

# FAST-Infra Sustainable Infrastructure Label: Framework

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## FAST-Infra Sustainable Infrastructure Label

The FAST-Infra Sustainable Infrastructure Label (SI Label) is a globally applicable label for projects demonstrating significant positive sustainability performance. It is designed to enable developers and operators to show the positive impact of an infrastructure asset, and attract investors seeking assets which positively contribute to sustainable outcomes. The SI Label is designed to enable transformation of sustainable infrastructure into a mainstream, liquid asset class.

## FAST-Infra Sustainable Infrastructure Framework

This FAST-Infra Sustainable Infrastructure Framework (SI Framework) sets out requirements and guidance for market participants seeking to apply the SI Label for infrastructure assets.<sup>1</sup> Use of the SI Framework and application of the associated SI Label are voluntary. The SI Label can be applied at all lifecycle stages including planning, designing, sponsoring, developing, constructing, operating, financing, and decommissioning. Application of the SI Label requires consideration of all the following five requirements of the SI Framework:

1. **Indicative & Non-Exhaustive List of Sustainable Infrastructure Types**
2. **Sustainability Dimensions, Criteria, Methodology, & Measurement**
3. **Minimum Safeguards & Risk Management**
4. **Declaration, Disclosure, & Reporting**
5. **Independent External Review**

The SI Framework and the SI Label are designed to promote integrity in the market for sustainable infrastructure assets. The SI Framework encourages transparency, disclosure, and reporting while supporting investment

<sup>1</sup> Throughout the SI Framework, 'asset' will be used to define the entity for application of the SI Label. The 'asset' will refer to the infrastructure project for which a project sponsor, developer, owner, and/or other relevant parties (depending on the project stage) seek to declare, disclose, and report in reference to the SI Label.



decision-making. It establishes cohesion that builds on, and complements, other standards and guidelines in the market. Indeed, many of the features of the SI Label use existing requirements and good practice in project development. Application of the SI Label enables comparability of metrics across sustainable infrastructure assets.

## Governance: SI Label Secretariat

Over time, the SI Framework will evolve to reflect the advancement of good practice, definitions, standards, and taxonomies for determining sustainability. The SI Framework and SI Label were collaboratively designed based on a dedicated working group under the FAST-Infra initiative.<sup>2</sup> The SI Framework is governed by the SI Label Secretariat<sup>3</sup> and is updated periodically, in order to reflect continual improvement and application of good practice.

## 5 Requirements of the SI Framework:

### 1. Indicative & Non-Exhaustive Sustainable Infrastructure Types

Infrastructure assets that meet all requirements of the SI Framework have the potential to apply the SI Label. Annex 1 provides an Indicative and Non-Exhaustive List of Eligible Sustainable Infrastructure Assets (the Indicative and Non-Exhaustive List) that have the potential to be labelled sustainable; however, alignment to the list does not confer automatic qualification.

An infrastructure asset not included in the list may be labelled sustainable provided there is demonstrable evidence of alignment with other requirements set out in the SI Framework. The Indicative and Non-Exhaustive List is illustrative and may be updated from time to time.

### 2. Sustainability Dimensions, Criteria, Methodology, & Measurement

The SI Label may be applied to an infrastructure asset, at any stage of its lifecycle, that:

- Meets (or is forecast to meet) all the baseline (which is intended to reflect do no significant harm) requirements; and
- Demonstrates (or is forecast to demonstrate) a significant positive contribution to at least one criterion (sustainability objective).

When assessing the baseline and positive contribution, consideration should be given to factors such as the asset's project development stage, location, primary purpose, capital value, as appropriate.

<sup>2</sup> The 'Finance to Accelerate the Sustainable Transition-Infrastructure' initiative (FAST-Infra) was launched in 2020 by the Climate Policy Initiative (CPI), HSBC, the Global Infrastructure Facility (GIF), the International Finance Corporation (IFC), and OECD, under the auspices of French President Emmanuel Macron's One Planet Lab. Over 50 global entities, representing governments at all levels, the financial sector, investors, DFIs, insurers, rating agencies, and NGOs are now actively participating in developing the FAST-Infra initiative. FAST-Infra aims to close the trillion-dollar sustainable infrastructure investment gap, with urgency, by transforming sustainable infrastructure into a mainstream, liquid asset class.

<sup>3</sup> Secretariat to be established. Please refer to the **Governance Framework** document for more information on the governance structure for the SI Label.



**Baseline:** refers to the minimum standards that infrastructure assets are to adhere to, and comprise the IFC Performance Standards,<sup>4</sup> as well as additional 'gaps filled' not currently covered in the standards. These criteria complement the requirements set out in Section 3, Minimum Safeguards & Risk Management, below.

**Significant Positive Contribution:** refers to the measurable, positive contribution to a sustainability objective, over and above the baseline requirements that sustainable infrastructure assets shall demonstrate.

Annex 2 outlines a series of 14 criteria (Sustainability Objectives) across four dimensions of sustainability—environmental, social, governance, and adaptation & resilience (each a Dimension)—that have been curated from best practice reference frameworks and standards in the market. They demonstrate broad alignment with the SDGs<sup>5</sup>, Paris Agreement, and with the G20 Principles for Quality Infrastructure Investment (QII). Examples of outcomes associated with the four dimensions of sustainability include:

**Environmental:** positive impacts on the environment, such as alignment with low-carbon pathways, efficient use of materials, and interventions that enhance biodiversity and the natural environment.

**Adaptation & Resilience:** positive contributions aimed at ensuring resilience to climate, environmental, human-made, and disaster risks. The criteria also focus on systematically incorporating resilience-building activities and adaptation measures in response to actual or expected changes in climate conditions through context- and location-specific approaches, among other considerations.

**Social:** positive contributions to healthcare, safety, and security of local communities and project parties, human and labour rights, local job creation, gender equality, and increasing access to education.

**Governance:** meeting baseline requirements for underlying policies, processes, and procedures, including considerations around compliance, anti-bribery and corruption, project-by-project government fiscal transparency, and transparent procurement.

The Dimensions and Criteria may be updated from time to time in accordance with the corresponding Governance Framework.

Criteria are further defined by example methodologies and example indicators. The list of indicators is designed to provide additional guidance on how to demonstrate positive contribution against the minimum environmental and social safeguards and baseline requirements. Other applicable indicators, selected outside of the list, can be used, along with disclosure of the underlining methodology and rationale applied to ensure alignment with international best practice.

Other direct and indirect positive contribution(s) to wider society, the environment, and/or the economy, enabled by the infrastructure asset which are not captured within these specific criteria, or which currently do not have a positive contribution factor, can also be considered. This may require a qualitative assessment and narrative report in disclosures. Furthermore, systemic, holistic and inter-relationships between the sustainability criteria can also be considered, as appropriate.

Alternative methodologies and rationale shall be acceptable to the Independent Reviewer (see Independent Review), if applicable. The example methodologies and indicators provided as guidance will be updated over time as good market practice evolves.

<sup>4</sup> Please refer to the associated 'Dimensions and Criteria Indicators' document for detailed definitions, example methodologies, and example indicators for each sustainability criterion.

<sup>5</sup> The SI Label draws from best practice used in over 25 frameworks, including: ADB ASEAN Catalytic Green Finance Facility Investment Principles; CEEQUAL; The Equator Principles; EU Green Taxonomy; ICMA (Green Bond Principles, Social Bond Principles, Sustainability Bond Principles); IFC Performance Standards; SuRe, among others. Please refer to the FAQ document for more information on referenced resources and key elements extracted from the mapping exercise that were used to develop the sustainability criteria underpinning the label.



### 3. Minimum Safeguards & Risk Management

In addition to meeting the requirements laid out in the previous sections, and in Sections 4 and 5 below, the SI Label cannot be applied to an infrastructure asset without appropriate environmental and social safeguards and risk mitigation measures being in place.

Outlined below, compliance with environmental and social safeguards and risk mitigation measures are minimum requirements. These complement the baseline requirements set out in Section 2, above.

At the stage of the asset lifecycle when the SI Label is applied, and throughout the rest of its lifecycle, the infrastructure asset shall demonstrate adherence to the following requirements, or for each requirement, application of local and/or national law, whichever is the more stringent:

- IFC Performance Standards on Environmental and Social Sustainability (IFC Performance Standards), 2012<sup>6</sup>, and;
- Equator Principles 4, July 2020, to the extent applicable to the project.

Notwithstanding specific requirements outlined above, assets should also:<sup>7</sup>

- Publish in the public domain an **Environmental and Social Impact Assessment (ESIA)** produced by a qualified independent firm or consultant;
- Develop a full **Climate Risk and Resilience Assessment for both physical and transition risk** (using best practice methodologies), produced by a qualified independent firm or consultant, (if not separately conducted within the ESIA), including an asset-level statement on consideration of the project's lifecycle contribution to the transition

toward net zero emissions<sup>8</sup>;

- Conduct a **Stakeholder Engagement Programme** to incorporate the views of affected communities and other relevant stakeholders;
- Develop and/or maintain an **Environmental and Social Management System (ESMS)**;
- Prepare a **Sustainability Mitigation & Action Plan**, which includes, but is not limited to, actions and mitigation recommended from the ESIA, Climate Risk and Resilience Assessment, and any agreements from the Stakeholder Engagement Programme;
- In addition, where the debt and equity capital provider(s) have sufficient influence<sup>9</sup>, **covenants or terms** shall be included in requisite financing documentation to ensure appropriate Declaration, Disclosure, & Reporting as set out in Section 4, as well as measures needed to maintain Minimum Safeguards & Risk Management.

For all infrastructure assets, as a minimum, the ESMS and Sustainability Mitigation & Action Plan should be subject to external review (see Independent Review section), where used, and then be subject to ongoing monitoring, see Declaration, Disclosure, & Reporting in Section 4, below.

In all cases, a level of materiality and applicability should be applied, noting guidance provided on documentation availability.

### 4. Declaration, Disclosure, & Reporting

In addition to meeting the requirements laid out in the previous sections, declaration, disclosure, and reporting of an infrastructure asset's forecast and actual sustainability performance are core requirements of applying the SI Label.

<sup>6</sup> Including IFC's Guidance Notes: Performance Standards on Environmental and Social Sustainability, 2012.

<sup>7</sup> If documentation required above is not available (e.g., due to the stage of project development), the infrastructure asset, its owner, and/or its financiers should: i) conduct an equivalent assessment; ii) publicly state why no such documentation is available; or iii) otherwise set out plans for future provision of such documentation. This should be to the satisfaction of the external independent reviewer, where used.

<sup>8</sup> This statement can be qualitative in the absence of defined and accepted quantified methodologies.

<sup>9</sup> Influence is determined by the ability to include such covenants and/or terms within financial documents (e.g. lead debt arranger for a syndicate, or an equity party).



## INITIATION STAGE DISCLOSURES

Self-declaration of expected or current alignment with the requirements of the SI Framework can happen at any part of the infrastructure asset lifecycle, which will serve as the 'initiation stage' for the declaration process. The initiation stage requires disclosure of, but not limited to:

- Sustainable infrastructure asset type (for reference, please refer to Annex 1 for the Indicative and Non-Exhaustive List of sustainable infrastructure assets) and with a concise rationale (1-2 sentences) as to why the asset qualifies under the SI Label;
- Commitment or demonstration of adherence to the baseline criteria; and
- Demonstrable or anticipated significant positive contribution to one or more of the criteria (Sustainability Objectives).

At the initiation stage, the owner or financier of the infrastructure asset should publish an impact report demonstrating significant positive contribution, using the Criteria of the Sustainability Objectives, on the following:

- **Pre-Operational:** Forecast impact (average over the lifecycle of the infrastructure asset lifecycle); and
- **Operational:** Actual and forecast impact (average over the remaining lifecycle of the infrastructure asset).

Reporting should be quantitative where possible (albeit avoiding precision bias enabling false accuracy), although additional qualitative reporting is also encouraged to showcase other sustainability aspects of the project to stakeholders.

## SUBSEQUENT DISCLOSURES

Following the initiation stage, the asset manager or owner should:

1. Re-assess and declare the infrastructure asset's expected or current alignment with the SI Framework requirements; and
2. As appropriate, publish an impact report including criteria and associated methodologies used, to include, but not limited to: positive contribution to at least one of the criteria (Sustainability Objectives) considering the lifecycle of the asset. This should include actual and re-forecast impact if asset is operational (see frequency, below).

For all assets, it is considered good practice to annually declare expected alignment with the SI Framework requirements, for each year the SI Label is applied, (although an annual impact report may not be appropriate, see below).

The frequency and level of detail of impact reporting will vary between pre-operational and operational assets:

- **For pre-operational assets:** an annual impact report may not be appropriate, assuming no material changes from Initiation Stage disclosures.
- **For operational assets within 3 years of operational performance:** and until the asset reaches steady state operational performance, an annual impact report should be provided.
- **For operational projects with more than 3 years of operational performance:** an impact report may not be appropriate, assuming no material changes in performance from previous annual impact reports.

In all cases, a level of appropriate materiality should be applied to disclosure and reporting.

## 5. Independent External Review

An external, third-party independent review (the Independent Review) will assist infrastructure asset owners and investors in providing assurance, confidence, and trust in sustainable infrastructure as an asset class. While an external review is not required to self-declare or re-declare, the SI Framework requires a high level of transparency, as set out in the requirements above. An external Independent Review is, therefore, considered as market good practice and is strongly encouraged to facilitate trust and assurance for participants. However, if an external Independent Review is not conducted, an explanation must be provided to the market.

External Independent Review must be independent from the asset and/or project financier and from the contracting public authorities. It shall be conducted by an institution able to demonstrate technical expertise in evaluating sustainability credentials, risks, and compliance with the absence of conflict of interest. It is good practice to make the Independent Review publicly available.



## Annex 1

### Indicative & Non-exhaustive List of Sustainable Infrastructure Assets

Renewable Energy	Green Buildings & Social Infrastructure
<ul style="list-style-type: none"> <li>Electricity, steam, and/or heat/cool from: solar, wind, hydro, geothermal, bio-energy, ocean energy, waste-to-energy</li> </ul>	<ul style="list-style-type: none"> <li>Greenfield, existing buildings, and retrofit of buildings/facilities for residential; health; education; and commercial purposes (e.g., storage, processing facilities, cold storage); and other buildings/facilities using low-carbon technologies, energy efficiency measures and/or sustainable products</li> </ul>
Clean Transport	Data Infrastructure
<ul style="list-style-type: none"> <li>Electric, hydrogen and/or hybrid for public, urban/inter-urban rail, freight, multi-modal transport</li> <li>Infrastructure for clean energy vehicles and reduction of harmful emissions</li> </ul>	<ul style="list-style-type: none"> <li>Broadband networks</li> <li>Smart technology</li> <li>Infrastructure for remote power system management and/or GHG emission reductions</li> </ul>
Water, Wastewater, & Sanitation	Electricity Transmission & Distribution
<ul style="list-style-type: none"> <li>Water, wastewater, and/or sewage supply and/or recycling systems, including treatment, storage, transportation, distribution, and monitoring</li> <li>Water harvesting, irrigation, and drainage systems</li> </ul>	<ul style="list-style-type: none"> <li>Transmission lines</li> <li>Distribution systems</li> <li>Energy storage</li> <li>Smart grids for renewable energy</li> <li>Mini grids/distributed renewable generation systems</li> </ul>
Solid Waste Management	Nature-Based Solutions
<ul style="list-style-type: none"> <li>Solid waste collection, storage, processing, treatment, recycling, transport, and disposal</li> <li>Anaerobic digestion of bio-waste, composting of bio-waste</li> <li>Landfill gas capture, transport, and/or sequestration</li> </ul>	<ul style="list-style-type: none"> <li>Utilization of existing or rebuilt natural landscapes - such as forests, floodplains, and wetlands - that provide ecosystem services, as standalone and/or as part of a built infrastructure solution</li> </ul>



## Annex 2

### Sustainability Dimensions & Criteria and Indicative List of Indicators<sup>10</sup>

Environmental	Adaptation & Resilience
<ul style="list-style-type: none"><li>• Protection and Enhancement of Biodiversity &amp; the Natural Environment</li><li>• Climate Change Mitigation/GHG Emissions Reduction</li><li>• Promotion of the Efficient Use of Natural Resources/Waste Reduction &amp; Supporting the Transition to a Circular Economy</li><li>• Embedding Pollution Prevention and Control</li></ul>	<ul style="list-style-type: none"><li>• Evaluating Risks and Building Resilience &amp; Adaptive Capacity at the Project and System Scales</li></ul>
Social	Governance
<ul style="list-style-type: none"><li>• Promoting Gender &amp; Ability Inclusivity</li><li>• Promoting Health &amp; Safety</li><li>• Protection and Enhancement of Human &amp; Labour Rights</li><li>• Land Acquisition &amp; Resettlement Mitigation</li><li>• Promoting Stakeholder Engagement</li></ul>	<ul style="list-style-type: none"><li>• Embedding Anticorruption Policies &amp; Procedures</li><li>• Embedding Transparency &amp; Accountability Policies &amp; Procedures</li><li>• Embedding Government Policies for Project Fiscal Transparency &amp; Procedures</li><li>• Embedding Sustainability &amp; Compliance Policies &amp; Procedures</li></ul>

<sup>10</sup> Please refer to the FAST-Infra Landing Page [[FAST-Infra](#)] for detailed list of Sustainability Dimensions & Criteria, which includes more information on baseline, positive contribution factors, example methods, and sample indicators.