



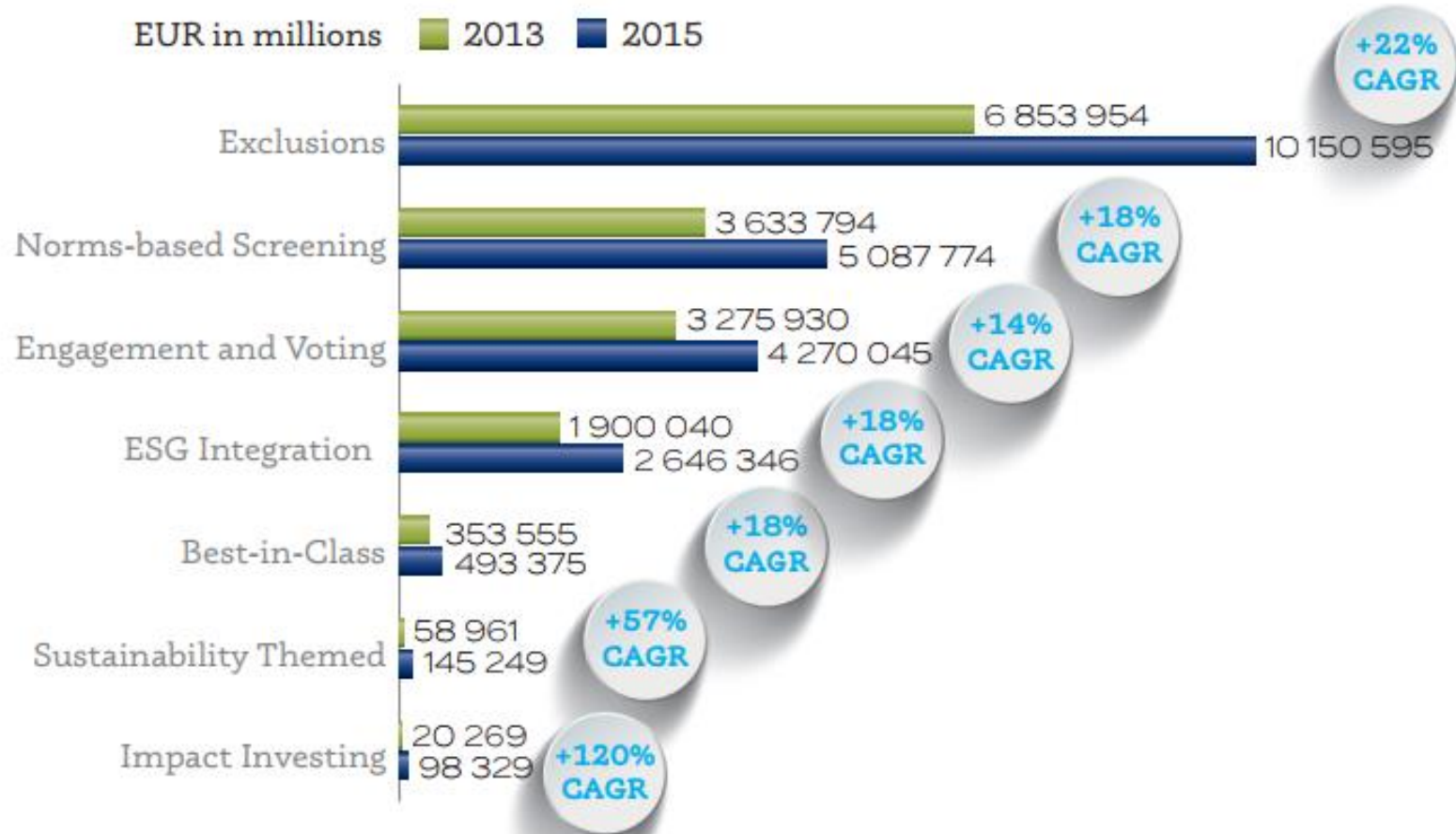
THE ROLE OF THE PRIVATE SECTOR IN FINANCING THE SDGS

THERE ARE MANY APPROACHES FOR SUSTAINABLE INVESTMENTS

Before investment decision	After investment decision
<p>Exclusions</p> <ul style="list-style-type: none">– Values based (i.e. tobacco, alcohol)– Norms based (i.e. cluster bombs) <p>Positive screening</p> <ul style="list-style-type: none">– Best-in-class– Thematic investments (i.e. Cleantech, Microfinance) <p>ESG Integration</p> <ul style="list-style-type: none">– Environmental, Social, and Governance-Criteria (ESG) integrated in investment process	<p>Engagement</p> <ul style="list-style-type: none">– Active dialogue with corporates on ESG topics <p>Proxy Voting</p> <ul style="list-style-type: none">– Actively using stakeholder voting rights

SUSTAINABLE INVESTMENTS IN EUROPE

Diversity of approaches and growth



Source: Eurosif SRI Study 2016

INVESTMENTS FOR DEVELOPMENT: INTERESTING SATELLITE IN LOW-INTEREST ENVIRONMENT

- Average of 4.5% target return
- Solid track record of over 10 years
- Investments correlate only marginally with global equity and bond markets
- Contribution to economic development in developing and emerging markets

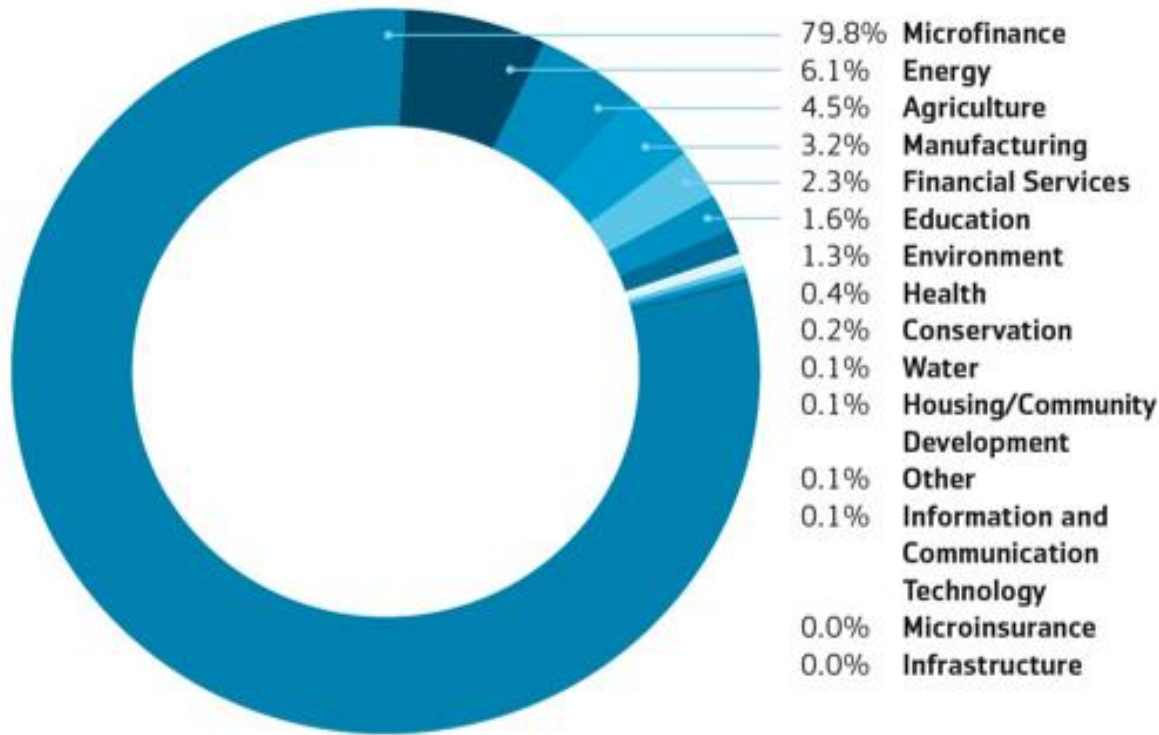


Source: Swiss Sustainable Finance, (2016) *Investments for a Better World. The First Market Survey on Investments for Development*.

ALLOCATION OF ASSETS TO DIFFERENT SECTORS

Microfinance as dominating field

Sector and industry exposures as % of AuM (n=14)



Types of investments

- 78% private debt
- 11% private equity

Source: Swiss Sustainable Finance, (2016) *Investments for a Better World. The First Market Survey on Investments for Development.*

CASE 1: CLIMATE-RESILIENCE INSURANCE FUND

Partners:

- KfW, German Federal Ministry for Economic Cooperation and Development (BMZ), CelsiusPro, Blue Orchard

Objective:

- contribute to the adaptation to climate change by improving access to and the use of climate insurance in developing countries

Partnership elements:

- Technical Assistance (TA) facility of EUR 11mm, fully funded by BMZ and managed by CelsiusPro
- Premium Support Facility of EUR 6mm to support climate insurance products of the Funds' investees throughout their launch phase
- Each Sub-Funds is supported USD 35m in junior funding by the German government

Main challenges:

- Origination of investments
- Development of climate insurance products
- Measuring impact

CASE 2: LOANS TO SME'S

Partners:

- SECO, UBS, Symbiotics

Objective:

- Loans to small and medium enterprises (SMEs) in emerging and frontier to promote entrepreneurship, job creation and inclusive economic growth while offering a financial return to investors.

Partnership elements:

- SECO and UBS provide 10% first loss risk protection co-funded equally by UBS and SECO
- Symbiotics provides impact assessment study to measure key outcomes at the level of the final beneficiary

Main challenges

- Mobilizing private investors' money
- Conducting the impact assessment and measurement study via intermediate financial institutions

THANK YOU FOR YOUR ATTENTION!



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