

Definitions, taxonomies or other relevant approaches to identify and align investments with sustainable development should:

IPSF and UN-DESA are putting forward a set of

7 HIGH-LEVEL PRINCIPLES FOR

the development of coherent approaches to identify and align investments with sustainability goals. Adherence to these principles would increase comparability and interoperability between these approaches.



Principle 1

Make a positive contribution to support SDGs



Principle 2

Do no significant harm to any of the 17 SDGs



Principle 3

Be Science-based (i.e., objective in nature whenever applicable)



Principle 4

Be dynamic and regularly updated to reflect the development of sustainable technologies and changes in policy agendas and priorities



Principle 5

Be transparent and verified (i.e., transparent methodologies, proper disclosure by investment managers/ financial advisors, and independent verification mechanisms)



Principle 6

Contain a fuller coverage of SDGs, beyond a possible initial focus on climate



Principle 7

Rely on a comprehensive assessment of an investee entity's activities, including from its operational activities, value chain and usage of its products and services

IPSF and UN-DESA also propose

10 RECOMMENDATIONS

to enhance interoperability across approaches and tools for identifying, verifying and aligning investments with sustainability goals

For jurisdictions that choose to implement taxonomies:



Recommendation 1

Develop sustainable finance taxonomies using the same language to enhance comparability and interoperability (e.g., International Standard Industrial Classification).



Recommendation 2

Share and compare national/regional taxonomies to identify common ground.



Recommendation 3

Build on existing taxonomies and voluntary adoption of common ground taxonomies.



Recommendation 4

Collaborate regionally on developing unified taxonomies, in which the MDBs can play an instrumental role.

For all jurisdictions:



Recommendation 5

Enhance comparability, consistency and transparency of ESG/SDG rating methodologies and data products while improving the governance of the assessment process.



Recommendation 6

Support collaboration among relevant stakeholders to ensure consistency, transparency and interoperability of methodologies for verification and labeling of sustainable investment products.



Recommendation 7

Consider ways to standardize disclosure by investment managers and financial advisors.



Recommendation 8

Leverage consensus emerging from private-led platforms - such as the Sustainable Development Investing (SDI) definition from the Global Investors for Sustainable Development (GISD) - to promote consistent approaches around sustainable investments.



Recommendation 9

Provide capacity building support to developing countries with underdeveloped capital markets so they can benefit from the sustainability shift in developed capital markets.



Recommendation 10

Support collaboration among scientists, investors and civil servants to identify suitable KPIs for a common language on impact measurement.

Source: Report on "[Improving compatibility of approaches to identify, verify and align investments to sustainability goals](#)"