

Finance United:
Impact Investors, Financial Service Providers and the SDGs
Conference co-hosted by OECD and Cerise+SPTF
30 September 2020
Session Notes

<u>Name of session</u>	Closing Remarks
<u>Time</u>	4:30 – 5:00 pm
<u>Moderator</u>	Jurgen Hammer , Managing, Director, SPTF Europe
<u>Speakers</u>	Loïc De Cannière , Chair of SPTF Board, Founder and Chair of Incofin IM Kerri-Ann Jones , Deputy Secretary General, OECD

NOTES FROM THE DISCUSSION:

Kerri-Ann Jones (OECD):

- Over the course of the day, high-level expert speakers from donors, development financial institutions (DFIs) and inclusive finance investors discussed why we need impact standards for financing sustainable development and how we can move to implementation, while ensuring harmonization among existing standard initiatives.
- The Development Assistance Committee approved the OECD UNDP Impact Standards for Financing Sustainable Development (IS-FSD) in March 2021. This important milestone marked a deep shift in culture and commitment of donor governments to bring more transparency and a stronger focus on development impact when investing in private sector development.
- After approval of the IS-FSD, the DAC and the 300 members of the OECD DAC Community of Practice on Private Finance for Sustainable Development (CoP-PFSD) have spent the past year and a half developing implementation guidance to support organizations in the process of revising their strategy, management approach, governance systems, and transparency policies.
- It is not by signing up to standards that organizations show their commitment, but through their implementation. We should encourage each other to become more ambitious in managing impact.
- The multi-stakeholder nature of the OECD DAC, Community of Practice allows for open and constructive dialogue among donors, DFIs and MDBs, the private sector and civil society organizations. Working together allows us to build on what others have done rather than re-doing it.

- We prioritize working with other standard-setting organizations and contributing to the harmonization of impact management and measurement practices in the development finance ecosystem. We encourage all standard setters to continue to collaborate towards harmonization without losing ambition.
- The OECD UNDP Impact Standards and the Social Performance Task Force (SPTF) Universal Standards are deeply aligned in their core values.
- The members of the DAC have a key role to play in encouraging organizations to implement the IS-FSD, steering their DFI and private sector partners towards more transparency and a stronger focus on the SDGs.
- The promotion and harmonization of effective impact management and measurement strategies can help us achieve the 2030 Agenda with integrity. Please stay engaged and continue to shape this work through the OECD DAC Community of Practice on Private Finance for Sustainable Development.

Loic de Cannière (SPTF):

- Thank you to OECD and all stakeholders here for your collaboration on and engagement with standards.
- We had two goals for this conference: (i) inspiring you to take action and (ii) clarifying what actions to take. I think we achieved this, through our panel discussions on how standards can be a force for good, and the key role of donors, as well as the case study sessions detailing how investors are implementing the OECD UNDP Impact Standards and financial service providers are implementing the Universal Standards. Thank you all for being part of this community that helps to achieve the SDGs.
- As we heard this morning, there has been an acceleration in recent years of standard setting. Yesterday, we celebrated the ten-year anniversary of the Universal Standards for Social and Environmental Performance Management (“Universal Standards”). Every year, we see broader adoption of them, not just by financial service providers, but by other stakeholders such as regulators that integrate them into their work.
- More generally, we see increasing recognition of the value of defining and holding ourselves accountable to standards, because they build a shared understanding of what good practice is, and because implementing them creates positive change. In the past we had high level principles. Now we also have standards. The IS-FSD and the Universal Standards for Social and Environmental Performance Management SEPM make tangible what and how change can happen.
- Over the course of today’s discussion, four key messages emerged:
 1. **This is a journey.** We won’t succeed overnight, but the progress we have already made indicates that if we commit to doing the work, we can achieve our goals.
 2. **Cooperation is essential.** We have a shared goal of achieving SDGs, and as Fabienne Michaux said, “We can amplify each other’s work.” We are structured in a kind of value chain. We can use harmonized language,

and in working together in this harmonized way, we will promote honest reporting and learning.

3. **Go beyond what is easy to measure.** Our ultimate goal is increasing well-being, so we need to measure that, even if that is not easy. Let's be clear on our impact thesis. From the beginning of each deal, be clear about what kind of impact we want to achieve.
4. **We must change culture.** We heard the quote earlier today: "You should not ask whether you can or must adopt standards, but whether you *want* to adopt the standards." Governing bodies are key for achieving culture change. For example, I am Chair of Incofin, and the only sub-committee I sit on is the impact committee. I also remind you of Edgardo Perez's observation earlier: "Purpose transforms into passion, and passion transforms into excellence." Overall, we need to shift the mindset from "How much impact do I have?" to "How can I have more impact?"
 - A call to action: If funders implement the OECD UNDP Impact Standards at the same time that financial service providers implement the Universal Standards, we will be able to communicate in a transparent and credible way. And funders easily will be able to identify the partners they want to work with.

Jurgen Hammer (SPTF):

- Today just the beginning of what we are going to do together!