Background paper for Global Sustainable Development Report

DRAFT, FOR COMMENTS ONLY
NOT FOR CITATION

Exploring a framework template for financial approaches to support implementation of global goals and targets

Wei Liu and Magdalena A.K. Muir*

April 28, 2014

* This note was written as a background paper for the United Nations' broader work on — the prototype Global Sustainable Development Report in response to the Rio+20 mandate, and in particular the efforts to produce regular Global Sustainable Development Report in the future. We are grateful to the comments and other inputs from David O'Connor, David Le Blanc, Alex Roehl, Irena Zubcevic and Janice Tran. The views expressed in this paper are the personal views of the authors and do not necessarily represent the views of the United Nations or its Member States. Any mistake or omission in this study is the sole responsibility of the authors.

Wei Liu is a Sustainable Development Officer at the Policy and Analysis Branch of the Division for Sustainable Development of UN DESA. Magdalena A.K. Muir is an Adjunct Associate Scholar, Columbia Climate Center at Earth Institute, Columbia University. Authors can be contacted at liuw@un.org or mam2456@columbia.edu.

Achieving sustainable development requires major structural and technological changes in key sectors such as energy, building, transportation, industry, agriculture and fisheries, and infrastructure. Sustainable development financing in all these sectors must come from domestic and external sources, and includes both public and private finance flows. These finance sources should be seen as complementary, as each has unique objectives and attributes.

Huge obstacles remain in the way of mobilising predicable external finance to meet sustainable related goals. Public policies and sources of revenues are critical both to address market failures and to raise resources for financing long-term investments in infrastructure, high risk investments such as innovation and new technologies, other global public goods, and merit goods like social protection and basic education.

In this context, there are three levels of the challenges for advancing dialogue and setting of stakeholder priorities: i) clarifying global goals and commitments, ii) assessing investment requirement and financing needs, and iii) considering financial flows and practical options for sustainable development. These three levels are embodies in two key tracks of the Rio+20 follow-up processes: the Open Working Group on Sustainable Development Goals and the Intergovernmental Committee of Experts on Sustainable Development Financing.

Ideally, both inter-governmental processes could provide clear information to address the three levels of the challenges. However, there is a need for a more integrated approach, in particular linking of financial approaches with goals and related financing needs.

As a practical solution, we suggest a simplified framework/structure which stakeholders may want to use to report on information that they are tracking in their sectors of interest. The result would be short assessments for the sectors mixing qualitative and quantitative elements. The framework aims to provide the decision-makers with elements for answering the following questions at the sector/area level:

- *What are the global goals and targets in the sector?*
- *What are the financing needs for the goals and targets?*
- *How to mobilize international public finance and private finance at scale needed?*
- *What are the different instruments and financing options in the sector on both a profit and non-profit basis, and including non-financial incentives such as improving regulatory frameworks and the provision of goods and services?*
- *How to ensure most efficient, effective use of scarce financial resources to achieve sustainable development objectives?*

We use a matrix to organize the information under this framework/ structure presented in Annex I: Financial approaches for Sustainable Development – An Illustration.

Annex I here aims to map out, in a summarized form, the relevant information of the three levels of the challenges. It provides an overview of existing global goals and commitments, overall patterns of financial flows, and the practical financial options and approaches. It begins by connecting the three levels in relation to the primary focus here on scaling up and mobilising additional resources from a variety of sources and the effective use of financing in order to promote sustainable development. The linkages between the three levels of the challenges are essential to achieving major structural and technological changes: no one of the three sets of issues can achieve results without the other two.

The first three columns of Annex I present the global goals and targets based on the thematic areas identified by the Open Working Group (OWG) on Sustainable Development Goals (SDGs). They include poverty eradication, education, health, biodiversity, forest, oceans, climate etc., which capture the broad span of views. Through defining the global sustainable development goals and targets will conceivably forge a more integrated approach to sustainable development. It will connect social, environmental and economic goals; and address varying conditions and levels of progress through a flexible lens to more accurately measure progress.

The fourth column of Annex I shows the results of a survey on investment requirement and financing needs. It illustrates the comparison of estimates for financing requirements conducted in the last decade by putting them in a simple common template, which allows for a quick comparison. We review the sectors and thematic areas identified by the OWG on SDGs. The purpose is not to be exhaustive or to compare different estimates in full detail. Rather, it is to provide rough orders of magnitude and quick reference to existing figures and allow readers to make sense of them. Nevertheless, because of the interlinkages among these focus areas, adding estimates from different sectors based on partially overlapping activities or actions often results in double counting. For instance, poverty is multidimensional, progress is linked to action in all other focus areas. It is therefore makes little sense to refer to point estimates for specific areas, and estimates from different areas cannot be added up.

The main purposes of the finance approach section of Annex I which is between the fifth and the eighth column, are to present an overall pattern of financial flows in each of the areas, and to highlight a number of practical options/ mechanisms of finance that could be used to fill the existing gap in public resources and unlock private finance. Once again, the purpose is not to be exhaustive or to list all financial options or approaches. Rather, it is to illustrate the way to organize information on 'new' ways of finance in critical areas of sustainable development.

As shown in Annex I, the key stakeholders for implementing the financial options include Government, non-traditional partners, ODA and official climate finance, and innovative sources of finance. We describe financial options and approaches by utilising the following characterisation:

1) Financial approach: the financial facilities or mechanisms, such as public private partnership led by public or private sector, including philanthropic and organizations (NGO), through which public and private funds flow;

2) Business model: the core aspects of a business describes the rationale of how an organization creates, delivers, and captures value, in economic, social, environmental contexts;

3) Financing instruments: the types of financial products or policy tools via which finance is delivered.

These characterisations in Annex IAnnex I are intended to bring some clarity and illustrate to the complex institutional roles and mechanisms that operate on the ground in international and national finance. A clear and comprehensive map of the options could be a tool for policy makers to recognize the opportunities for private finance and ensure that instruments and public sources are used strategically to steer and leverage them. As noted, some common forms of public contributions include global funds, grants and guarantees for blended loans from development finance institutions, structured grants (for viability-gap funding, project preparation, and through specific forms of contracts—such as pilots in advanced market commitments and development impact bonds), risk-based instruments (first-loss funding, guarantees and political risk insurance), concessional loan and finance, and equity participation.

For the private sector, the expanding role of NGOs, the philanthropic foundations, and the public and individual charity is also noted.

To mobilize additional finance, public-private partnership can make an important contribution. Public private partnerships (PPP) here includes a broad range of public private engagements, and will be important in the delivery of the sustainable development objectives, including the development of ongoing sectoral capacity to deliver those goals at the national and local scale.

A traditional model of PPP involves a contract between the public sector and a private enterprise, in which the enterprise provides a public service or project and assumes financial, technical or operational risks. Another model is the public–private community partnership (PPCP), where government and private enterprises work together for social welfare, eliminating the focus on profit. Public social private partnership (PSPP) includes government, private enterprises, and social enterprises and social economic organizations, with the partnership implementing social aims. Global public–private partnership (GPPP) is a governance mechanism to foster cooperation between the public and private sectors facilitated by an international intergovernmental organisation like the United Nations. Specialized sectoral partnerships are also illustrated and have potential in achieving specific goals and targets. For example, a health services PPP can be a long-term contract where government engages private enterprises to innovate and deliver health services over a contract term. The private enterprise is paid for its services and assumes financial, technical and operational risks while benefitting from shared cost savings.

For the purpose of financing the sustainable development objectives, we have considered the following four categories in the finance approach section:

1) public finance from governments and international organizations;

2) blended public and private finance;

3) private financing in support of international and national programmes; and

4) non-financial contributions in all these categories, such as improvement of regulatory frameworks, in kind contributions including the provision of expert and technical advice and services, tangible and intangible goods, and data and data analytics.

We differentiate when public and private finance is offered on a profit and non-profit basis. We also recognize cross cutting issues across the sustainable development areas, such as climate adaptation and mitigation; the energy water and food security nexus; and maternal and child health; and education and economic development.

Importantly, mapping out existing financial options in the above-mentioned framework is for an illustration purpose during an interim period. Once the post-2015 development agenda and the SDGs are agreed, future editions of the global sustainable development report may thus provide a means of inputs by financial specialists of SDG sectors. It will carry out a full review and presentation of workable financial options for different sources, which could revive efforts to scale up financing for sustainable development, and help mainstream the financing the post-2015 sustainable development agenda.

Annex I: Financial Approaches for Sustainable Development – An Illustration

Themes identified by UN member States[1]	Existing goals or commitment	Existing targets	Investment requirement/ financing needs	Overall pattern of financial flows	Financial Approach (e.g. PPP)	Business Models	Financing instruments
1. Poverty eradication (MDGs)	Eradicate poverty	Reduce extreme poverty by half by **2015**	$20-$200 bn annually for achieving the MDGs (UNTT Background Paper 1[2], Section III.1.)	Mainly ODAs for LDCs; charity and remittance are also account for significant portion.	Global funds on a profit and non-profit basis: Development bank loan guarantees, and non-financial benefit. Private gifts and funding through philanthropic foundations and large scale and micro charitable contributions on a non-profit basis.	1. Homestrings[3] dispora approach through institutional and individual investors funding Homestrings' approved projects on a for profit basis in Africa, including focus on energy, water and infrastructure 2. Bottom-of-the-pyramid venture capital investors and funds	Mobilize financing from international capital markets by issuing long-term bonds repaid by donor countries. Development impact bond, viability-gap funding: financial contribution to make investment commercially viable. Micro-finance of businesses and individuals in developing countries and economies on market or favourable finance terms.
2. Food security and sustainable agriculture (MDGs and beyond)	World free of hunger	Reduce hunger by half by **2015**	$50-$83 bn annually, not counting capital replacement (UNTT Background Paper 1, Section III.5.)	Public sector investment which can co-exist with private sector investment, and both profit and non-profit approaches Increasing recognition of, and financial flows, to integration of water, energy and food security. Separately, there are private and public initiatives to fund the development of agriculture strains and technologies that are disease and drought resistant, higher in protein and nutrients, or which support adaptation to climate change.	Global, regional and national funds: Payment for ecosystem services, biodiversity and conservation holdbacks and preservation. For example, various national publically funded initiatives to promote sustainable agriculture and food security. National initiatives such as Qatar National Food Security Program, and Global Dry Lands Alliance[4]. Qatar Pilot Plant[5] for greenhouses using seawater in desert. Depending on the economics of the specific projects, these may be done on a profit or cost recovery basis, or as pilot initiative to develop and implement sustainable technologies. Another example on a non-profit basis is when farmers are paid to not farm on marginal lands, or to alternate crops to enrich soils. Financing from both public and private sources. Another example is encouraging local sustainable harvesting of wild foods, in the context of sustainable forestry and fisheries, and biodiversity conservation, which conveys non-profit ecosystem goods and services.	Certified agricultural products whose production respects social, environmental specifications. Agricultural producers; Certification organizations issue certificates. consumers paying a 5-10% price premium on certified goods: e.g. coffee, cocoa, banana, marine fisheries, and various organic products	Mobilize financing from international capital markets by issuing long-term bonds repaid by donor countries. E.g development impact bond. certified agricultural, forestry, and fishery products; First loss funding/ Subordinated debt; Co-payments: payment made on delivery of an pre-determined outcome
3. Water and sanitation (MDGs)	Ensure access to safe drinking water, stop unsustainable exploitation	Reduce proportion of people without sustainable access to safe	Estimates of annual investment range from $18-$80 bn annually depending on ambition (e.g. MDG7 versus	Mostly from public investment, which may co-exist with private sector investment. Some exclusively privately initiatives and	Payment for ecosystem services; Valuing ecosystem services, for example New York watershed and Philadelphia Clean Water Act obligations; financing for project preparation for preparation of robust feasibility studies.	Governments, water basin agencies, industrial businesses, private companies and foundations; national and international NGOs, multi-lateral organizations as	Government-, private or civil society mediated or Payment for Ecosystem Services (Watershed and Biodiversity) Allow trading and sale of water licences with conservation or upstream holdback

Themes identified by UN member States[1]	Existing goals or commitment	Existing targets	Investment requirement/ financing needs	Overall pattern of financial flows	Financial Approach (e.g. PPP)	Business Models	Financing instruments
	of water resources	drinking water and basic sanitation by half by **2015**.	universal coverage) and geographic scope (see reference below)	funded approaches on both a profit and non-profit basis. It is also useful to consider whether it is the initial provision of water and sanitation services, or improving existing infrastructure and services	For example, linking water, food and energy, encourage lower or sustainable water uses with energy, or using renewable energy for irrigating food crops or to desalinate/ sanitize water for multiple purposes (PEC Fund that assists with renewable energy desalination projects for Pacific SIDS).	customers to pay, private landowners and land stewards, for streams, rivers and lakes meeting water quality standards, biodiversity conservation, protection of specific wildlife habitats.	
4. Health (MDGs)	Reduce child mortality; improve maternal health; combat HIV/AIDs etc.	Reduce by two thirds, between 1990 and **2015**, the under-five mortality rate.	Estimates of annual investment vary depending on ambition in terms of targets and coverage of activities. Published figures for incremental costs are in the range of $30-40 billion annually. (Background paper 1, Section III.2. See also The Lancet, 2013.)	Mostly rely on domestic public finance, or large philanthropic foundations (i.e., Gates Foundation[6])	1. Global Funds International Finance Facility for Immunization Private investment in the development and distribution of medicine, vaccines and technologies. One longstanding example is the private funding for the distribution of malaria nets in collaboration with developing nations. Further examples are: 1. (IFFIm) to finance GAVI Alliance; 2. UNITAID 3. 3. Civil society and philanthropic focus and investments in reducing malaria, polio, HIV etc.	Domestic budget or philanthropic approach using trust funds or charitable donations. Private finance for research and development of medicine and vaccines for developing countries, where products may either be distributed at no charge or subsidized rate, or available for production with waiver of IP or licensing fees. Provision of medical services on an organizational and individual basis, i.e., Doctors without Borders/ Medicines sans frontiers).	1. Vaccine Bonds 2. Social Impact Bond 3. Debt2Health 4. Advance Market Commitments (AMCs): an ex-ante commitment for public purchase of supply; Co-payments: payment made on delivery of an pre-determined outcome
5. Education (MDGs)	Universal primary schooling	By **2015**, children everywhere (boys and girls alike) will be able to complete a full course of primary schooling	Estimates of additional annual investment needed to achieving 'education for all' in developing countries by 2015 increasing from $9 billion in 2001 to $26 billion in 2013. (see reference below)	Mostly rely on domestic public finance, though area of international finance as well For example, Nordic public funding programmes with emphasis on linking education and gender equity. Private finance has focused on specific issues such as technology access and development.	Public fund: Global Partnership for Education, Nine innovative financial mechanisms summarized by UNESCO, such as debt-for-education swaps: a debt conversion scheme is a mechanism whereby a creditor country cancels another country's debt against its commitment to use the funds in pre-agreed development programs	National payments/tax credits/ financial incentives for parents whose children in public schools or higher education (Brazil leading model for payments, but many countries have tax and financial incentives) Private finance for development and distribution of low cost computers, and internet access in developing countries. Microsoft's Skype in the Classroom which provides free access to basic education.	Concessional finance: public provision for interest –rate subsidy or long-term tenor on finance; Project preparation: financial contribution for preparation of robust feasibility studies. Development impact bond: e.g. Goldman Sachs Social Impact Bond for Early Childhood Education[7]
6. Employment (MDGs, JPOI)	Full and productive employment and decent	**By 2015**, achieve full and productive	N.a.	Mostly rely on private investment within national framework. Consumer certification/	WTO and support of open international market in services. Implementation of ILO international labour standards[8]	Integrated Reporting; Consumer boycotts; Fair Trade products[9], including product certification process	Development impact bond: e.g. Goldman Sachs Social Impact Bond for Massachusetts[10]

Themes identified by UN member States[1]	Existing goals or commitment	Existing targets	Investment requirement/ financing needs	Overall pattern of financial flows	Financial Approach (e.g. PPP)	Business Models	Financing instruments
	work for all.	employment and decent work for all. **By 2020**, increase decent employment for the urban poor.		preference and boycotts are an example of private sector non-profit approaches.	Financing for anti-human trafficking initiatives.	and purchasing guide. International private employment contract, obtained through internet.	
7. Oceans (Ch. 17 of Agenda 21; JPOI; Aichi Targets 6, 10 and 11; Target 7.B of MDG)	Protection of the oceans and all kinds of seas	By **2015**, the multiple anthropogenic pressures on coral reefs are minimized, so as to maintain their integrity and functioning.	Few existing estimates, in the range of $30-40 billion annually. (Background paper 1, Section III.8.2.)	Important role of public resources in management of protected areas.	1. Payment for ecosystem services 2. Marine Stewardship Council sustainable fisheries certification[11] 3. Iceland's fisheries management system[12] Total Allowable Catch system, sophisticated tracking, and market aspects (rent/sell quotas)	QualityCoast applies sustainable destination tourism criteria and indicators and issue awards for coasts and islands. Municipal governments collaborate with local tourism businesses, and pay for award.[13]	Eko Asset Management – fisheries bonds; Co-payments: payment made on delivery of an pre-determined outcome
8. Biodiversity (Aichi Targets; Target 7.B of MDGs)	20 Aichi Goals of halting global biodiversity loss	Achieving, by **2010**, a significant reduction in the rate of biodiversity loss.	Estimates from UNCBD ranging from $154-436 billion annually for achieving the 20 Aichi Targets. (Background paper 1, Section III.8.1.)	Important role of public resources in management of biodiversity, environmental impact assessment, integrated management, and conservation and protected areas. National and regional (such as Arctic and European) flows of public finance to meet national and regional biodiversity targets.	1. Global funds: Payment for ecosystem services 2. Biobanking: Biodiversity Banking and Offsets Scheme;[14] 3. Yasuni-type Mechanism	1. Payments for Ecosystem Services 2. Certification Of Products And Production Sites 3. Payments for non-use of areas of biodiversity importance, or through restricting to compatible uses. 4. Promotion of touristic, and limited hunting, fishing gathering uses of areas of conservation. 5. Carbon sequestration payments for natural areas, particularly forest and coasts (as natural areas have most carbon). For entire circum-Arctic, through the Arctic Council[15], there is a pattern of financial support for conservation and use of natural ecosystems and species by indigenous peoples and local residents, which may include special or protected markets. Public and private actors including Governments; Water basin agencies; Industrial businesses; Private companies	International, national and private payment for ecosystem services (IPES) A global mechanism for raising and distributing funds from beneficiaries of ecosystem services to those who conserve them; Co-payments: payment made on delivery of an pre-determined outcome Payments to indigenous peoples and organizations to support harvesting and co-management of ecosystems (i.e., Sami in Scandinavia for fishing and herding, Cree/Arctic Athabascan in North America, Inuit throughout circum-Arctic)

Themes identified by UN member States[1]	Existing goals or commitment	Existing targets	Investment requirement/ financing needs	Overall pattern of financial flows	Financial Approach (e.g. PPP)	Business Models	Financing instruments
						and foundations; National and international NGOs, Multi-lateral organizations pay private landowners and land stewards for acres of restored or conservation land managed/ wetlands, biodiversity conservation	
9. Forest (Aichi Targets on forest; Four shared global objectives on forests at UNFF in 2006.)	Forest component of Aichi targets: reducing deforestation	25% reduction in annual global deforestation and degradation rates by **2015,** compared with the 2000-05 average	Estimate ranging from $40-160 billion annually (Background paper 1, Section III.8.2.)	Important role of public resources in management of protected areas. Co-exist with private sector investment	Global funds: Reduced emissions from deforestation and forest degradation (REDD) scheme REDD/REDD+ A specific IPES aimed at reducing greenhouse gas emissions from deforestation and forest degradation (REDD) in developing countries	Regulated industry; donor countries; Multi-national Corporations; NGOs, Multi-lateral Organization, Project developers pay acres of restored or conservation managed forest from Forest nations; Local communities and landowners. Forest Stewardship Council; Scientific Certification Systems; Program for the Endorsement of Forest Certification; the certifying bodies themselves, etc. issue the certificate on acres of sustainable managed forest to private producers of wood.	Forest-Backed Bonds[16]; Forest Carbon Financing (Compliance, Voluntary, and REDD) Co-payments: payment made on delivery of an pre-determined outcome Certified forest products
10. Sustainable consumption and production (SCP) (Ch.4 Agenda 21; and Ch. 3 of JPOI)	Changing unsustainable patterns of consumption and production	International plan of action is in place, but no time-bound target.	N.a.	Important role of public resources in management of protected areas, and global commons. Co-exist with private sector investment	Payment for ecosystem services	Integrated Reporting; Benefit Corporation designation;[17] Quality Coast develops and applies sustainable destination tourism criteria and indicators and issue awards. Municipalities pay to participate in assessment and award.	N.a.
11. Means of implementation (MDGs, Rio+20; Copenhagen Accord)	Develop global partnership for development.	Meet the 0.7% ODA/GNI target now; $100 billion per year for climate by **2020**	N.a.	Important role of public resources in management of protected areas, and global commons. Co-exist with private sector investment	Payment for ecosystem services	Integrated Reporting	Blended DFI loans: Public grant funds or guarantees are provided to a national, regional or multilateral DFI that combines them with own funds raised on capital markets to create a loan.
12. Sustained and inclusive economic growth (Rio+20)	Achieve SD promoting sustainable, inclusive and equitable	Sustained real economic growth in all countries.	N.a.	Important role of private resources.	See options for addressing poverty, basic infrastructure, energy, water and food. In particular, payment for ecosystem services	Integrated Reporting; Community-level financing for community infrastructure	Political risk insurance: protection against select (rare but costly) policy-oriented risks

Themes identified by UN member States[1]	Existing goals or commitment	Existing targets	Investment requirement/ financing needs	Overall pattern of financial flows	Financial Approach (e.g. PPP)	Business Models	Financing instruments
	economic growth.						
13. Needs of countries in special situations, and middle-income countries (Istanbul Programme of Action)	Address the special needs of Africa, LDCs, LLDCs and SIDS.	Range of targets	Africa: estimates of financing gaps for different sectors from different sources, e.g. $31 billion per year for infrastructure, mainly power; around $25 billion a year to achieve universal access to modern energy services by 2030; $18 billion per annum for climate change adaptation. LDCs: OHRLLS estimates put the financing gap of LDCs at $75 billion annually (Background paper 1, Section IV.)	Domestic resources and development assistance. Public and private partnership and also wholly private financing, particularly for infrastructure, energy and water.	See options for addressing poverty, basic infrastructure, energy, water and food.	See models for addressing poverty, basic infrastructure, energy, water and food.	First loss funding/ Subordinated debt; Co-payments: payment made on delivery of an pre-determined outcome; Development impact bond
14. Human rights, the right to development and global governance (Rio+20)	Respect, pro-tect and pro-mote human rights and fundamental freedom for all	Range of targets	N.a.	Critical role of public finance but also may be private finance typically on a non-profit basis for targeted issues such as gender, indigenous peoples, or historically targeted or disadvantaged minorities (i.e., Roma in Europe).	Implementation of ILO international labour standards, Anti-human-trafficking initiatives. Initiatives to support subsistence activities and economic development for indigenous peoples (particularly in circum-Arctic)	Integrated Reporting; Payments to indigenous peoples and communities, and support of their participation in co-management, particularly for Arctic.	Government or private sector payments to indigenous peoples. Private, including consumer support, of indigenous economies.
15. Equality (MDGs)	Promote gender equality and empower women	Equal girl's enrolment in primary school; women's share of paid employment etc. by **2015**	Estimates obtained as portion of costs of achieving the MDGs. (Background paper 1, Section III.8.1.)	Mostly from public finance but also private finance and philanthropic initiatives, such as Girls' education and maternal health initiatives.	N.a.	Integrated Reporting Public funding including gender equity components.	N.a.
16. Energy (Rio+20 Outcome Document)	Make sustainable energy for all a reality	(Informal) sustainable energy for all targets	Estimates depend on the scenarios chosen for energy consumption and the level of ambition for climate mitigation.	Critical role of public sector investment Co-existing or wholly independent private sector investment; Reference to UN	1. Green energy power purchasing agreements; 2. African Rural Energy Enterprise Development (AREED)[19] model on the business development and seed capital components of the project;	1. Homestrings: dispora funding in Africa, and focus on energy and infrastructure; 2. End user financing;[21] 3. Community financing and tax incentives for renewable	Emissions trading regimes and credits Feed-in Tariffs Green Energy PPA; First loss funding/ Subordinated debt; Political risk insurance; Blended DFI loans;

Themes identified by UN member States[1]	Existing goals or commitment	Existing targets	Investment requirement/ financing needs	Overall pattern of financial flows	Financial Approach (e.g. PPP)	Business Models	Financing instruments
			Ranges of $30-50 billion per year for universal access to modern energy; 250-400 billion per year in additional investment to meet the UN 2030 goal on energy efficiency; $ 200-700 billion per year in renewable energy. (Background paper 1, Section III.6.)	Sustainable Energy for All initiative, and public private partnerships. In particular, important role of municipalities in city-wide programmes for renewable energy, energy efficiency and urban renewal (i.e., SCI Energy Lab[18]); or development of sustainable business clusters, expertise and platform (i.e., Durban)	4. CTI PFAN, business plan/incubator approach including regional networks covering Latin America, Asia, Africa and CIS 5. California Low Carbon Fuel Standard[20] with low carbon requirement and LCFS credits	energy, micro-grids and energy storage 4. Sovereign wealth funds with criteria on clean energy investments 5. Regulatory requirements combined with market based components, i.e., Renewable Energy Portfolio Standards, Feed-in Tariffs, Green Energy PPAs	Equity investment: partial (mainly minority) public ownership to reduce private sector risks and facilitate access to debt finance; Viability-gap funding; project preparation
17. Sustainable cities, transport. (MDGs and beyond)	Comprehensive global goals and targets on sustainable cities and transport are not available. T	The vulnerability and resilience of cities and municipalities is being recognized, as well as their global role in leading on education, employment, environment, health and innovation. Some targets are available at local and city levels.	$ 2.5 - $3 trillion annually to 2050 according to the IEA. (Background paper 1, Section III.4)	Mostly private sector is outside public or social housing component. Important role of municipalities in city-wide programmes for renewable energy, energy efficiency, urban renewal, and overall sustainability. (SCI Energy Lab) Low carbon cities (Scandinavia) where financially support appropriate businesses and activities.	Voluntary Solidarity Contribution' project for UNITAID; Valuing ecosystem services, for example New York watershed and Philadelphia Clean Water Act obligations Private investment in public infrastructure with toll based cost recovery; Provide viability-gap funding; Project development, including financing for project preparation.	Integrated Reporting; Community-level financing for community infrastructure Urban planning requirement and decisions with business incentivized sustainability components. Low carbon public and local government transport, with conversion/ substitution of natural gas, LNG and H2.	Subsidies and credits for conversion to or use of natural gas, LNG and H2; First loss funding/ Subordinated debt; Political risk insurance; Blended DFI loans; Equity investment: partial (mainly minority) public ownership to reduce private sector risks and facilitate access to debt finance
18. Climate Change and Disaster Risk Reduction (Copenhagen Accord)	Hold global mean temperature increase below 2°C.	By **2050** or longer term based on scientific evidence	Estimates depend on the level of ambition for climate mitigation and adaptation, as well as sectors and activities considered for adaptation. Annual incremental investment estimates from $400-1,200 billion for mitigation. Estimates for (total) needs for adaptation $50-170 billion globally. (Background	$100 B annual international commitment to adaptation finance for developing countries, but growing recognition that much of this money will come from private sector. 75% from private flows and mostly domestic finance.	Global funds: Global carbon cap and auction systems Emission trading schemes; Public Finance Mechanisms to Mobilise Investment in Climate Change Mitigation;[22] Matching Relief Fund, or Matching Challenge Fund[23] or other Adaptation Finance/Funding	Integrated Reporting; Allocating a proportion of funds raised from a cap and auction scheme for CO2 emissions among wealthy nations. World Bank administered trust funds and programmes from public and private donors to support disaster risk reduction.)	First loss funding/ Subordinated debt; Political risk insurance; Blended DFI loans; Co-payments (e.g. feed-in tariffs): Payment made on delivery of an pre-determined outcome; Equity investment: partial (mainly minority) public ownership to reduce private sector risks and facilitate access to debt finance

Themes identified by UN member States[1]	Existing goals or commitment	Existing targets	Investment requirement/ financing needs	Overall pattern of financial flows	Financial Approach (e.g. PPP)	Business Models	Financing instruments
			paper 1, Section III.7.)				
19. Conflict prevention, post-conflict peace-building	Maintain international peace and security – UN Charter	Maintain international peace and security	N.a.	Mostly domestic public finance Private financing for targeted issues such as child or female soldiers or camp followers.	Re-direct military expenditures to sustainable development. Through circum-Arctic and Arctic Council, deploy military and military resources to search and rescues and emergency response.	UN leads programmes on post-conflict peace-building. Private funding for rehabilitation and societal re-integration of child and female soldiers or camp followers post conflict.	Political risk insurance: protection against select (rare but costly) policy-oriented risks

Source: Authors' elaboration. The 19 areas are adapted from the Open Working Group the Sustainable Development Goal process (2013) and various publications mentioned above.

[1] This is just an indicative list of goals and commitments for illustration purpose only. It is based on the schedule of work for the General Assembly Open Working Group on SDGs 2013-2014.
[2] UNTT Working Group on Sustainable Development Financing, 2013, Financing for sustainable development: Review of global investment requirement estimates, http://sustainabledevelopment.un.org/content/documents/2096Chapter%201-global%20investment%20requirement%20estimates.pdf
[3] https://www.homestrings.com/
[4] http://www.qnfsp.gov.qa/ and http://isfd.isdb.org/EN/NewsandCalendar/ISFD-news/Pages/IDB-and-Global-Dry-Land-Alliance-to-hold-Experts-Group-Meeting-on-Dry-Land-Countries-.aspx
[5] http://saharaforestproject.com/projects/qatar.html
[6] http://www.gatesfoundation.org/
[7] http://www.goldmansachs.com/what-we-do/investing-and-lending/urban-investments/case-studies/salt-lake-social-impact-bond.html
[8] http://www.ilocarib.org.tt/index.php?option=com_content&id=1101&Itemid=962
[9] http://www.fairtrade.org.uk/products/
[10] http://www.goldmansachs.com/our-thinking/focus-on/impact-investing/massachusetts-social-impact-bond/index.html
[11] http://www.msc.org/
[12] http://www.fisheries.is/management/fisheries-management/nr/206
[13] Destinations with higher awards receive more tourists and visits, and increase municipal and business revenues. QualityCoast destinations also aligned with commercial tourism service providers who stream business. http://www.qualitycoast.info/
[14] Dept of Environment and Conservation, 2006. http://www.environment.nsw.gov.au/resources/biobanking/biobankback0609.pdf Dept of Environment and Conservation, 2007. Biodiversity Banking and Offsets Scheme, Scheme Overview, http://www.environment.nsw.gov.au/resources/biobanking/biobankingoverview07528.pdf
[15] http://www.arctic-council.org/
[16] Forum For The Future - http://www.forumforthefuture.org/project/forest-backed-bonds/overview
[17] http://www.ussif.org/climatereinvestment
[18] http://sustainablecities.net/our-work/sci-energy-lab
[19] http://www.areed.org/
[20] http://www.energy.ca.gov/low_carbon_fuel_standard/
[21] http://www.forbes.com/sites/csr/2012/02/24/dealing-with-trust-why-the-b-corp-legislation-offers-business-a-chance-to-be-good-again/
[22] http://fs-unep-centre.org/sites/default/files/media/uneppublicfinancereport.pdf
[23] http://www.mckinsey.com/insights/social_sector/innovative_development_financing