Swiss Capacity Building Facility

Innovating Inclusive Finance

Annual Report 2025

Executive Summary

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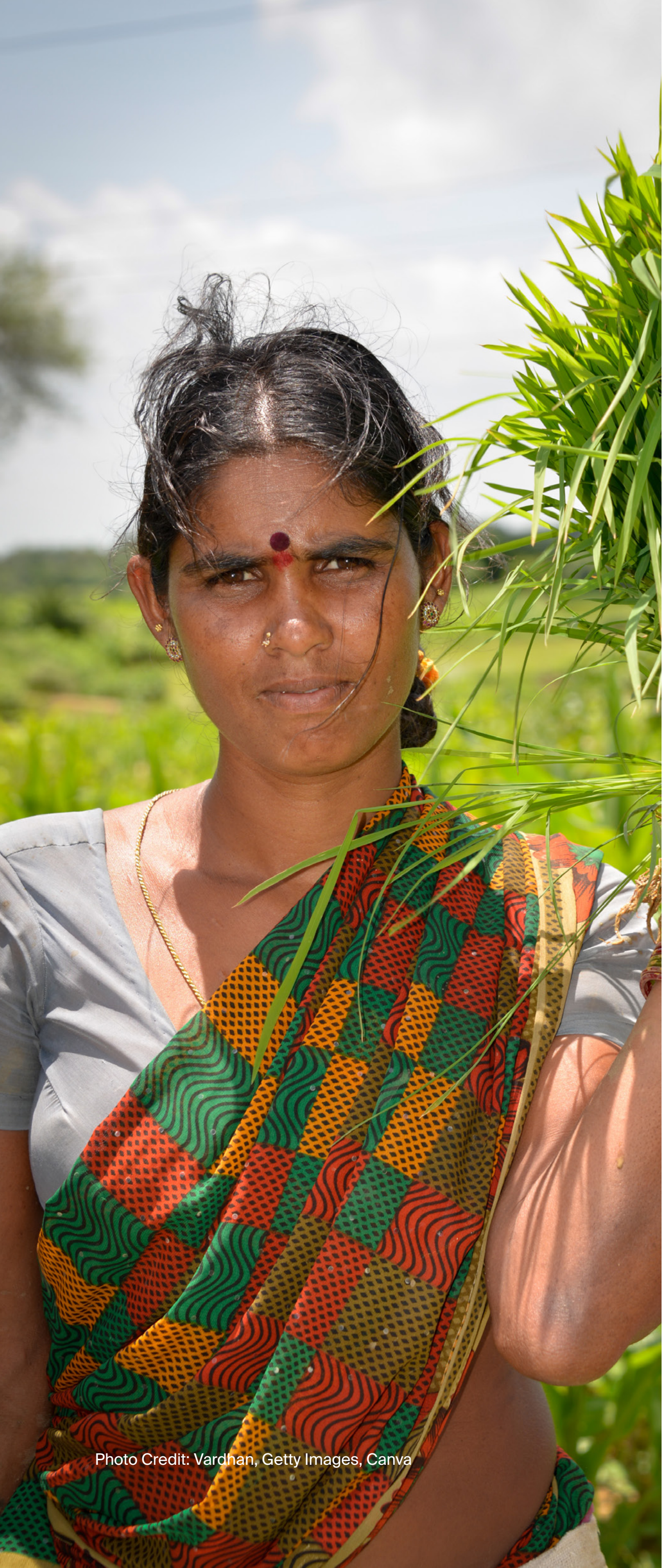
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In 2025, inclusive finance operated in a challenging environment shaped by economic pressures, climate shocks, and constrained development funding – underscoring the urgent need for financial systems that protect and strengthen the livelihoods of the most vulnerable. Financial access is no longer the primary constraint; the ability of households to withstand and recover from shocks has become the defining challenge.

The Swiss Capacity Building Facility (SCBF) strengthened its position as a catalytic platform at the intersection of climate resilience, financial inclusion, and sustainable development. It continued to advance locally grounded, client-centric solutions across agriculture, health, and housing, with a strong focus on gender equality, climate resilience, and migration. To date, SCBF has reached 8.7 million people through 238 projects, leveraging diverse financing instruments to scale impactful, evidence-driven solutions.

Overall Performance and Strategic Positioning

In 2025, SCBF advanced its mission of transforming climate risk into resilient futures by supporting market-based, client-centric financial solutions. The organization further established itself as a blended finance catalyst, combining technical assistance, repayable grants, and impact-linked finance to unlock scalable and sustainable financial innovations.

SCBF's role is distinct: it funds and structures partnerships between financial institutions, insurers, technology providers, and distribution actors, ensuring solutions are viable, scalable, and embedded within existing systems.

A key strategic milestone during the year was the continued operationalization of the SCBF 2030 strategy, with a strong emphasis on:

- Climate resilience and adaptation
- Gender inclusion and women's financial empowerment
- Strengthening rural and vulnerable communities
- Evidence-driven decision-making and impact measurement

SCBF also deepened its evidence base by completing 21 independent outcome studies, enhancing its ability to assess real impact on income stability, resilience, and well-being. Across these studies, results consistently show that well-designed financial solutions can reduce distress borrowing, stabilise incomes, and enable faster recovery from shocks - particularly when embedded within trusted local distribution channels.

Financial Performance and Capital Mobilisation

SCBF demonstrated strong financial leverage and efficiency in 2025, mobilising resources far beyond its own capital to enable solutions that reach low-income people in emerging markets.

- Since inception, SCBF has mobilised CHF 25.1 million in grant funding through its network of public and private members
- In 2025, CHF 1.6 million was committed to new projects, leveraging an additional CHF 2 million in co-financing from project partners.
- Overall, CHF 32.8 million in contributions has mobilised CHF 113.5 million in additional resources.
- This reflects a strong leverage ratio of **1 : 3.46 X** - meaning every CHF 1 invested generates CHF 3.46 in additional resources.

This performance underscores the following three key strengths:

Catalytic Capital Model

SCBF funding unlocks significant co-investment and follow-on capital from partners.

Stronger Partner Commitment

CHF 23 million in co-financing since inception reflects sustained engagement from financial institutions and ecosystem actors.

Beyond Financial Capital

CHF 4 million in monetised member expertise highlights the value of technical knowledge alongside funding.

The funding mix continues to be dominated by technical assistance (75%), supporting product innovation and scaling, financial literacy, and feasibility studies. This is complemented by repayable grants and impact-linked finance, strengthening sustainability and accountability.

SCBF's model follows a clear pathway to scale: early-stage funding supports product design and testing, solutions are embedded into existing distribution systems (such as cooperatives, financial institutions, or digital platforms), and partner capital then drives expansion - allowing SCBF to exit while impact continues to grow.

Outreach impact

Since 2011, SCBF has supported 238 projects, enabling 169 financial services providers (FSPs) and 87 Technical assistance providers across 53 countries. These interventions translated into concrete improvements in people's lives, including:

- Increased farmer resilience and reduced distress borrowing
- Improved income stability and savings behaviour
- Faster recovery from climate and health shocks

Evidence indicates that clients benefiting from integrated financial solutions - combining credit, insurance, and payments - are significantly better able to absorb shocks and avoid negative coping strategies compared to those using single products. SCBF has steadily expanded its outreach both in terms of scale and depth of impact. The following is a snapshot of the impact created in 2025 and since inception:

	2025 Outreach	Cumulative Outreach (since 2011)
End clients reached	2.7 million	8.7 million
Women & Rural Outreach	54 % - women clients 69 % - rural clients	48 % - women clients 65 % - rural clients
Solution category-wise outreach:		
Insurance	62%	54%
Digital Financial Services	24%	23%
Credit	9%	16%
Savings	2%	6%
Others	2%	0.7%
Lives covered through insurance (including families)	**0.37 million total lives**	**5 million total lives**
Regional outreach	Sub-Saharan Africa (81%), Asia (18%), MENA (0.8%), Latin America (0.2%)	Sub-Saharan Africa (60%), Asia (16%), MENA (19%), Latin America (5%)
Financial education outreach	**0.59 million clients**	**4.8 million clients**

Key Accomplishments in 2025

1. Strengthening Strategic Partnerships

SCBF expanded its member base through high-impact collaborations, including a partnership with the Howden Foundation to scale climate insurance solutions and the addition of Europa Re, strengthening expertise in disaster risk insurance. These partnerships enhance SCBF's ability to address climate risks and accelerate scale-up of inclusive insurance globally.

2. Advancing Inclusive Insurance and Climate Resilience

SCBF reinforced its leadership in inclusive index insurance through the publication of a key insights report, drawing on over a decade of experience, 40+ projects reaching more than 900,000 low-income households, expert interviews, and global case studies.

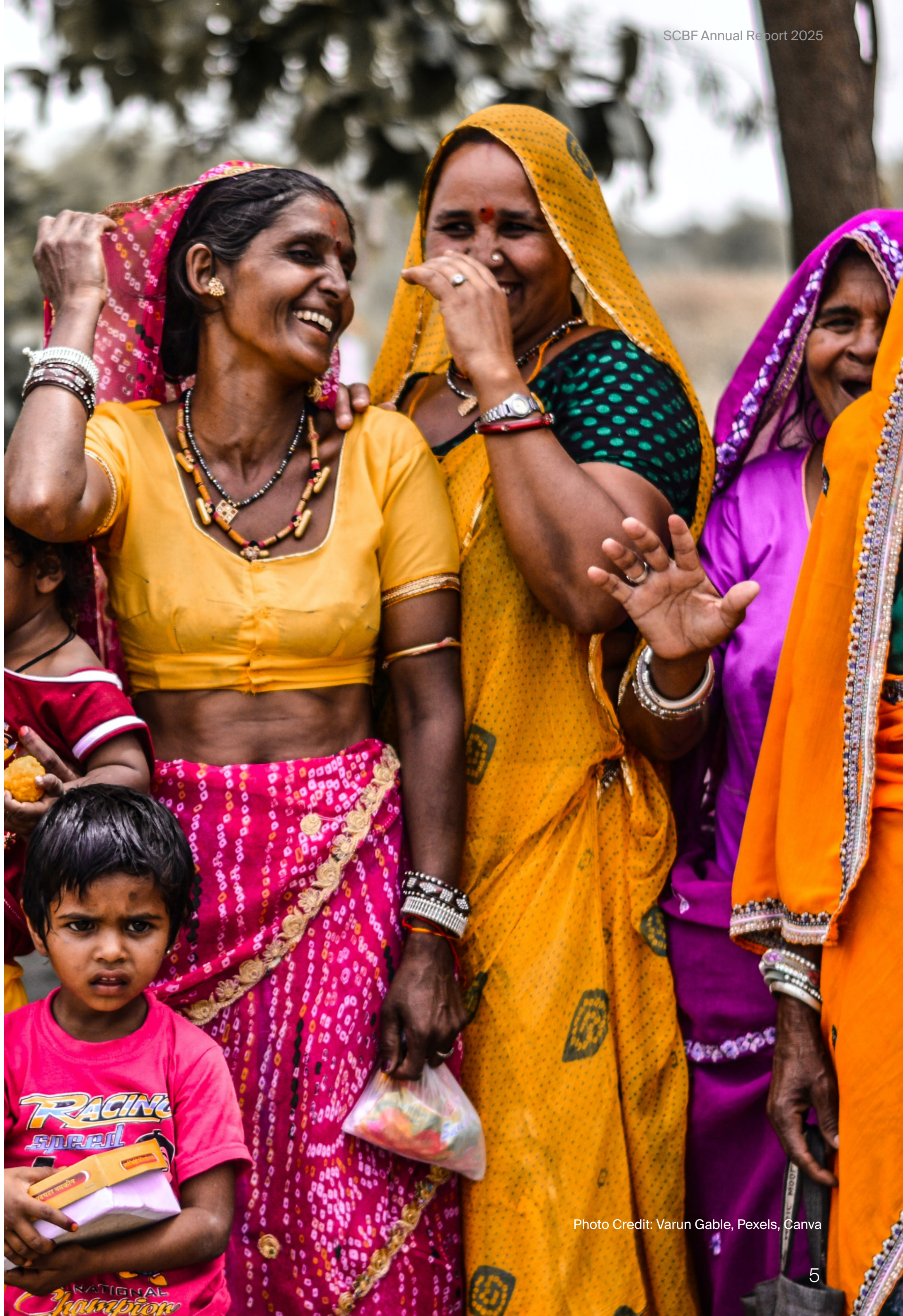
The findings highlight that scaling insurance requires the following critical enablers for sustainable impact:

- strong distribution partnerships
- trusted intermediaries
- gender-sensitive approaches, and
- improved data infrastructure

For example, SCBF-supported models have demonstrated that when insurance is bundled with existing financial services - such as agricultural credit or savings products - uptake and retention increase significantly, while enabling faster post-shock recovery for clients.

3. Global Thought Leadership and Convening

SCBF continued to shape global discourse on inclusive finance through active participation in major platforms, including - Building Bridges 2025 in Geneva; Financial Inclusion Week 2025; and SAM 2025 in Nairobi where it shared evidence of on-the-ground impact and the models driving it. Sponsorship of a global podcast series further expanded its reach, amplifying sector dialogue and cross-sector collaboration.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Strategic Outlook - 2026 & beyond

As inclusive finance shifts from access to resilience, SCBF is entering a new phase with a clear focus: ensuring that solutions proven to improve lives reach the millions who still need them. In a context of climate risk, economic pressure, and limited funding, SCBF prioritises evidence-based, market-driven models that deliver real value for low-income clients, especially women and rural communities.

SCBF already translates proven models into scaled, system-level solutions by embedding them within financial institutions, value chains, and public programmes - ensuring that impact moves beyond pilots into sustained delivery.

A central priority is to further strengthen SCBF's role as a partnership platform bringing together financial institutions, insurers, technology providers, and distribution actors to jointly design and deliver integrated solutions that no single actor could achieve alone.

Through catalytic financing, technical support, and public–private partnerships, SCBF focuses on building resilience before shocks - enabling social enterprises and financial providers to scale sustainable impact.

Its continued focus on climate resilience, innovation, and inclusive growth positions it as a key enabler of financial systems that not only reach those most excluded - but empower them to thrive.

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