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Annual Report

2023



Message from the CEO

As we present the 2023 Annual Report of the SDG Impact Finance Initiative (SIFI), I am filled with a profound sense of gratitude and excitement for the journey we have embarked upon together with our partners. This year has been pivotal, marking significant strides in our collective mission to catalyze investments that address funding gap and drive us closer to achieving the United Nations Sustainable Development Goals (SDGs).

Reflecting on our operational progress this year, I am proud to report on the tangible steps SIFI has taken in fostering innovation, scaling product solutions, and strengthening framework conditions within the impact investing ecosystem. Our Innovation and Product Windows have been incredibly successful in promoting positive change, with the Innovation Window providing grants worth CHF 3.32 million to support innovative solutions that target key Sustainable Development Goals (SDGs) from Latin America to Sub-Saharan Africa. These initiatives cover essential sectors, such as agriculture, education, and clean technology, showcasing our determination to ensure diversity and inclusion in impact finance.

SIFI launched its first call for proposals under the Product window, focusing on first-loss equity investment for climate change mitigation and adaptation. We received a remarkable response from market players, highlighting the sector's appetite for derisking investments in scalable solutions. This response has reinforced our belief in the transformative potential of blended finance.



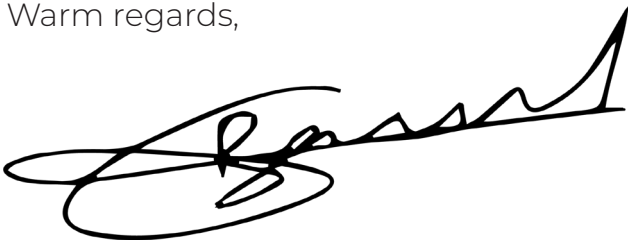
We have also made progress in improving the impact investing framework, utilizing platforms like the Building Bridges event to crowdsource priorities and foster collaboration. We established an Advisory Council, comprising representatives from the Swiss Government, international impact investing and philanthropy networks, as well as think tanks and NGOs. This council is a clear example of our commitment to inclusivity and ensuring that we have access to a broad range of perspectives to inform our impact investing dialogue.

But we would not be able to make this progress without the generosity, commitment, and expertise of our partners. The significant contributions from SECO, SDC, the UBS Optimus Foundation, the Credit Suisse Foundation, and our recent partnership with the Ministry of Finance of Luxembourg, have been instrumental in our journey. This collaboration not only fuels our initiatives but also embodies the spirit of shared responsibility and collective action towards impact investing.

With the multiple crises affecting the world today, the road ahead is both challenging and exciting. As the impact investing market continues to evolve, the need for innovative, scalable solutions that attract private capital to underfunded SDGs remains paramount. SIFI is committed to bridging this gap, leveraging our unique position to mobilize resources, foster partnerships internationally, and amplify the impact of our collective efforts.

In closing, I extend my heartfelt gratitude to each one of you—our members, partners and grantees—for your unwavering support and dedication. Together, we are not just investors in finance but investors in hope, equity, and the future of our planet. Let us continue to push boundaries and create a lasting impact for generations to come.

Warm regards,

A handwritten signature in black ink, appearing to read 'Guillaume Bonnel', written in a cursive style with a large initial 'G' and a long horizontal stroke.

Guillaume Bonnel

CEO, SDG Impact Finance Initiative

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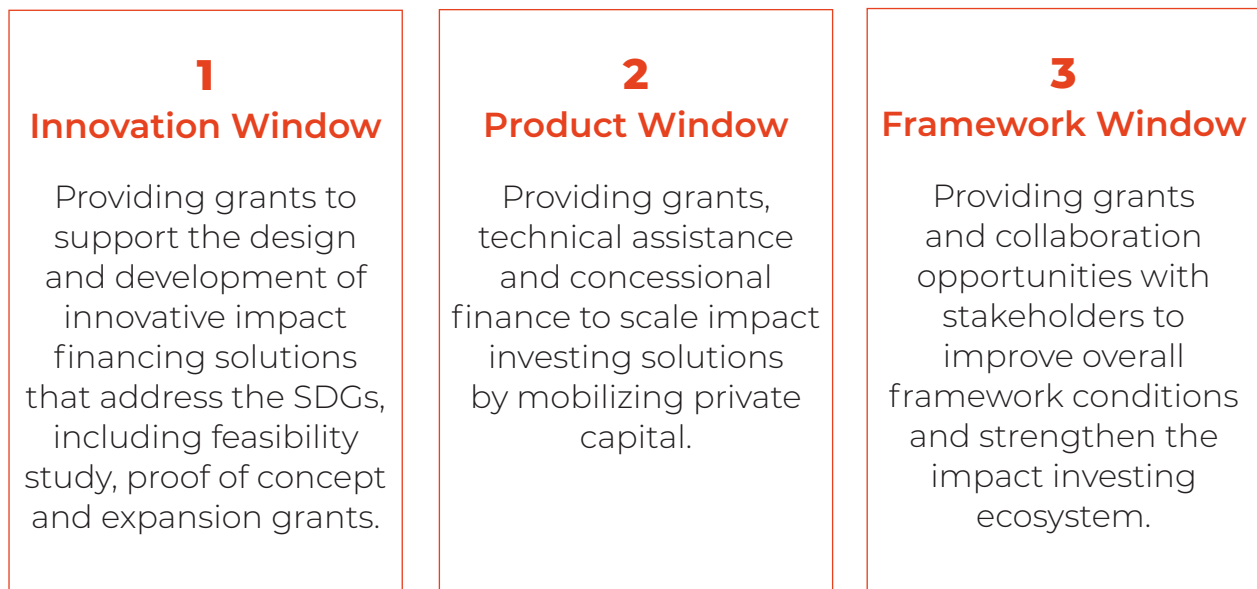
About SIFI

The SDG Impact Finance Initiative (SIFI) is a multi-donor initiative established in 2021 to help catalyze private investment at scale into achieving the UN Sustainable Development Goals (SDGs). Its founding donors are the Swiss State Secretariat for Economic Affairs (SECO), the Swiss Agency for Development and Cooperation (SDC), the UBS Optimus Foundation (UBS-OF) and the Credit Suisse Foundation. Recently, SIFI welcomed a new partnership with the Grand Duchy of Luxembourg.

The SDG Impact Finance Initiative (the Initiative) is a non-profit association with the main goal to advance measurable progress in developing economies towards the UN Sustainable Development Goals (SDGs). We pool and deploy public and philanthropic capital to catalyze private capital for underfunded SDGs and geographies. Our goal is to raise CHF 100 million in concessional funding to unlock up to CHF 1 billion in capital towards the SDGs by 2030. SIFI channels this concessional funding to asset managers, funds, and promising initiatives to increase the offer of impact investment products on the market and mainstream solutions with a high potential to mobilize additional capital.

The SDG impact finance initiative (SIFI) prioritizes underfunded SDGs offering potential for financial sustainability and attracting private sector investments. The combination of funding from multiple donors with various mandates allows SIFI to support truly global solutions across all ODA-eligible countries, including upper- and middle-income countries and frontier markets.

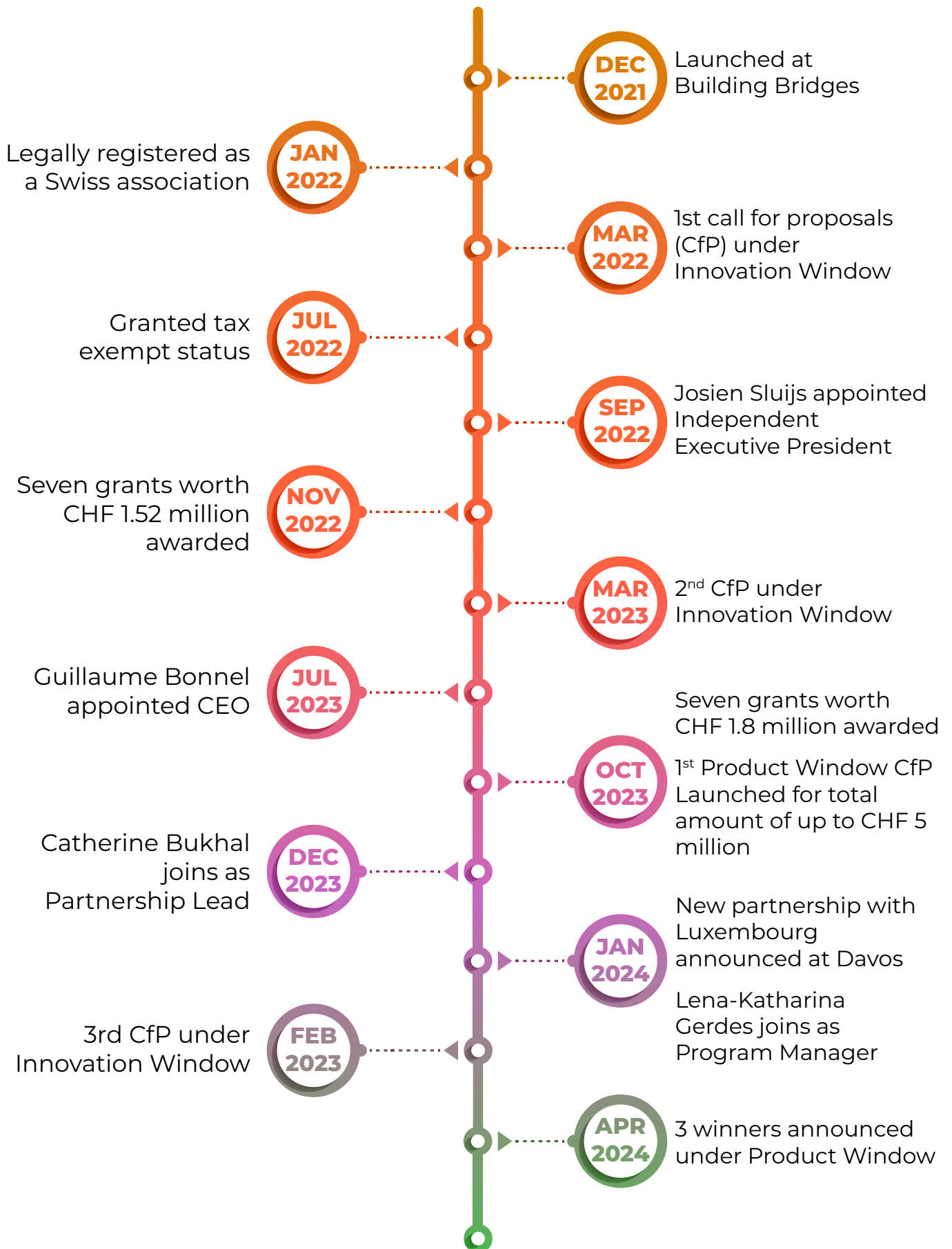
SIFI provides funding support through three windows:



Key Highlights 2023



Key Milestones 2021 - 2024 (Figure 1)



Key Highlights 2023

By bridging financial gaps, fostering collaboration amongst stakeholders, and improving framework conditions, SIFI aims to mobilize private capital towards initiatives that distinctly contribute to progress towards the SDGs.

Our portfolio as of 31. December 2023:

- **Window 1 – Innovation:** Under the first call for proposals in 2022, seven grants worth CHF 1.52 million were contracted in early 2023. This was followed by a second call for proposals launched in March 2023, resulting in the award of a further seven grants with a value of CHF 1.8 million. These were contracted in early 2024.
- **Window 2 – Product Window:** The first Product Window call for proposals was launched at the Building Bridges conference in October 2023. The first stage has been completed with 27 expressions of interest received and 5 shortlisted candidates, which were invited to submit a to full proposal. The selection process is planned to conclude by March 2024.
- **Window 3 – Framework Conditions Window:** Building Bridges was used as a platform to ‘crowd source’ priorities for Window 3. These were voted on and the most popular solution was the creation of an umbrella platform for philanthropic and public players to further attract capital for impact. The next step will be to further deepen discussions around how this solution can be realized in practice, and other potential solutions to mainstream the impact investing market.

Innovation Window

Window 1 – the Innovation Window – provides design funding grants with the aim of introducing more impact investment finance products to the market. Funding from multiple donors with various mandates has allowed SIFI to support the wide range of underfunded SDGs. To date, with two rounds¹ completed under the Innovation Window, SIFI has supported:

- SDG 4 – Quality Education,
- SDG 5 – Gender Equality
- SDG 8 – Economic Growth
- SDG 12 – Responsible Consumption and Production
- SDG 13 – Climate Action
- SDG 14 – Life Below Water
- SDG 15 – Life on Land



¹Two rounds under Innovation window have been implemented by Convergence, Canadian-based network specialising on blended finance.

Half of the grants targeted initiatives in Sub-Saharan Africa including agriculture and aquaculture, reforestation, and education sectors. More details and the high-level overview of our current portfolio under Window 1 are presented under *Figure 2*.

Hear from our grantees:

“Just a drop of water can give life, so can financial resources. Proving its impact on the agriculture sector since May 2023, adOpes has invested in Kenya, Tanzania and Uganda. With its deal structuring support, the SDG Impact Finance Initiative has made a significant contribution to this”.

Veronique Su, Founder and Managing Director of adOpes

adOpes operates a microleasing platform that brings working capital to smallholder farmers and micro enterprises in East Africa to acquire productive assets, mechanize their activities, and increase their income. The Microleasing Fund also contributes to food security and inclusion by stimulating the market for climate-conscious and smart agriculture technology.

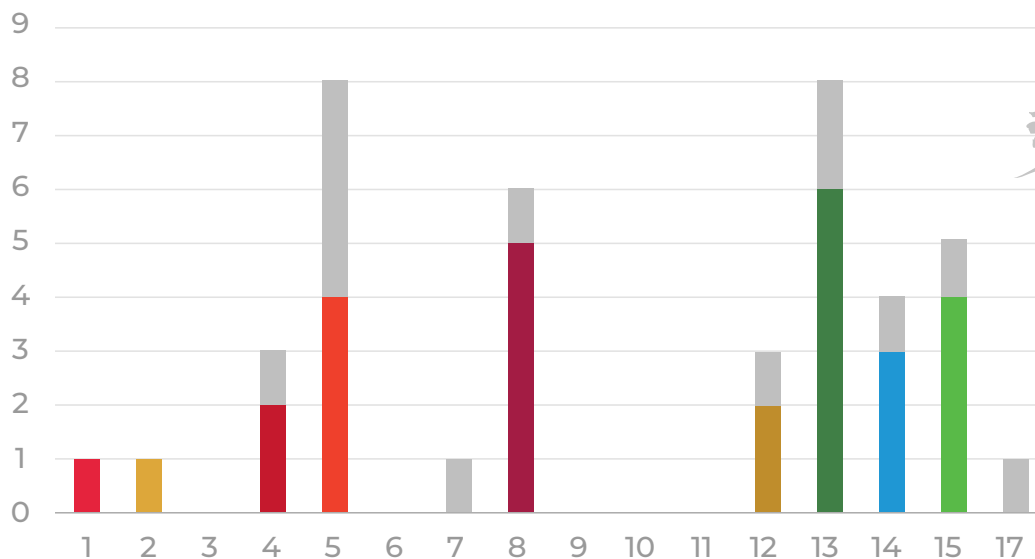
Find out more on www.sdgimpactfinance.org/portfolio



Innovation Window Portfolio, as of year-end 2023 (Figure 2)

Calls	2	Active grants
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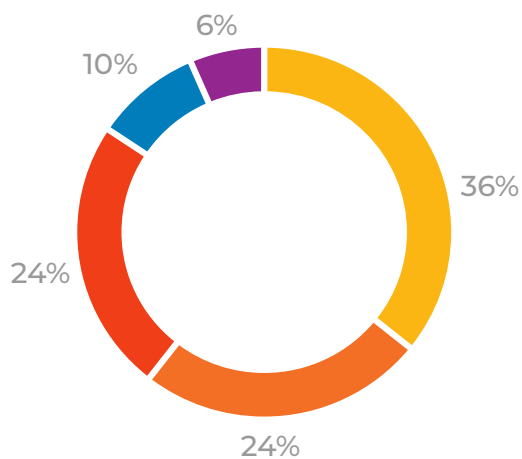
By SGD (number of grants)



By region

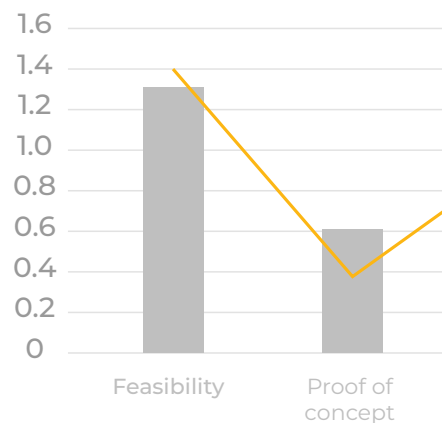


By sector



- Agriculture, Aquaculture & Fishing
- Conservation, Reforestation & Afforestation
- Education, Financial Inclusion
- Sector agnostic
- Housing

By grant type

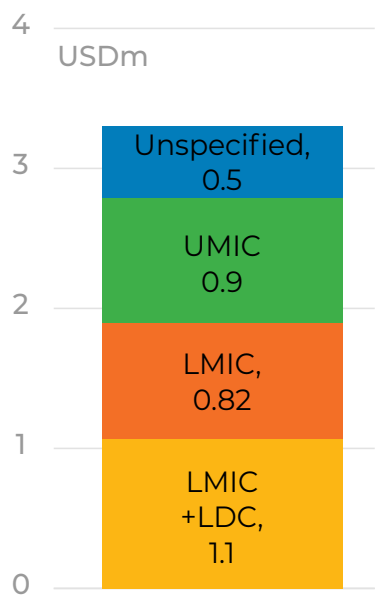


Value (USDm)

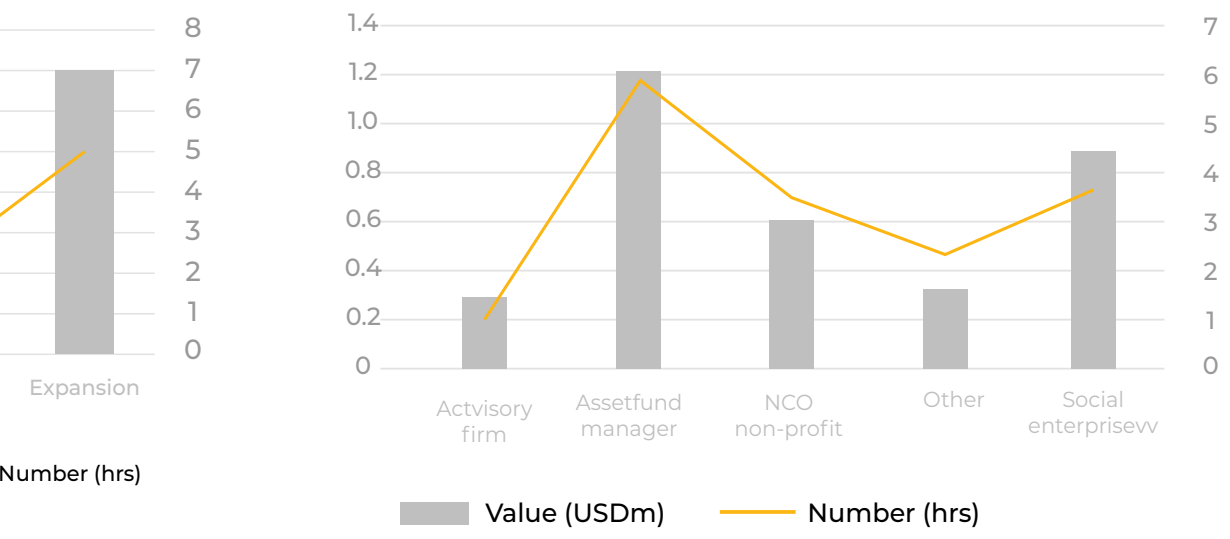
14	Total value	USD 3.32 million
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By income level



By organization type



Product Window

Window 2, the Product Window, focuses on scaling impact investment products by providing first-loss equity tranches to de-risk commercial private capital. SIFI provides capital into financial mechanisms from impact funds/asset managers which, in turn, invest in diversified portfolios of companies to achieve three main objectives: (a) contributing to the SDGs, (b) offering commercially sustainable solutions and (c) attracting capital from the private sector.

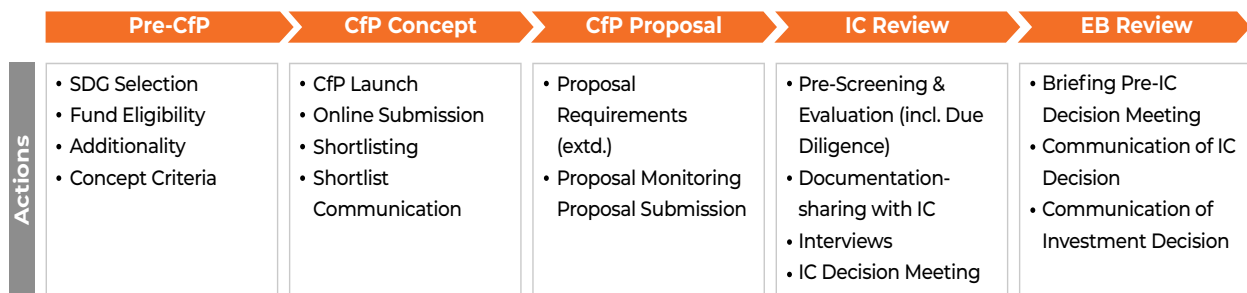
Through the first call for proposals under the Product Window, SIFI will invest a maximum of USD 5 million in up to three funds.

The overarching theme of the first call² is climate change mitigation and adaptation, with its intersection focusing on SDGs 2 (hunger), 7 (energy), 11 (cities), 14 (life below water) and 15 (life on land), as well as on SDG 13 (climate change).

The call for proposals was officially launched at Building Bridges in October 2023 and will be carried out in two stages:

1. In the first stage, candidates submit expressions of interest (EoIs) to demonstrate their eligibility (minimum criteria) and qualifications (selection criteria).
2. In the second stage, five shortlisted candidates are invited to submit full technical and financial proposals.

Figure 3: Window 2 Process



As of December 2023, the first stage has been completed and 5 candidates have been shortlisted. SIFI will announce the winners in April 2023. For the latest information and announcements please refer to the SIFI website and LinkedIn page.

²The call for proposals is being implemented by Broadpeak, a Zurich based company which initially developed the design of the Product Window.

Hear from our partner:

“SIFI closes a crucial global gap by providing first-loss equity to impact investing funds via request for proposals every six months. This regular and consistent investment offer makes it truly unique in the industry and the go-to place for innovative fund managers seeking to build blended finance structures. At Broadpeak we are honoured to support SIFI as a Tender Agent managing the selection processes to find the best funds in the market.”

Simon Gupta, Founding Partner at Broadpeak GmbH

Framework Window

The Framework Conditions Window provides grants and collaborates with stakeholders to improve overall framework conditions and strengthen the impact investing ecosystem.

Policy context: A National Advisory Board on impact investing for Switzerland

A relevant development that will have an indirect impact on the Initiative’s work under this Window are the ongoing efforts to create a National Advisory Board (NAB) on impact investing for Switzerland. The NAB will be a national supporting body with the objective to foster impact investing in Switzerland. It will be part of the Global Steering Group for Impact Investing (GSG) structure that currently includes 36 countries and national and regional advisory boards worldwide. The process for establishing a Swiss NAB is led by Swiss Sustainable Finance and the goal is to have a Swiss NAB by the end of 2024. The NAB could become a key multi-stakeholder body to discuss activities under the Framework Conditions Window for Switzerland.

Key activities in 2023

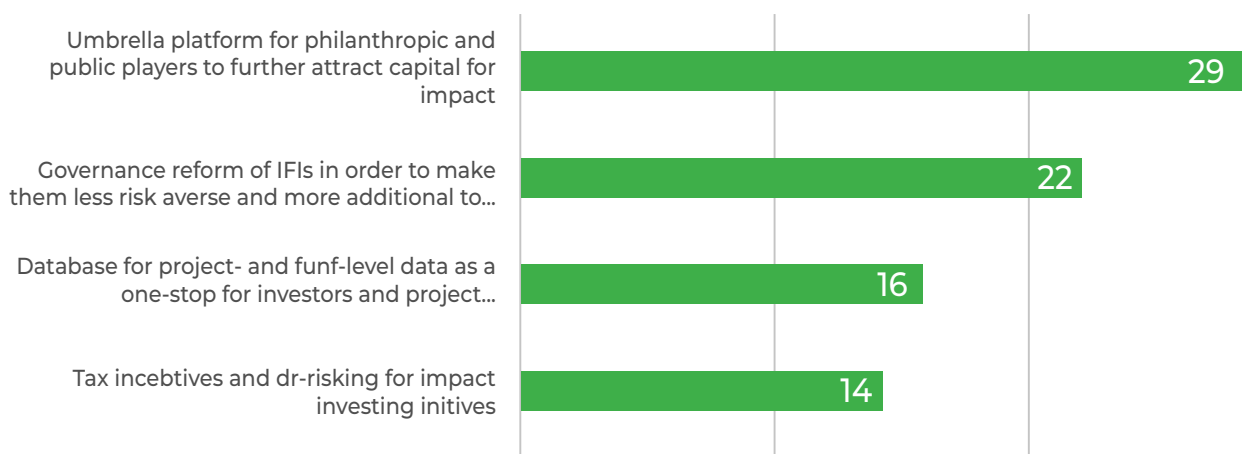
In 2023, the Initiative co-hosted a session with Swiss Sustainable Finance at the Building Bridges Action Days in October 2023 in Geneva. The objective of this interactive session was to identify actionable solutions and ideas for more favorable framework conditions and for thriving ecosystems in impact investing. Guest speakers from the Netherlands, South Africa, Kenya and Switzerland provided inputs and jointly identified solutions with the audience by answering the following questions:

- What concrete actions can countries put in place to strengthen collaboration and partnership between the various actors in the ecosystem?
- How can philanthropic organizations be better leveraged for impact investing?

- How can governments help mobilize private capital for impact investing?
- What actions are needed to improve access to impact investments by private and institutional investors?

Based on the top solutions identified for each question, the audience then voted on the most urgent solutions to be implemented. The most popular solution was the creation of an umbrella platform for philanthropic and public players to further attract capital for impact (Figure 4: Ranking of most urgent actions). The strong alignment of this proposal with the mission of the SDG Impact Finance Initiative provides validation of its relevance in the impact investing ecosystem.

Figure 4: Ranking of most urgent actions to strengthen the impact investing ecosystem.



In 2024, SIFI plans a more in-depth exploration of several priority areas where the initiative will focus its efforts in the following year(s). Following consultations with the Advisory Council in February 2024, the following topics gained momentum, and SIFI will initiate activities to:

- **Improve perception of risk in developing markets.** The perception of investments in developing markets as risky is often skewed, overlooking significant growth opportunities. The current rating system does not reflect the risk-return profile of blended finance structures. To recalibrate this perception, SIFI will engage in targeted research and engagement with rating agencies and other relevant stakeholders.
- **Start addressing the lack of liquidity.** In impact investing, the lack of liquidity in developing countries can be a major barrier for investors due to concerns over exit strategies and cash flow continuity. To address this, we propose that SIFI support mechanisms that facilitate liquidity and provide structured exit opportunities, building investor confidence and reducing the risk of capital immobility. This could include a buyout option or the purchase of fund shares, which would provide a much-needed safety net. A recent example of such support is our grantee Octobre, developing a Liquidity Guarantee Facility (Window 1, Cycle 2).

Our Donors



Our Donors

Since its establishment in 2021, SIFI was a public-philanthropic collaboration where four partners Swiss Secretariat of Economy (SECO), the Swiss Agency for Development and Cooperation (SDC), UBS Optimus Foundation and Credit Suisse Foundation joined forces to pool funding and expertise through one vehicle – SIFI. In 2023, SIFI has signed an agreement with the Ministry of Finance of the Grand Duchy of Luxembourg. Luxembourg and SIFI announced this partnership at the event organized by SDC in the context of the World Economic Forum at Davos, on the 16th of January.

“The partnership with SIFI is a testament to our shared dedication to impact finance and also reflects the deep, long-standing relations between Luxembourg and Switzerland in financial services. Today, we are marking the start of further close collaboration between our nations in sustainable and impact finance to achieve the SDGs”, the Prime Minister said in his welcome remarks at the event³. Luxembourg’s Minister of Finance, Gilles Roth, comments: *“Switzerland and Luxembourg rank among the greenest financial centres in the world and have long been pioneers in sustainable finance. This new partnership is thus a natural fit. As a SIFI partner, Luxembourg will contribute actively in shaping this important initiative, building on its long-standing expertise in blended and impact finance, including as a leading international investment fund centre.”*⁴

SIFI aims to mobilize and disburse CHF 100 million in contributions until 2030. As of the end of 2023, total commitments to SIFI accounted for one third of the overall target.

Table 1: List of current members, their cumulative commitments, and contributions as of the year-end 2023, and the role in SIFI’s governance structure

Donor	Year of Contribution	Role in SIFI’s governance structure	Total Commitment, in CHF	Total Contributions received, in CHF
State Secretariat for Economic Affairs (SECO)	Founding member 2022	Co-financing partner	19,405,500	6,750,000
Swiss Agency for Development and Cooperation (SDC)	Founding member 2022	Co-financing partner	5,950,000	3,000,000
Luxembourg	2023	Executive Board member	3,000,000	
UBS Optimus Foundation	Founding member 2022	Executive Board member	5,000,000	450,000
Credit Suisse Foundation	Founding member 2022	Left EB in January 2024 (merger with UBS Optimus)	1,200,000	1,200,000
			34,555,000	11,400,000

^{3,4}Press release from the Luxembourg government, 16th January 2024

Key Results 2023



Key Results

Table 2 provides preliminary data against selected outcome and output indicators that can currently be reported. This reflects progress with the first and second cohort of grantees under Window 1, as well as SIFI's work under Window 3.

Table 2: Progress as of year-end 2023 against selected indicators.

Output/ Outcome Number	Indicator	Result	
Outcome 1	Asset Managers and financial intermediaries offer more innovative impact products and approaches which target the SDGs in developing countries and respond to the needs of private sector investors.		
Outcome-level indicators	Number of products supported by SIFI investment	14	
	Number of products targeting LDC	4	
	Number of 1st time funds supported	8	
Output 1.1	New product suppliers (asset managers, service providers) & intermediaries (advisors etc.)	# of suppliers supported (lead applicants)	14
		# of application supported as % of total eligible applications	Cycle 1: 5.8% Cycle 2: 4.2%
		# of suppliers indirectly supported (consortium partners)	7
Output 1.2	Collaborative partnerships between different types of stakeholders	# suppliers with local presence	10
		# collaborative products/projects supported	4
		# of platform meetings organized– Idea Challenge	1
		# of participants	107
Output 1.3	New impact products targeting SDGs in developing countries	# of products supported	14
		Total AuM of products supported (AUM/ loan portfolio managed by grantees)	USD 55.4m
Output 1.5	Capital allocated to de-risking solutions (blended finance)	Amount of funding raised for SIFI* - cumulative total commitments	CHF 34.6 million
Outcome 2	Private sector investors allocate more private capital to the SDGs in developing countries.		
Output 2.3	Research products that improve available impact investing data	# of data outputs from pre-investment analysis or TA projects	3 delivered (out of 39)

Cross-cutting themes: gender

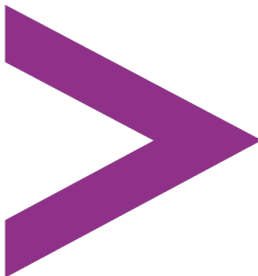
Gender is a priority theme for the SDG Impact Finance Initiative. Out of 14 active projects under Innovation Window, 11 projects have integrated gender considerations or referred to SDG 5: Gender Equality as direct or indirect objective:

- For the first call for proposals, most proposals included a section on gender equality and adOpes, Colibri and Blue Orchard highlighted SDG 5 as an indirect objective.
- For the second call for proposals, four out of seven grants targeted SDG 5: Girls First Finance, Aqua-Farms Organization, Reall, Chance International. This represents CHF 1 million of the CHF 1.8 million allocated. October referred to the SDG 5 as an indirect objective.

Convergence as the manager of the calls for proposals under Window 1 also tracks the number of women-led teams. For the first cohort, six out of the seven grantees have women in their leadership teams. For the second cohort it is four out of seven.



Our Principles



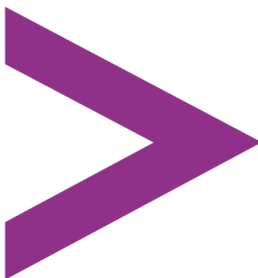
SIFI Guiding Principles

SIFI strategically uses concessional capital to attract and mobilize private sector investments, channeling these resources toward fostering economic growth and generating positive impacts across vital sectors such as food and agriculture, human rights, gender equality, climate action, environmental sustainability, and anti-corruption measures in developing regions. SIFI aims to ensure that all projects supported adhere to internationally recognized Environmental, Social, and Governance (ESG) policies and principles, specifically the OECD DAC Blended Finance Principles. Additionally, other relevant policies and standards may be applied to individual projects as needed.

The following principles govern SIFI's work:

- **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.

Our Team



The People Behind SIFI

In July 2023, the association appointed its CEO, Guillaume Bonnel, who in turn has recruited two further team members: a Partnership Lead, Catherine Bukhal, who started in December 2023 and a Program Manager, Lena Katharina Gerdes, who started in January 2024.



Guillaume Bonnel

Guillaume is an impact investment professional, having spent the 18 years in a range of financial sector roles focused on ESG, sustainable and impact investing. He has also worked in the humanitarian sector in Cameroon and Nicaragua.



Catherine Bukhal

Catherine has worked since 2015 for development finance institutions including the EBRD, and more recently supported innovative financing solutions at the Norwegian Refugee Council. She has spent the past 9 years focused on development and humanitarian financing responsible for the development and implementation of fundraising strategies, donor reporting and day-to-day donor management.



Lena-Katharina Gerdes

Before joining SIFI, Lena-Katharina founded Xinfinity GmbH, a decarbonisation and innovation consultancy, after having led the Sustainable Finance & Business Model Transformation function at Eraneos Switzerland. Prior, she worked at Commerzbank London, where she supported the build-up of the equity research function focusing on German small & mid-caps. Lena also brings academic research experience, having worked and published reports with the Centre for Climate Finance & Investment at Imperial College London.

With this team of three, it is expected that progress should accelerate over the course of 2024. The expanded team will be able to prepare and resource a detailed work plan including the key operational and administrative tasks to ensure the effective day-to-day running of the association, as well as maintaining the momentum on fundraising and activities across the three funding windows.

As the volume of grant-making and investments grows, a further expansion of the team is planned for 2024 to a full complement of five.

Future Outlook and Strategy



Future Outlook and Strategy

As we advance into 2024, our strategic focus for the year is to expand our initiatives across all operational windows, designed to foster a vibrant and robust impact finance ecosystem.

Picking up the pace with our Call for Proposals

› Product Window Acceleration

Our Product Window will foresee a leap forward in 2024. In early spring, we will announce our first winners under the Product Window, with a total investment of up to CHF 5 million for up to three investment funds. Shortly after, we will launch the second Call for Proposals under the Product Window, with an additional CHF 5 million investment. With a total investment of CHF 10 million per year under this window, our commitment is to reduce entry barriers for subsequent private capital investments. Our strategic deployment of catalytic capital through diverse financial instruments, including primarily first loss equity in 2024, aims to lower risk profiles and to bolster investor confidence. As these initiatives mature, our foresight extends to incorporating other forms of investments as well as technical assistance and payments for outcomes, reinforcing project resilience and scalability.

› Innovation Window Expansion

Our Innovation Window will continue to serve as a springboard for transformative impact finance ideas. With plans to launch our third and fourth calls for proposals, each funded up to CHF 2 million, we are steadfast in our mission to enable financial innovations that align with the sustainable development goals in ODA-eligible countries. The Innovation Window targets projects at critical junctures—whether it's sculpting a blueprint, validating a concept, or scaling to new heights.

Our operational outlook for the year 2024 :

- February – Launching third CfP under the Innovation Window
- March – Announcing Winners of the first round under the Product Window
- April – Launching second CfP under the Product Window
- September - Announcing Winners of the third round under the Innovation Window.
- September – Launching forth CfP under the Innovation Window
- October - Announcing Winners of the second round under the Product Window
- End of 2024/Beginning of 2025 – Launching third CfP under the Product Window

Launching a new comprehensive Website

The launch of our new website represents a new important milestone in SIFI's journey. This platform will serve as a source of extensive information for future applicants and potential partners, illustrating our theory of change and a clear roadmap through our three windows. Highlights of the new website include:

- › A user-friendly interface for direct call for proposal submissions, streamlining the application process.
- › Detailed overview of our active Portfolio, representing investments' and grants' distribution across SDGs and key geographies.
- › Featured narratives of our grantees and investees, showcasing the impact they drive.
- › An interactive space for partners to engage with our mission and explore collaboration opportunities.

Framework Window: Building the Ecosystem Pillars

The Framework Conditions Window is dedicated to laying the groundwork for an ecosystem where impact investing can thrive. In 2024, our focal areas under this window include:

- › Risk Perception: Initiating dialogue and collaboration with rating agencies to promote risk assessment frameworks that truly reflect the nuances of blended finance structures.
- › Liquidity Solutions: Advocating for standardized policies and mechanisms that enhance market liquidity, ensuring a smoother transition for investments towards scalability and exit readiness. Detailed overview of our active Portfolio, representing investments' and grants

These priorities are part of our larger mission to democratize impact investing and fostering a system change to accelerate private capital mobilization towards the UN SDGs. SIFI aims to organise several events during the year to facilitate the exchange between relevant stakeholders and define actionable insights.



Our fundraising Strategy for 2024

Our goal is to mobilise CHF 1 billion in private investments to SDGs by 2030 by channelling public and philanthropic capital. To achieve this goal, SIFI aims to mobilise and disburse CHF 100 million of risk tolerant, patient capital to act as a bridge and to catalyse investment before supported solutions can become commercial. In 2024, SIFI plans to develop the fundraising strategy, focusing on the following objectives:

Retain and nurture relationships with existing donors.

SIFI's current members not only support the mission by providing funding but also play vital role in advocating for SIFI's mission, connecting SIFI's with their respective networks and supporting broader system reforms.

Build new partnerships within Europe and expand beyond

SIFI's current public sector members are strong financial hubs with an important expertise in blended and impact finance and vast political linkages with other public sector actors. SIFI is planning to enlarge its government funding by strengthening connection within Europe to deepen the synergies between financial hubs and expanding to other markets in Asia and North America.

Maintain private/public sector partnership model

Private sector is within SIFI's DNA since its very first days and we will continue to attract more private sector actors to become members. Private sector expertise and contributions to the strategic vision are crucial to contribute to the system-wide change in attracting private sector investments to ODA-eligible countries.

Building partnerships (new financing instruments)

Currently, contributions to SIFI are made in the form of grants. In the longer term, SIFI will consider building new partnerships and expanding financial instruments toolbox.

In conclusion, the year 2024 is set to be one of bold strides and strategic growth for SIFI. Our commitment to advancing the frontiers of impact investing remains unwavering, as we move ahead with a clear vision, robust strategies, and a collaborative spirit to create enduring, positive change. We are more than ever excited to making strides in the impact investing sphere and look forward to welcoming new partners in 2024 and expand the horizons of the SDG Impact Finance Initiative!

Annexes



Annex 1 - Our Governance

SIFI has a strong governance framework that operates under the authority of its highest decision-making body, the General Assembly (GA). The GA convenes annually with Association Members and has exclusive powers to amend the Articles of Association, dissolve advisory committees, and elect/dismiss members, including the Executive Board (EB). The EB provides strategic direction, oversees operations, approves strategies and procedures, prepares annual plans, and budgets, and manages the Funding Windows.

Executive Board members:

In June 2023, Liza Green replaced Laura Hemrika as the Board representative for the Credit Suisse Foundation. With the acquisition of Credit Suisse by UBS that was announced in March 2023, the Credit Suisse Foundation will ultimately be merged into the UBS Optimus Foundation. In the beginning of 2024, Liza Green left the Board and Luxembourg took up the third Board seat.

From December 2023 onwards, the Executive Board holds formal, quarterly meetings with the Executive Team, also attended by SECO and SDC in observer roles.



Josien Sluijs
Independent Executive
President



Maya Ziswiler
CEO UBS Optimus
Foundation



Jennifer de Nijs
Head of Sustainable
Finance, Ministry of
Finance Luxembourg

Advisory Council members:

The Advisory Council was formally established in August 2023 to act as a sounding board (without decision-making authority) for the Executive Board. The Board hosted the first introductory meeting with its eight members at the beginning of November 2023. The first formal meeting of the Advisory Council took place in February 2024.



Christoph Baumann
State Secretariat for
International Finance



Naina Subberwal Batra
Asia Venture
Philanthropy Network



**Liliana de Sá
Kirchknopf**
State Secretariat for
Economic Affairs



Sabine Döbeli
Swiss Sustainable
Finance



Diepak Elmer
Swiss Agency for
Development &
Cooperation



Dean Hand
Global Impact Investing
Network



Laurent Matile
Alliance Sud



Daniel Steenkamp
Bertha Centre for
Social Innovation &
Entrepreneurship

Annex 2 - Breakdown of Our Portfolio (Innovation Window), year-end 2023

Cycle	Grantee & project	Value (USD 000)	SDGs (direct/indirect)	Sector	Region	Targeted countries	Organization type	Grant type	Repayable	Applicant location
1	Offgrid.Finance Pop-Up SPVs: de-risking clean technology SME finance in emerging markets	200	D: 8 I: 7,13	Agriculture	Sub-Saharan Africa	Kenya	Other	Feasibility		UK
1	Ground Up Project Ghana SDG SME Fund of Funds	120	D: 4, 8, 12, 13	Sector agnostic	Sub-Saharan Africa	Ghana	Other	Feasibility		Switzerland
1	adOpes Microleasing Fund	200	D: 1,2, 8, 12, 13 I: 4,5	Agriculture	Sub-Saharan Africa	Kenya, Rwanda, Tanzania, and Uganda	Asset/fund manager	Expansion		Kenya/ Switzerland
1	Global Schools Forum Global Finance for Education Fund	200	D: 4	Education	Global	India, Ghana, Kenya, Nigeria, Pakistan, Uganda and potentially South America.	NGO	Feasibility		UK
1	Colibri Catalyst	300	D: 8, 13,15 I: 5	Conservation, Reforestation & Afforestation, Agroforestry	Global	Global	Social Enterprise	Proof of concept	100%	US
1	CrossBoundary Carbon Fund for Nature-Based Solutions	200	D: 8, 13 I: 14,15	Conservation, Reforestation &	Sub-Saharan Africa	Kenya, Ghana, SL, MZ, Zambia	Asset/fund manager	Feasibility		Kenya
1	Blue Orchard Carbon Impact Fund	300	D: 13,15 I: 5,8,12,17	Conservation, Reforestation & Afforestation, Forestry	LatAm and Central America	Brazil, Central America	Asset/fund manager	Proof of concept	100%	Switzerland
2	Octobre Liquidity Guarantee Facility	200	D: 13, 14, 15 I: 5	Sector agnostic	Global	Global	Asset/fund manager	Feasibility		France
2	Sustainable Investment Management Responsible Commodities Facility Cerrado Programme	300	D: 15	Agriculture, Aquaculture, and Fishing	Sub-Saharan Africa	Brazil	Asset / Fund Manager	Expansion	50%	United Kingdom
2	Girls First Finance Loans	300	D: 5	Education	Sub-Saharan Africa	Kenya	Social enterprise	Expansion		United States
2	Aqua-Farms Organization Africa Fair Seaweed Finance Facility	200	D: 5, 14	Agriculture, Aquaculture, and Fishing	Sub-Saharan Africa	Tanzania, Kenya, MZ	NGO / non-profit	Feasibility		Tanzania
2	Reall Green Affordable Housing Finance	200	D: 5 I: 13	Housing	Sub-Saharan Africa	Kenya	NGO / Non-Profit	Feasibility		United Kingdom
2	Chancen International Future of Work Fund	300	D: 5	Education	Sub-Saharan Africa	Rwanda, South Africa, Kenya, Ghana	Social enterprise	Expansion		Rwanda
2	Finance Earth Fisheries Improvement Fund	300	D: 14	Agriculture, Aquaculture, and Fishing	Global	Global	Advisory firm	Expansion		United Kingdom

Annex 3 - Results Framework

A results monitoring methodology has yet to be completed for the SDG Impact Finance Initiative and integrated into the reporting requirements for grantees and investees. For the current portfolio, it is possible to report on the indicators highlighted in green in the table below.

Level	Expected result	Indicators
IMPACT	Private sector capital contributes increasingly to the achievement of the SDGs in developing countries.	SDG key indicators:
		Economic development: # jobs (maintained and created) in directly supported enterprises
		Human development/access to basic services
		- # students enrolled
		- # patients treated
		- # clients provided access to finance
		- # new access to clean energy solution or connectivity
		- # water/ wastewater connections
		Climate: GHG emissions mitigated (sequestered and avoided)
		Gender: # products meeting 2XChallenge qualification
OUTCOMES & OUTPUTS		
OUTCOME 1	Asset Managers and financial intermediaries offer more innovative impact products and approaches which target the SDGs in developing countries and respond to the needs of private sector investors.	Number of products supported by:
		a) a SIFI investment
		b) other SIFI financial support
		c) indirect SIFI support (catalytic infrastructure)
		Number of 1st time funds supported
		% of total products supported by SIFI with AuM >100m
		% of 1st time funds >25m
OUTPUT 1.1	New product suppliers (asset managers, service providers) & intermediaries (advisors etc.)	Innovation or Product Window:
		# of suppliers supported, and as % of total applications
		# of products (of suppliers) indirectly supported
		amount of private capital mobilized after SIFI support
		SDG Key Indicators
		Framework Window:
		# of educational programs supported
		# of students / financial professionals graduated
		# of presentations by SIFI for educational purposes
		Qualitative assessment of interactions with associations

Level	Expected result	Indicators
OUTPUT 1.2	Collaborative partnerships between different types of stakeholders	Innovation or Product Window:
		# collaborative products/projects supported
		# of collaborative products indirectly supported
		amount of private capital mobilized after SIFI-support
		SDG key indicators
		Framework Window:
		# of platform meetings organized in Switzerland
		# of participants
OUTPUT 1.3	New impact products targeting SDGs in developing countries	Innovation or Product Window:
		# of products supported
		Total AuM of products supported
		amount of private capital mobilized after SIFI-support
OUTPUT 1.4	Improved investment readiness of investee projects & companies delivering impact	Innovation or Product Window:
		# of funds/projects receiving TA or ObP
		# of investee companies receiving TA or ObP
		amount of private capital mobilized after TA-support
OUTPUT 1.5	Capital allocated to de-risking solutions (blended finance)	SDG key indicators
		Amount of capital raised for SIFI
		Product Window:
		# of funds/projects receiving catalytic (de-risking) capital
		amount of additional capital mobilized
		liquidity facility created
		SDG key indicators
		Framework Window:
		# of educational programs supported
		qualitative assessment of program
		# of students / financial professionals graduated
# of presentations by SIFI for educational purposes		
guide on investing in blended finance		

Level	Expected result	Indicators
OUTCOME 2		Amount of total capital mobilized for products supported by SIFI, split between:
		a) source of capital (private/public)
		b) SIFI support (a, b, c types as above)
		c) 1st time funds
		Mobilization ratio: Total SIFI commitments / total amount of private capital mobilized within the Product Window
		Catalytic effect acc. to SIFI methodology:
		a) Catalytic ratio of total assets: Total SIFI funding / total amount mobilized (private & public)
b) Catalytic ratio of private assets: Total SIFI funding / total amount of commercial private capital		
OUTPUT 2.1		Framework Window:
		# of impact measurement (IM) initiatives supported
		Qualitative assessment
		# funds supported by SIFI using the standards
		# of educational programs supported
		Qualitative assessment of program
		# of students / financial professionals graduated
OUTPUT 2.2	Impact knowledge products and events in target countries (funders' countries, others opportunistically)	Framework Window:
		# of educational programs supported
		Qualitative assessment of program
		# of students / financial professionals graduated
		# of presentations by SIFI for educational purposes
		Qualitative assessment of interactions with associations
		Qualitative assessment of SIFI learning
OUTPUT 2.3	Research products that improve available impact investing data	Innovation Window:
		# of data outputs from pre-investment analysis or TA projects
		# of users
		Framework Window:
		# research projects supported
		# of users
		Qualitative Assessment
OUTPUT 2.4	Policy Papers, Proposals for regulatory Reform	Framework Window:
		# of regulations changed / added
		# of interventions by SIFI
		Qualitative Assessment

Level	Expected result	Indicators
INTERMEDIATE OUTCOMES		
OUTCOME 3	Financial and non-financial support mobilizes more asset managers and intermediaries and creates a collaborative ecosystem	# suppliers supported
		# 1st-time funds supported
		# collaborative projects, split between:
		a) partners from 'South'
		b) investors
OUTCOME 4	Initial financial support for investment products increases the availability of private investment solutions.	# products delivering market rate return, and as % of total products supported
		# products with AuM >100m, and as % of total products supported
OUTCOME 5	Improved knowhow, better regulation, accepted impact standards and availability of data create favourable investment framework conditions.	# of students / financial professionals educated in impact
		improved use of impact standards
		improved regulation in Switzerland

SDG Impact Finance Initiative

Bern

Report of the statutory auditor to the
General Assembly

on the financial statements 2023



Report of the statutory auditor

on the limited statutory examination to the General Assembly of

SDG Impact Finance Initiative

Bern

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of SDG Impact Finance Initiative for the year ended 31 December 2023.

These financial statements are the responsibility of the Executive Board. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of association personnel and analytical procedures as well as detailed tests of association documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the association's articles of incorporation.

PricewaterhouseCoopers AG



Roman Berlinger
Licensed audit expert
Auditor in charge



Pascal Bucheli
Licensed audit expert

Zürich, 22 May 2024

Enclosure:

- Financial statements (balance sheet, income statement and notes)

Balance sheet as at 31 December 2023

Assets	Appendix	2023	2022
		in CHF	in CHF
Current assets			
Cash and cash equivalents	2.	9'878'640.33	3'828'005.40
Other short-term receivables	2.	26'860.15	1'155.00
Total current assets		9'905'500.48	3'829'160.40
Total assets		9'905'500.48	3'829'160.40
Liabilities and equity			
Short-term liabilities			
Payables from goods and services		122'694.20	1'387.80
Other liabilities due to public authorities		36'591.73	0.00
Other liabilities due to social insurances		1'520.65	0.00
Financial liabilities interest-bearing		0.00	42.00
Accrued expenses		25'073.60	10'000.00
Total short-term liabilities		185'880.18	11'429.80
Fund capital			
Restricted fund capital	3. c.	7'601'968.27	2'700'000.00
Unrestricted fund capital	3. c.	2'117'652.03	1'117'730.60
Total fund capital		9'719'620.30	3'817'730.60
Total liabilities and equity		9'905'500.48	3'829'160.40

Income statement from 01.01.2023 to 31.12.2023

Operating income and operating performance	Appendix	2023 in CHF	2022 in CHF
Grants received			
Credit Suisse Foundation		800'000.00	400'000.00
UBS Optimus Foundation		0.00	450'000.00
SECO		4'750'000.00	2'000'000.00
SDC		2'000'000.00	1'000'000.00
Total grants received		7'550'000.00	3'850'000.00
Operating expenses			
Project expenses	3.a.	-1'198'031.73	0.00
Personnel expenses		-221'163.45	-15'000.00
Other operating expenses		-206'825.70	-17'096.40
Total operating expenses		-1'626'020.88	-32'096.40
Operating result		5'923'979.12	3'817'903.60
Financial and extraordinary result			
Financial result		-22'089.42	-173.00
Result before change in fund capital		5'901'889.70	3'817'730.60
Change in fund capital			
Change in restricted fund capital		-4'901'968.27	-2'700'000.00
Change in unrestricted fund capital		-999'921.43	-1'117'730.60
Total change in fund capital		-5'901'889.70	-3'817'730.60
Annual result		0.00	0.00

Notes to the 2023 annual accounts

1. Accounting and reporting principles

The accounts for 2023 are prepared in accordance with the provisions of Swiss law, in particular those of the Swiss Code of Obligations regarding commercial accounting and financial reporting (art. 957–962).

2. Valuation principles

The financial statements are based on the principle of historical acquisition costs. The valuation of assets and liabilities is based on the principle of individual valuation. Below is a summary for material positions:

Cash:	at nominal value, foreign currencies at the exchange rate on the balance sheet date.
Other liabilities:	at nominal value.
Foreign currencies:	converted using the year-end exchange rate according to publications of Federal Tax authorities.

3. Details, itemization and explanations about item in the balance sheet and income statement

a. Project expenses

The project expenses contain non-interest-bearing repayable grants and external services to be allocated to the projects. The grants will be repayable to the Association if the Repayment Event occurs.

Grantee	Grant paid in 2023	repayable	Repayment Event
Colibri Catalyst	USD 150'000 (CHF 137'145)	0%	Repayment of this loan is waived
Blue Orchard	USD 150'000 (CHF 137'145)	100%	If the fund successfully reaches first close, and subject to the fund investments generating income.

b. Direct taxes

The Association was granted tax relief on the basis of Art. 83 para. 1 lit. g StG and Art. 56 lit. g DBG as well as Art. 6 para. 1 ESchG retroactively as of December 16, 2021 (date of foundation) and limited until December 31, 2024. Due to charitable purpose no tax liabilities arise for the aforementioned taxes. For this reason, no tax accruals were booked. During the period of tax exemption, there is no obligation to file a tax return.

c. Restricted and unrestricted fund capital

The capital is split into restricted and unrestricted fund capital. Administrative overhead costs are charged to the unrestricted fund capital. Project related expenses are charged to the restricted fund capital.

4. Information on the association

SDG Impact Finance Initiative is an association under art. 60 ff. of the Swiss Civil Code with its head office in Berne.

5. Number of employees

The Association employs less than 10 employees.