How the SuRe® standard is applied to infrastructure projects

Building expertise on sustainable and resilient infrastructure

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Hello and welcome. In this week's video, we will be taking a closer look at the SuRe standard. To start, I will give an introduction to the SuRe standard: what it is and why it exists. Then we'll do an overview of the certification process before delving into some of the elements of the certification process including the materiality assessment details of the SuRe criteria.

Notes

Summary

0m 05s

The Standard for **Su**stainable and **Re**silient infrastructure

Please download the current version of the SuRe document, ST01, which can be read in parallel. Let's start with the introduction. The development of the standard was led by the Global Infrastructure Basel Foundation and Natixis bank from France. It is a global voluntary standard which integrates both sustainability and resilience in infrastructure development and upgrade. We developed the standard to serve as a common language between project developers, financiers and the public sector to define what is sustainability and resilience in infrastructure. It is a third-party verified voluntary standard and is applicable to a range of different infrastructure projects across different sectors and has a focus on emerging and developing countries. It is also applicable to all phases of the infrastructure project lifecycle.

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Summary

0m 28s

SuRe® Standard

The Standard for **Su**stainable and **Re**silient infrastructure

Implementing sustainability and resilience criteria into infrastructure projects

- Establishing a **common language** and **understanding** between stakeholders around sustainable and resilient infrastructure
- Creating **best practice guidelines** to drive the implementation of sustainability and resilience in infrastructure
- **Improving the attractiveness** of sustainable and resilient infrastructure to multilateral and private investors, therefore **channelling greater financing flows** into the 'right' projects

The overall objective of the standard is to provide a common language and understanding between stakeholders as to what is sustainability and resilience in infrastructure and to serve as best practice guidelines to drive improvements of infrastructure projects. The criteria of the standard have been carefully selected to improve the attractiveness of infrastructure projects to financiers with the goal of channelling greater financial flows to more sustainable projects.

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Summary

1m 16s

SuRe® Standard Creates Benefits

Taking into consideration all relevant shareholders: Developers, Public Sector and Financiers

Benefits to Project Developers

- **Early identification** of **potential causes of delay** or **showstoppers**
- Opportunity for **synergies and innovation** to deliver **additional impact and revenue**
- **Efficient use of resources** (natural, financial)
- **Clear communication of benefits** to stakeholders - project sponsors, financiers and investors
- Improved **reputation** and **social acceptance**

Benefits to Public Sectors Institutions

- **Increased quality** of infrastructure
- **Greater resilience** over time
- Facilitates the setting of **appropriate procurement criteria**
- Enables infrastructure **project comparisons** and **improves project selection**
- Supports the **more efficient use of limited public resources** in infrastructure

Benefits to Financiers

- Identification of **sustainable investment opportunities** (particularly for unlisted infrastructure)
- Instrument for **risk mitigation and benefits**
- **Infrastructure project comparability**, within and across sectors
- **Compatibility** with **ESG safeguards**, principles and standards used in project finance

The SuRe standard has been developed to assist three main stakeholder groups: project developers, public sector institutions and financiers. For each group there are a range of benefits that you can see on the Slide. The overall goal is to see that project developers can design projects that are more sustainable and resilient; that the public sector can better plan and select such projects for development; and that these improved more sustainable and resilient projects would get preferential access to finance.

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1m 47s

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Now let’s have a look at how the certification works in practice The standard operates through six pillars of assurance.

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2m 22s

Pillars of Assurance

How we assess Sustainable and Resilient Infrastructure

This is the way in which we understand that the projects are meeting the most important criteria, now and in the future. Let's take a more detailed look at them.

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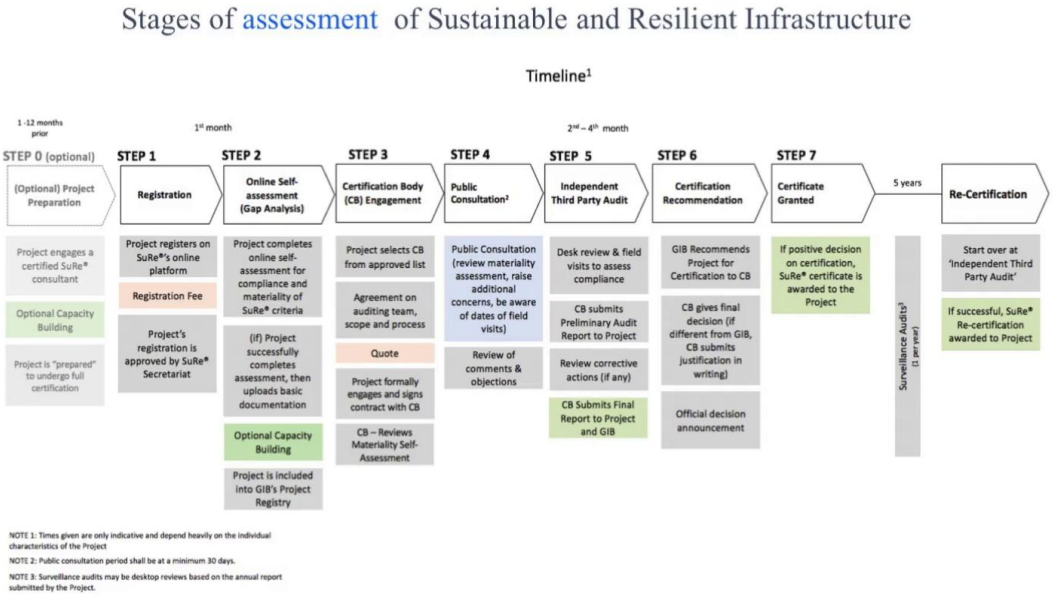
2m 33s

Raodmap to SuRe® Certification



This may seem a little complex at first. It shows all of the steps involved in getting a certification to the SuRe standard. Step zero is project preparation. This is an optional step in which projects may wish to Preview the standard criteria work to understand what they might need to do to make sure they comply with the criteria. Step one is registration. Here, the project signs up online to start the certification process. Next, the project completes an online self-assessment. After the GIB foundation reviews the self-assessment, the project will be invited to continue with certification and would move to step 2 to engage with a certification body. After setting up a contract with the project, the certification body then reviews the self-assessment results before opening a public consultation. During the 30 days of public consultation, the certification body will come to the project site to assess compliance with the criteria. Based on this assessment the certification body would submit a report, raise any corrective actions necessary, and once ready would submit a final report to the project and to the GIB foundation. Once accepted by both the certification body and the GIB foundation, the project would be granted a SuRe certificate.

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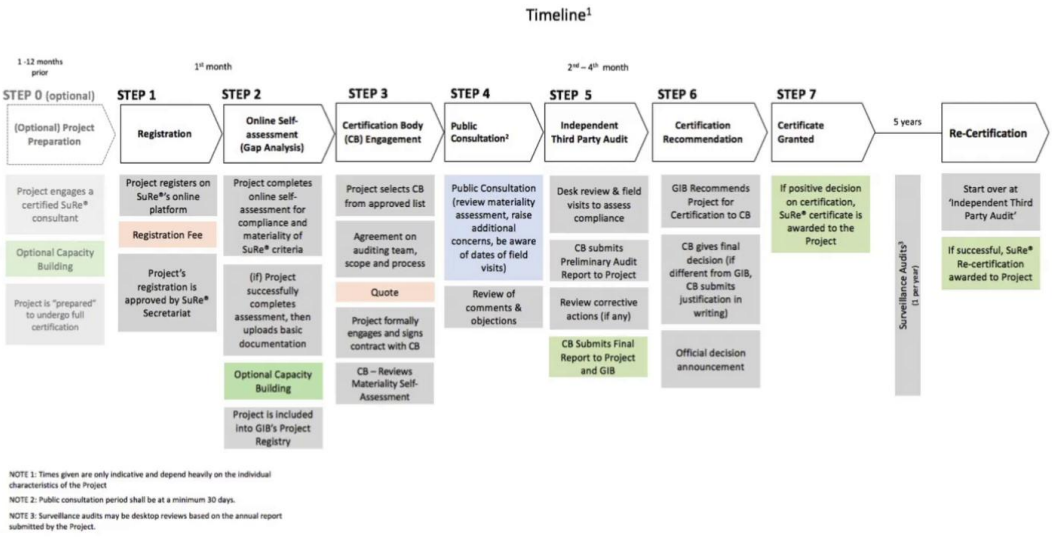
2m 45s

Stages of assessment of Sustainable and Resilient Infrastructure



The project would then need to complete desktop surveillance audits once a year until five years have elapsed at which time it will need to undergo recertification.

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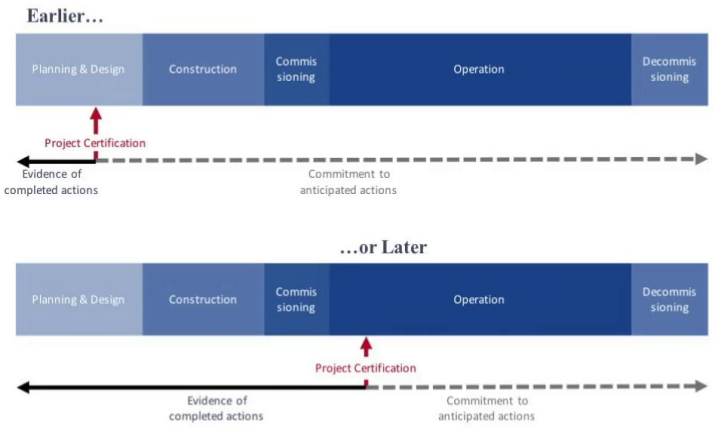
Summary

4m 11s

Certification at different stages of infrastructure development



Projects can commence certification at any stage in the project cycle. And that one point the certification is done it will require a combination of both evidence of completed actions as well as a commitment to anticipate the actions that will occur in the future. For example a project seeking certification whilst it is in design phase may not have completed many actions that would be required under the SuRe standard. For any action which the project has not yet completed it must make a commitment to doing this in the future. It is typically easier for projects to get certified during earlier stages of development because they're still able to alter their projects design.

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4m 24s

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And now let’s take a look at materiality.

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5m 10s

Materiality Definitions

- **Materiality** = the principle of defining the social, environmental and governance topics that **matter** to a project and its stakeholders.
- **Importance** = is the criterion important to the context of the project
- **Impact** = could the project have a big impact on the sustainability and resilience topic?
- Materiality = Importance x Impact

An important part of the SuRe system is the materiality assessment. This enables us to define which criteria are more important and impactful for the context of each project. What is materiality? Within SuRe, materiality is the principle of defining social and environmental governance topics that matter most to project stakeholders. In the SuRe system we determine materiality by assessing what we call the importance of an impact. The term “Importance” looks at how relevant the specific criteria is to the context of the project is being implemented. The impact, however, looks at: is the topic of the criteria relevant to this type of project? In other words, could the project potentially cause a big impact on sustainability and resilience topics that we’re considering. For each criterion an assessment of the impact and importance needs to be made to assess the materiality of the project.

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5m 14s

Calculating Materiality

Impact \ Importance	Negligible	Low	Med	High
Negligible	Not material	Not material	Low materiality	Material
Low	Not material	Low materiality	Material	Material
Med	Low materiality	Material	Material	Highly material
High	Material	Material	Highly material	Highly material

We calculate materiality using the matrix on your screen. Low importance plus low impact leads to an assessment of not material. High importance and higher impact leads to an assessment of higher materiality.

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6m 24s

Three dimensions, 14 themes and 61=46 Management Criteria+15 Performance Criteria+2 Overarching Criteria

3 Dimensions	14 Themes	61 criteria	+ 2
Environment	Climate	18	Materiality Assessment; Reporting
	Biodiversity and Ecosystems		
	Environmental Protection		
	Natural Resources		
	Land Use and Landscape		
Society	Human Rights	24	
	Labour Rights and Working Conditions		
	Community Impacts		
	Customer Focus and Community Involvement		
	Socioeconomic Development		
Governance	Management and Oversight - Financial Sustainability	19	
	Sustainability and Resilience Management		
	Stakeholder Engagement		
	Transparency and Accountability		

Now let's take a look at the SuRe criteria. The criteria are divided up as shown.

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Types of Criteria

Management Criteria are criteria which are commitment and process oriented, meaning that projects shall demonstrate that their management systems, approach or processes include the requirements specified in SuRe®.

Performance Criteria are intended to capture progressively improving performance against quantitative and qualitative requirements.

A number of SuRe® criteria are defined as mandatory requirements, meaning that compliance with these criteria is required in order to achieve certification.

Across these topics there are three kinds of criteria: management criteria, performance criteria and some of each of these two categories that are designated as safeguarding red criteria. Management criteria look at the processes, commitments, policies and procedures the projects have in place. Performance criteria focus more on the quantitative measurement of achievements such as water consumption, greenhouse gas emissions, etc. Red criteria comprise of both performance criteria and management criteria they have been determined by the sure stakeholders as being non-negotiable. Any project seeking to be certified by SuRe will have to make each of the safeguarding ret criteria.

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Performance Criteria

Encouraging ongoing improvement and demonstrating high achievements

Performance Level 1 (PL1)	Performance Level 2 (PL2)	Performance Level 3 (PL3)
The performance requirements of this level are defined to constitute a minimum baseline of sustainable and resilient practice. For most criteria, this means that the project: Performs above industry norms; AND Demonstrates it has thoroughly identified and mitigated key ESG risks.	The performance requirements of this level significantly exceed minimum requirements for sustainable and resilient practice. For most criteria, this means that the project: Performs above Good International Industry Practice (GIIP). AND The Project has zero net negative impact (for criteria dealing with negative impacts).	The performance requirements of this level constitute leading practice. Projects reaching this level are industry leaders and/or innovators in this area. For most criteria, this means that the project: Demonstrates significant innovative practices. OR Demonstrates significant positive impact to society and the environment.

The performance criteria have three possible levels of achievement getting progressively more ambitious ranging from performance level one to performance level three as defined on your screen.

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Safeguarding Red Criteria

The safeguarding red criteria consist of the 21 criteria shown on your screen. Pause the video to take a closer look. The following three slides show a full list of the criteria spanning the governance, society and environment themes. Pause the video to take a closer look at each one.

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SuRe® Criteria - Society

Theme	Criteria		
S.1 Human Rights	S1.1 Human Rights Commitment	(MC)	(RED)
	S1.2 Human Rights Complaints and Violations	(MC)	(RED)
	S1.3 Human Rights and Security Personnel	(MC)	
S.2 Labour Rights and Working Conditions	S2.1 Employment Policy	(MC)	
	S2.2 Rights to Association and Collective Bargaining	(MC)	
	S2.3 Non-discrimination	(MC)	(RED)
	S2.4 Forced Labour and Child Labour	(MC)	(RED)
	S2.5 Occupational Health & Safety	(MC)	
	S2.6 Employee Grievance Mechanism	(MC)	
	S2.7 Working Hours and Leave	(MC)	
	S2.8 Fair Wages and Access to Employee Documentation	(MC)	
	S2.9 Retrenchment	(MC)	
S.3 Customer Focus and Inclusiveness	S3.1 Minorities and Indigenous People	(MC)	(RED)
	S3.2 Resettlement	(MC)	(RED)
	S3.3 Cultural Heritage	(MC)	
	S3.4 Decommissioning and Legacy: Risks to Future Generations	(MC)	
	S3.5 Management of Public Health and Safety Risks	(MC)	(RED)
S.4 Community Impacts	S4.1 Physical Accessibility	(MC)	
	S4.2 Provision of Basic Infrastructure Services	(PC)	
	S4.3 User Affordability	(PC)	
	S4.4 Delivery of Public Health and Safety Benefits	(PC)	
S.5 Socioeconomic Development	S5.1 Direct Employment and Training	(PC)	
	S5.2 Indirect/direct Economic Development Enabled by the Project	(PC)	
	S5.3 Gender Equality and Women Empowerment	(MC)	

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8m 11s

SuRe® Criteria - Environment

Theme	Criteria		
E.1 Climate	E1.1 Climate Change Mitigation	(PC)	(RED)
	E1.2 Climate Change Adaptation	(PC)	(RED)
E.2 Biodiversity and Ecosystems	E2.1 Biodiversity and Ecosystem Management	(MC)	(RED)
	E2.2 Biodiversity and Ecosystem Conservation	(PC)	(RED)
	E2.3 Invasive Alien Species	(MC)	
E.3 Environmental Protection	E3.1 Responsible Sourcing of Water	(MC)	(RED)
	E3.2 Water Efficiency	(PC)	(RED)
	E3.3 Responsible Sourcing of Materials	(PC)	
	E.3.4 Resource Efficiency	(PC)	(RED)
	E3.5 Waste Management	(PC)	
E.4 Natural Resources	E4.1 Air and Soil Pollution	(PC)	(RED)
	E4.2 Water Pollution	(PC)	(RED)
	E4.3 Pest Management	(MC)	
	E4.4 Noise, Light, Vibration and Heat	(PC)	
	E4.5 Cumulative Impacts	(MC)	
E.5 Land Use and Landscape	E5.1 Location, Project Siting and Design in Relation to Landscape	(MC)	
	E5.2 Land Use	(PC)	
	E5.3 Soil Restoration	(MC)	

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8m 15s

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Now let’s take a look at scoring. How do we determine whether projects qualify for Bronze Silver or gold level certification?

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8m 12s

Scoring

How do auditors Score Projects seeking certification?

Projects require: All RED Criteria + above the thresholds below

	High Material Criteria			Med Material Criteria			Low Material Criteria		
	MC1 or PL1	PL2	PL3	MC1 or PL1	PL2	PL3	MC1 or PL1	PL2	PL3
Bronze	80%	0%	0%	70%	0%	0%	0%	0%	0%
Silver	100%	80%	0%	80%	50%	0%	10%	0%	0%
Gold	100%	100%	50%	100%	80%	30%	20%	0%	0%

There is a carefully defined quota system which determines which level the project will be qualified for, depending on how many of the different criteria it has achieved. To achieve bronze certification a project must achieve 80% of all highly material criteria to at least performance level one, as well as 70% of the medium materiality criteria. For a higher qualiy level, like Silver and gold, projects will need to achieve more criteria and also higher performance levels.

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8m 25s

Reporting

How do projects demonstrate continued compliance with the requirements?

	Reporting Requirement
High Material Criteria	Annual Reporting Required
Medium Material Criteria	Annual Reporting Required
Low Material Criteria	Encouraged but not mandatory
Non-Material Criteria	None required

Finally let's take a look at reporting. SuRe® Reporting requirements are listed within the SuRe® Standard Document. They detail what is expected from projects in terms of reporting to demonstrate continuous compliance against SuRe® criteria. As Infrastructure projects have a long-term lifespan, the reporting requirements are meant to provide certainty that The Project is following up on commitments and provide encouragement for continuously improving project performance through time. The higher the materiality of a criterion, the more stringent the reporting requirements. For criteria that have a low materiality or are not material, no reporting is required.

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9m 02s

Conclusion

That was a quick introduction to how the SuRe® Standard is applied to infrastructure projects. Thank-you for listening.

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9m 50s