

**Global Green Growth Institute**

Fifth session of the Council

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**Discussion paper: GGGI's Sustainability and Safeguards Policy****Background**

The Global Green Growth Institute's (GGGI) mission is to pioneer and diffuse a new model of economic growth that simultaneously improves environmental and social performance. This means that GGGI is committed to ensuring the social and environmental sustainability of the activities it supports. Sustainability and Safeguards Policy (SSP) will guide this effort by putting in place a mechanism to promote best practices while preventing or mitigating adverse impacts of GGGI's programs, projects and operations on people and the environment.

The need for establishing such a policy has been discussed at the Program Sub-Committee and the Council, and recommended by donors through the Donor Consultative Group (DCG), Joint Donor Reviews (JDR) and the recent Danish Appraisal Assessment.

**Sustainability and Safeguards Policy**

GGGI's Sustainability and Safeguards Policy (SSP) will articulate the organization's commitment to sustainable development and will be an integral part of the organization's approach to risk management. SSP is built on a framework consisting of three key components:

- Component 1 - Environmental and social safeguards
- Component 2 – Corporate Social Responsibility
- Component 3 – Corporate Risk Management

***Component 1 - Environmental and Social Safeguards***

The objectives of GGGI's environmental and social safeguards are to (i) help partner countries to strengthen their safeguard system and develop the capacity to manage environmental and social risks; (ii) avoid adverse impacts of projects on the environment and affected people, where possible; and (iii) minimize, mitigate, and/or compensate for adverse impacts on the environment and affected people when avoidance is not possible.

This component of SSP will ensure that environmental and social soundness of programs and projects are considered from the outset and throughout their cycle through initial safeguards review followed by monitoring and evaluation. For example, environmental and social review will be carried out at the initial stage of a project and any follow-up activities will be monitored throughout its implementation. A comprehensive list of environmental and social

impact triggers will need to be screened for relevance in each project. Figure 1 illustrates an indicative list of such triggers under each environmental safeguards and social safeguards heading.

The outcome of the initial safeguards review process is to determine *if* and *what* environmental and social management is required. The process aims to quickly identify those projects where no potential environmental and social issues exist, so that only those with potential environmental and social implications will undergo a more detailed assessment process.

The guideline accompanying SSP Component 1 will take into account the nature of GGGI's service offering which is mainly technical assistance and policy advisory, and it will be based on practices from comparable international organizations and tailored to GGGI needs and characteristics.

### ***Component 2 – Corporate Social Responsibility***

GGGI will strive to reflect its commitment in “walking the talk” by improving the organization's own environmental footprint and staff well-being.

For reducing GGGI's environmental footprint, focus will be given to building management and air travel where the greatest impact is expected. Environmentally friendly procurement practices will also be encouraged through purchasing green products where possible and influencing our suppliers in following GGGI's commitment to the environment. As an initial step, GGGI's greenhouse gas emissions in 2013 from travel and electricity use at headquarters have been calculated. This will be used as a baseline for reducing GGGI's internal environmental footprint going forward. Discussions are underway as to whether there is value in GGGI becoming a carbon-neutral organization.

For improving staff well-being, emphasis will be given to better internal communications, implementing staff learning and development policy, respect for diversity and gender balance. This is expected to be facilitated by the Staff Council of the Staff Association, which has met seven times to date with the first general meeting of the Staff Association scheduled on 22 May 2014. Through the work of the Staff Council, staff engagement and well-being will be regularly assessed, managed and communicated.

### ***Component 3 – Corporate Risk Management***

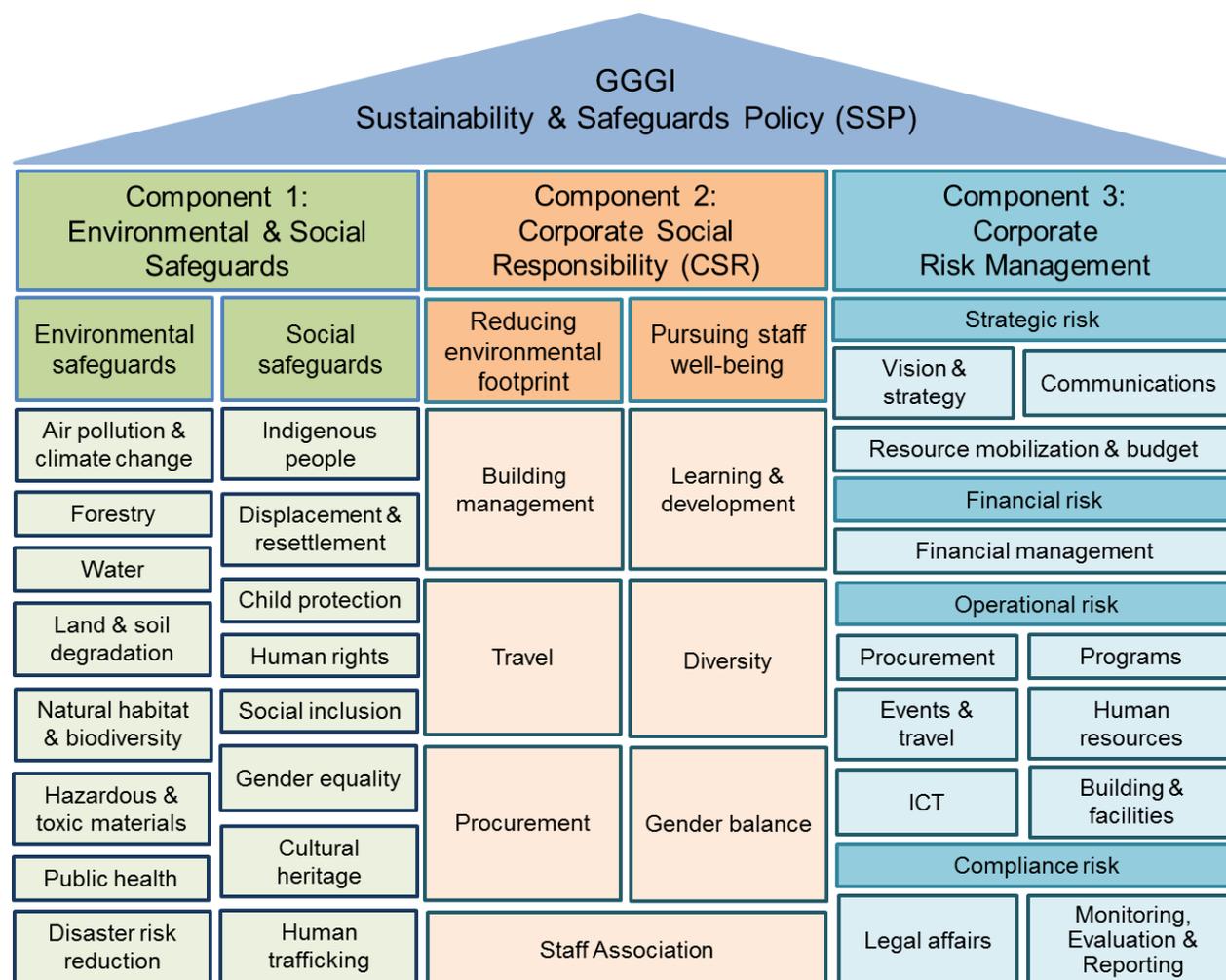
Risk is currently being addressed in most GGGI functional areas. However, there is a need for a more structured and comprehensive system to help the organization better identify and manage risks which are often inter-related across different functional areas.

Generally, risks to the organization's success can be grouped into four categories: (i) Strategic; (ii) Operational; (iii) Compliance; and (iv) Financial. Risks from GGGI's twelve functional areas have been grouped under each category as illustrated in Figure 1.

Information on how departments responsible for different functional areas identify and manage their risks will be compiled to assess the coverage and identify possible gaps, to apply a unifying terminology, and to develop an overall Corporate Risk Management

approach for GGGI. The results from this exercise will in part be fed into the development of the organization’s business continuity plan and emergency management plan.

Figure 1 below illustrates GGGI’s SSP consisting of the three components.



[Figure 1] GGGI’s Sustainability and Safeguards Policy (SSP) and its three components

**Outlook**

SSP and accompanying guidelines will be presented at the sixth session of the Council in November 2014.