Swiss Capacity Building Facility (SCBF): Bridging Capital & Expertise Gaps to Scale Inclusive Health Protection

In many low- and middle-income countries (LMICs), health issues remain one of the fastest routes into financial distress. Even where national coverage exists, households routinely face a second layer of cost - transport, medicines not covered, lost wages, and the need to borrow at precisely the wrong moment. According to WHO estimates, 3 out of 4 people among the poorest segments faced financial hardship from health costs in 2022, amounting to 1.6 billion people living in poverty or pushed deeper into it due to out-of-pocket health expenses[1]. At the same time, local insurance and financial inclusion actors operating in developing markets often struggle to secure enough capital and the right expertise to scale into sustainable organizations. Swiss Capacity Building Facility (SCBF) was established to address such critical market failures by channeling catalytic funding and private-sector know-how into designing, testing, and scaling inclusive financial solutions that reduce vulnerability. To that end a significant share of SCBF's portfolio focuses on improving access to care and reducing out-of-pocket costs.

Closing the Pioneer Gap

SCBF focuses on a segment of the market that traditional finance largely does not cover: inclusive insurance and health-financing providers that are beyond pre-seed and show early traction, but still lack the capital and capabilities needed to scale. These organizations may already have a client base but remain "too risky" for banks and "too small" for institutional capital. In insurance, that challenge is amplified by specialist gaps - pricing, actuarial work, reinsurance, claims management, and the distribution economics that determine whether a product can survive beyond a subsidized pilot.

SCBF describes this bottleneck as the "pioneer gap" and positions itself as a bridge across it. The aim is not to subsidize operations indefinitely, but to fund the technical and operational build-out that turns a pilot into a repeatable, investable model for follow-on sustainable growth.

[1] WHO, Universal health coverage (UHC), 2025, https://www.who.int/news-room/fact-sheets/detail/universal-health-coverage-(uhc)

SCBF-supported project with Opportunity International in Haiti

Converting Partner Know-How into Scalable Action

SCBF's core advantage is its ability to combine catalytic funding with hands-on expertise from a diverse member base spanning public and private actors. As a public–private platform, SCBF brings together public partners such as the Swiss Agency for Development and Cooperation and more than 20 private actors including insurers, impact investors, and inclusive finance specialists. As such, its value is not that it delivers technical assistance itself, but that it funds it and reinforces it through governance, specialist review, and practical monitoring. Indeed, experienced insurers and financial-sector members are uniquely positioned to stress-test product logic, distribution plans, and operational controls of young local ventures. In practice, this technical expertise becomes part of the de-risking mechanism: members strengthen projects before funding decisions are made and remain engaged during execution, including monitoring in-country where relevant. This technical diversity helps SCBF reduce the vulnerability of underserved populations across multiple themes, advancing financial inclusion, resilience, and access to essential services within its strategic focus areas of health, agriculture, and housing. This expertise also enables SCBF to integrate gender, migration, and climate resilience focuses across all projects.

This architecture also explains how SCBF operates across many geographies with a lean core team. Acting as the central bridge, SCBF sources projects through member and sector networks, supports implementation through local and international partners closest to clients, and adds targeted technical inputs where execution risk is highest. The model is also mutually reinforcing for members: many

SCBF target markets sit outside the commercial risk appetite of large insurers, but working alongside local ventures provides real-life exposure to new distribution models, affordability constraints, and emerging risks - insights that inform further financial innovation.

Aligning Financing with Practical Constraints

SCBF currently deploys three instruments, each addressing a distinct barrier to scale. First, technical assistance grants are used to fund product design, market learning, operational build-out, and capability development – especially where technical know-how is limited. Second, repayable grants respond to a later-stage need – helping ventures scale while avoiding potential long-term market distortion of permanent grant dependence. Third, impact-linked finance is used more selectively and targets cases where incentives can shift behavior beyond the pilot, like targeting female or lower-income customers. Outside of impact-linked finance, SCBF also assesses impact beyond the level of individual projects: in 2024, SCBF initiated a series of outcome studies with 60 Decibels to ultimately cover 21 projects, cumulatively collecting feedback from thousands of end clients[2].

Complementing National Health Coverage to Protect Against Health Shocks in Rwanda

SCBF has reached more than 8.7 million low-income clients, with roughly a quarter through health or life insurance. Individual projects such as in Rwanda, Ghana, and Malawi reveal the operational work behind the aggregate: tailoring products and delivery to context, as well as the decisive role of SCBF partners.

One of SCBF's recent projects in Rwanda grappled with a stark reality: despite national health coverage reaching 98% of the population in Rwanda, 93% of households still face meaningful financial losses during hospitalization[3]. These pressures routinely force savings groups (community-based financial cooperatives) to divert funds intended for education and community development toward emergencies, undermining resilience and investments in the future.

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[2] SCBF, Bridging Gaps, Changing Lives: Understanding the Impact of Financial Inclusion, 2025, https://www.scbf.ch/insights/bridging-gaps-changing-lives-understanding-the-impact-of-financial-inclusion

[3] SCBF, Savings-Linked Life and Health Insurance for World Vision Beneficiaries, Rwanda, https://cdn.prod.website-files.com/65c6255df7e1fa15b09a2658/68d2556b37d220bffd5c2ec2_SCBF%20-%20PUW%202023-14_VF%20Rwanda_Final_Report_15072025.pdf

SCBF-supported project in Ghana.
Photo courtesy of VisionFund International.

The project partner VisionFund Rwanda (VFR - World Vision's microfinance subsidiary) supported by SCBF's technical assistance set out to address the situation not by replicating the national coverage, but rather by complementing it with a solution that fills the funding gap. VFR worked with SanlamAllianz Rwanda to develop a savings-linked inclusive insurance solution that extended coverage to family members. Beyond fundamental life insurance protection, the solution incorporated a *hospicash* benefit, delivering daily cash payouts during hospitalization. These payouts were targeted at hospitalization-related financial strain such as income loss, transportation expenses, and medication costs incurred during inpatient care. The product was distributed through World Vision's savings groups, leveraging trusted community structures to reduce acquisition costs and build uptake. Premium collection was aligned with existing household money-management practices. To maximize the community's understanding, client education was delivered through group-based training suited to low-literacy settings, followed by a test requiring at least an 80% score for enrollment.

By the completion of all three projects with VisionFund International in three different countries, a total of 35,425 policies covering 136,000 lives had been issued, nearly 1,900 claims had been paid, and around 67,000 people had received insurance training. The program catalyzed a 25% market expansion within the segment, demonstrating that well-designed, affordable, and easy-to-understand inclusive insurance solutions have the capacity to generate new market demand.

Building through Iteration in Ghana and Malawi

Two other VisionFund and World Vision pilots in Ghana and Malawi highlight another dimension of innovation – the capacity to recover from early product failure[4]. Both pilots aimed to provide health-related microinsurance through savings groups, which later formed the basis for the projects in Rwanda and other countries. In Ghana, a *hospicash* approach with additional protections such as disability and life cover gained traction early, but in Malawi, the initial medical scheme product had to be discontinued after claims far exceeded premiums, reaching a 225 percent claims ratio.

SCBF-supported project with Symbiotics in Zambia

However, the setback was treated as evidence rather than an endpoint. Root-cause analysis revealed that pricing and benefit design had to be reset to match affordability and risk, and clients needed coverage not only for the primary earner but also for immediate family members. With technical guidance from SCBF's members, another product was launched with adjusted coverage limits and pricing. The pilots also reduced costs by enabling claims submission through accessible channels such as WhatsApp, lowering premiums for clients and improving efficiency. By the end of the projects, both projects had 4,718 policies covering 14,881 people, around 890 claims were processed, and around 32,000 people were trained on insurance concepts, financial inclusion, and health topics. In addition, in Ghana & Malawi, 74% of clients reported a decrease in healthcare costs; increase in health visits for 50% of clients in Ghana and 15% in Malawi, showing gains in both financial stability and access to

[4] SCBF, Savings linked insurance for resilience in Ghana and Malawi, https://www.visionfund.org/sites/default/files/2023-06/Insurance%20Report%20updated%20June%202023.pdf

healthcare[5].

To assess the sustainability and longer-term impact of the interventions, SCBF continues to track project progress for three years beyond the original implementation period. During this post-project phase, for these projects in Ghana & Malawi the outreach grew substantially, reaching cumulatively more than 300,000 people (including family members). The insurance products remained active and relevant, with more than 5,000 claims paid out, amounting to around CHF 88,000. Financial literacy and awareness efforts also continued to expand, reaching around 250,000 people and helping to strengthen understanding, trust, and uptake of insurance and other financial services.

Moving Towards Co-Creation at Scale

After co-funding more than 238 projects across 53 countries, SCBF's funding model has delivered impressive outreach and leverage results. On an average, projects have expanded outreach to low-income clients by 2.4 times within three years post-project. In addition, for every CHF 1 provided by SCBF, partners have mobilised CHF 3.46 [SM4.1]in additional financial and in-kind resources.

Going forward, SCBF is broadening its mandate to address unmet financial needs through collaborative solution development with members and integration into existing grantees' product portfolios or business models. This evolved approach further harnesses SCBF's member network to move quickly from design through execution to scalable social impact.

[5] SCBF, Bridging Gaps, Changing Lives: Understanding the Impact of Financial Inclusion, 2025, https://www.scbf.ch/insights/bridging-gaps-changing-lives-understanding-the-impact-of-financial-inclusion