

Best practice lessons on private sector role on SDGs Financing

The [SDGs estimates](#) show that annual costs of the SDGs are between 3 to 5 trillion USD with a gap of 2.5 trillion USD expected to be covered by private sector capital. The [SDG Center for Africa recent analytical work](#) reiterated that SDGs will require all types of financing – public, **private**, international and domestic – to be achieved.

The engagement of the private sector is enshrined in goals in SDG target 12.6.

Key relevant private sector practices, lessons and initiatives towards SDGs financing include but not limited to:

- GET FiT Uganda is a Public-Private Partnership (PPP) programme that leverages commercial investment in renewable energy projects in Uganda. It is considered a PPP success story with Uganda now among the top destinations for renewable Independent Power Producers (IPP) on the continent. Three hydropower plants (a combined generation capacity of 18.1 MW) have been commissioned - the first in the portfolio - as well as two solar plants each of 10MW - the largest solar plants in East Africa. All GET FiT projects now have Power Purchasing Agreements. [More detail here](#)
- The Sahara Group is a Nigerian conglomerate of 20 operating companies has demonstrated sustainable partnerships through a case [found here](#). In accordance with their commitment to productive partnerships with local communities and reducing the impact of their activities on the environment, the Sahara Group established the Sahara Foundation which in 2015 alone had over 50,000 direct beneficiaries. Also in conjunction with ENACTUS Nigeria, hosts a yearly event to encourage innovation in alternative and renewable energy resources. The competition brings together students from tertiary education institutions from around the country that present projects showcasing alternative energy sources and innovations to help ensure sustainable electricity supply in Nigeria. The 2015 competition, which attracted entries from 28 different schools, involved developing simple models to reduce energy production costs and encourage the use of alternative energy sources in communities, small businesses and schools. The winning group then had the opportunity to present their ideas in front of a global audience in South Africa. Private companies collaborative with the SDG Fund are positively sharing their valuable expertise and trying to find ways to work together with the public sector and promote the implementation of SDG 17 Further information on the [SDG Fund's webpage](#) to see all the JPs with the private sector.
- Usage of Green, Social and Sustainability bonds. The global green bonds market has grown rapidly, with USD 80 billion of issuance 2016. In Africa, activity

has been seen in South Africa, Nigeria, Morocco and Egypt and the African Development Bank has issued approximately 20 green bonds amounting to over USD 1 billion over the 2010-2016. YES bank, India's fifth largest private-sector bank, announced India's first Green Infrastructure Bond in February 2017. In 2017, Kenya in conjunction with the Dutch Development Bank FMO and the International Finance Corporation (IFC) launched [Kenya's Green Bond programme](#).

- Unilever in its [sustainability report for 2017](#) shows progress against its Sustainable Living Plan (USLP) adopted in 2010. The report underlines its commitment to sustainability and it continues to create value for its business as well as for society and the environment. Its three year performance against the social development targets is found [here](#)
- [Blending](#) has been critical in leveraging policy reforms, creating higher quality projects, unlocking finance and improving coordination. The examples of associated policy reforms as documented in [European Commission \(2016\)](#)ⁱ are among others from Egypt, Ukraine, Morocco, Colombia, Namibia and West Africa). Blending projects have targeted more environmental objectives than non-blending projects, and particularly climate change mitigation. See other Case studies of [Blended Finance in Clean Energy](#) and [for water and sanitation](#). *Also notable is that the SDGC/A is working with several African Development Banks in a bid to enhance the capacity in providing such innovative financing and collaboration with private sector.*
- Lighting Africa-Ethiopia Fund administered by the Ethiopian Development Bank: The fund is leveraged by several donors as well as private sector entities. The fund has a provision of off grid forex credit facility (\$ 40 million) helping importers of lighting equipment to get forex facilities and pay in local currency In three years, the program electrified 1 million Households, disseminated 1.4 million verified solar products, facilitated consumer education for 13 million people, trained 450 retailers and stakeholders in business skills.
- Public Private Partnerships (PPPs). Over the past two and a half decades, [335 PPP projects](#) have been implemented in Africa, with the total value of these projects amounting to US\$ 59 billion. Projects in South Africa have accounted for 85 of the total, the highest number of any single country on the continent. These projects are implemented in consideration of high social and environment standards.
- The [National Smallholder Farmers' Association of Malawi \(NASFAM\)](#) is part of the [International Agri-food network](#) is addressing severe shortage of agri-warehousing in Malawi, with a trade hub, including an agro-processing complex that links smallholders to markets and value chains.

Private-sector companies stepped up their participation dramatically in the development agenda, through *inter alia* partnerships, pooled resources, innovative financing mechanisms, and philanthropic allocations to poor countries. ***However, a lot still to be achieved with documentation of best practices as well as having fully fledged private sector practices for SDG financing.*** The private sector also remains the main stay of employment as well technological solutions for sustainable goals. The private sector behavioral change is also critical and the uptake of green solutions is also on the rise. The private sector also has a role to play in building inclusive institutions for example with private companies listing on the stock exchange as required by the Extractive Industry Transparency Initiative.

Additional relevant links are provided below

<http://www.businessfor2030.org/>

Callias, K.M., Grady, H., & K. Grosheva. Philanthropy's contributions to Sustainable Development Goals in Emerging Countries: Lessons learnt and experience from SDG Philanthropy Platform. European Research Network on Philanthropy.. <http://ernop.eu/wp-content/uploads/2017/06/Mzyk-Callias-Grady-Grosheva-Philanthropys-contributions-to-sustainable-development-goals.pdf>

Official Development Aid 2016. <https://www.oecd.org/dac/financing-sustainable-development/development-financedata/ODA-2016-detailed-summary.pdf>

Engaging Philanthropy in the Post-2015 Development Agenda: Lessons Learned and Ways Forward, SDGPP, 2015. http://www.issuelab.org/requester/sdgs/id/22554?_ga=2.50704489.1510991342.1497686264-1280865790.1450192178

Business Commission for Sustainable Development, (2016), Better Business Better World, <http://report.businesscommission.org/> 16 Engaging Philanthropy in the Post 2015 Development Agenda, Lessons Learnt and Ways Forward, SDG Philanthropy Platform, (2015) http://www.issuelab.org/requester/sdgs/id/22554?_ga=2.196895724.1140445782.1497529034-1280865790.1450192178
