



# 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.

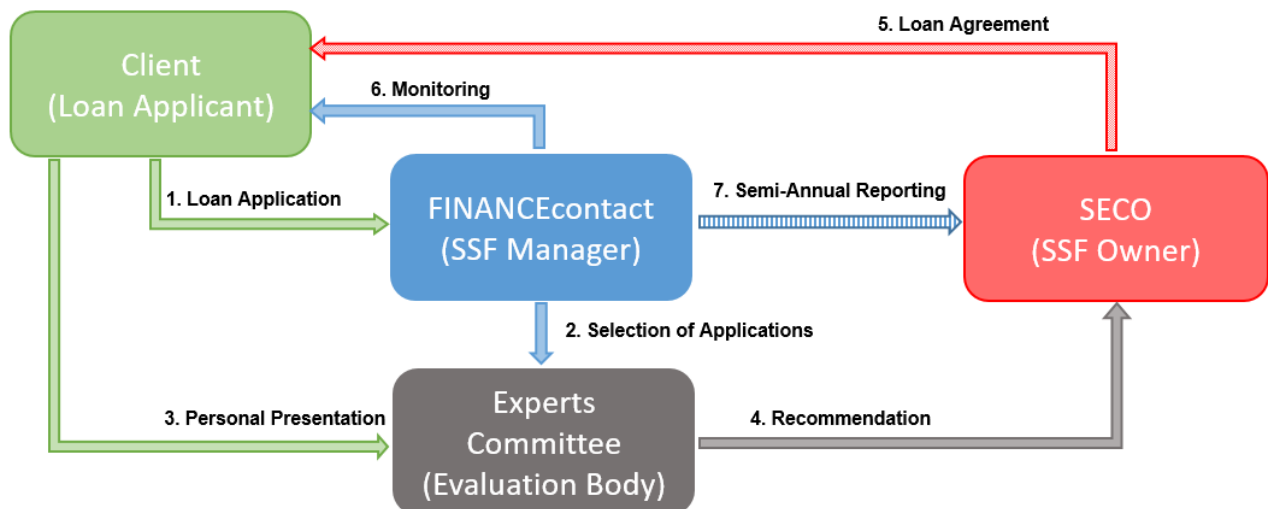
### Risk sharing through unsecured loans

- 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 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  
2017-2020

Total budget  
CHF 18 mio

SECO contribution  
CHF 18 mio



## Outcomes achieved in SSF portfolio

since Inception	outcomes 2019																							
121 loans committed to start-ups out of which 78 companies still exist today	Portfolio of 31 loans totalling CHF 9'383'000	<p style="text-align: center;"><b>Industries</b></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>30%</td> </tr> <tr> <td>IT, Telecom</td> <td>14%</td> </tr> <tr> <td>Others</td> <td>10%</td> </tr> <tr> <td>Energy</td> <td>8%</td> </tr> <tr> <td>Textiles</td> <td>8%</td> </tr> <tr> <td>Metal</td> <td>7%</td> </tr> <tr> <td>Hotels, Tourism</td> <td>7%</td> </tr> <tr> <td>Furniture</td> <td>6%</td> </tr> <tr> <td>Construction</td> <td>6%</td> </tr> <tr> <td>Cosmetics, Pharma</td> <td>4%</td> </tr> </tbody> </table>	Industry	Percentage	Food, Beverages	30%	IT, Telecom	14%	Others	10%	Energy	8%	Textiles	8%	Metal	7%	Hotels, Tourism	7%	Furniture	6%	Construction	6%	Cosmetics, Pharma	4%
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CHF 28'629'000 SSF commitments mobilized CHF 354'072'000 private investments	2 new loans approved in the total amount of 1'000'000 CHF																							
Over 16'091 Jobs created (7'748 direct jobs; 8'343 indirect jobs)	255 jobs created																							
Every CHF 1'800 from SSF supported creation of 1 job	424 employees trained	<p style="text-align: center;"><b>Proportion of Success to Failure of SSF financed Start-ups 2:1</b></p> <table border="1"> <caption>Proportion of Success to Failure of SSF financed Start-ups 2:1 Data</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Successful Start-ups</td> <td>44%</td> </tr> <tr> <td>Mixed results (mostly too early to tell)</td> <td>22%</td> </tr> <tr> <td>Failed projects</td> <td>22%</td> </tr> <tr> <td>Not realized</td> <td>9%</td> </tr> <tr> <td>in preparation</td> <td>3%</td> </tr> </tbody> </table>	Category	Percentage	Successful Start-ups	44%	Mixed results (mostly too early to tell)	22%	Failed projects	22%	Not realized	9%	in preparation	3%										
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2/3 of loans extended to entrepreneurs, 1/3 to SMEs	67% of staff earn at least 30% above statutory minimum wage																							
Most loans so far for production and processing of food and beverages	95 % of portfolio companies report specific measures related to good labour practice																							

## Creating Employment and Building Skills – Stories from SSF Portfolio

**Standard Furniture – Bosnia and Serbia** The SSF loan helped this furniture company grow and establish itself as a regular supplier to IKEA. A professional and responsible labour policy and intense and continuous training efforts remain key to remain competitive and accepted by international buyers, particularly in a region where qualified labour is still scarce. Apart of regular skill building activities Standard Furniture offers employees attractive salaries, career opportunities, training (at home and abroad) and participation in the financial success of the company. The company also puts emphasis on a transparent salary system and a modern and safe workspace. Since inception Standard Furniture created 283 jobs, out of which 60% for women.

**Butchery Angst – Vietnam** The company is a meat processing factory in Ho Chi Minh City. The loan of the SECO Start-up Fund was instrumental to finance the early start-up phase of the project and help build a state-of-the-art factory. Today Angst-Truong Vinh's products are appreciated in the Vietnamese market for their outstanding quality and are sold to hotels, supermarkets and fast-food restaurants. Since inception, the company was committed to a modern and responsible employment policy which management sees clearly as a key factor for success. It includes thorough trainings by Swiss butchers, regular staff events and six months paid maternity leave. Employees reward this by a low turn-over. Since inception Angst-Truong Vinh has created 107 jobs, the large majority for women.

**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 42 staff and created jobs for 1450 farmers and their families.