

Wednesday June 22nd
10:30 am - 12:00 am CET

SOCIAL INVESTMENT AS A KEY LEVER FOR INCLUSIVE GROWTH

Virginie Leroy, Deputy Director, Human
Development and Social Progress, AFD



Financing social investments: the role of Public Development Banks

- Countries are highly vulnerable to socio-economic and climate shocks. However, those with sufficient and quality social infrastructure and policies are **better equipped for the recovery**
- Recent crises call for a change of perspective: need for a **social lens** in every investment decision
- Social investments **mitigate the consequences** of social, climate or stability challenges
- Social investments are **not a cost**: they provide **monetary and other returns**
- AFD is **streamlining social in all of its projects**, together with its clients (e.g.: « Green jobs and gender » project in Ecuador; or « Strengthening health systems capacities and pandemic preparedness in West Africa »)
- **Remaining challenges**: increase social in PDBs strategies, demonstrate (and better measure) co-benefits rather than competition between impacts (social, economy, environment, security) ; comparable taxonomies; partner with private sector
- Role of **Public Development Banks** and cooperation platforms like **Finance in Common and Coalition for Social Investment**

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Isabelle Brun, Sector Policy and Partnerships
Advisor, CEB

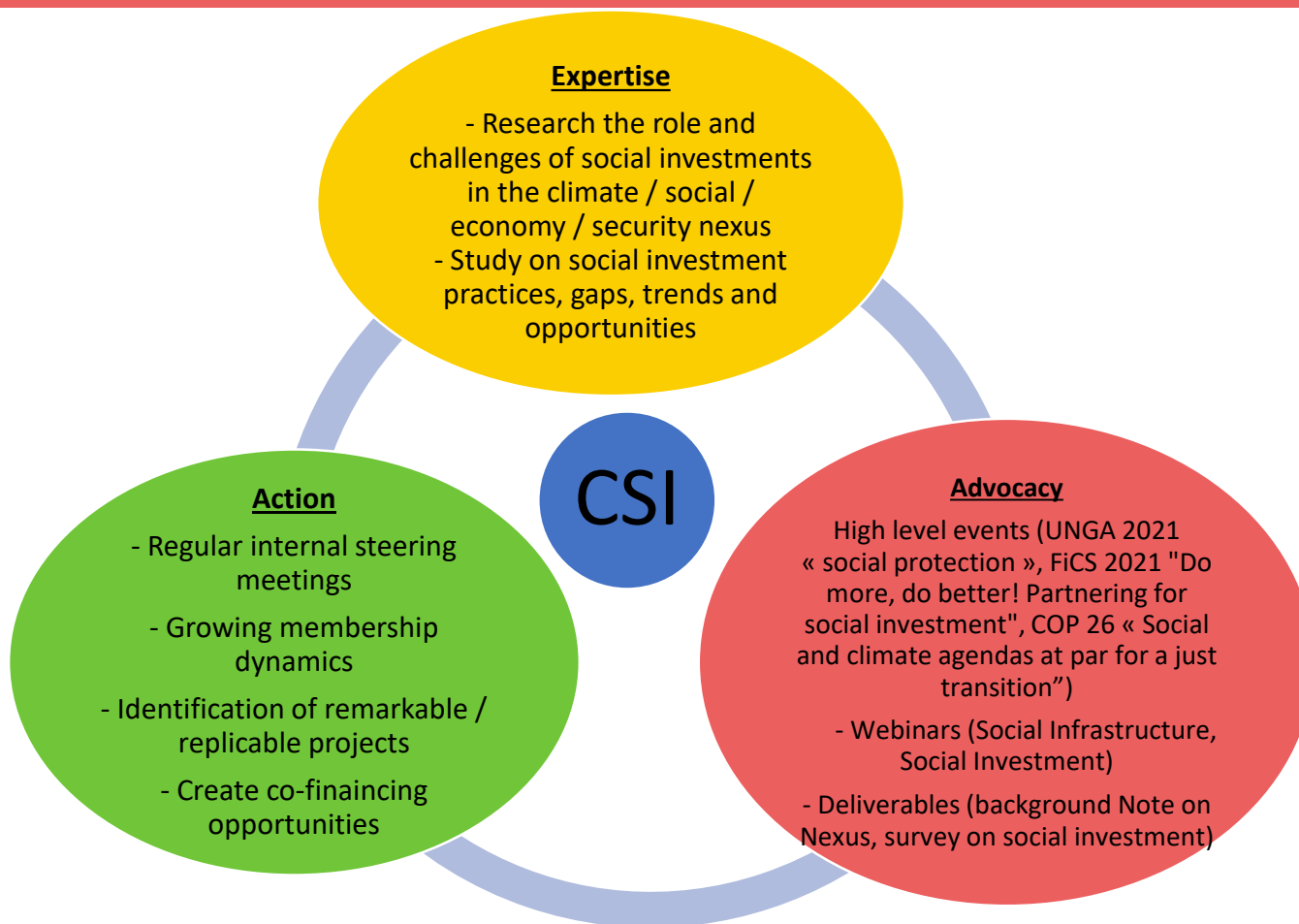
Arthur Pataud, Policy Analyst, Finance in Common



**Coalition for
Social Investment**



Coalition for Social Investment – Do More! Do Better!



Coalition for Social Investment – Workstream 1 « Measurement »

“Quantification of PDBs’ support to social investment and associated results/impact”

Participants: EIB, OECD, UNDP, CEB, AFD

Objectives:

- better understand which social investments PDBs support
- better understand the effects of these investments (output, outcome, impact)
- how to (better) direct the efforts towards SDGs, with a view to get closer to alignment.

Coalition for Social Investment – Workstream 2 « Nexus »

“Nexus between social – environment/climate – economy – security agendas”

Participants: ADFIAP, EIB, ILO, UNDP, CEB, AFD

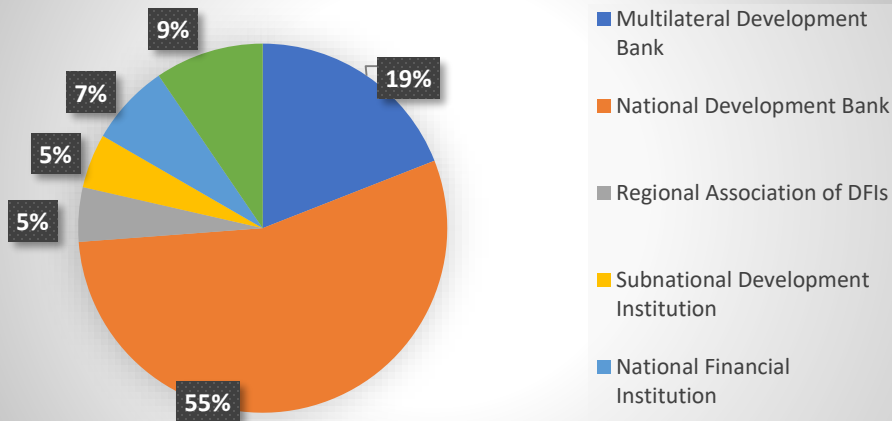
Objectives:

- Develop a common narrative on the role and impact of social investments on a number of inter-connected agendas (*see draft Concept Note, open to comments*)
- Illustrate the nexus with examples of successful / unsuccessful / scalable projects, in particular the most impactful (*see Project Template; possible future mapping?*)
- Feed a future pipeline of opportunities for project-level cooperation (2023), pushing forward an Investment Agenda as a concrete contribution for FiCS 2022.

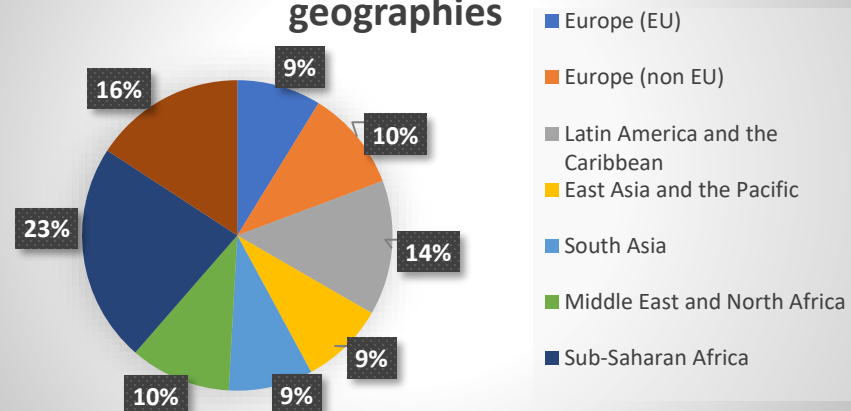
Survey on social investment trends, challenges and opportunities: initial results

- Two objectives: gain a better overview of the Coalition itself, and put together some key trends, challenges and opportunities on social investment as a concept of growing importance for PDBs, looking forward.
- 6 categories: perimeter; strategy; action; instruments & measurement; challenges; partnerships
- Current and potential future role in boosting Social Investment

Respondents' categorisation



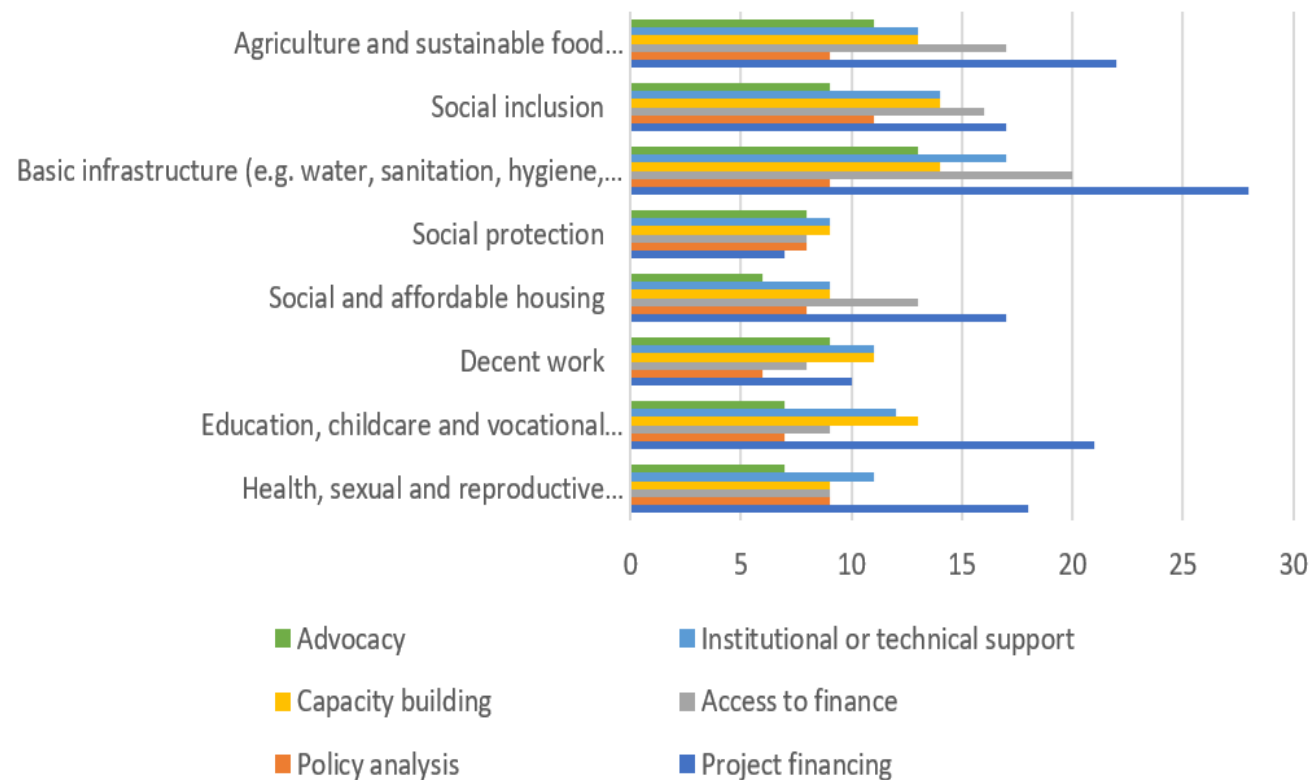
Social investment interventions by geographies



Survey on social investment trends, challenges and opportunities: initial results

- Social investments are **anchored strategically & here to stay**
- SDGs alignment
- 75% report **more integrated, multi-sectoral programming in the aftermath of COVID**
- **Interest in leveraging private investors**

Social investment activities (by reported numbers)



Survey : remaining challenges

- **There is room to develop a common vision** and vocabulary on social investment.
- There is no unified, commonly agreed way to **quantify social investments, and measure their impact.**
- SDG alignment far from being systematic.
- Relationship between social investments and sustainable change and **impact on national strategies** = room for improvement.
- 23% of respondents have **no coordination mechanisms** with other PDBs, which **hampers social investment growth and knowledge sharing.**
- **These challenges pose risks in terms of social washing.**

Survey on social investment trends, challenges and opportunities: next steps

- **Catalyze and facilitate access to funding**
- **Raise the visibility and advocacy** around key social investment projects,
- **Develop a market of opportunities**
- **Share information and best practices** from other PDBs
- **Discuss how methodologies and mandates could be improved or harmonized**
- **Increase members' institutional capacity on SDG alignment**