Namanve experienced a rocky start as it was ready to open when Covid-19 hit. With a lot of persistence and creative ideas, and with the continuous support of the SSF, the entrepreneurs managed to carry the hotel through the extended lock down period and following difficult times. Today Namanve stands on solid feet and offers 27 staff a permanent quality job. It conducts its business in an environmentally friendly manner with responsible waste and wastewater management and uses building techniques that enable a good indoor climate with as little energy as possible – with all of that setting a good example for others.

Mt. Sunzu Coffee Estate // Three young Swiss entrepreneurs are building the production of aromatic speciality coffee in the North of Zambia. They have acquired a 770-hectare farm, near beautiful Mt. Sunzu, which also lent the farm its name. The region is a secret hot-spot for fine flavour coffee and the aim of the project is to produce high-quality Arabica coffee in smaller batches and in line with the requirements for single-origin speciality coffee. Hence, the entrepreneurs use modern technics to ensure a fully traceable and transparent supply chain. With their project the young farmers also want to contribute to the social and ecological well-being of the region. To date the farm has generated 402 jobs, out of which 112 full time positions. Only 300 hectares of the farm's land shall be used for growing coffee in a sustainable manner, with a minimum usage of water and fertilizer. The remaining 470 hectares will be left in their original state as Miombo forest and shall function as ecological compensation area, where wildlife and biodiversity will be protected. Activities such as a wild bee honey project shall generate additional income for the local population. The loan of the SSF has enabled the Swiss entrepreneurs to prepare and plant the first coffee field and set up a modern irrigation system. This support in the pre-revenue phase helped the team build a track for further successful capital rounds and adding two additional coffee fields to date.