



# SUSTAINABLE DEVELOPMENT GOALS: TAPPING INTO THE WELL OF OPPORTUNITY CREATED BY THE PRIVATE FINANCING GAP

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Since their inception in 2015, the Sustainable Development Goals (SDGs) have emerged as a powerful framework to address and overcome the pressing challenges facing the world. With their wide-ranging scope, encompassing areas such as poverty eradication, climate change, gender equality and sustainable economic growth, the SDGs represent a shared global vision for a more inclusive, equitable and sustainable future.

In 2014, estimated SDG financing needs were around US\$5 to US\$7 trillion per year. Following the Covid-19 pandemic, estimates reached US\$7 to US\$9 trillion per year. The financing gap increased by US\$ 1.7 trillion according to the OECD, landing at around US\$4.2 trillion in 2020. From the outset, the private sector has been recognised as a key partner in the pursuit of these goals. Leveraging on its inherent strengths, being agility, innovation and investment capabilities, the private sector possesses the potential to drive transformative change. By aligning their strategies and operations with the SDGs, companies can generate positive social and environmental impacts whilst unlocking new opportunities for sustainable growth.

The private sector's engagement with regards to the SDGs extends beyond mere philanthropy or corporate social responsibility. Rather, it represents a strategic imperative for businesses to future-proof their operations and secure long-term value creation. Embracing the SDGs enables companies to enhance their competitiveness, attract investment, foster innovation and build resilient business models capable of navigating the evolving global landscape.

For investors, recognising the importance of the SDGs in shaping the future investment landscape is paramount. Integrating the SDGs into investment decision-making processes allows investors to align their portfolios with sustainability principles and contribute to positive social and environmental outcomes. This approach involves incorporating environmental, social and governance considerations into the investment analysis, actively seeking out companies that demonstrate strong commitment and progress towards the SDGs and engaging with portfolio companies to drive sustainability practices.

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