

UNOSD 2023: International Mayors Forum

Dakar, Sénégal, 27th April 2023

Impact Investing in Cities: Creating Synergies between SDGs

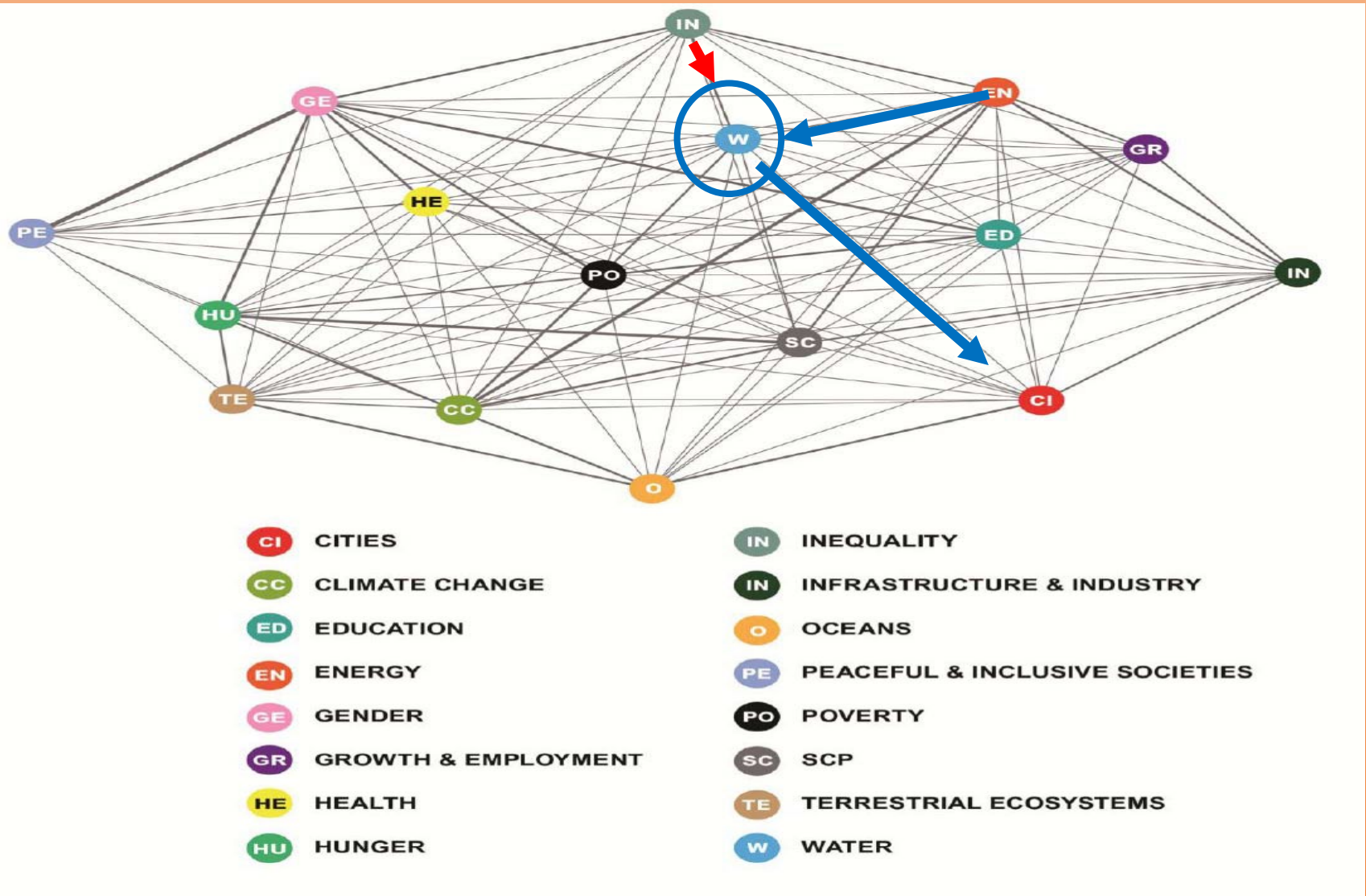
*Prof. Titular Raymond Saner; University of Basel
Director, CSEND, Geneva*

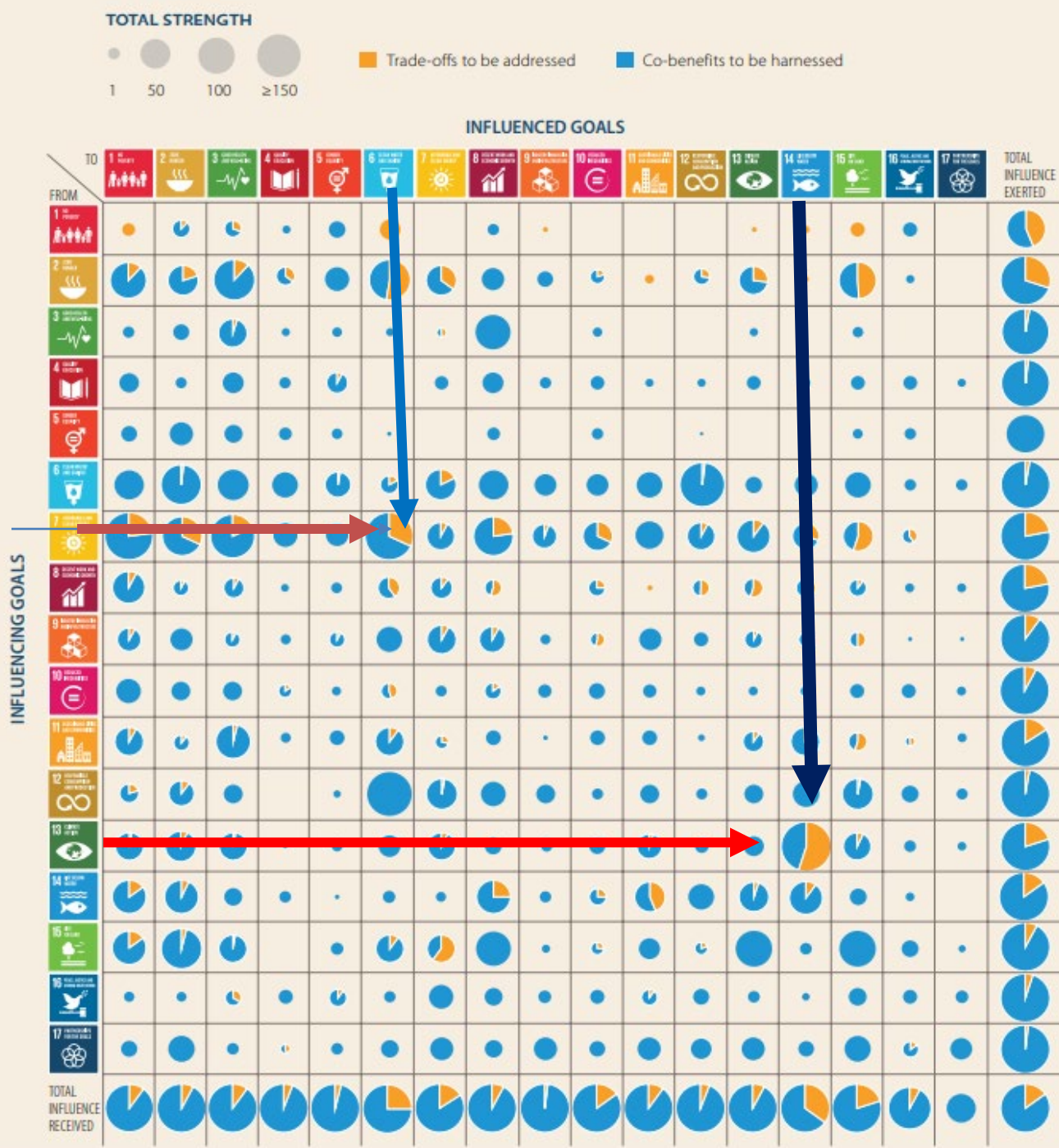
Trade offs & Synergies

Trade Off: Zero Hunger (SDG 2);
through overuse of pesticides to
increase crop production
results in environmental
pollution (SDG 15)

Synergy: Purifying industrial water
and stop wasting industrial
water (SDG 6) generates
better health in population
(SDG 3) & less fish dying

SDG as integrated network





Trade-offs & Co-Benefits

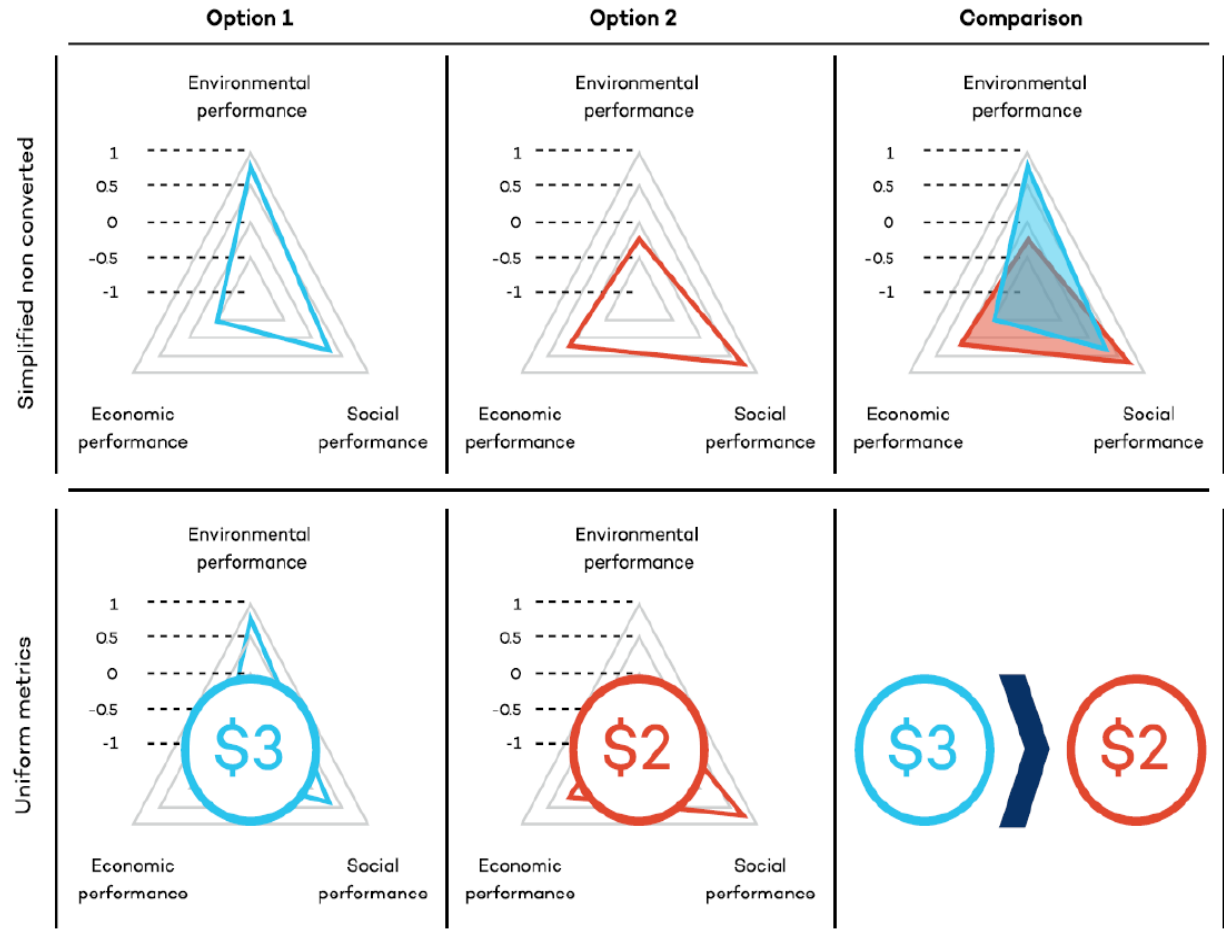
GSDR, P.6
using the
7-point scale developed by
the International Council
for Science (ICSU)²⁶

https://sustainabledevelopment.un.org/content/documents/24797GSDR_report_2019.pdf

Prioritizing in a multi-dimensional Space

(M.Torero, FAO, 2021)

From multi-metric
to common
currency
comparison (how
to identify the
monetary
equivalence?)



Current state of trade-offs/synergies

- ✦ Progress has been made and is being made in regard to TOs/Syns among goals and between goals and their targets
- ✦ However, the metrics are very sector specific (e.g. agriculture, energy etc) and tend to be vertical and less horizontal
- ✦ There is a risk of a drift towards expert knowledge that leaders of stakeholders do not understand. The 2030 Agenda philosophy of transparency, participation and inclusiveness is being lost and a new form of silo-thinking is emerging under the mantle of “progress”.
- ✦ To counter such a drift into new silo-specialisation, it is of paramount importance to increase transdisciplinarity of science and expert knowledge and most importantly - to increase interministerial policy coordination and stakeholder consultation (government + Civils Society + Busines)

Policy Integration in the context of SDG integration: (adapted from David LeBlanc)

- Integration is taken seriously by governments as they try to implement the SDGs and since Supreme audit institutions worldwide have started to shed light on these efforts through SDG preparedness audits
- Some integration efforts documented in VNRs, in UN publications (WPSR 2018), in OECD publications
- Horizontal integration: coordinating /steering structures or mechanisms for SDG implementation, alignment of SDGs and national strategies and plans, identification of priorities for addressing synergies, trade-offs
- Vertical integration: many initiatives (e.g. vertically integrated monitoring and evaluation structures, from central government to sub-national governments including cities)
- Diagonal integration: importance of supporting tools/instruments, in particular planning and budget processes including horizontal and vertical SDG implementation.

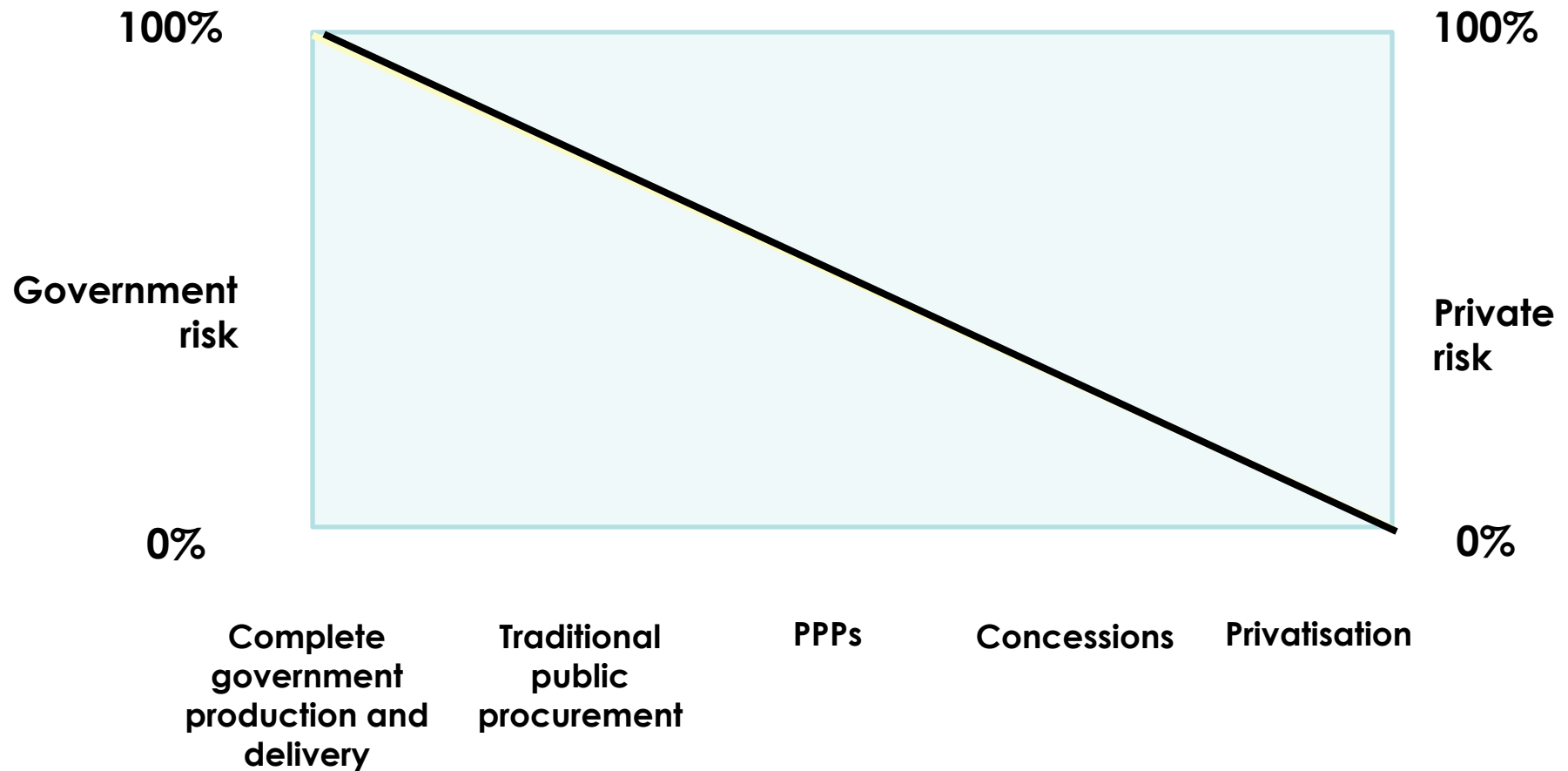
Financing the SDGs

(IMF Study 2019, Vitor Gaspar et al.)

Investments to achieve the SDGs are needed in education, health, roads, electricity, water and sanitation. For emerging market economies the average additional spending required represents about 4 % of GDP. Raising this amount is a considerable task, but in most cases these countries can rely on their own resources to finance the SDG targets.

However, the challenge is much greater for low-income developing countries, where the average additional spending represents
15 % of their GDP !!!!!!!!!!!!!

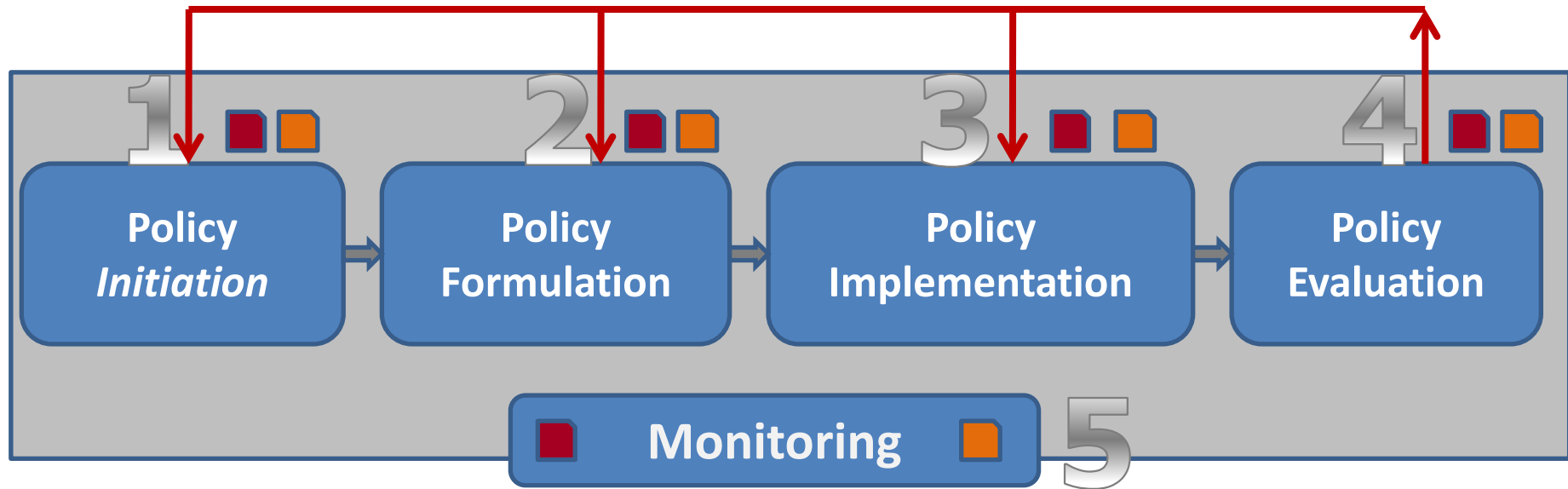
Public and private participation classified according to risk and mode of delivery



Source: OECD (2008), Public-Private Partnerships: In Pursuit of Risk Sharing and Value for Money, OECD Publishing, Paris. P.21.

Policy Making Process

(Saner, 2010, https://www.diplomacydialogue.org/images/files/20181215-book_saner-trade_1.pdf)



Ownership + Coherence + Relevance = Quality



*Policy Coordination and Consultation (PCC) is crucial for
SDG implementation*

1. Clarify role of Ministries (who leads-supports)???
2. improve credibility and competence of government in its dialogue with domestic and international stakeholders
3. design and manage consistent inter-ministerial SDG policy cooperation based on policy coordination and consultation mechanisms
4. ensure effective SDG implementation of SDGs at national level with adequate monitoring for constant SDG policy updating and fine-tuning

Connecting SDG 11, 16 & 17

- ❖ 1. Investment in physical and social infrastructure projects are needed to implement the SDGs (AAAA 2015).
- ❖ 2. SDG 11 (urban development) requires sustainable financing, sustainable governance and competent project management
- ❖ 3. Implementing SDG 11 requires SDG 16.6 (Develop effective, accountable and transparent institutions at all levels) and SDG 16.7 (Ensure responsive, inclusive, participatory and representative decision-making at all levels).

Connecting SDG 11, 16 & 17 (2)

- ✚ 4. Financing infrastructure can be done through governments' own means; public procurement; PPPs (SDG 17.17); concessions or privatization of services.
- ✚ 5. The choice of financing depends on a government's ability to collect taxes (individual and corporate taxes), VAT, PPPs or by borrowing from development banks and partner countries
- ✚ 6. If financed through borrowing, the borrowed money has to be paid back. If by means of PPP- the next generation has to pay back the loan hence inter-generational justice has to be secured.

Questions to the speakers

Q1: How can we best explain the concept of Policy Trade-Off and Policy Synergies to the SDG stakeholders (governments at national and subnational level), business and civil society) ?

Q2: How can we best ensure continuity of understanding of T.O.s and Synergies for the remaining seven years in light of the fact that most stakeholders (governments, business CEO, leaders of CSOs) will change up to 2030?

Q3: How could the targets of SDG 17 be best implemented to support financing and investment in physical and social infrastructure in low-income and least developed countries?

Answers by Laszlo PINTER

A1: tradeoffs preferencing green infra on a given urban real estate **might involve giving up potentially more rapid financial return grey infrastructure development.** However, we know that the **benefits** of green infrastructure are often accrued to **a wider range of social groups**, who could then be **more likely to be interested in partnering in its implementation and maintenance.**

A2: I would likely mention the need to understand and **embed incentives in bylaws and budgets**, to build and **broaden political constituencies through dialogue**, showcasing TOs through demonstration projects, and capacity building.

A3: **multi-sector dialogue to build alignment between city-specific SDG priorities and the lending / financing interests of Financial Institutions, whether commercial or non-commercial. Also, stronger up-front analytics to show returns on investment, financial AND non-financial, stronger, more systematic, financial and non-financial monitoring of impact.**

LITERATURE/ GUIDANCE

1. **“New Decisions for a New Age”**, IISD, Winnipeg, Canada, 2019
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2. **“Trade-Offs and Synergies: ICSU’s draft framework for understanding the SDGs”**
Nathaniel Matthews, Claudia Ringler, THRIVE,
<https://wle.cgiar.org/thrive/2016/06/28/trade-offs-and-synergies-icsus-draft-framework-understanding-sdgs>
3. **“Synergies and trade-offs between sustainable development goals and targets: innovative approaches and new perspectives”**. Fabrice Renaud, Xin Zhou, Lee Boshier, Brian Barrett, Suiliang Huang, Sustainability Science, May 2020, Springer.
<https://link.springer.com/content/pdf/10.1007/s11625-022-01209-9.pdf>
4. **“Mapping synergies and trade-offs between energy and the Sustainable Development Goals”**
Francisco Nerrini et al. (12 co-authors), Nature Energy, 2018
<https://www.nature.com/articles/s41560-017-0036-5>
5. **“ Horizontal and vertical integration are more necessary than ever for COVID-19 recovery and SDG implementation**, UN/DESA Policy Brief #115: 24-9-2021