



Sustainable Finance

Unlocking Private Capital and Aligning Business Operations for the SDGs

GLOBAL CONTEXT

Whilst Foreign Direct Investment (FDI) picked up with flows increasing in developing countries to a total of \$427 billion in the 1st half of 2021, the pandemic saw FDI reduce significantly in more vulnerable economies: FDI flows to small island developing states (SIDS) fell by 40%, and those to landlocked developing countries (LLDCs) by 31%^[3], leading to an uneven rebound.

The global economic recovery is accompanied by exacerbated inequalities as the pandemic resurges. Global economic growth is estimated at 5.5% in 2021 and expected to decelerate to 4.1% in 2022.¹ The growth projections imply output losses for the developing economies due to slower vaccine rollouts and less policy support compared to developed countries. During this crisis as many as 70% of small- and medium-sized enterprises (SMEs) have had to shut down operations² and have been put under severe financial distress, causing an explosion in unemployment rates and threatening livelihoods across the globe.

The pandemic has increased the annual SDG investment needs for developing countries to \$4.2 trillion^[4]. The total number of SDG-aligned projects fell by 6% in developing countries and by 50% in LDCs^[5] in the first quarter of 2021. In the meantime, investments in carbon intensive sectors continued to increase – by 2021, with \$ 423 billion being spent annually to subsidize fossil fuels, while the climate finance need continue to grow estimated at \$ 4.35 trillion^[6]. Over the course of the pandemic, it has become even more evident that the financial system is not fit for purpose in driving investment towards sustainable development and more resilient futures. Not only should investments be SDG-aligned but also risk-informed as growing climate crisis, Covid-19 and the recent situation in Ukraine proved that development that is not risk-informed is neither inclusive nor sustainable. To achieve this, the global finance should be aligned with the SDGs and risk-informed so that SDGs become guiding stars at the heart of the business purposes, strategies and decision-making.

As a globally agreed metric of development goals, indicators and targets, the SDGs provide the framework to make decisions over investments that are driven by impact not by profit alone. The challenge is bringing SDGs into financial decision making more systematically. There are positive disruptions to the financial system, but they are still isolated, not at sufficient scale, and not accelerating fast enough. For example, in 2021 the combined labelled issuance of Green, Social, and Sustainability, Transition, and Sustainability-linked bonds reached \$767 billion^[7] and yet the size of the bond market

¹ The Global Economic Outlook in five charts, [LUCIA QUAGLIETTI, COLLETTE WHEELER](#), JANUARY 11, 2022

² OECD

was estimated to be at \$125 trillion worldwide⁸. Sustainability linked bonds still only represent less than 1% of this. For countries the challenge is to put in place comprehensive risk-informed financing strategies for their national sustainable development strategies looking across all sources of finance, public and private, international and domestic. These will require measures both to leverage new sources of finance from public and private sources as well as initiatives to better align investment with their sustainable development priorities.

UNDP'S COMPARATIVE ADVANTAGE

UNDP's Strategic Plan (2022-25) identifies development financing as an enabler to scale up development impact and has also articulated a moonshot to promote the investment of over \$1 trillion of public expenditure and private capital in the SDGs¹¹. As stated in UNDP's Strategic Plan, "leveraging finance at scale includes working with partners to take portfolio approaches aimed at longer-term, transformative goals and brokering stronger public-private collaboration."

Unlike financial institutions, UNDP is not primarily engaged with financial transactions but can provide advice on how sustainable development can be integrated into financial transactions. This provides a niche for UNDP's role on finance as a neutral player with in-house development expertise and access to partners and knowledge that can bring finance to sustainable development policy and programming. UNDP's engagements across governments, private sector and other partners uniquely places UNDP as an architect for the multistakeholder platforms necessary to leverage and align finance at the scale necessary to deliver on the SDGs.

UNDP has a strong track record of supporting governments and their partners to better link policy areas such as climate, biodiversity, gender, disaster risk management, health and poverty with their public finances. This role has expanded from public financial and expenditure management to include work around SDG aligned tax revenue mobilisation; SDG aligned debts instruments and sovereign risk financing. UNDP has developed a niche in providing solutions to public finance that align investment across the SDGs. UNDP's policy advice on public finance is not linked to loans or other financial deals, but is routed in support of effective governance with a strong focus on transparency and accountability built up from UNDP's expansive governance portfolio.

While many other international organizations focus on the private sector's role in economic development, infrastructure and specific sectors, key gaps remain in making markets work for the poor, women, youth and populations in conflict and transitional contexts. Most funding for private sector engagement in climate change work has focused on credit lines to financial institutions, and not on de-risking, capacity building and transitioning to a green economy. In addition, most enabling environment and blended finance investments benefit middle income countries and do not reach least developed countries and fragile states. In fragile settings, a new generation of flexible shock- and risk-responsive instruments are emerging that can rapidly respond to deteriorating situations or opportunities for reform, stabilization or peace.³

UNDP'S SERVICE LINES

The service offer focused on unlocking private capital and aligning business operations for the SDGs is part of the UNDP's sustainable finance offering, which aims to contribute to promoting the alignment, mobilization and effective use of resources to further economic, social and environmental sustainability. As such, it is complemented by interlinked offers on (i) public financing for the SDGs; (ii) SDG Impact Management and finance tracking; (iii) national financing frameworks and portfolios; and (iv) the SDG Finance Academy. This service offer is framed around four key services: (i) originating an SDG investment project pipeline; (ii) accessing public and private capital for SDG investment; (iii) aligning business operations with the SDGs; and (iv) supporting and enabling policy environment for SDG investment.

³ Poole, L., & Scott, R. (2018). Financing for stability: Guidance for Practitioners. OECD Publishing.

1. Originating an SDG investment project pipeline including risk and impact informed opportunities

1.1. Identifying Investment Opportunities:

UNDP's [SDG Investor Maps](#) produce country level market intelligence on SDG-enabling investment themes. Through a standardized methodology UNDP identifies Investment Opportunity Areas, which offer proven business models with significant economic and impact potential covering areas where national development needs and policy priorities intersect. The Investment Opportunity Areas are presented on the [SDG Investor Platform](#), which allow for filtering of opportunities based on specific investment interests. SDG Investor Maps need to be accompanied by rigorous follow-up, which can be achieved by a long-term external consultant (8-10 months) to help COs to go through the process from start to end, especially the COs that do not have internal capacity. SDG Investor Maps, with this ongoing follow-up support, are useful for UNDP COs:

- as an input into defining/developing CO's strategy, by building on "white spaces"⁴ and therefore, to position portfolios that are aligned with the strategy which helps to have a more comprehensive and synergetic work at the country level; (Colombia CO used the map to define their strategy and achieved results in other areas of work);
- as an input into the INFF process with governments, in particular, in terms of improving enabling environment building on the "white spaces" identified through the SDG Investor maps; determining financing strategies to finance national development priorities (private, public, public-private) and whether blended finance or de-risking solutions are needed to crowd in private sector capital;
- to convene [facilitation events](#) for investors, intermediaries including consulting companies or financial intermediaries, enterprises, and public sector actors to consider ways to activate SDG-enabling investment opportunities into tangible investments (e.g., GSIV competition to find IOA aligned enterprises); and
- in policy dialogue to discuss identified white spaces that governments might like to consider as part of their national development priorities.

SDG Investor Maps are used by private sector stakeholders, including: (i) by investors to reprioritize their strategies to be impactful or to target investments or investees aligned with the opportunity areas identified in the investor maps; and (ii) by financial and non-financial intermediaries using the investment opportunity areas identified in the investor maps to build a pipeline of projects.

SDG investor Maps can have a specific focus on risk-informed investment opportunities, due to the characteristics of the countries UNDP is working on, the growing climate crisis, the Covid-19 and the recent situation in Ukraine.

Additional IOA feasibility studies can be conducted for greater depth of information to guide stakeholders interested in an identified investment opportunity. SDG Investor Map deep dives can be pursued to explore specific business models under the identified IOAs in specific sectoral, regional or thematic areas. For example, Ghana CO is currently working on sectoral and regional deep dives, which are expected to be finalized in a few months, Nigeria CO has completed a feasibility study on the grain storage IOA at the request of the Central Bank, and in Asia, all maps will have a climate finance focus going forward both by incorporating it as part of ongoing maps as well as using it as a critical lens for new ones, all of which will be uploaded to the SDG Investor Platform.

UNDP can focus on the insurance sector while developing an SDG investor Map, per request of the country. The SDG investor Map then identifies investment opportunities that support enhanced insurance coverage for individuals, SMEs and communities, such as microinsurance providers and related technology services. For the insurance investment

⁴ A white space is an investment area that serves a strong development need in a specific national context but has not recorded a strong policy momentum by way of government commitments or has not seen significant private sector momentum due to absence of viable business models, or both. White spaces have significant potential to address development priorities if supported by scalable models. Therefore, through the SDG Investor Map development process, the CO team may come across two types of White Spaces: (i) Policy White Space: Opportunity areas that serve a development need but experiences absence of private sector momentum due to policy and regulatory gaps; and (ii) Business Model White Space: Opportunity areas that serve a development need but experiences absence of private sector momentum in spite of a favorable policy and regulatory momentum.

opportunities, the UNDP offers a challenge fund which can provide financing support to organizations to develop additional products and services to meet these opportunities. UNDP can further focus on the digital finance sector or its specific parts, such as for example climate fintech, to identify investment opportunities that support greater financial inclusion and economic empowerment, but also improves climate adaptation and mitigation through digital finance innovations. Together with UNCDF, UNDP is [highlighting these digital finance opportunities through assessments of digital finance ecosystems in several developing countries](#) (see Service 2).

1.2. Identifying enterprises to deliver on investment opportunities

UNDP supports a [competitive process to identify enterprises with high potential for growth and SDG impact](#). UNDP selects growth stage impact ventures with a proven impact, demonstrated product-market fit, and a revenue-generating self-sustainable model or that have already raised a round of investment, which makes them attractive for international capital. Ventures are nominated to participate in the selection process by third parties such as accelerators, impact funds, family offices, international organizations, or governments. This allows identifying key actors in the sustainable finance ecosystem in the country, facilitating partnership building and collaboration by UNDP. Where an SDG Investor Map exists, the enterprise selection process is informed by the identified priority sectors and IOAs, as already done in [Colombia](#), which enhances the market intelligence with investment ready enterprises. The selected enterprises will be featured in the SDG Investor Platform. In addition, UNDP works through well tested accelerator models, and combines business acceleration programs with robust and dedicated efforts for SDG impact alignment including impact measurement and management practices. UNDP's Impact Ventures Accelerator (IVA) is a practical approach to identify and support scaling of businesses that deliver products and services directly and systemically addressing challenges manifested by SDGs.

1.3. Working with intermediaries to develop portfolios for financing:

UNDP partners with external intermediaries (financial or non-financial), who leverage information from SDG Investor maps, the growth stage impact ventures and other programs, funds and partners and analyze and aggregate this information in a portfolio aimed at deal making or realizing the investment. This also entails undertaking due diligence on these enterprises and considering specific investment vehicles. Some of the non-financial intermediaries also explore partnering with a financial institution to establish a fund of funds. UNDP can then provide this “last mile” information to investors. For example, in Ghana through the GroundUp Project, UNDP is engaged with financial centres (such as the Financial Centres for Sustainability network) or investor platforms (such as GISD or insurance investment funds). This work on deal origination can take place together with providers of capital (see Service 2) to build understanding of the approach as well as to further encourage investments in the project.

2. **Accessing public and private capital for SDG investment including through derisking, innovative digital financing instruments and risk-informed approach**

2.1 Networking

The UNDP-hosted [Financial Centres for Sustainability](#) (FC4S) network provides access to 39 international financial centres that represent 82% of global equity as an entry point to engage key actors as potential investors. These networks of investors potentially would be engaged with the businesses/projects that are identified as a result of GSIV (detailed above) or the pipeline built by intermediaries (detailed above) leveraging the results of SDG investor maps. For example, UNDP has begun to develop pipelines of SDG aligned projects leveraging the SDG investor maps (see Service 1) in Kenya, Morocco, and Nigeria. Financial centers of Nairobi, Casablanca and Lagos are involved in the process and will socialize the results and play a critical role to engage investors and key stakeholders to realize investments. UNDP is also working with other platforms and networks such as [the Global Investors for Sustainable Development Alliance](#) and the insurance industry to mobilise SDG-aligned investments.

2.2 Blended finance

UNDP collaborates with UNCDF in developing financing instruments that can provide vehicles for investors to channel their capital. By blending public finance from international and domestic sources with private capital UNDP/UNCDF can help reduce the risk of initial investments such as in the case of [Build Malawi Window: A Specialized Structured Blended Finance Vehicle for Agribusiness](#).

2.3 Digital finance

UNDP, in partnership with UNCDF, supports governments in harnessing the potential that digital finance offers to accelerate financing for the SDGs. Digital finance underpins catalytic innovations that can address existing barriers or unlock new pathways for the financing of national development needs. More generally, UNDP/UNCDF support governments with the development of strategies for financing national development priorities through digital financing instruments, as a way to unlock more private capital for the SDGs. These usually start with an [SDFE assessment](#) which helps governments identify gaps and opportunities within their domestic digital financing ecosystems, and ways to harness digital finance to deliver financing towards national development priorities. UNDP/UNCDF have conducted and are conducting such assessments in Namibia, Uganda and Morocco, with many other countries underway. Digital financing opportunities can also be further integrated into INFFs (see service 4) through appropriate methodologies, support and specific training provided by UNDP/UNCDF.

2.4 Sustainable debt support

UNDP supports governments and the private sector to mobilise debt aligned with SDG project pipelines. UNDP has supported governments to identify project pipelines for financing from debt through SDG, green and climate related budget coding and tracking. Alongside other partners, UNDP supports SDG aligned bond issuances detailed in its [Bond Service Offering](#) (version 1.0) and debt restructuring with expanded advisory in [version 2.0](#), UNDP provides support to establish an SDG bond framework; identify eligible investments; arrange external review; and monitoring and reporting on use of proceeds. [UNDP Bond Standards](#) specifically set out an internal decision-making framework to help Bond Issuers develop and implement an impact strategy to contribute positively to sustainable development, in line with the SDGs, and provided as part of the Bond Service Offering. UNDP is increasingly supporting governments in establishing an enabling environment, governance mechanisms, monitoring and evaluation framework for Eurobonds, Islamic bonds, and green bonds, etc. We have engaged with over 30 countries to date. The market dynamics are favorable, green /sustainable bond issuances are booming and oversubscribed. UNDP also put together a primer to address the market, [Thematic Bonds 101](#). UNDP helped pioneer the developing world's first climate related Green Sukuk bond in Indonesia and under the joint UNDP Istanbul Center for Private Sector in Development/ISDB Global Islamic Finance and Impact Investing Platform (GIFIIP) provide from project identification, implementation, and impact reporting to capacity building on green sukuk bonds.

3. Aligning business operations with the SDGs to optimize impact performance and achieve long-term business results

To maximize the private sector's contribution to the SDGs and attract SDG-aligned investments, UNDP supports different private sector entities to integrate SDG Impact Management and Measurement into their business models. UNDP provides SDG impact measurement and management services for enterprises, private equity funds, bond issuers, financial centers and business accelerators to help them integrate sustainability and the SDGs into business and investment purpose, management systems and decision-making to enhance their performance on sustainability and positive contribution to achieving the SDGs.

3.1 Aligning Business Operations with SDGs for Enterprises and IMM Services

- **SDG Impact Standards for enterprises.** SDG Impact Standards are an organizing framework and voluntary internal management practice - similar to ISO standards - to help business and investors define the requirements for strategy, management approach, transparency, and governance. They are consistent with existing high-level principles, fill gaps in current market approaches that undermine efforts to achieve sustainability and the SDGs, embed core decision making frameworks, and enable users to select the most appropriate tools to suit their needs and context. SDG Impact Standards associated guidance, self-assessment tool and tailored advisory services for implementation support to perform a gap analysis and develop plans to improve practice over time.
- **Impact Measurement and Management Program** for start-ups, large national companies, and corporations tailored according to business stage and impact proficiency. Supported by the Impact Lab, a digital self-paced tool on impact management framework, impact measurement and aligned with international norms and standards.
- **Impact Champions** program is a community of practice on impact measurement that provides impact measurement support tailored to the needs of companies (with peer-to-peer learning; expert mentorship and hands-on support to collect data).
- **Impact Risk Assessment** to identify, assess and define mitigation measures.
- **Data Management** (satellite / GIS, remote sensing, IOT, digital, data sensing/artificial intelligence) to support scenario analysis and decision making; analyze currently available digital ESG datasets, how they are suited for different sustainability reporting standards (including SABS, TCFD, SDGs.) and identify how digital ESG datasets could get expanded.

3.2 Learning Programs for IMM Capacity for Enterprises. Sustainable Finance Hub has trainings for UNDP COs that are available and further spelt out in the UNDP SDG Finance Academy service offer.

- **Impact Education:** Free [Impact Measurement and Management for the SDGs online course](#) (CASE at Duke University)
- **SDG Impact Standards user training:** Delivered directly by SDG Impact/UNDP and a network of external trained and accredited trainers; tiered to different audiences – senior leaders and decision makers; implementers including impact and sustainability officers and technical staff for Enterprises, Bond Issuers and/or PE Fund Managers.
- **SDG Impact Train-the-trainers' programs:** To train qualifying trainers to conduct training programs for potential standards users and assurers. (SDG Impact has partnered with SVI to develop the training materials and accreditation program for trainers).
- **Impact Measurement and Management Training** supported by the [Impact Lab](#), a digital self-paced tool on impact framework.
- **Impact journey for SMEs.** IMM training-of-trainers, with simplified concepts translated for MSMEs (Micro Small and Medium Enterprises) in five languages, and [video tutorials](#) to clarify complex concepts, with this content also available at [Digital Path](#).
- **Impact training for Business Accelerators** for understanding and monitoring [Business Accelerators Programs](#) portfolio and impact performance and services related to impact venture accelerators.
- IMM advisory support to the private sector to better align its investments.

3.3 Enterprise Impact disclosure and Reporting

- **Advisory services on enterprise impact reporting**
- **Case studies** on end-to-end IMM and best practices on reporting focusing on stakeholder.

3.4 Aligning Business Operations with SDGs for Investors and IMM Services

- **SDG Impact Standards for Bond Issuers.** (See 3.1.)
- **Thematic Bonds issuance for Enterprises: Advisory services for development of SDG/thematic bond framework,** assessment of potential eligible sectors to be financed with the proceeds of the instrument and eligible expenditure types, based on country priorities and identification of sustainable objectives and guidance for frameworks to comply with International Capital Market Association (ICMA) principles.
- **SDG Impact Standards for Private Equity Funds.** (See 3.1.)
- **Impact Measurement and Management framework for funds under management and for issuers** to set up IMM frameworks for these users, to assist in IMM framework implementation at portfolio and venture level; and to assist in drafting fund-level impact reports aligned with LP's expectations.

3.5 Investors Learning Programmes

- **Impact Education:** Free [Impact Measurement and Management for the SDGs online course](#)
- **SDG Impact Standards user training** for sustainability officers and technical staff for bond issuers and/or PE Fund Managers

3.6 Investors Impact Disclosure and Reporting

- **Thematic Bond Impact Reporting.** This tool offers a reporting system with impact assessment and criteria for finance and investment activities that can make a substantial contribution to the SDGs.
- **SDG Assessment Program for Financial Centers** measures the level of involvement of financial centres at country-level planning and development processes to evaluate their institutional foundations and contribution to the SDGs.
- **Advisory services:** Tailored advisory services on impact reporting for funds focusing on stakeholder.

4. Supporting an enabling policy environment for SDG Investment

UNDP supports Ministries of Finance in developing Integrated National Financing Frameworks (INFFs), including [financing strategies](#) that detail policy reforms across public and private financing to enable SDG investment, embedded within national [governance and coordination structures](#). As SDG investment pipelines are developed (see service 1), [financing strategies](#) articulate government priorities for establishing financing instruments to secure capital such as through blended finance instruments, innovative digital financing instruments, or bonds (See Service 2). In addition, financing strategies can prioritise critical policy reforms, including tax incentives for SDG aligned investments, or shaping digital finance ecosystems in support of the SDGs, or establishing sustainable finance taxonomies to provide policy frameworks for prioritising SDG investment. Finally, INFF dialogue platforms can provide a vehicle for identifying potential businesses and investors for SDG project pipelines, for example convening investors from finance centres, as well as International Finance Institutions and Development Finance Institutions.

Alongside support to develop financing strategies, governance and coordination, UNDP implements diagnostics to provide evidence for policy reform. For example, Impact Investing Ecosystem Studies establish a comprehensive picture of the

impact investment landscapes in countries, identify challenges faced by both investors and companies, and present policy recommendations to Governments for creating an enabling ecosystem for SDG enabling investments. In Indonesia, Malaysia and other countries SDG investor maps are being used in tandem with [Development Finance Assessments](#) to influence public policy in areas such as investment promotion and facilitation. In [Gabon](#) and other countries, DFAs have built consensus among policymakers for subsequent SDG investor maps and other services designed to promote private investment in specific national priorities. UNDP also conducts diagnostics on insurance and risk financing that set out the enabling environment. These diagnostics focus especially on the regulations and policies that govern insurance products and how insurers invest, and provide policy recommendations. UNDP can design subsequent technical assistance to implement the recommendations if needed. The standardized reports of country diagnostics on insurance and risk financing will be available [here](#) in Q2 2022.

UNDP will analyse countries' business-related policy frameworks through an SDG lens, and identify bottlenecks to be addressed (including perverse subsidies) and reforms that can incentivize social and environmental returns. The choice of policy instruments and interventions will vary according to development setting. In fragile contexts, for example, UNDP will focus on supporting the creation of a basic enabling environment for business (i.e. legal registration, access to justice, redress mechanisms). Where an enabling environment already exists, UNDP will help to catalyze market transformation toward inclusive, green economies by helping governments to develop more targeted policies, laws and institutional practices. UNDP will help governments to adopt policies and practices that: involve private sector engagement in policy dialogue (importantly including robust private sector participation in SDG country support platforms); require businesses to fully account for social and environmental impacts and report on them; attract private capital to nationally determined contributions (NDCs); facilitate MSMEs' adaptation to SDGs; incentivize innovation that advances the SDGs; and encourage women-owned businesses and gender equity in corporate leadership and governance. UNDP will also work with governments to help make regulations, labor standards and tax systems easier to use for those in the informal sector, as well as help strengthen property rights and legal systems to reduce the need for informality. UNDP will also help governments to leverage the power of their own procurement to make inclusive and green business attractive for the private sector – especially MSMEs and inclusive businesses. Through market forecasting, standard setting and technology transfer, UNDP will help governments to identify future markets and productive sectors that meet national and international demand. UNDP will adapt the advice and technical support that it provides to governments (including tools related to SDG integration, support to NDCs and the COMBOS methodology) to facilitate the private sector's role in SDG achievement. While its efforts seek to influence government policy and regulation at the macro level, UNDP will directly target the energy sector, nature-based economies, climate adaptation and mitigation, agriculture value chains and women-owned businesses

To advance its policy-oriented efforts, UNDP will build on its longstanding work on governance, accountability, anti-corruption, human rights, gender equality and conflict prevention. It will: promote international standards outlined in the UN Guiding Principles on Business and Human Rights (UNGPs), the Global Compact principles and others; provide training to multinationals and partners in their supply chains; and leverage technologies like real-time imaging and artificial intelligence to empower communities' reporting of non-compliance. UNDP will also harness its growing regional work in business transparency, integrity and human rights across the Asia-Pacific, Europe and Central Asia regions as well as the Gender Seal program used in Latin America and other regions.

KEY DELIVERABLES / SUCCESSES OF THE CURRENT PORTFOLIO

- **The SDG Investor Platform** provides data, information and insights on investment opportunities in 17 developing countries with over [250 Investment Opportunity Areas](#). The maps have identified several business models directly on financial inclusion, from alternate SME financing to farmer insurance and to digital payment platforms. Those opportunities are linked to countries NDCs, enabling private sector investment on country climate priorities as well. There are on-going new maps in 25 countries. Recently, an intermediary developed a US\$ 39 million worth of SDG-focused SME pipeline ready for investment, using the Ghana SDG Investor Map.

- **Since 2017, UNDP has worked with over 300 ventures from 47 countries** in partnership with foundations, venture capitalists, business accelerators, institutional investors, and donors to help a broad range of entrepreneurs to accelerate and scale-up innovative, technological solutions and business models to achieve the SDGs. UNDP started piloting accelerator models in Armenia and Denmark and has since expanded to Bosnia & Herzegovina, India, Indonesia, Malaysia, Moldova, Philippines, Serbia, Singapore, Thailand, Turkey, Vietnam and include global and cross-regional initiatives; new initiatives programs are planned in MENA, LATAM and Africa regions in 2022-2023.
- **Supporting Ministries of Finance in developing classification systems to enable the reporting, and monitoring of the use of these proceeds in line with SDGs.** UNDP COs are engaged with country authorities in defining SDG based budget tracking systems, for example, in Columbia, Uzbekistan, Armenia, Philippines and Sri Lanka. UNDP has established guidance for governments to establish [climate budget coding and tracking](#) as well as joint developed joint OECD-UNDP-IDB-IMF-World Bank guidance on [Green Budgeting Tagging](#).
- **Impact measurement and management learning** programmes including a free [Impact Measurement and Management for the SDGs online course](#) as well as a specific online course for MSMEs, supported by the [Impact Lab](#). UNDP also provides training on aligning business actions with the SDGs, including “train the trainer” and “user training” programs, available in April 2022. UNDP helps on setting-up an IMM framework, IMM framework implementation and drafting fund-level impact reports aligned with LP’s expectations.
- **Creative initiatives towards for SDG financing.** For example, in Zimbabwe, persisting challenges for **SME financing** were addressed by UNDP/UNCDF through the design and implementation of a SME stock-exchange platform, a creative step towards bringing capital market infrastructure to SME financing. The project allows listed retail investors to channel capital to carefully vetted SMEs directly through their mobile wallets, and discussions are under way to replicate the concept across several African countries. In Bangladesh, UNDP/UNCDF has designed an innovative financing instrument that aggregates domestic savings across a large number of individuals, often low-balance accounts into a mega fund that will be deployed towards low-carbon infrastructure financing. The project is expected to significantly contribute to Bangladesh’s \$20bn financing need for green infrastructure development by empowering citizens to invest in projects (bridges, schools, hospitals) that benefit their community, and enjoy benefit of use while also receiving dividends from their investments. The concept has already been discussed with Rwanda and Gabon COs and will be further expanded to other countries. UNDP and UNCDF established a Dialogue on Global Digital Finance Governance to discuss the SDG impacts and governance challenges of cross-border digital financing platforms - or BigFinTechs.
- **INFF and DFA**, in Indonesia, Malaysia among other, SDG investor maps are being used in tandem with [Development Finance Assessments](#) to influence public policy in areas such as investment promotion and facilitation. In [Gabon](#) and other countries DFAs have built consensus among policymakers for subsequent SDG investor maps. UNDP also implements diagnostics to provide evidence for policy reform. These studies, which have been conducted in [Turkey](#), [Ukraine](#), Morocco, Tunisia and Djibouti.
- **The Connecting Business initiative (CBI)** – focused on disaster risk reduction – and Business Call to Action (BCtA) – focused on advancing inclusive business – are among UNDP’s several multi-stakeholder platforms to increase private sector alignment with the SDGs by multi-stakeholder partnerships. Over 200 companies, ranging from multinationals to social enterprises, and working in 69 countries are members of BCtA who are market leaders that provide examples of successful, profitable and scalable models for reaching poor communities and contributing to global development. CBI strategically engages the private sector in disaster management across 13 private sector networks around the world, representing more than 40,000 micro-, small- and medium-sized enterprises (MSMEs), and supporting a core membership of 4,100 companies. CBI business networks address hazards in their context, whether natural hazards, man-made hazards, or disease outbreaks like that of our current COVID-19 pandemic. These networks work together to reduce disaster risk, to prepare, respond and recover from crises – making their constituents more resilient. CBI has mobilized its networks to reach 17 million people in crisis response efforts, such as in the Philippines where the network and partners raised US\$30 million to support over one million people living in poverty during COVID.

UNDP's Gender Equality Seal for Public and Private Enterprises (GES) programme supports gender responsive action in response to COVID-19. Some 1,400 public and private companies in 11 countries are engaged in this program which is designed as a means for the private sector to embrace gender equality and enhance women's economic and social empowerment. It offers help to a growing number of corporations to make their human resources management systems more equitable and gender sensitive.

DEMAND-ANALYSIS

Demand is regularly analyzed through ROAR and STARS analyses, coordination meetings with regional and thematic focal points, inter-agency meetings, meeting with donors and partners and direct consultations and meetings with UN Agencies and partners. UNDP's annual INFF Survey also provides a data across more than 70 countries of the pipeline of demand for UNDP's sustainable finance services across all offers.

PARTNERSHIPS

At the national level, the Sustainable Finance Hub supports UNDP Country Offices in aligning and leveraging private finance with the SDGs. Working with UNDP Regional Bureaus, the Hub promotes knowledge and technical exchanges between countries and collaborates with partners and networks that champion the systemic reforms and brings an SDG financing focus to the partnerships with International and Development Finance Institutions, business leaders, faith-based finance partners, and other private sector partners. UNDP builds consensus for improved governance of financing through global policy engagements, and also strengthens the work on SDG financing with the UN system, including close collaboration with the UNDESA, UNICEF, UN Women and UNCDF. Complementary, UNDP has been increasing its engagement in global financial and economic policymaking through the work carried out in different forums (i.e., G7, G20, APEC, UN's FfD process, etc.) as well as regulatory and market-based networks (i.e., Coalition of Finance Ministers for Climate Action, Sustainable Insurance Forum, Network for Greening the Financial System, Financial Centres for Sustainability Network, Insurance Development Forum, etc.).

Contact points for UNDP services under the four inter-related services

SERVICE 1: GENERATING AN SDG INVESTMENT PROJECT PIPELINE: Investment opportunity mapping: sebnem.sener@undp.org; Identification of enterprises to develop projects: Luisa.bernal@undp.org, artak.melkonyan@undp.org; Conduct due diligence of SDG investment projects: sebnem.sener@undp.org; Stephen.nolan@undp.org; Mobilizing private sector for resilience building, disaster preparedness, response and recovery: sahba.sobhani@undp.org; tiina.turunen@undp.org.

SERVICE 2: ACCESSING CAPITAL FOR SDG INVESTMENT INCLUDING THROUGH DE-RISKING; Linking financial centres/potential investors to enterprise with SDG project pipelines: sebnem.sener@undp.org/Stephen.nolan@undp.org; Financing the SDGs through catalytic digital financing innovations: aiaze.mitha1@undp.org/johannes.schultz-lorentzen@undp.org; Identifying SDG project pipelines through the budget: nohman.ishtiaq@undp.org; Mobilising debt for SDG pipelines: tenke.andrea.zoltani@undp.org

SERVICE 3: ENSURING INTEGRITY THROUGH SDG IMPACT MANAGEMENT AND MEASUREMENT: Impact Management and Measurement: sebnem.sener@undp.org, luciana.aguiar@undp.org;

SERVICE 4: SUPPORTING AN ENABLING POLICY ENVIRONMENT FOR SDG INVESTMENT: Support policy reforms as part of INFFs: tim.strawson@undp.org; Diagnostics to enable SDG investment: tim.strawson@undp.org; sahba.sobhani@undp.org; jan.kellett@undp.org; Sebnem.sener@undp.org;