



Innovative Financing Approaches for Green Innovations

Dr. Johannes Heeb

Co-Director cewas

The world's first Water & Resources Start-Up Centre since 2010



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cewas middle east

2019 programme - Lebanon



Partners



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What was mentioned yesterday



We have a problem with funding!



United Nations Development
Programme

The United Nations Conference on Trade and Development (UNCTAD) says achieving the Sustainable Development Goals (SDGs) will take between US\$5 to \$7 trillion, with an investment gap in developing countries of about \$2.5 trillion. At the same time, the most recent OECD DAC report shows that in 2016 the total official development assistance reached a peak of \$142.6 billion, which is one order of magnitude smaller than the needs.

Global Wealth is Growing



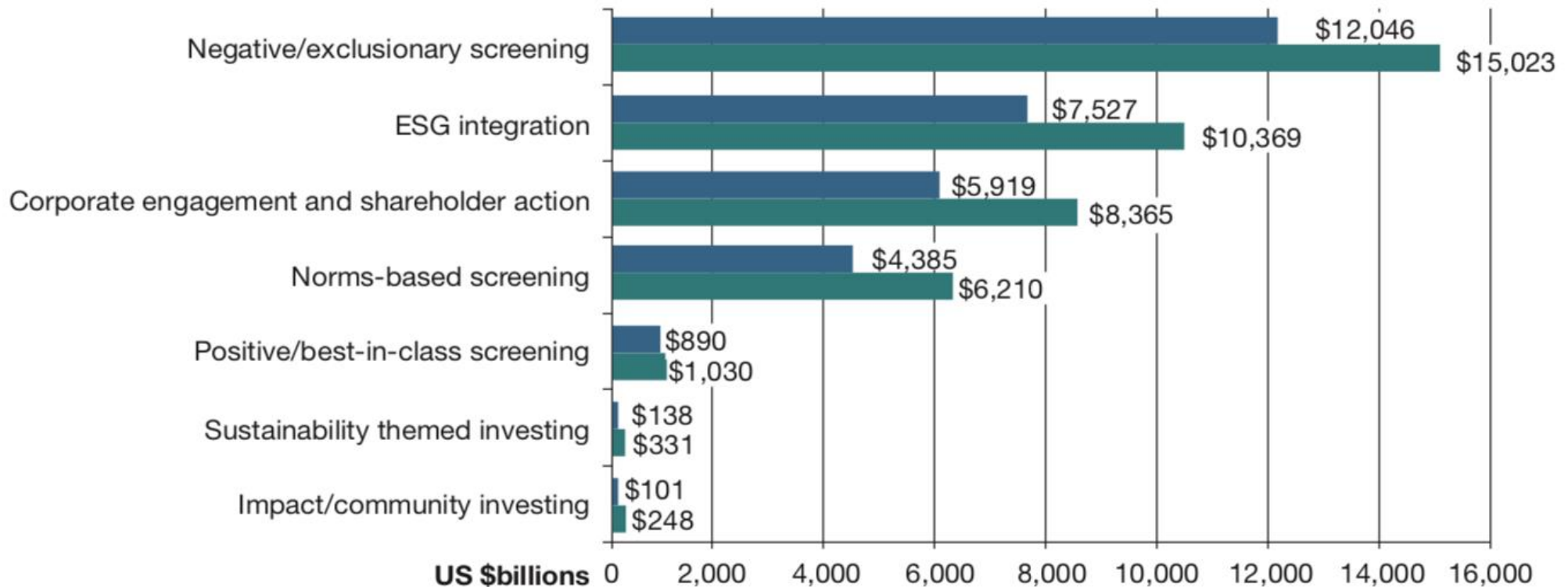
Table 1: Change in household wealth 2017–18, by region

	Total wealth	Change in total wealth		Wealth per adult	Change in wealth per adult		Change in financial assets		Change in non-financial assets		Change in debts	
	2018	2017–18	2017–18	2018	2017–18	2017–18	2017–18	2017–18	2017–18	2017–18	2017–18	2017–18
	USD bn	USD bn	%	USD	%	USD bn	%	USD bn	%	USD bn	%	
Africa	2,553	108	4.4	4,138	1.5	37	2.8	68	4.8	-4	-1.3	
Asia-Pacific	56,715	929	1.7	48,119	0.0	675	2.1	833	2.6	578	6.6	
China	51,874	2,266	4.6	47,810	4.0	422	2.0	2,786	8.5	942	22.7	
Europe	85,402	4,432	5.5	144,903	5.4	1,167	2.7	4,047	7.9	782	5.9	
								251	4.3	84	13.3	
								-127	-2.0	72	5.1	
								2,203	6.5	677	4.2	
								10,061	6.2	3,133	7.1	
World				317,084				13,958				



Source: James Davies, Rodrigo Lluberas and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2018

Where the money goes ...



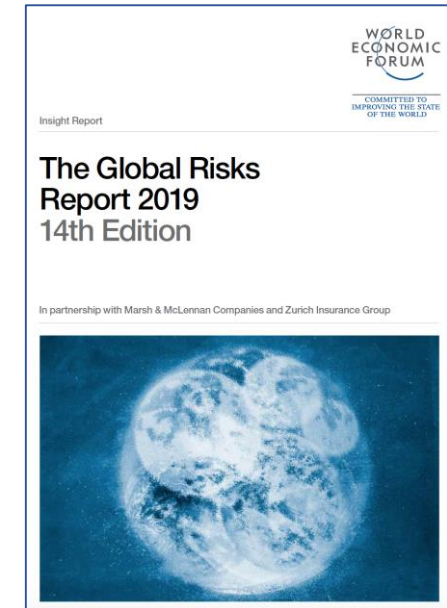
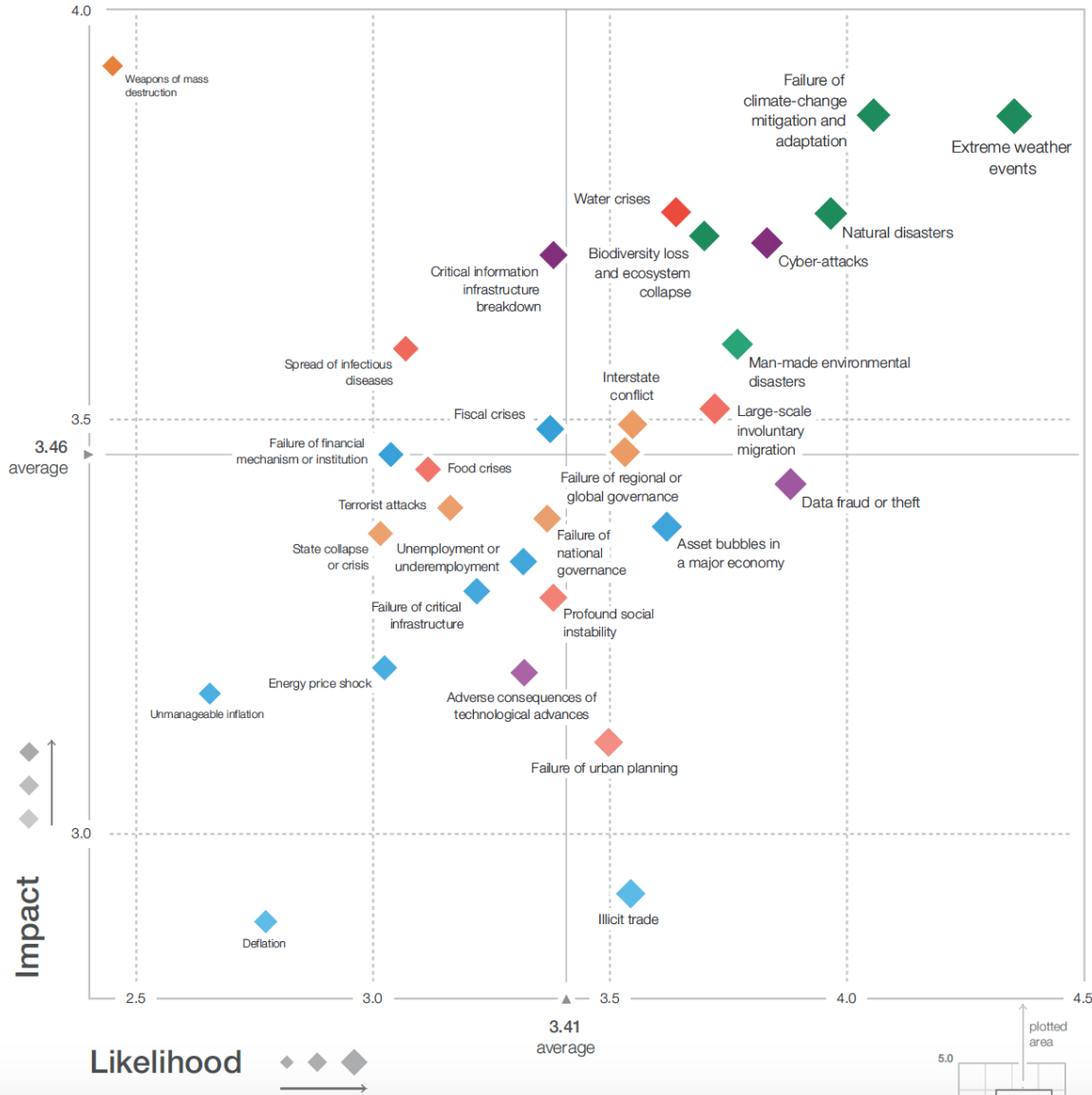
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Sources:

GSIA. 2016 Global Sustainable Investment Review. (2016).

UNCTAD. World investment report 2014: Investing in the SDGs - an action plan. (United Nations Conference on Trade and Development, 2014).

Global Wealth is on Risk





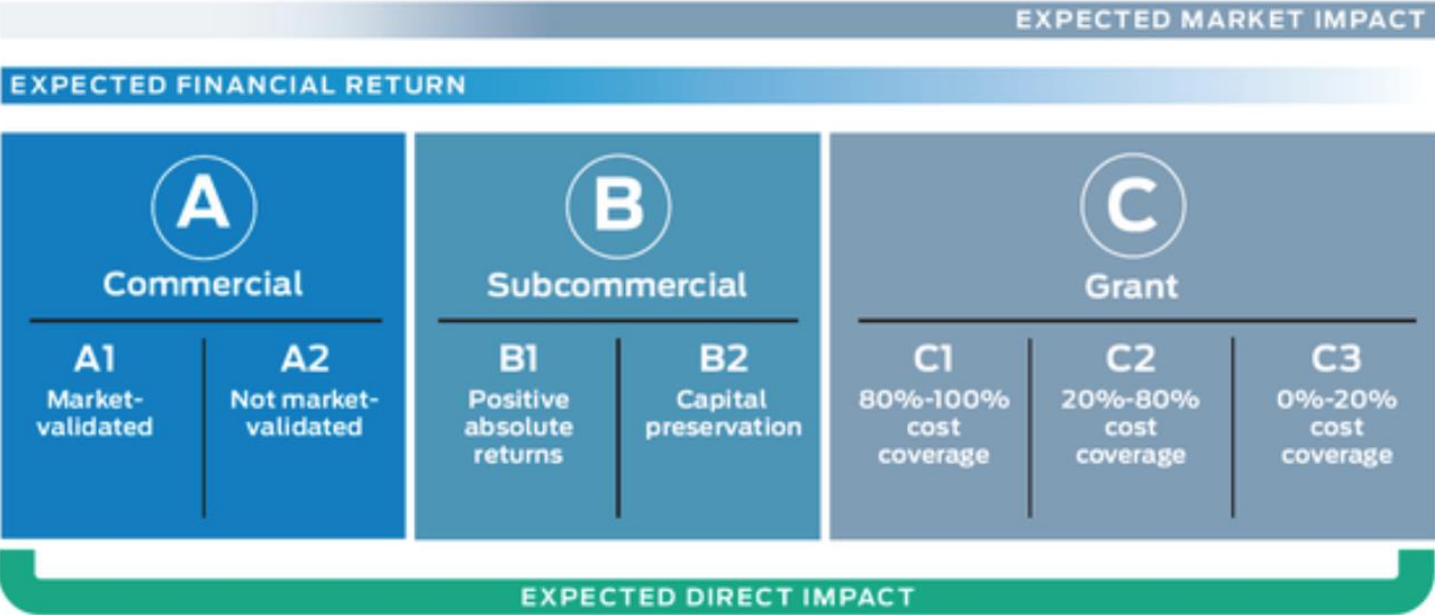
Sustainable Financing as a Re-Insurance Approach to protect Global Wealth

Impact Investment 2.0 - Returns Continuum



The Returns Continuum Framework

For all of its investments, Omidyar Network has the same high expectation for direct (firm-level) impact. But expected market impact and expected financial return vary by type of investment.



StanfordSOCIAL
INNOVATIONReview

Impact Investing

Across the Returns Continuum

For many years, the field of impact investing played host to great debates that revolved seemingly inescapable positions: Was it possible to achieve both market rate financial returns and meaningful social impact? Could philanthropic funding coexist effectively with commercial investments? Now, as the field reaches a new stage of maturity, leading social finance organizations are developing models that bring greater sophistication to the work of evaluating investment options. These models, like the ones that create them, vary widely but they reflect a shared commitment to moving beyond simple either-or choices—and to moving from broad questions to specific solutions.

Omidyar Network has built a framework for pursuing investment opportunities that takes into account not only firm-level impact but also market-level impact.

By Matt Barrock, Paula Goldstein, Michael Kuzavsky, & Yasmin Sahak | Winter 2017

People in the impact investment community have long debated whether there is a necessary trade-off between social impact and financial return. Some argue that investors must sacrifice financial return in order to maximize social impact, claiming that profit-maximizing behavior inevitably leads a company to drift away from its social mission and to decrease its focus on beneficiaries. Others argue that the opposite is true—that there is a strong positive correlation between social impact and financial return. They assert that the best way to maximize impact is to create a profitable commercial firm that can grow rapidly by generating a healthy cash flow and by tapping into capital markets. A firm that lacks access to growth capital, after all, will be unable to scale up adequately.

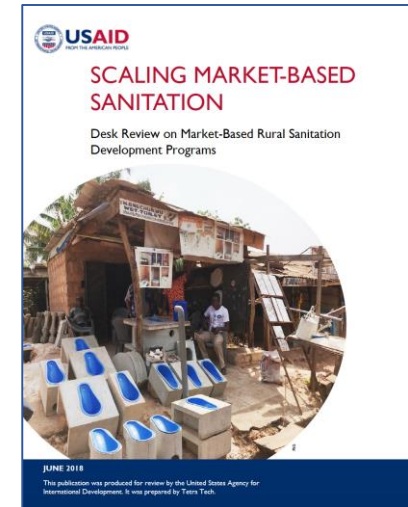
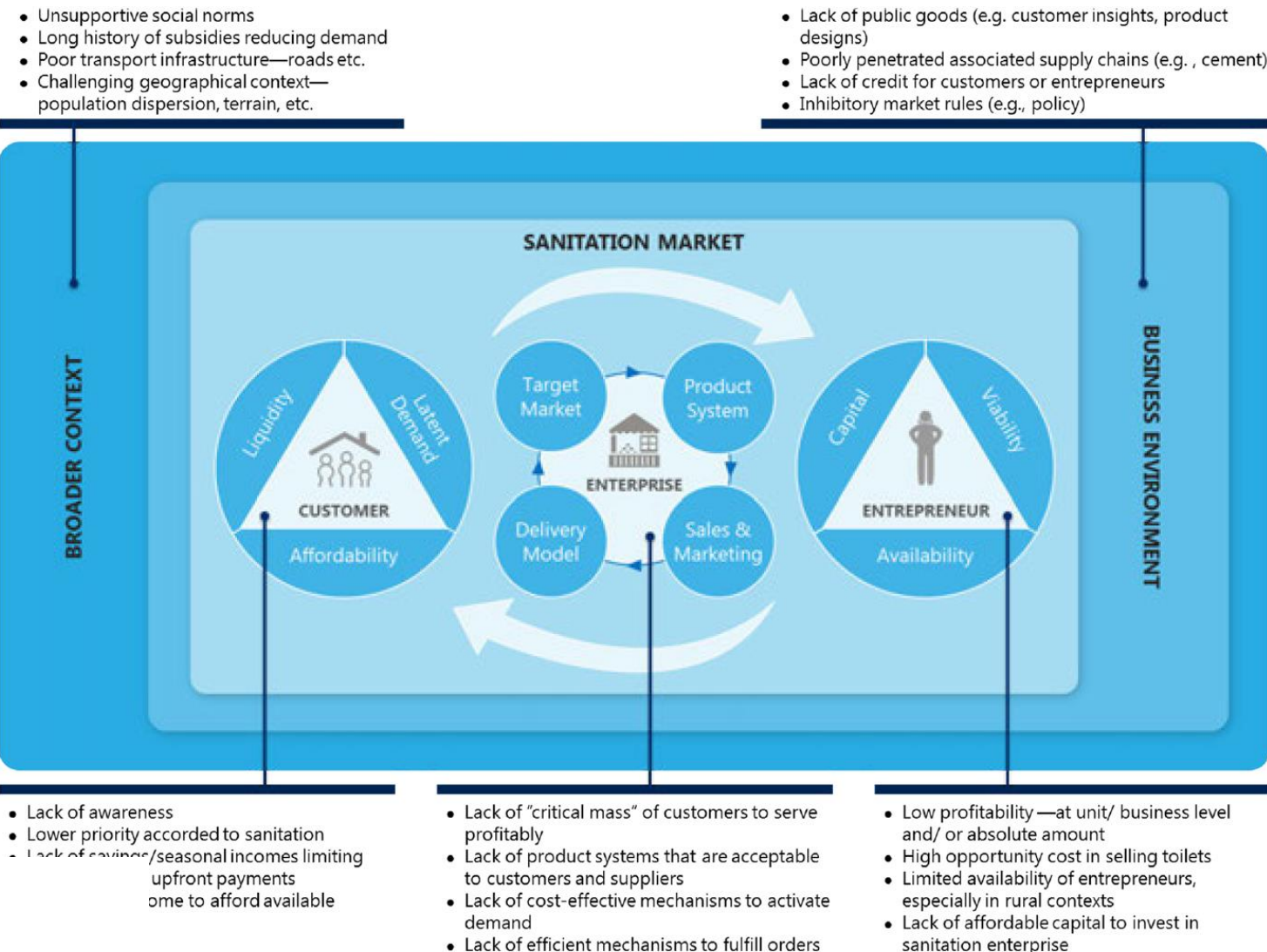
This debate has raged for years, creating much more confusion than insight and hampering the development of the impact investing field. Is there a trade-off between financial return and social impact? Many impact investing leaders are eager to answer “Yes” or “No” in response to that

(Illustration by Doug Chaffey)

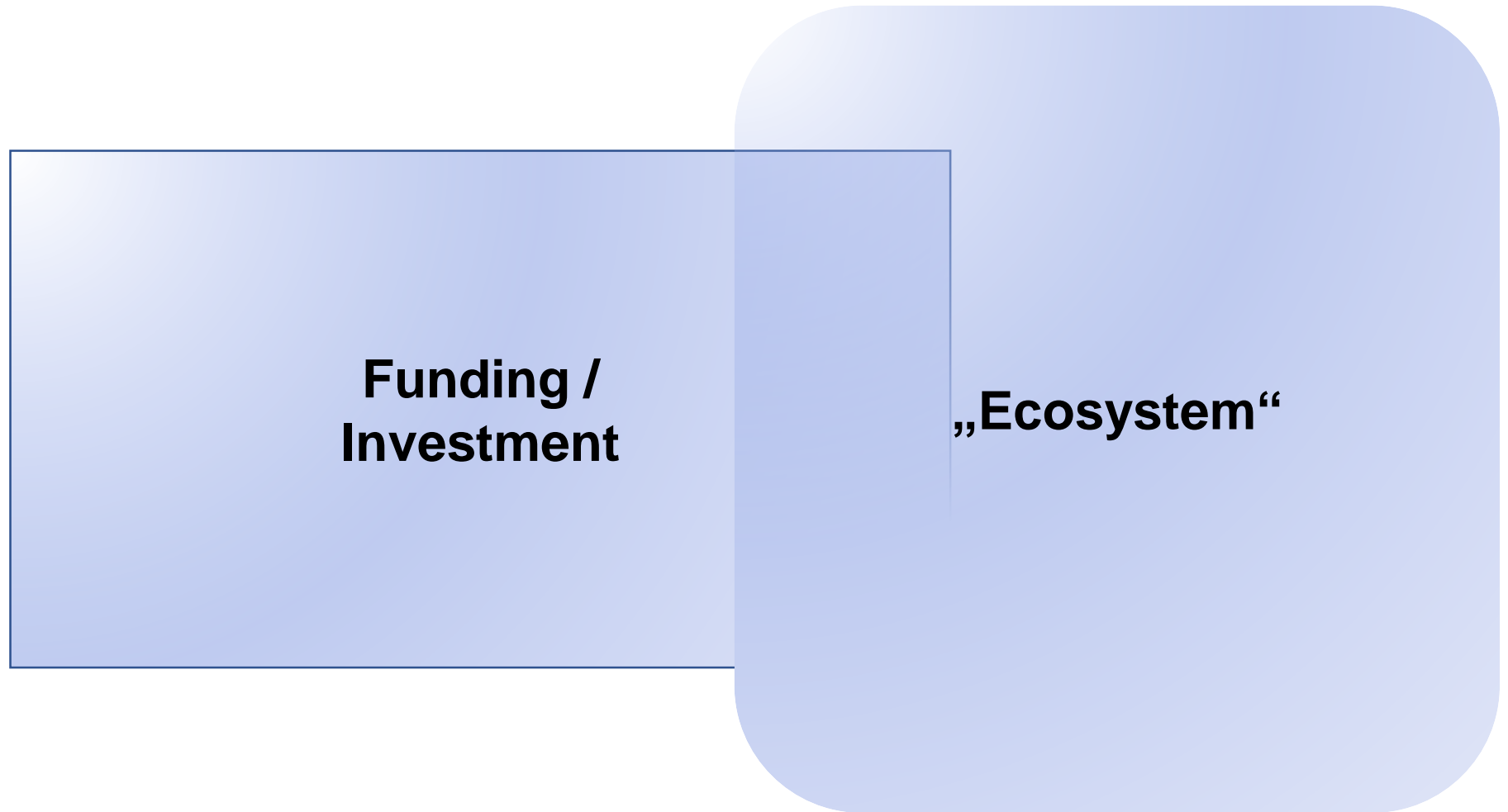
Impact Investment 3.0 - Ecosystem Approach



Figure 1: Barriers to scaling MBS across the sanitation market system



The Holistic Picture of Funding / Investing



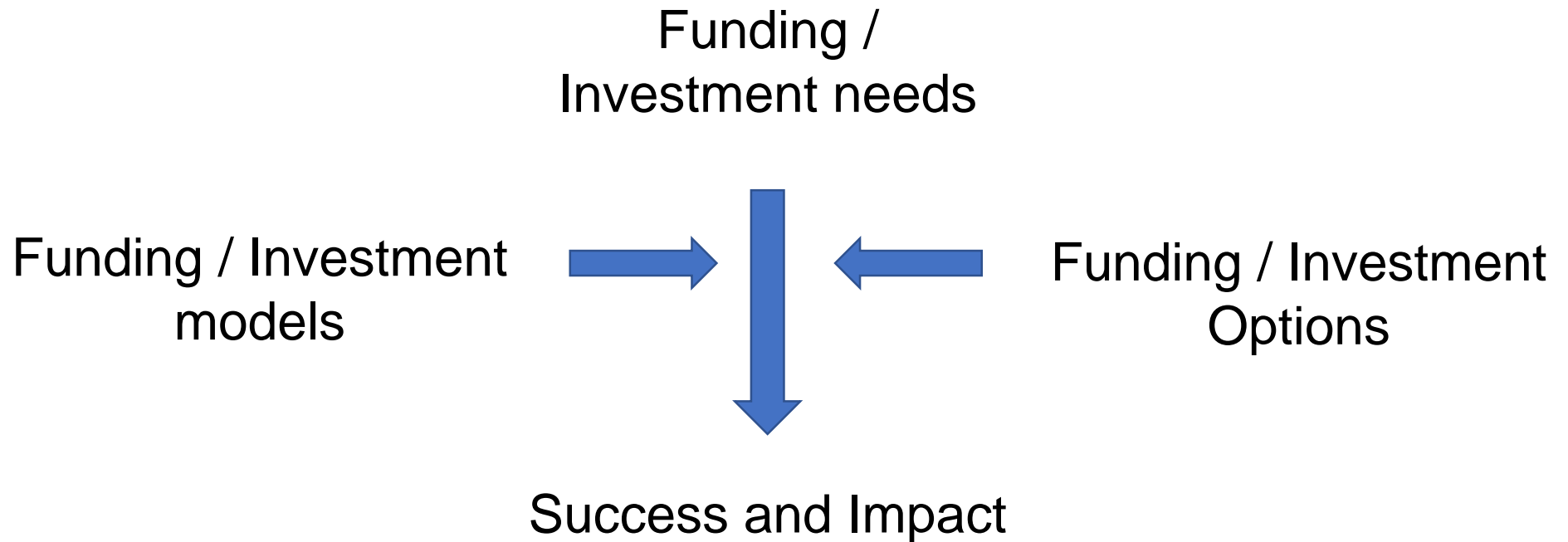


Tripple Balance

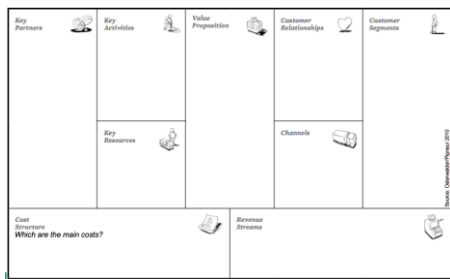
Economical Balance

Ecological Balance

Social Balance



Why Integrity Matters



Financial Projection

Loss due to integrity risks
(e.g. corruption)



Develop and establish an enabling financial ecosystem to support water and sanitation entrepreneurs in the middle east in the start-up, acceleration and scaling phase.



- Development of **portfolio of funding / investment needs** of SSWM entrepreneurs
- Mapping existing **funding / investment options**
- Development of **matchmaking tool**
- Development of **matchmaking service** (Help-Desk) for SSWM businesses and funders / investors
- Development of lean “**Triple Bottom Line**” based **Due Diligence Tool** for businesses and funders / investors



- **SSWM-Cluster Fund** (e.g. combining loan guaranty funds, diaspora crowd funding, environmental impact compensation fund, concessionary impact fund)
- Identification of **needed ecosystem funding / investment**
- **Monitoring** funding / investments
- SSWM Financing Perspective

What cewas is looking for



- Sparring Partners
- Supportive Funding / Investment Models
- Funders / Investors along the returns continuum
- Cluster Basket Fund (e.g. combining loan guaranty funds, diaspora crowd funding, environmental impact compensation fund, concessionary impact fund)
- Ecosystem Funders / Investors
- Further

We know a lot ... but we have to make thing happen ...



USAID SCALING MARKET-BASED SANITATION

Desk Review on Market-Based Rural Sanitation
Development Programs



JUNE 2018

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Financing Social Impact

Funding social innovation
in Europe – mapping
the way forward



EVPA REPORT

FINANCING FOR SOCIAL IMPACT

The Key Role of Tailored
Financing and Hybrid Finance



Alessia Gianoncelli
Priscilla Bolardi

BLUEPRINT FOR AN OUTCOMES FUND IN OFF-GRID CLEAN ENERGY

Pushing the boundaries of high impact
businesses with next generation
Results-Based Finance



October 2018



Research Institute

Global Wealth Report 2018



Thought leadership from Credit Suisse Research and the world's foremost experts



What we need a rather a capacity than a tech oriented funding / investment approach for green technologies.

We have to address the issue of externalities.