Financing the SDGs - Implications for (Swiss) Development Cooperation
Content

- The 2030 Agenda – a paradigm shift for Development Cooperation
- Financing the SDGs – What does it mean for (Swiss) Development Cooperation
- Working in Partnership to achieve the SDGs - Examples from the SDC
The 2030 Agenda – a paradigm shift for Development Cooperation
The 2030 Agenda is a *universal* Agenda
The 2030 Agenda is an *integrated* Agenda
The 2030 Agenda is an agenda implemented by all
Financing the SDGs – What does it mean for (Swiss) Development Cooperation?
SDG Investment Needs are enormous...

Source: UN Global Compact, 2015
...but so is available capital!

How do we channel more private money into SDG-relevant sectors?

Source: EIB (2013); TheCityUK 2013
Financial instruments to attract more private investments into SDG sectors

**Finance**
- Impact Investment (incl. community investment, microfinance etc.)
- Social impact bonds
- Venture Philanthropy
- IFIs
- Green bonds
- Islamic Finance
- ESG integration to increase shareholder value
- Blended finance
- Exclusion/divestment
- Norm-based/principle-based investment
- ESG integration to manage the triple bottom line or even generate positive impact
- Private and Institutional investors financing purely profit-driven companies
- Export insurances without ESG considerations
- SDG-detrimental government subsidies

**Business**
- Social Entrepreneurs
- B Corps
- Responsible Business Conduct
- Integrated Reporting, ESG Reporting
- CSR
- Companies purely driven by financial return
- ESG integration to manage the triple bottom line or even generate positive impact
- IFIs
- Social impact bonds
- Venture Philanthropy
- Norm-based/principle-based investment
- Green bonds
- Islamic Finance
- ESG integration to increase shareholder value
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**Framework conditions (norms, regulations, incentives)**
Support countries to generate their own resources!
ODA is an important, albeit small part of the puzzle!
Working in Partnership to achieve the SDGs - Examples from the SDC
Public Private Development Partnerships / Cooperation to achieve the SDGs

There is no clear general definition but a broad common understanding of the nature of partnerships in the development sector, comprising the following key elements:

<table>
<thead>
<tr>
<th>Key Elements of Public Private Development Partnerships</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Partners</strong></td>
</tr>
<tr>
<td>A public partner and …</td>
</tr>
<tr>
<td>a private sector partner …</td>
</tr>
<tr>
<td><strong>Relationship</strong></td>
</tr>
<tr>
<td>in a formal, collaborative arrangement, …</td>
</tr>
<tr>
<td><strong>Values</strong></td>
</tr>
<tr>
<td>based on a set of shared values …</td>
</tr>
<tr>
<td><strong>Objectives</strong></td>
</tr>
<tr>
<td>with a common objective, …</td>
</tr>
<tr>
<td><strong>Obligation</strong></td>
</tr>
<tr>
<td>shared financial risks and costs, …</td>
</tr>
<tr>
<td><strong>Contribution</strong></td>
</tr>
<tr>
<td>providing complementary resources and skills.</td>
</tr>
<tr>
<td><strong>Responsibility</strong></td>
</tr>
<tr>
<td>The partners are held accountable for their delivery related to the agreed results.</td>
</tr>
<tr>
<td><strong>Impact</strong></td>
</tr>
<tr>
<td>The project aims at the achievement of defined development goals.</td>
</tr>
</tbody>
</table>
PPDP Example

More Coffee With Less Water

In 2009 SDC and Nestle established a public-private partnership to assess the water footprint (WFP) of coffee production, and improve understanding of water consumption and its optimization in coffee production in the specific situation of Robusta coffee in Vietnam. This follow up project aims at scaling up water saving practices.

Private Partner: Nestlé

Form: Program
Purpose: Change Business Behaviour
Thematic Area: Water

Duration: 2014-2017

Budget SDC: 0.9 Mio CHF
Budget total: 1.7 Mio. CHF
Low Carbon Cement Project

EPFL in collaboration with academic institutions in Cuba and India has developed a method of producing cement with 40% reduction CO2 emissions. Objectives: Cement sector invests in the production and use of LCC; Standards committees in India and Cuba accept the standards for production and use of LCC.

Private Sector:
several companies have promised to support the LCC project with advice, materials and eventually with funding

Form: Program
Purpose: Change Business Behaviour
Thematic Area: Climate
Duraton: 2014-2017
Budget SDC: 4 Mio. CHF
Budget Total: 7.6 Mio. CHF
THANK YOU!