INVITATION to a SIDE EVENT

on the occasion of the FfD Forum

co-hosted by
Bangladesh, Brazil, Switzerland, in collaboration with UNCDF, OECD, UNCTAD and the UN Global Compact

The role of social impact investment in financing the Agenda 2030

Monday, 15 April 2019, 1.15 - 2.45 pm
UNHQ, Conference Room 11
Light lunch will be served by the Vienna Café

Programme

Introductory Remarks by Ambassador Pio Wennubst, Assistant Director General, Head of the Global Cooperation Department, Swiss Agency for Development and Cooperation

Panel Discussion among

- Mr. Md. Nojibur Rahman, Principal Secretary to the Prime Minister, Prime Minister's Office, Bangladesh
- Mr. Jorge Moreira da Silva, Director of Development Cooperation, OECD
- Mr. James Zhan, Director of the Investment and Enterprise Division, UNCTAD, and Lead, World Investment Report, UNCTAD
- Mr. Carlo Pereira, Executive Director of the UN Global Compact Network Brazil
- Mr. Fabrizio Cometto, Investment Specialist, LDC Investment Platform Team, UNCDF

Moderated by Ms. Esther Pan Sloane, Head Partnerships, Policy and Communications, UNCDF

Interactive discussion with the audience (representatives of member states, private sector, civil society)

Closing remarks by Mr. Philip Fox-Drummond Gough, Permanent Mission of Brazil to the United Nations

The Sustainable Development Goals (SDGs) have major implications for resources. UNCTAD estimates that an investment of up to $7 trillion is required annually, and that developing countries alone face a financing gap of $2.5 trillion. The Addis Ababa Action Agenda (AAAA) calls for public and private, domestic and international finance to work together effectively in order to help all developing countries meet the SDGs and support inclusive and sustainable growth. The AAAA explicitly mentions impact investment as a means to achieve the SDGs and stresses the importance of building new partnerships to achieve the SDGs by attracting new sources of finance to development.

There is a growing recognition among the private sector that addressing environmental, social and governance (ESG) concerns is good for business. Additionally, a rapidly increasing share of the international pool of invested private capital is seeking opportunities to invest for both financial return and positive social and environmental impact. The number of impact investors has risen from fewer than 50 pre-1997 to well over 200 in 2017. Social impact investments under management currently represent approx. 220 billion US Dollars and there are clear signs that this sector will continue to grow.[1]

Social impact investing (SII) provides finance to organisations addressing social and/or environmental needs, with the explicit expectation of both a social and a financial return. SII not only mobilises private financing towards achieving the SDGs but, most importantly, it also catalyses innovative new approaches to social, environmental and economic challenges. In addition, SII brings accountability, since it is predicated on the intention of having a social impact in addition to financial return. Defining and measuring impact is therefore critical. As investors increasingly engage in sustainable finance, it is imperative that impact is explicitly monitored, assessed and reported.

There is also a growing danger of “SDG washing”, since there are no commonly accepted standards for impact measurements. As recommended in the latest OECD report, it is imperative to put impact at the centre of financing sustainable development. This involves much more than just financing. It requires multi-stakeholder partnerships in order to work on different action areas, such as the policy environment and transparent data sharing, as well as developing an ecosystem that promotes innovation.

The need to consider the social impact of investment is also urgent as the modality of blended finance is expanding. Blended finance has the potential to amplify the impact of concessional resources by sharing risks or lowering costs to adjust risk–return profiles for private investors, thereby crowding in private finance for SDG investments that would otherwise be overlooked. Critical principles in blended finance are sustainable development additionality and financial additionality, as well as national ownership and alignment with national priorities.

Following last year’s side-event on impact investment, Bangladesh, Brazil and Switzerland, together with the OECD, UNCTAD, UNCDF and the UNGC, are jointly organizing this session to consider new evidence and policy updates in the field as well as present concrete initiatives that are being undertaken.

This side-event will consider the following questions:

1. *What role can governments play to facilitate impact investment and magnify its development impact? What policy levers have been utilized and what has been the evidence on the results to date?*
2. *How can we avoid “SDG washing”? How can we improve data transparency and impact measurement?*
3. *How can we connect the demand side of social impact investment and the supply side more effectively and what role can intermediaries play? How can we support them?*
4. *How do we ensure that these approaches respect development and financial additionality and also support national ownership?*

RSVP to natalie.ulrich@eda.admin.ch by April 10th. For participants who do **not** hold a UN Grounds Pass, UN Security will issue name-specific entry passes for which registration is a must. Entry to the venue is from the 46th Street, 1st Avenue entrance. In addition to the UN Security access pass, a **government-issued photo identification** (which matches the name given for UN Security pass) is required to enter the premises.

[1] OECD: Social Impact Investment: “The Impact Imperative for Sustainable Development”, 2019