

Executive Summary: PIDG alignment to the Global Goals

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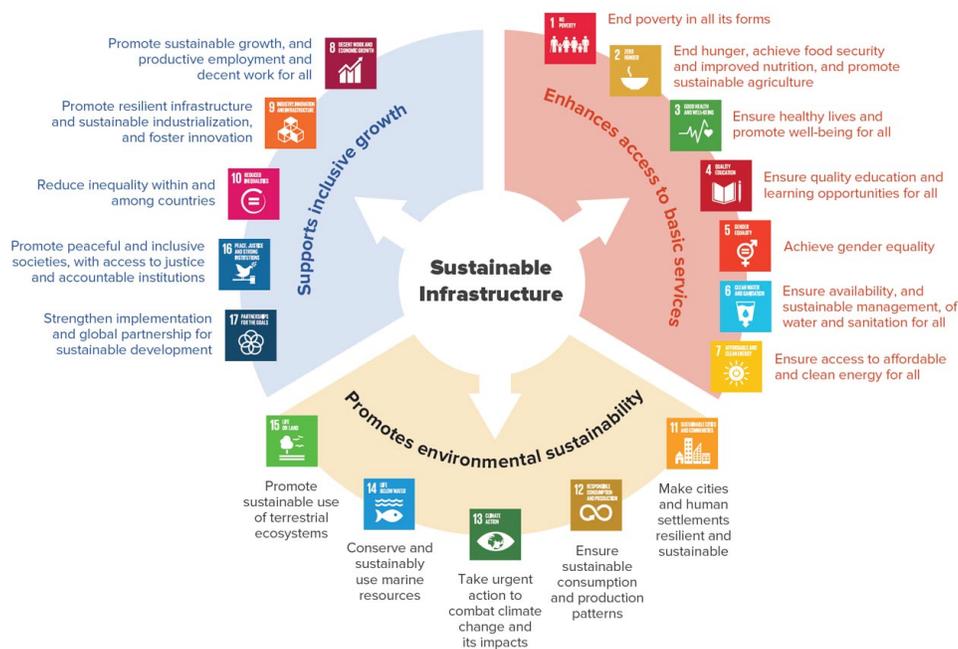
About the Global Goals for Sustainable Development

The United Nations and Governments have agreed 17 Global Goals for Sustainable Development to structure global priorities until 2030. The Goals represent the world’s biggest issues and society’s ability to impact them, positively or negatively. Many front-line organisations, including businesses and NGOs, recognise that they need to assess their impact on the Global Goals and review their strategy accordingly. This report focuses on how the Global Goals fit with PIDG activities and how PIDG can improve its contribution to, and report on, this common set of global goals and targets.

What does it mean for an organisation to relate to the Global Goals?

Many organisations are still developing their frameworks for how they align to the Global Goals. The graphic below illustrates how sustainable infrastructure supports the 17 global goals in very broad terms. Active management and measurement of contribution towards Goals requires a more focused framework.

Figure 1: New Climate Economy: how sustainable infrastructure supports all the Sustainable Development Goals¹



¹ <http://newclimateeconomy.report/2016/the-sustainable-infrastructure-opportunity/>

In order to assess how an organisation’s activities relate to a specific Goal, and facilitate effective contributions towards Goals, this report provides a framework that looks at:

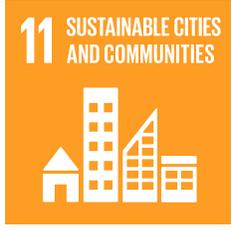
- **Alignment:** how PIDG’s activities relate to the “essence” of a Goal as captured in the overall framing of the Goal.
- **Contribution:** The scale to which PIDG’s activities contribute to the specific targets of the Goal. This assessment takes into consideration negative, as well as positive impacts
- **Measuring and reporting:** The ability to evidence PIDG portfolio contributions to the Goals.

How do the Global Goals fit with PIDG activities?

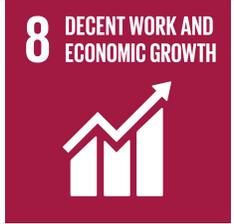
The PIDG mission² aligns with many aspects of the Global Goals. When looking more closely at alignment, scale of contribution and measurement (and reporting) of that contribution however, there are a number of challenges that come with the unique nature of PIDG. These include PIDG’s wide range of stakeholders (e.g. donors, private sector, governments), the range of sectors covered by projects (e.g. energy, transport, telecoms) and the decentralised nature of PIDG through its various facilities, covering a wide range of geographies.

Acknowledging these challenges, we use the framework mentioned above to identify the most relevant Global Goals as they relate to PIDG. We first look at *alignment*, how the “essence” of the Goal relates to PIDG work and objectives, followed by distinctive *positive contribution* and the scale to which positive impact is delivered against specific targets of that goal. Negative impacts, and PIDG’s ability to mitigate them, are then set out in Table 2. The alignment and contribution assessment identified six Global Goals to which PIDG is most relevant.

Table 1: Assessment of PIDG alignment and contribution for each Global Goal (Goals are ranked by degree of alignment)

Global Goal	Goal alignment - description	Contribution - Distinct contribution (scale)
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>High - This Goal focuses on partnerships that deliver increased government revenues, and mobilise financial resources and investment from multiple parties in support of poverty alleviation in developing countries. This is the core of the PIDG model and objectives.</p>	<p>High - Since 2002, \$29.1bn of investment has been mobilised from private sector investors and development finance institutions, relative to \$2.3bn of investment from PIDG. Additionally, the construction and operation of PIDG projects generate significant tax revenue for governments (\$6.8 billion in cumulative fiscal benefits in 2015).</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>Medium - Sustainable urban infrastructure is a significant and direct result of the PIDG portfolio, however PIDG strategy does not specifically focus on sustainable urban infrastructure as a priority. Additionally, resilience and inclusivity (e.g. affordability) are not specific stated priorities for PIDG.</p>	<p>High - PIDG does not currently classify its projects as rural vs urban but a significant number of projects in the housing, transportation, water/sewage/sanitation and urban development/infrastructure projects are aligned with the specific targets of this Goal.</p>

² To mobilise private-sector investment to assist developing countries to provide infrastructure vital to boost their economic growth and combat poverty’

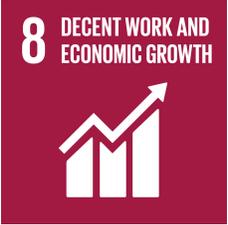
Global Goal	Goal alignment - description	Contribution - Distinct contribution (scale)
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Medium/High - This Goal focuses on quality jobs and economic growth, key aspects that PIDG positively contributes to directly, indirectly and through induced means.</p> <p>One key aspect of the essence of this Goal that is not a specific PIDG priority (although is addressed through application of IFC Performance Standard 2) is the “quality” aspect of jobs.</p>	<p>Medium/High - Since 2002, 224,000 direct long-term jobs have been created by PIDG funded projects. This does not account for the millions of indirect and induced jobs created.</p> <p>Key targets for this Goal are focused on economic productivity and growth and employment, which PIDG are knock-on impacts created through the existence of reliable infrastructure.</p> <p>One key element of a few of the targets that PIDG cannot report a contribution on is the “quality” (wage, labour conditions, etc.) aspect of jobs.</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Medium/High - Wider access to energy is a large direct result of the PIDG portfolio.</p> <p>Key aspects of the essence of this Goal focus on renewable/clean energy and affordability of that energy. PIDG does not have any stated prioritisation for renewable energy projects and does not systematically address affordability.</p>	<p>Medium/High – Energy projects account for 40% of the PIDG portfolio, with a smaller percentage focused on renewable energy.</p> <p>PIDG projects approved in 2015 will provide energy to over 1.7 million people in developing countries. This can be broken down into new (and improved) access.</p> <p>Relevant targets that are not specifically addressed by PIDG include affordability, energy efficiency.</p>
 <p>1 NO POVERTY</p>	<p>Medium/High - This Goal focuses on poverty reduction, an ultimate (indirect) goal of PIDG.</p> <p>PIDG strategy does not focus directly on poverty reduction, but it is a core focus of their work and expected outcome through job creation and economic development. The prioritisation of least developed countries and conflict affected countries is also aligned with aspects of this Goal.</p>	<p>Medium - The potential for poverty reduction comes through the knock-on effects created through the construction of sustainable infrastructure and include (1) the improved access to basic services (2) employment opportunities generated through infrastructure projects as well as through (3) the economic growth spurred by reliable infrastructure.</p> <p>While it is challenging to evidence the contributions to this Goal, PIDG activities do focus on a number of targets relating to the Goal including access to basic services, improvements in resilience, and the mobilisation of resources to developing countries.</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>Medium/High - This Goal focuses on infrastructure that promotes economic development, which is a direct result and priority of PIDG activities. The majority of PIDG funded projects and the main objective of PIDG relates to the essence of this Goal.</p> <p>Relevant aspects that are not specifically addressed by PIDG include affordability, and various</p>	<p>Medium – While the entire PIDG portfolio is focused on infrastructure, PIDG activities do not relate to the majority of the 12 specific targets.</p> <p>PIDG does contribute to elements of the targets that focus on: Infrastructure (generally), industrialisation, ICT, African, and least developed countries.</p> <p>Relevant targets that are not specifically addressed by PIDG include affordability, environmental considerations, etc.</p>

Global Goal	Goal alignment - description	Contribution - Distinct contribution (scale)
	environmental considerations.	

How should the potential for negative impacts on Global Goals be taken into consideration?

All projects create some degree of negative social and environmental impact. Negative impacts are important to measure (and manage) in order to support a net positive contribution to each goal, as well as to reduce PIDG risks. Seven Goals were highlighted as a priority for PIDG attention, in order to enhance alignment with Goals. These potential negative impacts range from environmental, social and corporate governance (ESG) matters (e.g. water usage, emissions, employment policies) but also potential knock-on effects arising from infrastructure projects (e.g. rising property costs that result from improved infrastructure). For all the seven Goals highlighted, PIDG has the opportunity to mitigate/lessen the potential negative impact through its existing (or additional) internal policies and procedures.

Table 2: Assessment of negative impacts and PIDG’s ability to mitigate them for each Global Goal

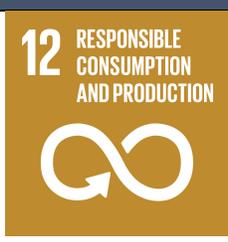
Global Goal	Potential negative impact	Ability to mitigate
 <p>6 CLEAN WATER AND SANITATION</p>	<p>A significant aspect to this goal is focused on reducing water pollution, improvement of water resource management and the protection of water related resources. Water usage is a significant (potentially negative) impact from many infrastructure projects throughout their supply chain (e.g. from water used in cement production to the high-water usage required by some energy projects).</p>	<p>IFC performance standards address waste and water pollution. This report did not review PIDG’s implementation of these and therefore does not have enough information to assess whether they are sufficient from a mitigation perspective, but it is likely to be an area where PIDG can make a substantive difference.</p>
 <p>15 LIFE ON LAND</p>	<p>This Goal is focused on the conservation and sustainable use of biodiversity and ecosystems which can be negatively impacted directly and indirectly by infrastructure projects, particularly in rural areas.</p>	<p>The IFC performance standards provide requirements to mitigate negative biodiversity and natural resource impacts. This report did not review PIDG’s implementation of these and therefore does not have enough information to assess whether they are sufficient from a mitigation perspective, but it is likely to be an area where PIDG can make a substantive difference.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Negative contributions to this Goal could come through poor wages, worker safety and other employment factors as they relate to the jobs created directly (and indirectly) through PIDG funded projects.</p>	<p>This Goal touches on a number of aspects that PIDG could potentially manage through their ESG and management procedures. These include equal and fair pay/wages, labour rights, secure and safe working environments, etc. This report did not review PIDG’s implementation of these and therefore does not have enough</p>

Global Goal	Potential negative impact	Ability to mitigate
		information to assess whether they are sufficient from a mitigation perspective, but it is likely to be an area where PIDG can make a substantive difference.
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>The targets of this Goal relate to increased energy access, but place a specific emphasis on renewable energy. For example, one specific target of this Goal is ‘By 2030, increase substantially the share of renewable energy in the global energy mix’. Negative contributions to this Goal could come in the form of financing a disproportionate amount of non-renewable energy projects.</p>	<p>PIDG has a potential to manage negative contributions to this Goal by managing the ratio of renewable and non-renewable energy projects funded.</p>
 <p>5 GENDER EQUALITY</p>	<p>Infrastructure projects can have negative effects on gender equity unless proactively applying a gender screen. For example, construction projects could disproportionately restrict women’s ability to carry out normal tasks and income generating activities and/or limit social contact and interactions. This is an area where PIDG projects can therefore produce unintended negative impacts.</p>	<p>As indicated above, the IFC performance standards provide requirements to mitigate negative gender impacts. This report did not review PIDG’s implementation of these and therefore does not have enough information to assess whether they are sufficient from a mitigation perspective. Having a specific gender lens for projects (beyond just counting the number of women impacted) can both reduce the negative impact on women and find ways to modify projects to amplify positive impact.</p>
 <p>10 REDUCED INEQUALITIES</p>	<p>Negative contributions to this Goal could come through poor wages, worker safety (harassment) and other employment factors as they relate to the jobs created directly (and indirectly) through PIDG funded projects. Negative impacts could also come from unintended consequences that can arise from infrastructure projects that can contribute to inequality (e.g. rising property costs that result from improved infrastructure)</p>	<p>IFC performance standards touch on harassment and wage matters, but do not specifically require fair and living wages or discuss equal opportunity policies for employees. Additionally, they do not address the unintended consequences that can come from infrastructure projects that can contribute to inequality.</p>
 <p>13 CLIMATE ACTION</p>	<p>This Goal does not specifically address the reduction of climate impacts (e.g. CO₂ emissions) but rather focuses on adaptation and resilience. Negatively contributing to this Goal could be seen as building infrastructure that does NOT take into account climate considerations.</p> <p>Potential negative environmental impacts of PIDG projects affecting climate change is addressed as part of GG#15.</p>	<p>This report did not review PIDG’s consideration of these factors, but it is likely to be an area where PIDG can make a substantive difference.</p>

Global Goal	Potential negative impact	Ability to mitigate
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>There is some evidence that the prioritisation of infrastructure projects pursued through PPPs (and solely through the private sector) may bias governments towards bankable projects rather than initiatives which best respond to social development objectives³⁴.</p>	<p>The essence of this Goal is all about partnerships in support of poverty alleviation, and PIDG should make sure that the results of partnership activities are targeted towards this.</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>Negative contributions towards this Goal could come through increased emissions from infrastructure projects, the creation of public transport and other urban systems that is not affordable for low income people and/or the development of infrastructure projects that are not aligned with the Sendai Framework for Disaster Risk Reduction (where applicable).</p>	<p>The IFC performance standards provide requirements to mitigate pollution and waste generation. This report did not review PIDG's implementation of these and therefore does not have enough information to assess whether they are sufficient from a mitigation perspective.</p>
 <p>1 NO POVERTY</p>	<p>One of PIDG's main objectives is to reduce poverty through improved infrastructure and economic growth. The risk of negatively contributing to elements of this Goal could come from substandard wages from employment opportunities stemming from PIDG, as well as unintended consequences of infrastructure projects that push people further into poverty (e.g. rising property costs that result from improved infrastructure). The prioritisation of these negative impacts is addressed through the Goals above.</p>	<p>IFC performance standards touch on wage matters, but do not specifically require fair and living wages for employees. Additionally, they do not address the unintended consequences that can come from infrastructure projects.</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>Negatively contributing to this Goal would equate to the destruction of infrastructure which is not what PIDG does.</p>	
 <p>14 LIFE BELOW WATER</p>	<p>This Goal is focused on reducing water pollution, improvement of water resource management and the protection of water related resources as they relate to oceans, seas and marine areas. While the same concerns apply related to Goal 6 above, we understand that PIDG projects have less of an impact on marine related resources.</p>	<p>The IFC performance standards provide requirements to mitigate negative water related impacts, including marine areas. This report did not review PIDG's implementation of these and therefore does not have enough information to assess whether they are sufficient from a mitigation perspective.</p>

³ PPPs and the SDGs: Don't believe the hype, Jeff Powell Public Services International Research Unit - http://www.world-psi.org/sites/default/files/ppps_and_the_sdgs-dont_believe_the_hype_psiu.pdf

⁴ <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/international-development-committee/dfids-programme-in-nigeria/written/27922.pdf>

Global Goal	Potential negative impact	Ability to mitigate
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>This Goal covers a range of consumption and production related matters that PIDG projects could directly and indirectly negatively contribute to (e.g. waste generation). Because these areas, as they relate to PIDG, have been addressed elsewhere this Goal was not flagged as a priority for PIDG.</p>	<p>The IFC performance standards provide requirements to mitigate negative waste related impacts. This report did not review PIDG’s implementation of these and therefore does not have enough information to assess whether they are sufficient from a mitigation perspective.</p>
 <p>16 PEACE AND JUSTICE STRONG INSTITUTIONS</p>	<p>Negatively contributing to this Goal would equate to infrastructure that results in increased violence, corruption and social unrest. There is a potential for infrastructure projects to result in these impacts, but it is beyond the expertise of the authors to comment on the significance and likelihood of this.</p>	<p>This report did not review PIDG’s implementation of safeguards and mitigation standards in areas that relate to this Goal and therefore does not have enough information to assess whether they are sufficient from a mitigation perspective.</p>
 <p>2 ZERO HUNGER</p>	<p>Negatively contributing to these Goals would equate to infrastructure that results in increased food insecurity, negative health impacts and reduced access to education. There is a potential for infrastructure projects to result in these impacts, but it is beyond the expertise of the authors to comment on the significance and likelihood of this.</p>	<p>This report did not review PIDG’s implementation of safeguards and mitigation standards in areas that relate to this Goal and therefore does not have enough information to assess whether they are sufficient from a mitigation perspective.</p>
 <p>3 GOOD HEALTH AND WELL-BEING</p>		
 <p>4 QUALITY EDUCATION</p>		

How can PIDG enhance the way it manages and measures its contribution to the Global Goals?

The full report describes three ways that PIDG can report progress against the Goals. These include: (1) Reporting directly against standard UN indicators (2) Reporting metrics that tangentially relate to the standard UN targets/indicators (3) Creating a broader evidence base by linking PIDG activities to impacts through external research. The following five results measurement practices are identified as potential options for PIDG consideration:

1. poverty estimation (e.g. an assessment of affordability and access related to the BoP),
2. ‘gap’ contribution (e.g. categorisation of the Global Goal gap being addressed),

3. other project tags (e.g. urban vs rural),
4. common indicators for common projects (e.g. the number of MW generated annually for all energy projects), and
5. common indicators for negative impacts (e.g. CO₂ emissions for relevant projects).

Additional recommendations focus on improved reporting that can be done beyond project level measurement, including through academic and external evidence (e.g. on infrastructure and GDP growth), through compelling anecdotal stories, and by providing clear documentation on PIDG's position for various aspects that relate to the priorities defined in the Goals (e.g. exclusionary criteria for PIDG funding).

Where should PIDG go from here?

The framework and recommendations provided in this report present PIDG with an initial mapping of priority Goals and set of issues that can be taken further to assess and optimise contributions to the Goals. This goes well beyond a communications exercise. As indicated above, many organisations are thinking about how to align, contribute, report and improve their impact towards these targets, and there would be mutual benefits to PIDG engagement in such conversations. The assessment to date shows that PIDG serves an important and unique role in contributing, in a substantial way, to the targets of six of the 17 Global Goals and can contribute further by prioritising and addressing the potential negative impacts that relate to seven of the Goals. PIDG can use the examples, challenges and recommendations provided in this report to demonstrate alignment so far, improve capacity to report on future contribution, and equally to refine and magnify the impact of PIDG work on achievement of the Global Goals.