Finance to Accelerate the Sustainable Transition: 
The Sustainable Infrastructure Label
Sustainable Infrastructure Label Overview
FAST-Infra Label

- Sustainable infra label underpinned by ESG/Climate resilience standards, governance and reporting rules. As with the green bond label, a consistent, globally applicable labelling system for sustainable infra may attract institutional investors and establish sustainable infra as an asset class.

Technology-Enabled Platform

Open Managed Co-Lending Portfolio Programme (OMCPP)

Global Renewable Energy Guarantees
Aims:

- Market-led collaborative process.
- Globally applicable label for projects demonstrating significant positive sustainability performance.
- Designed to enable transformation of sustainable infrastructure into a mainstream, liquid asset class.
- Lower transaction costs, facilitate due diligence, provide market trust, support disclosure, align with emerging regulatory requirements.
- Governed by new body inspired by Green Bond Principles - dynamic framework to allow for market evolution (see next steps…).
SI Label Overview: Requirements

SI Label Requirements:

- Tagged to a project / asset (e.g. renewable energy, electricity transmission, clean transport, water, green building, social infra, data infra, NBS).

- Sustainability across four dimensions of Environmental, Social, Governance, Adaptation & Resilience and 14 criteria.

- Baseline (IFC Performance Standards + ‘Gaps Filled’) across all criteria.

- Positive Contribution across one or more criteria (reflecting best practice).

- Minimum Safeguards & Risk Management.

- Declaration, Disclosure, & Reporting.

- Independent External Review (*strongly recommended*)
Consultation Period Feedback
Multi-stakeholder Initiative

- Founding partners: World Bank GIF, HSBC, IFC, OECD, CPI
- Finance industry-led, private-public partnership: broad-based, open and inclusive

FAST-Infra Label

15 Banks
- HSBC
- BNP Paribas
- Citi
- J.P. Morgan
- MUFG
- Macquarie

18 DFIs and Dev. Banks
- PROPARCO
- PG
- IFU
- Private Infrastructure Development Group
- EDI
- GuarantCo
- DBSA
- EDF
- IDB
- IDB Invest

15 Governments
- GIZ
- OECD
- DFC
- U.S. International Development Finance Corporation

20 Institutional Investors
- Meridiam
- HSBC
- Long-term Infrastructure Investors Association
- Munich RE
- Aviva
- Temasek
- M2G Investors
- IMPAX Asset Management
- Legal & General
- Willis Towers Watson
- Blue Sky Capital

25+ NGOs and Others
- S&P Global
- Moody's
- Moody's Analytics
- Climate Bonds Initiative
- Rockefeller Foundation
- InfraClear
- WWF
- London Stock Exchange
- Carbon Trust
- Convergence
- UN Sustainable Development Solutions Network
- Brookings Institute
Support and endorsements include:

- **HRH Prince of Wales’s Sustainable Markets Initiative:**
  - Open letter of support - SMI partners with ‘FAST-Infra’ to promote SI Label

- **Financial Times:**
  - Letter from Noel Quinn, Group Chief Executive, HSBC, Chair SMI Financial Services Taskforce

- **Mark Carney:**
  - Tweeted endorsement and support

- **FAST Infra partners**
  - Extensive social media promotion from WG members
Key Takeaways from the Public Consultation Period

Public consultation period from June-August 2021.

163 pieces of feedback. 30 entities. 33% from private sector - all supportive. No significant challenge to the Framework or Criteria. Areas to consider:

- **Framework Document:**
  - Enhancing alignment to IFC PS, SDGs, and Paris Agreement;
  - Minimum safeguards: Robustness of ESIA and ESMS due diligence.

- **Governance & Reporting:**
  - Approach to declaration & disclosure;
  - Frequency of reporting and re-evaluation of SI Label;
  - Extent of independent external review (highly encouraged vs. required).

- **Sustainability Dimensions & Criteria:**
  - Ensuring proper delineation between baseline & positive contribution;
  - Sufficient positive contribution criterion;
  - Elaboration of positive contribution criteria (under Social and Governance Dimensions);
  - Strengthening baselines and references for Environmental and Adaptation & Resilience Dimensions, to ensure compatibility with transition to net-zero / Paris Agreement alignment.

Responses from the public consultation show positive feedback to the SI Label concept and a willingness to use it within their respective organizations.
Next Steps on the Road to COP26
Next Steps: Establishing governance & launch

Secretariat and Data Platform

- Expressions of interest received for Secretariat and / or Data Platform
- Narrowing down firms / consortia (to ‘host’ of the SI Label as Secretariat) and Data Reporting Platform (a repository to store information on all SI Label projects)
- RFP process to be launched with contracting entity, with an October target launch
- Ongoing discussions with donors in parallel to support the Secretariat initially, with transition to member funding over time

Endorsements, Stakeholder Engagement, & Marketing

- Stakeholder outreach to garner industry support and interest in implementing the SI Label
- Selection of use case projects to test the SI Label on actual projects (discussions ongoing with key partners)
- Development of SI Label logo, branding, and communications material for launch

For greater market uptake, please promote the SI Label through your channels!
Additional Information
Standards that underpin the SI Label

Sustainability dimensions and criteria, with corresponding indicators and reference standards

- List of 14 sustainability criteria across four dimensions of sustainability – provisional tables to be circulated to WG-1 members for feedback/comment

- Brief description of baseline criteria (IFC Performance Standards + gaps filled) and ‘positive contribution’ criteria (contribution above and beyond the baseline)

- Example methodologies and metrics provided to illustrate alignment with baseline / positive contribution criteria

- Annex will include detailed guidance on requirements to meet baseline / positive contribution criteria, and an extensive list of indicative methodologies / metrics

Dimensions and criteria table

<table>
<thead>
<tr>
<th>Environmental Dimension</th>
<th>Social Dimension</th>
<th>Governance Dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion and Enhancement of Biodiversity &amp; the Natural Environment</td>
<td>Promoting Gender &amp; Ability Inclusivity</td>
<td>Embedding Anticorruption Policies &amp; Procedures</td>
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<tr>
<td>Climate Change Mitigation / GHG Emissions Reduction</td>
<td>Promoting Health &amp; Safety</td>
<td>Embedding Transparency &amp; Accountability Policies &amp; Procedures</td>
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<tr>
<td>Embedding Pollution Prevention and Control</td>
<td>Land Acquisition &amp; Resettlement Mitigation</td>
<td>Embedding Sustainability &amp; Compliance Policies &amp; Procedures</td>
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Indicators and reference table

Biodiversity & the Natural Environment

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Positive Contribution</th>
<th>Example Methodology</th>
<th>Example metrics</th>
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<tr>
<td>Achieve overall net gain for natural and modified habitats, as well as critical habitats. At the same time, the project shall not lead to adverse impacts on biodiversity and ecosystem services and shall not significantly convert or degrade natural or critical habitats.</td>
<td>Enhance biodiversity and the natural environment to achieve a positive gain across natural and modified habitats, as well as critical habitats. Offsets shall not be permitted in calculation of any positive gain claim. In addition, project site selection and design shall ensure maximum ecological connectivity.</td>
<td>Using strategic environmental assessments and environmental impact assessments to determine baseline and positive impact.</td>
<td># Critically Endangered, Endangered, Vulnerable Species</td>
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<td>% natural habitat increase km2 of natural habitat [etc. from SEA and EIA surveys and ongoing monitoring]</td>
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<td>% natural habitat increase km2 of natural habitat</td>
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Expected benefits of the SI Label

The Label will…

- Facilitate investment decisions and attract private financing / re-financings
- Encourage governments and sponsors to design infrastructure projects with an aim to obtain SI Label to facilitate financing: increased pipeline of high quality projects
- Information will be hosted on all SI labelled assets via an open-source platform, enabling the market to transparently assess & determine the sustainability of labelled assets: Increased velocity and liquidity in debt and equity instruments linked to labelled assets

Provide market reassurance…

- For asset quality and sustainability throughout asset lifecycle

Help facilitate…

- Due-diligence and structuring of investments – hence reduce transaction costs
- Reporting under various frameworks (IFC, QIIP, EU Taxonomy, TCFD, etc.)
- Monitoring and measurement of investment alignment under various sustainability objectives
- Engagement with regulators to obtain preferential treatment for financing of labelled assets
- Identification of assets for Use of Proceeds bonds

Consistency:

- Builds on existing frameworks, taxonomies, standards and regulatory requirements. Aligned with SDGs and QII Principles

Declaration and disclosure:

- Self-declaration, independent review at different lifecycle stages, and based on transparent disclosure and reporting

Governance:

- Structure inspired by Green Bond Principles (Members, Observers, Executive Committee) and dynamic framework to allow for it to evolve as market develops
## SI Label Contacts

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<th><strong>HSBC</strong></th>
<th><strong>Macquarie Green Investment Group</strong></th>
<th><strong>Global Infrastructure Facility</strong></th>
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