POSITIVE IMPACT FINANCE

A COMMON VISION FOR THE FINANCING OF THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)
As the global population approaches nine billion people, today’s world is one of increasing needs, decreasing natural resources, and rapid technological change.

In September 2015, the UN General Assembly formally established 17 Sustainable Development Goals (SDGs) to be addressed by 2030, which effectively provide a common framework for public and private stakeholders to set their agendas and define their policies and strategies over the next 15 years.

$5-7 trillion a year until 2030 are needed to realise the SDGs worldwide, including investments into infrastructure, clean energy, water and sanitation and agriculture. The greater part of the necessary financing and investment will need to stem from private finance. Hindered by often unattractive risk and return profiles, to-date the amount of private finance mobilised for these purposes remains in marked contrast to the scale of the needs.

Yet for the SDGs to be met and to address the challenges they embody in due time, they must attract the trillions of USD of mainstream finance. In short, the unmet needs must become the source of a profitable market.

**Positive Impact: A New Approach to Business and Finance to Achieve the SDGs**

By seeking a holistic understanding of the environmental, social and economic needs around us, new business models can be developed that will deliver the impacts sought by the SDGs. To address multiple and interrelated needs, these new business models will need to be cross-sectoral and sufficiently disruptive to dramatically reduce the cost of achieving the SDGs.

Such a holistic, impact-based approach is however not currently at the heart of the market, and is precisely the paradigm shift that is required.

To achieve the shift to an impact-based business and financing paradigm and ultimately the emergence of a vibrant SDG-serving market, a major challenge needs to be addressed, namely: the absence of a common language for the finance and private sector to understand and organize itself in relation to the 17 SDGs and their respective targets.

Positive Impact business and finance should be understood as that which serves to deliver a positive impact on one or more of the three pillars of sustainable development (economic, environmental and social), once any potential negative impacts to any of the pillars have been duly identified and mitigated.

Positive Impact Finance is that which serves to finance positive impact business.

It is that which serves to deliver a positive contribution to one or more of the three pillars of sustainable development (economic, environmental and social), once any potential negative impacts to any of the pillars have been duly identified and mitigated.

By virtue of this holistic appraisal of sustainability issues, Positive Impact Finance constitutes a direct response to the challenge of financing the SDGs.
Beyond a common definition, a common frame-
work for the financing of the SDGs - the Principles
for Positive Impact Finance - should be estab-
lished to help the finance community to identify
and assess positive impact activities, entities and
projects – i.e. those able to make a positive contri-
bution to the SDGs. They also help a broader set
of public and private stakeholders define and assess
those financial instruments that serve such positive
impact business.

Thus equipped, businesses, financial institutions
and their counterparts in the public sector and
broader civil society should start to form a posi-
tive impact community -- the Positive Impact
Initiative. The Initiative should act as a hub for
stakeholders to proactively and collaboratively
work towards the development and implementa-
tion of new business models and financing
approaches that will help address the SDG fund-
ing gap and realize the SDGs themselves.

MANIFESTO SIGNATORIES

as of December 2016

Roadmap to financing the SDGs
ABOUT THE POSITIVE IMPACT MANIFESTO

The Positive Impact Manifesto was initially released in October 2015 by a group of UNEP FI banks and investors. In October 2016 The Manifesto was updated and made available for endorsement by further banks and investors as well as other financial sector players and relevant stakeholders.

The vision and goals expressed in the Manifesto are being acted on by UNEP FI's Positive Impact Working Group which is made up of UNEP FI members that have endorsed the Manifesto.

ABOUT THE UNEP FINANCE INITIATIVE

UNEP FI is a partnership between UNEP and the global financial sector created in the wake of the 1992 Earth Summit with a mission to promote sustainable finance. Over 200 financial institutions, including banks, insurers and fund managers, work with UNEP to understand today’s environmental challenges, why they matter to finance, and how to actively participate in addressing them.

FURTHER INFORMATION

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