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**Swiss Agency for Development  
and Cooperation SDC**

ied | cep

inclusive economic development  
competence center for engagement  
with the private sector

# SDC Private Sector Engagement

Joining Forces for Sustainable Impact



As part of its overarching mandate to reduce poverty in developing countries, the Swiss Agency for Development and Cooperation (SDC) seeks to contribute to sustainable development by joining forces with the private sector. The aim is to foster innovation and achieve wider reach, greater impact and lasting benefits.

## Benefits and opportunities for the private sector










A collaboration with the SDC offers the private sector:

Access to	
	regional and local knowledge
	local stakeholder and networks
	thematic expertise in international development cooperation
	additional financial resources
The opportunity to	
	contribute to the Sustainable Development Goals (SDGs)
	pilot innovative approaches
	promote responsible and sustainable industry standards
	mitigate financial risks

The SDC has a solid track record of partnering with a range of different private sector partners, such as large companies (multinational enterprises, publicly listed companies, non-listed companies), small and medium-sized enterprises, social enterprises, impact investors and grant-making foundations.

## Characteristics of partnerships

The success of any partnership between a potential private sector partner and the SDC builds on three pillars:

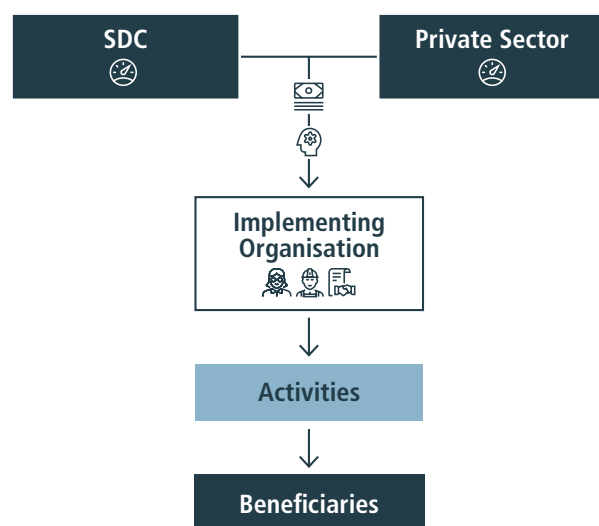
COMMON GROUND	Shared vision towards sustainable development 
	Shared set of values such as respect for human rights and preventing corruption 
	Sharing knowledge and experiences 
SHARED RESPONSIBILITY	Co-Initiating 
	Co-Steering 
	Co-Funding 
COMMON UNDERSTANDING OF FAIR PLAY	Shared Benefits 
	Shared Risks 
	Shared Costs (usually 50:50) 

## Collaboration formats

The SDC collaborates with the private sector where there is a good match with the SDC's [priority regions](#)<sup>1</sup> and [focus themes](#)<sup>2</sup>. There are several ways to partner with the SDC, depending on the development objective, the context and the type and number of actors involved. The SDC differentiates between two main categories of formats of collaboration:

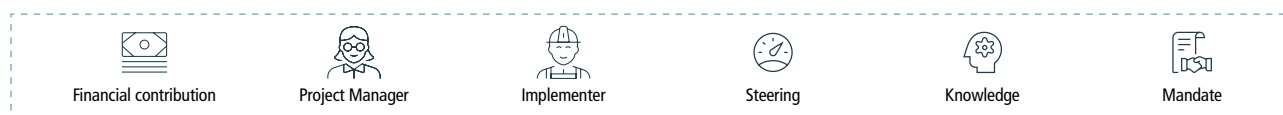
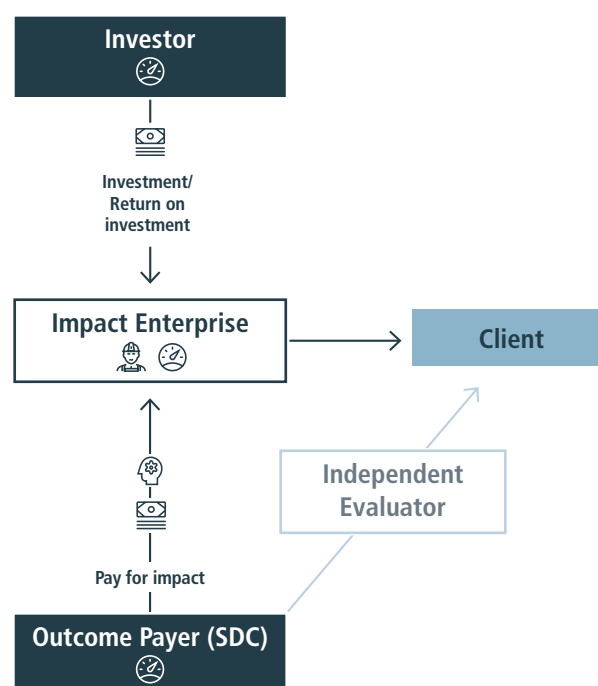
### Development project-oriented formats

Development project-oriented formats follow a traditional development project logic. For example, in a **single-partner collaboration**, the private sector partner and the SDC jointly finance, steer and ideally co-initiate a project, usually carried out by an implementing organisation.



### Financial market-oriented formats

Financial market-oriented formats follow an investment logic. An example are **social impact incentives (SINCs)**, which belong to the category of pay-for-results instruments. SIINC are paid to a company – typically a social enterprise – provided that predefined development outcomes are achieved and additional investments mobilised.



Other collaboration formats in this category are: multi-stakeholder collaboration, formalised multi-stakeholder consortium, political dialogue alliance, support facility, secondment.

Other collaboration formats under this category are: impact bond and technical assistance facility to financial vehicles. In future, other collaboration formats such as venture investment (equity or debt), guarantee, and shares in structured funds could be more widely used.

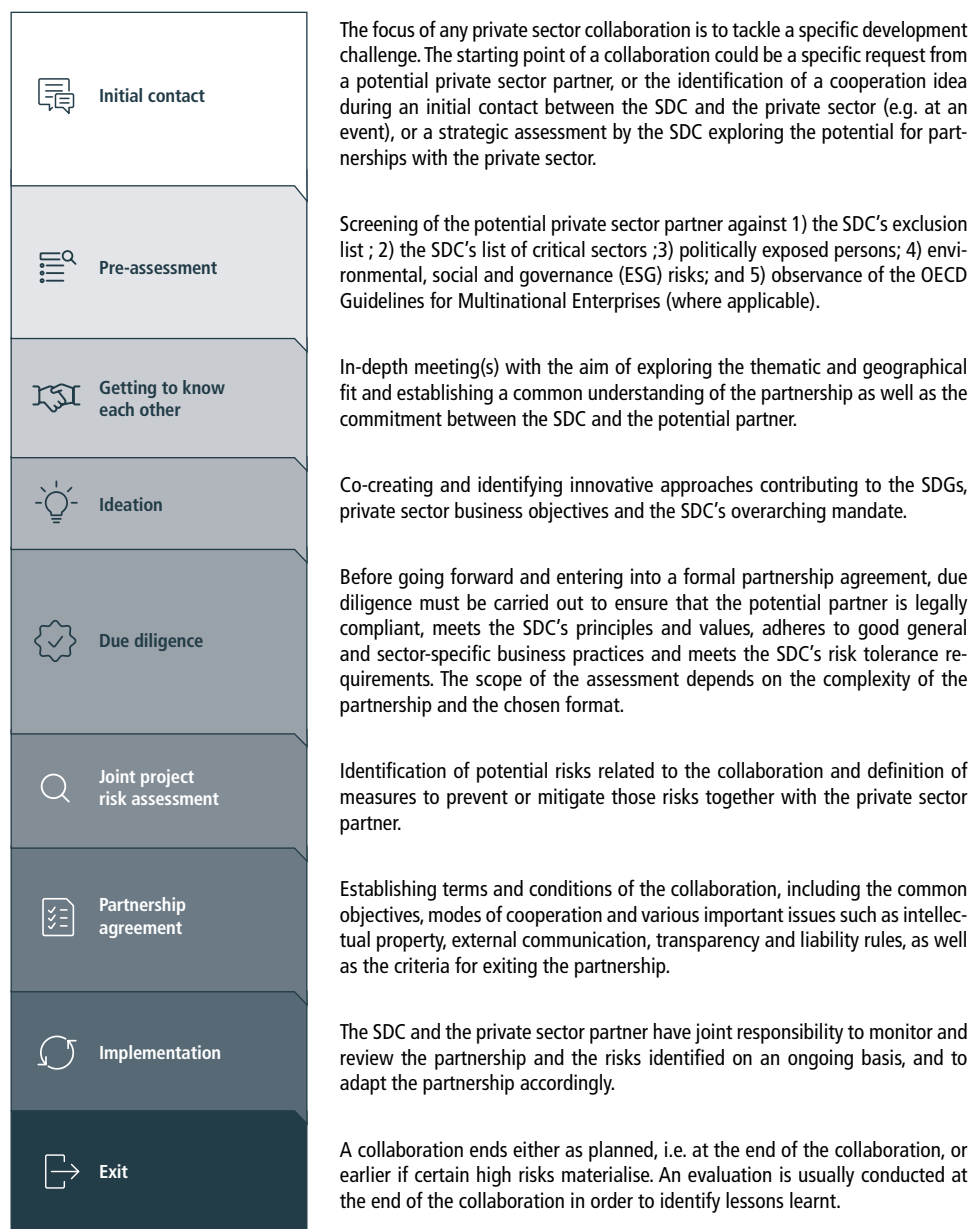
1 Priority countries for the SDC's bilateral development cooperation: Afghanistan, Albania, Armenia, Bangladesh, Benin, Bosnia and Herzegovina, Burkina Faso, Burundi, Cambodia, Chad, Democratic Republic of the Congo (Kivu), Egypt, Georgia, Kosovo, Kyrgyzstan, Laos, Mali, Moldova, Mozambique, Myanmar, Nepal, Niger, North Macedonia, Occupied Palestinian territory, Rwanda, Serbia, Somali crisis area, Syrian crisis area (currently in Lebanon and Jordan), Tajikistan, Tanzania, Tunisia, Ukraine, Uzbekistan, Zambia, Zimbabwe. The SDC is withdrawing from the following countries by 2024: Azerbaijan, Bolivia, Cuba, Eswatini (Swaziland), Haiti, Honduras, Lesotho, Malawi, Mongolia and Nicaragua.

2 Agriculture and food security; basic education and vocational skills development; climate change and the environment; disaster risk reduction, emergency relief, reconstruction and protection; fragility, conflict and human rights; gender equality; good governance; health; migration and development; private sector development and financial services; water.



## Engagement process including risk management

To increase the success of partnerships, the SDC follows a structured process. This enables potential risks to be identified and proactively managed at an early stage.



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More information: **Competence Center for Engagement with the Private Sector**  
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**SDC Website**  
[Partnerships with the private sector](#)

