



## Innovative Financing Advancing the SDGs

**The international community has recognized that innovative financing will be critical to realizing the 2030 Agenda.**

The *From Millions to Trillions: Scaling Investments for Impact* strategic dialogue continued Concordia's legacy of high-level discussion dedicated to enhancing the financing of the Sustainable Development Goals (SDGs). The international community has recognized that innovative financing—or the deployment of new funding sources, the enhancement of efficiency in financial flows, the introduction of integrated thinking to reduce risk, and the creation of results-oriented financial instruments—will be critical to realizing the 2030 Agenda, but identifying profitable and impactful investment projects where most needed remains a challenge. This strategic dialogue brought together leaders in the global investment space to share regional and sector-specific challenges and potential solutions, and launch the Concordia Innovative Financing Coalition (CIFC).

There is a critical role for connector organizations that can bring together the correct “mixology” of investors, incubators, and initiatives to facilitate deal flow. This has been particularly critical in catalyzing investment in initiatives headed by women and other underserved communities. There is an additional role for capacity-building organizations, like universities, as “finance chases entrepreneurs,” to ensure that the pipeline of bankable projects continues to expand, and to grow the comfort and financial literacy of government ministries that will be critical to enhancing efficiencies in the blended finance space.

Post-conflict nation states and other countries facing governance issues present immense opportunity to achieve impact at scale. But it is critical to de-risk investment in



these spaces. One product with potential to ameliorate investor concern is an insurance to shorten the response time of aid in emergency environments. Gap financing and grant financing that buy down risk, and debt financing, private equity, and political risk insurance that improve investing environments, is also key for these poor and under-governed areas. These arenas also benefit from proof points: countries like Colombia, which has recently come out of a decades-long civil war, are applying innovative financing to a range of environmental and social capital projects. By documenting and sharing how these deals came

*“The best way to buy impact is to buy scale.”*

David Wilcox  
CEO of ReachScale

about and the mechanisms applied to measure impact, future projects become more realistic. Data and storytelling will play a major role moving forward and inputs must be made usable and accessible. Finally, the private sector can continue to develop new models that support impact initiatives and tap into new partners and companies that use value chains to transform.

Regional roundtables centered on Latin America and sub-Saharan Africa further showcased specific financing mechanisms and investment-ready projects that can extend Concordia-hosted discussions to tangible impact on the ground. The 2018 Annual Summit also witnessed the formal launch of the CIFIC, which will dedicate itself to holding future global and regional-specific discussions aimed at uniting a fragmented investment ecosystem and strengthening a shared language between financiers and

impact leaders.

*Next steps:*

- Public sector policy changes and the development of new instruments to incentivize sovereign wealth investments where impact is most scalable will be necessary to harness the existing capital necessary to achieve the SDGs.
- The launched Concordia Innovative Financing Coalition (CIFIC) is creating a landscape analysis of key profiles to engage, as well as an audit of existing and planned projects specific to the Americas ahead of the next Concordia Americas Summit (May 2019).
- The CIFIC is working to improve the flow of information to institutional and high net-worth investors in order to facilitate investment in urgent/time-sensitive impact projects. Importantly, this data must be accurate, accessible, timely, and usable to investors. Concordia and Lynx Global Intelligence have partnered to aggregate this information so opportunities can be quickly de-risked and presented to investors in a timely manner.
- Innovative financial products that increase incentives for the private sector to invest in higher-risk markets must be developed. This will require policy coordination with the public sector and increased knowledge of blended finance at all levels.