



IMPACT Redefined

How To Accelerate The Uptake of the SDGs

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Hello!

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Launch of the SDGs

September 2015



A Global Call

Universal call to
action, come to effect
in January 2016.



Goals

17 goals to ensure no
one is left behind by
2030



Measures

169 associated targets
and corresponding
indicators



Connexion with the Business

A wide spectrum of Sustainable Development topics



The goals cover **a wide spectrum of sustainable development topics** relevant to our lives – such as poverty, health, education, climate change and environmental degradation – which can connect businesses' strategies to global priorities.

Funding the SDGs - Financial Gap

The UN estimates the gap in financing to achieve the Sustainable Development Goals (SDGs) at **\$2.5 trillion** per year in developing countries alone ([UNCTAD, 2014](#)).

Whilst the public sector will continue to play a key financing role, **there is greater scope for the private sector** to engage in financing many areas of the SDGs to help close the gap.

The private sector must be fully on board.

Private companies bring creativity, resources & innovation.



Funding the SDGs - Financial Gap



A new IMF [study](#) shows that the required scale-up varies widely across countries. The avg additional annual spending required in 2030 to reach key SDGs stands:

**Emerging
Market
Economies**

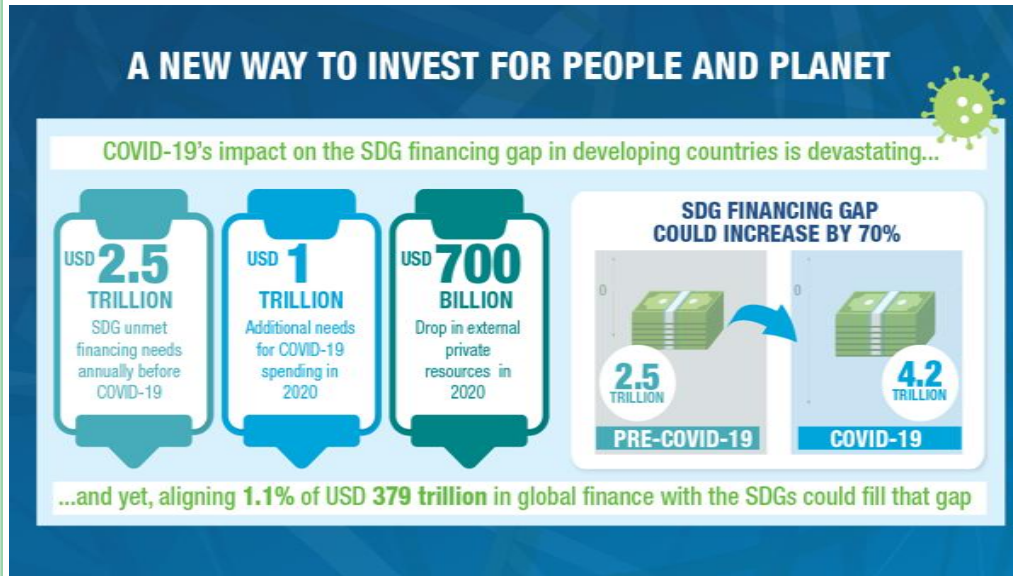
4% Point in GDP

**Low-Income
Developing
Countries**

15% Point in GDP



The Outbreak of COVID19



The outbreak of coronavirus (COVID-19) **has magnified the financing gap** to achieve the SDGs in developing countries, with threats to SDG progress across all countries.

- As COVID-19 unfolds, **financing for sustainable development is at risk of collapse**, with all resources available to developing countries under stress.
- **The 'scissor effect' of SDG financing** – increasing needs and declining resources already observed in previous years - has been magnified.
- Poverty levels are on the rise and **millions livelihoods are at stake**.

Funding the SDGs - Financial Gap

Global financial assets are sufficient to meet the financing needs of the 2030 Agenda.



“ The challenge is how to **channel financing and investment into SDG sectors**, enhance the risk-return profiles of new and sometimes vulnerable investments, and **generate sustained impact on the ground** ”





CONTRIBUTION OF CLASSIC CSR FUNDING

Classic CSR Funding
will only cover 3 – 5%
of the global fund
needed to achieve the
SDGs



Industry	Number of companies	Industries	Net Profit 2017 Unit: \$, billion	2.5% Net Profit 2017 Unit: \$, billion
Automotive	20	Car manufacturers in 2017	74.04	1.85
Chemicals	50	Chemical companies	102.12	2.55
Construction & Materials	10	Contractors	27.84	0.70
	20	Construction companies		
Financial Services	20	Financial services companies	318.38	7.96
Food & Beverages	25	F&B, Tobacco companies	127.96	3.20
Forestry & Paper	20	Packaging Companies	9.77	0.24
Healthcare	50	Healthcare service and hospital & clinic providers	128.54	3.21
	50	Pharmaceutical companies		
Industrials, Manufacturing & Metals	10	Metal Producing Companies	48.18	1.20
	20	Aerospace Companies		
Mining	50	Mining Companies	133.28	3.33
Oil & Gas	25	Oil&Gas Companies	103.59	2.59
Personal & Household Goods	15	Household and Personal Products Companies	34.36	0.86
Retail	25	Retail Companies	500.10	12.50
Technology, Media & Telecommunications	25	Tech Companies	250.14	6.25
Transport & Leisure	10	Airlines	68.64	1.72
	15	Transportation Companies	59.71	
Utilities	10	Utility Companies	29.14	0.73
Total number of companies	470			
			Total Sum	50.39

The Shift !!!



Shift from classic CSR Funding to proper SDGs
Investment and Financing schemes in order to:



Value

Accelerate Value
Creation



Financing

Close the Financing
Gap



Growth

Ensure rapid
economic growth

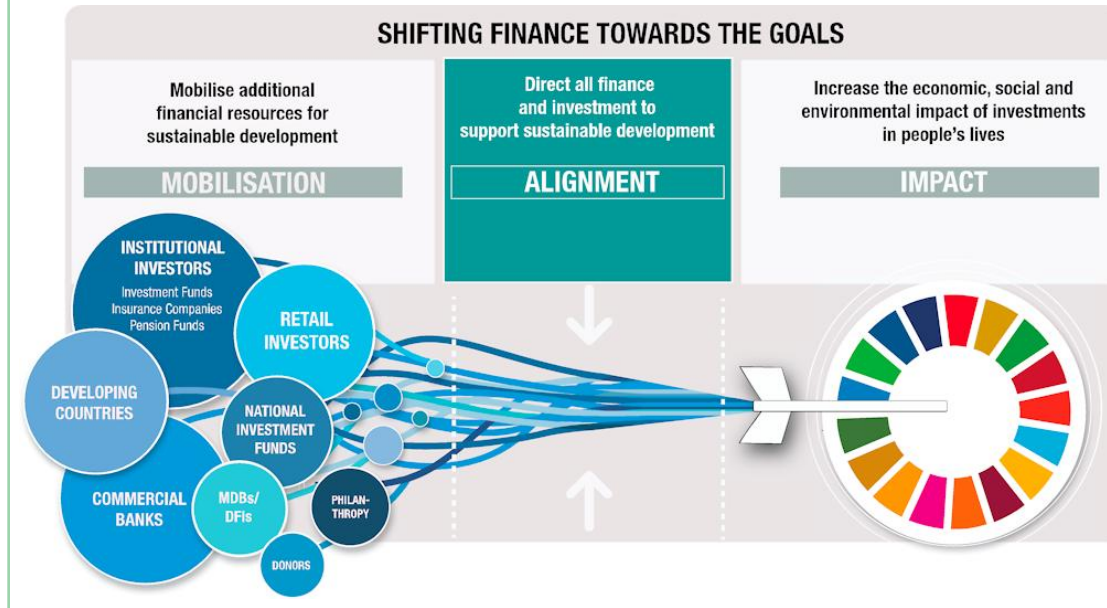


Profit

Profits gains



The Shift !!!



There is a big potential to **respond to the need** to mobilise resources for development by **making better use of each resources** leveraging power, fixing leakages in transmission channels, and **increasing the quality of existing flows** to achieve greater SDG impact

Source: (OECD, 2018[27]), *Global Outlook on Financing for Sustainable Development 2019: Time to Face the Challenge*, <https://www.oecd.org/development/global-outlook-on-financing-for-sustainable-development-2019-9789264307995-en.htm>.

The Shift !!!

A step change is needed to shift the trillions in favour of sustainable and inclusive development along the entire investment and financing chain:



Beyond Ethics

Investing in the SDGs and “leaving no one behind” go **beyond an ethical imperative**; they are also a risk mitigation strategy and a **business opportunities**.



Crisis vs a Black Box

Trillions held in the financial system **continue to fuel inequalities and unsustainable investments**. On the one hand, **a debt crisis looms** in developing countries who lack financial reserves to implement a greener and more resilient recovery. On the other hand, **a black box** surrounds the actual impact of investments.



SDGs Assessment

The fragmentation of the different measurements of the quality or sustainability of financing have led to **challenge to assess SDGs** alignment across different sources of financing, increasing the risk of **SDGs washing** and threatening the long-term value of assets

Business Case of the SDGs



Unlocking USD \$12 trillion of market opportunities

A report published by the [Business and Sustainable Development Commission](#) in 2017 shows how pursuing the SDGs could unlock USD \$12 trillion in new market opportunities per year by 2030, generating more than 380 million jobs in the process.



Business Case of the SDGs

USD \$2.3 trillion related to food and agriculture



Reducing food waste in the value
chain
(USD \$155–\$405 billion)



Promoting sustainable forest
services and preventing supply
chain deforestation
(USD \$140–\$365 billion)



Innovating food solutions for low-
income markets
(USD \$155–\$265 billion)

Business Case of the SDGs

USD \$3.7 trillion related to cities



100 200 300 400 500 600 700 800 900 1000 1100 1200 1300 1400 1500 1600 1700 1800 1900 2000 2100 2200 2300 2400 2500 2600 2700 2800 2900 3000 3100 3200 3300 3400 3500 3600 3700 3800 3900 4000 4100 4200 4300 4400 4500 4600 4700 4800 4900 5000 5100 5200 5300 5400 5500 5600 5700 5800 5900 6000 6100 6200 6300 6400 6500 6600 6700 6800 6900 7000 7100 7200 7300 7400 7500 7600 7700 7800 7900 8000 8100 8200 8300 8400 8500 8600 8700 8800 8900 9000 9100 9200 9300 9400 9500 9600 9700 9800 9900 10000



Affordable housing
(USD \$650-\$1,080 billion)



Energy efficient buildings
(USD \$555-\$770 billion)



Electric and hybrid vehicles
(USD \$310-\$320 billion)

Business Case of the SDGs

USD \$4.3 trillion related to energy and materials



Developing a circular model for
vehicles
(USD \$475-\$810 billion)



Expansion of renewable energy
options
(USD \$165-\$605 billion)



Developing a circular model for
appliances and machinery
(USD \$305-\$525 billion)

Business Case of the SDGs

USD \$1.8 trillion related to health and well-being



Risk pooling to provide health insurance to prevent health risks across communities
(USD \$350-\$500 billion)



Remote patient monitoring
(USD \$300-\$440 billion)



Telehealth to remotely diagnose patients
(USD \$130-\$320 billion)

Actions Needed !



Raising **awareness**
on SDGs
investment market.



Encourage private sector to
shift their CSR Funds
towards impact and SDGs
investment



Identifying existing
investment opportunities



Discuss **risk-return** profiles of
investments, and generate
sustained impact on the ground



Mobilizing and creating
financial schemes and
SDGs funds

Actions Needed !



1. **Provide leadership** - setting guiding principles, galvanizing action, and ensuring policy coherence

2. **Mobilize investment** - raising finance and reorienting financial markets towards investment in SDG sectors

3. **Channel investment** - promoting and facilitating investment into SDG sectors

4. **Maximize investment impact** – increasing the sustainable development benefits and minimizing the risks of investment in SDG sectors

Actions vs Stakeholders



Stakeholder	Size	Action to Align	Policy makers: actions to support alignment
1 Asset Managers	\$ 91T	<ul style="list-style-type: none"> Invest in new tools and technologies to integrate SDG metrics Build asset manager capabilities to source SDGs investments Incorporate SDGs mandates into funds managers' objectives Decarbonize assets and portfolios. 	<ul style="list-style-type: none"> Encourage asset managers to make publicly available comparable, consistent, and verifiable ESG information Create platforms that build relationships between asset managers and sustainable companies, sustainable development bond issuers, development finance institutions, and aid agencies
2 Insurance	\$32.9T	<ul style="list-style-type: none"> Adjust range of risk factors to insure and develop ESG-related insurance products Incorporate ESG into repairs, replacements, disputes, and other claims services Measure and monitor ESG risk reduction progress 	<ul style="list-style-type: none"> Support regulatory and legal frameworks for ESG risk reduction Invest in capacity and technical assistance to develop insurance markets in emerging economies Adopt policies to encourage companies to broaden ESG coverage and risk factors
3 Pension Funds	\$35.6T	<ul style="list-style-type: none"> Add SDGs criteria to investment decisions Strengthen expertise and capacity of fund managers on ESG Set SDG targets in terms of SDGs investments and outcomes 	<ul style="list-style-type: none"> Incentivise pension funds to factor in ESG impact through regulation Improve availability, consistency, and quality of ESG information

Actions vs Stakeholders



Goal	Size	Action to Align	Policy makers: actions to support alignment
4 Investment Banks	\$147.9T	<ul style="list-style-type: none"> • Measure, document, and disclose investments in fossil fuels • Provide advisory services to companies supporting SDGs • Commit to underwriting green, social, and development impact bonds 	<ul style="list-style-type: none"> • Require disclosures from financial institutions on ESG risks • Encourage stress tests to evaluate banks performance on environmental and social risks • Provide forward guidance on ESG risk management and due diligence
5 Impact-Driven Businesses	\$?	<ul style="list-style-type: none"> • Push innovation and start-ups creation with an impact business model • Build business models that ensure mutual shared values. • Spot SDGs risks and opportunities in private sectors supply chains 	<ul style="list-style-type: none"> • Establish a clear regulation on social enterprises licensing and activities. • Provide incentives schemes on SDGs driven SMEs. • Activate an ecosystem of impact-driven startups and incentives investments.
6 Philanthropic Organizations	\$7.1B	<ul style="list-style-type: none"> • Improve knowledge sharing with governments and donors • Make better use of existing platforms to improve data transparency on philanthropic giving 	<ul style="list-style-type: none"> • Adopt more systematic approaches to engagement with foundations • Adapt regulation to improve enabling environment for philanthropy on SDGs

Others: Private sector, sovereign funds, central banks, family businesses, retail investors Etc

Priorities !!!



Education

We need **\$6 B** to provide **education** for all



Water & Sanitation

We need **\$9 B** to provide **water and sanitation** for all



Health & Nutrition

We need **\$13 B** to provide **health and nutrition** for all



Sugar
\$50 B



Cosmetics
\$406 B



Ice Cream
\$95 B



Gambling
\$240 B



Adults Enter.
\$15 B



Tobacco
\$830 B



Defence
\$2 T

Thanks!

Any questions?

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Rama Ben Lellahom
volunteering at a trees plantation event in Dubai