



SDG Impact



SDG Investor Maps

Impact Intelligence and Facilitation Services for COVID-19
Rebuilding & Sustainable Development Progress

February 2021

SDG Impact offers tools for investors to direct capital to the achievement of the SDGs

Investors identify **lack of viable pipeline and market intelligence** as main barrier to SDG-aligned investment



Impact Management

A means to better decisions that drive investment capital to where it is needed

- SDG Impact Standards
- SDG Impact Seal
- SDG Impact Training



Impact Intelligence

Produces data and insights needed for increasing financial flows to the SDGs

- SDG Investor Maps
- Interactive SDG Investment Platform



Impact Facilitation

Fosters matchmaking and collaboration to realize investments

- SDG Impact Investor Convenings
- SDG Impact Policy Dialogues

SDG Investor Maps and Impact Facilitation strengthen existing INFF and DFA processes

Entry-points for **Public-Private Financing Dialogue platforms** translating SDG oriented NDP priorities into investor language

Through the SDG Impact Standards, it can support **impact measurement and SDG finance reporting**



Provides evidence, data and concrete recommendations on **viable business models** enhancing DFAs processes

Inform **National SDG Financing Strategies** with market intelligence





SDG Investor Maps

Overview

SDG Investor Maps translate SDG needs & policy priorities into actionable investment opportunities



- Country-specific market **intelligence backed by data** and evidence



- **Produced locally by UNDP Country Offices (COs)** based on secondary and primary research



- Provided as a **public good to investors** and governments



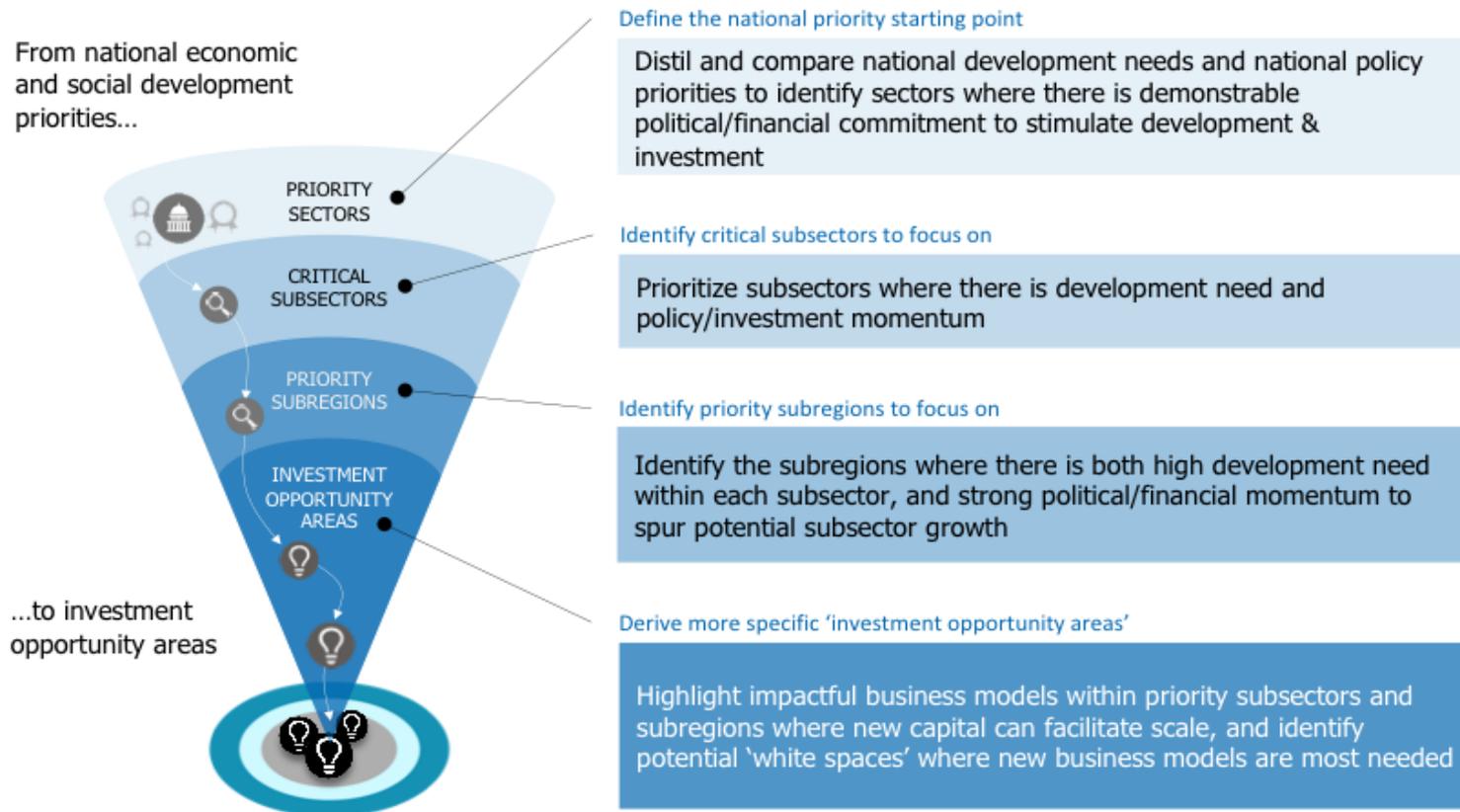
- Findings are made available through an **online platform** for easy access by domestic and foreign investors



- **Impact facilitation events bring findings to life:** UNDP Country Offices lead **investor convenings** and **policy dialogues** to mobilize private sector capital and policy changes

SDG Investor Maps identify concrete, investable solutions to pressing needs at country level

Filtering down from **national priorities** to derive **Investment Opportunity Areas (IOAs)**



IOAs are underpinned by 20 actionable data points spanning business and impact considerations



SDG Investor Maps result in IOA data sets for presentation in the SDG Investment Platform

The screenshot displays the UN SDG Investment Platform interface. On the left, a dark blue banner features the text "UN SDG INVESTMENT PLATFORM" and "Global investing for sustainable growth." Below this, it states "Get instant access to global resources, networks and tools around SDG investing." The main content area is a grid of investment opportunity cards, each with a title, image, and IRR/Timeframe data. The cards include: "Urban connectivity infrastructure" (IRR: 17-21%, Timeframe: 5y), "Distributed community solar generation technology" (IRR: 12-17%, Timeframe: 5y), "Sustainable ranch" (IRR: 17-21%, Timeframe: 5y), "Energy transmission infrastructure" (IRR: 17-21%, Timeframe: 5y), "Affordable housing rental finance" (IRR: 17-21%, Timeframe: 5y), "Storage infrastructure grain value chains" (IRR: 17-21%, Timeframe: 5y), and "Mixed plantation forestry for commercial timber" (IRR: 17-21%, Timeframe: 5y). To the right, a world map shows investment opportunity areas with numbers 32, 110, 99, and 23. A search bar and filter panel are also visible, including a "SORT BY" dropdown set to "Highest IRR" and a "Filters" section with a "Country" dropdown set to "All". A table of "INVESTMENT OPPORTUNITY AREAS" is shown below the map, listing various opportunities with their typical IRR and timeframes.

NAME	TYP. IRR	TYP. TIME
Rail freight transportation and operation	15%-23%	5-10yrs
Affordable higher education student financing	15%-23%	5-10yrs
Technical / vocational online learning platforms	15%-23%	5-10yrs
Mixed plantation forestry for sustainable commercial timber production	15%-23%	5-10yrs

[EXPLORE 298 MORE OPPORTUNITIES](#)

The **SDG Investment Platform** will present the collected data and bring market intelligence and impact measurement tools to the desktop for foreign and domestic investors.



SDG Investor Maps

In Practice: Findings from Brazil

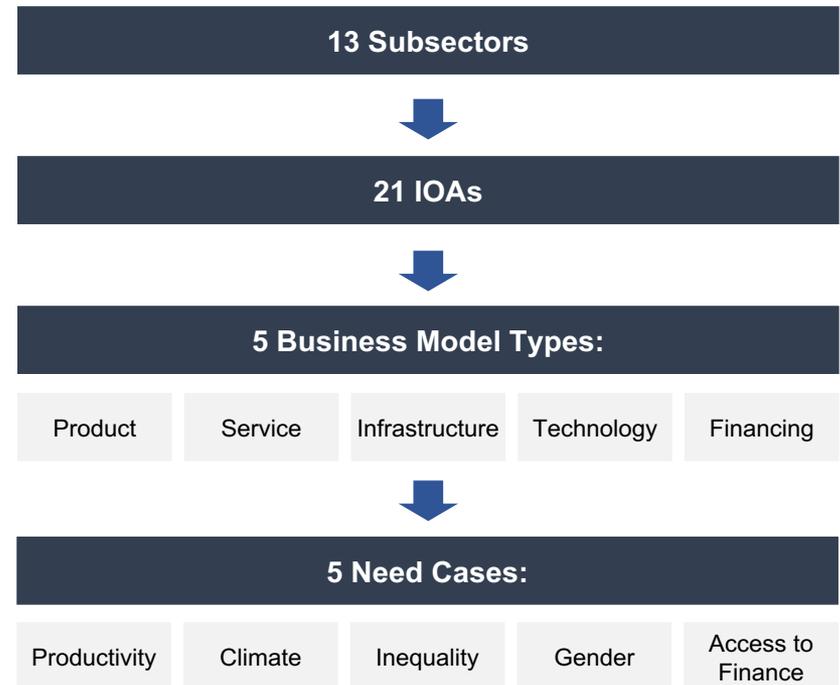
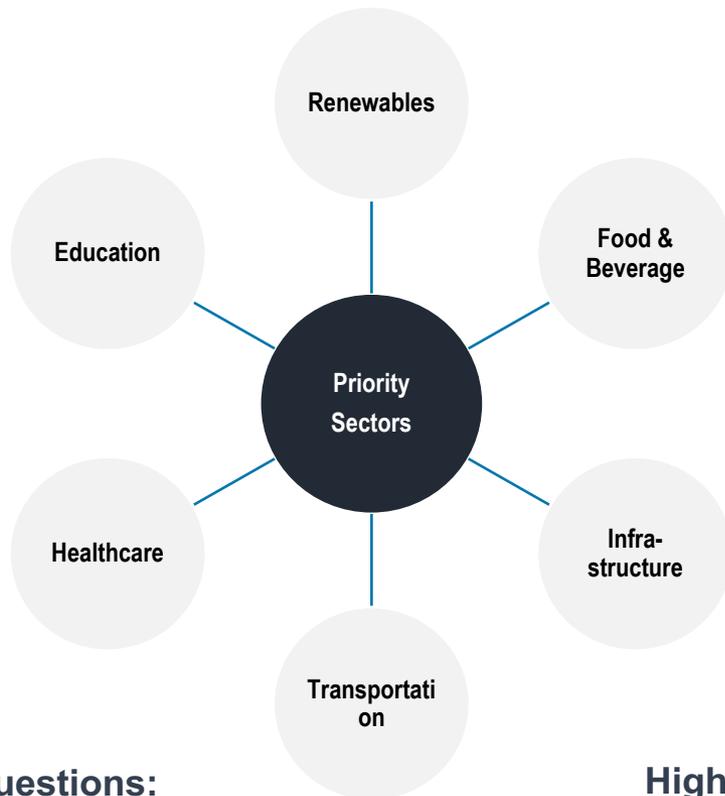
The pilot SDG Investor Map for Brazil found twenty-one IOAs across six priority sectors

Food and Beverages	Cold storage infrastructure	Cold storage infrastructure for horticulture products	
	Agri-food supply chains	Enhancement of agri-food supply chain operation through Dairy Hubs	 
		Enhancement of feed/fodder/forage production	 
	Greenhouses	Development of greenhouse crop production sector	  
Renewables and alternative energy	Solar Energy	Utility-scale and small-scale solar stations linked or not to electricity grid	 
	Wind energy	Wind farms for decentralized energy production	 
	Biofuels	Small- and medium scale biogas production	 
Healthcare	Healthcare delivery	Mobile medical services in regions (rural and urban)	 
		Small- to medium size medical clinics (retail healthcare)	 
Services	Pre-school institutions	Kindergartens in rural areas and secondary cities	 
	Tourism	Development of eco- and agri-tourism in regions	 
Technology and communications	IT sector	Development of IT training centers	 
	Energy efficiency technology	Wide application of energy efficiency technologies in rural households	 
	Biotechnology and pharmaceuticals	Production of active pharmaceutical ingredients (API)	 
Infrastructure	Irrigation network	Wide application of drip irrigation technology	  

 Productivity
  Climate
  Inequality and / or gender
  Access to finance

Note: see Country Office Handbook document for detailed explanation of sector taxonomy and on methodology for deriving IOAs

An overview of Brazil's findings shows priority sectors, business model types and need cases



Questions:

What might limit scale over time?
Why hasn't investment arrived at scale up to today?

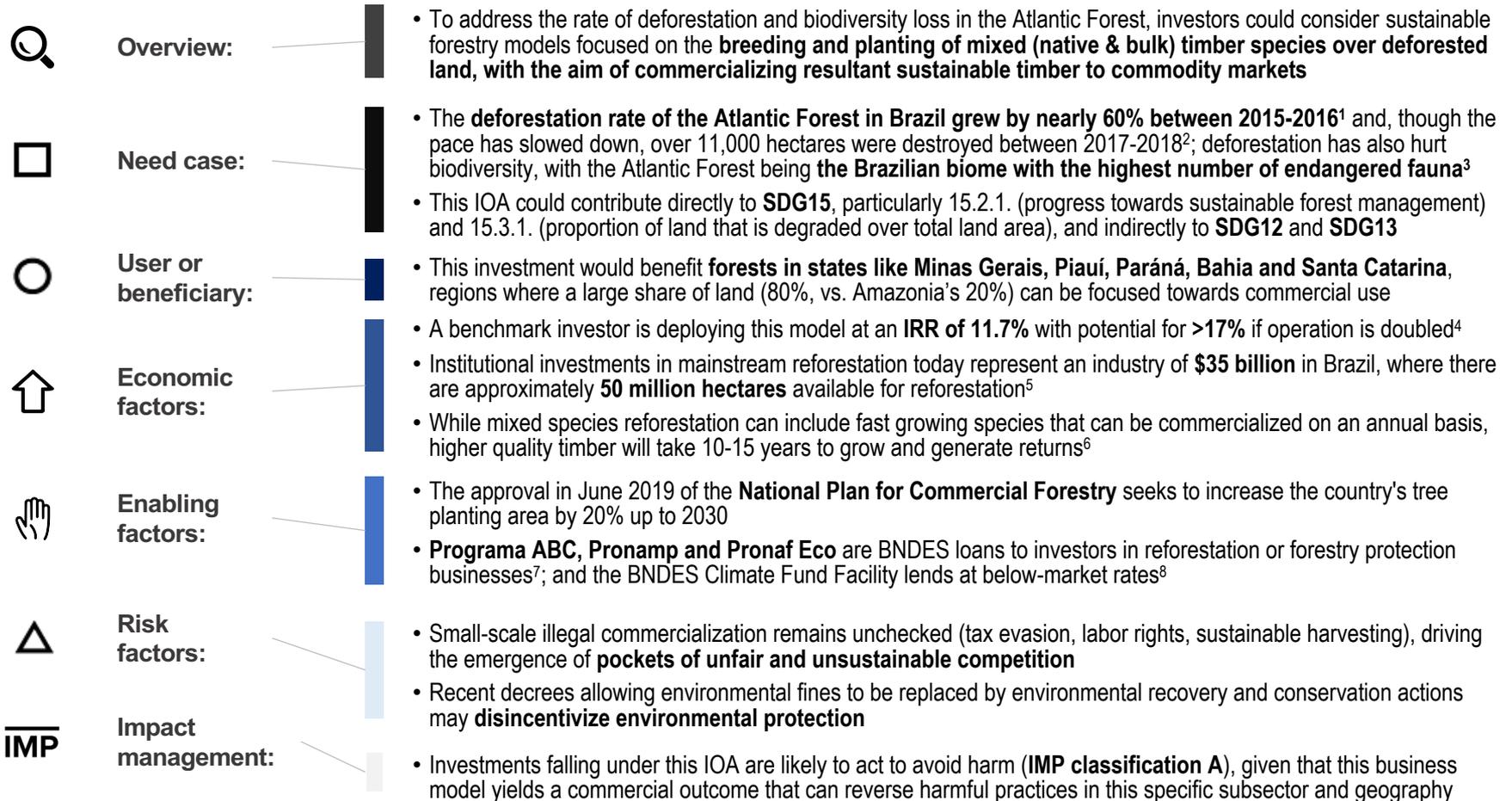
Highlights:

17%
Average
IRR

19
Regulation
& Laws
referenced

21
Sources
per IOA*

Zooming into a sample Brazil IOA : Mixed plantation forestry for commercial timber production



Other sample IOAs are available from 15 SDG Investor Maps that been completed in 2019 - 2020

Brazil: Mixed plantation forestry for commercial timber production

- RETURN PROFILE:** 11-17% (Benchmark investor deploying 1 model at an IRR of 11.7% and is 10x potential to reach over 17% if open doubled).
- MARKET SIZE:** \$35 billion (reforestation industry in Brazil total), \$50 million (hectares available for reforestation).
- NEED CASE:** The deforestation rate of the Atlantic Forest grew by nearly 60% between 2015-2016. 10,000 hectares destroyed between 2017-2018. Deforestation hurts biodiversity.
- POTENTIAL IMPACT:** Reduce deforestation, improve biodiversity, capture carbon dioxide, combat climate change, boost rural economy.
- SDG Indicators:** 15.1.1. Forest area as a proportion of total land area.
- BENEFICIARIES:** Direct: The Atlantic Forest. Indirect: Native populations, wildlife, timber businesses and timber consumers.

Turkey: Wastewater Treatment Facilities and Technologies

- RETURN PROFILE:** 20% (overall return from investments in and operating wastewater facilities).
- MARKET SIZE:** 1422 (wastewater treatment facilities in 10x built between 2017-2023), \$4 billion (The Ministry of Environment will invest in wastewater and sewage investments).
- NEED CASE:** Turkey is a water-stressed country. 11.7% of all wastewater was discharged as untreated in 2016.
- POTENTIAL IMPACT:** 14% of residential wastewater is discharged without treatment. Improve wastewater infrastructure to ensure that sewage and wastewater treatment services are provided at 100% by 2023.
- SDG Indicators:** 6.3.1. proportion of wastewater safely treated, 6.3.2. proportion of bodies of water with good ambient water quality, 6.5. Degree of integrated water resources management implementation (0-100).
- BENEFICIARIES:** 1397 municipalities, Organized Industrial Sites, inhabitants living close to water resources where wastewater is discharged without treatment, population whose livelihoods depend on clean water resources where wastewater discharge is polluting.

Colombia: Financial technology to support credit scoring and expand SMEs' access to credit

- RETURN PROFILE:** 14-18% (Annual return on investment for in use crowdfunding platforms in Lat Am).
- MARKET SIZE:** \$17 billion (alternative financing market in Co).
- NEED CASE:** Emerging financial technology to take advantage of alternative information to support credit scoring and expand SMEs' access to credit.
- POTENTIAL IMPACT:** Improving SMEs' access to finance would increase productivity by 8%-9%, improve competitiveness and create jobs.
- SDG Indicators:** 9.3.1. proportion of small-scale industries in total industry value added, 9.3.2. proportion of small-scale industries with a loan or line of credit.
- BENEFICIARIES:** 2.5M SMEs in Colombia, 15.4M of Colombians working in SMEs.

South Africa: Refurbishing inner city buildings for affordable housing

- RETURN PROFILE:** 15% (Gross rental yield in city centers is 10.29%.
- MARKET SIZE:** 2.3M (housing backlog in 2019).
- NEED CASE:** Invest in the repurposing of abandoned or underutilised office buildings to create good quality, affordable housing rental units. 1.5 million families live in informal settlements. Over 70% of South Africans will live in urban areas by 2030.
- POTENTIAL IMPACT:** Contribute to economic growth and job creation, sustainable human settlements, access to basic services.
- SDG Indicators:** 11.1.1. Proportion of urban population living in slums, informal settlements or inadequate housing, 11.3.1. Ratio of land consumption rate to population growth rate, 11.4.1. Proportion of population living in households with access to basic services.
- BENEFICIARIES:** South Africans that need access to affordable housing, Builders and contractors, Property entrepreneurs/owners, Property managers, Architects and engineers, local municipalities.

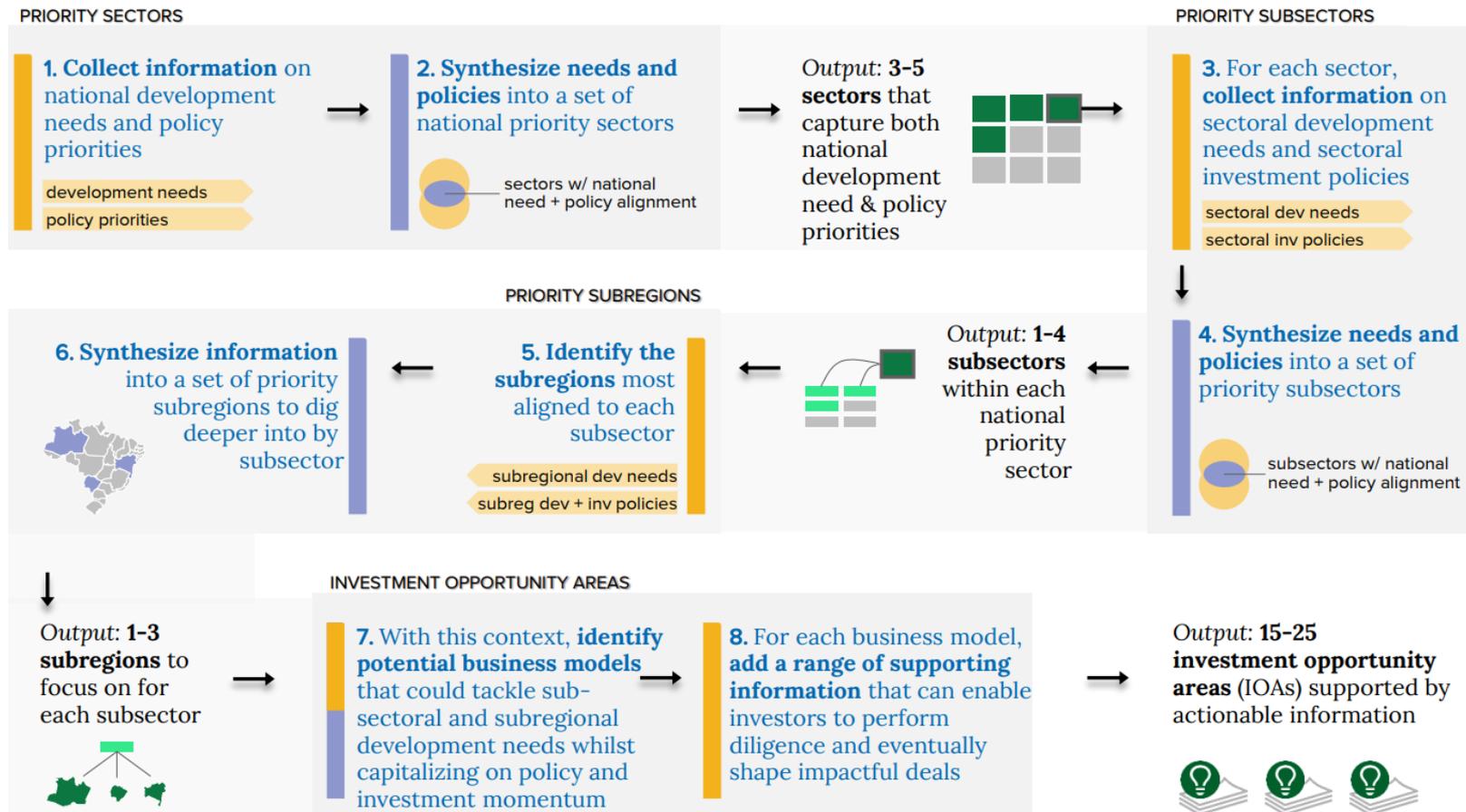
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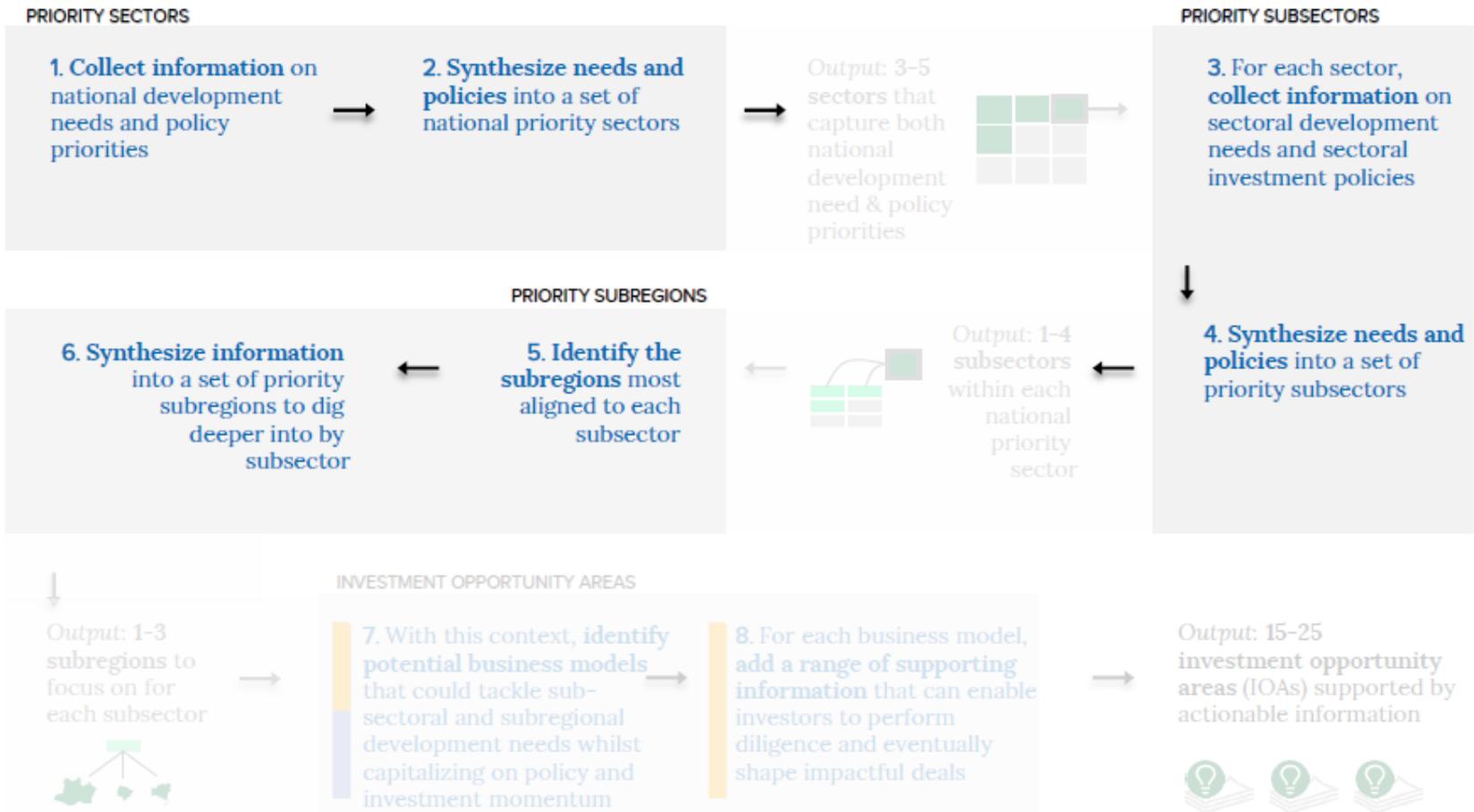
SDG Investor Maps

Process

The SDG Investor Maps process follows a standardized 8-step methodology



Steps 1 to 6 generate hypotheses around what key needs are underinvested in and where



Steps 7 and 8 then identify the investable, scalable business models that address these needs



SDG Investor Maps process undertakes extensive consultation and takes 2-6 months to complete



Stakeholders are involved at all four stages of the methodology:

- At step 1, public sector stakeholders to **validate development needs and policy priorities**
- At step 3, public sector experts to **validate subsector longlist with specialized stakeholders**
- At step 7, private sector stakeholders (institutional investors, commercial banks, VC / impact investors) to **distill and discuss IOAs**
- At step 8, private sector stakeholders for a **final validation meeting**



The completion of an SDG Investor Map takes **2 – 6 months**, depending on:

- Team composition
- Availability of data/documentation
- Availability of stakeholders
- Market size





Questions?

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