TOSSD Data Pilot on Institutional Investors

Final report

TOSSD Task Force Secretariat

OECD Development Co-operation Directorate

Financing for Sustainable Development Division

Statistical Standards and Methods Unit

TOSSD Total Official Support for Sustainable Development

April 2023

Foreword

The 2030 Agenda for Sustainable Development, adopted at the UN summit on 25 September 2015 is the broadest and most ambitious development agenda ever endorsed. Implementing this agenda and achieving the 17 Sustainable Development Goals (SDGs) requires unprecedented resource mobilisation. All funding sources and available instruments should be used and combined to meet the enormous needs that developing countries face in a development architecture that is broader, more diverse and more complex than ever before.

The 2021 OECD Report on "Mobilising Institutional Investors for Financing Sustainable Development" (OECD, 2021[1]) highlighted the huge potential of institutional investors to close the SDG financing gap, estimated at USD 3.9 trillion in 2021 (OECD, 2022[2]). With more than USD 110 trillion of assets held by institutional investors worldwide at the end of 2020, a shift of just 3.5% of these assets towards sustainable activities in developing countries would be sufficient to fill the financing gap. While the report further underlined the scarcity of data on institutional investors' contributions to sustainable development, it showed potential for further transparency and collaboration between institutional investors and the development community.

More data on institutional investors' contributions to the SDGs in developing countries is therefore critical for the international development finance community to develop relevant partnerships with these actors and incentivise the gradual shifting of their trillions of assets towards the 2030 Agenda. Greater transparency on the activities already undertaken would also help build institutional investors' confidence in the emerging markets, ultimately aligning their investments with sustainability and impact investment standards. In this context, the new metric for Total Official Support for Sustainable Development (TOSSD) appears to be the appropriate framework to capture more granular information in this area.

Tracking institutional investors' contributions to the SDGs was discussed at the TOSSD Task Force in December 2021. **The Task Force instructed its Secretariat – hosted by the OECD – to undertake a special data pilot to further explore this topic and assess the feasibility of collecting in TOSSD more granular information on investments by public pension funds, insurance companies and sovereign wealth funds engaged in the SDGs.**

The objective of this exercise was to gather detailed information on investment flows to developing countries by the most prominent institutional investors through a survey covering investments made or committed in 2021. It was administered by the TOSSD Task Force Secretariat, in co-ordination with TOSSD reporters from the countries of residence of the surveyed institutional investors.

This report presents the main findings from the data pilot, based on information collected through a survey addressed to 34 pension funds, insurance companies and sovereign wealth funds. Section 1 first underlines the rationale of conducting the pilot in the context of TOSSD and describes the approach followed. Section 2 introduces the results of the survey in terms of response rate and quality of the information received. Sections 3 and 4 aim to demonstrate the benefits and challenges of collecting in TOSSD data on institutional investments both from recipients' and provider countries' perspectives.

Acknowledgements

This report is a contribution to ongoing discussions at the International TOSSD Task Force on the scope of the TOSSD statistical standard. The data pilot was led, and the report drafted by Cécile Sangaré, Development Finance Analyst, under the guidance of Julia Benn, Manager of the Statistical Standard and Method Unit and Head of the TOSSD Task Force Secretariat. The survey undertaken for this data pilot was conducted with strong support from Madeleine Lessard, a Research Officer.

The authors would like to extend their greatest appreciation to all institutional investors who participated in the survey. A special thank goes to PensionDanmark for its precious contribution to designing and developing the survey questionnaire.

Finally, the authors would like to acknowledge the financial assistance of Japan for this pilot study, which supports the work of the International TOSSD Task Force and allows for testing the various parameters and methodologies of TOSSD. The views expressed herein can in no way be taken to reflect the official opinion of Japan.

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1. Why a TOSSD data pilot on institutional investments?

1.1. What is TOSSD?

The **Total Official Support for Sustainable Development** (TOSSD) statistical measure includes all officially-supported resources to promote sustainable development in developing countries. This includes i) cross-border flows to developing countries and ii) resources to support development enablers and/or address global challenges at regional or global levels.

Total Official Support for Sustainable Development (TOSSD)[1] is an international standard for measuring the full array of resources to promote sustainable development in developing countries. It is designed to monitor all official resources flowing into developing countries for their sustainable development, but also private resources mobilised through official means. It also measures contributions to International Public Goods.

TOSSD responds to a need for a comprehensive measure of support to developing countries contributing to the Sustainable Development Goals (SDGs). The TOSSD statistical framework was developed and agreed by a large, diverse group of countries and organisations, aiming to ensure a coherent, comparable, unified system to track SDG-related investments.

TOSSD informs development planning, SDG monitoring and helps identify priorities to finance sustainable development. The greater focus on sustainable development is not the only change in the financial landscape. This landscape also has more and new actors, and new financial instruments. **TOSSD better reflects this complex landscape than existing international statistics on development finance**.

1.2. How do institutional investments fit in the scope of TOSSD?

1.2.1. Key concepts

The key concepts embedded in the TOSSD definition include:

- **"Sustainable development"**: defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs. "Sustainable Development" in the TOSSD context is inherently linked to the Sustainable Development Goals as agreed in the 2030 Agenda. Activities recorded as TOSSD support the implementation of the SDGs by generating sustainable economic growth, ensuring social inclusion, without

[1] See more at www.tossd.org.

compromising the environment. As and when the 2030 Agenda is concluded and replaced by another framework, the TOSSD measure will be updated to link to that framework.

- **“Resource flows”**: In accordance with the Addis Ababa Action Agenda, the term “resources” in the TOSSD definition covers both financial and technical resources. The flow of resources covers monetary and non-monetary transactions with TOSSD recipients in support of sustainable development for any given year.
- “**Officially-supported”**: TOSSD aims to capture the entirety of instruments and modalities used by official provider countries and organisations to support sustainable development, including mechanisms that mobilise resources from the private sector. Therefore, in the context of TOSSD, “officially-supported resources” are defined as:

  a) resources provided by:

    i) official agencies, including state and local governments, or by their executive agencies, and

    ii) public sector corporations.

  b) private resources mobilised by official interventions, where a direct causal link between the official intervention and the private resources can be demonstrated.

1.2.2. Public sector corporations and institutional investors

As described above, TOSSD aims to capture the full array of officially-supported activities in support of the SDGs, including from public sector corporations. In this context, public sector corporations are those over which the government secures control by owning more than half of the voting equity securities or otherwise controlling more than half of the equity holders’ voting power, or through special legislation empowering the government to determine corporate policy or to appoint directors.

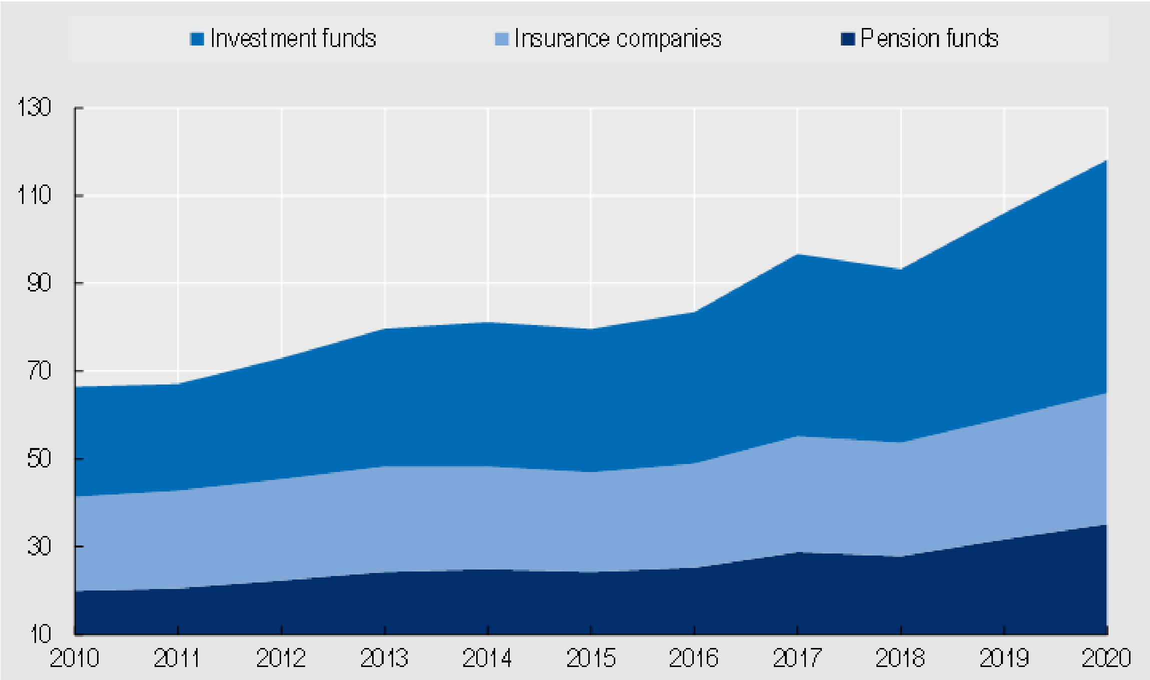
Therefore, in principle, the TOSSD statistical framework covers publicly-owned pension funds, insurance companies and sovereign wealth funds, provided their investments are aligned with the SDGs. However, based on the TOSSD data collections so far (flows in 2019-21), no provider has attempted to report on these institutions’ investments in developing countries.

1.3. Why track SDG-related institutional investments in TOSSD?

With more than USD 110 trillion of assets under management at the end of 2020, institutional investors are one of the key participants in financial markets (Figure 1.1)**.** This group of investors includes various institutions, such as pension funds, insurance companies and investment funds. Sovereign wealth funds and public pension reserve funds are sometimes considered as institutional investors too although they could be seen as the ultimate owner of the assets they invest. Investment funds held the largest volume of assets at end-2020 (USD 53 trillion), followed by pension funds (USD 35 trillion) and insurance companies (USD 30 trillion). Investment funds may pool and invest money from individuals and other institutional investors (such as pension funds and insurance companies).

Figure 1.1. Assets of selected institutional investors in the OECD, 2010-2020

Investors located in OECD countries, USD trillion



Note: Data on pension funds refer to the amount of their investments instead of their assets. While in general, the difference between assets and investments would be minimal, this difference may be more substantial in some cases, such as the United States, where claims of pension funds on the plan sponsors are considered as assets of the (defined benefit) plan but not as investments. Data on insurers refer to the assets of direct insurers. Assets of investment funds include both their financial and non-financial assets. The total assets of investment funds cover all OECD countries except: Ireland, Netherlands, Norway, Poland, Portugal, the Slovak Republic, Switzerland and the United Kingdom.
Source: OECD Global Pension Statistics; OECD Global Insurance Statistics; OECD Institutional Investors Statistics.

A 2021 OECD Report (OECD, 2021[1]) showed that shifting only a small share of these assets towards the SDGs in developing countries would be sufficient to fill the financial gap estimated at USD 3.9 trillion in 2021 (OECD, 2022[2])). Moreover, the report also highlighted that, in recent years, institutional investors have paid increased attention to environmental, social and governance (ESG) considerations, including to align their investment policies with the SDGs. Investors commonly use ESG factors to improve long-term risk-adjusted returns and create long-term value in companies, but also to integrate the social impact investing perspective into their investment policy ((OECD, 2020[1])). The report also confirmed that pension funds and investment companies holding assets in developing countries are generally perceptive of the need to align their investment policies with international agendas, such as the 2030 Agenda (55% of insurance compagnies and 42% of pension funds) as well as the Paris Agreement (32% of pension funds and 16% of insurance companies).

However, so far, little evidence exists on institutional investors' contribution to the SDGs. More data on their activities in developing countries is therefore critical for the international development finance community to increase the number of partnerships with these actors and incentivise the gradual shifting of their trillions of assets towards the 2030 Agenda.

The TOSSD framework appears as an appropriate framework to capture institutional investors' contributions to sustainable development finance as it covers all "officially-supported resources" contributing to sustainable development, which includes all public investors such as public pension funds and sovereign wealth funds. In addition to fostering the mobilisation of additional resources for the SDGs in developing countries, more information on the volumes of institutional assets held in developing countries would contribute to the main objective of TOSSD, which is to improve transparency and policy analysis on development finance. Therefore, the TOSSD Task Force members agreed at their 2021 December meeting to undertake a special data pilot with the aim to get a better understanding on the extent to which the new statistical framework could capture more data on SDG-aligned investments from institutional investors.

1.4. Objective, methodology and scope of the data pilot

The objective of the TOSSD data pilot on institutional investors was to gather detailed information on investment flows to developing countries by the most prominent institutional investors through a survey covering investments made or committed in 2021. The survey was administered by the TOSSD Task Force Secretariat, in co-ordination with TOSSD reporters from the countries of residence of the surveyed institutional investors.

The main objectives of the survey were to:

- **Collect investment-level data from institutional investors.** Based on the results of previous surveys as well as consultation with key collaborators such as PensionDanmark, the TOSSD Task Force Secretariat identified a number of official institutional investors that constituted relevant candidates for the survey (see Annex A) and designed a simplified survey template (see Annex B).
- **Better understand the ways in which institutional assets held in developing countries contribute to the achievement of the SDGs**.
- **Contribute to fine-tuning the TOSSD methodology**, which aims to capture the full spectrum of officially-supported resources in support of sustainable development, including from institutional investors.[2]

For the purpose of the survey:

- Institutional investors were defined as financial institutions that manage funds from third parties for investment in their own name but on such parties' behalf. In particular, the data pilot focused on pension funds, sovereign wealth funds and insurance companies.
- The investors had to be public sector corporations with a majority of shares held by the government.
- The activities covered had to comprise transactions (loans, equities etc.) which ultimately benefit developing countries (i.e. included in the List of TOSSD Recipients) and which support sustainable development.

[2] A proposal was presented for discussion at the 20th meeting of the TOSSD Task Force, see at https://www.tossd.org/task-force/.

2. Lesson no. 1: reporting on institutional investments is challenging

2.1. Survey sample and response rate

The first phase of the data pilot consisted in research work to identify the pension funds and insurance companies that could constitute relevant candidates for the survey. The list of targeted institutions presented in Annex A was established based on the following criteria:

- The public vs. private status – the institutional investor surveyed is publicly-owned or -controlled in order to meet TOSSD definitions (more than 50% of the capital).
- The institutional investor surveyed already expressed interest in sharing more information on its contributions to the SDGs in a previous OECD survey (OECD, 2021[1]).

During the research phase, the Secretariat also reached out to a number of institutional investors to fine tune the survey questionnaire and make sure it could be filled in by the targeted audience. **PensionDanmark provided a major contribution** by reviewing the draft questionnaire and suggesting adjustments in order to eliminate potential technical obstacles. For example, while TOSSD measures flows at the disbursement stage of an activity, it was recommended to also enable reporting on stocks of assets (i.e. total assets held at the end of the period) which is the most used metric by institutional investors.

The Secretariat also solicited TOSSD Task Force members to seek their support for encouraging participation and help build relationships with institutional investors in their countries or regions. While most members expressed interest in supporting the Secretariat's engagement efforts, only a few were in a position to help deliver the survey request. One member, Canada, managed to play a bridging role with three targeted Canadian funds, two of which subsequently responded to the survey and shared data. Two other members (France and United Kingdom) shared contacts with the targeted institutions resident in their respective countries.

The survey was rolled out in June 2022 to 34 institutional investors – 32 pension funds and 2 sovereign wealth funds – from a wide range of countries (OECD and non-OECD). At the end of October 2022, only nine institutional investors over the 34 targeted had participated in the survey (see Table 2.1). While the number of responses was below expectations, it should be considered in the light of the specific character of the targeted audience. Institutional investors such as pension funds or insurance companies identify themselves more with private investors and are subject to confidentiality obligations with their clients. It also reflects the difficulty to engage with these institutions which, at the time of the survey, had no mandate to share data on their contributions to the SDGs. Several members also mentioned that this type of public institutions are often governed at arm's length, under unclear chain of command.

Table 2.1. Survey response rates

Responses	Numbers of institutions
Data received	7
Data received (indirectly)	2
Final Sample	**9**
Data promised (not received)	2
Invitation rejected	5
No response	18
Grand Total	**34**

Source: 2022 survey on institutional investors.

2.2. Reporting and data caveats

2.2.1. Comprehensiveness and granularity

The data received from the nine respondent institutions was of highly varying levels of detail. A few institutions submitted full questionnaires with all relevant columns completed (e.g. PensionDanmark, Nigeria Sovereign Investment Authority), but for the rest the responses enabled the collection of rather high-level data in various formats, requiring mappings and adjustments to meet the TOSSD standards. The Norwegian Government Pension Fund Global (GPFG) declined to directly participate in the survey but pointed the Secretariat to publicly available investment-level data. These data were sufficiently detailed to be mapped to the survey format (except for the SDGs that had to be assigned by the Secretariat).

Some institutions only shared aggregated figures on the volume and allocation of their assets, e.g. by region or sub-region (and in a few cases sector), supplemented by a few investment-level case studies that illustrated the kind of impact they have and how they evaluate sustainability.

2.2.2. Sustainability test

For most investments, it proved difficult to determine their sustainability and/or alignment with the SDGs. While some institutions had screened their individual investments against the SDGs, some others had defined their investments as broadly contributing to the SDGs or as TOSSD-eligible by definition but without an identifiable SDG focus (e.g. government bonds in TOSSD recipient countries). In general, all the nine participants in the survey were engaged in a way or another in sustainable investing strategies. While most of them had a clear mandate to transition to zero-emission investments and/or align with the SDGs (e.g. Canada Pension Plan, PensionDanmark, the Norwegian Government Pension Fund Global and the Japanese Government Pension Investment Fund), a few were at the time of the report in the process of aligning their portfolios to the SDGs (e.g. Seychelles Pension Fund).

However, for the purpose of this data pilot, all investments reported through the survey were included in the final dataset, with the assumption that their SDG-alignment had been properly checked, in line with the institutions' mandate and sustainability obligations.

2.2.3. Point of measurement

While all respondent institutions reported on the assets held at the end of 2021, not all of them were able to share data on new flows in 2021 (whether in the form of disbursements or commitments). For these institutions, subject to data availability, the new flows were estimated as the difference between total assets at end-2021 and end-2020.[3] Sometimes, these estimations resulted in negative flow values

[3] However, the information derived from this estimation did not allow for distinguishing between new stock purchases and increases in stock value.

which, for comparison purposes with TOSSD gross disbursements, were excluded from the pilot. For any possible future inclusion of institutional investments in TOSSD, the issue of negative disbursements may require further methodological investigation in order to determine whether they should be excluded or not. Another issue to explore is whether it would be more appropriate to include in TOSSD only "greenfield investments" (i.e. first-time investments in a company that was not present in the previous year's portfolio).

2.2.4. Other major data caveats

The confidentiality constraints faced by several respondents limited the level of details and accuracy of the data reported. For example, one respondent institution separately reported on the sectoral and country breakdowns of its assets, introducing a certain degree of estimation in the data (i.e. imputation of the sectoral shares to the geographical breakdown). Another institution was not able to provide exact amounts of investments but, rather, reported on tranches, making any aggregation difficult. In this latter case, and in order to facilitate the data treatment, the amounts were estimated using a midpoint of the tranche as a proxy.

Moreover, a couple of institutions from South-South provider countries that are also TOSSD recipients – Brazil and Nigeria – reported on SDG-aligned investments benefitting their own country with the rationale that they provided global benefits (see also section 3.4). These flows are not cross-border and thus fall out of the scope of TOSSD Pillar I, but could potentially fit in Pillar II (contributing to sustainable development at the global level with substantial benefits to TOSSD recipients).

3. Lesson no. 2: Increased transparency for recipient countries

3.1. Potential to increase comprehensiveness of TOSSD cross-border flows

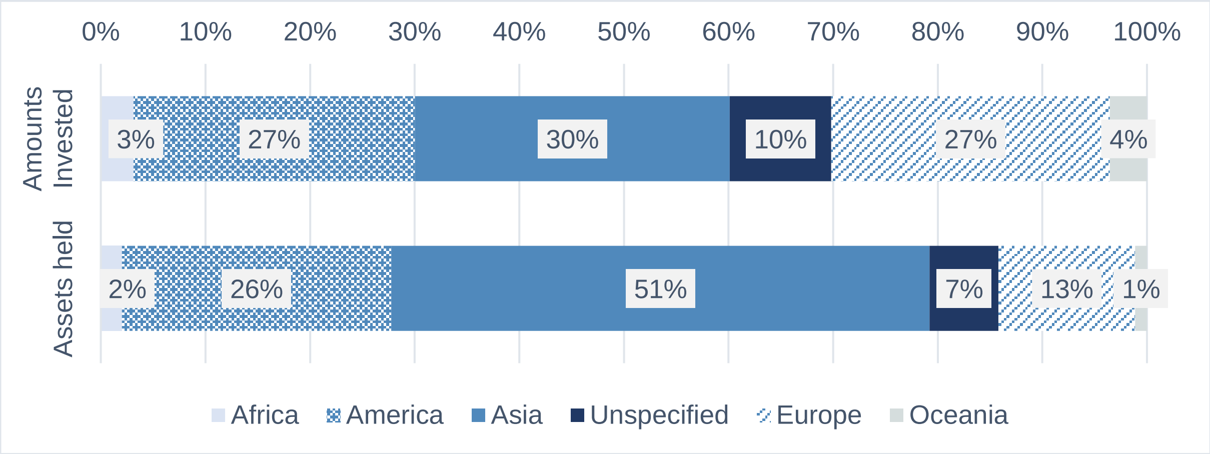
The survey showed that, in 2021, **USD 59.4 billion of assets were invested (on a gross disbursement basis) by the nine respondent institutions in TOSSD recipient countries**, with assets totalling USD 362.7 billion at the end of the period. While the sustainability of these investments may need to be further investigated, it remains that the volume of investments were significant compared to development co-operation. However, the total is relatively small compared to the trillions of assets held by institutional investors worldwide (Figure 1.1). All in all, around 4 600 investment activities were collected through the survey, either at the investment or semi-aggregated level. These data have the potential to increase the comprehensiveness of TOSSD on financing for sustainable development. (As noted above, no data from pension funds and insurance companies have so far been reported in TOSSD.) They could also contribute to bring further transparency and better reflect the growing complexity of the financial landscape and the new actors engaged in the SDGs.

3.2. Additional transparency at the recipient level

Beyond the amounts invested, the data collected through the survey demonstrated their **potential to bring in TOSSD further transparency for recipient countries** on the allocation of SDG-aligned institutional investments. For example, the survey data enabled to get a better understanding of the geographical distribution of the respondents' investments, which mainly targeted developing countries in Asia (30% and 51% of their investments and total assets at the end-2021 respectively) and Latin America and the Caribbean (27% and 26% respectively). Africa appeared to be less attractive for these actors (2%), most likely due to the higher risk perceived. (Figure 3.1).

Figure 3.1. Geographical distribution of institutional investments and assets, 2021

% of total



Source: 2022 survey on institutional investors.

Data on institutional investments have also the potential to significantly increase the information made available through TOSSD on SDG-related flows to individual recipient countries. India and Brazil are particularly telling examples in this regard. As shown in Figure 3.2 and Figure 3.3, and assuming that all the reported activities meet the sustainability criteria, the amounts invested by the nine respondent institutions represented a significant share of these two countries' TOSSD in 2021. For India, these investments amounted to USD 5.8 billion, representing 37% of total officially-supported cross-border flows to India (TOSSD pillar I). For Brazil, investments from the survey respondents was estimated at USD 1.6 billion, accounting for 17% of TOSSD pillar I resources to this country.

Figure 3.2. Example of India, 2021, USD million

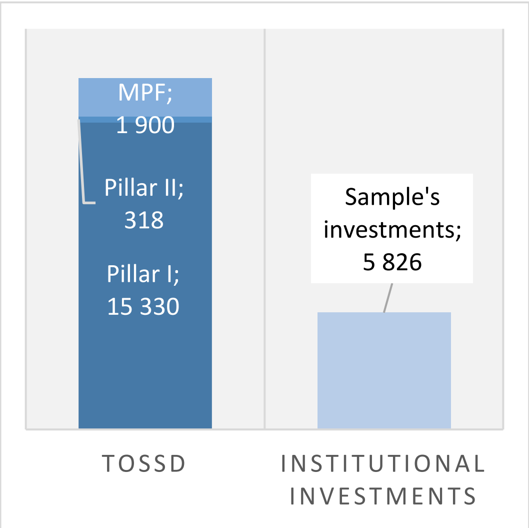
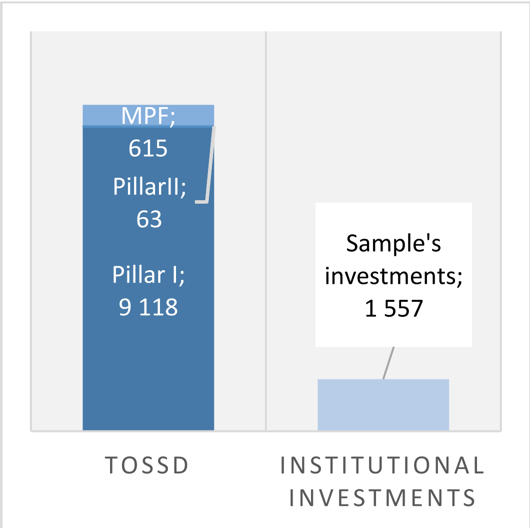


Figure 3.3. Example of Brazil, 2021, USD million

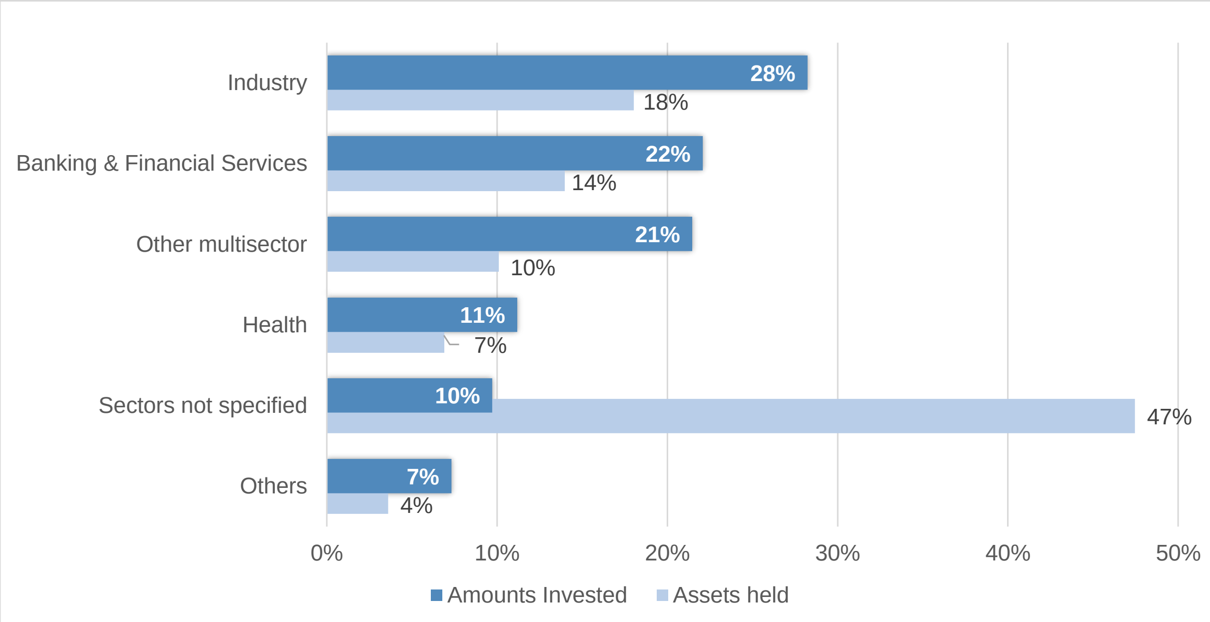


Source: TOSSD and 2022 survey on institutional investors. Note: MPF stands for Mobilised Private Finance.

3.3. New insights on the sectoral allocation and SDG focus of institutional investments

The data collected from the nine respondent institutions also provided **additional insights on the sectoral allocation of their investments and assets held in developing countries, relatively scarce in international statistics**. Figure 3.4 shows that most of these investments targeted the industry and banking sectors (respectively 28% and 22% of total investments in 2021, and 18% and 14% of the assets held at the end of the period). Still, a significant share of the investments and assets held were reported as either targeting multisector activities (21% of 2021 investments) or unspecified (47% of the assets held end-2021), mainly due to the semi-aggregated format of the data shared by some institutions. Such information could greatly benefit developing countries and help build a better recipient perspective in TOSSD.

Figure 3.4. Sectoral distribution of the sample's investments and assets held, % of total, 2021

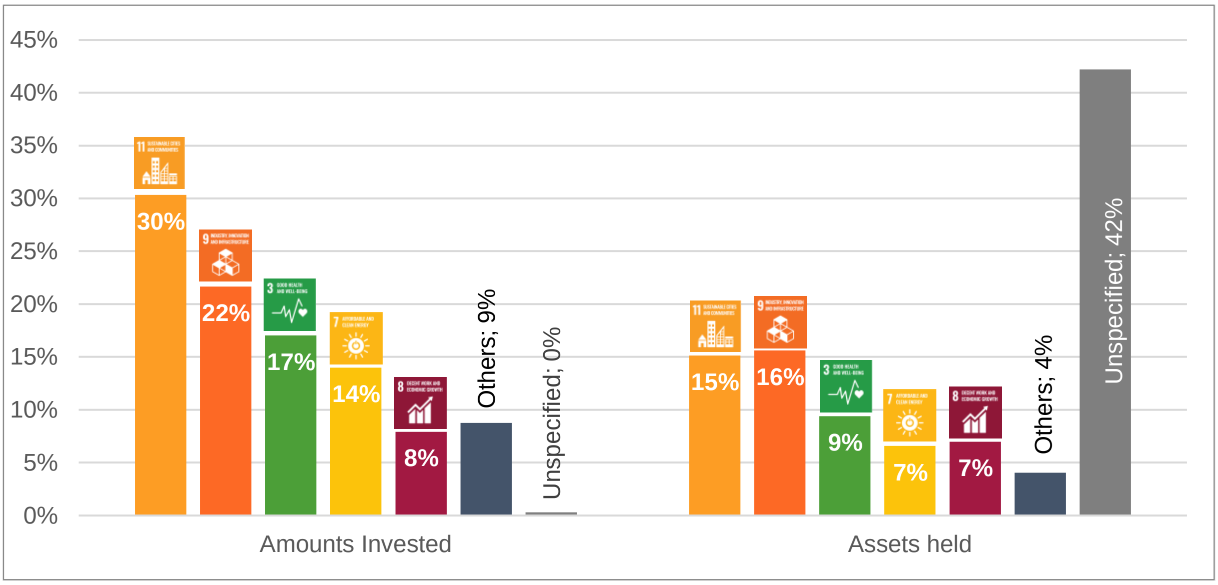


Source: 2022 survey on institutional investors.

As mentioned in section 2. of this report, not all the activities reported were initially screened by the respondent institutions against their SDG focus, mainly because financing the SDGs was not considered a primary objective. However, based on the investment descriptions (when available) as well as the institutions' mandate and investment policy, it was possible for the Secretariat to work with the data providers and enhance the reporting coverage of this data item. The exercise – the identification of the SDGs to which individual activities are considered aligned to (instead of focusing on) – enabled to enrich the final data set and **shed light on the SDG-compliance of these institutions' investments**. The data indicated that investments from the sample were mostly aligned with SDG 11 (30%), SDG 9 (22%), SDG 3 (17%) and SDG 7 (14%) (Figure 3.5).[4] However, it proved to be more difficult for the respondents to evaluate the SDG-alignment at the level of their assets, for which the information was generally provided at a more aggregated level (unspecified for 42% of the assets held end-2021).

[4] SDG 11 refers to "sustainable cities and communities", SDG 9 to "industry, innovation and infrastructure", SDG 3 to "good health and well-being" and SDG 7 to "affordable and clean energy".

Figure 3.5. SDG alignment of institutional investments and assets held in 2021, % of total



Source: 2022 survey on institutional investors.

3.4. Domestic institutional investments contributing to the SDGs

As mentioned in section 2. , two targeted pension funds hosted in TOSSD recipient countries – the Brazilian Fundação de Previdência Complementar do Estado de São Paulo (SP-Prevcom) and the Nigeria Sovereign Investment Authority (NSIA) – shared data on their domestic investments contributing to the SDGs.

The NSIA provided information on its domestic investments at a quite granular level – with full details on 26 investments – representing around 92% of their total investments reported through the survey. For all these 26 investments, it had assigned several SDGs, including in most cases “SDG 13 – climate action”. For the purpose of the survey, all these projects were retained in the dataset with the rationale that these domestic activities contributed to climate action at the global level with substantial (transnational) benefits to developing countries (TOSSD pillar II).

The case of Brazil was less straightforward as the information was provided by SP-Prevcom in the form of one aggregate for a total of USD 46 million investments in 2021 (with no possibility to examine the sustainability of the underlying investments). This amount was also maintained for the purpose of this data pilot but would require further scrutiny in case of any future inclusion in TOSSD.

4. Lesson no. 3: Increased comprehensiveness of providers' reporting

4.1. Potential to complement providers' reporting to TOSSD

As already mentioned, nine institutional investors, resident in 8 different countries, responded to the survey. At the time of this report, five of these countries were members of the TOSSD Task Force (Brazil, Canada, Denmark, Japan and Nigeria), one country was an observer to the Task Force (Norway) and two others were not engaged in either TOSSD Task Force or TOSSD reporting (the Netherlands and Seychelles).

Section 3. of this report highlighted the potential of collecting more data on institutional investments to foster transparency on the TOSSD recipient perspective. Despite the relatively limited sample of participants, the survey also showed the potential of such data to fill an information gap in providers' reporting to TOSSD since, so far, no data on institutional investments have been included.

Canada, Nigeria and Norway are interesting examples. Noting the caveats of the data (see section 2.2) and, in particular, the need to confirm the sustainability test, the survey underlined the potential benefit of including such information in providers' reporting to TOSSD.

4.1.1. Canada

Two major Canadian pension funds participated in the survey (see Annex A). These two institutions shared only data on their assets held at the end of 2021 in developing countries, making it difficult to compare with current TOSSD reporting by Canada (for reference, Canada reported to TOSSD 15 884 activities amounting to USD 4 billion[5] in 2021). However, the information shared indicates potential high volumes of investments in developing countries with more that USD 100 billion of assets held by these two pension funds.

One of these institutions, the Caisse de dépôt et placement du Québec (CDPQ), is clearly engaged in the SDGs. In its 2021 Sustainable Investing Report, it reaffirmed its commitment to place environmental, social and governance (ESG) factors at the centre of all their investment decisions (2021[4]). In this context, the CDPQ presented its renewed strategy, which includes exiting the oil production sector by the end of 2022, increasing its carbon intensity reduction and low-carbon asset growth targets, and creating a USD 10 billion envelope to support the transition of heavy emitters. The institution also reaffirmed its goal to move towards a carbon-neutral portfolio by 2050.

[5] This figure excludes core support to multilateral organisations for which the activities ultimately funded in recipient countries have been reported to TOSSD by the institution.

4.1.2. Norway

All 2021 investments by the Government Pension Fund Global (GPFG) were available online in a sufficiently transparent and detailed manner. Upon recommendation from GPFG, the survey data were derived from the online database and slightly adjusted to meet the survey format, in particular the sector classification. Overall, all the information needed was retrievable from their website, except the SDG focus of individual investments which was suggested by the Secretariat based on descriptions. The results were shared with the GPGF.

This was considered a reasonable approach given the strong management mandate of GPFG to act as a responsible investor, with the explicit goal to align its investments with the 2030 Agenda for Sustainable Development: “a good long-term return is considered dependent on sustainable development in economic, environmental and social terms, as well as on well-functioning, legitimate and efficient markets” ((2018[6]). In this context, the SDGs are considered as key indicators to provide a common direction for addressing sustainability issues from which GPFG’s investee companies may ultimately benefit.

With a total amount invested in developing countries estimated at USD 17 billion in 2021 (USD 85.9 billion of total assets held end-2021), the survey data confirmed the great potential for TOSSD to improve information on public investments by Norway in support of the SDGs (for reference, 3 788 activities reported amounting to USD 3.1 billion in 2021).

4.1.3. Nigeria

The Nigeria Sovereign Investment Authority (NSIA) – the Nigerian sovereign wealth fund – integrates sustainability in all its operations. This translates in a conscientious approach to understand how sustainability-related factors impact its ability to deliver on its mandate while simultaneously exploring avenues to broaden meaningful and positive impacts on the lives of Nigeria’s citizens. In order to achieve this objective, the NSIA has established partnerships with two major initiatives:

- The “One Planet Sovereign Wealth Fund Initiative” (OPSWF), launched to accelerate the integration of climate change analysis into the management of large, long-term and diversified asset portfolios. The initiative has grown from 6 sovereign wealth funds to 43 members (including sovereign wealth funds, asset managers as well as private equity and investment firms).
- The Columbia University’s School of International and Public Affairs that is working on a project titled: ‘Decarbonising the Nigerian economy – a life-or-death investment imperative for the Nigeria Sovereign Investment Authority’.

In addition, at the investment level, the NSIA collaborates with the Vitol ESG Fund as a co-investor for the identification and funding of sustainable development projects that develop clean energy solutions, reducing greenhouse emissions and the creation of Certified Emission Reduction Streams (CERS). It is also part of “Ile Dotun” initiative involving the Ogun state government, NSIA, and Lafarge aiming at reverting the rapid deforestation and land degradation in Ogun through the development of climate change resilient landscapes.

The NSIA reported to the survey a total of investments close to USD 750 million. However, 92% of these amounts related to domestic investments (in Nigeria), considered by the NSIA as contributing to the SDGs at a more global level, similar to pillar II activities (see section 2.2 above).

4.2. Private institutional investors strongly committed to the SDGs: the case of PensionDanmark

PensionDanmark – a major Danish pension fund and one of the 50 largest pension funds in Europe – was initially identified as a possible target for the survey. However, after several interviews, it proved to be majority-owned by the private sector thus in principle falling out of the scope of the TOSSD framework.

However, it was decided to keep PensionDanmark in the survey sample given its strong commitment towards the SDGs and willingness to share investment-level information. At the UN Climate Action Summit in September 2019, PensionDanmark announced its role in the founding of the Net-Zero Asset Owner Alliance. This new alliance with 15 other pension funds is committed to ensuring that their total investment portfolios are CO^2 neutral by 2050. This alliance and its mission aimed at demonstrating that the international pension fund sector is delivering on the goals of the Paris Agreement through private capital. PensionDanmark has been recognised as championing transparency in this area and was awarded for “Best sustainability reporting by an asset or fund manager” at the 2022 Environmental Finance's Sustainable Investment Awards.[6]

In addition, PensionDanmark is committed to contribute to “SDG 17 – partnerships for the goals” through increased investments in developing countries. PensionDanmark helped raise private capital for direct investments in developing countries through investments in three funds managed by the Investment Fund for Developing Countries (IFU) − Danish Climate Investment Fund (DCIF), Danish Agribusiness Fund (DAF) and Danish SDG Investment Fund (the SDG Fund). These funds constitute examples of “blended finance” where public and private capital are combined. In 2017, PensionDanmark also co-founded the Africa Infrastructure Fund I, the purpose of which is to invest in transport and energy infrastructure in Africa that promotes sustainable economic growth and job creation.

The survey data collected from PensionDanmark were among the most detailed and high-quality, in particular as regard the SDG focus. In 2021, this institution invested around USD 295 million in developing countries (USD 950 million of assets were held in these countries at the end of the same year). While these investments fall outside the scope of the TOSSD framework, it remains that they could constitute precious information for recipient countries when planning and monitoring their national development strategy. Such information can also contribute to foster and incentivise transparency on institutional investors’ alignment with the SDGs. **For these reasons, it might prove appropriate to enable such investors, clearly engaged in the SDGs, to share investment-level information as part of a TOSSD satellite indicator.**

[6] The EU Disclosure Regulation imposes new disclosure obligations on investment sustainability, with a stronger focus on their potential adverse sustainability impacts. The first requirements of the Regulation took effect in March 2021 and PensionDanmark has taken the necessary steps to disclose information about the integration of sustainability risks into investment decisions and products.

Conclusion

The TOSSD data pilot on institutional investors demonstrated the difficulty to engage with and collect investment-level information from these institutions (pension funds, sovereign wealth funds and insurance companies). With only nine institutional investors having participated in the data survey underpinning the pilot (over 34 initially targeted), there is room for future engagement with these institutions, in particular with those falling within the scope of the TOSSD framework. The main challenges included:

- Understanding the chain of command and who has the authority for requesting reporting from these institutions.
- Co-ordination with new institutions.
- The confidentiality obligations related to institutional investments.

By contrast, the data pilot showed that collecting data on these institutions' SDG-aligned investments, even if partial, could significantly increase the overall TOSSD comprehensiveness by bringing further transparency on investment flows to developing countries that contribute to achieve the SDGs. It also demonstrated the capacity of such data to fill an information gap in providers' TOSSD reporting on their sustainable activities in developing countries.

However, the survey also highlighted data caveats that would need to be addressed before envisaging integrating such investments in the TOSSD database. In particular, the sustainability test would require greater scrutiny in order to confirm the TOSSD-eligibility of an institutional investment. Finally, the data pilot informed on the increasing attention paid by institutional investors – whether public or private – on the SDG-alignment of their investments. It also illustrated that, in some cases, private institutions are strongly committed to the SDGs and eager to increase transparency on the impact of their investments. This opens the door to a potential reflection at the TOSSD Task Force on the relevance of capturing SDG-related activities by institutions classified as private in TOSSD (e.g. through a satellite indicator).

Annex A. LIST OF INSTITUTIONAL INVESTORS TARGETED

Institutions that responded to the Survey are listed in **green**.

Brazil:
SP-PREVCOM
Canada:
Canada Pension Plan Fund
Caisse de dépôt et placement du Québec
Ontario Teachers' Pension Plan
Chile:
Economic and Social Stabilization Fund
Pension Reserve Fund
Denmark:
ATP
PensionDanmark
France:
Fonds de réserve pour les retraites
Établissement de retraite additionnelle de la fonction publique
Iceland:
Birta Pension Fund
Japan:
Government Pension Investment Fund
Korea:
KDB Life Insurance
National Pension Service
Seoul Guarantee Insurance Company
Tongyang Life Insurance
Kuwait:
Kuwait Investment Authority
Malaysia:
Employees' Provident Fund Malaysia
Khazanah Nasional
Nigeria:
Nigeria Sovereign Investment Authority
Netherlands:
Stichting Pensioenfonds ABP
ASR Nederland NV
Norway:
Government Pension Fund Global
Qatar:
Qatar Investment Authority
Saudi Arabia:
SAMA Foreign Holdings
Public Investment Fund/Sanabil Investments
Singapore:
Central Provident Fund
Government of Singapore Investment Corporation
Temasek Holdings
Seychelles:
Seychelles Pension Fund
South Africa:
Public Investment Corporation
GEPF
Spain:
Social Security Reserve Fund
Sweden:
AP1
AP2
AP3
AP4
AP6
AP7
United States:
CalPERS (California Public Employees Retirement Fund)
CalSTRS (California State Teachers' Retirement Fund)
NYCERS (New York City Employees' Retirement System)
TRS (Teacher's Retirement System of the City of New York)
POLICE (New York City Police Pension Fund)
FIRE (New York City Fire Pension Fund)
BERS (New York City Board of Education Retirement System)
New York State Common Retirement Fund
STRS Ohio (State Teachers' Retirement System of Ohio)

Annex B. SURVEY QUESTIONNAIRE

To facilitate the process of reporting, dropdown menus are available for most fields in the database. Reporting is at the investment level. If this is not feasible, investments with identical characteristics in terms of geographic allocation, sector and financial instrument may be aggregated.

FIELD		REPORTING INSTRUCTION
1	**Beneficiary country**	Select the name of the country, territory or region which benefits from the transaction. Please note that the beneficiary country or territory must be on the List of TOSSD Recipients, which can be found in the tab "TOSSD Recipients" in the reporting template.
2	**Investment description**	Provide a brief description or title for the investment, including if possible the name of the investee.
3	**SDG focus**	List the SDG(s) fostered by your investment. Up to ten SDGs may be listed, whether at the goal level (e.g. 1, 3, 10) or the target level (e.g. 1.4, 6.5). Definitions for each goal and target can be found in the tab "SDGs" in the reporting template.
4	**ESG Considerations**	Please describe the extent to which ESG criteria were taken into account in the selection of this investment. This may include, for example: whether the investment passed an exclusionary screening process, whether it is an impact investing or thematic investing project, and/or which of the three ESG components (Environmental, Social, and Governance) it is most relevant to.
5	**Sector**	Select the beneficiary country's economic and social sector in which the investment is taking place. We recommend the use of 3-digit CRS sector codes (see tab "Sectors - CRS"). However, other classification systems such as ISIC (see tab "Sectors – ISIC), GICS, OR NACE may also be used. If your institution uses another form of sector classification, please attach or link a full sector list so that the Secretariat can develop a mapping with the CRS classification.
6	**Financial instrument**	Select the type of financial instrument used for the activity reported. Detailed information on the specific financial instruments is provided in Annex 2.
7	**Asset class**	Select the most relevant asset class for the investment reported.
8	**Co-financing arrangement**	If applicable, select the type of co-financing (e.g. with a private partner, with a public development institution…).
9	**Co-financing partner(s)**	If applicable, list the name(s) of the project's financing partner(s).
10	**Amount committed in 2021**	If applicable, enter the amount committed to this investment during 2021, in thousands. A commitment is here defined as a firm written obligation, backed by the appropriation or availability of the necessary funds, and is considered to be made at the date the financial agreement is signed.
11	**Amount invested in 2021**	Enter the amount newly invested during the calendar year 2021, in thousands.
12	**Assets held at end of 2021**	Enter the total assets held in this investment, in thousands, as of the end of the calendar year 2021, in thousands.
13	**Currency**	Select the currency in which the amount is reported. If your currency is not listed in the drop-down menu, please convert the amount to a currency available in the dropdown menu.
14	**Notes**	If necessary, add information on the investment activity reported in the form of free text, hyperlinks, etc.

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TOSSD Total Official Support for Sustainable Development