

Institute for Global Environmental Strategies (IGES)

Medium-to-Long Term Strategy¹

2016-2025

Final²

February 2016

Institute for Global Environmental Strategies (IGES)

¹ All the detailed definitions, data and logics underpinning this strategy are provided by the “Supporting Document” developed in conjunction, but for internal use only.

² Approved revisions of 19 February 2016 are incorporated.

Medium-to-Long Term Strategy 2016-2025

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1. Introduction

The main objectives of this Medium-to-Long Term Strategy 2016-2025 (hereafter, the MLS) are:

- First, to elaborate the vision of the Institute for Global Environmental Strategies (IGES), reconfirming the basic principles prescribed in the Charter for the Establishment of IGES (hereafter, the Charter), and its mission taking into account the value proposition of the institute (Section 2);
- Second, to set medium-to-long term goals for priority research areas, with a view to making significant progress in contributing to social transition through fulfilling the IGES mission, taking into account global and regional trends related to each area (Section 3);
- Third, to establish organisational strategies to meet the medium-to-long term goals (Section 4); and
- Fourth, to provide directions for an enhanced institutional basis to support the implementation of the strategy (Section 5).

Given the rapidly changing situations surrounding sustainability challenges, the MLS needs to be revised at least every 10 years (Figure 1).

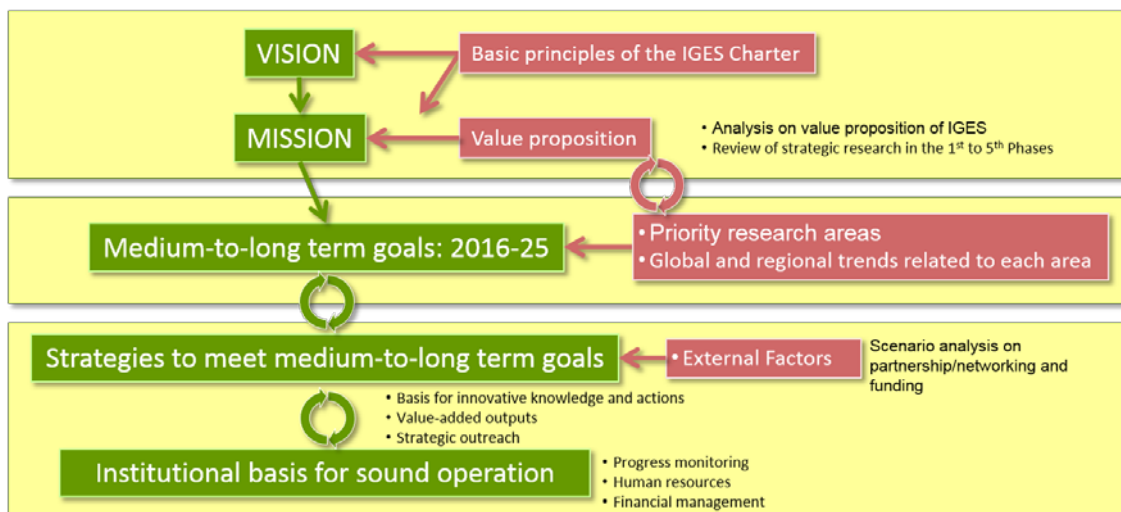


Figure 1. Process for Preparing the MLS

2. IGES vision, mission and value proposition

2.1. Basic Principles of the IGES Charter

The characteristics and mandates of IGES are summarised below based on the key text from the Preamble and Articles 4 and 5 of the Charter:

- First, IGES is a research institute that conducts ‘Strategic Research,’ which includes research and strategic operations (i.e. application of research results to key policy processes);
- Second, the research IGES conducts is solution-oriented policy research on global environmental issues;
- Third, IGES is positioned as a practicing organisation that conducts its strategic operations to make its research results applicable to actual policy- and decision-making processes;
- Fourth, IGES provides an international platform for interactions between various stakeholders, through which value-added knowledge could be generated and disseminated; and
- Fifth, the ultimate goal of IGES is considered to be the realisation of sustainable development in the new paradigm of civilisation, especially in Asia and the Pacific.

The year 2015 saw two landmark global agreements, one on climate change (i.e. the Paris Agreement), and the other on sustainable development (the 2030 Agenda for Sustainable Development, including the Sustainable Development Goals (SDGs)). It is important to understand that the world is now moving towards a more equitable and sustainable one, due to the fact that SDGs have recognised sustainability to be equally important as basic human needs and rights, and the Paris Agreement has re-established a true global partnership as the most important element to deal effectively with climate challenges. Indeed, the world calls for a wholesale paradigm change in relation not only to politics and economy, but also to society, culture, and all other essential elements for modern civilisation.

Given that these two landmark agreements have goals up to 2030, the need to develop an MLS for the next 10 years is considered critical for the institute. Therefore, the term for this MLS has been set for 2016-2025.

2.2. Vision and Mission

2.2.1. Vision

IGES envisions the ideal for Asia and the Pacific, and the rest of the world over the long-term, as follows:

Transition to a sustainable, resilient, shared, and inclusive Asia-Pacific region and the world, where planetary boundaries are fully respected, a green economy is flexibly implemented, and the well-being of people is steadily improved.

Global sustainability is the basis for the continuation of modern society's fundamental determinants based on peace and justice, democracy and equity, and market mechanisms. Conversely these determinants are the necessary conditions for sustainable development. Resilience is considered another core value of society, as the world increasingly faces various risks, both anthropogenic and natural.

Planetary boundaries, beyond which human impacts on the environment could result in catastrophic consequences, should be fully respected because they indicate a safe operating space for human activities. With increasing populations, economic development and urbanisation in developing countries, as well as a rapid upward swing in resource extraction, consumption and waste, human activity is ever closer to pushing these planetary boundaries over their tipping points. Scientists emphasised the importance of addressing issues concerning nine planetary boundaries³ in an integrated manner.

In this respect, finalisation of two important agreements in 2015 was epoch making. SDGs have recognised sustainability as equally important as basic human needs and basic human rights. The Paris Agreement calls for global de-carbonisation in the latter half of the 21st century, which requires complete transformation of the global society. The world has now recognized the need for a wholesale paradigm change not only in relation to politics and economy, but society, culture, and all other essential elements for modern civilization.

As home to over half of the world's population and with some of the fastest growing economies, Asia's contribution to this global trend of human impact is alarmingly high,

³ Rockström, J; Steffen, WL; and 26 others (2009), "Planetary Boundaries: Exploring the Safe Operating Space for Humanity", Ecology and Society 14 (2): 32)

and appropriate responses are considered necessary to ensure global sustainability. Indeed, major countries in Asia are already a part of key political forums such as G20 to address global challenges. It should be stressed, in this respect, that all countries in Asia are considered equal partners boarding the same boat to deal effectively with universal challenges together.

A green economy, in which external environmental costs are internalised thus promoting sustainable development, needs to be flexibly pursued and must also take into account the different socio-economic conditions of individual countries in Asia and the Pacific.

To steadily improve the well-being of people, important factors include meeting basic human needs and suppressing overconsumption, social inclusiveness with full stakeholder participation and enhanced transparency, and strengthened capacity of all major stakeholders (Figure 2).

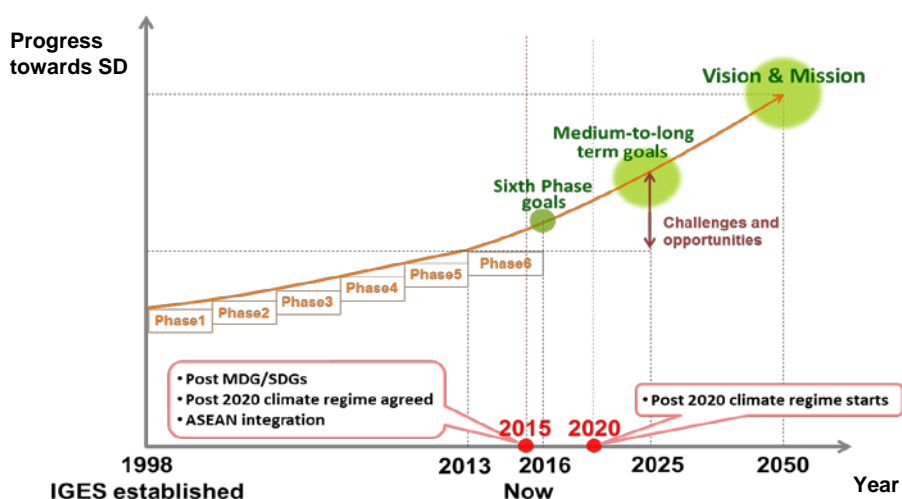


Figure 2. Future Projection –Vision, Mission and Medium-to-Long Term Goals

2.2.2. Mission

In order to achieve the vision mentioned above, IGES’s Mission can be described, in the simplest manner possible, as follows:

Act as an Agent of Change through conducting strategic research and operations, for generating impacts to move society towards a more sustainable and resilient future, especially in Asia and the Pacific.

In line with the above, the following two subsets are considered essential in meeting the mission of IGES. The first set of activities is to carry out *strategic research* for generating value-added knowledge, and the second set is to conduct *strategic operations* to maximise impact.

The strategic research that IGES defines is in consideration of two emerging principal approaches – *transformation research* and *transformative research*.

Transformation research involves monitoring, describing and analysing an occurring transformation, or the lack thereof. Participatory observation, quantitative/comparative analysis of case studies, and recommendations for improvement are basic approaches of such research.

Transformative research is more proactive; its primary focus is to ensure that transformation takes place. Development of scenarios for transformed societies, long-term perspectives backed by future modelling, pathways of getting there, and effective advocacy for action are key aspects of transformative research.

The strategic research of IGES is a sensible combination of the above two approaches; i.e. to develop an institutional approach on how to primarily engage in transformative research, while also undertaking transformation research that would provide a better understanding of on-going practices towards sustainability (Figure 3).

For effective *strategic operations*, the institute needs to facilitate communications, partnerships and networking among key stakeholders worldwide to generate impacts. In a world where the role of non-state actors, such as businesses and civil society, has become more prominent and their influence over collective decision-making greater, it is critical to engage such actors in key decision-making and implementation.

As an Agent of Change sitting on the boundary between the science community and other stakeholders, IGES intends to develop new models to generate value-added knowledge through ‘co-design’ and ‘co-production’ processes so as to be useful for key stakeholders to take action. Future Earth considers ‘co-design,’ ‘co-production,’ and ‘co-delivery’ as essential elements to the trans-disciplinary approach. IGES intends to be a prominent institute in the region to champion this approach, fully taking into consideration co-benefits among stakeholders concerned.

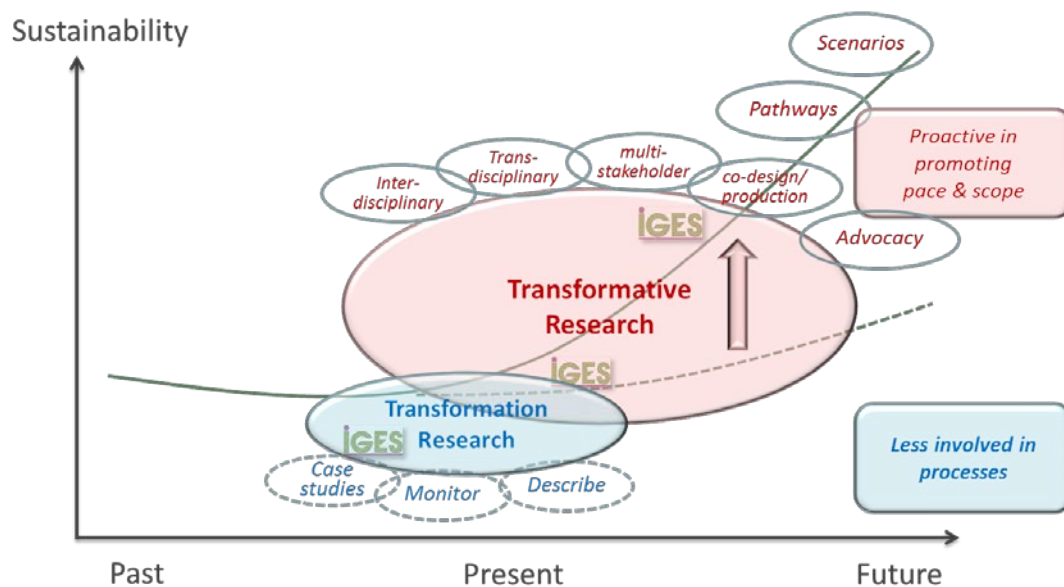


Figure 3. Transformation Research and Transformative Research

In this respect, IGES aims to evolve into a facility for interactive knowledge generation, in which practical knowledge is obtained and disseminated, and further gained from experience. It will enhance its strategic operations prescribed in the Charter to ‘invite researchers from other research and academic institutions, public administrators, corporate personnel, and others to participate in research and to provide training in areas related to the creation of strategies.’

2.3. Value Proposition

A value proposition presented below is expected to guide IGES to materialise its vision and mission:

A strategic research institute located in Asia, experienced in generating and disseminating practical knowledge for problem solving, through strategic networking/partnership with key stakeholders in the world, for global transition to sustainability and resilience.

This value proposition is, in fact, underpinned by the assets produced over the last 18 years of IGES operations since its establishment. The assets are basically composed of two parts: (i) capacity to carry out strategic research, and (ii) trust gradually generated over the years with key stakeholders through networking and collaboration.

Solution-oriented knowledge from IGES's strategic research is consolidated in its multiple publications. They are increasingly cited in international, regional or national documents related to key policy processes. In addition, IGES has developed several internationally recognised databases.

It is important to note that these assets have been developed by a clear internal policy, namely introduction of a set of quantitative and time bound targets on productivity and a performance based evaluation. This policy, therefore, needs to be further strengthened and refined.

Strategic operations such as networking and outreach for key stakeholders have enhanced opportunities for IGES to create tangible policy impacts. Extensive partnerships that IGES has cultivated over many years have developed into the regular organisation of IGES's major international event, International Forum for Sustainable Asia and the Pacific (ISAP) since 2009. Further, IGES has evolved more substantial forms of collaboration with various partners such as collaboration centers and other cooperative bodies.

These institutional assets are considered a unique strength of IGES, and thus IGES should make sure such collaborations turn out to be productive and useful, drawing upon, among others, results of strategic research as discussed above. IGES could explore forming consortia with other research institutes.

The advancement to date is considered a reflection of the high international visibility and credibility that IGES has generated over several years. These collaborations demonstrate that IGES possesses enhanced competence in knowledge and impact generation. Now that IGES has already been rated high in the international rankings of think tanks in the areas of environment and climate change, further efforts should be made so that IGES will become one of the top 10 institutes in the world within next 10 years.

3. Medium-to-Long Term Goals: 2016 – 2025

1) Overall Context

The medium-to-long term challenge for IGES is to increase its competence for strategic research and impact generation, by fully keeping up with the rapidly changing sustainability challenges of the world. In this connection, the two critical developments in 2015, i.e. the agreement on the 2030 Agenda for Sustainable Development and the adoption of the “Paris Agreement” to deal with climate change, should set the basis for the medium-to-long term goals of IGES.

The 2030 Agenda for Sustainable Development including SDGs, agreed in September 2015, has now set 17 goals and 169 targets as priority until 2030 to promote sustainable development globally. Now that the goals have been established, what essentially matters is “implementation” and as such, extensive elaboration was made on Means of Implementation (MOI).

In December 2015, a landmark agreement was reached at United Nations Framework Convention on Climate Change The 21st Session of the Conference of the Parties (UNFCCC COP21) in Paris, which was adopted by 195 countries. Again, the agreement extensively touches upon key measures for implementation, i.e. requiring each Party to prepare, communicate and maintain successive nationally determined contributions (NDCs), regularly provide information to track progress in implementing and achieving its NDCs, strengthening of finance, technology development and transfer, and capacity building including the use of market mechanisms, as well as updating and enhancing Parties’ actions and support under five-year cycles to be informed by the outcome of the global stocktake of the implementation of the agreement.

Given these two critical developments in the latter half of 2015, the next 10 years are considered to be the “Decade of Action” to substantially transform the world towards sustainability.

2) Overall Focuses

A basic definition of sustainable development signifies importance of “stocks” rather than “flows.” Specifically it identifies maintaining three essential stocks, or capitals; i.e.

“manufactured capital”, “human capital”, and “natural capital.”⁴ Sustainable utilisation of natural capital constitutes the environmental dimension of sustainable development, and in this regard, SDGs have identified five key areas: fresh water (SDG 6); sustainable consumption and production (SDG12); climate change (SDG 13); oceans (SDG 14); and biodiversity (SDG15).

First, IGES should continue and strengthen its activities to address three key environmental issues: *(i) climate change*; *(ii) sustainable consumption and production*; and *(iii) biodiversity including forests and terrestrial ecosystems as well as freshwater*. With adoption of the Paris Agreement, climate change continues to be at the forefront of sustainability policy development. Sustainable consumption and production, now being one of the SDGs, has finally been truly recognised as part of the global agenda. IGES under the “Natural Resources and Ecosystem Services (NRE)” area has accumulated expertise on all three subjects covered by category (iii) above. IGES will address “oceans” flexibly when specific projects of IGES for the three key environmental issues mentioned above make it necessary. It is critical to understand that these three environmental issues are increasingly interlinked, as planetary boundaries are more substantially impinged upon.

Second, IGES should focus on critical issues for effective implementation, given the next 10 years are the “Decade of Action” in all countries. The critical issues for effective implementation include *(iv) finance and technology*, and *(v) governance and capacity*. These are clearly four essential elements for MOI, and are among the most important cross-cutting factors for addressing the three environmental issues indicated above. IGES has already developed considerable expertise and networking concerning governance, capacity, finance and technology. Based upon this, a new institutional structure needs to be developed within IGES to substantially expand its capacity to promote partnerships with key stakeholders handling the four essential elements in (iv) and (v) above for effective implementation.

In the following sections, medium-to-long term goals are presented in two sections for each of the five focused issues identified above: 1) an “*Area Vision*”, which is an expected image of situations by 2025, moving towards a sustainable and resilient Asia, and the

⁴ These three types of capital can be measured together, utilising the Inclusive Wealth Indexes, developed and promoted by United Nations (UN).

world; and 2) “*Strategic Goals*”, which are basically IGES contributions to enable the area vision.

3.1 Climate and Energy

1) Area Vision

Science will further elaborate on the level of atmospheric greenhouse gas (GHG) concentrations to be stabilised, which will be required to hold the increase in global average temperature well below 2 degrees Celsius and to pursue efforts to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels as agreed by the Paris Agreement. A global carbon budget to keep a lid on global warming, and global emissions pathways within the global carbon budget will also be elaborated. Thanks to prompt mitigation action across countries, global GHG emissions should peak out in the early 2020s and continue to decline at a much faster rate than 3% annually over the remainder of this century.

Economic systems and business practices will shift toward sustainable, low-carbon and resilient societies. Substantial changes in economic structure and business practices will take place, enabled by introducing fully-fledged carbon pricing. Energy demand will be significantly reduced across all sectors through energy efficiency and conservation. Significant portions of electric power will be supplied by renewable energy and other low-carbon/carbon neutral sources. In order to bring this about, massive investment will be made in low-carbon energy and transport infrastructures, buildings and other goods and services.

Governments of developed countries and emerging economies will embark on managing total GHG emissions, taking a national carbon budget approach, with a view to controlling the total cumulative emissions up to 2050. Under such an approach, climate change mitigation will be mainstreamed into national economic policies and strategies, as well as into development plans, and mitigation policies will be fully designed and implemented to embrace policies for urban planning, land use, energy, building and transportation. In addition, policies at various levels (regional, national and local) will be implemented in an integrated manner, while recognising the importance of policy at each level.

2) Strategic Goals

At the international level, IGES should substantially contribute to the five-year cycle for ratcheting up NDCs agreed at COP21. Reporting from each Party must be verified and assessed in a transparent manner, and the results should serve as a basis for countries to upgrade NDCs under an international mechanism to be developed. IGES should substantially contribute to design and implementation of this ratcheting-up system in collaboration with partner institutes for reviewing NDCs.

IGES should also contribute to enhancing international mechanisms for means of implementation. These mechanisms should be fully operationalised with cohesive efforts made by relevant international organisations, including the Green Climate Fund (GCF) and the Climate Technology Centre Network (CTCN). IGES should collaborate with business communities to pilot innovative practices that will showcase low-carbon and resilient business models, and shape a new climate-resilient economy where win-win opportunities will be available for achieving both climate change mitigation and economic growth.

At the national level, IGES will contribute to ensuring that selected countries in Asia including Japan become domestically ready to implement NDCs, develop long-term low greenhouse gas emission development strategies, assess mitigation potentials, mainstream climate policies and measures into economic policies and strategies, and produce development plans as well as institutional and budgetary arrangements for mitigation and adaptation policies. Development of credible Measurement, Reporting and Verification (MRV) systems at the national level is an important requisite for strategic planning and implementation.

IGES should be instrumental also at the local level. Climate concerns should be mainstreamed into urban and rural planning, and local-level MRV systems for mitigation actions and policies should also be established. Low-carbon lifestyles and values should be pursued in the local context and adopted by the citizens. Municipal governments can take unique and agile actions. Pioneering actions for building smart-cities are being initiated in many cities in the world regardless of whether they are in developed or developing countries. It is important for IGES, together with other partners, to provide the necessary support for advanced municipalities that are willing to jump-start their actions and lay out model cases for successors.

3.2 Sustainable Consumption and Production

1) Area Vision

Inclusion of Sustainable Consumption and Production (SCP) in the SDGs will make policymakers in the region more aware of sustainable material use. The dominant policy discourse surrounding sustainability will be in place according to the levels of national economy, from access to basic services, through efficiency improvement, to a sufficiency, or absolute decoupling between economy and resource use.

Transformative changes will be realised in developed countries to effectively deal with overconsumption. Innovative policies regarding lifestyle changes and a “sharing economy” will be more widely introduced, so that overall resource use will shift towards stabilisation, or reduction. For emerging economies, resource efficiency should be the major principle of policies for sound resources management. Policies with emphasis on technological solutions for improving resource efficiency should be mainstreamed in emerging economies. For less developed economies, access to the necessary resources for sustainable living should be secured.

2) Strategic Goals

IGES will help promote a shift in policy discourse from pollution control to efficiency, and then from efficiency to sufficiency. IGES will carry out a phased approach taking different priorities and order for necessary changes in economies towards SCP in the region.

One new approach would be to work on establishing models for SCP, starting at the pilot project level, through conceptualisation and operationalisation in parallel with SCP 10-year Framework of Programmes (10YFP). IGES will lead SCP-related research domestically and internationally, working with its partners for better understanding of the systemic drivers of consumption, developing different scenarios and possible targets for future sustainable lifestyles, and proposing pathways for the shift to sustainable lifestyles.

IGES continues to be an internationally recognised knowledge centre in the region for resource efficiency and internalisation of environmental externalities through the 3Rs, a significant policy agenda particularly for emerging economies. IGES should help identify policy approaches and pathways for policy harmonisation towards resource efficiency.

In addition, IGES should strengthen its engagement in capacity development and implementation activities for integrated waste management for emerging and less developed economies, particularly through the IGES Centre Collaborating with UNEP on Environmental Technologies (CCET), established in 2015.

3.3 Natural Resources and Ecosystem Services

1) Area Vision

NRE are managed to realise synergies between biodiversity conservation, forest management, poverty alleviation, health, water, food and energy security, climate change mitigation and adaptation, and disaster risk reduction, while trade-offs are minimised. The rate of loss of all natural habitats, including forests, is at least halved and where feasible brought close to zero. Degradation and fragmentation are also significantly reduced.

Governance improvements, such as the institutionalisation of open policy formulation processes through participatory, transparent and accountable governance arrangements is essential. A future vision for governance includes: (i) an increase in the area under integrated land use; (ii) strong legal recognition of customary claims to natural resources; and (iii) strong institutions with the authority to take a proactive role in water management.

Integrated Policies that maximise synergies and minimise trade-offs existing across sectors will be a high priority for the Asia-Pacific region. A future vision for policy integration includes: (i) replacing narrow single-sector approaches with cross-sectoral, decentralised, multi-stakeholder management strategies; (ii) realising synergies between climate mitigation, adaptation, sustainable development and disaster risk reduction; and (iii) widespread application of integrated water resource management (IWRM) approaches.

Community-based natural resource management contributes to a range of global environmental and developmental agendas, including poverty reduction and climate change mitigation and adaptation. A future vision on this issue includes: (i) widespread engagement of citizens, especially indigenous peoples and local communities, in biodiversity and forest conservation management; and (ii) respecting and working with indigenous, local and traditional knowledge systems and practices for natural resource management and climate adaptation.

Regarding *Economy and finance* concerning utilisation of natural resources, various

initiatives such as eco-labelling and green banking have already been introduced, but only limited impacts have been generated so far. Thus, much stronger environmental controls and incentives need to be in place. A future vision on this issue includes: (i) the promotion of markets that incentivise sustainable natural resource management; and (ii) an increase in active partnerships among key stakeholders to promote sustainable practices in biodiversity, forest and water management.

2) Strategic Goals

For the medium-to-long term, IGES will focus on four priority issues for the region, to contribute to addressing the four key issues identified in the “Area Vision” outlined above:

- *Governance*: Multi-stakeholder approaches to accommodate interests and secure support for natural resource management;
- *Integrated policies*: Development of integrated sectoral policies and planning to realise synergies between biodiversity conservation, forest management, poverty alleviation, health, water, food and energy security, climate change mitigation and adaptation, and disaster risk reduction;
- *Community-based natural resource management*: Building institutions and capacities for community participation in the management of natural resources and ecosystem services, with a view to building climate-resilient livelihoods; and
- *Economy and finance*: Development of responsible trade, businesses, financing, and investment for the conservation and sustainable use of natural resources and ecosystem services.

IGES will promote a landscape approach that can assist with this integration by drawing attention to the need for management of resources and ecosystem services to contribute to multiple agendas. IGES can distinguish itself from other research organisations working on landscape approaches by focusing on how the concept can be effectively applied by national and subnational governments in the Asia-Pacific region.

3.4 Finance and Technology for Green Economy

1) Area Vision

Key to promoting sustainability in the three environmental issue areas is internalising all external diseconomies of environmental costs. To address this, pursuit of a green

economy has now become a globally recognised approach. Among a number of actors, businesses have a leading role in promoting green economy. With this in mind, IGES should focus on policies to promote green economy, with regard to finance, investment, technology, and sustainable business practices.

- Economic growth in Asia and the Pacific will be socially inclusive and environmentally sound, through deviating from unsustainable development models and moving on the pathway towards low-carbon and resource-efficient development.
- Integrative national green economy strategies and relevant supporting policies, such as economic incentives for renewables, removal of unsustainable subsidies, and introduction of substantial carbon pricing, and greening the investment in public infrastructure, are in place in many Asian and Pacific countries;
- Public and private investments are increased for promoting low-carbon and resource-efficient infrastructure, and for the greening of existing infrastructure; and
- Innovative technologies are developed, disseminated, and transferred across national borders to promote green industries, and to provide goods and services in harmony with the environment.

2) Strategic Goals

IGES will:

- create value-added knowledge through strategic research and quantitative policy assessment so as to provide comprehensive policy recommendations and roadmaps, and also to help national governments and other stakeholders in formulating green economy strategies and policies,
- support policy assessment in developing Asian and Pacific countries by applying quantitative analysis tools and models to critical topics such as water-energy-food nexus, low-carbon and green growth pathways, green investment and green jobs, in collaboration with key partners,
- facilitate collaboration between researchers, various stakeholders and policy-makers to assist science-based policy making in transitioning to low-carbon societies through organising knowledge-sharing networks and forums, and.
- develop and provide businesses and cities with practical knowledge and tools for the transfer and application of low-carbon and resource-saving technologies and practices, thereby developing bankable projects, where possible, through working directly with networks of private companies and relevant international business fora

which promote actions on green economy.

3.5 Governance and Capacity for Inclusive Development

1) Area vision

Over the next decade, an inclusive (multi-stakeholder) and integrated (multi-level and multi-issues) approach to governance for transition to sustainable and resilient societies will become more important at all levels of decision-making. An essential condition to enable sustained and effective participation is to ensure transparency of data and information for informed decision-making at all levels.

- Governance structures for transition to sustainable and resilient society are strengthened, where an integrated, multi-level approach to align social, economic and environmental issues is promoted, while a robust “plan-do-check-adjust” (PDCA) cycle is to be established, with the help of standardised indicators and data revolution, at international, regional, national and sub-national levels;
- Implementation gaps between plans and actions are narrowed through strengthened linkages between multiple-level governance at global, regional, national and sub-national, as well as by inclusive stakeholder engagement in decision-making and implementation, through further strengthening specific mechanisms to promote means of implementation: i.e. funds, technologies and capacity as well as institutions to strengthen both ownership and accountability,
- A significant number of sustainable cities with inclusive and integrated governance are realised, where a healthy living environment and well-being for all is secured, low-carbon and resource-saving are achieved, and resilience to natural disasters and climate change impacts is strengthened;
- Basic principles of education for sustainable development are incorporated into policy frameworks, as well as in diverse informal practices in a growing number of Asian countries, through which education, capacity building and empowerment for relevant stakeholders are enhanced; and
- Capacities of key stakeholders are strengthened in planning, implementing, monitoring and reviewing policies and projects to shift toward sustainable cities, with such capacities being shared between cities, so that bottom-up approaches are effectively promoted.

2) Strategic Goals

IGES will:

- generate a strategic data analysis centre within IGES, so that IGES can contribute to the Global Stocktake under the Paris Agreement and regular review on the progress made on SDGs, in collaboration with various partner institutes and networks in and outside Japan, by regularly keeping track of progress made against the targets and indicators set at international, national and sub-national levels, and analysing successes and failures at all levels;
- strengthen cross-sectoral coherence between governance structures at the global, regional, national and sub-national levels, with inclusive decision-making and implementation at city and community levels, by providing networking and mutual learning opportunities that bring together decision-makers/stakeholders; and
- provide practical knowledge, capacity and people-centred solutions, in particular at local and subnational levels, for realising sustainable cities and livelihoods, through collecting, developing and sharing best practices and useful innovations.

4. Strategies to Meet Medium-to-Long Term Goals

The ultimate goal of IGES is to create impacts to promote transformation towards a sustainable society. IGES defines impacts as tangible societal changes resulted from outcomes created by IGES and other stakeholders. The basic concept is for IGES to create impacts through: (i) outputs generated by strategic research; and (ii) interactions with key stakeholders. To implement this concept, IGES will combine strategic research with strategic operations in a systematic manner in order to generate impacts (Figure 4).

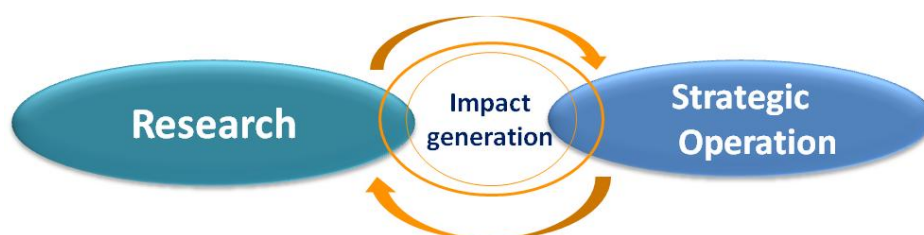


Figure 4. Impact Generation Based on Research and Strategic Operations

4.1 Strategy 1: Constructive Relationships with Key Stakeholders

Three key aspects of stakeholder engagement for effective impact generation can be identified as services, partnership and leadership (Figure 5).

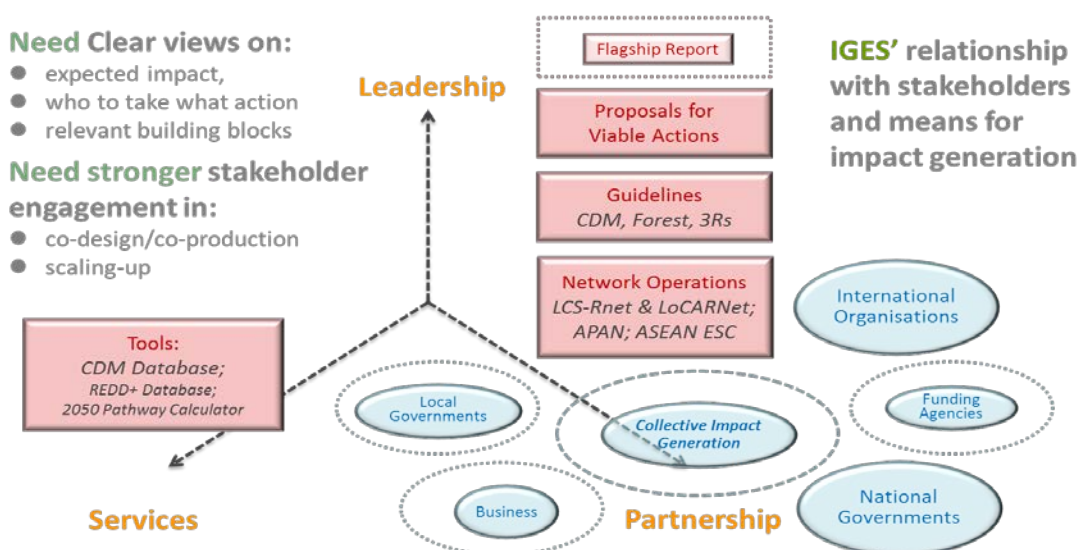


Figure 5. Three Axes of Creation of Constructive Relationships

As a strategic institute, IGES will widen its outreach, in collaboration with the media whenever possible, to key stakeholders through provision of useful *services*, which cannot be supplied by the private sector on a sustainable basis. Tools such as timely introduction and translation of key documents, organising timely briefing sessions and effective use of visualisation tools can provoke discussions and actions among a wide range of audiences. *Setting up an internal centre for effective service provision, possibly in partnership with the media, targeting key stakeholders would be an interesting initiative for IGES in the future.*

The second aspect of stakeholder relations is *partnership*, as strategic partnerships are important for the purpose of *'collective impact generation.'*⁵ IGES has developed its network and partnerships over many years, and its relative strength clearly lies in partnership with several national governments and international organisations in particular. The recent establishment of the technical secretariat for Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES), and collaborating centres with United Nations Environment Programme (UNEP) and UNFCCC is noteworthy. Also notable has been close partnership with the Japanese Government, not only the Ministry of the Environment, but other relevant ministries and associated institutions as well. IGES has further developed good partnerships with selected local governments, private companies, and funding agencies, and such partnerships should be substantially strengthened, given that multi-stakeholder partnership is key to effective implementation.

The third aspect is *leadership* for key stakeholders. As an Agent of Change acting as the interface between various stakeholders, IGES will take a stronger initiative in facilitating discussions and actions among stakeholders, when and where necessary, with a clear view on expected changes and pathways. Such leadership can be provided through different types of operations, such as making substantive inputs into global and regional networks, developing guidelines and proposals for viable actions, disseminating clear messages through flagship projects, and assuming coordination and facilitation functions of important networks.

⁵ Relevant comments from Board members include 'strategic partnership - careful selection of and investment in partnership, with specific purpose, perhaps with timeframe, would make partnerships effective' (May 2013), 'importance of networking, or forming an alliance of Sustainable Development (SD) research institutes, considering limited capacity of IGES compared to its ambitious goals' (June 2013) and 'deepening relationships with key stakeholders by promoting joint activities' (February 2014).

The underlying factor common to all of the three lines of activities discussed above is the importance of *stakeholder engagement*. For the larger policy processes such as UNFCCC Conference of the Parties (COP) and SDGs, collaborative impact generation through stakeholder engagement is critical.

4.2 Strategy 2: Securing Sufficient Funds

IGES needs to maintain a certain level of funding. Such funding can be a mixture of unrestricted, flexible and restricted funding from different sources.

Quality of funding can be sought in its *diversity* and *flexibility*. Diversity is the basis for a resilient funding portfolio, while flexibility is the basis for cultivating innovative ideas and enhancing its core competence. However, the current revenue of IGES relies heavily on funding from the Ministry of the Environment of Japan (MOEJ), which provides around 80% of IGES' annual revenue. Due to a drastic change in funding policy recently introduced by the Government of Japan, flexibility for expenditure has also significantly decreased. The good news is that funding from international sources is steadily increasing and reached around 7% of IGES' annual revenue in FY2014.

In order to improve the current funding portfolio and shift it to the preferred one, there may be two major approaches, namely '*mobilisation*' and '*focus*' (Figure 6).

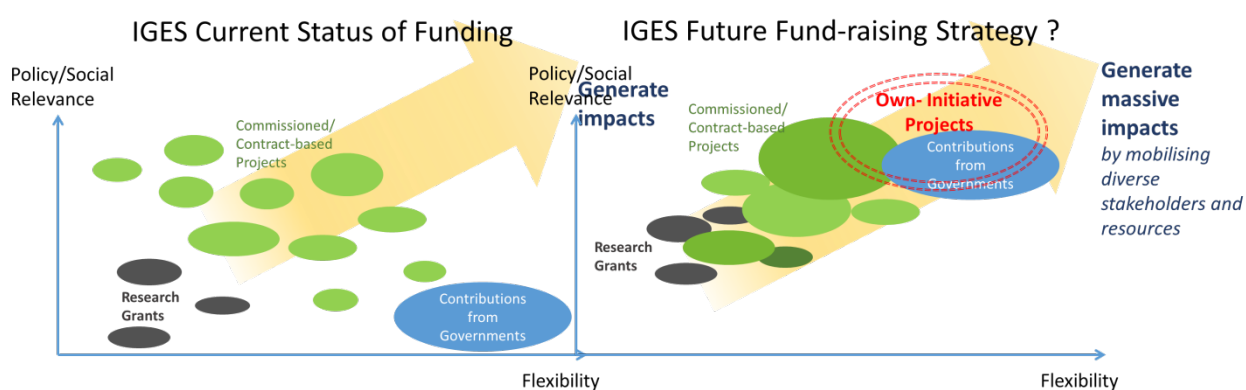


Figure 6. Current and Future IGES Funding Portfolio

Mobilisation is an approach to explore new and diverse funding sources to support IGES goals and respective programmes/projects. This approach includes two objectives: *(i) to mobilise financial resources from diverse stakeholders; and (ii) to engage stakeholders concerned, in particular funding agencies, in collective impact generation.*

It is vital to further clarify the IGES *value proposition*, and make it convincing enough for current and potential fund providers.⁶ The core fund is currently utilised to a considerable extent to complement various externally funded projects and operations, which has made the political relevance of the fund very low. This situation should be completely altered as soon as possible, to utilise the core fund for strategic research and essential operations of the institute for impact generation. IGES needs to develop its own initiatives that donors are willing to fund, utilising the core funding to the maximum extent possible. IGES has been relying on major contributions from MOEJ, and not much effort has been made to acquire contributions from other governments, funding agencies or the private sector. The institute needs to start exploring such opportunities.

‘Focus’ here means to be more selective on opportunities available. All funding opportunities, in particular commissioned work, should be examined against the institutional goals. External funds to be obtained should be broadly in line with the priorities of the institute, which are spelled out in the Integrative Strategic Research Programme for each phase of IGES operations.

To this end, the concept of ‘*Strategic Opportunism*’ could be useful. The concept was originally meant for its application to the impact generation strategy, but it could be also considered for the fund-raising strategy. IGES will also consider expanding its fundraising horizon outside Japan to diversify funding sources. In the context of funding, while taking into account the quality of funding, IGES could gradually improve its institutional funding portfolio.

⁶ Relevant comments from Board members include: ‘Strategic fund-raising requires a clear institutional view on what IGES has, where it can go, how it can mobilise, and what it can deliver. Such clear and strategic value proposition is necessary to develop and advance our relationship with fund providers.’ (June 2012)

5. Institutional Basis for Sound Operations

IGES needs to develop a sound institutional basis of international standards, underpinned by four basic principles – efficiency, effectiveness, accountability and fairness. Based upon these principles, practical incentives and mechanisms should be adopted to make the above strategies and various operations truly functional.

The first set of management actions is relevant to the monitoring of progress towards its vision, mission and medium-to-long term goals, for which relevant indicators should be developed both at institutional and individual levels. In this respect, *the milestone management and other tools already introduced need to be further improved* for effectiveness and efficiency.

The second set of management actions is relevant to human resources, which are the most important asset of the institute to function as an agent of change. A human resource management policy should be developed based upon *basic principles such as flexibility in meeting the changing needs of expertise, long-term sustainability of human resource management, resilience against potential risks surrounding IGES, capacity to provide opportunities to develop relevant expertise, and fairness among those with phase-based contracts and those with life-long contracts.* To ensure a pool of human resources equipped with essential tools, methodologies and know-how, capacity development for IGES researchers will be strengthened in various forms, including internal training, exchange of staff members and development of more joint projects with partner institutes in and outside Japan.

The third set is relevant to financial management, which consolidates the bottom-line for the institute. *Sound financial management equal to that practiced by the private sector should be deployed by IGES.* The only, but most important, difference between IGES and private companies is that all financial and other resources owned by IGES have to be devoted to fulfilling its mission, not for profit-making.