

# SDG-Driven Tech Innovation Ecosystem Guidebook

June 2024



# Introduction

In our rapidly changing world, the imperative to drive sustainable development through innovative technology has never been more critical. The **SDG-Driven Tech Innovation Ecosystem Guidebook** ('Guidebook') serves as a foundational resource for understanding and enhancing the structures that foster impactful technological solutions aimed at achieving the Sustainable Development Goals (SDGs).

This Guidebook is the culmination of extensive collaborative efforts led by the Global Steering Group for Impact Investing (GSG) and its affiliated National Advisory Boards (NABs) from Israel (IFIE), France (FAIR), Italy (SIA), and Portugal (maze). The initiative also extends to partners from Central European countries, forming a robust international consortium (together, Project Partners).

Central to this Guidebook is a comprehensive framework designed to help you map your SDG-driven tech innovation ecosystem. It simplifies the complex landscape by categorizing essential ecosystem components into three roles: market participants (capital suppliers and demanders), market facilitators (intermediaries and educators), and market regulators (those who govern with legal and regulatory norms). This mapping aims to clarify national strengths, pinpoint improvement areas, identify key actors and roles, understand economic and funding dynamics, and outline significant policies and collaborations shaping the ecosystem.

This Guidebook also encapsulates a wealth of best practices identified by Project Partners across diverse ecosystems, including Estonia, France, Italy, Israel, Lithuania, Portugal, and Poland. These practices span venture philanthropy, private equity, social finance labelling, and ecosystem mapping, serving various roles from market participation to regulation. The subsequent sections will explore these best practices in detail, discussing their roles and addressing challenges, added values, and measurable impacts.

As we present this Guidebook, we invite policymakers, entrepreneurs, investors, and all those committed to sustainable development to engage with this material. If this Guidebook inspires you, you are encouraged to explore our Roadmap to Interconnected SDG-Driven Innovation Ecosystems, which suggests a comprehensive framework for further working with the best practices presented in this guide. Together, through understanding and action, we can harness the power of technology to address the most pressing challenges of our time and pave the way for a sustainable future.

# Mapping your ecosystem

Mapping the SDG-driven tech innovation ecosystem aims to produce a clearer picture of current national strengths and areas for improvement by answering the following research questions:

- Who are the main public, private, and social sector actors and their skill sets in your country's SDG-related tech ecosystem?
- What are the economic values, funding sources, and resource use cases?
- What are the main policies that govern this space?
- What are the most meaningful relationships and collaborations (i.e., networks) between stakeholders in this ecosystem?
- What are the main strengths? What is working?
- What are the main barriers? What can work better?

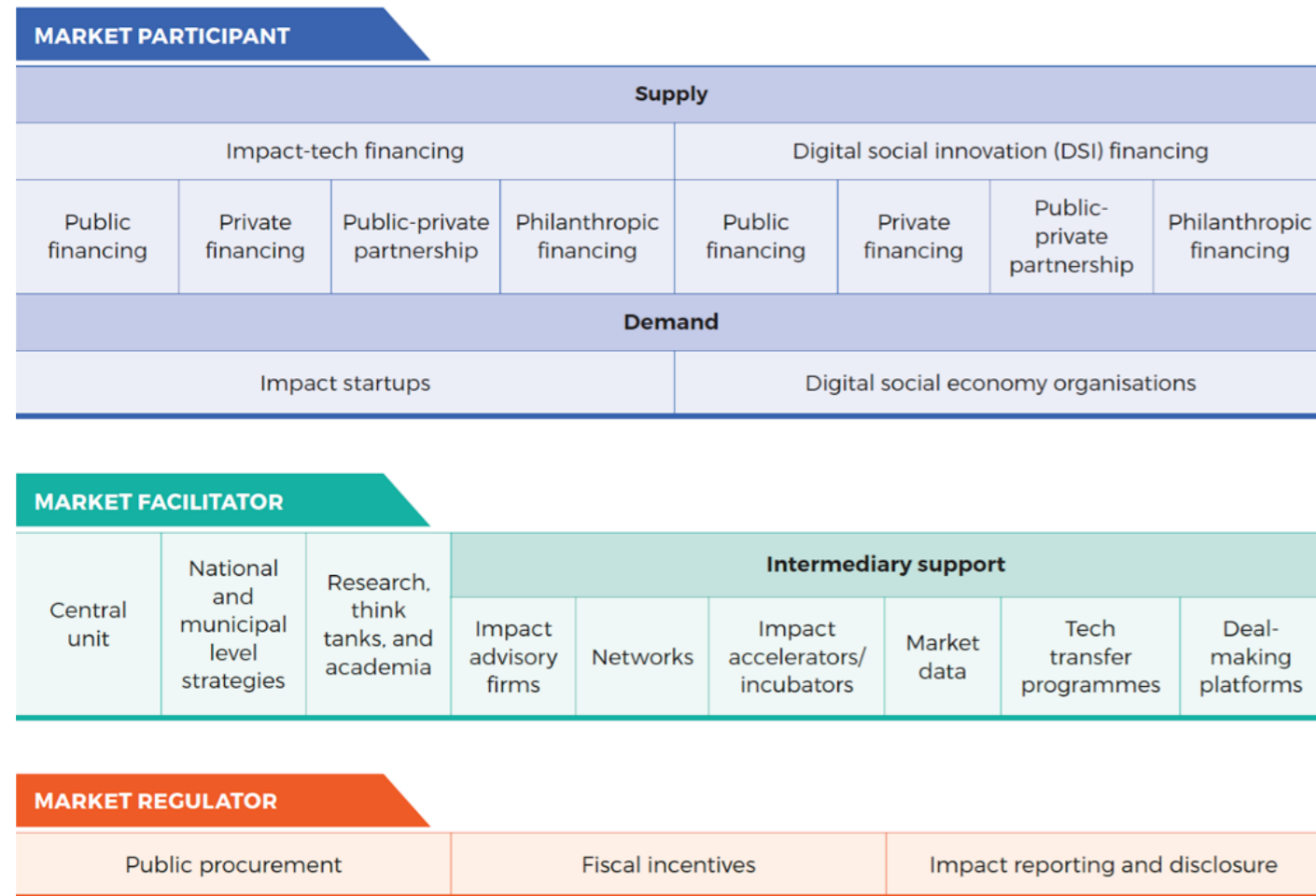
The initial step in conducting the research process is desktop research, which collects and reviews existing literature related to the SDGs. This step includes studies, reports, white papers, consulting reports associated with the SDGs, and data regarding policies, market sizing, and financing.

Subsequently, structured and semi-structured interviews are conducted with stakeholders to address knowledge deficiencies and solicit inputs for comprehensive analysis, mainly focusing on the ecosystem's opportunities and challenges.

Lastly, organizing a roundtable engagement event with ecosystem actors facilitates gathering additional insights from key stakeholders.

The key mapping methodology utilizes the **SDG-Driven Tech Innovation Ecosystem Building Blocks Framework** developed by the Consortium partners.

Figure 1 - Building blocks



This framework outlines the essential actors and components of ecosystems, categorized into the roles of **market participant** (capital supplier and demander), **market facilitator** (intermediaries, information providers, and/or educators), and **market regulator** (legal and regulatory frameworks/norms).



Figure 2 - Actor definition

Our [Mapping Methodology](#) document provides clear definitions for each building block and a series of 44 mapping questions designed to evaluate and assess the local ecosystem using the Building Block Framework.

# Best practices

Project Partners identified best practices implemented by ecosystems aimed at leveraging the financing of SDGs and the development of tech for good in all ecosystems subject to the research, including Estonia, France, Italy, Israel, Lithuania, Portugal, and Poland.

The project mapped a rich tapestry of best practices, from venture philanthropy and private equity to the social finance label or ecosystem mapping. These diverse approaches act as market participants, market facilitators, and market regulators.

The sharing of these best practices among the Project partners has not only informed but also inspired them to leverage SDG-driven tech Innovation Ecosystems, fostering a collaborative environment for further sharing and learning.

The following section briefly presents the most relevant best practices, including the actor's role in the national ecosystem, the challenges and gaps it intended to address, the value added, critical success factors and results to date.

**CDP Venture Capital** (Italy)

**Portugal Social Innovation** (Portugal)

**Good Deed Foundation** (Estonia)

**Valores** (Poland)

**Innovation Communities** (Israel)

**Ecosystem Map** (Israel)

**Katalista Ventures** (Lithuania)

**Finansol Label** (France)

# CDP Venture Capital

Italy

Market Participant

Impact-tech public financing

The largest Venture Capital manager in Italy and among the largest in Europe, [CDP Venture Capital](#) SGR has incorporated the 2030 Agenda into its sustainability principles for operations and regulatory framework. It is a government-backed fund that manages multiple investment funds to finance venture capital funds, accelerators, and start-ups in the tech innovation value chain while supporting acceleration programmes and technology transfer hubs across the regions through co-investment.

## Challenges addressed

1. Fragmentation and lack of a far-sighted, systemic approach within the National impact tech-investment market.

## Value added

Combining return on investment and support for market development, managing public and private resources, and aligning its portfolio with the SDGs through its own ESG screening and due diligence tool while applying an advanced impact investing approach in some of its funds.

*For example, the Accelerators Fund develops a network of next-generation vertical accelerators in partnership with Italian and international operators, SMEs, and corporations. The FOF Venturitaly - a VC Fund of Funds active at all stages of the chain - includes major Italian impact funds.*

## Key success factors

1. Soundness, reliability, continuity, and sustainability of the strategic and operating framework through direct and indirect investments aimed at creating a market infrastructure able to support startups' entire life cycles.
2. A comprehensive ESG approach integrated within any investment-related policy and procedures and any operational steps (selection of the investees, portfolio management, impact analysis, and performance communication).

## Results

**13 operational Funds**, directly and indirectly  
**3354M Euros AuM**  
**1050M Euros** authorized capital  
**94% of the portfolio has or is implementing measures** on Environmental themes, 75% on Social, and 74% on Governance

## Contact person

[https://www.cdpventurecapital.it/cdp-venture-capital/en/entra\\_in\\_contatto.page](https://www.cdpventurecapital.it/cdp-venture-capital/en/entra_in_contatto.page)

# Portugal Social Innovation

## Portugal

### Market Participant

#### Digital social innovation public financing

[Portugal Social Innovation](#) is a public initiative that aims to promote social innovation and mobilise the social investment market in Portugal. It deploys different financing instruments to finance projects that offer innovative solutions to tackle social problems.

### Challenges addressed

1. Lack of public funding for social innovation and outcomes-based commissioning.
2. Lack of public sector's engagement in social innovation.
3. Lack of an ecosystem mobilizer in the Portuguese ecosystem.

### Value added

Portugal's first (and only) public outcomes fund. It has opened doors for scaling the public sector's engagement in social innovation while playing the role of ecosystem mobilizer. Through its financing instruments, it was able to mobilize private and local public funding to pay for social innovation projects.

### Key success factors

1. Channelling EU Social Funds to fund Portugal's Social Innovation has allowed for mitigating any obstacles to establishing a public outcomes fund to test social innovation.
2. The PSI learning and improving approach, combined with the variety of financing instruments tested in PSI's first mandate and recently revised and updated for the second mandate, allows PSI to adapt its intervention to better serve the ecosystem's needs.

### Results

**623 social innovation projects** supported across multiple fields, including education, citizenship, employment, digital inclusion, social inclusion, justice and health

**+ 90M Euros** invested

**+ 42M Euros** additional capital mobilized

### Contact person

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<https://inovacaosocial.portugal2020.pt/sobre/contactos/>



# Good Deed Foundation

**Estonia**

**Market Participant**

**Digital social innovation philanthropic financing**

Established in 2003, the [Good Deed Foundation](#) is Estonia's pioneer venture philanthropy organisation. It spearheads initiatives with significant societal impact through its Impact and Education Funds, offering comprehensive support for 3-5 years.

**Challenges addressed**

**1.** Lack of standardised impact measurement frameworks and relevant knowledge.

**Value added**

As Estonia's sole impact investor, it prioritises and invests in initiatives that measure its impact and utilise tech solutions aligned with the SDGs. Its Education Fund - focused on tackling teacher shortages, enhancing school leadership quality, and nurturing students' learning skills - addresses challenges in the education sector, where traditional governmental approaches often impede progress and hinder efficient collaboration between the public sector and stakeholders.

**Key success factors**

**1.** Know-how from a dedicated in-house team, pro-bono experts, and partners.

**Results**

**100 social initiatives** developed

**1M Euros** of private capital mobilized by the Impacy Fund to support 10 initiatives

**3M Euros** of private capital mobilized by the Education fund to support 20 initiatives reaching 68% of schools in Estonia

**Contact person**

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# Valores

**Poland**

**Market Participant**

**Impact-tech philanthropic financing**

As Poland's first venture philanthropy fund, [Valores](#) offers grants and non-financial aid to social organisations crafting impactful strategies for marginalised populations. Its mission is to foster measurable life-changing outcomes for these beneficiary groups.

## Challenges addressed

**1.** Capital gap between early-stage accelerator fund (aprox. 25,000 Euros) and larger investments (> 1M Euros) by impact and tech investors.

## Value added

It offers tailored financing and non-financial support to social organizations, addressing the challenge of limited funding and support access within the ecosystem.

## Key success factors

- 1.** Tailored financing combined with significant non-financial support.
- 2.** Commitment to impact measurement and management.
- 3.** Flexibility in funding to respond to urgent and emerging challenges.

## Results

- ~515,000 Euros** funding disbursed in the first round (2014-2015)
- ~712,000 Euros** funding disbursed in the second round (2018-2019)
- ~72,000 Euros** funding disbursed in the special action round (2020)
- +100,000 USD** mobilized for Shelter Ukraine initiative (2022)

## Contact person

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# Ecosystem Dynamic Map

Israel

Market Facilitator

Market Data

The [Ecosystem Map](#) is an interactive tool that offers a dynamic visualization of the Israeli SDG-Driven innovation ecosystem. It provides detailed information on all relevant actors within the ecosystem, including key information about them and a visualization of their networks. The platform is used to track changes in the ecosystem, monitoring its development by tracing changes in both the actors and their networks. Furthermore, the map facilitates easy collaboration among actors, thereby enhancing the ecosystem's effectiveness and transparency.

## Challenges addressed

1. Difficulty in locating and identifying all relevant actors of the impact ecosystem and benefit from existing networks and connections.

## Value added

The list of actors and their main roles and characteristics is transparent and accessible to all. This allows for not only identifying actors but also mapping their social capital and networks, providing a graphic representation of the connections throughout the ecosystem. The dynamic nature of the map allows actors to group and filter other actors based on their type, role, or shared challenges. Its easily shared methodology allows others to map and track their ecosystem.

## Key success factors

1. Extensive mapping of ecosystem actors makes it very relevant and valuable for all players.
2. Makes accessible information about the ecosystem actors and data to track its development.

## Results

**+200** actors mapped

## Contact person

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# Israeli Innovation Institute

Israel

Market Facilitator

Networks

The [Israeli Innovation Institute](#) (III) acts as a catalyst, managing seven innovation communities, each focusing on a broad challenge (e.g. the HealthIL community works on implementing innovation in health systems). The III acts as a knowledge hub that identifies and addresses critical challenges within each field, strengthening the connections between different stakeholders and enabling them to create a shared ecosystem. It also helps target organizations to engage with and effectively implement innovation within existing structures. This model has great potential to support mission-driven ecosystems by connecting well-defined challenges to multiple stakeholders and enhancing organizations' capacity to generate and adopt innovation.

## Challenges addressed

1. Lack of opportunities and settings that bring together relevant actors to foster innovation in solving urgent environmental and social challenges holistically.

## Value added

With an ecosystem approach, it connects challenges with effective solutions and sees them through from ideation to implementation.

*For instance, the HealthIL community, which includes over 12,000 members from startups, corporates, and health organizations, and research centers, has been able to identify +1,100 challenges and address them by connecting the right solutions to the necessary resources and implementation processes. This approach has enabled Israeli health organizations to become effective beta sites for global solutions.*

## Key success factors

1. Working closely with organizations to identify priority challenges.
2. Connecting tech companies with innovative solutions and implementing organizations that utilize the technology to create measurable social and environmental impacts.

## Results\*

*\*In reference to HealthIL community alone*

**12,000 members** brought together, including 1,100 startups, 165 tech companies, and 35 health organizations.

**850 pilots** of health solutions

## Contact person

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<https://www.israelinnovation.org.il/>

# Katalista Ventures

**Lithuania**

**Market Facilitator**

**Impact accelerator/incubator**

Established in 2017, [Katalista Ventures](#) is an early-stage accelerator and private equity fund focusing on ventures in the Baltics with global scalability and sustainability goals. It offers customised mentoring and flexible support to startups, connecting them with a wide network of entrepreneurs, companies, and investors.

## Challenges addressed

1. Gap between tech innovation and social impact organizations.
2. Lack of experience in integrating SDGs into company practices.

## Value added

It bridges the gap between tech innovation and social impact by facilitating partnerships between corporations and startups to enhance digital and financial viability for social economy organisations. Also, its ROCKIT Impact Accelerator guides fintech enterprises in integrating SDGs and promoting eco-friendly practices.

## Key success factors

1. Extensive support for startups, including investment, acceleration, and organisation of hackathons.
2. Reputation and respect among stakeholders in Lithuania's impact and technological/digital innovation ecosystems.

## Results

- 54 startups accelerated** (45% are women-led)
- 54 external startup programs**
- 30 early-stage startups invested**
- 4 successful exits** (average IRR of 477%)

## Contact person

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# Finansol Label

**France**

**Market Regulator**

**Impact reporting and disclosure**

The [French Finansol label](#), created in 1997, allows investors to identify solidarity-based investments. So far, 190 saving products have been awarded the Finansol Label. It affords investors official confirmation that their money really is being invested in activities that generate social and/or environmental benefits.

## **Challenges addressed**

- 1.** Low funding opportunities for early-stages innovation ventures.
- 2.** Lack of common reporting standards and indicators of impact measurement.
- 3.** Difficulties to conciliate hypergrowth expectations (investors) vs impact-first (entrepreneurs).

## **Value added**

Standing as a reference that attests to the solidarity-based nature of a savings product.

## **Key success factors**

- 1.** Establishing transparent and well-defined criteria for what qualifies as social impact investment.
- 2.** Building trust among ecosystem actors by accurately reflecting the social and environmental impact it designates, through independent verification and certification.
- 3.** Identifying and responding to market demand for impact investment options, understanding the preferences and priorities of investors that seek to align their investments and values.
- 4.** Demonstrating that certified products can align financial returns and positive outcomes.
- 5.** Raising awareness among ecosystem actors about the potential impact of impact investing, providing educational resources for individuals to make informed investment decisions.
- 6.** Collaborating with stakeholders across the financial industry to promote the label's adoption and recognition and advance the broader goals of social finance.
- 7.** Garnering support from regulatory bodies to endorse or recognize the label as a credible standard for impact investing, encouraging broader adoption of social finance principles.

## **Results**

**187 solidarity-based saving products** certified

**26.3bn Euros** solidarity savings in 2022

## **Contact person**

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# Recommendations

The *best practices* section of this Guidebook provides SDGs-driven innovation ecosystem actors with precious insights on concrete steps to ignite and strengthen such ecosystems.

Distinct roles, as outlined within the Guidebook - Market Participant, Market Facilitation and Market Regulator - call for different actions according to ecosystem actors' public, private, or third-sector constituency. Collaborative and cross-sectorial, systemic approaches, impact measurement management models, accountability, capacity building, and blended finance strategies are critical drivers for the SDG-Driven Innovation Ecosystems to thrive.

This section systematizes the recommended steps to strengthen and expand SDG-driven innovation ecosystems by actors and role.

# Market Participant

## Actors

Public funders  
Private funders  
Philanthropic funders

## Recommended actions

- Design SDG-driven initiatives and provide **funding for social or digital social innovation** to generate solutions to local social and environmental challenges and crowd-in-private investment.
- Provide more **catalytic patient capital** to help early-stage impact startups overcome market and impact risks.
- Increase **corporate engagement through financing and training** to give the industry more credibility and clarity about where it needs investment and solutions to meet the SDGs.
- Adamantly **support accelerators/incubators and social organisations** that promote impact-aligned tech/digital social innovation within a broader, **systemic approach**.
- Explicitly **mention SDGs** in their investment thesis, due diligence, and impact monitoring frameworks, adopting existing standards, such as the UNDP SDG impact standards.
- Promote and support **capacity-building initiatives** to train and familiarise start-ups with impact measurement and management practices and a closer understanding of global challenges.

Impact Startups  
Social enterprises

- Explicitly **mention SDGs** in their impact measurement frameworks to better link their solutions to development challenges, resulting in more commercial success in the short, medium, and long term.
- Push for the type of financing that promotes innovation in service delivery by advocating for **outcomes-based funding** vis-à-vis their funders, particularly philanthropic foundations and government entities.

## Market Facilitator

### Actors

Research institutes  
Think Thanks  
Academia  
Intermediaries

### Recommended actions

- Collect and facilitate **access to impact data** and develop a standardised SDG-tech taxonomy.
- Develop and disseminate an **impact measurement approach** fit for purpose for ventures offering solutions to the SDGs.
- Integrate **SDGs into STEM fields** to encourage future engineers and scientists to design solutions that support sustainable development.
- Facilitate and orchestrate **cross-collaboration among diverse stakeholders**, with a view to maximising impact and building shared scenarios and cooperative actions towards the achievement of the SDGs.

## Market Regulator

### Actors

Government  
Policymakers  
(EU, national and regional levels)

### Recommended actions

- Explicitly **integrate the SDGs agenda into goals and priorities** of policies and public financing schemes for technology and innovation.
- Identify tech-based financing initiatives already in place across various ministries and departments and convene an **inter-ministerial / inter-departmental taskforce** for advancing SDG-driven tech innovation.
- Design and adopt **enabling regulatory measures**:
  - Develop and implement **standardised taxonomy and disclosure frameworks** specifically for impact/SDG technology to provide clarity and consistency for tech ventures and startups.
  - Provide **fiscal incentives** for R&D investment linked to the SDGs through public procurement initiatives, innovation agencies, public development banks, and public innovation funds.
  - Promote **shared impact standards** among stakeholders, linking multi-sector actors to parameters and publicly accessible platforms.





This project is funded by the European Union's Horizon 2021 research and innovation programs under grant agreement number 101070806.