



## **Model Mandate Launch Keynote Address**

by  
Navid Hanif  
Assistant Secretary-General (designate) for Economic Development

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*(Keynote address 16:20-16:30)*

GISD Alliance members,  
ICGN Board members,  
Distinguished guests,  
Ladies and gentlemen,

On behalf of the United Nations, I have the honor to deliver these remarks in the occasion to the launch of the Model Mandate.

I am pleased to see the outcome of a successful partnership between the Global Investors for Sustainable Development (GISD) Alliance and the International Corporate Governance Network (ICGN).

I want to express my gratitude and congratulations to all those who we engaged in the preparation of this document and to the Financial Reporting Council for hosting us this evening.

### ***Rescuing the SDGs demands bold action***

The 17 Sustainable Development Goals (SDGs) were conceived as the blueprint for prosperity of humanity on a healthy planet.

And yet, we are not on track to achieving the goals.

Following the business-as-usual approach will condemn the SDGs to failure.

At the current pace, 660 million people will be without electricity in 2030 and about 2 billion people still lack access to drinking water.

When the UN Secretary-General presented his report Our Common Agenda to the General Assembly last September, he said that “*COVID-19 is a wake-up call – and we are oversleeping*”

The time to wake up and act is now.

The challenges to sustainable development are not easing and the pandemic is not the sole culprit.

The annual SDG financing gap for developing countries stands at more than \$3.7 trillion per annum.

The accelerated loss of biodiversity, worsening climate change, and the tragic ongoing conflict in Ukraine have contributed to the rising cost of achieving the SDGs.



Nevertheless, this tremendously difficult scenario cannot be an excuse for paralysis.

We still have 8 years to rescue the SDGs.

We still have 8 years to turn the tide.

We know that Governments are unable to do it by themselves.

That is where all of you can pitch in.

For example, the 2022 Financing for Sustainable Development Report estimates that about 70 per cent of clean energy investment globally could come from the private sector.

Fortunately, we have seen a growing enthusiasm in the private sector to engage in this endeavor.

This is why the UN Secretary-General Guterres convened the Global Investors for Sustainable Development Alliance.

GISD is a group of business leaders representing leading financial and non-financial corporations from around the world working together to facilitate the scaling up of investment and finance for sustainable development.

Some of the GISD solutions include:

*Enhancing financial reporting* to establish effective measures that internalize environmental and social externalities and promote sustainable business practices;

*Transforming incentives towards a long-term approach* for business and investment decisions that considers the interests of all stakeholders;

*Introducing targeted instruments and platforms* to channel investment to sectors and countries that need them the most; and,

*Calling on multilateral and regional development banks* and their shareholding governments to support their efforts to mobilize additional private capital for the SDGs.

The Model Mandate becomes the latest addition to the contributions of the Alliance to closing the financing gap.

### ***Expanding the scope of the Model Mandate***

ICGN published a Model Mandate in 2012 that was a seminal contribution to establishing the best practices in stewardship and accountability.

One decade later, we are taking it one big step further.

The updated Model Mandate makes GISD's Sustainable Development Investing (SDI) definition the backbone of the investment mandate.

This is not an innocuous idea.



This means that the contractual relationship between asset owners and managers is governed by the principle that the positive contribution to the SDGs cannot be outweighed by its own negative impact.

The Model Mandate is not, and does not intend to be, a recipe for SDG compliance.

Instead, the Model Mandate is a practical tool to guide asset owners in:

Identifying a suitable asset manager;

Drafting contract clauses that are decidedly targeted to contributing to the SDGs;

Defining the appropriate way to monitor whether the manager is abiding by the agreed policies and achieving the desired sustainability objectives.

For instance, one of the sample contract clauses illustrates how asset owners can ensure that asset managers promote the leadership of women in investee companies.

### *Translating words into deeds*

Dear colleagues and friends,

Now is not the time to rest on our laurels.

The good practices put forward in the Model Mandate are not to stay on the shelves.

Today kicks off the agenda co-led by ICGN and the GISD Alliance to disseminate the recommendations and facilitate implementation.

We especially call upon asset owners to use the Model Mandate as the basis for negotiating the investment mandate.

However, it must be made clear that the Model Mandate is not a call for action exclusively aimed at asset owners.

We encourage asset managers to review their own standard contract terms against the Model Mandate.

We encourage investment consultants and similar advisers to raise awareness of the Model Mandate.

We encourage relevant regulators, standard-setters, and investor bodies to endorse the Model Mandate.

### *Transforming the momentum to ensure buy-in*

ICGN's 2012 landmark document was a success.

It inspired the South African regulators. They tailored the guidance to their own market and national laws.



We sincerely hope that the updated guidance will likewise become an essential reference on how to successfully integrate the SDGs into the contractual relations between asset owners and managers,

And there is reason to be hopeful.

There is early interest coming from Japanese asset owners that have requested the translation of the document into their language, which will be published in the autumn in Tokyo.

### *Looking ahead*

Moving forward, UN DESA as secretariat of the GISD Alliance and other UN entities remain ready to facilitate the implementation of the Model Mandate.

We also welcome continuing the partnership with ICGN.

I invite all of you to consider adopting or promoting the use of the Model Mandate as a key instrument to aligning portfolios and incentives with sustainable development.

Rescuing the SDGs will not be possible without your leadership and engagement.

I look forward to the lively discussion of the panel of experts that are with us today.

I want to give special thanks to Ms. Kerrie Waring and her team for organizing this discussion and Mr. Mark Babington for hosting us at this venue.

Finally, I want to thank and give the floor to Mr. Chris Hodge, who spearheaded the drafting of the Model Mandate.