



## **Project Appraisal Committee Meeting**

### **Regional Project titled – “Harnessing Private Sector engagement for Social Impact Investing”**

**Date:** 16 November 2016

**Time:** 10:30 – 11:30 a.m. **Venue:** DC1 Building, 23<sup>rd</sup> Floor, AP Central Conference Room

**Participants:** RBAP: Haoliang Xu (Chair), Faiza Effendi, BERA: Simona Marinescu, Casper Sonesson, Nan Collins; BMS: Jens Wendell, BERA: Sumathi Jayaraman; GEF: Oliver Weissbein, Dong Yub Shin; RBAP Regional Hub: Caitlin Wiesen, David Galipeau

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#### **Key Points tabled during the meeting:**

1. The chair revisited the key points tabled during the Pre-PAC including strengthening the development orientation and government engagement as well as streamlining the management structure of the project. Participants were informed that the draft project document had been circulated to all country offices (COs) with request seek government buy-in. The meeting noted comments received from the COs in China and Pakistan, interest expressed by Cambodia and Bangladesh COs, as well as potential approval by the Maldives government to this initiative.
2. Participants were reminded of the strengthened risk management framework that prompted the inclusion of annex-6 to the project document on tax payments by High Net-Worth Individuals (HNWIs). The due diligence committee approved the acceptance of funds from an HNWI to support the subject project underlining that any evidence of wrong doing remains a key determinant for deciding whether or not to proceed with the partnership. In this particular case, as is no evidence to the allegations levied and based on the advice of the due diligence committee UNDP has proceeded accept resources from the HNWI for the project.
3. The meeting noted that the governance arrangements for the project explicitly advise that any private sector entity, HNWI or donors contributing financially to the project will not have a seat on the high level advisory board to avoid a situation of conflict of interest;
4. BPPS tabled that this was pilot initiative with funding from HNWI which would guide the organizations strategy and policy formulation process on partnering with HNWI's. Focus of such programmes is to influence change of behaviours and business practices (well reflected in the project document) to help private sector generate social impact and help attain SDGs.
5. BPPS added that while UN Global Compact has helped build a culture of corporate social responsibility, it is not sufficient to make businesses contribute to sustainable development and more effort is required to make markets more inclusive. Generating an environment for learning and knowledge sharing is therefore a key priority with governments serving as impactor investors to facilitate mSMEs achieve social impact.
6. BMS highlighted that the project's output focusing on pipeline development was key to help the organization source innovative ideas that could be shared across the organization for implementation and resource mobilization. BMS noted that while the document contained references to UNDP's inclusive market initiatives, the document should also list UNOPS's impact fund which they are opening up to all their projects.



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7. BERA noted while the project was benefitting from HNWI financing, there may be other funding sources, in particular, from the private sector that may be sourced for project implementation.
8. UNDP GEF, lent their support to the project reminding that RBAP had had a series of meeting with them to elaborate on the project concept. Reminding that the project bore similarity with climate finance initiatives, UNDP GEF welcomed the opportunity to coordinate and offered sharing of experiences and full support once the project commenced implementation.
9. The Bangkok Regional Hub noted the need for fine-tuning the management arrangements and prioritizing the hiring of staff for the project.
10. Participants from BERA, BMS, GEF and BPPS unanimously approved the project, offering flexibility to RBAP to determine the appropriate project structure and staff placement between Hong Kong and Bangkok, guided by project needs and cost considerations.

**Decision taken and next steps:**

The project was approved. Given that this is a regional project, the regional director will sign the project document and authorize use of funding.

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Chair Regional PAC