



**United Nations General Assembly  
Second Committee Special Event on**

***“New instruments of social finance”***

**United Nations Headquarters, Conference Room 2 (CB)  
4 November, 3:15 pm – 6:00 pm**

**Concept Note**

**Objectives**

This event will explore how impact investing and new instruments of social finance could contribute to achieving sustainable development goals, both in industrialised and developing countries.

**Background**

Impact investments are investments made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets, and target a range of returns from below market to market rate, depending upon the circumstances. The growing impact investment market aims to provide capital to support private sector solutions to the world's most pressing challenges in sectors such as sustainable agriculture, affordable housing, affordable and accessible healthcare, clean technology, and financial services. One type of impact investing is through new innovations called social-impact bonds (SIBs)

In developed countries, social impact bonds (SIBs) have been launched to try to make inroads in achieving social development goals. Through an SIB, private investors provide upfront funding which is aimed at delivering improved social outcomes that ultimately result in public sector savings. In developing countries, development impact bonds (DIBs) operate in a similar fashion. Investors provide financing which is invested to try to achieve improved social outcomes in developing country contexts. Funds to remunerate investors can come from donors, the budget of the host country, or a combination of the two. The both SIBs and DIBs risk is intended to be borne by the investor, with remuneration based on success in achieving pre-specified outcomes.

Proponents of social finance instruments argue that they have the potential to not only improve efficiency and cost-effectiveness of products and services but also deliver environmental and social benefits. They may also spur innovation and improve service delivery. Detractors argue that the model reduces the accountability and may limit the role of the public sector and that it is very difficult to define success criteria that incentivise higher quality outcomes, particularly in relation to environmental and social impact.

## **Key questions**

- In what areas would impact investing be most effective?
- What changes in public policy would be needed to scale up its adoption and effectiveness in delivering sustainable development outcomes?
- Because of both the potential benefits and the possible risks, in what circumstances will SIBs and DIBs prove most useful? What experiences have we seen to date?

## **Participants and format**

Chair: H.E. Ambassador Sebastiano Cardi, Chair of the Second Committee of the 69<sup>th</sup> session of the General Assembly

Moderator: Ms. Shari Spiegel, Financing for Development Office, UN DESA

Speakers:

1. Ms. Susana Malcorra, Chef de Cabinet, Executive Office of the Secretary General
2. Ms. Letizia Moratti, Co-founder, San Patrignano Foundation, Italy
3. Sir Ronald Cohen, Chairman of the Social Impact Investment Taskforce established under the UK's presidency of the G8 and Founding Chairman of Big Society Capital
4. Mr. Mario Marconi Archinto, Head Philanthropy and Values Based Investing, UBS AG Wealth Management & Swiss Bank
5. Mr. Tony Meloto, founder of Gawad Kalinga, Philippines
6. Mr. Larry Brown, National Secretary, NUPGE, Canada
7. Ms. Amina Mohammed, Secretary General's Special Advisor on post-2015 development planning, United Nations (by video)

The session will be a moderator-driven, interactive panel discussion. The chair will invite short interventions of 4-5 minutes each from the speakers in a few rounds of interaction before opening to the floor for questions and comments.

## **Logistics**

The event will be held on the afternoon of 4 November 2014 as a Second Committee side event. Start time is expected to be 15:15.