

COP29 Side-Event Concept Note

Sovereign Wealth Impact: Powering Finance for the SDGs

Date: 12 November 2024 | Time: 18:30-20:00 (local time)

Location: Side-Event Room 3 (75 pax) (Blue Zone), Baku, Azerbaijan

Background

The most recent [2024 Financing for Sustainable Development Report](#) highlights that urgent innovations are needed to mobilise financing to close the UN Sustainable Development Goal (SDG) funding gap, now estimated at **\$4.2 trillion annually**. The current methods of channeling financial resources to developing countries are falling far too short, calling for new partnerships and financial mechanisms to reimagine development finance. Often misunderstood, sovereign wealth funds (SWFs) are key financial actors to unlock SDG finance at scale. Currently managing over \$13 trillion of assets, SWFs now make up about 39% of total assets of the top 100 asset owners in the world. There has been a proliferation of SWFs with strategic mandates to invest in sustainable development, primarily in developing countries. These SWFs are commonly known as **strategic investment funds (SIFs)**. Currently about half of the members of the largest industry organisation of SWFs, the International Forum of Sovereign Wealth Funds (IFSWF), are now SIFs. These funds may have multiple mandates, but they are designed to invest in their country's economic development while also producing financial returns, leveraging private capital to do so. Many SWFs that have recently emerged in Africa fit this description. These SWFs with local knowledge and expertise must crowd-in commercial capital to build markets and finance critical development investments that investors may avoid without de-risking mechanisms.

The Sovereign Impact Initiative (SII)

Acknowledging the potential for these SWFs in developing nations to attract global investment, and the urgency to finance the SDGs, a new initiative has been launched. The [Sovereign Impact Initiative \(SII\)](#) is a partnership between the Center for the Governance of Change (CGC) at IE University in Spain, the International Forum of Sovereign Wealth Funds (IFSWF), the UN Joint SDG Fund, and UN Development Programme (UNDP). It is also backed with support from Spain's Directorate General for Development Policies (DGPOLDES).

This initiative brings together SWFs in developing nations with other global investors to channel financial resources to impactful projects aligned with the UN SDGs, with a core aim of country ownership over domestic development. This long-term project aims to bring these parties together to scale up financing for development, and consequently reduce the perceived and real investment risks in developing countries. The SII's initial cohort includes African SWFs of Egypt, Morocco, Senegal and Nigeria, but plans to expand to Latin America and South-East Asia in the future.

The SII has **four main objectives**:

- 1) Co-design an **investment vehicle** with SWFs to unlock capital from strategic and international SWFs and channel to national SWFs in developing countries.
- 2) **Research** and **analyse** financing trends, practical solutions, tools, challenges and gaps to uncover best impact investing practices that enable SWFs to be aligned with the UN SDGs.
- 3) Establish a **community** of knowledge and practice as a platform for SWFs to **build capacity** through sharing of case studies, challenges and learnings to highlight impact investing best practices among SWFs.
- 4) Design a technology platform to increase transparency and improve measurement and reporting through metrics and targets, **tracking the impact** of SWF financial flows into the SDGs.

Session Objectives and Expected Outcomes

This side-event will be the **3rd edition** of its kind. It will follow the 2nd event held COP28 in Dubai, where the **SII announced its first cohort of African SWFs**, while also bringing together other key institutions like UNEP FI, BNP Paribas, and the Spanish government. The 2nd event built on the success of the inaugural COP27 side-event in Sharm El-Sheikh, which gathered SWFs from Egypt, Morocco, Spain, banks like BNP Paribas, philanthropists, and the Minister of Planning and Economic Development in Egypt. This 3rd side-event will cover key progress to the SII and the road ahead, bringing in perspectives from leaders from Spain's SWF, the SII's African SWFs, and Africa50, a leading infrastructure investment platform developed by African governments and the African Development Bank. Besides updates to the SII, we will be discussing how SWFs fit into broader challenge of financing for development, which is critical ahead of the 4th International Conference on Financing for Development (FfD4), taking place in Sevilla, Spain in July 2025.

Agenda

Welcome Remarks (via pre-recorded interventions)

Ms. Amina Mohammed, Deputy Secretary-General, United Nations

Ms. Lisa Kurbiel, Head of Secretariat, United Nations Joint SDG Fund

Opening Speaker

Mr. Drew Johnson, Associate Director, Sovereign Impact Initiative, Center for the Governance of Change, IE University

Panel Discussion

Mr. Gilbert Nyatanyi (moderator), former Chief Executive Officer, Agaciro Development Fund (Rwanda), Sovereign Impact Initiative Advisory Board Member

Ms. Noha Khalil, Interim Chief Executive Officer at The Sovereign Fund of Egypt (*TBC*)

Ms. Nana Maidugu, Head of Sustainability and ESG, NSIA

Mr. Aminu Umar-Sadiq, CEO & Managing Director, NSIA (*TBC*)

Mr. Babacar Gning, CEO, FONSI

Mr. Demba Diallo, Executive Director, Africa50 and former CEO, FONSI

Mr. Rafael Matos, Head of Sustainability and Impact, COFIDES

Q&A Discussion

Closing Remarks

Ms. Irene Blázquez-Navarro, Director, Center for the Governance of Change, IE University