

Case Study SDG 8 “Sustainable Economic Growth”

SDG and Targets

SDG 8 aims to “promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.” The goal is underpinned by the targets listed in the table below.

Credit Suisse’s Approach

Credit Suisse has been a leader in microfinance since 2002, managing over USD 2 billion of assets that are used to fund microfinance institutions (MFIs). Microfinance involves providing financial services to microenterprises and low-income households. It is an

effective means of helping people to help themselves and increases financial inclusion around the world. By generating both a social and financial return for investors, microfinance is a typical example of an impact investment. Since co-founding responsAbility Investments AG and starting to offer its flagship microfinance fund to clients, Credit Suisse, in close collaboration with partners, has steadily expanded its services for the people at the base of the pyramid. It now offers additional impact funds (e.g. a fair trade fund providing working capital to agricultural cooperatives that support low-income farmers in developing countries), Microfinance Notes that provide capital to MFIs and protect them against currency fluctuations, and Microfinance IPOs that provide MFIs access to capital markets.

These commercial activities are conducted in close collaboration with the Microfinance Capacity Building Initiative (MCBI), established in 2008. The MCBI aims to foster market development and innovation by strengthening the ability of MFIs to serve the increasingly diverse financial needs of clients at the base of the pyramid. This goal is pursued by

- enabling product and services development and innovation across sectors,
- developing strong industry partnerships and knowledge sharing,
- effectively leveraging Credit Suisse’s skills, expertise, financial and social capital,
- and continuous measurement and optimization of impact.

SDG Targets

8.1	Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries.
8.2	Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors.
8.3	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.
8.4	Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programs on sustainable consumption and production, with developed countries taking the lead.
8.5	By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
8.6	By 2020, substantially reduce the proportion of youth not in employment, education or training.
8.7	Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025, end child labor in all its forms.
8.8	Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.
8.9	By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.
8.10	Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.

The current thematic focus of the MCBI is on developing financial products and services in areas such as agriculture and small-holder finance, housing and education finance, as well as extending financial services to women and people with disabilities.

Impact

We see financial services as a key enabler for those living at the base of the pyramid to access a broad range of basic needs such as healthcare, housing and education, facilitating economic activity in urban and rural areas, and empowering women. With its comprehensive microfinance platform, Credit Suisse facilitates client investments that directly benefit the people living at the base of the pyramid. Applied responsibly, microfinance provides access to financial services for entrepreneurs excluded from the standard banking system, allowing them and their families to engage

in economic activity and gradually improve their standard of living. Due to the fact that a majority of microfinance clients are women, female empowerment at individual and local level is another beneficial outcome.

Strengthening the capacities of economically active people by providing them with access to finance is a market-based approach that contributes measurably to SDG 8, as the figures

in the table below show. Moreover, extending financial services to address other needs, such as education and housing, contributes to a number of other SDGs, including 1, 2, 4, 5 and 12. Our comprehensive combination of investment, capacity building and partnership also embodies elements of SDG 17.

Further information:
credit-suisse.com/microfinance



Contribution to SDG 8	Microfinance	Agriculture & Fair Trade	MCBI
Objective	<ul style="list-style-type: none"> • Development of the local economies in developing countries and emerging markets 	<ul style="list-style-type: none"> • Market access for small farmers and sustainable agriculture, increasing yield and improving trading conditions 	<ul style="list-style-type: none"> • Strengthening capacities and know-how of local microfinance institutions
Impact	<ul style="list-style-type: none"> • By June 2015, more than 1.1 million micro-entrepreneurs were supported with credit and financial services • The microfinance investments benefited over 300 microfinance institutions in 70 countries • More than 75% of these micro-entrepreneurs were women 	<ul style="list-style-type: none"> • By June 2015, fair trade financing had reached approx. USD 139 million • With these funds, 96 fair trade-oriented institutions received funding, ultimately supporting 86,000 small farmers across 45 countries 	<ul style="list-style-type: none"> • By the end of 2014, 74 local microfinance institutions with 8,000 employees had been trained in 36 countries • By the end of 2015, 58 Credit Suisse employees will have worked on site with local microfinance institutions through short- and long-term assignments, while 91 “virtual volunteers” will have supported our partners through virtual projects