

Integrating SDGs into policy planning and implementation – A digest version

The UNU-IAS funded project on Governance for Sustainable Development



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Overseas Environmental Cooperation Center, Japan (OECC)

Preamble

- United Nations University Institute for the Advanced Study of Sustainability (UNU-IAS) has implemented the Governance for Sustainable Development project since FY2013. The project launched its phase-2 activities in FY2021.
- To achieve the SDGs, it is essential to enhance synergies and minimise trade-offs among the goals, in particular those with actions for carbon neutrality.
- Implementing the 2030 Agenda requires alignment of functions, resources, governance, capacity, and partnership at the international, national and local level. However, there are still gaps in effectively planning and implementing policies for more integrated solutions addressing synergies and trade-offs between the goals.
- The phase-2 project conducts studies to analyse data and information on how governments and international institutions have incorporated the SDGs into policy planning and implementation and contributed to the global agenda.
- As a part of this phase-2 project, Overseas Environmental Cooperation Center, Japan (OECC) analysed the mechanisms for integrating SDGs into international cooperation projects.
- This material is a digest version of the report.

Study objectives

- To achieve the sustainability development goals (SDGs), it is essential
 to enhance synergies and minimize trade-offs among the goals,
 particularly with regard to actions for carbon neutrality.
- This study analyses the publicly available data and information on how the international cooperation projects have institutionalised the SDGs into their policy planning and implementation.

Scope and method

- (1) Reviews on the institutional arrangement for the SDGs, including budgeting, procurement, and monitoring & evaluation system for policy planning and implementation
 - 1) The World Bank (WB), International Finance Corporation (IFC), Green Climate Fund (GCF) & the Global Environment Facility (the GEF)
 - Institutional guiding documents for project management, e.g. policies, standards, etc. Well-documented & publicly accessible
 - 3) Project examples for illustrating practices
- (2) Case Studies on Synergies and Trade-off of climate action

Institutional guiding documents: Overview

1. The WB

- a. The Environmental and Social Safeguard Policies
- b. The Environmental and Social Standards

2. GCF

- a. Investment criteria indicators
- b. Environmental and Social Management System
- c. Updated Gender Policy and Gender Action Plan of GCF 2020-2023

3. The GEF

- a. Environmental and Social Safeguard Guidelines,
- b. Guidelines on Gender Equality,
- c. Guidelines on the Implementation of the Policy on Stakeholder Engagement,
- d. Guidelines on Core Indicators and Sub-indicators.

Project management cycle

Inception ~
project
development

Project document- ation & appraisal

Approval,
legal
commitment &
disbursement

Implementation, monitoring & mid-term reviews

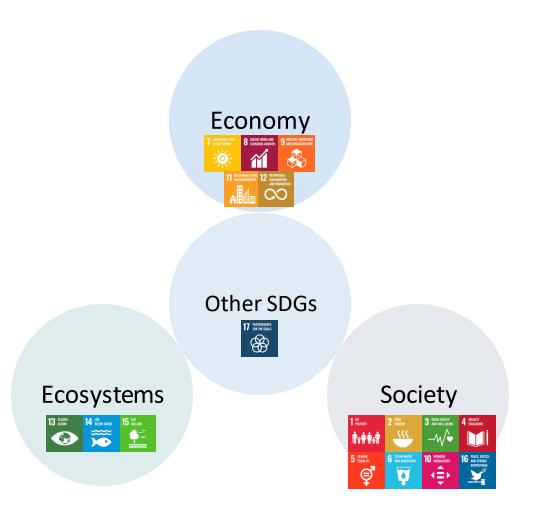
Evaluation & closing

- Project proponentdonor hearings
- Alignment with donor missions & priorities
- <u>Initial risk</u> <u>assessment</u>
- Consultation among the stakeholders

- Full risk
 assessment &
 mitigation
 planning
- Monitoring & evaluation indicators
- Technical reviews
- Information disclosure

- Regular progress reporting according to the project objectives & monitoring indicators, etc.
- Project
 performance
 evaluation by
 independent
 evaluation group

Preliminary compilations of the institutional mechanisms



- 1. Trade-off impacts
 - ➤ Environmental & social risk concerns
- 2. Synergies
 - ➤ Eligibility criteria
 - ➤ Monitoring & evaluation indicators

Environmental and social risk concerns (preliminary results)

Environmental and social risk concerns	Economy	Society	Ecosystems	Other	The WB	IFC	GCF	The GEF
Resource efficiency & pollution prevention								
Community health & safety								
Labour and working conditions								
Land acquisition, restrictions on land use and involuntary resettlement								
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities								
Stakeholder engagement and information disclosure								
Equality and non-discrimination								
Gender								
Zero-tolerance of sexual exploitation, abuse and harassment								
Human rights								
Disadvantaged or vulnerable individuals or groups/ Disability inclusion								
Biodiversity conservation and sustainable management of living natural resources								
Climate change and disaster risks								
Cultural heritage								

Synergies: Eligibility criteria (preliminary results)

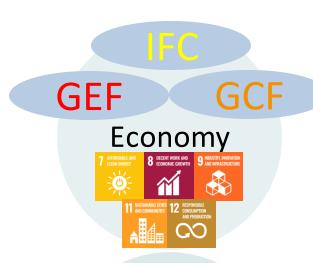
Sustainable development agenda	The WB	IFC	GCF	The GEF
Economy, such as; SDGs 7,8,9, 11,12	-Urban and rural development	-Employment creation and economic growth -Sustainable cities and communities -Infrastructure -Financial inclusion	-Economic co-benefits	-Chemicals and waste (also in society) -Land use/restoration (also in society and ecosystems) -Sustainable cities
Society , such as; SDGs 1,2,3,4, 5,6,10,16	-Poverty eradication -Prosperity sharing -Human development and gender -Social development and protection	-Poverty eradication -Prosperity sharing -Gender equality -Environmental and social sustainability (also in Ecosystem) -Agriculture -Health and education	-Social co-benefits -Gender empowerment co- benefits	-Chemicals and waste (also in economy) -Food systems -Land use/restoration (also in economy and ecosystems)
Ecosystems, such as; SDGs 13,14,15	-Environment and natural resource management	-Environmental and social sustainability (also in Society) -Climate change adaptation and mitigation	-Climate change mitigation & adaptation -Environmental co-benefits	-Biodiversity -Climate mitigation -Land degradation -International waters -Land use/restoration (also in economy and society) -Sustainable forest management
Other sustainable development agenda, such as; SDGs 17-partnership	-Economic policy -Financial sustainability -Private sector development -Public sector development	-Partnership with private investors to mobilize new financial resources	-Paradigm shift -Barriers to climate-related finance -Alignment with climate policies -Stakeholder engagement	-Public involvement

Synergies: Monitoring & evaluation indicators

(preliminary results)

- Project monitoring and evaluation (M&E) indicators verify the institutions' efforts for their contribution to sustainable development.
- Quantitative indicators help the institutions make <u>evidence-based</u> performance evaluations.

(As shown from the next slide onwards)





- In this study, the institutional M&E guidelines are analysed.
- One of the global initiatives by the development institutions called "Harmonized Indicators for Private
 Sector Operations" establishes benchmark indicators for private sector investment operations. (IFC is a member)

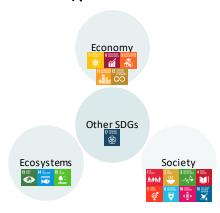


Society





Synergies: Monitoring & evaluation indicators (preliminary results)

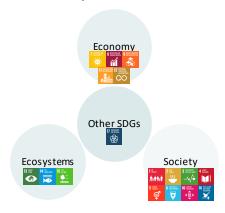


Economy, such as;

SDGs 7,8,9, 11,12

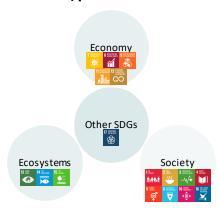
- **Employees**; directly/indirectly hired in the project (persons)
- Sustainable agribusiness; total sales (monetary unit) & harvest (tons), etc.
- **Energy**; renewable energy generation (MWh), households connected to power grid (numbers), etc.
- Housing; newly built residences (numbers), etc.
- **ICT**; web-based service subscribers (persons), etc.
- Industries & services improved; purchase, sales, investment (USD), firms newly entering into markets (numbers), etc.
- Transportation improved; beneficiary passengers (persons), shipment (volumes, weight)
- Climate resilient physical assets, GHG mitigation assets, losses of economic assets due to climate disasters (USD)
- Toxic chemicals reduced, such as POPs, mercury, etc. (tons); reduced use/stock/environmental emissions
- Restored land (Ha); restored agricultural land, forest, grass land, wetland, etc.

Synergies: Monitoring & evaluation indicators (preliminary results)



Society, such as; SDGs 1,2,3,4, 5,6,10,16	 Women & men beneficiaries (persons); project beneficiaries, indirectly reached beneficiaries e.g. more climate-resilient livelihood, improved food security & water security, early warning, reduced casualties from climate disasters, etc. Sustainable agribusiness; total sales (monetary unit) & harvest (tons), etc. Health; patients reached (persons) Water; clean water supplied (persons) Toxic chemicals reduced, such as POPs, mercury, etc. (tons); reduced use/stock/environmental emissions Waste & sanitation; waste disposed of, wastewater treated (volume or weight), etc. Restored land (Ha); restored agricultural land, forest, grass land, wetland, etc.
Ecosystems, such as; SDGs 13,14,15	 GHG mitigation (MWh); energy saved, emission avoided, sequestered Restored land (Ha); restored agricultural land, forest, grass land, wetland, etc. Forests (Ha), livestock (numbers), fish stock (numbers) under sustainable management; Protected land and marine habitats (Ha); Marine litter avoided (tons) (as a part of marine habitat);

Synergies: Monitoring & evaluation indicators (preliminary results)



Other sustainable development agenda, such as;

SDGs 17partnership

- **Scale**; significant increase in quantifiable results within and beyond the scope of the investment
- Replicability; key structural elements of an investment are exported elsewhere within the same sector and/or other sectors, regions or countries
- **Sustainability**; the results of an investment are sustained beyond completion, through the creation of a structural and/or financial base, as well as through climate resilient practices
- Contribution to **institutional and regulatory framework** for lowemission/climate resilient development pathway
- Contribution to market development/transformation at the sectoral, local or national level
- Contribution to effective knowledge generation and learning process, use of good practices, methodologies, and standards

Generic aspects of synergies

	Types of climate action (GHG reduction)	Co-benefits other than GHG reduction	Synergy cases by combination with other sustainable development efforts
1	Energy efficiency	 Reducing cost of fuels Increasing energy security by reducing dependence on imported fuels 	☐ Industrial productivity/quality improvement by reviewing production process (Also, often introduced as a single approach)
2	Renewable energy (solar/wind/hydr o power)	 Reducing air pollution substances Reducing expenditure for health control Increasing energy security by reducing dependence on imported fuels Providing additional revenue for installer 	 Feed-in Tariff Scheme Energy supply increase for national grid system Energy supply for target groups (e.g., impoverished population) Recognized as a tourism resource for a new scenery (Also, often introduced as a single approach)
3	Public transport	 Reduction of air pollution substance Traffic management Reducing fuel consumption Increasing mobility 	 Integrated urban transportation Preferential treatment for elderly and junior population for access to public transportation

	Types of climate action	Co-benefits other than GHG reduction	Synergy cases by combination with other sustainable development efforts
4	New type of vehicles (EV, hydrogen, etc)	 Reduction of air pollution substance Reducing noise pollution 	 Utilizing vehicle batteries for disaster preparedness Utilizing batteries for stable electric supply for renewable energy
5	Waste segregation	 Volume reduction Promoting 3R (reuse-reduce-recycle) Cost recovery from recyclables 	Community-based waste segregation and community buildingEducation for children
6	Waste management (Aerobic and semiaerobic)	 Volume reduction Early stabilization of landfill Avoiding landfill fire Avoiding odour 	Community-based waste composting and community buildingEducation for children
7	Waste-to-Energy	Volume reductionGenerating energy (electricity or heat)	■ Development and operation of recreation facilities in municipality
8	Afforestation/Re- forestation	 Increasing resilience to storms or other natural disaster Avoiding land degradation/flash waters Increasing biodiversity (if so designed) 	 □ Agro-forestry project □ Enhancement of aqua culture in wetlands by mangrove planting (Also, often introduced as a single approach)
9	Green urban planning	 Reducing heat exposure to urban/residential areas, buildings Increasing value of real estate assets 	 □ Urban development projects for increasing human amenity □ Programme for green ratio

Generic aspects of trade-off

	Types of climate action	Ancillary negative effects that hinder other sustainable development efforts
1	Renewable energy (solar/wind/hydro power)	 Destruction of forests and other natural environment Negative impacts for biodiversity Competition in land-use and water resources with other purpose (e.g. agriculture and disaster prevention/adaptation to climate change) Increased e-waste (e.g. PV) and associated environmental pollution
2	Biofuels (biodiesel, bioethanol, and biomass)	Competition with food production Deforestation due to land use change Inter-house air pollution (biomass)
3	New type of vehicles (Electric, hydrogen, and hybrid)	Increased e-waste (e.g. batteries) and associated environmental pollution
4	Waste-to-Energy (Incineration and biogas)	 Environmental pollution (if not sufficient environmental standards/sufficient technologies are applied)
5	Afforestation/Re- forestation	Negative impacts on biodiversity (if not sufficient standards are applied)

Case Study 1: Warmer and greener home for low-income households in London, UK

Operator: Greater London Authority

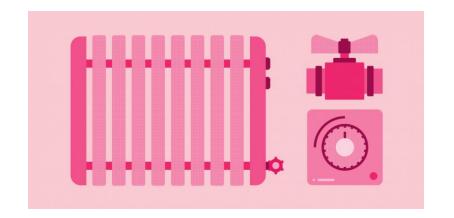
Action: The Authority provided grants (£5,000 and £25,000) to low-income households. The program support installation of heat pumps, solar panels, and energy efficient walls, while providing advisory services for improvement of energy consumption.



CO2 reduction by Energy Efficiency



Alleviating energy price increase for low-income households



As a similar practice, the City of Cape Town, South Africa implemented "Energy Efficient Home and Healthy Residents".

Case Study 2: Affordable EV sharing with BlueLA

Operator: Los Angeles City

Action: Los Angeles City, through BlueLA Project supports access to EV by sharing scheme. To facilitate the engagement of residents, "Street Ambassadors" have been deployed, who are employed from the targeted community

CO2 reduction by Electric Vehicle



Securing access to mobility by low-income community

Reduction of traffic congestion





Case Study 3: Community rebuilding/regeneration in Minamata by waste separation activities

Operator: Minamata City, Japan

Action: The City of Minamata initiated community-based waste separation activities, involving different groups of residents. While these activities contributed to the reduction of waste, it also helped rebuilding and regeneration of damaged community

CO2 reduction by
Waste reduction



Re-building/regenerating community





For community building via waste management, community composting in Surabaya, Indonesia provides useful lessons as well.

Case Study 4: Mitigating heat island effect by green urban planning in Singapore and Malaysia

Operator: Singapore and Malaysian cities

Action: Plans were implemented for urban development, integrating the effective use of green areas to avoid overheating. This has contributed to mitigating GHG emission for energy consumption for cooling systems. As heat shock for residents are increasing due to climate change, this has adaptation co-benefits. Also, these efforts, in turn, increase the amenity, and in some cases, increasing value of real estate assets.

CO2 reduction
by green
spaces
(heat
reduction/EE)



Adaptation
benefits
Increasing
amenity
Increasing value
of asset



Summary & further issues 1

- 4 MDBs and financial mechanisms have the institutional instruments / guiding policies to mitigate trade-offs and align with sustainable development.
- Apart from climate actions, there are relatively urgent issues such as the COVID, plastics, armed conflicts, energy/financial security. These issues equally deserve mitigation policies aligned with sustainable development.

Summary & further issues 2

- There are many cases/growing number of climate actions with intention of synergies for other SD benefits in local governments (as at the local level, consideration of welfare of local residents is more important)
- Quantification of GHG is not always conducted in a strict manner.
 (may need some more survey or useful data for developing guidelines etc)
- Information in detail on trade-off cases are not usually available as they are mostly confined in their own project documents



Main findings 1

Institutional guiding documents: Annex

1. The Environmental and Social Safeguard Policies

- 1. Environmental and Social Safeguard Policies Policy Objectives and Operational Principles
- 2. Environmental Assessment
- 3. Environmental Action Plans
- 4. Performance Standards for Private Sector Activities
- 5. Natural Habitats
- 6. Pest Management
- 7. Indigenous Peoples
- 8. Physical Cultural Resources
- 9. Involuntary Resettlement
- 10. Forests
- 11. Safety of Dams

1. The Environmental and Social Safeguard Policies

1. Environmental and Social Safeguard Policies — Policy Objectives and Operational Principles (samples)

Policy Objectives and Operational Principles (examples – Environmental Assessment)

Policy objectives	Operational principles
To ensure the environmental and social soundness & sustainability	-Use a screening process for each proposed project as early as possible
To integrate environmental and social aspects into the decision making process	-Assess potential impacts on physical, biological, socio- economic, cultural resources. Assess transboundary & global concerns, potential impacts on human health and safety -Where applicable, apply the pollution prevention and abatement handbook -Prevent and where not possible to prevent, at least minimize, or compensate for adverse impacts, etc.

1. The Environmental and Social Safeguard Policies

2. Environmental Assessment

Environmental screening and risk categorization

Category	Potential adverse impacts of the proposed project => Requirement by the WB
A	Significant adverse environmental impacts that are: -sensitive; irreversible loss of natural habitat, raise issues on indigenous peoples/ physical cultural resources/involuntary resettlement -diverse; or -unprecedented. Impact areas broader than the project site => Full environmental assessment report and environmental management plan
В	Impacts less than Category A => Partial environmental assessment report
С	Minimal or no adverse environmental impacts =>No further requirement

2. The Environmental and Social Standards (examples 1/2)

Environmental and Social Standards	Objectives to mitigate trade-off impacts
Standards for assessing, managing and monitoring environmental and social risks and impacts associated with the WB projects	To safeguard from environmental and social risks and impacts.
Standards for treating workers employed in the WB project fairly and providing safe and healthy working conditions	To safeguard from risks and impacts on workers, to prevent forced labour or child labour. To avoid inadequate safety and health for workers, unfair treatment/unequal opportunities.
Standards for resource efficiency and pollution prevention and management	To avoid or minimize pollution from project activities, project-related emissions of climate pollutants, waste generation, risks and impacts associated with pesticide use. To avoid unsustainable use of energy, water and raw materials.
Standards for community health and safety	To avoid adverse impacts on the health and safety of project-affected communities, community exposure to safety risks, diseases and hazardous materials from the project-related traffic. To avoid design and construction of infrastructure including dams without quality, safety and climate change considerations.
(to continue)	

2. The Environmental and Social Standards (examples 2/2)

Environmental and Social Standards	Objectives to mitigate trade-off impacts
Standards for land acquisition, restrictions on land use and involuntary resettlement	To avoid or minimize when unavoidable involuntary resettlement. To mitigate adverse social and economic impacts from land acquisition or restriction of land use, with priority support for poor or vulnerable persons.
Standards for biodiversity conservation and sustainable management of living natural resources	To avoid design and implementation of projects potentially having impacts on biodiversity without mitigation and precautionary measures. To avoid unsustainable use of living natural resources. To safeguard livelihood of local communities including indigenous peoples.
Standards for Indigenous Peoples / Sub- Saharan African Historically Underserved Traditional Local Communities	To safeguard full respect for the human rights, dignity, aspirations, identity, culture, and natural resource-based livelihoods of Indigenous Peoples / Sub-Saharan African Historically Underserved Traditional Local Communities, and to avoid or minimize when unavoidable adverse impacts of the projects on them.
Standard for cultural heritage	To safeguard cultural heritage from adverse impacts. To avoid unequitable sharing of benefits from use of cultural heritage.

1. Investment criteria indicators (1-2/6)

Indicators
- GHG Mitigation impact indicator: project lifetime emission reductions (in tonnes of
carbon dioxide equivalent)
- GHG Adaptation impact indicator: change in loss of lives, value of physical assets,
livelihoods, and/or environmental or social losses due to the impact of extreme
climate-related disasters and climate change in the geographical area of the GCF
intervention; the number of direct and indirect beneficiaries of the project
• Necessary conditions indicator: a vision for paradigm shift as it relates to the subject
of the project, outlining how the proposed project can catalyse impact beyond a
one-off investment, and a robust and convincing theory of change for replication
and/or scaling up of the project results, including the long-term sustainability of the
results, or by a description of the most binding constraint(s) to change and how
it/they will be addressed through the project

1. Investment criteria indicators (3/6)

Investment criteria	Indicators
3. Sustainable developmen t potential	 Co-benefits indicator: identify at least one positive co-benefit – with an associated indicator, and baseline and target values, disaggregated for men and women if disaggregated data are available domestically – in at least two of the four coverage areas: (a) Economic co-benefits, such as the creation of jobs, poverty alleviation and enhancement of income and financial inclusion, especially among women; (b) Social co-benefits, such as improvements in health and safety, access to education, cultural preservation, improved access to energy, social inclusion, improved sanitation facilities and improved quality of and access to other public utilities such as water supply; (c) Environmental co-benefits, including increased air, water and soils quality, conservation and biodiversity; and (d) Gender empowerment co-benefits outlining how the project will reduce gender inequalities.
(to continue)	

1. Investment criteria indicators (4-5/6)

Investment	Indicators		
criteria			
4. Needs of the recipient	• Mitigation and adaptation indicator: barriers to climate-related finance, describing the country's financial, economic, social, and institutional needs and the barriers to accessing domestic (public), private and other international sources of climate-related finance, as well as how the proposed intervention will address the identified needs and barriers.		
5. Country ownership	• Alignment with nationally determined contributions (NDCs), relevant national plans indicator, and/or enabling policy and institutional frameworks: Describe how the proposed activities align with the country's NDC and other relevant national plans, and how the funding proposal will help to achieve the NDC or these plans by making progress against specific targets defined in national climate policies and strategies, such as nationally appropriate mitigation actions and national adaptation plans. Outline how the project will help to achieve national development goals and/or climate change policies, and how much the project is supported by a country's enabling policy and institutional framework or includes policy or institutional changes. (to continue)		
(to continue)			

1. Investment criteria indicators (5-6/6)

Investment	Indicators		
criteria			
5. Country	- Explanation of engagement with relevant stakeholders, including national designated		
ownership	authorities indicator: outline how the project proposals were developed in		
	consultation with relevant stakeholders. Engagement with national designated		
	authorities is required.		
6. Efficiency	Mitigation efficiency and effectiveness indicator: cost per tonne of carbon dioxide		
and	equivalent.		
effectiveness	 Mitigation efficiency and effectiveness indicator: ratio of co-financing 		
	Mitigation indicator: expected rate of return		
	Mitigation and adaptation indicator: application of best practices		

- 2. Updated Gender Policy and Gender Action Plan of GCF 2020-2023
 - 1. A mandatory initial gender assessment and a project-level gender action plan will:
 - (i) Collect baseline data and determine how the project can respond to the needs and strategic interests of women and men in view of the specific climate change issue to be addressed;
 - (ii) Identify the drivers of change and the gender dynamics to achieve the project adaptation or mitigation goals;
 - (iii) Identify and design the specific gender elements to be included in the project activities;
 - (iv) Estimate the implementation budgets;
 - (v) Select appropriate and measurable output, outcome and impact indicators; and
 - (vi) Design project implementation and monitoring of institutional arrangements;

2. Updated Gender Policy and Gender Action Plan of GCF 2020-2023

2. **Example of gender action plan:** Gender action plan for FP156: ASEAN Catalytic Green Finance Facility (ACGF): Green Recovery Program

Component 1: De-risking funds for low-emission projects

Activities	Indicators and targets	Timeline
1. All ACGF GRP sub-projects prepare and implement a gender equality and social inclusion action plan (GESIAP) informed by a gender and social assessment	 Number of GESIAPs prepared Target 80% of projects, Baseline – 64% Interim target 45% 	Interim: by Q4/ 2027; By 2039, monitored annually
2. ACGF GRP sub-projects include green jobs for women and vulnerable groups, applying core labour standards including pay equity and flexible working conditions, as well as female friendly worksites and sex-suitable PPE	 Number of green jobs for women and vulnerable groups across the program Target: 30% green jobs for women Vulnerable groups Interim target: 9% Baseline:0 	Annually, measured at ADB sub-project approval and completion Interim by 2027

- 1. Policies and guidelines (examples)
 - a. Environmental and Social Safeguard Guidelines,
 - b. Guidelines on Gender Equality,
 - c. Guidelines on the Implementation of the Policy on Stakeholder Engagement, and
 - d. Guidelines on Core Indicators and Sub-indicators.

1. Policies and guidelines (examples)

- d. Guidelines on Core Indicators and Sub-indicators
 - 1. Terrestrial protected areas created or under improved management for conservation and sustainable use
 - 2. Marine protected areas created or under improved management for conservation and sustainable use
 - 3. Area of land restored
 - 4. Area of landscapes under improved practices
 - 5. Area of marine habitat under improved practices to benefit biodiversity
 - 6. Greenhouse gas emissions mitigated
 - 7. Number of share water ecosystems (fresh or marine) under new or improved cooperative management
 - 8. Globally over-exploited fisheries moved to more sustainable levels
 - 9. Reduction, disposal/destruction, phase out, elimination and avoidance of chemicals of global concern and their waste in the environment and in processes, materials, and products
 - 10. Reduction, avoidance of emission of POPs to air from point and non-point sources
 - 11. Number of direct beneficiaries disaggregated by gender as co-benefit of the GEF investment