



INITIATIVE FOR BLENDED FINANCE LAUNCHES TO MAKE SUSTAINABLE DEVELOPMENT MORE EFFECTIVE

University of Zurich unites with leading research, knowledge and practice partners to provide excellent, practice-driven research & education for a more powerful collaboration between public & philanthropic funders and private investors.

Zurich, August 28, 2019 / **Blended Finance** is on the rise. Many development agencies, foundations and multilateral organisations today strive to use public and philanthropic funds more effectively to achieve the **Sustainable Development Goals (SDGs)**. While this trend builds on the rising awareness that tackling major challenges such as climate change, poverty or inequality has to be priority number one, the SDG mission will require a staggering US\$ 2.5 trillion in extra annual funding. Given limited public resources, there is an immediate imperative to mobilize private sector investment to start bridging this enormous gap. At the same time, the chances to create impactful collaborations have never been better: Private wealth owners and managers are more and more drawn towards sustainable, responsible and impact investment philosophies, a mind-set that is particularly strong among entrepreneurial families and high net worth Next-Gen investors.

The critical question, however, is how to make both ends meet. This is the idea behind **Blended Finance**. At the heart of this approach is the drive to create investment partnerships and align different needs of various stakeholders to create win-win-win solutions for all actors involved - including the organisations “on the ground” that often lack the funding to innovate and create impact at scale. Yet meaningful research, data and practice-driven education are still rare for Blended Finance. The **Initiative for Blended Finance (IBF)** is the first academic initiative ever to focus on this growing approach with a particular emphasis on enterprise development and scaling innovations for positive impact. The IBF’s mission is to unite leading research, knowledge and practice partners under the roof of the **University of Zurich Center for Sustainable Finance and Private Wealth (CSP)** and act as a global competence center for effective ways to apply Blended & Innovative Finance in practice.





Bjoern Struewer, founder and CEO of [Roots of Impact](#) and the [Social Finance Academy](#), will take the Initiative lead. In his work with many impact investors, public and philanthropic funders globally, he learned what is needed most to empower executives to achieve more impact with Blended Finance: *“There is a lot of curiosity, openness and pioneer spirit. But the question is how to effectively convert theory into practice. Making a real difference with Blended Finance is an art. This is exactly where we want to provide powerful insights and solutions: We need to make it a science so that financial resources are used in the most effective way.”*

Dr. Falko Paetzold, who manages and founded the University of Zurich Center for Sustainable Finance and Private Wealth (CSP), will take the academic lead of the IBF. *“We are extremely proud to be at the forefront of this exciting topic and welcome high-profile partners such as SDC, SECO, Convergence, IDB and IDB Lab, Global Innovation Fund, the Boston Consulting Group, UBS Optimus Foundation and University of Gallen to join us in our ambitious goal.”*

By sharing data about closed transactions or providing insights and learnings from past activities, the IBF partners will set the stage to perform cutting-edge research and answer critical questions such as “which is the most appropriate instrument to use in which context?”, “what are the success factors to crowd-in private sector investment?” or “how to align the interests of all stakeholders?”

One existing solution is a flagship education program initiated in 2018 by the Social Finance Academy, the CSP and Convergence called [“Impact Investing & Blended Finance for Development Agencies & Foundations”](#). Supported by the Swiss Agency for Development and Cooperation (SDC), another IBF partner, the program received excellent ratings from participants around the globe. **Aakif Merchant**, senior associate at Convergence, has been part of the program since inception. *“The unique aspect is that we share a lot of practical insights, cases and learnings about blended finance solutions that have worked and those that have not”*, he highlights his experiences as a program partner and lecturer. *“At Convergence, we collected a huge amount of Blended Finance data, intelligence and insights and are more than happy to contribute these to the Initiative and its education programs in the future.”*



Would you like to learn more about the [Initiative for Blended Finance](#)?

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Materials and readings on Blended & Innovative Finance: <https://ibf-uzh.ch/news/>

About the Initiative:

The Initiative for Blended Finance (IBF) aims to act as a global competence center for the practical and effective application of blended and innovative finance for sustainable development – in particular by means of enterprise development and scaling innovations for positive impact. It strives to achieve this mission through targeted research and publications as well as education programs.

