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Socioeconomic Value (Project Assessment and Final Decision)

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***On this page:** The broader value of the project to the environment, community, and to sectoral and national development, based on SDG indicators. Read more below, or visit [Strategic Guidance for Country System Assessments](#), [Guidance for Countries in Assessing ERC Projects](#), or [Mobilizing ERC Finance](#).*

S2: Socioeconomic value: This criterion assesses the broader value of the project to the environment, community, and to sectoral and national development, based on SDG indicators that are: (1) most relevant for demonstrating value to the wider economy; and (2) easiest to quantify for ERC projects. While certain carbon standards might require projects to monitor and verify their SDG contributions, which can be used as a reference, this assessment requires a further analysis to map SDG contributions that would be most relevant to governments for assessing a project's wider contributions to the economy. This is also withstanding that

projects could be contributing to SDGs that are not yet indicated at the stage of assessment.

The following sources and analyses can serve as a guide for the assessment:

- Review the project’s identified SDG contributions, if any, or otherwise benefits to the environment, community, and economy via project documents and/or interviews with the project counterpart.
- Identify indicators provided that match the project’s contributions and assess if they meet the indicated threshold. See [Figure 4.20](#).

The guidepost for the ‘Overall socioeconomic value’ subcomponent is based on both the number of SDG contributions, and whether the SDG contributions will be monitored and certified should be considered, as the latter suggests a higher quality of indicators given the assurance that they will be carried out throughout the project’s verification cycles.

Figure 4.20. Guideposts for rating socioeconomic value

Rationale for rating	
Overall socioeconomic value	
Project has 3 or more SDG contributions that will be monitored and certified.	High
Project has 3 SDG contributions.	Medium
Project has 0 or 1 SDG contribution that relate to its wider economy value.	Low
Socioeconomic value relative to similar projects	
Project contributes to 100% of the possible SDG contributions specifically for its project type.	High
Project contributes to at least 50% of the possible SDG contributions specifically for its project type.	Medium
Project contributes to less than 25% of the possible SDG contributions specifically for its project type.	Low

Figure 4.21. Indicators for project’s SDG contributions

SDG	Impact area	Example indicators	Threshold	Relevant for project type

	<p>Increased productivity</p>	<ul style="list-style-type: none"> • Crop yield in kilograms per hectare and year as a result of the project's intervention. • Yield per livestock unit and year as a result of the project. 	<p>Increase in yield</p>	<ul style="list-style-type: none"> • Agriculture
	<p>Air quality improvement</p>	<ul style="list-style-type: none"> • Area under reduced/avoided open burning of biomass, crop residue. • Number of farmers reduced/avoided open burning of biomass, crop residue. 	<p>Positive number</p>	<ul style="list-style-type: none"> • Forestry • Agriculture
	<p>Capacity building</p>	<ul style="list-style-type: none"> • Number of employees provided with skill development training. 	<p>Positive number</p>	<ul style="list-style-type: none"> • All
	<p>Gender</p>	<ul style="list-style-type: none"> • Proportion of women in managerial positions in project. 	<p>Proportion more than men</p>	<ul style="list-style-type: none"> • All
	<p>Access to basic services</p>	<ul style="list-style-type: none"> • Proportion of population using safely managed drinking water services (access to improved source of water). 	<p>Increase in proportion</p>	<ul style="list-style-type: none"> • Water filters
	<p>Access to basic services</p>	<ul style="list-style-type: none"> • Proportion of wastewater safely treated. 	<p>Increase in proportion</p>	<ul style="list-style-type: none"> • Wastewater treatment

	<p>Energy generation, efficiency & access</p>	<ul style="list-style-type: none"> • Total renewable energy produced by project. • Number of beneficiaries of electricity powered by renewable energy: households & individuals. • Proportion of population with increased access to electricity. 	<p>Positive number</p>	<ul style="list-style-type: none"> • Renewable energy
	<p>Access to basic services</p>	<ul style="list-style-type: none"> • Proportion of population with primary reliance on clean fuels and technology, attributed by project. 	<p>Increase in proportion</p>	<ul style="list-style-type: none"> • Cookstoves
	<p>Employment</p>	<ul style="list-style-type: none"> • Total number of jobs generated from project activity. • Value paid towards local employment. 	<p>Positive number</p>	<ul style="list-style-type: none"> • All
	<p>Infrastructure development</p>	<ul style="list-style-type: none"> • Total official international inflows for infrastructure development support. 	<p>Positive number</p>	<ul style="list-style-type: none"> • All
	<p>Access to basic services</p>	<ul style="list-style-type: none"> • Average household savings due to adoption of project technology. 	<p>Positive number</p>	<ul style="list-style-type: none"> • Household projects

	Waste management	<ul style="list-style-type: none"> • Proportion of urban solid waste regularly collected and managed out of total urban solid waste generated as a result of project. 	Increase in proportion	<ul style="list-style-type: none"> • Waste disposal
	Sustainable forest management	<ul style="list-style-type: none"> • Reduction in synthetic fertilizer or pesticides consumption on land area under project. 	Positive number	<ul style="list-style-type: none"> • IFM • REDD • Agriculture
	Sustainable forest management	<ul style="list-style-type: none"> • Coverage of protected areas in relation to marine areas. 	Positive number	<ul style="list-style-type: none"> • REDD
	Sustainable forest management	<ul style="list-style-type: none"> • Increased total above and below ground biomass stock in forest. • Total area of native trees planted. • Number of protected threatened species in the project area and conservation status of species. 	Positive number	<ul style="list-style-type: none"> • IFM • REDD • ARR

These indicators provide examples of how SDGs can be quantified, taking reference from Gold Standard's SDG Impact Tool¹, and may not be exhaustive. The list of indicators can evolve and be added to, based on relevancy to the project activity and its contributions to the overall objective of the SDG. The threshold for each SDG indicator represents the minimum quantum or change in quantum to ascertain if a given project's SDG contribution can be counted. See [Figure 4.21](#).

Footnote 1: [Gold Standard SDG Impact Tool](#)

Related Content

- [Guidance for Countries in Assessing ERC Projects \(Download PDF version\)](#)

Additional Resources

- [UN Sustainable Development Goals](#)
- [The Atlas of Sustainable Development Goals 2023](#)

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