

Roadmap for Private Actors to Scale Up Private Sector Finance and Investment in Sustainable Development

ECOSOC Financing for Development Forum
The annual ECOSOC Forum on Financing for Development (FFD) is an intergovernmental process with universal participation mandated to review the Addis Ababa Action Agenda (Addis Agenda) and other financing for development outcomes and the means of implementation of the Sustainable Development Goals (SDGs). The FFD Forum results in intergovernmentally agreed conclusions and recommendations that are submitted to the High-Level Political Forum on Sustainable Development — an important step forward in reinvigorating and strengthening the United Nations FFD follow-up process.

World Investment Forum
The World Investment Forum is a high-level, biennial, multi-stakeholder gathering designed to facilitate dialogue and action on the world's key emerging investment-related challenges. Organized by UNCTAD and other supporting partners, its mission is to provide a platform where a debate on “investment for development” can take place and ultimately to promote investment flows that contribute to sustainable and inclusive development. With its ties to UN Member States, the World Investment Forum is able to bring together a broad coalition of investment stakeholders at the highest level who can influence the global investment landscape.

PRI in Person
PRI in Person is a leading global conference on responsible investment, which offers a platform for PRI signatories and other investment professionals to learn, network and collaborate in person over a three day period. The annual event allows attendees to discuss topical issues and share experiences from their own organization and region with peers from around the world.

UN Private Sector Forum
The United Nations Secretary-General convenes the UN Private Sector Forum each year to bring the voice of business to major inter-governmental debates for the opening session of the UN General Assembly. Chief Executives, investors, Heads of State and Government, leaders of UN Agencies, Funds and Programmes, and leaders from civil society, business associations and foundations come together at the Forum for interactive discussion and high-level networking designed to help participants identify new opportunities to work together to achieve shared objectives.

High-Level Political Forum on Sustainable Development
The United Nations High-level Political Forum on Sustainable Development (HLPF) is the main United Nations platform on sustainable development and has a central role in the follow-up and review of the 2030 Agenda for Sustainable Development, including the SDGs at the global level. The Forum meets annually in New York for eight days, during which there are a number of opportunities for public-private dialogue, including the annual SDG Business Forum.

UNEP FI Global Roundtable for Sustainable Finance
The UNEP FI Global Roundtable for Sustainable Finance is the biennial global agenda-setting event for the banking, insurance and investment industry, focused on financing the Paris Agreement on Climate Change and the SDGs. The event focuses on building knowledge and best practice on integrating Environmental, Social and Governance (ESG) factors across financial instruments to contribute to mobilizing private sector finance for the 2030 Agenda for Sustainable Development.

Insurance Industry and Cities Sustainable Development Summit
UNEP FI's Principles for Sustainable Insurance Initiative (PSI) and ICLEI — Local Governments for Sustainability will convene the first-ever summit of insurance industry CEOs and city mayors during the ICLEI World Congress in June 2018 to accelerate global and local action on urban resilience and sustainability. The Summit will feature the launch of the “Insurance Development Goals for Cities” developed by the PSI and ICLEI — a set of risk management, insurance and investment goals for the global insurance industry to help realize SDG 11 — “Make cities inclusive, safe, resilient and sustainable”.

Making Global Goals Local Business Series of Events
The Making Global Goals Local Business series of events — taking place in different regions globally each year — brings together local and global leaders to deepen engagement by fostering the public-private partnerships needed to accelerate action and impact on the SDGs. As one of the flagship annual series of events organized by the UN Global Compact, it features a series of workshops and meetings designed to help participants connect with relevant stakeholders, work towards solutions and partnerships, and inspire transformational progress at the local level.



Guide to Unlocking Prosperity: Finance, Investment and Sustainable Development



Actions to Scale Up Private Sector Finance and Investment in Sustainable Development

Early estimates show that it will take \$5-7 trillion USD of annual public and private investment globally into sectors as wide ranging as education, clean energy, agriculture, and health to deliver the Sustainable Development Goals (SDGs). The scale of investments needed to create these opportunities is immense, but the importance of this moment has never been clearer. As we continue our journey of SDG implementation, every actor will have a role to play in securing the future we want for people and the planet.

Actions for Institutional Investors

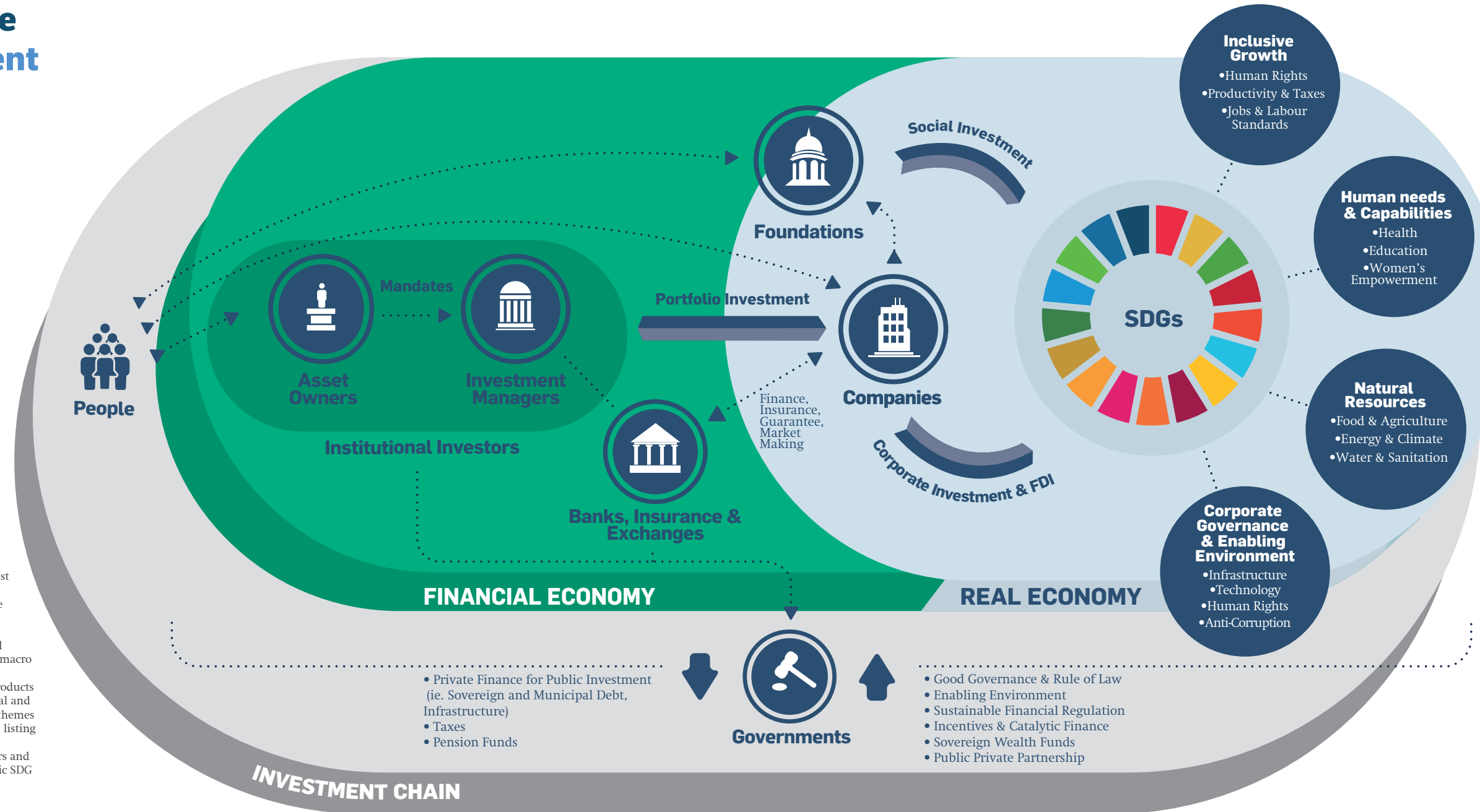
- Seek out longer-term investment opportunities in sectors such as infrastructure that advance sustainable development; consider establishment of joint platforms among institutional investors that can reduce costs associated with undertaking long-term investments in developing countries
- Embed ESG and SDG commitments into investment policies, mandates and investment decisions
- Incorporate SDGs in asset allocation and investment decisions
- Encourage company action on the SDGs through active ownership that supports corporate efforts to focus on long-term strategy and ESG and SDG risks and opportunities
- Support the Sustainable Stock Exchanges initiative to encourage stock exchanges and regulators to promote improved corporate reporting of quality ESG and SDG information to investors and commercialization of SDG finance solutions, such as green or SDG bonds
- Engage policymakers to promote public policies which further the uptake of responsible investment and achievement of the SDGs
- Reform incentives in pay, performance and reporting structures to favor long-term investment conducive to SDG achievement
- Engage on the SDGs with other private sector actors, policy makers and civil society to share knowledge, generate scale and identify areas for joint investments
- Work with real economy companies, banks and insurers to create new financial solutions and products for private sector SDG activities

- Develop buy-side investment research on private sector SDG activities — including macroeconomic research, financial modelling and risk analysis — and support development of independent sell-side research
- Address obstacles to a sustainable financial system that lie within market practices, structures and regulation, including through actions laid out in PRI's Ten Year Blueprint for Responsible Investment
- Consider social and environmental returns (positive externalities), aligned with the SDGs, in parallel with the risk and return profile of an investment portfolio when developing an investment strategy; apply the UNEP FI Principles for Positive Impact Finance

Actions for Banks, Insurance & Exchanges

- Demonstrate leadership by aligning business strategy and decision-making with the SDGs
- Develop new financing solutions and products for business models that support the SDGs
- Develop sell-side investment research on private sector SDG activities, including macroeconomic research for new markets, financial modelling for new business models, and updated risk analysis for new technologies and markets
- Join collaborative action to build market momentum to support development of SDG-aligned financial products
- Assess and manage the environmental and social risk of projects financed, and avoid financing projects that have significant detrimental social and

- environmental impacts
- Adopt and take action in line with sector-specific sustainability standards, such as the Equator Principles and the Principles for Sustainable Insurance
 - Apply UNEP FI's Principles for Positive Impact Finance framework for the financing of sustainable development and the SDGs
 - Promote access to financial services for underserved sectors, particularly micro entrepreneurs and small enterprises
 - Align SDG financing with innovative financing mechanisms, such as green, positive impact, social or sustainable impact bonds or loans, or pay for success models
 - Engage with private and public-private clients and investees to assist with development of new impact-based business models to overcome the financing gap within the SDG investment gap
 - Provide risk transfer services and insurance solutions from micro to macro levels
 - Support SDG-related financial products to encourage mobilization of capital and increase visibility for various SDG themes (for example creating a green bond listing segment)
 - Offer training to issuers, investors and small, private companies on specific SDG themes



Actions for Governments and the United Nations

- Build national capacities to monitor the allocation of capital to the SDGs
- Leadership:** Setting global norms and guiding principles, convening stakeholders, galvanizing action
- Agree on a set of guiding principles for SDG investment policymaking
 - Set SDG investment targets
 - Ensure policy coherence and synergies drawing from recommendations from the UNEP Inquiry
 - Establish a multi-stakeholder platform and multi-agency technical assistance facility

- Mobilization:** Raising finance and re-orienting financial markets towards investment in the SDGs
- Build an investment policy climate conducive to investing in SDGs, while safeguarding public interests
 - Create an enabling environment to mobilize private sector finance for the SDGs
 - Give due consideration to the use of risk-sharing and blended finance mechanisms for SDG investments, taking into account the need for transparency and accountability to relevant stakeholders
 - Establish new incentive schemes and a new generation of investment promotion institutions
 - Build SDG investment partnerships
 - Engage with corporates and financial institutions to establish impact-based requests for proposals

- Channeling:** Promoting and facilitating investment into SDG sectors
- Build productive capacity, entrepreneurship, technology, skills and linkages
 - Establish effective regulatory frameworks and standards with robust implementation
 - Build good governance, capable institutions, and stakeholder engagements
 - Implement a common set of SDG investment impact indicators and adequate reporting frameworks

- Impact:** Maximizing sustainable development benefits, minimizing risks
- Create fertile soil for innovative SDG financing approaches and corporate initiatives, including the use of pension and sovereign wealth funds and blended finance mechanisms to catalyze SDG investments
 - Build or improve pricing mechanisms for externalities
 - Promote Sustainable Stock Exchanges
 - Introduce financial market reforms that incentivize and remove barriers to SDG financing

Actions for Companies

- Ensure actions taken across the company and among suppliers do no harm and respect both the environment and human rights, while working towards the actions put forward in the UN Global Compact Blueprint for Business Leadership on the SDGs
- Publish high-quality financial and sustainability reports that include data driven, time-bound targets that are consistent with the SDGs; actively incorporate the SDGs into broader ESG considerations when reporting on financial or sustainability performance.
- Engage in proactive communication with investors and Boards of Directors that illustrates how the company approaches long-term value creation, highlighting the link between financials and SDG-related efforts
- Work to ensure the positions adopted by industry associations align with the SDGs and be transparent about engagement with policymakers, including collaborative funding efforts with industry groups and other actors
- Reform incentives in pay, performance and reporting structures to favor long-term investment conducive to SDG achievement
- Align corporate investments, in areas such as R&D, FDI and local capacity building, with the SDGs, namely to develop impact-based business
- Develop new business models that support the SDGs, such as the circular economy, inclusive economy, bottom-of-the-pyramid, pay-for-performance and

- payment for ecosystem services
- Engage with corporate pension fund providers about joining the PRI and aligning investments with the SDGs
 - Lead dialogue on strategies to align private finance and the SDGs with policy makers, civil society, investors, other companies and foundations; engage in collaborative R&D to develop impact-based business models that can address the SDG financing gap
 - Take into account the interests of all stakeholders — including shareholders, employees and local communities — when making strategic decisions
 - Mobilize other companies within your industry or sector to commit to industry-wide actions that will catalyze private investment flows from shareholders and stakeholders towards the SDGs

Actions for Foundations

- Incorporate the SDGs into criteria for grant-making; make use of the Principles for Positive Impact Finance
- Measure and report on the impact of grants and portfolio investments towards the achievement of the SDGs; use established aid taxonomies in public reporting to help develop comparable data
- Apply a long-term, responsible investment approach to portfolio investment, similar to that of institutional investors, for investments done through Trusts or Endowments
- Help to coordinate investments and interventions surrounding issue areas and geographies; take the role of convener and matchmaker to establish collaborative funding efforts with other stakeholders through issue-based platforms and local networks
- Mobilize sector-wide commitments to catalyze the scale and scope of philanthropic investments for the SDGs