



# SDG Impact Finance Initiative

## Partnering for quality impact finance

**Our goal is to unlock up to CHF 1 billion in capital towards the SDGs by 2030.**

The SDG funding gap is USD 3.9 trillion a year<sup>1</sup>. Closing this gap will require mobilizing more private capital for development. The SDG Impact Finance Initiative uses public and philanthropic funds to help drive this shift, by promoting more and better financial products, fostering a supportive regulatory framework and de-risking impact investment.

### Our objectives are:

- to support the **design and development of innovative financial solutions** supporting the SDGs through grant funding, community building and collaboration.
- to **scale and mainstream impact investment solutions** to accelerate measurable progress in developing countries towards the SDGs by mobilizing additional capital and strengthening underlying portfolio companies.
- to **strengthen the ecosystem**, contribute to improved framework conditions and promote quality impact management practices to enhance impact investment flows.

### We provide funding support through three windows:

1

#### Innovation Window

Providing grants to support the design and development of innovative impact financing solutions that address the SDGs, including feasibility study, proof of concept and expansion grants.

2

#### Product Window

Providing grants, technical assistance and concessional finance to scale impact investing solutions by mobilizing private capital.

3

#### Framework Conditions

Providing grants and collaboration opportunities with stakeholders to improve overall framework conditions and strengthen the impact investing ecosystem.

<sup>1</sup> OECD, Global Outlook on Financing for Sustainable Development 2023

## Illustrative examples

### Innovation Window

An investment manager and an NGO, partnering on the design of an impact investment product, could receive up to CHF 200,000 in grant funding to support a feasibility study.

### Product Window

A technical assistance grant for an Asset Manager to help strengthen operational management and environmental compliance by portfolio investees.

### Framework Conditions

An impact finance network could receive grant funding to support its work on developing an innovative impact assessment methodology.

## Who can apply?

### Innovation & Product Windows

- Registered entities from all geographies
- End beneficiaries in countries eligible for official development assistance (ODA)

### Framework Conditions

- E.g., think tanks and research organizations, universities, networks, associations

## Our guiding principles

- > **Scalability:** We're looking for initiatives that show promise in attracting significant private investment.
- > **Self-sustainability:** The projects should have the potential to stand on their own feet financially over time.
- > **Additionality:** The proposed projects should be unique in that they can't find similar funding elsewhere.
- > **Fair competition:** We avoid backing projects that would unfairly distort competition between companies.
- > **Direct benefits:** The ultimate winners should be in countries that are eligible for official development assistance.
- > **Impact on SDGs:** We need to see that the initiatives have a clear and measurable impact on achieving the Sustainable Development Goals.
- > **Collaboration:** We value and promote collaboration between the private, public, and development sectors.

## Key facts

### Launched

December 2021

### Funders

Swiss State Secretariat for Economic Affairs (SECO), Swiss Agency for Development and Cooperation (SDC), the Grand Duchy of Luxembourg, UBS Optimus Foundation and Credit Suisse Foundation

### Legal structure

Swiss non-profit association

### Governance

The SDG Impact Finance Initiative is led by an independent Executive Board, supported by an Advisory Council and Investment Committees

### Membership

Open to public, private and philanthropic organizations internationally

### Target SDGs

The Initiative is SDG agnostic but targets specific SDGs in the context of calls for proposals.

### Key figures as of YE 2023

- CHF 3.32 million in grants through the Innovation Window
- 14 grantees
- SDGs funded: 4, 5, 8, 12, 13, 14, 15

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