

STAKEHOLDER ENGAGEMENT PLAN

SDG IMPACT

INTRODUCTION

SDG Impact Objectives

SDG Impact has one primary goal - accelerating the pace of change toward achievement of the SDGs by 2030 to create a world that is more sustainable, equitable, and prosperous. To get there, investors must rapidly adapt their strategies and practices to optimize the chance of delivering positive social and environmental outcomes in conjunction with financial results. Our goal is to support the uptake of practices that support these outcomes by providing Practice-focused Standards to guide implementation as well as robust Market Intelligence to provide insight into areas of investment opportunity.

We know that for positive change to occur, capital needs to be directed towards delivery of measurable positive social and environmental outcomes. By developing and supporting a set of standards that include rigorous third-party verification we can move toward an increasingly robust acceptance of claims and uptake.

SDG Impact aims to change the status-quo by:

1. Developing practice-based standards that drive consistency, comparability, and transparency and provide a way for investors to manage, evaluate, and authenticate their SDG-enabling investments;
2. Identifying in a clear and defined way the PE Funds, Bond Issues and Enterprises who are meeting these high standards;
3. Spelling out what good practice looks like [to](#) encourage greater collaboration with stakeholders including those with expertise closer to the ground.

UNDP has a unique position and responsibility to drive change with clear SDG-aligned goal setting, embedding integrity at the heart of process, and requiring transparency and reporting to send a clear signal of expectations that will help people make more informed choices that are aligned with fundamental human rights and other social and environmental criteria.

Key Expected Outputs

The key outputs of SDG Impact are:

- SDG Impact Standards for Private Equity Funds, SDG Bonds and Enterprises

- Investor Opportunity Maps in developing countries and facilitation events to showcase results
- Dynamic Online Platform (that includes information from the Investor Maps) to facilitate information sharing
- Online training on Impact Measurement and Management based on UNDP's Practice Assurance Standards for Investors and other Stakeholders

SDG Impact Institutional Arrangements

The project's institutional structure is two dimensional; SDG Impact Organizational Structure (Internal) and the SDG Impact Steering Group (Global Champions).

Over time we anticipate that our Steering Group membership will evolve, with members joining and departing, giving us the advantage of fresh thinking as we grow and lead the markets thinking on application of investment practices that support SDG focused decision making.

SDG Impact is also a member of the Impact Management Project Network whos inputs guide and inform the development of our Standards and other products . The outputs of the IMP Network are endorsed, validated and piloted by a Steering Group of investors and practitioners who work closely with them.

STAKEHOLDER ENGAGEMENT

Objectives of the stakeholder engagement plan (SEP)

The objectives of this SEP are:

- i) to outline the stakeholder consultation and communication activities throughout the development and implementation of the SDG Impact products,
- ii) to identify the key stakeholder groups, and
- iii) to present the pathways to incorporate feedback into our development cycles

The SEP recognizes the dynamic nature of SDG Impact. As a result, consultations will involve a series of ongoing strategies of engagement as the organization grows and matures. These will include:

- Development and maintenance of a database of Stakeholders we will use to notify of opportunities for engagement, comment and feedback as we develop our Standards and tools.
- Structured peer reviews;
- Direct discussions with individual stakeholders;
- Roundtable/ virtual meetings with stakeholder groups;
- Interaction with the Steering Group and IMP Structured Network Partners;

- Public consultations on draft standards;
 - Establishing public feedback loops on results of various public consultations;
 - Virtual and web-based regional consultations with stakeholders;
 - Convenings of stakeholders around investment opportunities identified through SDG investor maps;
 - Outreach at conferences, forums and other workshops globally.
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- An important focus of our targeted outreach will be to ensure our various stakeholder groups are aligned in their understanding of our decisions and goals for a Practice-Based approach as opposed to an Impacts Assessment approach. This is a key component of our work; one that we think helps develop a template that will support a wide variety of impact-focused investments and strategies that will all share a common understanding of what practices, when well implemented and integrated will maximize impact and success in realizing the SDGs.
 - UNDP is aware of the implications of setting global standards and providing market intelligence that aims to change behavior and decision-making. Therefore, embedding requirements for effective grievance mechanisms for stakeholder groups that could potentially be affected by SDG Impact products (Standards and others) will be consistent with the UN Guiding Principles on Business and Human Rights. Engagement with key stakeholders will include raising awareness of the grievance mechanisms options available and their processes.
 - We will engage with experts to understand best practices in Standard Setting and Assurance, specifically we will liaise with the iSEAL Alliance to inform the process of development of our standards.
 - We will also over time develop governance frameworks that will define the processes we will follow in development of standards and assurance systems.
 - Through our engagement with all stakeholder groups, the project will seek to ensure gender equality in terms of representation of various stakeholder groups established by SDG Impact.

Stakeholder Analysis and Groups

The first step in the SEP is the stakeholder analysis to identify the stakeholder groups, their potential role in the project and our methods of engagement.

Our primary stakeholder groups include:

- the organizations within the UN and their representation of members of Civil Society;
- the Financial Community (both investors and investment product issuers),
- Civil Society organizations with a strong focus on integration of social and environmental considerations,
- other standard setting organizations who are operating in the same or similar

- landscapes, and
- the community of assurance and other service providers.

Our initial list of stakeholders was developed based on the objectives of SDG Impact, building on the stakeholder analysis and updated following the first consultations through conversations with IMP network members, Steering Group members and bilateral conversations.

The initial list of stakeholders is categorized under the following stakeholder groups:

- IMP Structured Network members (B-Lab, GINN, GRI, GSG, IFC, OECD, PRI, SASB, SVI, UNEP FI, UNGC, WBA)
- Investors / Private sector players
- ISEAL Alliance and members
- Assurance providers
- Governments
- G7
- UNDP Regional Hubs & Country Offices
- UN OHCHR
- UN Forum on Business and Human Rights
- UNDP Teams (including, Crisis Bureau, Rule of Law team, SES team)
- UN Women
- UN DESA
- UNGC
- UNEP
- Global, National and Local Civil Society Organizations
- Civil Society organizations; including Human Rights focused organizations and International non-government organizations (IGOs)
- Universities and research institutes
- Multilateral development agencies and banks
- Other Standards focused on social and environmental impact

As we have continued the development of the standards we have added to our initial list of stakeholders and now maintain a database of over 1,000 individuals who we have engaged with. This list will be an ongoing part of our outreach for participation in public consultations and other engagement and for providing updates on the standards, our country maps and resources to support uptake of robust impact focused investing. We expect it to continue to grow as our reach expands.

SDG Impact also has a Steering Group as mentioned above. The Steering Group is comprised of global sustainability champions representing a variety of stakeholders, chaired by the Administrator of UNDP. We work with this group to develop strategic priorities for

development and engagement.

We also maintain a website that among other activities promotes and provides pathways to engage with us that is available to all. We have used this website to support the public consultations we have already completed and those we will continue to conduct. We will also make our Consultation Feedback information available here. Information on our Governance and Assurance processes as well as access to Grievance Mechanisms will also be found here.

KEY SDG IMPACT CONSULTATION EVENTS AND PROCESS

Stakeholder engagement has been ongoing and will continue as our work progresses. The consultation and engagement process commenced in mid 2019 and will continue to expand and develop in reach, depth and strategic focus to bring in stakeholder perspectives and experiences.

The engagement to date has included:

- Bilateral meetings with UN bodies (including gender and human rights, UNGC, UNEP, DESA) and roundtables bringing the benefit of this experience and content together around one table;
- Industry based consultation with peer review of experienced practitioners and industry bodies and standard setters globally;
- Engagement with multi-laterals, bilaterally (e.g. IFC, OECD, GSG, ICC) and through the Impact Management Project;
- Country based multi-stakeholder consultations that have reached every continent by January 2020 and will continue to grow;
- Broad-based open public consultation rounds with targeted distribution and open platform for feedback;
- Round table discussions and dialogue with Civil Society representatives.
- Initiation in July 2020 of targeted outreach to stakeholders in our Database to support input into ongoing public consultations. This will continue with regular outreach as consultations open and close and to report outcomes. We will report on inputs received, actions taken and rationale for integration of comments for each round of consultation on our standards
- Establishment of a Newsletter to begin distribution in Q4 2020 with general and targeted updates on our progress

The consultation and engagement process represents targeted efforts to raise awareness of the intent and content of the standards as well as to build engagement for genuine opportunities for stakeholders across the SDG ecosystem to bring their views to the table, provide input and influence better practice.

As the three sets of Standards we are developing move through the drafting and finalization processes there will be a series of activities to support robust engagement and inputs from iterative public consultations. We will support the input process by providing user guides and workbooks for inputs as well as accepting any other avenue of feedback. Our activities will include the following elements:

- Engagement of a team of professional facilitators with impact experience to lead additional consultations in geographies and across asset classes;
- Conducting multiple rounds of public consultation as we develop our family of standards. At a minimum we will conduct two rounds of consultation on the development of new standards.
 - The first round will be for a minimum of 60 calendar days followed by a second round of 30 days.
 - We will conduct additional rounds should responses indicate significant issues remaining to be resolved.
- Upon concluding a round of consultation comments will be aggregated and responses will be developed. Responses may include changes to the standard or rationale for not changing the standard or taking other actions.
 - A summary document of the comments and responses will be published on our website, no later than the publication of the next round of the Standard.
- Targeted outreach to draw on the experience of civil society organizations and other stakeholders whose focus is on the intersection of impact investing and meeting the needs of people and;
- Specific consultations, including with the UN agencies, CSOs, DFIs, and broader public;
- Working with Steering Group and other influencers who can help drive adoption;
- Focusing on ensuring the interoperability of the SDG Impact Standards with existing best practice standards and fundamental requirements to avoid harm via investment activities.

The team has developed and is implementing virtual outreach efforts due to Covid 19. When possible, we anticipate face to face engagements but until then will work to ensure open access via virtual platforms.

In addition to the Standards development work, the development of our Assurance Systems will also be an area for stakeholder engagement. Following the process of specific outreach to stakeholder groups we anticipate development of a robust framework for Governance and Assurance systems that will allow us, as we grow and find increased uptake, to offer credible assessments of Impact Practices that meet our Practice Standards and their requirements. Where possible, as a First-Generation Standard system, we will follow closely ISEAL's international benchmarks for design and consultation and embed them in our organization.

ISEAL has been engaged to guide the process and advise on critical issues of assurance and governance. An assurance expert has also been engaged to ensure requirements are met.

CONCLUSION

The SEP for SDG Impact is intended to be a framework document that lays out our approach to supporting a robust consultative process with all our stakeholders. We seek to gather and consider recommendations that can influence the on-going decision-making process as we move forward. We will strongly support gathering inputs from our key stakeholders, their stakeholders and others to support robust representation.

SDG Impact is not directly involved in any investment. Therefore we will work to reach out to key groups and individuals to foster engagement and feedback loops that help ensure we meet our goal of uptake and integration of strong practice guidelines for targeted investments and credible claims of successful integration of these practices into investment vehicles. We will strive to maximize our outreach via an open and transparent process in a variety of regions to gain as much feedback as possible and to adapt and improve on the products as a result.

Through our public consultation processes and other engagements all comments and opinions directed to us will be documented and summarized in a comments and responses matrix as the Standards progress to implementation. Through those measures, SDG Impact will seek to maximize stakeholder involvement in each phase of the process recognizing it is a strategic tool and will establish the framework and direction for SDG enabling investment.

We will update this document periodically and encourage those interested in engaging with us to visit our website at <https://sdgimpact.undp.org/> or to contact us directly at sdgimpact.standards@undp.org

We welcome your thoughts on this plan and look forward to working with you as we move forward on this important project.