

# Sustainable Development Finance, Current Trends and Maximizing Impact



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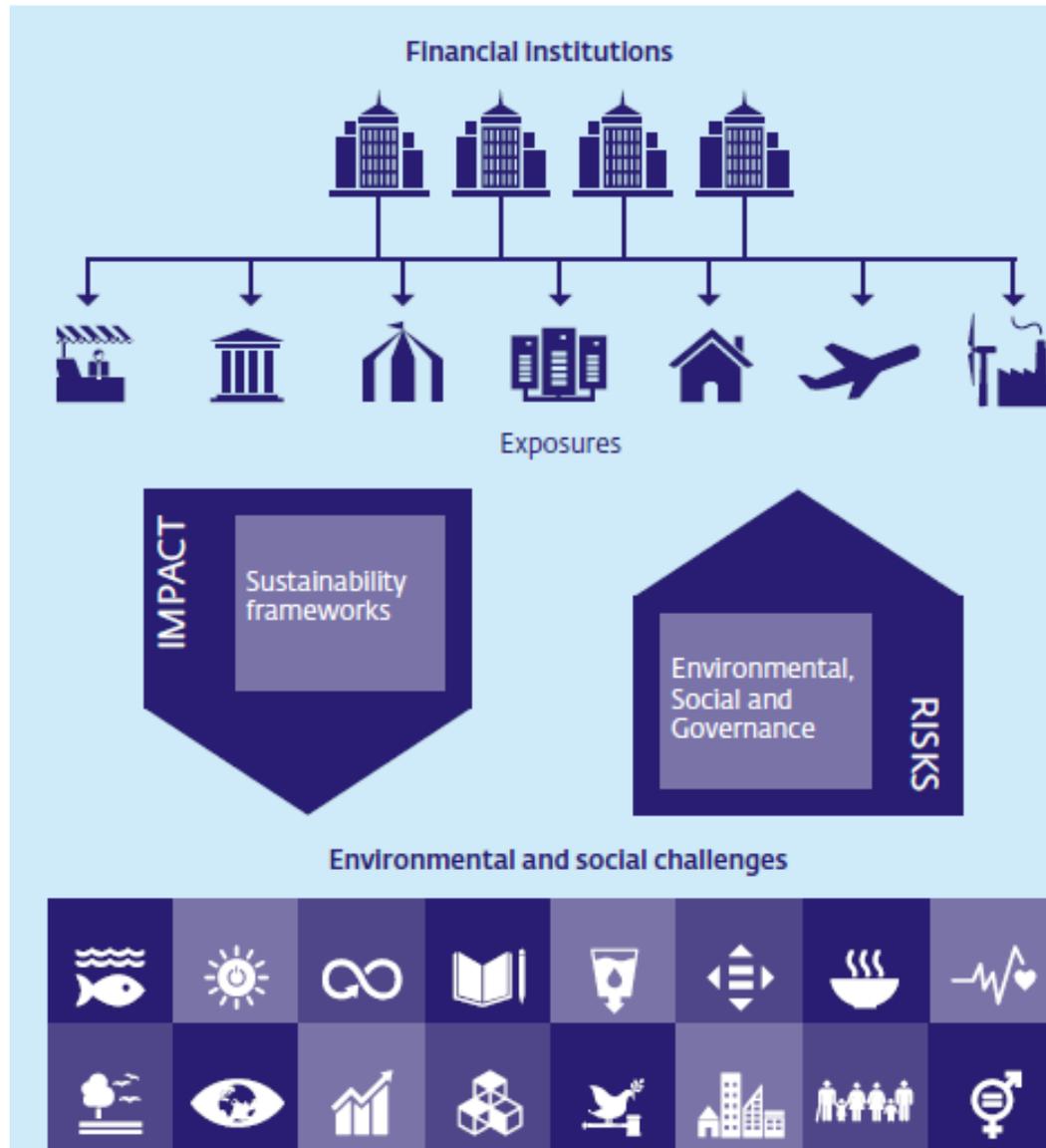
- 1. The Sustainable Development Goals (SDGs)**
- 2. Trends on Sustainability**
- 3. Financing & Financial Innovation**
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- 5. Data & Sustainable Development**

# The Sustainable Development Goals



	MDGs (2000-2015)	SDGs (2016-2030)
Goals	8	17
Targets	21	169
Indicators	60	~230
Priority Areas	Human Development	Holistic: Economic, Social, Environmental
Scope	Developing Countries	Universal

# The Growing Need to Integrate Sustainability into Markets



# Integrating Sustainability into Markets

With insurers shouldering \$160 billion in climate-related losses from last year alone, a group including 30 central banks called for measures to spur green finance and better assessment of the risks from higher global temperatures.

Recommendations for how central banks and financial services regulators should act include:

Injecting climate-related risks into the monitoring of broader financial stability and threats to the banking system.

01

Using sustainability criteria to shape the portfolios of assets maintained by central banks.

02

Identifying areas where more data is needed to describe threats coming from environmental issues.

03

Prodding financial market participants to better disclose climate-related risks, an effort that builds on G20's Taskforce on Climate Related Financial Disclosure.

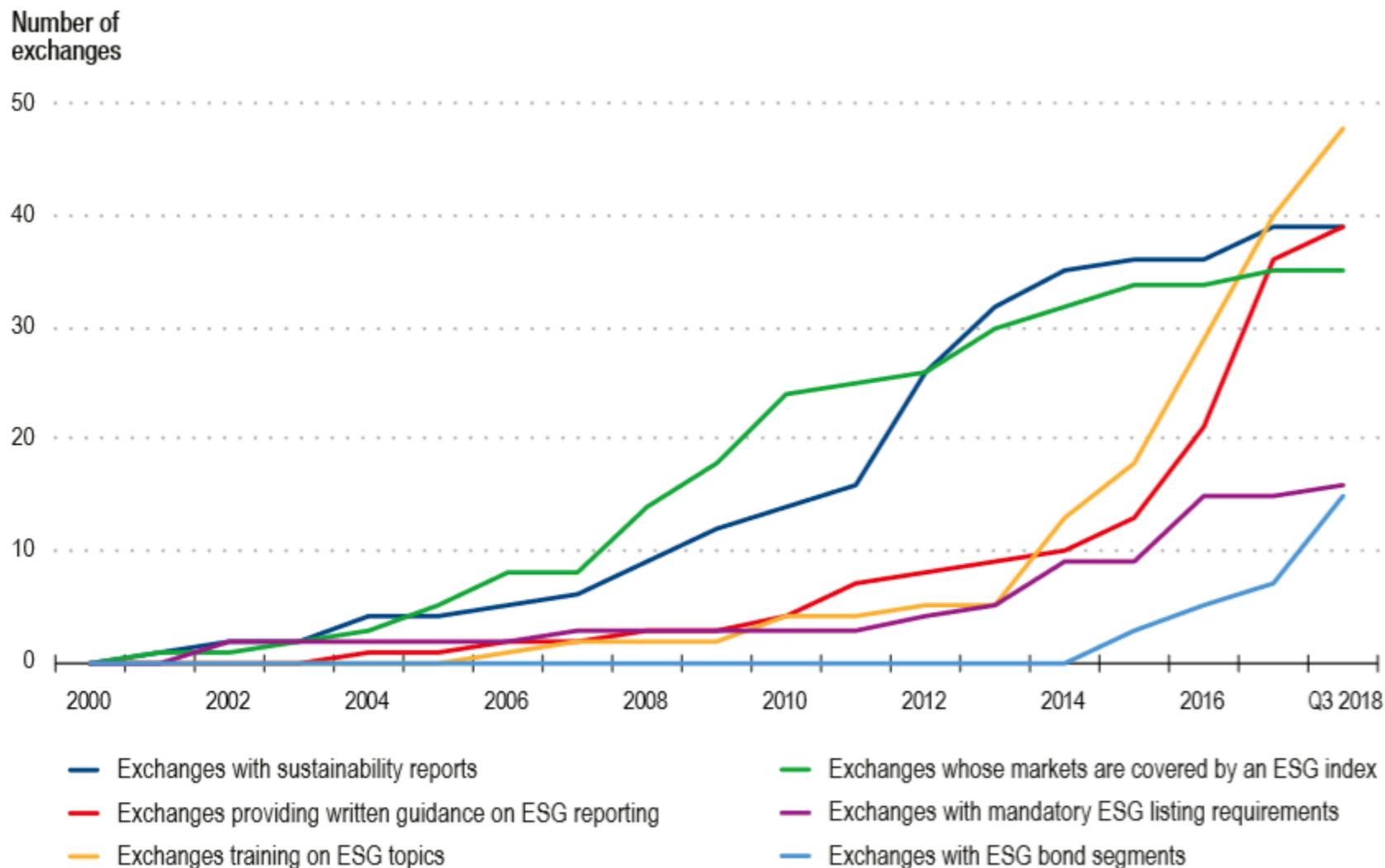
04

Developing a "taxonomy" of economic activities for policy makers and companies to use in assessing climate-related impact on finance.

05



# Stock Exchange-related Sustainability Activities (global)

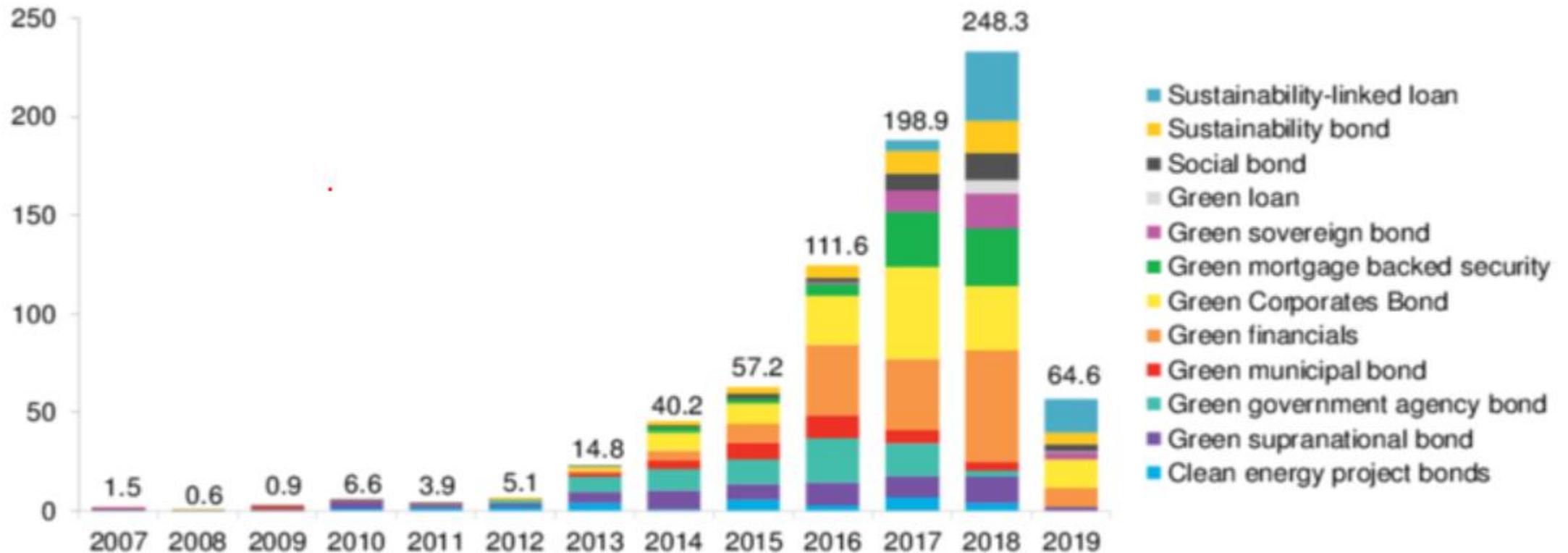


Source: 2018 Report on Progress, Sustainable Stock Exchange Initiative  
[http://www.sseinitiative.org/wp-content/uploads/2018/10/SSE\\_On\\_Progress\\_Report\\_FINAL.pdf](http://www.sseinitiative.org/wp-content/uploads/2018/10/SSE_On_Progress_Report_FINAL.pdf)

Source: SSE database.

# Annual Issuance of Sustainable Finance, \$bn

## Annual issuance of sustainable finance, \$bn



Source: BloombergNEF, Bloomberg L.P.

# Markets and the SDGs: S/P ESG as an example

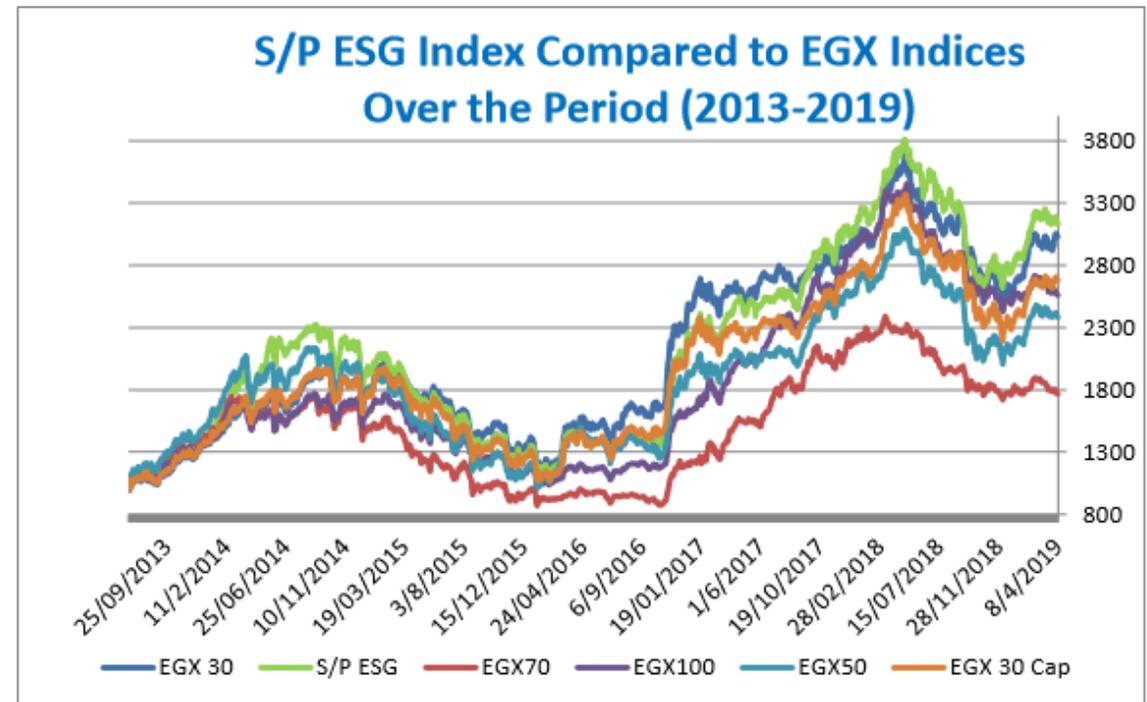
The index is designed to track the performance of the top 100 listed companies on the Egypt Stock Exchange that demonstrate leadership on environmental, social and corporate governance (ESG) issues covering a number of variables

Sustainability and transparency have become overriding corporate themes worldwide, the index aims to create healthy competition among listed companies with regard to their corporate governance practices

**S/P ESG Index Compared to EGX Indices  
Over the Period (2013-2019)**

EGX	S/P ESG	EGX70	EGX100	EGX50	EGX100 Cap
203%	213%	77%	156%	138%	168%

**S/P ESG Index Compared to EGX Indices  
Over the Period (2013-2019)**



Source: New CSR index tracks performance of listed companies on the Egypt Stock Exchange, UNDP (2010)

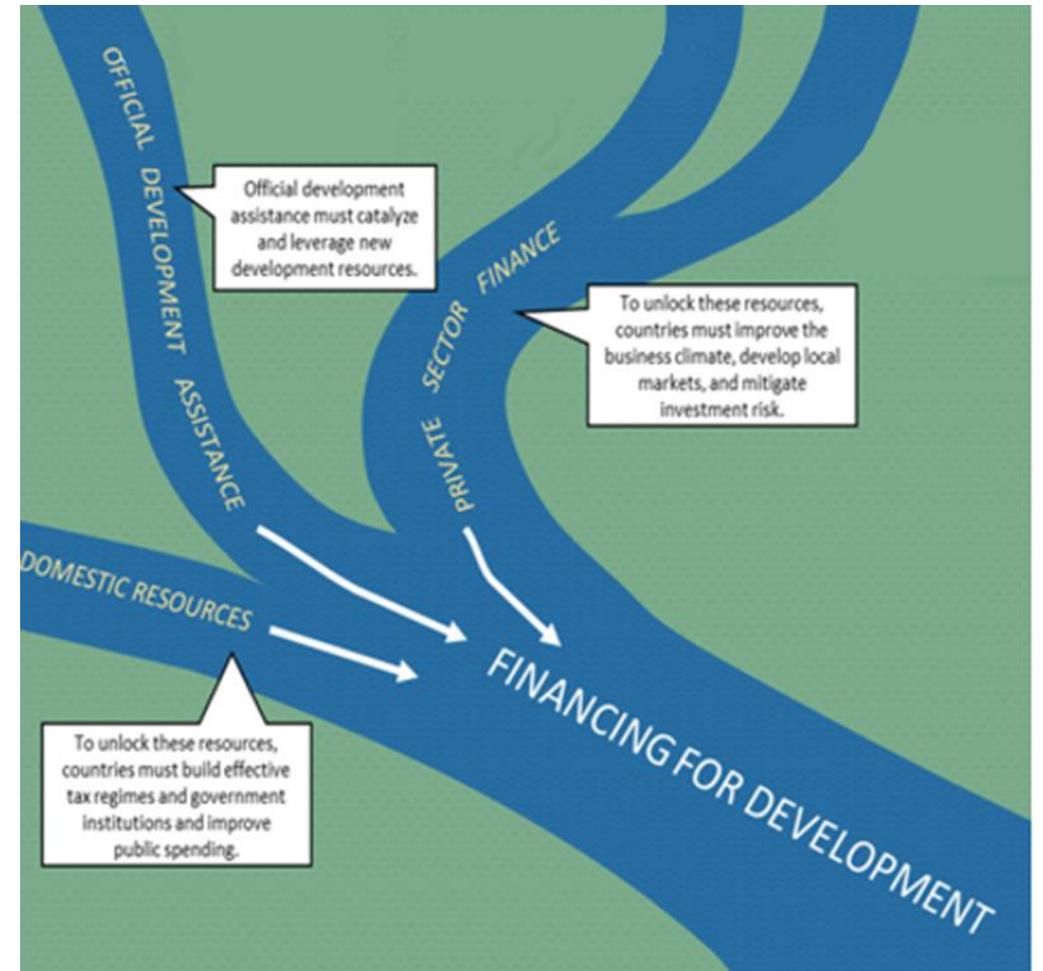
<https://www.undp.org/content/undp/en/home/presscenter/pressreleases/2010/03/25/new-csr-index-tracks-performance-of-listed-companies-on-the-egypt-stock-exchange.html>

# Financing the SDGs

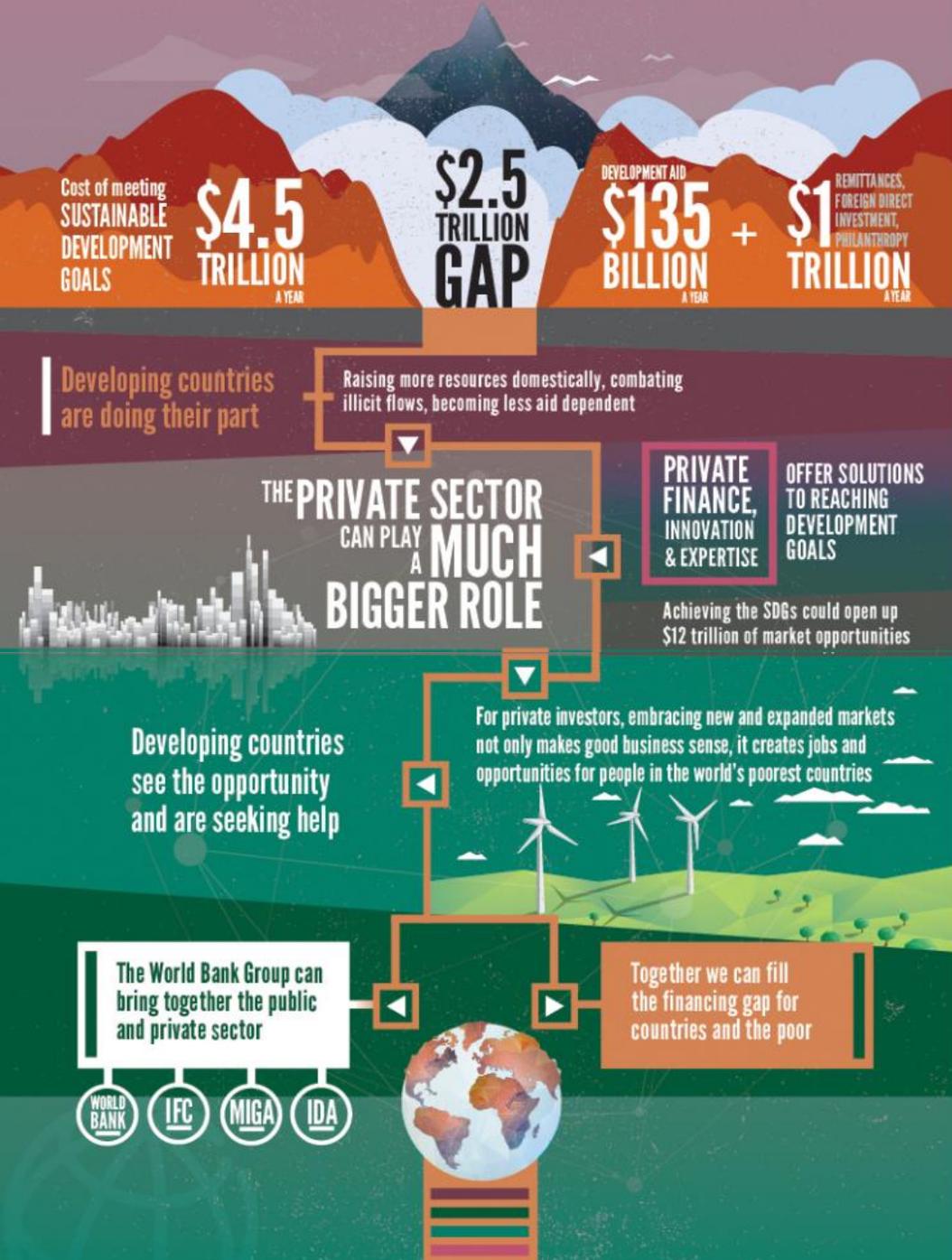
To meet the investment needs of the SDGs, the global community needs a paradigm shift - move the discussion from “billions” in ODA to the “trillions” in investments of all kinds

Achieving the SDGs **will require the best possible use of each available grant dollar**, beginning with ODA from governments and philanthropy, remittances, South-South flows, other ODA, and FDI

To reach the needed trillions, additional flows must come from two main pillars: **public domestic resources** and **private sector finance**



# Maximizing Finance for development



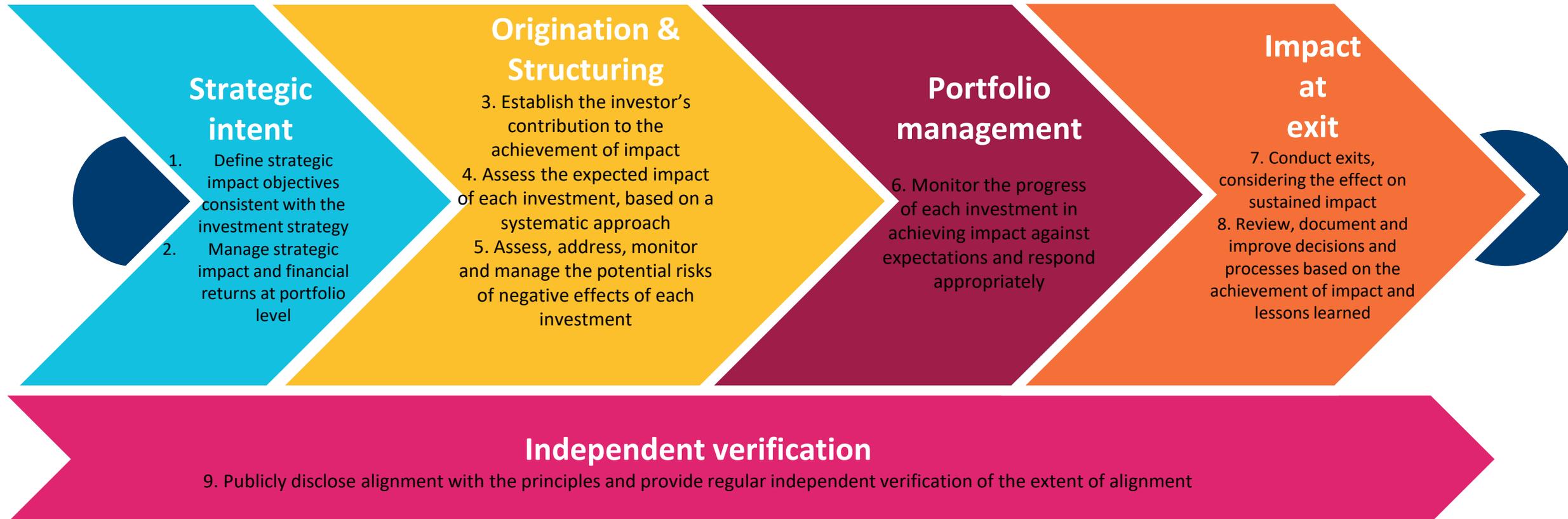
- The World Bank Group's crucial effort to redefine our approach to development finance: **leveraging the private sector** in ways that optimize the use of scarce public resources
- It is nearly **impossible to meet the SDGs by relying on public funding alone**
- The **private sector** can play a much bigger role in socially and environmentally responsible development, both as an **investor** and as a **source of innovation and expertise**

# The Cascade Approach



# Impact Investing

## Nine Principles



# Innovative Financial Instruments

A growing number of investors are incorporating impact investments into portfolios. **Many are adopting the SDGs as a reference to illustrate the relationship between their investments and impact goals.**



CAD 1 billion bond was issued in January, which raises awareness on **gender equality** in relation to **SDG5**



10-year anniversary of the **SDG green bond** which raised over 1.3 billion US dollars in equity through over 60 orders from investors



The WBG launched the **SDG-linked BNP Paribas bonds** under the “SDGs Everyone” initiative. Investors benefit from the performance of companies included in the equity index

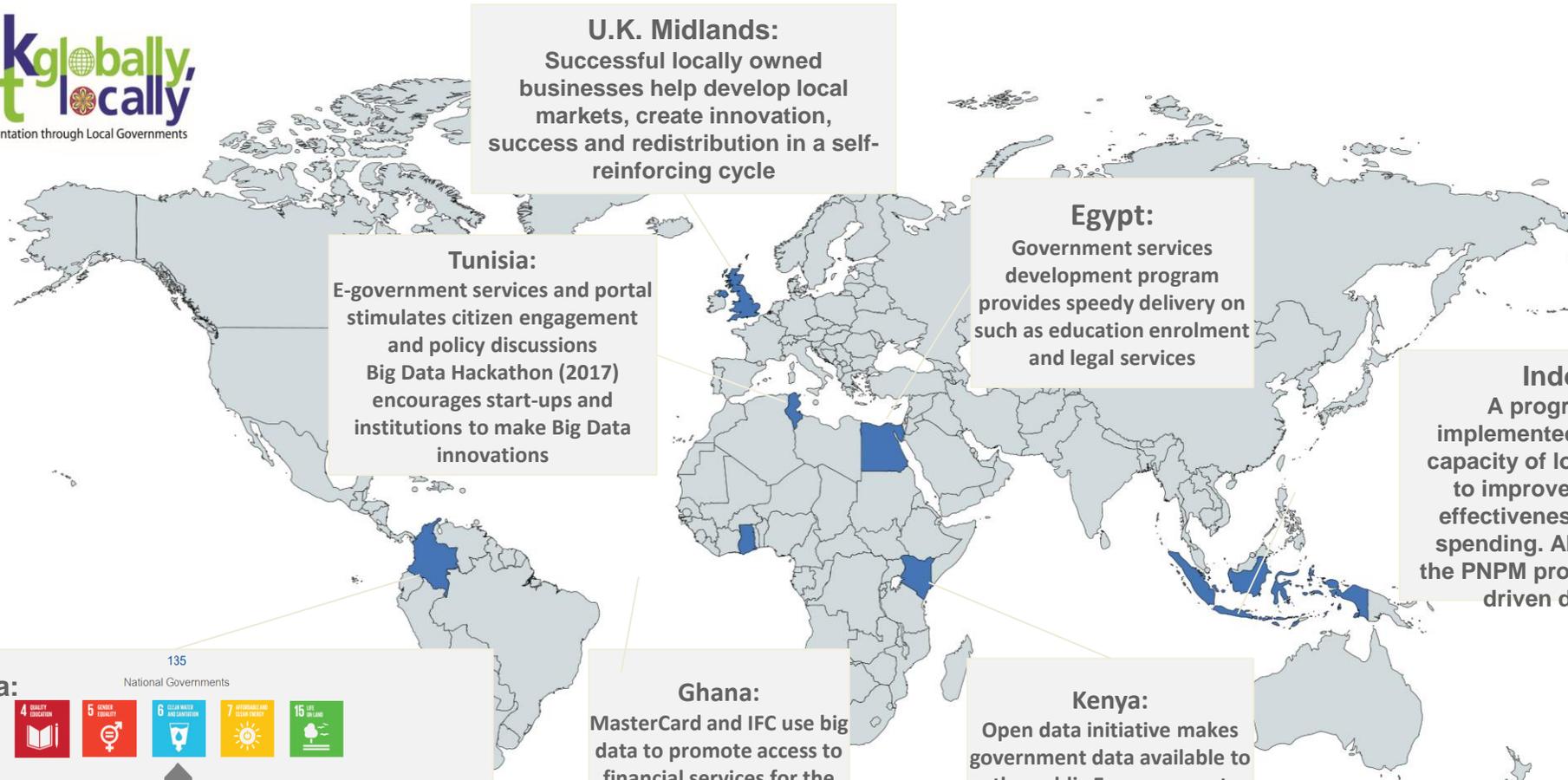
# Sustainable Finance: bond-i

The world's first bond to be created, allocated, transferred and managed through its life cycle using distributed ledger technology



**Two-year bond raised A\$110 million, marking the first time that investors have supported the World Bank's development activities in a transaction that is fully managed using the blockchain technology.**

# Localization and Implementation



**U.K. Midlands:**  
Successful locally owned businesses help develop local markets, create innovation, success and redistribution in a self-reinforcing cycle

**Tunisia:**  
E-government services and portal stimulates citizen engagement and policy discussions  
Big Data Hackathon (2017) encourages start-ups and institutions to make Big Data innovations

**Egypt:**  
Government services development program provides speedy delivery on such as education enrolment and legal services

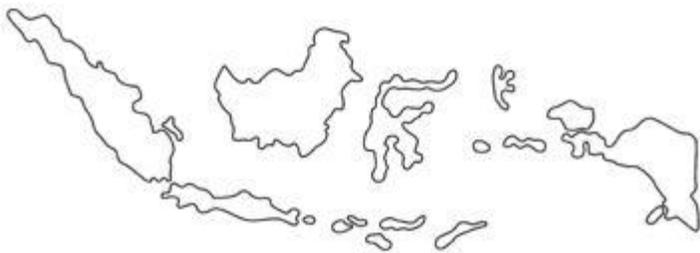
**Indonesia:**  
A program is being implemented to enhance the capacity of local governments to improve efficiency and effectiveness of local public spending. Also implemented the PNPM program: community driven development



**Ghana:**  
MasterCard and IFC use big data to promote access to financial services for the poor

**Kenya:**  
Open data initiative makes government data available to the public E-government portal facilitates 'one stop shop' for citizens

# Localization: Spotlight on Indonesia

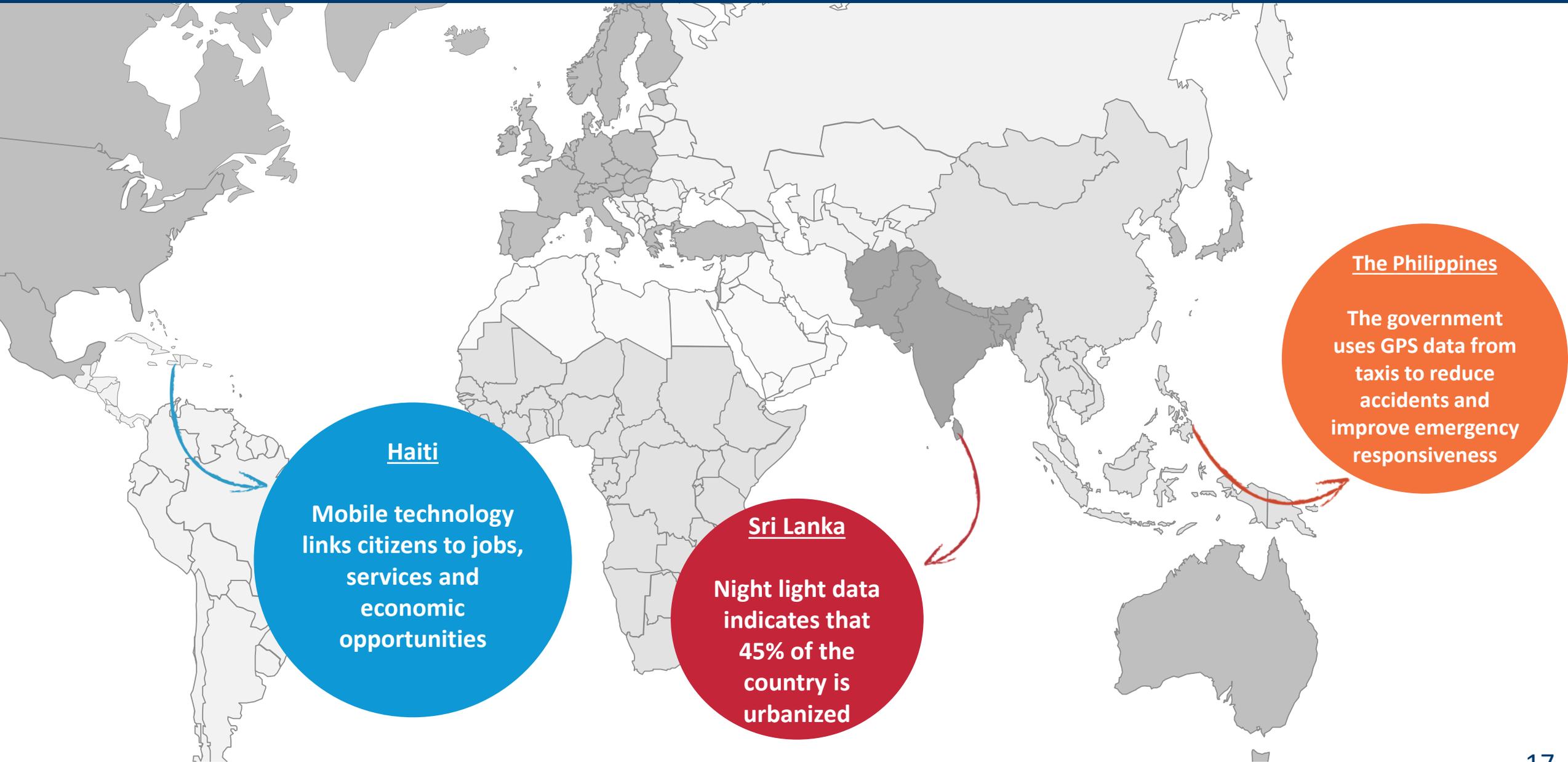


In 2015, about 54% of Indonesians lived in cities and this is expected to grow to 68% by 2025.

The WBG is embarking on a flagship analytic study on urbanization that can help shape Indonesia's strategy to make its cities more livable, inclusive, and sustainable engines of economic growth.

The government also partners with the WBG on a national plan to upgrade slums aimed at improving access to urban infrastructure and services, as well as an affordable housing program, using both public and private capital to provide housing to over 2 million Indonesians.

# The WBG uses Big Data for the SDGs



## Haiti

Mobile technology links citizens to jobs, services and economic opportunities

## Sri Lanka

Night light data indicates that 45% of the country is urbanized

## The Philippines

The government uses GPS data from taxis to reduce accidents and improve emergency responsiveness

# Using Big Data to Track the SDGs



➤ Spending patterns on mobile phone services can provide proxy indicators of income levels



➤ Crowdsourcing or tracking of food prices listed online can help monitor food security in near real-time



➤ Mapping the movement of mobile phone users can help predict the spread of infectious diseases



➤ Citizen reporting can reveal reasons for student drop-out rates



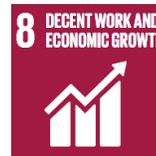
➤ Analysis of financial transactions can reveal the spending patterns and different impacts of economic shocks on men and women



➤ Sensors connected to water pumps can track access to clean water



➤ Smart metering allows utility companies to increase or restrict the flow of electricity, gas or water to reduce waste and ensure adequate supply at peak periods



➤ Patterns in global postal traffic can provide indicators such as economic growth, remittances, trade and GDP



➤ Data from GPS devices can be used for traffic control and to improve public transport



➤ Speech-to-text analytics on local radio content can reveal discrimination concerns and support policy response



➤ Satellite remote sensing can track encroachment on public land or spaces such as parks and forests



➤ Online search patterns or e-commerce transactions can reveal the pace of transition to energy efficient products



➤ Combining satellite imagery, crowd-sourced witness accounts and open data can help track deforestation



➤ Maritime vessel tracking data can reveal illegal, unregulated and unreported fishing activities



➤ Social media monitoring can support disaster management with real-time information on victim location, effects and strength of forest fires or haze



➤ Sentiment analysis of social media can reveal public opinion on effective governance, public service delivery or human rights



➤ Partnerships to enable the combining of statistics, mobile and internet data can provide a better and real-time understanding of today's hyper-connected world

# Big Data: Opportunities and Risks



**Gain real-time insights into people's well-being and target development interventions to vulnerable groups**



**Enable more agile, efficient and evidence-based decision making that is inclusive and fair**



**Shed light on disparities in society that were previously hidden**



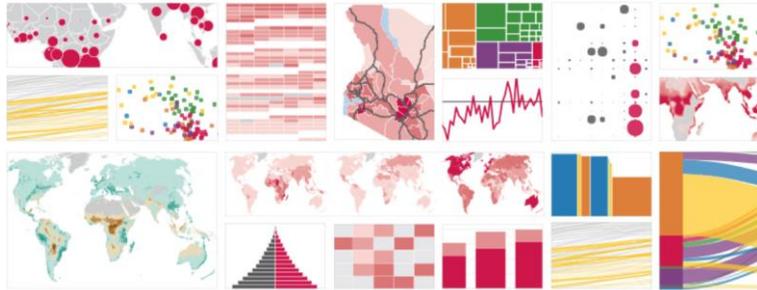
**May impede data sovereignty and individual rights without sufficient data protection measures**



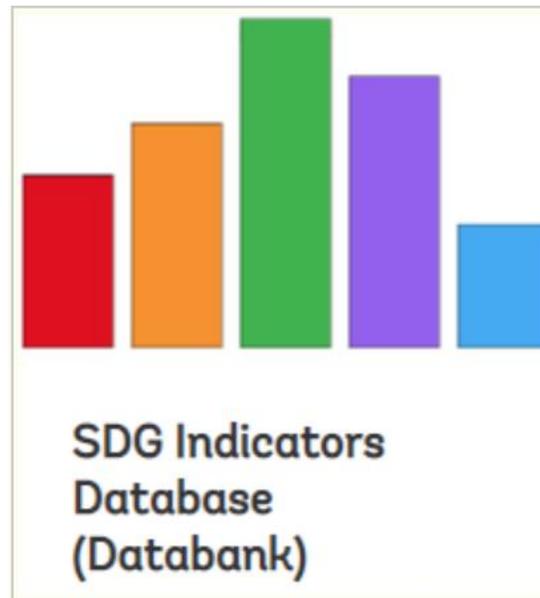
**Possible increases in inequality between the data 'haves' and 'have nots'**

# Using Big Data to Track the SDGs

## Atlas of Sustainable Development Goals 2018 From World Development Indicators



The Atlas of SDGs: A visual guide to the SDGs



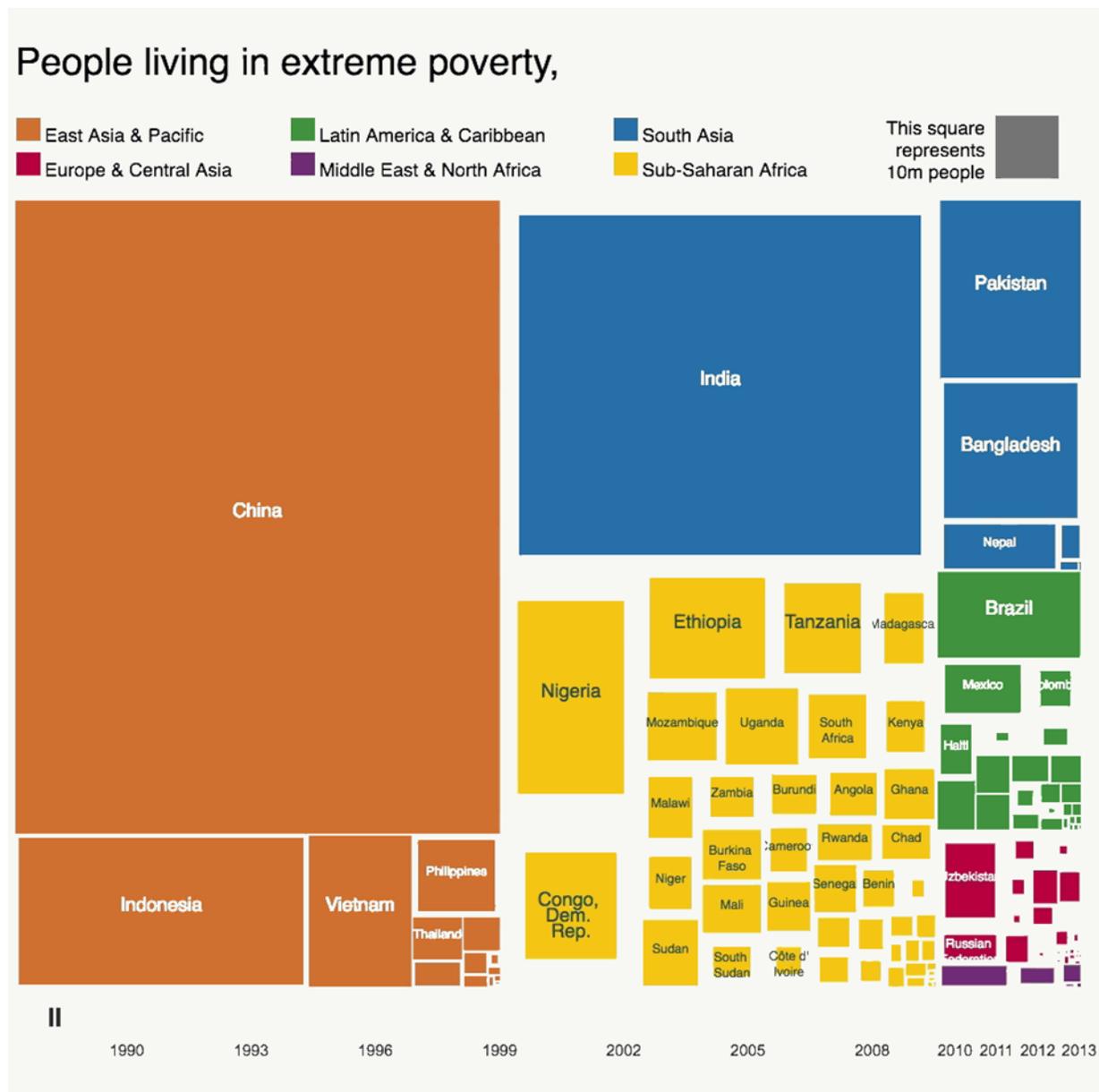
## The WB's World Development Indicators: A comprehensive global view with over 1500 indicators

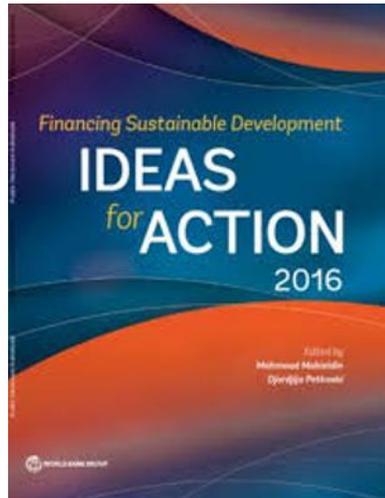
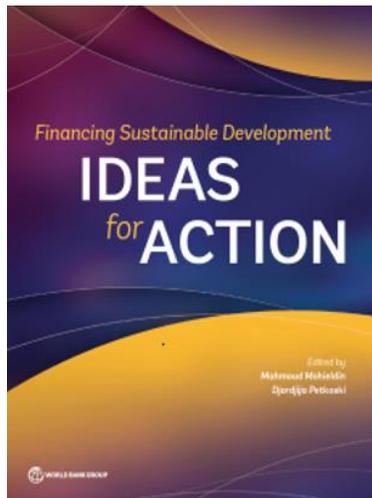
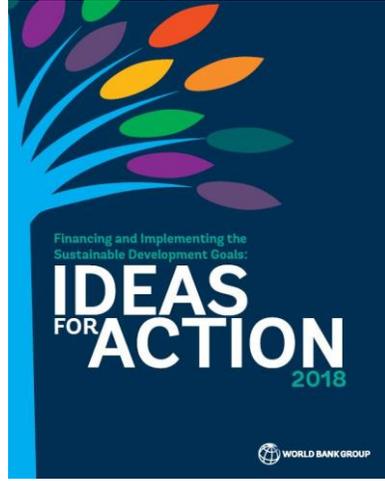
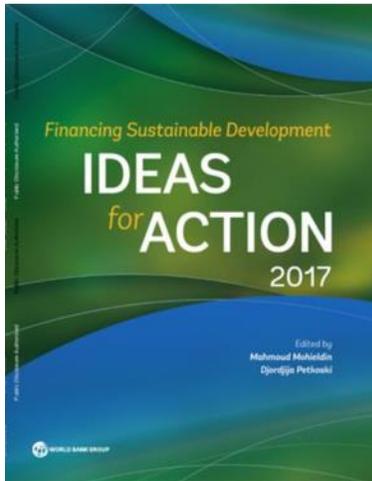
World Development Indicators  
Sustainable Development Goals

These dashboards present data from the World Development Indicators (WDI) that help to monitor the Sustainable Development Goals (SDGs), but they are not always the official indicators for SDG monitoring. Choose [Explore](#) to explore all the Goals and Targets, or [Selected Indicators](#) to compare two economies side-by-side for a selection of indicators.



# Using Big Data to Track the SDGs: The Atlas of SDGs





- A partnership between the World Bank Group and the Wharton School, among others.
- In 2018, the Ideas for Action (I4A) competition had 3,100 submitted applications from 142 countries and territories.
- The top 10 winners will be published in a book, top 3 winners will participate in the WBG-IMF Annual Meetings.



[ideas4action.org](https://ideas4action.org)  
Follow us @Ideas4Action



Organization of American States



The World Bank Group, in partnership with UNDP, UN Women, and the Wharton School's Zicklin Center, launched SDGs&Her, an online competition to identify women entrepreneurs across the world, whose business operations help support the SDGs.

With the objectives to:

- (i) recognize women implementing the SDGs, including women business owners of microenterprises;
- (ii) increase knowledge about the SDGs and their potential impacts on women among non-traditional audiences; and
- (iii) collaborate with private sector partners on all SDGs, but SDG5 in particular; to share best practices and innovative ideas.



Vandana Suri from India, owner of *Taxshe*, and Saida Yusupova from Uzbekistan, owner of *Green Business Innovation*, were the winners of the 2019 SDGs & Her competition.

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[worldbank.org/sdgs](http://worldbank.org/sdgs)



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Atlas of Sustainable Development Goals  
2018  
From World Development Indicators



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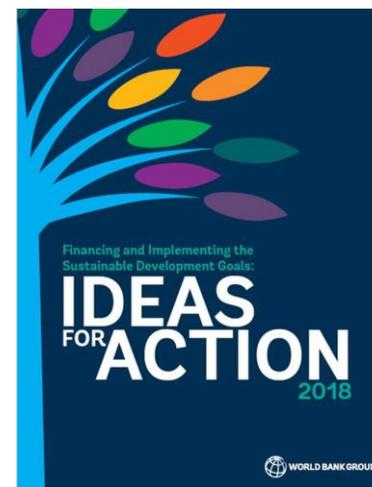
Financing for  
Development  
at the World Bank Group



Our support to the Financing  
for Development (FFD) agenda

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2018



Financing and Implementing the  
Sustainable Development Goals:

IDEAS  
FOR  
ACTION  
2018

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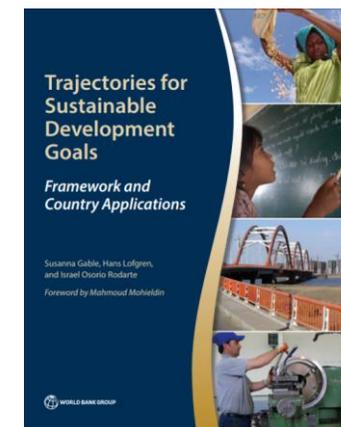


Implementing the

2030

AGENDA  
2018 UPDATE

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Trajectories for  
Sustainable  
Development  
Goals

Framework and  
Country Applications

Susanna Goble, Hans Lofgren,  
and Israel Orosio Rodarte  
Foreword by Mahmoud Mohieldin

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