



Developing tools for better impact and result measurement



European
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GLOBAL TRENDS



Meta crisis – climate change, environmental degradation and perverse inequality

21st Century shocks exposing and entrenching social inequalities (COVID 19, war in Ukraine, energy crisis, food insecurity)



COVID 19 alone reversed 4 years of progress against poverty, highlighting the social fault lines that determine social, economic and health outcomes.

Highest number of **conflicts** since 1946, **refugees** at their highest number



Rising working **poverty rate** and **inequality**

Rapid **urbanisation** and **digitalisation**

Ageing populations and changes in **human mobility**



Under Investment in Sustainable Finance

Pre Pandemic SDG Annual Financing Gap

USD 2.5 trillion

Post Pandemic SDG Annual Financing Gap

USD 3.7 trillion



SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD



Investment Barriers and Challenges:

- Gender and social norms
- Risk appetite
- Lack of incentives for the private sector
- Public sector constraints
- Differential impact of investments
- Shocks (Geopolitical, Covid, Climate Induced Events)
- No single taxonomy for Social to attract, track and consistently assess need or impact

WHERE WE ARE NOW:



EIB Gender TAG Guidance Note 1.0
European Investment Bank, July 21 2021
Contact: Julia Chambers PJ/SJM/ECSO



WHERE WE WANT TO BE:

- Make a **strong case** for *building back better*, and the **relevance** of socially sustainable and inclusive investments
- Provide a **single and durable conceptual framework** on our approach to social sustainability and inclusion
- Provide a **typology** of social impact projects and as such **clarity** on what **counts** as contributing to SSI and to the call for *Building Back Better*
- Track and communicate our **social impact**, in a simple yet meaningful way

DRAFT FRAMEWORK ON SOCIALLY SUSTAINABLE & INCLUSIVE INVESTMENTS

DRAFT

Uphold

How we uphold human rights across our work (do no harm)



Include

Projects that include efforts to increase their **positive social benefits**, and can point to positive social outcomes and all investments and projects that build more resilient, sustainable and inclusive societies through investments in **human capital and social infrastructure**.

Reach

Investments whose intention is to **explicitly target** underserved groups or segments of the population, and /or to **substantially contribute** to reducing specific social inequalities in a given context, including through project finance, access to finance and job creation.

Future Proof

Investments that explicitly aim to **future-proof against future social vulnerabilities** or the risk of enhanced inequalities. They are informed by analytical evidence to support the intended approach and to highlight the estimated potential contribution to future proofing.

Intended Outcomes / Typology of Projects

INCLUDE

- Reduced [gender] **inequality** in access to infrastructure
- Increase in access to equitable and inclusive quality **education**
- Universal Access to Affordable **Health Services**
- Increase in access to equitable and inclusive quality **care**
- Increase in access to social and affordable **housing**

REACH

- Increase in **GEWE**
- Increase in **access to finance** by excluded groups and by women
- Increase in **employment opportunities** for women and/or excluded groups
- Increase in **leadership opportunities** for women and/or excluded groups
- **Reskilling and employment** in JT regions / sectors

Future Proofing

- Prevention of **forced displacement**
- Increase in **adaptive capacity** of vulnerable communities
- Increase in **social cohesion**
- Improvements in **disaster preparedness**
- Enhanced capacity of **health emergencies** response & preparedness capacity

Aggregation to high level social impacts



The Challenges

- Measuring the performance of risk mitigation
- Context specificity vs. standardisation
- Access to data
- Policy externalities and social norms
- Volume attribution
- Capturing indirect yet meaningful impact

The Enablers




Supportive Actions



Operational Actions



Institutional Actions

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- Context specific social analysis
 - Estimation methodologies to fill data gaps
 - Enhancement to thematic TA and advisory offering
 - Exploration of the use of blending for client incentives and support
 - Volume attribution methodology for social impacts
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- Social Impact Financing , thematic credit lines and sustainability awareness bonds
 - Piloting Results Based Lending modalities to drive transversal social outcomes
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- Partnerships development for analytics and complementarity
 - Adopting standard criteria where internationally agreed (e.g 2X and OECD DAC markers)
 - Ongoing engagement with sustainable finance community efforts in establishing international standards / taxonomy

THANK YOU



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