



Event Summary:

April 2025

# Mobilizing Institutional Capital for the UN SDGs: Bridging the Gap with Financial Innovation

## Lunchtime Event at the Embassy of Switzerland, Berlin

On 28 April 2025, the Embassy of Switzerland in Berlin, together with the Swiss Agency for Development and Cooperation (SDC) and the SDG Impact Finance Initiative (SIFI), hosted a high-level luncheon bringing together government representatives, policy advisors, institutional investors, and foundation leaders to explore pathways for scaling private capital mobilisation toward the Sustainable Development Goals (SDGs).

The guests were warmly welcomed by Ambassador Livia Leu, who highlighted in her opening remarks the pressing need for collective action. She emphasized that Switzerland’s international cooperation strategy is built on a clear conviction: partnerships are not an accessory to development — they are its foundation.

### Key Insights

Ambassador Leu acknowledged Germany as a natural partner, united by shared values of multilateralism, innovation, and a strong commitment to sustainable development. Despite the abundance of global capital, she noted that sustainable development solutions remain critically underfunded, with the SDG financing gap now exceeding USD 4 trillion annually. She underlined Switzerland’s commitment to fostering international collaboration, innovation, and financial system reform — positioning sustainable finance as a strategic priority.

The Swiss Embassy was further honored to welcome Ambassador Sylvie Lucas of Luxembourg, representing a core partner country of SIFI and reaffirming the initiative’s international reach.

Building on this political framing, Derek George, Senior Policy Advisor at SDC, introduced the strategic origins of the SDG Impact Finance Initiative. He explained that SIFI was launched in 2021 by the Swiss government, together with the UBS Optimus Foundation and later joined by the Luxembourg ministry of Finance, in response to a clear market failure: despite growing interest in sustainable investment, private capital continued to bypass critical sectors in emerging and frontier markets.

SIFI was thus created as a **neutral, non-profit platform**, designed not merely to finance projects, but to foster systemic solutions. By addressing structural barriers and providing catalytic de-risking instruments, SIFI aims to unlock significant volumes of institutional investment in alignment with the SDGs — targeting the mobilisation of CHF 1 billion by 2030.

Expanding on this context, Lena-Katharina Gerdes, Program Manager at SIFI, outlined the persistent barriers preventing blended finance from achieving transformative scale. Drawing on findings from a recent Columbia University study and SIFI’s own market experience, she summarized key obstacles:

- Fragmented data on private capital mobilisation,
- The absence of standardized transaction structures,
- Liquidity gaps that deter institutional investors, and
- A persistent lack of comparable impact reporting

Ms. Gerdes outlined that these systemic issues cannot be solved by isolated innovation alone but require **strategic coordination across public, private, and philanthropic sectors**.

She then explained how SIFI’s unique **three-window model** directly targets these challenges:

- Through the Innovation Window, SIFI seeds early-stage financial structures with catalytic grants;
- Via the Product Window, it scales proven blended finance models through risk-sharing investments;
- And under the Framework Window, it strengthens market infrastructure — notably through the development of next-generation impact measurement tools.

SIFI’s work, she emphasized, is about more than deploying capital — it is about **building scalable pathways, ensuring transparency, and creating the conditions for private investment to flow** into sustainable development at scale.

The event continued with two concrete solution showcases from SIFI’s active pipeline:

- Sylvain Goupille, Managing Director of the **Octobre Liquidity Guarantee Facility (OLGF)** — an innovative guarantee mechanism designed to address liquidity constraints in impact investing. By offering a liquidity guarantee, the OLGf provides investors with structured exit options, reducing perceived risk and making longer-tenor impact investments more attractive to institutional capital.
- Deniz Harut, Executive Director of the **AGRI3 Fund**, introduced a blended finance solution dedicated to sustainable land use. The AGRI3 Fund supports financial institutions with **local currency guarantees and technical assistance** to channel capital into sustainable agriculture, forest conservation, and rural development. With a target of **mobilizing over USD 1 billion by 2032**, AGRI3 exemplifies the type of scalable, systemic intervention needed to shift investment patterns at the landscape level.

Key takeaways from the discussion and networking session included:

- **Liquidity, standardization, and transparency** are critical enablers to unlock larger flows of private capital;
- **Scalable blended finance structures** must become the norm, not the exception;
- **Cross-sector partnerships** — rooted in trust and aligned incentives — are indispensable to achieving the SDGs.

The event reaffirmed that while the challenges are significant, the tools and partnerships to overcome them already exist. In a time when global challenges are increasingly interconnected and complex, **progress will only come through collaboration around a shared mission**.

Through innovation, strategic collaboration, and a continuous focus on systemic solutions, platforms like the SDG Impact Finance Initiative are laying the groundwork for a more **equitable, resilient, and sustainable financial future**.

Our goal is to establish the necessary framework conditions that foster a thriving ecosystem around impact investing. By aligning our efforts, we aim to propel investments towards the Sustainable Development Goals (SDGs) in developing markets at the required scale, ensuring meaningful and sustainable impact. To learn more about our activities and how we are driving change in impact investing, follow us on [LinkedIn](#).

