



# Using impact assessment to align private sector projects with the SDGs: What are the key challenges?

Dr Theo Hacking  
October 2018

# The Sustainable Development Goals (SDGs)



*“They are the **closest thing to a strategy for planet Earth** over the next 15 years that humanity has ever generated.”*

(CISL, 2016)

CISL. 2016. *In search of impact: measuring the full value of capital*. Cambridge (UK): University of Cambridge Institute for Sustainability Leadership (CISL).

# SDGs are receiving increasing attention in the private sector

*Survey of ~1,000 businesses  
(2015)*

***Make it your business:***  
Engaging with the Sustainable  
Development Goals



[www.pwc.com/sdg](http://www.pwc.com/sdg)

<https://www.pwc.com/gx/en/services/sustainability/sustainable-development-goals/sdg-research-results.html>

*Survey of ~1,500  
business professionals  
(2018)*

**Ethical**  
CORPORATION

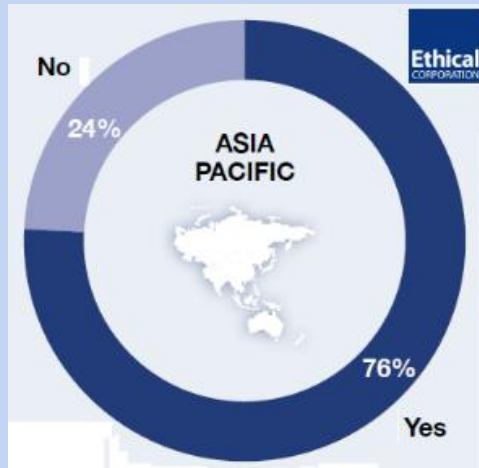
**The Responsible Business  
Trends Report 2018**

**THE ETHICAL CORPORATION  
GLOBAL RESPONSIBLE BUSINESS  
BENCHMARK REPORT**  
Outlining the global trends,  
opportunities and focus for  
sustainable business in 2018

<http://www.ethicalcorp.com/just-published-responsible-business-trends-report-2018>

# Integrating SDGs into business strategy

Is your business integrating the SDGs into the business strategy?



GIIN  
GLOBAL INFRASTRUCTURE ANTI-CORRUPTION INITIATIVE

## ACHIEVING THE SUSTAINABLE DEVELOPMENT GOALS: THE ROLE OF IMPACT INVESTING

A grid of 17 icons representing the Sustainable Development Goals (SDGs), numbered 1 through 17. The icons are arranged in three rows: the first row has 6 icons, the second row has 6 icons, and the third row has 5 icons.

minerals to metals

### EMBEDDING THE SUSTAINABLE DEVELOPMENT GOALS into business strategy and action

[http://webcms.uct.ac.za/sites/default/files/image\\_tool/images/201/Embedding%20the%20SDGs%20working%20paper.pdf](http://webcms.uct.ac.za/sites/default/files/image_tool/images/201/Embedding%20the%20SDGs%20working%20paper.pdf)

KPMG Case Study  
**Safaricom Limited**

Safaricom

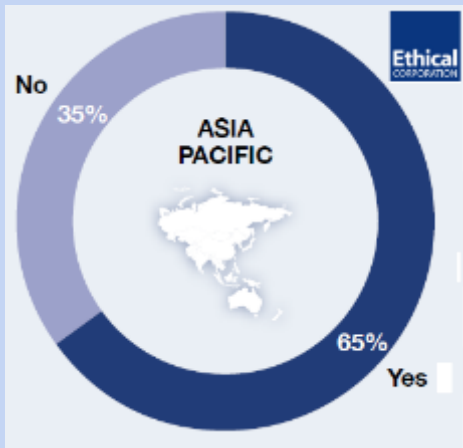
### Integrating the SDGs into Safaricom's Corporate Strategy

<https://thegiin.org/research/publication/search/publication/sdgs-impinv>

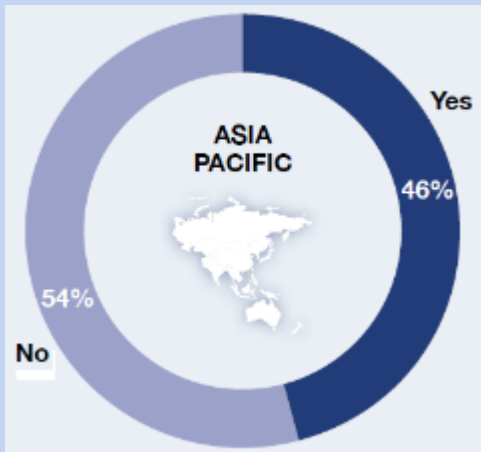
<https://home.kpmg.com/za/en/home/inights/2016/07/kpmg-case-study--safaricom.html>

# Measuring & reporting business activity against SDGs

Are the SDGs being used as a reporting framework?



Is your business measuring contributions to the SDGs?



<https://www.cisl.cam.ac.uk/publications/sustainable-finance-publications/in-search-of-impact-measuring-the-full-value-of-capital>

ICAS INTEGRATED REPORTING <IR>

The Sustainable Development Goals, integrated thinking and the integrated report

Supported by



<http://integratedreporting.org/resource/sdgs-integrated-thinking-and-the-integrated-report/>

# Identifying business opportunities unlocked by the SDGs



<http://report.businesscommission.org/report>



<https://www.cisl.cam.ac.uk/publications/sustainability-leadership/towards-a-sustainable-economy-the-commercial-implicative-for-business-to-deliver-the-un-sustainable-development-goals>

*“Achieving the Global Goals creates at least US\$12 trillion in opportunities.”*

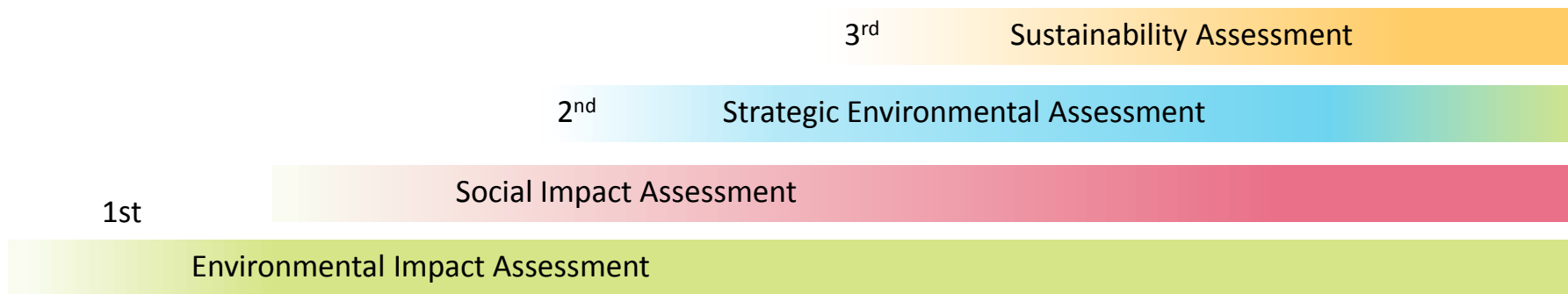
# Aligning private-sector projects with SDGs?



<https://www.adb.org/news/adb-private-sector-financing-exceeds-83-billion-2016-15-year-year>

<https://pxhere.com/en/photo/1193281>

# UN Sustainability Initiatives & Impact Assessment



1960s	1970s	1980s	1990s	2000s	2010s
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1972  
Human Environment  
*Stockholm*

1992  
Environment &  
Development  
*Rio de Janeiro*

2012  
Sustainable  
Development  
(Rio+20)  
*Rio de Janeiro*

2002  
Sustainable  
Development  
(Rio+10)  
*Johannesburg*

2000  
Millennium Summit

2015



*"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."*

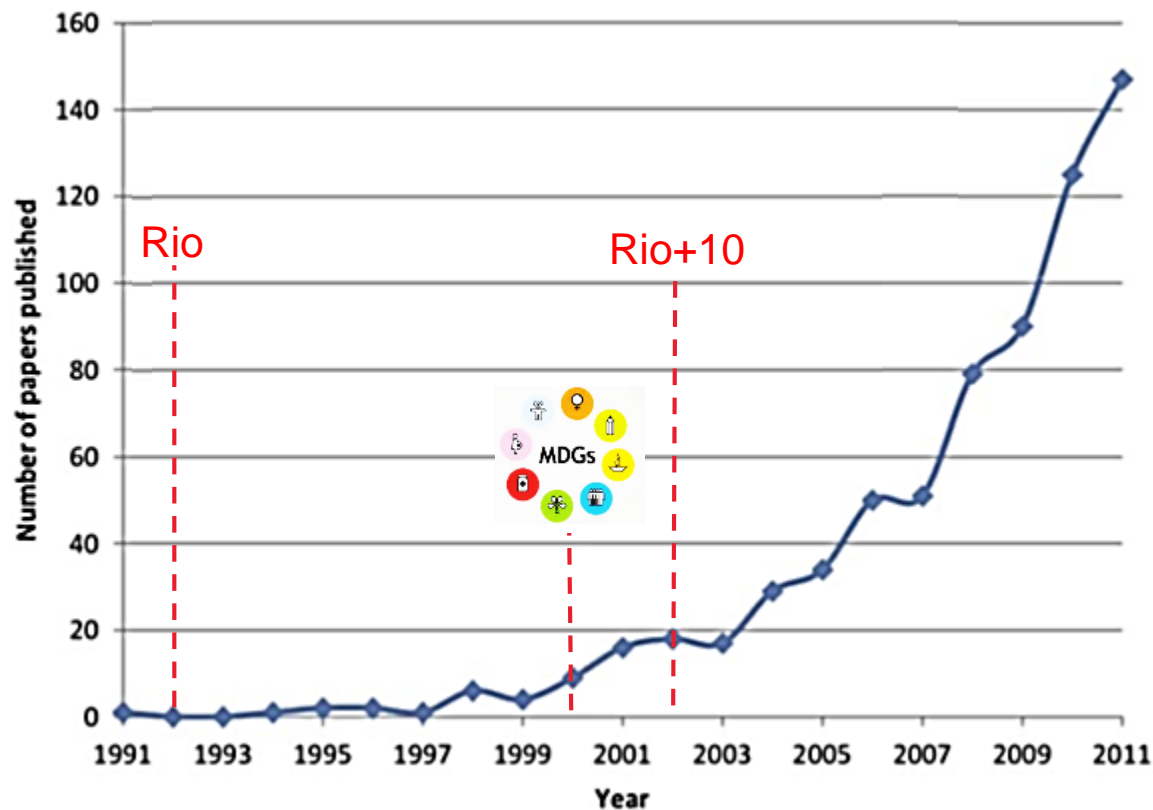
1983  
World Commission on  
Environment and  
Development  
'Brundtland  
Commission'



# Sustainability Assessment

“Sustainability assessment can be simply defined as **any process that directs decision-making towards sustainability**”

Number of published ‘sustainability assessment’ papers Rio+20



Alan Bond , Angus Morrison-Saunders & Jenny Pope (2012) Sustainability assessment: the state of the art, *Impact Assessment and Project Appraisal*, 30:1, 53-62

# Sustainability $\leftrightarrow$ Impact Assessment

**Sustainability/  
Sustainable  
Development**

**Impact  
Assessment**



<https://www.pinterest.com/pin/319685273541872429/>

# Sustainability ↔ Impact Assessment

**Sustainability/  
Sustainable  
Development**



**Impact  
Assessment**

# Sustainability ↔ Impact Assessment

**Sustainability/  
Sustainable  
Development**



**Sustainability  
Assessment**

# Separate paths, common goal!



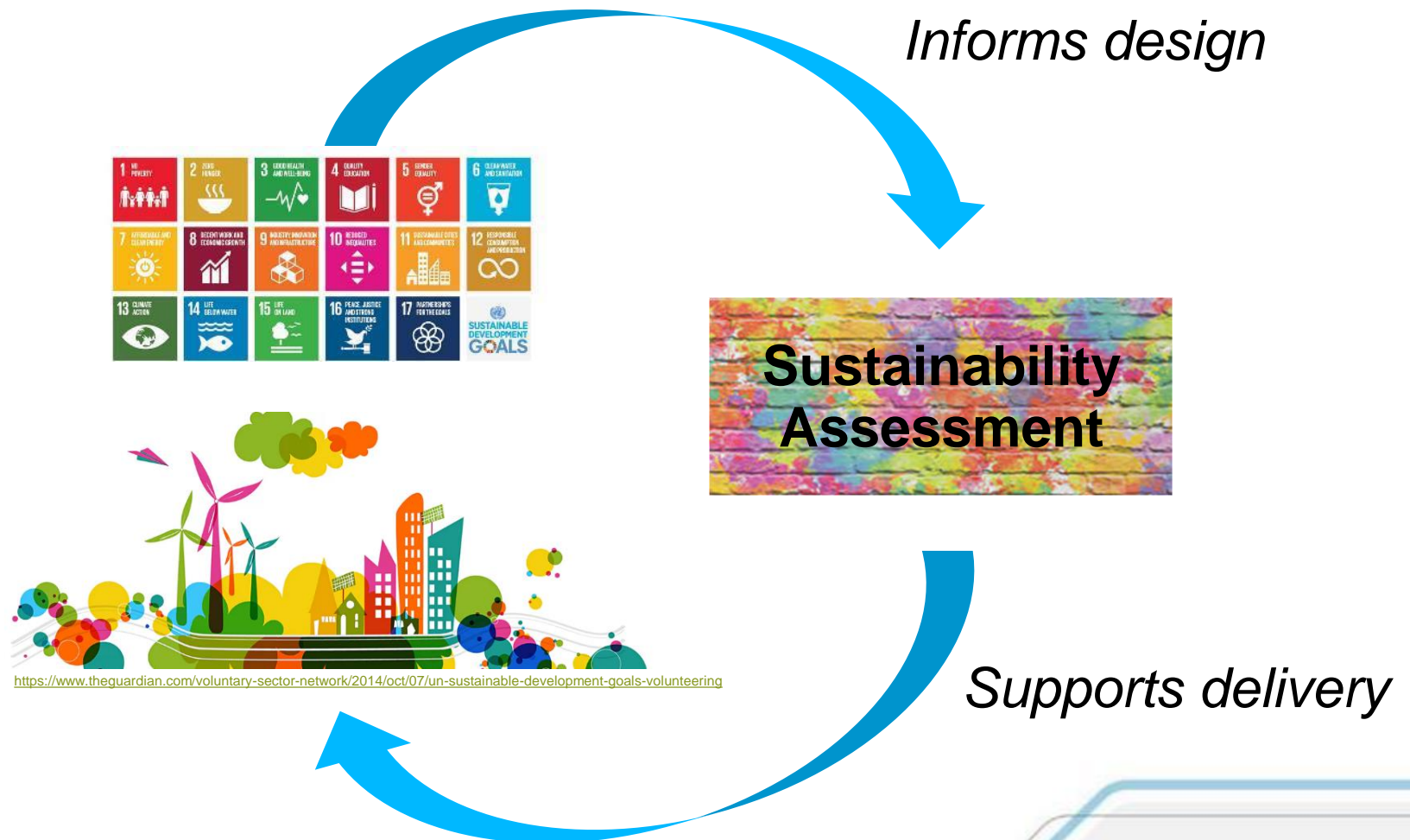
# Aligning Impact Assessment and SDGs

*“If the SDGs are accepted as setting the sustainability agenda, and the aim of Sustainability Assessment is to direct decision-making towards sustainability, it would seem appropriate to seek to align this commonality of purpose.”*

Hacking (2018), The SDGs and the sustainability assessment of private-sector projects: theoretical conceptualisation and comparison with current practice using the case study of the Asian Development Bank, *Impact Assessment and Project Appraisal*

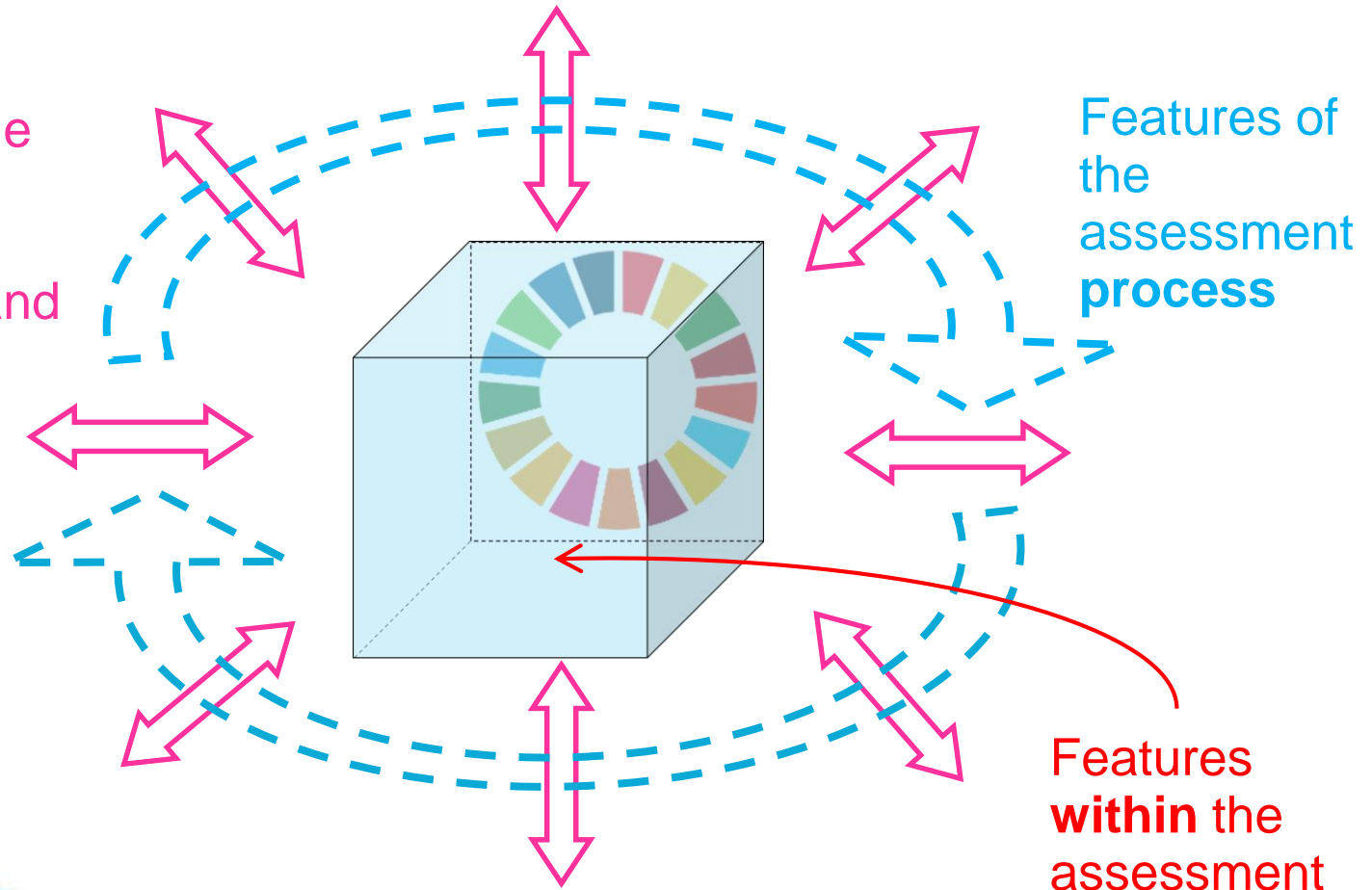
# Aligning Impact Assessment and SDGs

## Virtuous Cycle



# What are the features of SDG-focussed Impact Assessment?

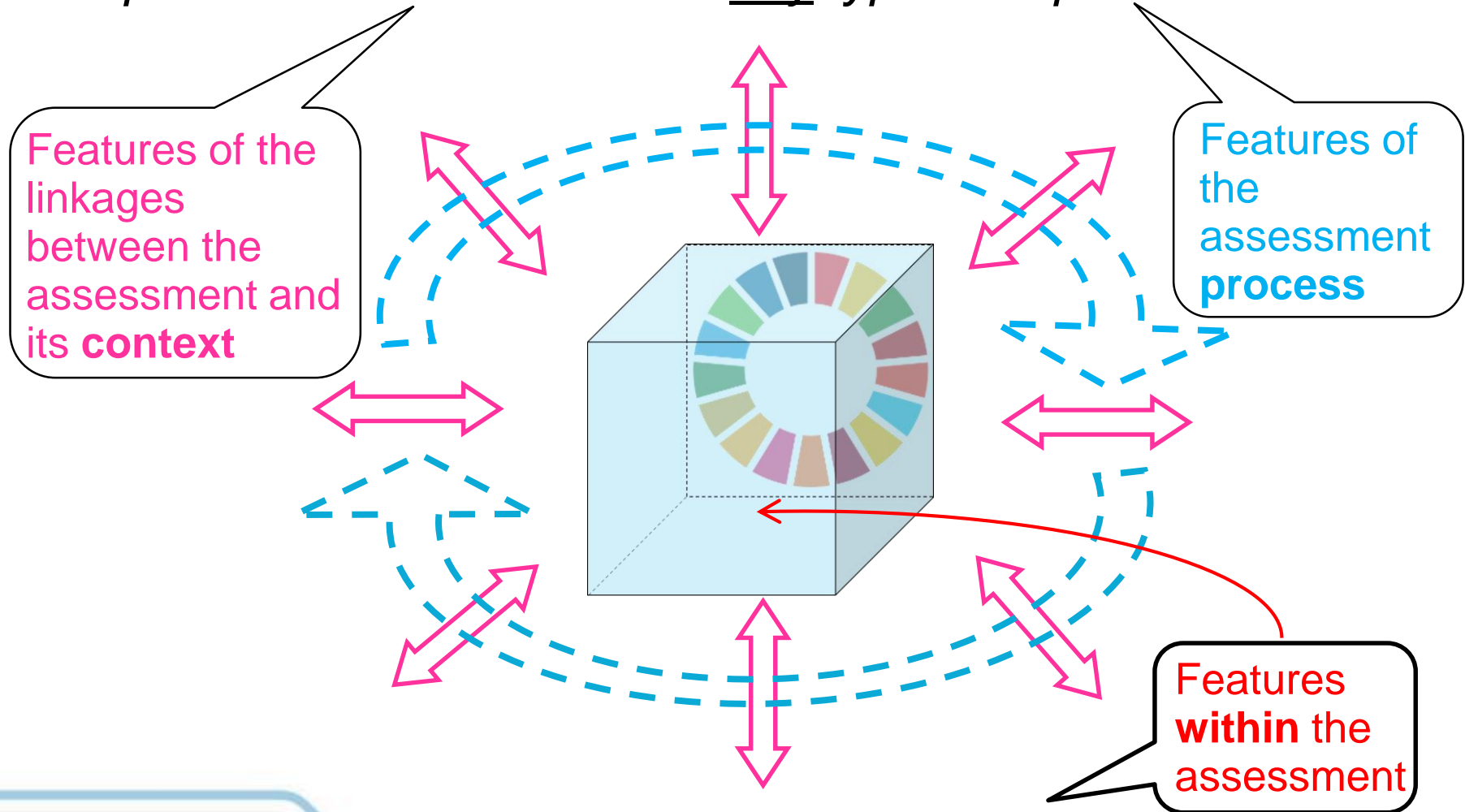
Features of the linkages between the assessment and its **context**





# Features of SDG-focussed Impact Assessment

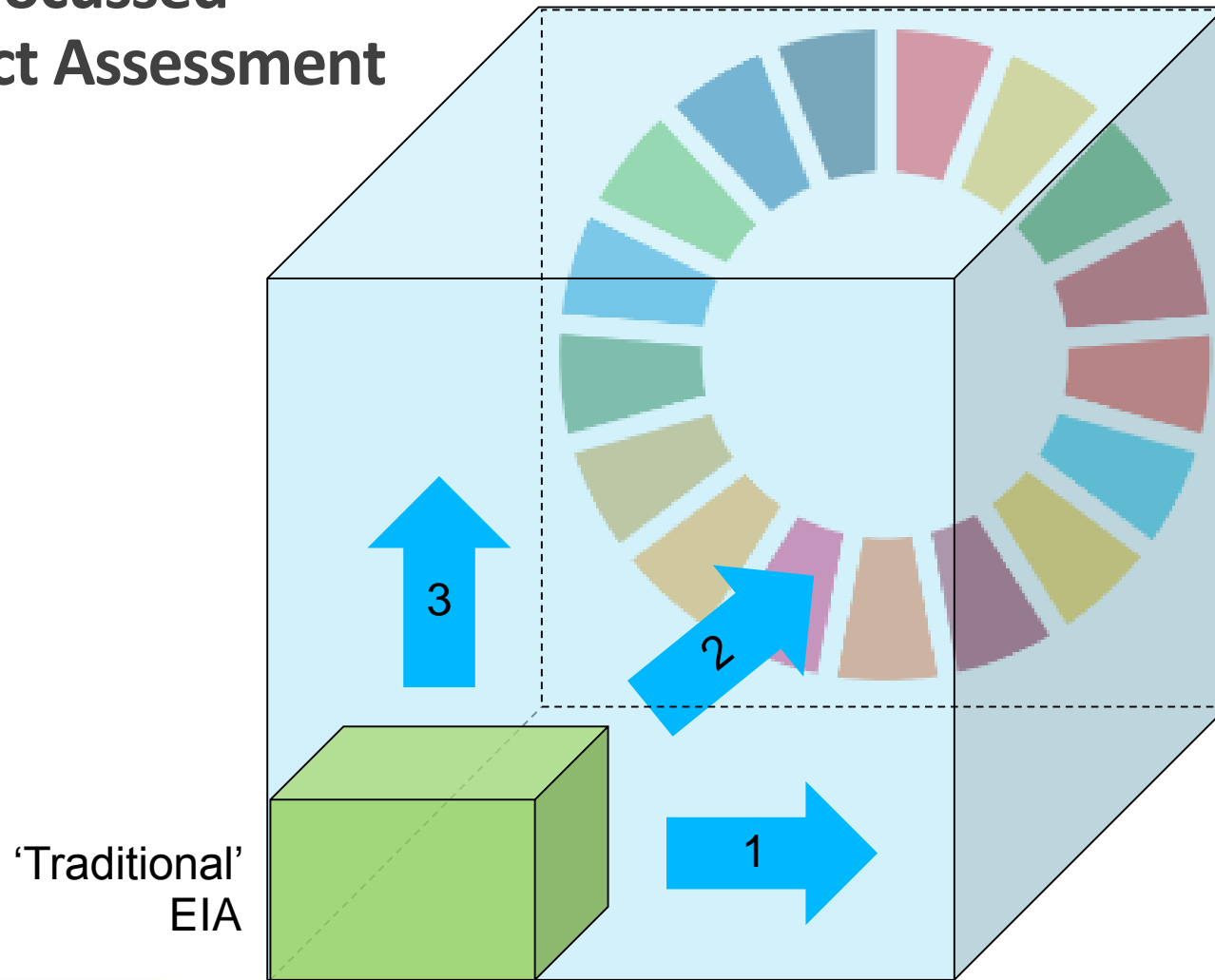
*Improve the effectiveness of any type of impact assessment*



***Distinguishing features***

# Features of SDG-focussed Impact Assessment

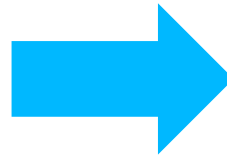
## Sustainability Assessment



# 1. More **COMPREHENSIVE** coverage



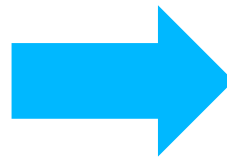
**Environment only**



**All sustainability themes**

# More **COMPREHENSIVE** coverage

## Incorporating the SDGs



**Environment only**

**All sustainability themes**

# More **COMPREHENSIVE** coverage

## Challenges



## Environmental Impact Assessment (EIA)

# More COMPREHENSIVE coverage

## Challenges

### Social Impact Assessment (SIA)



### Environmental Impact Assessment (EIA)

## 2. More STRATEGIC perspective

**Aspirational & connected to wider context**



<https://www.fodors.com/news/outdoors/10-best-hot-air-balloon-rides-in-the-us>



**Reactive & focussed locally**



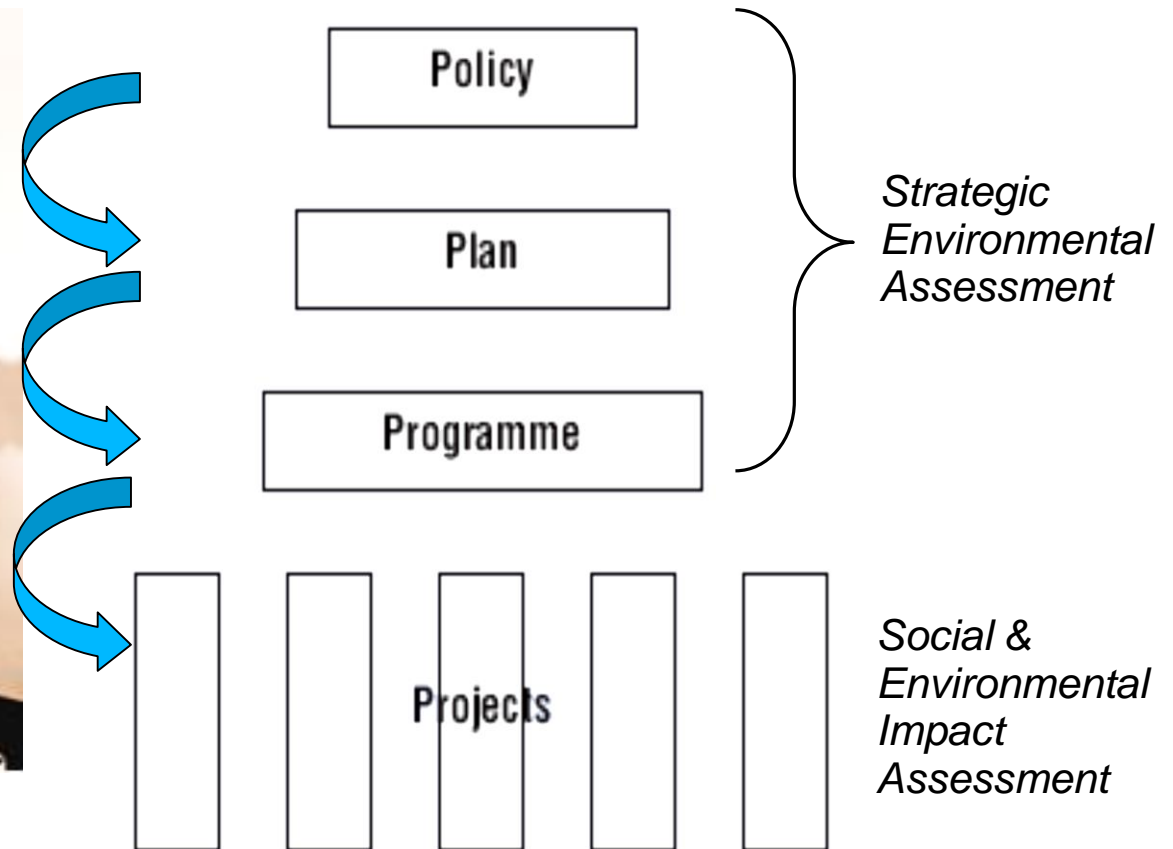
<https://joshjulieblog.wordpress.com/2013/08/23/cast-as-cavass/>

# More STRATEGIC perspective

## Idealised planning hierarchy



<https://npmevents.com.au/champagne-towers/>





# More STRATEGIC perspective



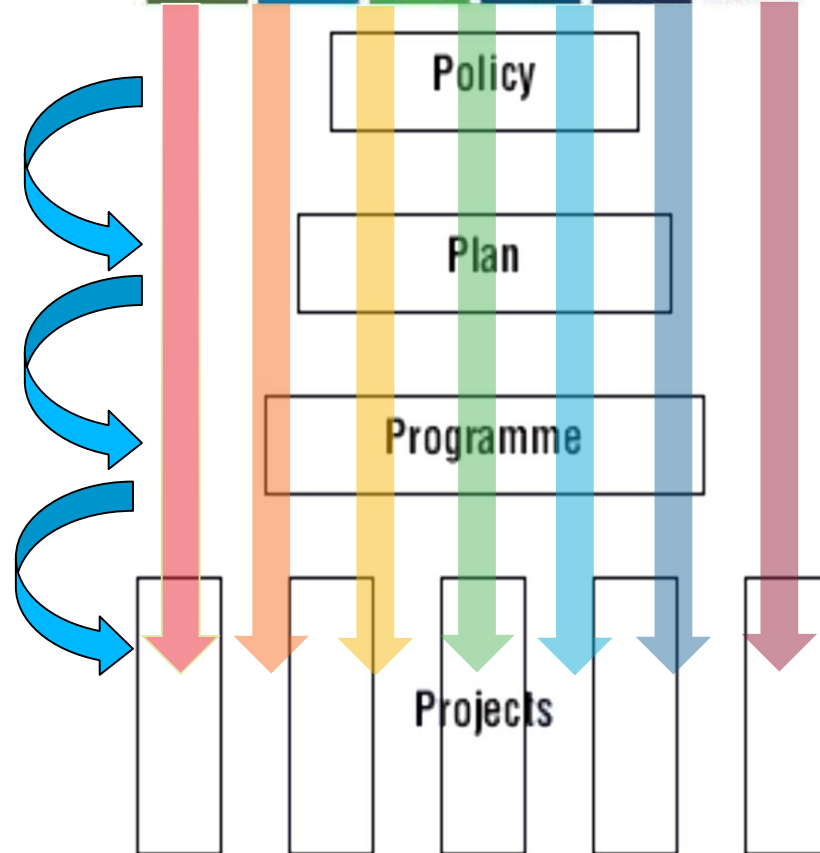
**Aspirational & connected to wider context**



**Aspirational & focussed locally**



Incorporating the SDGs

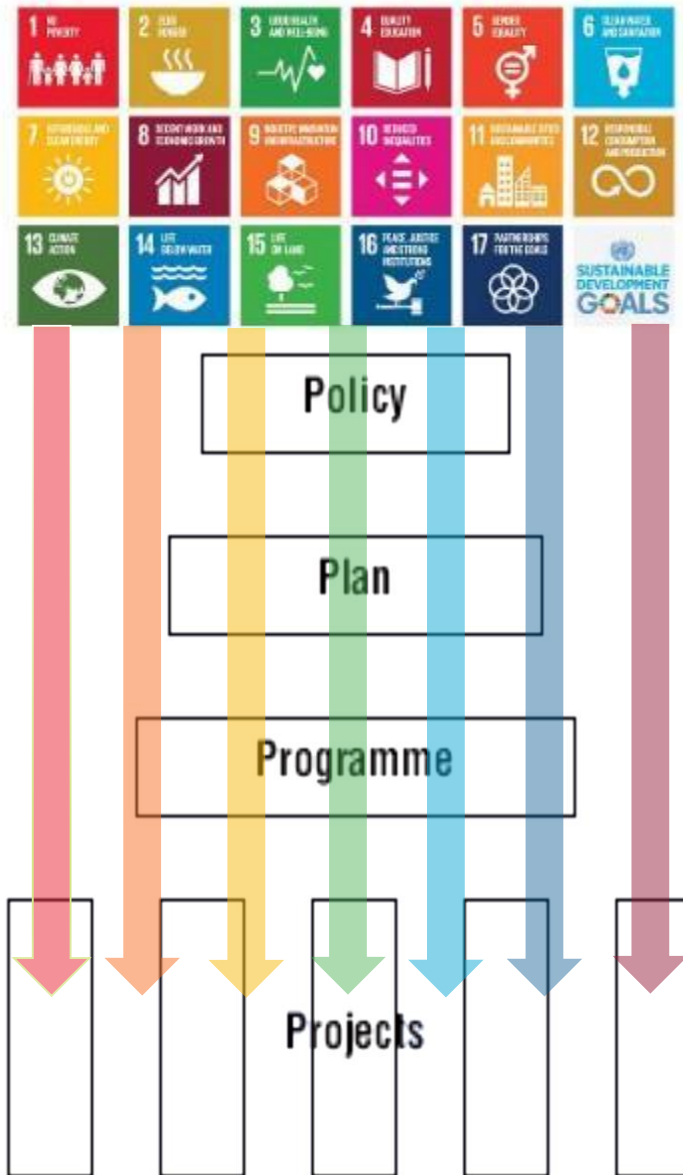


# More STRATEGIC perspective

high-level principles/goals

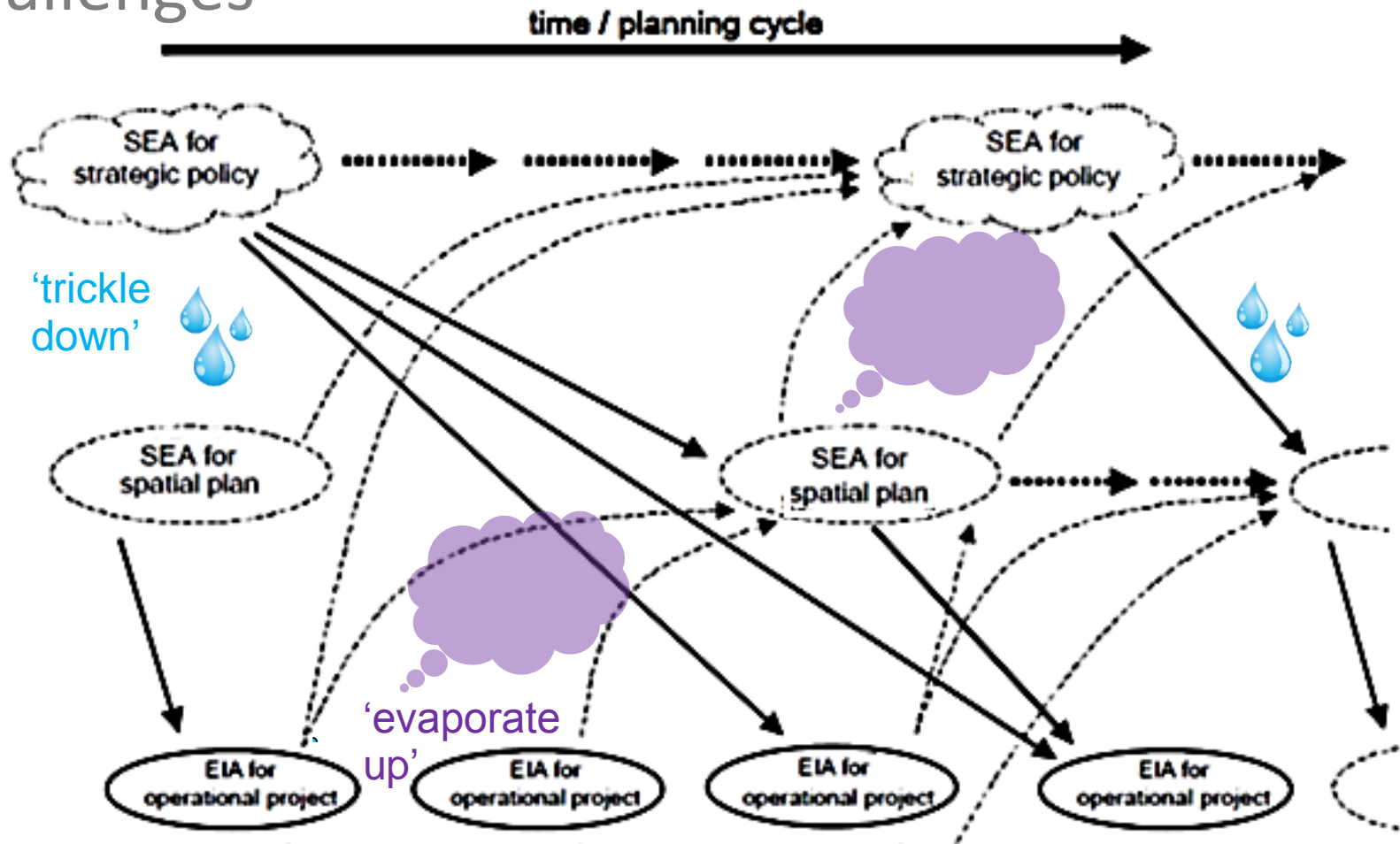
Challenges

context-specific objectives/criteria



# More STRATEGIC perspective

## Challenges



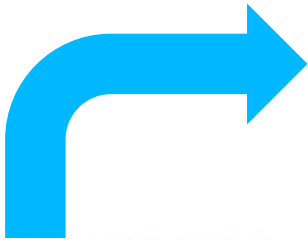
Arts, J. (1998), EIA Follow-Up: On the Role of Ex Post Evaluation in Environmental Impact Assessment, Geo Press, Groningen.

### 3. More INTEGRATED



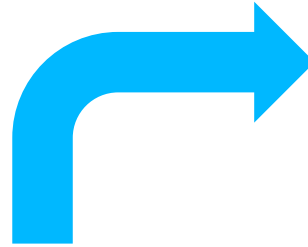
[www.pinterest.com/pin/54817320434017393/](http://www.pinterest.com/pin/54817320434017393/)

**Separate**



[www.pinterest.ca/pin/11047961560347227](http://www.pinterest.ca/pin/11047961560347227)

**Linked**



[www.paracord.eu/14-mm-Rope-double-braided-rainbow](http://www.paracord.eu/14-mm-Rope-double-braided-rainbow)

**Fully integrated**

# More INTEGRATED Challenges

<https://twitter.com/PostNormalEra/status/984545964315807744>



Complex interconnections

# More INTEGRATED Challenges

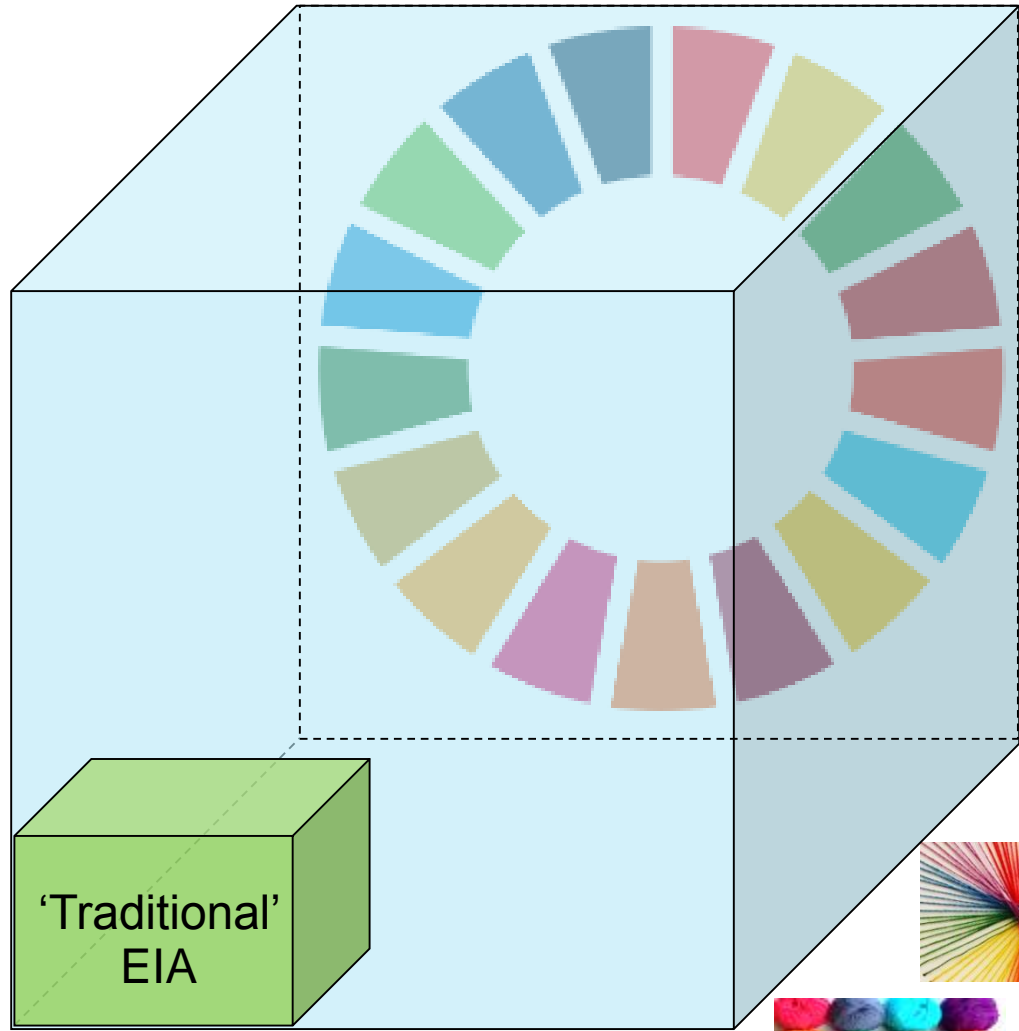
- Comparability
- Need to consider both positive & negative impacts



Tradeoffs



**STRATEGICNESS**  
of the perspective



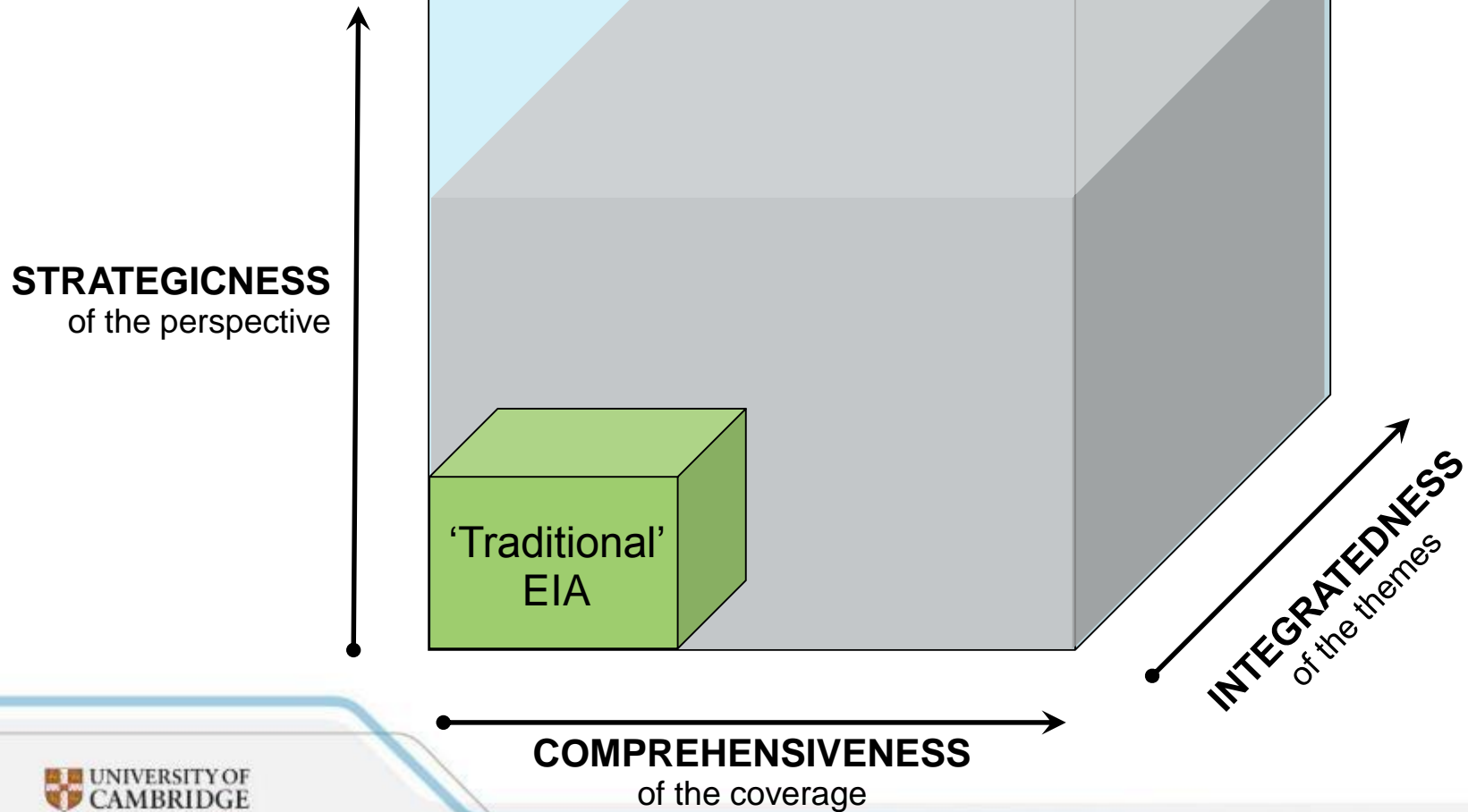
**COMPREHENSIVENESS**  
of the coverage



**INTEGRATEDNESS**  
of the themes

# How? 'Stretching'

Sustainability  
Assessment

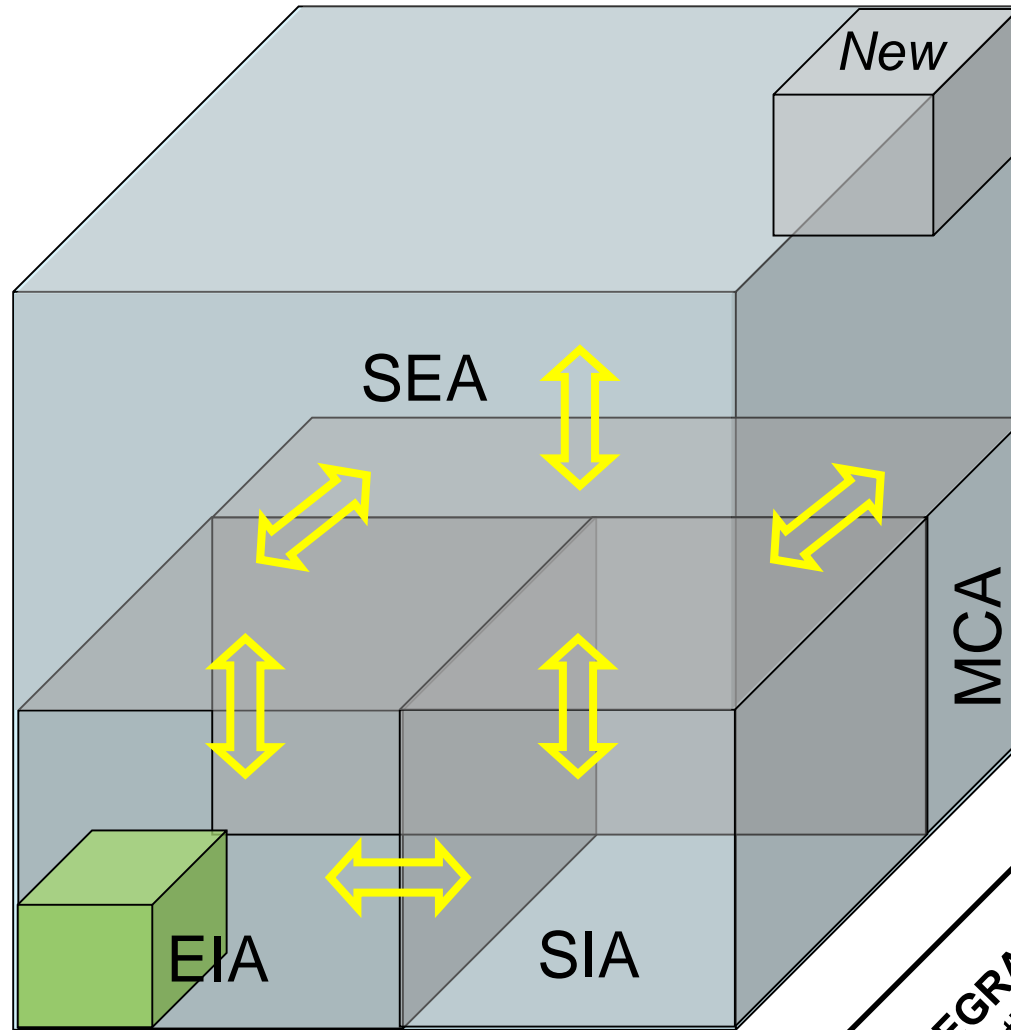




# How? 'Combining'

Sustainability Assessment

**STRATEGICNESS**  
of the perspective

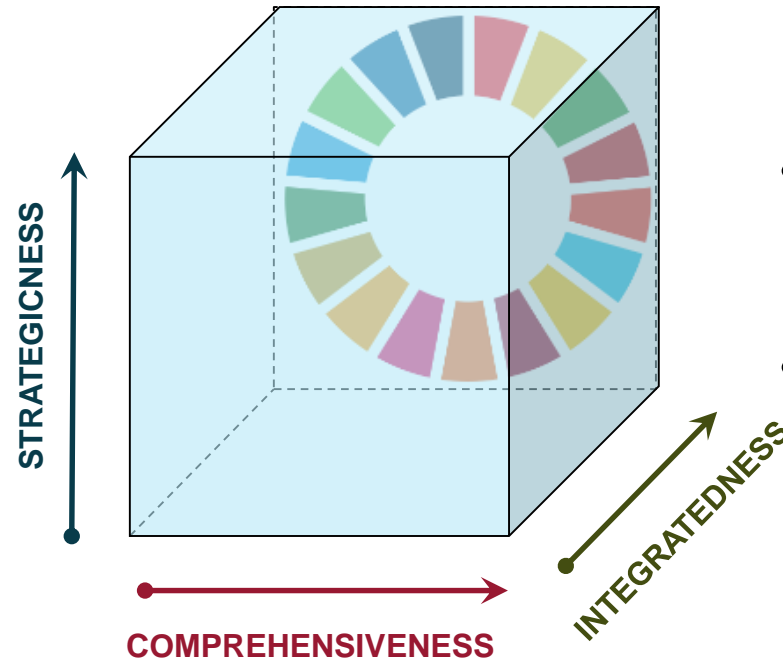


**COMPREHENSIVENESS**  
of the coverage

**INTEGRATEDNESS**  
of the themes

# Using impact assessment to align private sector projects with the SDGs: Key challenges

- Converting high-level principles/goals into context-specific objectives/criteria
- Sequencing assessments at higher planning levels so that they inform projects

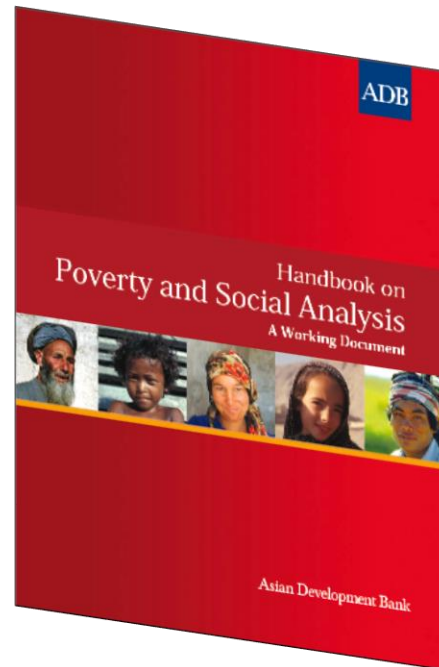
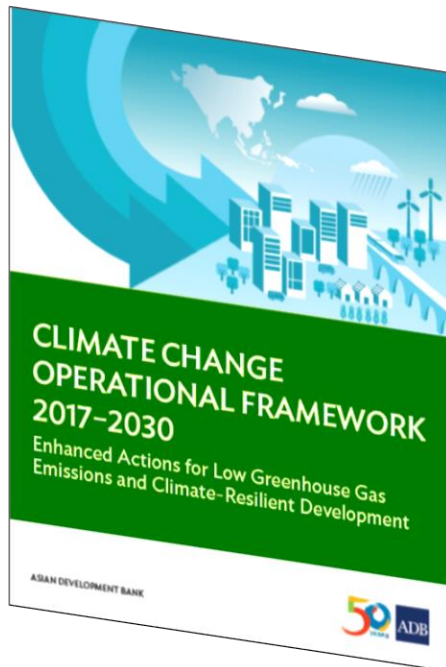


- Covering more themes, including ones not considered routinely (e.g. climate change)

- Considering complex interconnections.
- Evaluating trade-offs between positive and negative impacts

# For further details:

Hacking (2018) The SDGs and the sustainability assessment of private-sector projects: theoretical conceptualisation and comparison with current practice using the case study of the Asian Development Bank, ***Impact Assessment and Project Appraisal***



ASIAN DEVELOPMENT BANK

# Let's work to merge the paths!



**Thank you!**  
**Any questions?**