

## Factsheet

### Swiss Capacity Building Facility (SCBF)

Switzerland is known worldwide for its highly developed financial sector. Directly and indirectly it employs 500,000 people and contributes to almost a fifth of Switzerland's added value.<sup>1</sup> Switzerland has succeeded in creating and attracting considerable human and financial capacities. Fortunately, development cooperation is also a beneficiary of this. For this reason, in the *inclusive finance* sector (micro-finance, microinsurance, etc.), Switzerland is among the world's most important players: almost one third of the investment volume, approx CHF 3 billion, is managed by Swiss providers of financial services. The approximately CHF 2 billion annually that is available for Switzerland's bilateral development cooperation appears small by comparison. Nevertheless, Swiss resources for development cooperation can be put to use flexibly as subsidies to mobilise the additional enormous human and financial resources of the private sector.



### Example of successful cooperation between the SDC and the private sector



The SCBF is a public-private development partnership (PPDP) that makes efficient use of the complementarity between the private and public sectors. Between 2011 and 2018, more than 1.3 million low-income clients (more than 70% women) have been served with financial services, through 114 projects in 33 countries.

#### Who benefits from the SCBF?

The SCBF supports financial institutions wanting to make their services available to poor population groups in developing countries or to improve those they already offer. The institutions receiving the technical assistance have to co-finance at least 20% of the project costs with their own contributions (cash or in-kind).

#### Who belongs to the SCBF?

The SCBF is a registered association in which currently 15 Swiss financial actors participate: Akiba, Allianz RE, Bamboo Finance, Blue Orchard, Business and Finance Consulting (BFC), Credit Suisse, Kiwi, Opportunity International Schweiz, responsAbility, Stonestep, Swiss Microfinance Holding, SwissRe, Symbiotics, Venture South and Zurich. The non-profit sector is represented by Swisscontact and the Syngenta Foundation, and the public sector by the SDC. The Arab Gulf Programme for Development has joined the SCBF as sponsor and partner. The heterogeneous composition of SCBF membership has the advantage of bringing together different complementary skills and knowledge. In addition, the companies concerned invest their reputations in the success of the proposed projects. Trust is therefore an important aspect of the cement that binds the SCBF. The members contribute in the form of A) Human capital: the work that the individual members (including the SDC) do for the association is treated and quantified as "in-kind contributions". B) Financial resources: 12.7 Mio. CHF come from the SDC and 450'000CHF from the Credit Suisse Foundation.

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<sup>1</sup> <http://www.swissbanking.org/kmu-bak-studie.pdf> (in German)

## How does the SCBF work?

The SCBF can, through its organisation as an association, approve projects in a simple and effective way (see chart below), so that a first payout can be made within a few weeks. At the same time the high quality is assured through the expertise of qualified specialists at all levels. Administrative costs are very low because of a well-designed division and organisation of tasks. An efficient secretariat coordinates and administers the project portfolio.

