

concept

DECISION MAKERS, DOERS AND ADVISORS
– JOINING FORCES TO ENHANCE UTILITY OF INVESTMENTS

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Symposium web-site: <http://www.conceptsymposium.no/>
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Sustainability Assessments of Major Investments

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What are the parameters of the assessment?

- **Type** – regulatory, environmental, economic, **sustainability**
- **Target** – policies, regulations, projects, **investments**
- **Level** – international, national, regional, **local**
- **Timing** – **before** (ex ante), during, after (ex post)

What is the purpose of sustainability assessments?

- 1) Identify economic, social and environmental impacts
- 2) Highlight political sensitivities
- 3) Ensure public acceptance

What characterizes a sustainability assessment?

THE THREE EYES

- **I**NTEGRATED -- examines three types of interrelated impacts
- **I**NTENSIFIED – considers short-term and long-term effects
- **I**NCLUSIVE -- respects open and transparent processes

What should a sustainability assessment NOT be?

- **Obscure** – must be accessible to investors & decision-makers
- **Complicated** – must be easily understood and transparent
- **Expensive** – must be practical and cheap to implement

SIMPLE

Sustainability Assessment

- 1) **S**cope relevance and extent
- 2) **I**dentify participants
- 3) **M**easure economic, environmental, and social impacts
- 4) **P**resent conflicts across the three pillars
- 5) **L**ist mitigating measures
- 6) **E**numerate alternative paths or options

S = SCOPE Relevance and Extent

- Determine main parameters of investment or project
- Establish sustainability criteria
- Choose quick scan **vs.** more detailed assessment
- Select tools (qualitative, quantitative)

I = IDENTIFY PARTICIPANTS

- **Government** – lead agency & other agencies at national, regional, local levels
- **Business** – main operating partners, investors, contractors and suppliers
- **Stakeholders** – unions, NGOs, citizen groups, communities
- **Analysts** – internal and external experts

M = MEASURING IMPACTS

Criteria	Impact scale of -3 to +3
ECONOMIC IMPACTS	
1) Investments	- 2
2) Income	+3
3) Employment	+1
4) Competitiveness	+2
5) Innovation	+1
ENVIRONMENTAL IMPACTS	
1) Greenhouse gas emissions	- 2
2) Energy efficiency	+ 2
3) Polluting outputs	- 1
4) Natural resource inputs	- 2
5) Biodiversity effects	- 2
SOCIAL IMPACTS	
1) Community benefits	+ 2
2) Income distribution	- 1
3) Consumer prices	- 1
4) Health and safety	+ 2
5) Gender equity	+ 1

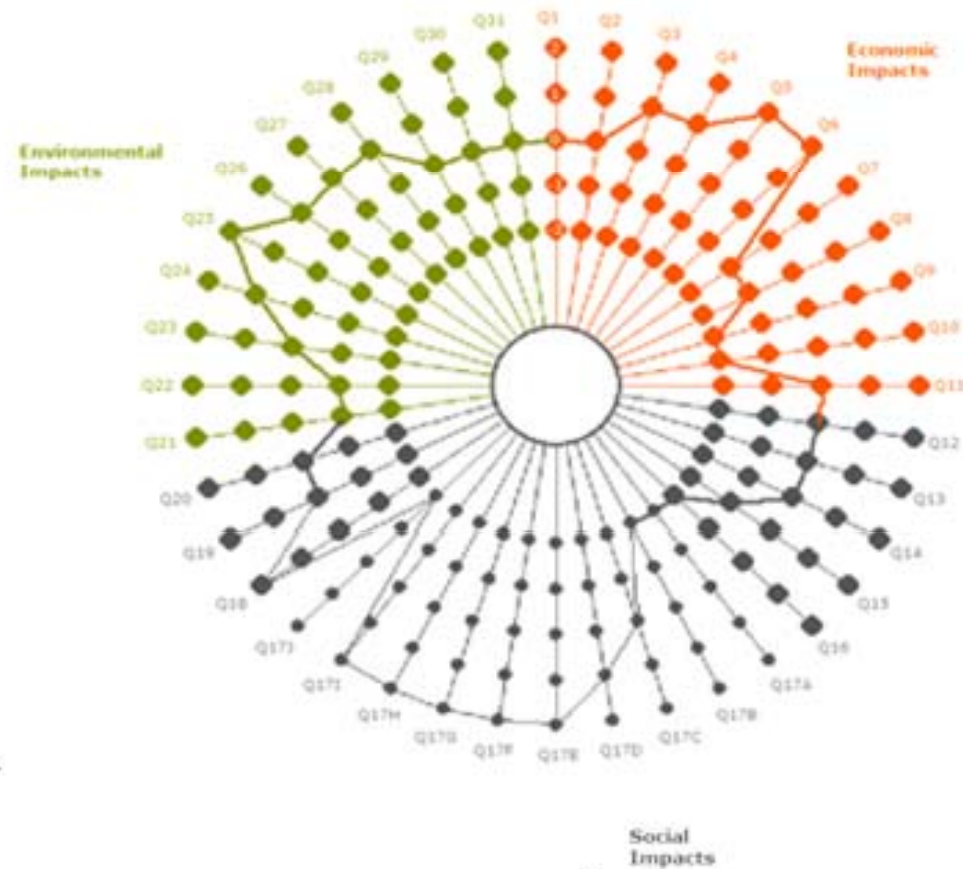
M = MEASURING IMPACTS (BY TYPES OF CAPITAL)

- 1) **Financial capital** – investment funds, stocks and bonds
- 2) **Produced capital** – buildings, goods and services, infrastructure
- 3) **Natural capital** – ecosystems, resources
- 4) **Human capital** – employment, equity
- 5) **Social capital** – public and private governance

P = PRESENT CONFLICTS ACROSS PILLARS

- Identify major synergies, conflicts or trade-offs across three pillars
- Quantify and normalize potential positive and negative effects
- Present effects on different dimensions in graphical form

P = PRESENTING TRADE-OFFS WITH SPIDER DIAGRAMS



L= LIST MITIGATING MEASURES

- ❑ Timing and phase-in provisions
- ❑ Environmental safeguards
- ❑ Health and safety measures
- ❑ Risk insurance
- ❑ Adjustment assistance for communities
- ❑ Worker training
- ❑ Consumer protection
- ❑ Property rights

E = ENUMERATE OPTIONS **(as to whether)**

- **E**quitable -- limits trade-offs
- **E**xtensive – acceptable to all parties
- **E**ffective – achieves objectives
- **E**fficient – results proportionate to costs
- **E**mployable – practical to implement
- **E**ndurable – sustainable in long-term

What do sustainability assessments achieve?

- Contribute to economic, environmental & social welfare
- Ensure long-term sustainability
- Avoid political problems, delays, and undue risks