SUSTAINABLE FINANCE HUB
INTEGRATED SERVICE
UNLOCKING PRIVATE CAPITAL
AND ALIGNING BUSINESS
OPERATIONS FOR THE SDGs
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FOR THE SDGs

Making it easier for private sector investors to identify SDG-aligned investment opportunities

Engaging Governments to Mobilize Private Investment

The SDGs cannot be achieved without the private-sector. As the world faces multiple social, economic, and environmental challenges, the private sector in promoting sustainable development has become increasingly important. UNDP recognizes that private capital and business operations can play a critical role in achieving the SDGs by generating economic growth, creating jobs, and promoting innovation. UNDP works to unlock private capital and align business operations with the SDGs through a range of initiatives and partnerships. These efforts are designed to create an enabling environment that encourages the private sector to integrate sustainability into their business models and invest in sustainable development.

Mobilizing private capital for public good involves working closely with partners to identify SDG-linked investment opportunities, manage risk and facilitate private investment in sustainability. It also creates instruments and standards to track and measure SDG impact. UNDP works with private entities to ensure that their investments are driven by impact, and not profit alone.

Services

UNDP services to unlock private capital for the SDGs include:

- **Originating an SDG project pipeline**
- **Accessing public and private capital for SDG investment**
- **Aligning business operations with the SDGs to optimize impact**
- **Supporting an enabling policy environment for SDG investment**

1. **Originating an SDG investment project pipeline**

Working closely with partners, UNDP’s SDG Investor Maps yield country-level market intelligence on promising investment opportunities aligned with the SDGs. SDG Investor Maps are used by private sector stakeholders, including investors to reprioritize their strategies to be impactful or to target investments or investees aligned with the opportunity areas identified in the SDG Investor Maps; and by financial and non-financial intermediaries 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. These areas of opportunity are presented on the SDG Investor Platform and accompanied by intensive support along the investment project cycle.

UNDP also supports competitive processes to identify enterprises with high potential for growth and SDG impact. Working with intermediaries, UNDP develops SDG financing portfolios aimed at due diligence and deal making. Through accelerators, UNDP supports the scaling of businesses that deliver progress on the SDGs.
2. Accessing public and private capital for SDG-aligned investment

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 Growth Stage Impact Ventures (GSIV) Programme or the pipeline built by intermediaries leveraging the results of SDG Investor Maps. For blended finance, UNDP engages partners like UNCDF to develop financing instruments that de-risk SDG-aligned investments. Innovations such as blending public finance with private capital reduce the risk of initial investments, driving investor engagement.

Digital finance instruments facilitate these innovations bringing diverse partners together to unlock new avenues for financing. UNDP employs digital instruments to support governments in developing strategies for funding their national development priorities. UNDP supports governments and the private sector for sustainable debt support in mobilizing project pipelines for SDG-aligned uses of proceeds, including for SDG-aligned debt issuances and restructuring.

UNDP SDG Impact Standards for Bond Issuers 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, and green sukuk, etc. It has engaged over 40 countries to date.

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) provides project identification, implementation, and impact reporting for capacity building on green sukuk bonds.

3. Aligning business operations with the SDGs

In order to attract SDG-aligned investments, UNDP supports private-sector entities in integrating SDG Impact Measurement and Management into their business models. SDG Impact provides investors, businesses and other actors with unified standards, tools and services to align their business strategies with achieving the SDGs and identify sustainable investment opportunities in emerging economies. This includes a set of global standards to assess how financial system players are making an impact on the SDGs, supported by Impact Lab, a digital tool for impact management. UNDP also builds capacity for SDG impact measurement and management, including the Impact Journey for Small and Medium-sized Enterprises, Impact Training for Business Accelerators and advisory support to the private sector.

4. Supporting an enabling policy environment for SDG investment

Through market forecasting, standard setting and technology transfer, 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 and develop policies that facilitate the private sector’s role in achieving the SDGs. Such strategies not only create the necessary conditions to secure capital through instruments such as blended finance, innovative digital financing and bonds, they also help to attract...
In Indonesia, Malaysia and other countries SDG Investor Maps are being used in tandem with Development Finance Assessments (DFAs) 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.

**Partnership**

The Sustainable Finance Hub supports UNDP country offices in aligning and leveraging private finance with the SDGs. It brings an SDG financing focus to partnerships with International and Development Finance Institutions, business leaders, faith-based finance partners, and other private sector partners. Through global policy engagements, it strengthens the work on SDG financing with the UN system, including close collaboration with the UNDESA, UNICEF, UN Women and UNCDF.

UNDP has also been increasing its engagement in global financial and economic policymaking through the work carried out in different forums for example the 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.

For more information about sustainable finance for development at UNDP, contact the Sustainable Finance Hub at

- [sustainablefinancehub](mailto:sustainablefinancehub@undp.org)
- [UNDP_SDGFinance](https://www.un.org/development/desa/sustainable-development/goals/)