



Sustainable Investment Pathways: Playbook

APRIL 2022



is kindly supported by



SDIP is a joint initiative of the World Economic Forum and the Organisation for Economic Co-operation and Development (OECD).



© 2022 World Economic Forum. All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, including photocopying and recording, or by any information storage and retrieval system.

Contents

4	1. Context
4	1.1 Sustainable Development Investment Partnership (SDIP)
4	1.2 Sustainable Investment Pathways (SIP)
5	1.3 What the SIP initiative is not
5	1.4 SIP initiative rationale
8	2. Sustainable Investment Pathways: 'How to' guide
8	2.1 Recommended SIP governance structure
8	2.2 SIP implementation
11	3. Useful information for SIP initiative mapping
12	4. Conclusion
13	Contributors

This document is published by the World Economic Forum as a contribution to a project, insight area or interaction. The findings, interpretations and conclusions expressed herein are the result of a collaborative process facilitated and endorsed by the World Economic Forum but whose results do not necessarily represent the views of the World Economic Forum, nor the entirety of its Members, Partners or other stakeholders.

The Sustainable Investment Pathways (SIP) playbook has been put together by the Sustainable Development Investment Partnership (SDIP) to serve as a guide in replicating and expanding the SIP initiative as part of the overarching

goal of moving capital at the scale and speed needed to bridge the [United Nations Sustainable Development Goals](#) (SDGs) investment gap in developing and emerging markets.

Context

1.1 Sustainable Development Investment Partnership (SDIP)

The mission of the [Sustainable Development Investment Partnership](#) (SDIP) is to cultivate coherent investment ecosystems with the incentives and conditions needed to mobilize, accelerate and scale capital in order to meet the [United Nations Sustainable Development Goals](#) (SDGs) in developing and emerging markets.

In a **coherent investment ecosystem**, gaps in the investment market are filled by the human and financial capital/collaborations needed to enable both development impact and commercial viability (see Figure 1).

Launched in 2015 as a joint initiative of the World Economic Forum and the Organisation for Economic Co-operation and Development (OECD), SDIP is a global platform of 43 public, private and philanthropic institutions. SDIP membership encompasses governments, multilateral development banks (MDBs), development finance institutions (DFIs), foundations, asset managers, investment funds and pension funds. To incorporate the context of developing and emerging markets, SDIP established its Africa and ASEAN hubs to convene decision-makers on relevant sustainable development priorities and build regional and local capacity to accelerate investment.

SDIP works to transform commitments into action across sustainable development agendas to address the growing gap between developed and developing markets. Within the Forum, SDIP works together with teams and initiatives across the Forum that address various themes, sectors and value chains to meet the SDGs in developing and emerging markets, with a focus on finding synergies in the financing and investment components. These include the [Civil Society Community](#), [COVID Response Alliance for Social Entrepreneurs](#), [Enable Action on Sustainable Investment \(EASI\) Alliance](#), [Friends of Ocean Action \(FOA\)](#), [the Global Plastic Action Partnership \(GPAP\)](#), [Nature Action Agenda](#), [Shaping the Future of Energy, Materials and Infrastructure](#), [UpLink](#), etc.

The Country Financing Roadmap (CFR) is one of SDIP's flagship initiatives. It brings together global and local public- and private-sector market players to jointly define the actions required to

increase the sources of capital needed to finance meeting the SDGs through an impartial, multistakeholder approach.

This playbook was put together to:

- Explain what the CFR is, why it is relevant to SDIP's mission and how it complements or feeds into other efforts in the development finance ecosystem
- Share the “how to” and lessons learned from its implementation, recognizing that accelerating and scaling the investments needed to meet the SDGs requires the collaborative involvement of all relevant stakeholders across the development finance ecosystem

SDIP is also rebranding the CFR as the “Sustainable Investment Pathways” initiative for several reasons:

- To move from “country” to “sustainable”
 - Recognizing that the CFR methodology can and is being used beyond the country context, e.g. towards action for regional SDG investment priorities
 - Acknowledging that the experience of working in this space with global and local public- and private-sector market players has led analytics and dialogues to focus on specific sectors or value chains within a country context, or relevant to a region
- To differentiate from studies or diagnostics that assess the macro or comprehensive multisector level of a country's SDG investment or financing pathways
- To move from “financing” to “investment”
 - To be inclusive of the various types of investment, including funding, financing (debt) and equity

1.2 Sustainable Investment Pathways (SIP)

The SIP's purpose is to:

- Serve as an impartial platform, raising awareness of the conditions needed to unlock greater sustainable investment
- Stimulate dialogue on regional and thematic financing agendas for greater impact

- Map out various sustainable investment initiatives relevant to the sector or value chains that may overlap or be complementary
- Create alignment among a diverse set of players and reduce inefficiencies to produce a more supportive ecosystem and mobilize investment towards meeting the SDGs. This is particularly useful for policy-makers, MDBs, DFIs or donors interested in pooling their funds and efforts to support larger, more efficient programmes
- Inspire public-private initiatives and action to bring forth new or additional sources of investment for the SDGs
- Provide a platform for an agile, targeted and inclusive approach to ideate solutions that are needed to either stimulate nascent or subsidy-dependent markets to graduate into commercially viable markets, or allow relatively mature markets to scale further for greater impact

The value proposition of the SIP is flexibility and adaptability to prioritize needs and leadership to:

- Facilitate greater private-sector involvement in shaping sustainable investment solutions and innovative financial products, services or facilities
- Generate a multiplier effect across existing initiatives under a common agenda by encouraging synergies across different sectors and types of stakeholder (public, private, domestic and foreign)
- Create opportunities for replication across other countries, regions and similar markets; for instance, among Small Island Developing States (SIDS)

While the above objectives will be central to the SIP initiative, the process, scope and timelines will be nuanced depending on the context, sectors or value chains. In general, putting in place an actionable pathway consists of three main steps:

- **Agree on the destination:** Identify and agree on priority sectors or value chains in need of greater coherence and investment in terms of the SDGs, complemented by clear private-sector interest. This will be achieved in consultation with and led by global and local public- and private-sector market players
- **Agree on how to get there and what the obstacles are:** Determine the risks and barriers preventing greater coherence and investment,

and identify policies, innovative solutions and financing mechanisms to build a more coherent and collaborative SDG investment ecosystem

- **Agree on “who and what” is needed:** Define and agree on the actions and actors needed to complete the formulation of an actionable SIP

SIP initiative success is to be measured by scalable and replicable pathways for SDG investment ecosystems put in place through multistakeholder consensus, leading to greater or new public and private capital for the SDGs.

1.3 What the SIP initiative is not

The SIP initiative is not intended to be a comprehensive diagnostic of countries, sectors and value chains. Multiple initiatives that conduct comprehensive studies and diagnostics are listed in the “Useful information” section, including SDIP’s partner, the OECD, which undertakes comprehensive diagnostics and in-depth country studies across a range of SDG investment topics.

The SIP initiative is also not intended to generate investable project pipelines or broker individual transactions. Instead, the SIP initiative seeks to build consensus on the solutions, actors and actions needed to address both the non-financial and financial risks and barriers that currently prevent greater SDG investments in specific sectors and value chains. Part of this process is identifying and supporting existing entities or initiatives that can build, prepare and identify investable projects.

1.4. SIP initiative rationale

The SIP initiative acknowledges and builds on the vast development finance landscape of entities and initiatives working towards the common goal of meeting the SDGs by 2030. Within this landscape, the SIP initiative draws on the Forum’s role as an impartial, multistakeholder platform reaching global and local public- and private-sector market players, to address gaps observed in the current SDG investment ecosystem (illustrated in Figure 1), as follows:

- The need to create opportunities to enhance understanding and collaboration among the global and local market players for greater impact, scale, efficiency, effectiveness and ambition for SDG investment
- The need to develop clear pathways to cultivate coherent SDG investment ecosystems to incentivize greater participation and collaboration

Local public and private markets

Bring to the ecosystem:

- Leadership affecting policy and regulatory environment
- Local markets and risk context, data and information
- Linkages to local markets, innovation and expertise
- Investment opportunities

Greater ecosystem support needed in:

- Assessing and implementing financial and non-financial de-risking measures
- Greater and affordable capital (private and concessional)
- Building investable pipelines
- Coordination and prioritization of various support initiatives for scale and efficiency
- Linkages to wider markets, innovation, expertise and best practices
- Building up local data and information

Global private players

Bring to the ecosystem:

- Global capital
- Innovative investment initiatives
- Global context, data and information
- Linkages to wider markets, innovation, expertise and best practices

Greater ecosystem support needed in:

- Addressing real and perceived risk in developing and emerging markets
- Finding investable project pipelines, at sufficient scale
- Supplying better data and information
- Meeting SDG/sustainability/ESG commitments for impact

SIP initiative

Brings together global and local public- and private-sector market players to jointly define the actions required to increase the sources of capital needed to finance meeting the SDGs through an impartial, multistakeholder approach

Standard-setting bodies, credit-rating agencies, think tanks, etc.

Bring to the SDG ecosystem:

- Defining and monitoring of SDG investment standards, principles, frameworks
- Advisory, analytics on standards, risk assessments and best practices

Greater SDG ecosystem support needed in:

- Coordination of initiatives for scale
- Data and information to improve analytics, standards, ratings
- Delivering better country support

DFIs, bilaterals, foundations, international organizations, intermediaries

Bring to the SDG ecosystem:

- Concessional financing, de-risking instruments and technical assistance
- Advisory, analytics on policy, best practices
- Innovative investment initiatives
- Support in investable pipeline building
- Data and information

Greater SDG ecosystem support needed in:

- Coordination of initiatives for scale
- Aligning public- and private-sector incentives for impact
- Entering or expanding into riskier/frontier markets

Several lessons and observations were gleaned from the experience of implementing the two pilot CFR initiatives, in Ghana and Saint Lucia:

- The SDGs encompass a vast universe of needs and opportunities. It would be beneficial to approach a country or region with a maximum of three or four sectors or value chains after an initial desk review and stakeholder consultation, to be filtered down to one or two sectors or value chains on which the initiative will focus. This would allow for sufficiently detailed, relevant and targeted analytics per sector or value chain selected
- For this initiative to effectively fulfil its purpose, priority sectors or value chains should be jointly defined and agreed upon by public- and private-sector market players, with selection based on key criteria such as the potential for scale, replicability and commercial viability. This would keep the initiative practical and results-driven, with greater potential for impact
- Related to the previous point, the initiative should be a demand-driven and a participatory process, moving forward only if there is commitment and willingness from public- and private-sector market players to be actively involved in the process and its results. This means the initiative must be aligned with (and where applicable, raise the ambition for) targets or strategies set or defined by the public- and private-sector market players for the sectors or value chains selected
- The initial mapping process is crucial to ensure as comprehensive a view as possible of who is already doing and funding what in the sector or value chain selected, and to clearly define what market failure or gap the initiative will fill
- The aim of the initiative is also to serve as a blueprint to be replicated and expanded beyond SDIP. Currently, SDIP via the Forum convenes and implements the initiative, leveraging the Forum's impartiality, its access to top-level decision-makers in global and local public- and private-sector players, and its agility. These are key factors for future entities seeking to replicate and expand the initiative to consider.

2

Sustainable Investment Pathways: 'How to' guide

The SIP initiative follows a basic structure and process, built on lessons learned from the two pilots conducted by SDIP in Saint Lucia and Ghana in 2020 and 2021. One key adaptation based on lessons learned is for the SIP initiative to be more agile, adjusting the scope and timelines based on demand, context and sectors or value chains.

Thus, the SIP initiative can address more systemic issues and solutions that would require a wider scope of work and longer timelines, or work towards targeted quick wins zeroing in on issues and solutions for specific subsectors (targeted and accelerated "sprints" to formulate a pathway within a limited time frame).

2.1 Recommended SIP governance structure

FIGURE 2

SIP governance structure



SIP project management team: project manager to lead day-to-day coordination, responsible for the implementation of activities, supported by operational and research assistance.

Project management would naturally be part of the remit of the organization initiating and leading the SIP and, depending on the situation, include persons from the global or local context and public and/or private sectors at the country, region, sector or value-chain level.



SIP advisory committee: committee to comprise representatives from the public and private sectors, DFI, MDBs, donors and philanthropists, as applicable. A maximum 10-person committee is recommended.



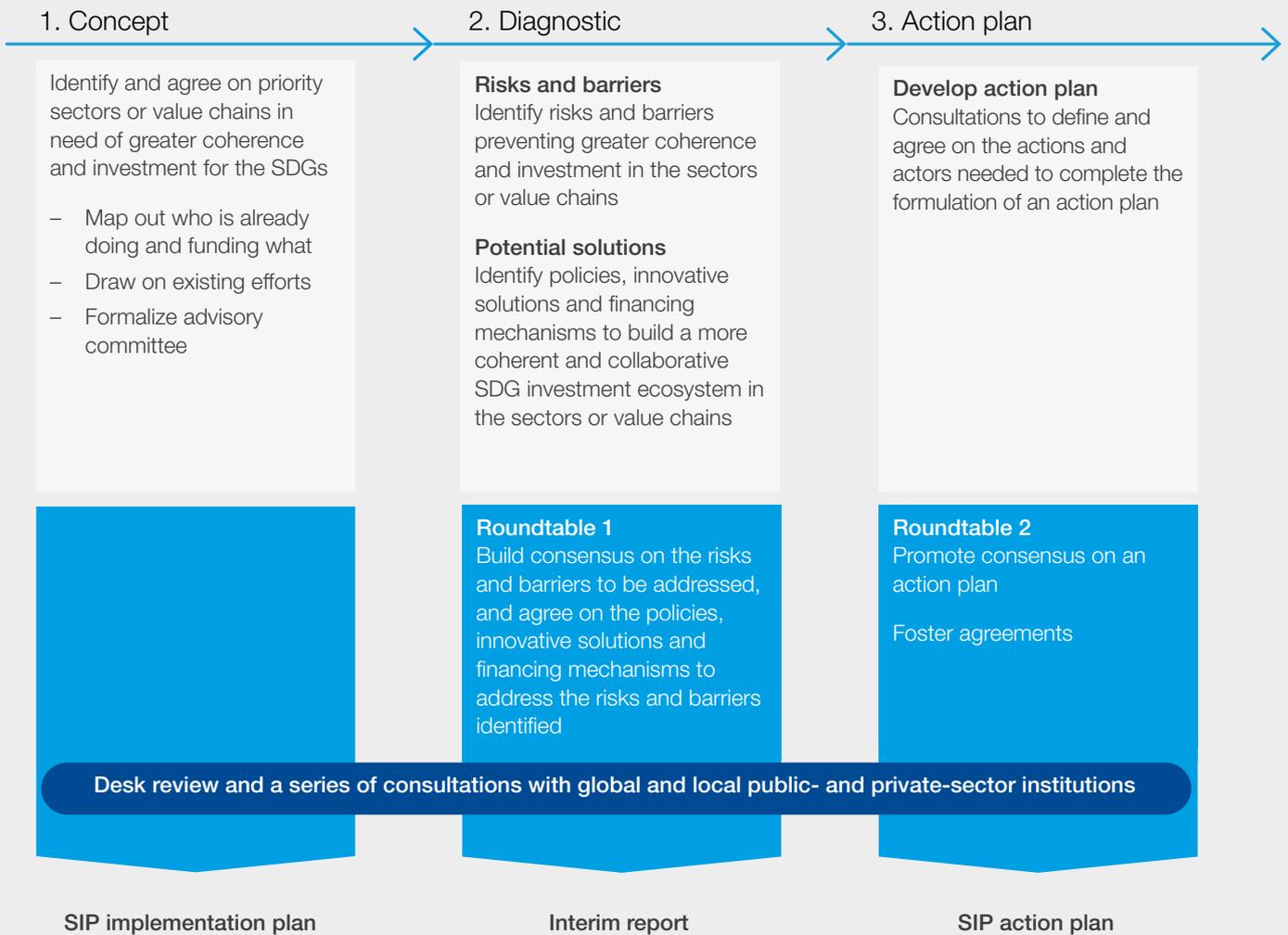
SIP technical expertise: to be appointed or procured by the project manager depending on the sectors or value chains.

2.2 SIP implementation

In general, putting in place an actionable pathway would consist of three main steps:

- Agree on the destination
- Agree on how to get there and what the obstacles are
- Agree on "who and what" is needed

FIGURE 3 | SIP implementation



Note: for Saint Lucia and Ghana, the objectives set were broad; for instance, to identify and develop strategies to bridge the financing gap for immediate and longer-term national development priorities in line with the SDGs, by formulating joint action plans to attract greater investment. These had to be narrowed down at a later stage to focus on two main sectors: in Saint Lucia, labour reskilling and renewable energy; and in Ghana, SME financing and sustainable infrastructure. Thus, the recommendation, based on lessons learned, is to define objectives from the beginning centred on one or two sectors or value chains on which the SIP initiative will be focusing.

Step 1: Concept phase, agree on the destination

Identify and agree on the priority sectors or value chains in need of greater coherence and investment for the SDGs, complemented by clear private-sector interest. This will be achieved in consultation with and led by global and local public- and private-sector market players.

Once the priority sectors or value chains has been agreed, the project management team can follow the steps outlined below:

- Clearly define the value-add of putting together a SIP, which will include an initial desk review and consultations in mapping out who is already doing and funding what in the specific sectors or value chains identified
- Scope and identify potential members for the SIP advisory committee

Outcome: a concept note or pitch, to be sent for peer review and relevant decision-making (management, membership, steering group, funders) endorsement

c. Once endorsed, design the SIP implementation plan, which would include:

- SIP advisory committee: appointing and convening the SIP advisory committee
- Objectives: agreeing on the objective statement with the advisory committee, defining the desired overall outcome of the SIP
- Activities: defining the activities (desk research, analysis, consultations, workshops, roundtables) needed to meet the objectives set
- Timeline: how long will it take to meet the objectives set?
- Budget: what operational and technical resources are needed, where, and for how long, to estimate the costs?

Outcome: an **SIP implementation plan**, to be sent for peer review and relevant decision-making (management, membership, steering group, funders) endorsement

Note: in Ghana, activities included research by the government in quantifying the SDG financing gap at the national level, with analyses and consultations conducted in line with the macro-level objectives set. Though this was a valuable exercise, in hindsight the analyses and consultations eventually focused on identifying risk and barriers, solutions and action plans for two sectors: SME financing and sustainable infrastructure.

Steps 2 and 3: Diagnostic and action plan

The SIP project management team will need to identify and procure, as needed, additional support (operational, research, technical) to implement the SIP. The SIP advisory committee should support project management in guiding the content of and entities to be included in the analytics and multistakeholder consultations, specifically:

Step 2: Agree on the risks and barriers preventing greater investment for the specific sectors or value chains, and identify policies, innovative solutions and financing mechanisms to build a more coherent and collaborative SDG investment ecosystem

Step 3: Define and agree on the actions and actors needed to complete the formulation of an actionable SIP

Final outcome: by the end of implementation, the outcome is a **SIP action plan**, which would include:

- Context and background, including the rationale for selecting specific sectors or value chains
- Outline of the risks and barriers preventing greater coherence and investment in the sectors or value chains
- Identification of the policies, innovative solutions and financing mechanisms to build a more coherent and collaborative SDG investment ecosystem in the sectors or value chains
- Decisions and agreements relating to the “who and what” actions to be taken to complete the formulation of an actionable SIP (see page 43 of the [CFR Ghana](#) report as an example)

Once the SIP action plan has been completed, the World Economic Forum or another identified entity can continue to serve as the platform that convenes the public- and private-sector players identified as implementers in the action plan.

For Ghana, implementation as a result of the CFR initiative included:

- **Action to unlock investment in sustainable infrastructure:** One of the main actions requested by the Ministry of Finance as a follow-up to the CFR initiative was to identify at least two potential investable projects in sustainable infrastructure – first targeting the affordable housing sector – and reach consensus on the scope and implementers of a feasibility study for these potential investments. The larger objective of this ongoing exercise is to also determine opportunities for accelerating and scaling affordable housing financing models for other markets in Africa
- **Action to unlock investment for small and growing businesses (SGBs):** a consortium including the [Collaborative for Frontier Finance](#) (CFF), the [Global Steering Group for Impact Investment](#) (GSG) and the World Economic Forum is currently working with local stakeholders and capital providers to design a private-sector-led Fund of Funds that will mobilize investment from national pensions funds for Ghanaian SGBs

3

Useful information for SIP initiative mapping

Many diagnostics, studies, reports, tools, etc. are available that may be useful in understanding the country, region, sector and value-chain context, with many entities conducting relevant initiatives that will need to be mapped when defining the SIP initiative value-add. The list below, while not comprehensive, highlights valuable sources that were consulted for reference as part of the two pilots.

Country public-sector sources

Countries usually publish annual, semi-annual or quarterly reports on macroeconomic policy and indicators, fiscal policy, expenditures etc., which are helpful in understanding the existing SDG investment ecosystem at the country level.

Below are some examples of reports from Ghana and Saint Lucia that were used:

- [Economic and Social Review](#), published by the Government of Saint Lucia
- [Annual Reports](#), published by the Bank of Ghana
- [The Budget Statement and Economic Policy of the Government of Ghana](#), published by the Ministry of Finance
- [2020 SDGs Budget Report](#), published by the Government of Ghana, Ministry of Finance

The Organisation for Economic Co-operation and Development (OECD)

The OECD publishes many reports and releases data relevant to the SDGs:

- [Global Outlook on Financing for Sustainable Development 2021](#)
- Good to know: data on [official development assistance](#)

United Nations Development Programme (UNDP), Integrated National Financing Framework (INFF)

An [integrated national financing framework](#) (INFF) helps countries strengthen their planning processes and overcome existing impediments to financing sustainable development and the SDGs at the country level.

The World Bank

- [Systematic Country Diagnostic](#) (SCD) reports are prepared by the World Bank Group as a diagnostic exercise to identify key challenges and opportunities for a country in accelerating progress towards development objectives
- Good to know: [World Bank Open Data](#) provides free and open access to global development data

International Finance Corporation (IFC), country private-sector diagnostic (CPSD)

The [Country Private-Sector Diagnostic](#) assesses opportunities for and constraints on private sector-led growth.

The International Monetary Fund (IMF)

- IMF publications and data [per country](#).
- [Regional Economic Outlook](#): these reports discuss recent economic developments and prospects for countries in various regions, and discuss key challenges faced by policy-makers
- Good to know: the IMF [DataMapper](#) is a data tool to visualize, compare and download data from a collection of IMF datasets

Country Diagnostic Working Group

Good to know: for a centralized depository of country diagnostics conducted by various DFIs, check the [Country Diagnostic Working Group webpage](#).

Private financial institutions

Examples of useful analyses conducted by private financial institutions include reports by SDIP member **Standard Chartered**. [Opportunity2030](#): this is a macroeconomic study that draws on global data sources and indicative private-sector participation rates to provide companies, institutional investors and other stakeholders with an overview of where their investments could have the greatest impact.

4

Conclusion

The aim of this playbook is to serve as a guide in replicating and expanding the SIP initiative as part of the overarching goal of moving capital at the scale and speed needed to bridge the SDG

investment gap in developing and emerging markets. To date, two pilot (CFRs) have been conducted in Ghana and Saint Lucia.

BOX 2

Ghana

Even before the COVID-19 pandemic, Ghana had taken proactive measures to solidify its commitments to achieving the SDGs, including financing the SDGs as a long-standing priority. In partnership with SDIP, the CFR initiative was part of the Government of Ghana's efforts to identify, quantify and develop strategies to bridge the SDG financing gap in line with immediate and longer-term national development priorities. The Ghana CFR report is the result of consultations with more than 50 local and global stakeholders – involving public-sector institutions, thought leaders, investors, development finance institutions and

other actors – to formulate action plans to unlock capital and financing that will help the country achieve progress towards meeting the SDGs.

For the full report: [Country Financing Roadmap for the SDGs: Ghana](#)

Social media video: [“Ghana is Charting a Future Away from International Aid”](#)

Press release: [“Ghana to Boost Private Investment to Achieve Sustainable Development Goals”](#)

“Under the leadership of the SDGs Advisory Unit in my office and our Ministry of Finance, and with the support of all partners, we look forward to diligently implementing the CFR’s action plan to ensure a stronger, equitable, more resilient and prosperous Ghana that creates opportunities and enlarged choices for all of its citizens, and which leads to actualizing the Ghana we want for current and future generations.

Nana Akufo-Addo, President of Ghana

BOX 3

Saint Lucia

In 2020, the Government of Saint Lucia, in partnership with SDIP, initiated the CFR initiative. In the context of the COVID-19 pandemic, the CFR has become increasingly important as one of Saint Lucia's key initiatives to address the economic and social impacts of the pandemic. The aim has therefore been broadened to not only catalyse private financing for SDGs at scale but also to support post-pandemic economic recovery – particularly via regional cooperation – while improving the long-term competitiveness and resilience of the country.

Blogs:

- [“Unlocking Financing for Growth in Saint Lucia and Beyond”](#), Allen Chastanet, former Prime Minister of Saint Lucia, Office of the Prime Minister of Saint Lucia
- [“What Small Island Nations – like Saint Lucia – Need to Survive and Thrive in the Post-Pandemic World”](#), Allen Chastanet, former Prime Minister of Saint Lucia, Office of the Prime Minister of Saint Lucia; Thierry Déau, Founder and Chief Executive Officer, Meridiam; Terri Toyota, Head of Sustainable Markets Group, Member of the Executive Committee, World Economic Forum

For the full report: [Country Financing Roadmap for the SDGs: St Lucia](#)

Social media video: “Re-skilling and Upskilling in Saint Lucia”

- [LinkedIn](#)
- [Facebook](#)

“The CFR not only presents Saint Lucia with actionable options to unlock some of the financing and investment bottlenecks that limit sustainable development, it also presents a useful mechanism for replication across other SIDS in the Caribbean region. ... Saint Lucia is committed to continuing its work with the Forum, to advance a regional approach to driving our collective capacities to build back better.

Wayne Girard, Minister in the Ministry of Finance, Economic Development and the Youth Economy)

Contributors

World Economic Forum

Diana Guzman

Head, Sustainable Development Investment Partnership (SDIP)

Uta Saoshiro

Lead, Country Financing Roadmaps, Sustainable Development Investment Partnership (SDIP)

Acknowledgements

World Economic Forum

Joel Barnor

Director, Africa Hub, Sustainable Development Investment Partnership (SDIP)

Taylor Clayton

Project and Community Lead, Global Plastic Action Partnership

Sean de Cleene

Member of the Executive Committee

Efrem Garlando

Community Specialist, International Organisations and Humanitarian Agenda

Sameera Hassan

Strategic Engagement and Communication Specialist, Sustainable Development Investment Partnership (SDIP)

Nikki Kemp

Director, Association of Southeast Asian Nations (ASEAN) Hub, Sustainable Development Investment Partnership (SDIP)

Lindsey Ricker

Specialist, Sustainable Development Investment Partnership (SDIP)

Matthew Stephenson

Policy and Community Lead, International Trade and Investment

Alessandro Valentini

Project Support, Sustainable Development Investment Partnership (SDIP)

This publication was produced with the financial support of the European Union. Its contents are the sole responsibility of the World Economic Forum and do not necessarily reflect the views of the European Union.



COMMITTED TO
IMPROVING THE STATE
OF THE WORLD

The World Economic Forum, committed to improving the state of the world, is the International Organization for Public-Private Cooperation.

The Forum engages the foremost political, business and other leaders of society to shape global, regional and industry agendas.

World Economic Forum
91–93 route de la Capite
CH-1223 Cologny/Geneva
Switzerland

Tel.: +41 (0) 22 869 1212
Fax: +41 (0) 22 786 2744
contact@weforum.org
www.weforum.org