



Empowered lives.  
Resilient nations.

# INNOVATIVE FINANCING *LAB*

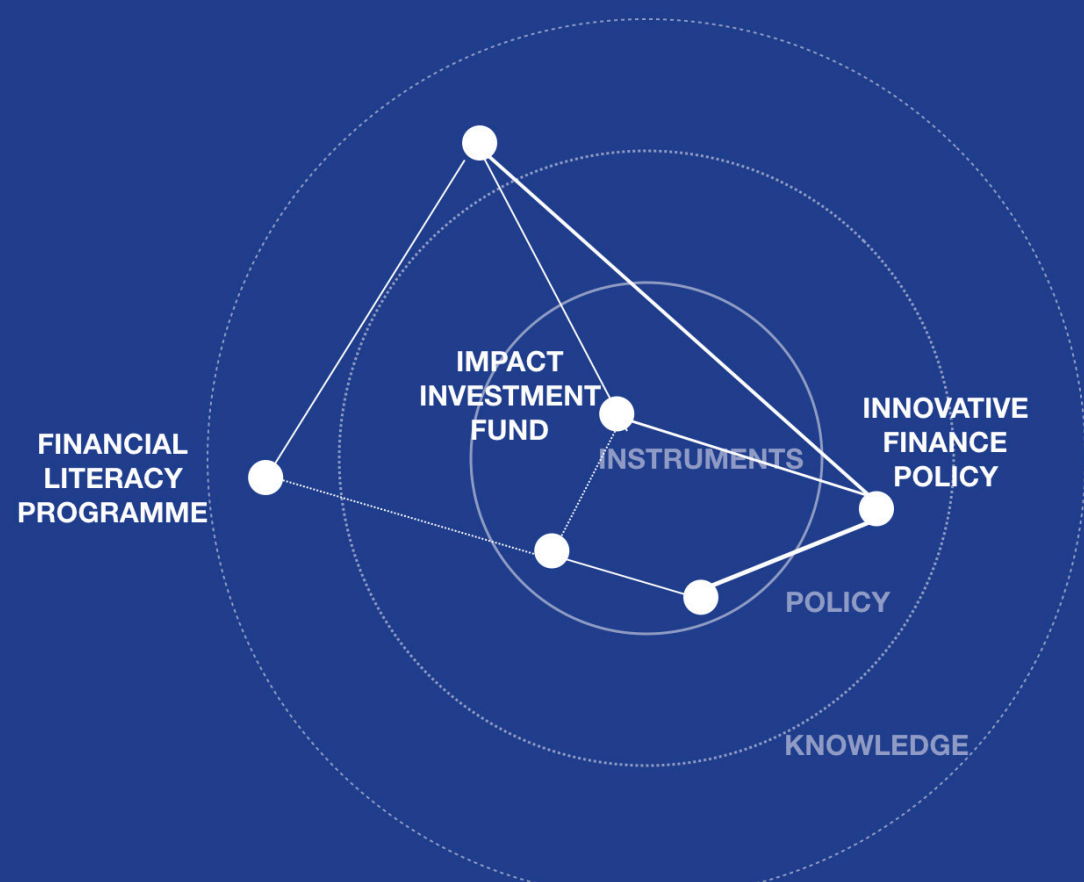
# WHY INNOVATIVE FINANCING?

We will not achieve the SDGs with the current financing available. We need to unlock and leverage new sources of finance.

## WHAT IS THE OBJECTIVE OF THE INNOVATIVE FINANCING LAB?

 To innovate on means to unlock, and leverage new finance to help close the gap:

- Designing and testing new innovative financing instruments;
- Helping to enhance investments for higher SDG-returns;
- Contributing to a stronger enabling environment for SDG-friendly finance.



## THE LAB WILL...



Map and analyse



Co-design and test new financing solutions and aligning existing investment with the SDGs



Measure progress and evaluate impact



## PARTNER WITH US



Setting the agenda together



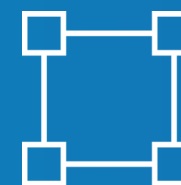
Core funders



People



Advisors



Space



Investment partner (pilots)



# WHAT HAS UNDP DONE?

UNDP has been a member of the Leading Group, which brings together 63 countries, international organizations, foundations and NGOs to discuss, share information and promotes innovative financing mechanisms.

UNDP has also published a discussion paper regarding the innovative financing for development.

## UNDP Indonesia's portfolio in innovative financing:



A micro-hydro power plant in Mengkang village

### 1. Financing for SDGs through combination of Zakat and CSR Fund

UNDP has combined zakat fund and CSR from Bank Jambi to develop micro-hydro facilities in two districts in Jambi Province. This will provide clean and cheap energy for no less than 8,000 people which will also help them on earning sustainable income. This is the first combination of zakat and CSR fund and the attempt of channelling zakat (Islamic charity fund) on SDGs related development project.

<http://www.id.undp.org/content/indonesia/en/home/presscenter/pressreleases/2017/09/11/light-the-way-undp-in-indonesia-supports-jambi-to-provide-wider-access-to-electricity.html>



### 2. Crowdfunding

UNDP in partnership with Kitabisa has successfully run two crowdfunding campaigns that provided a solar powered water pump to a community without access to water in Sumba, Nusa Tenggara Timur, and supported the clearing of traps that poachers use to kill tigers in a national park in Jambi, Sumatra.

### 3. SDG Impact Fund Negara

UNDP in partnership with ANGIN are working to support social enterprises in accessing funds from private investors. By exploring the blending of private and public forms of finance, a social impact fund will address some of the obstacles to social enterprises in the agribusiness value chain accessing finance.



On the way to turbine house in Melo Village, Manggarai

### 4. Working together with state-owned bank to finance SDGs project in Indonesia

Becoming the first government enterprise to finance development projects in cooperation with UNDP, Bank Nusa Tenggara Timur (Bank NTT) worked together in an agreement worth US\$150,000 signed on 31st March 2016.

<http://www.id.undp.org/content/indonesia/en/home/presscenter/pressreleases/2016/03/31/bank-ntt-the-first-state-owned-bank-to-finance-projects-with-undp.html>



Sovereign Wealth Fund

### 5. Sovereign Wealth Fund (SWF)

We recently signed an agreement with Musi Banyuasin district to help the regency establish a sovereign wealth fund and use its revenues generated from extractive industries to support sustainable development and for future generations. During this event, we held an interesting panel discussion in which other countries such as Timor Leste, Norway, Venezuela, Brazil and Qatar shared their experiences of SWFs for sustainable development.



Workshop participants interviewing a woman inside a pete-pete

### 6. Makassar project




In Indonesia, given the extent of decentralization, there is considerable fiscal capacity at the local level. We will therefore explore new partners to fund the scale-up of the project within the city as well as to other cities. Such partners could include Regional Banks, city mayors and the local private sector partner.





*Empowered lives.  
Resilient nations.*

**United Nations Development Programme**  
Menara Thamrin Building 8-9th Floor  
Jl. MH Thamrin Kav. 03 Jakarta 10250, INDONESIA  
[www.id.undp.org](http://www.id.undp.org)

 [undpindonesia](#)  
 [UNDP Indonesia](#)  
 [undpindonesia](#)