



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.

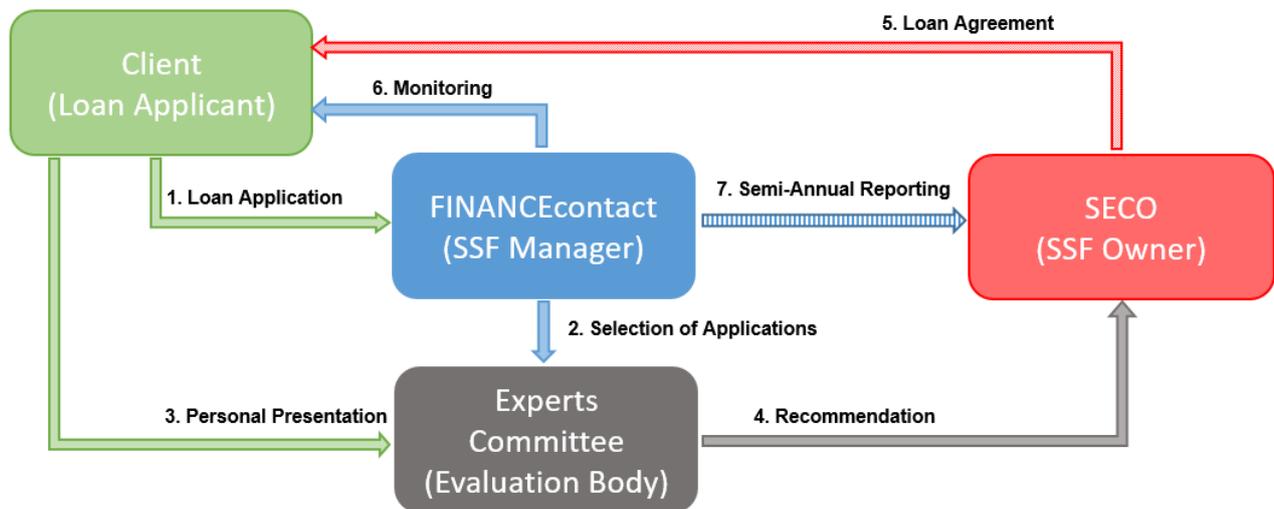
Risk sharing through unsecured loans

- 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 2020	
115 loans committed to start-ups out of which 85 companies still exist today	Portfolio of 31 loans totalling CHF 9'535'000	<p>Industries</p> <ul style="list-style-type: none"> Food, Beverages: 30% IT, Telecom: 13% Energy: 13% Others: 10% Furniture: 5% Construction: 9% Textiles: 7% Metal: 2% Cosmetics, Pharma: 4% Hotels, Tourism: 7%
CHF 30'909'000 SSF commitments mobilized CHF 389'108'000 private investments	3 new loans approved in the total amount of 1'280'000 CHF	
16'234 Jobs created (7'872 direct jobs; 8'362 indirect jobs)	95 jobs created	
Every CHF 1'904 from SSF supported creation of 1 job	166 employees trained	<p>Proportion of Success to Failure of SSF financed Start-ups 2:1</p> <ul style="list-style-type: none"> Successful Start-ups: 43% Failed projects: 27% Mixed results (mostly too early to tell): 19% Not realized: 7% in preparation: 4%
More than 2/3 of loans extended to entrepreneurs, 1/3 to MSMEs	75% of staff earn more than 10% above statutory minimum wage	
Most loans so far for production and processing of food and beverages	90 % of portfolio companies report specific measures related to good labour practice	

Creating Employment and Building Skills – Stories from SSF Portfolio

Carpalat SRL – Romania A business woman of Romanian origins bought the abandoned premises of a former state-owned milk farm near Sibiu, renovated it with help of a SECO Start-up Fund loan and founded the dairy manufacturing company Carpalat. Using dairy equipment from Switzerland and Italy she rebuilt the complete infrastructure. After a steep learning curve the company started selling to local supermarkets in Sibiu and continuously increased its product range and eventually also added own coffee shops and sales points. Carpalat is today not only an important employer, but is also engaged for the dairy sector e.g. by having enabled much needed know-how transfer and by providing veterinary services to local cattle farmers at low cost. The company has currently 77 employees. [SRF Documentary](#) featuring the project.

Magic Design LLC – Mongolia With the desire to contribute to quality jobs and local production capacity in her country of origin, the Swiss business woman founded, together with her relatives in Mongolia, a furniture carpentry shop in Ulan Baator. 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.

Caboz – Ivory Coast CABOZ AG is a company producing high quality cocoa focusing on socially responsible and environmentally friendly production. The loan from the SECO Start-up was used to purchase equipment, trucks and materials. In order to ensure the high-quality standards of international buyers of cocoa and fulfill the requirements for certified cocoa, CABOZ AG invests intensively in training of farmers, quality monitoring and tracking of products. CABOZ Action, a Not for Profit, is active in the farmer communities from where Caboz AG sources beans and offers benefits such as improved sanitation and education. Since inception CABOZ built a team of 39 staff and created jobs for 1229 farmers and their families. The project is complementary with SECO's supported Swiss Platform for Sustainable Cocoa.