FAST-INFRA LABEL
SM02 FAST-Infra Label Terms of Reference

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FAST-Infra Sustainable Infrastructure® Label

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FAST-INFRALABEL TERMS OF REFERENCE

1 OVERVIEW

The FAST-Infra Label is a credible, consistent, and globally applicable labelling system designed to identify and evaluate sustainable infrastructure projects, with the overarching objective of supporting sustainable infrastructure and creating a liquid asset class. The FAST-Infra label assesses infrastructure on several criteria among 4 dimensions: environmental, social, governance and resilience and adaptation, using indicators and benchmarks from other existing frameworks. The FAST-Infra Label is already applied in some funds to select sustainable and resilient projects. The FAST Infra Group has designated Global Infrastructure Basel Foundation (GIB) as the Secretariat and Bloomberg L.P. as Data Repository for the FAST-Infra Label.

2 CONTACT INFORMATION AND HOW TO CONTRIBUTE

GIB welcomes comments on the terms of reference (ToRs) at any time, and will include them in the next review process. We also encourage all stakeholders to regularly visit the website where opportunities for contributing will be announced. Please submit all comments, questions, concerns and feedback electronically to the following contact form:

https://www.fastinfralabel.org/contact

You can also address your comments or concerns in writing to:

FAST-Infra Secretariat

c/o Global Infrastructure Basel Foundation (GIB)

Elisabethenstrasse 28,

4051 Basel, Switzerland

3 REFERENCE

The FAST-Infra Label is developed in accordance with the Label Requirement Setting Procedures (see separate document PR01) publicly accessible on the FAST-Infra Label website (https://www.fastinfralabel.org). This document establishes how and when the Label requirements will be developed and reviewed.
4 TERMS OF REFERENCE

4.1 General

The FAST-Infra Label was developed in order to promote infrastructure that is sustainable and resilient, i.e. infrastructure that is environmentally sound, socially desirable and economically viable, and can withstand impacts and recover quickly from shocks and stresses. The FAST-Infra Label was developed through the expertise and experience of various stakeholders of infrastructure development, including Multilateral Development Banks (MDBs), investors and financiers, international organizations (IOs), governments and civil society organizations, verifying agencies, infrastructure-related standard setters and infrastructure developers. In addition, the Label also benefits from the expertise of its Secretariat, the Global Infrastructure Foundation, which ran the GIB Grading Tool for Sustainable Infrastructure – a tool that has been used since 2012 as a self-assessment tool for over 150 infrastructure projects - and developed the SuRe® Standard. The FAST-Infra Label also follows the ISEAL Standard-Setting code v6.0 (2014) for best practice on standard setting.

4.2 FAST-Infra Label Objectives and Expected Outcomes

The FAST-Infra Label aims to drive the integration of sustainability and resilience aspects into infrastructure development, upgrade, and financing by:

— Establishing a common language and understanding of sustainable and resilient infrastructure projects between project developers, financiers, local authorities, NGOs and end-users;

— Increase market trust and confidence around the sustainability of infrastructure assets.

— Support alignment with regulatory compliance and disclosure initiatives (e.g. EU Taxonomy, Sustainable Finance Disclosure Regulation, Task Force on Climate-Related Financial Disclosures.

— Inform investment decision-making and attract private investment into infrastructure.

— Encourage new financial product development (e.g. sustainable infrastructure funds and platforms).

— Enable the development of a liquid asset class and secondary financial market for sustainable infrastructure.
The FAST-Infra Label combines sustainability and resilience by recognising the mutually beneficial relationships between these issues and the need to take a long-term view to infrastructure development in order to meet both the present and future generations’ needs. The FAST-Infra Label is a globally applicable label for projects demonstrating significant positive sustainability performance. It is designed to enable all market players, including developers, operators, and investors to show the positive impact of an infrastructure asset, and attract investors seeking assets which positively contribute to sustainable outcomes.

The FAST Infra-Label seeks to support transformative actions towards the rollout of more sustainable and resilient infrastructure globally, including in developing and emerging economies where significant infrastructure development is anticipated over the next decades. As such, the FAST-Infra Label can be used to leverage both public and private investments in infrastructure in a way that ensures cost-effective access to critical services while strengthening resilience, maximising environmental or social benefits and limiting both the social and environmental footprints.

In summary, the strategic goals of the Label are:

a) Allow infrastructure projects to be assessed and graded in terms of their sustainability, holistically spanning critical criteria across the economic, governance, societal and environmental aspects;

b) Provide a tool for common understanding among all stakeholders involved in infrastructure development and financing, across different sectors. This cross-cutting approach shall also allow for the smooth transition into, and compatibility, with existing and/or more sector-specific instruments;

c) Develop a standardized set of sustainability investment criteria with a corresponding label which helps unite different investors’ initiatives to better identify sustainable infrastructure.

4.3 Sustainability Expected Outcomes

The FAST-Infra Label aims to go beyond serving as a risk mitigation tool focused on the critical sustainability challenges in infrastructure development by creating value for Governance, society, and environment:

d) **Governance:** the Label aims at enhancing project and sustainability management processes, including transparency and accountability as well as stakeholder engagement. Furthermore, it takes into account financial sustainability, including sound financial modelling and life-cycle assessment.

e) **Society:** the Label does not only aim at making sure an infrastructure project meets public needs, is inclusive and socially justified, but also assesses the project’s respect for labour rights according to ILO Core Labour Standards and its contribution to socioeconomic development. Furthermore, the Standard aims to contribute to the preservation of cultural heritage whilst being respectful of local practices.

f) **Environment:** the Label aims to minimise negative environmental impacts of infrastructure development by covering aspects such as pollution and resource management, biodiversity, climate protection and resilience, as well as land use criteria. Additionally, regenerative projects, which restore or enhance ecological value and are considered innovators, will be recognized.
g) Resilience: the Label aims to improve the resilience of infrastructure assets as well as the surrounding built and natural environments against shocks and stresses such as those caused by climate change.

Particularly, the FAST-Infra Label will have the power to realize the potential of infrastructure as a driver for sustainable development, contributing to the attainment and measurement of the seventeen Sustainable Development Goals. In particular, the Label will contribute to: Goal 9 “Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation” and Goal 11 “Make cities and human settlements inclusive, safe, resilient and sustainable”. The scheme has integrated these aims in order to provide a tool to further their implementation, thus providing a response to the political agenda of sustainable growth.

4.4 The FAST Infra-Label Target Groups and Value Added

The FAST-Infra Label is intended to be primarily relevant to three target groups:

Project developers - this group refers to all participants in the infrastructure project throughout its life cycle and may include infrastructure project owners or companies, financiers, constructors, engineers working on the project, other contractors and sub-contractors, operations and maintenance (O&M) agents depending on the nature and stage of development of the infrastructure project.

a) FAST-Infra added value: For project developers, the FAST-Infra Label provides a decision-making and management tool to design, build and operate more sustainable and resilient projects and to optimise the use of resources. The Label contributes to the efficient management of related issues throughout the supply chain and in close collaboration with stakeholders. Projects can self-assess (and attain a Self-Assessed Label) with no costs incurred prior to engaging in a verification process (to attain the Verified Label). The self-assessed and verified labelling helps to communicate related benefits to potential investors and public sector decision-makers. This in turn can favourably support access to financing and the project’s licence to construct or operate, helping to channel greater financial flows, especially from the private sector, into sustainable infrastructure and alleviate the large investment gap for infrastructure faced globally by municipalities and communities.

Infrastructure financiers - this group refers to both public and private financiers, including commercial, international and public financial institutes, banks, equity funds, investment analysts, asset managers, institutional investors, private companies and communities depending on the financing approach of the project and associated sources of finance.

a) FAST-Infra added value: For infrastructure financiers, the Label provides a tool to identify sustainable and resilient infrastructure investment opportunities. The Label supports the early consideration of environmental, social, and governance (ESG) aspects and thus serves as an instrument for risk mitigation and cost reduction by anticipating and avoiding potential negative impacts of infrastructure development.
Public sector institutions - refers to all public sector departments and institutions that have authority to procure, select, authorise and/or finance infrastructure projects at local, regional, national and international level depending on the location and scale of the infrastructure project.

a) FAST-Infra added value: For the public sector, the Label helps to set procurement criteria, project requirements and selection criteria for the preparation of guidelines for the public procurement process and the initial design requirements of sustainable and resilient infrastructure projects. It also provides a tool for comparing and selecting projects, supporting a more efficient use of limited public resources. In countries with weaker enforcement capacities, applying the Label can help to enforce the implementation of legal requirements.

4.5 Scope and Geographical Application

The FAST-Infra Label is applicable to infrastructure projects, including assets and services, with a focus on infrastructure that meets public needs (i.e. beyond the needs of a corporation, individual or exclusive private group) and that can generate positive contributions to the environment and society. The FAST-Infra Label certification will be dedicated to a project. The certification is intended to speak to financiers of infrastructure, and will target both debt, equity and other financing modalities. The Label’s strength will lie in its independent verification scheme and in its universal applicability spanning various infrastructure sectors. This creates a common understanding of sustainability across infrastructure sectors and will draw on the use of existing sectorial or technical standards.

Infrastructure sectors to which the Standard can be applied to (but is not limited to) include transportation, utilities (water, sewage, electricity), energy production and soft infrastructure (such as health and education infrastructure), urban as well as rural infrastructure development projects. In terms of infrastructure project phases, the scope of the FAST-Infra Label is not limited to new infrastructure development (commonly described as ‘green-field’ projects). While project developers are encouraged to apply the Label as early as possible in the life cycle of an infrastructure project, the Label can also be applied during the refurbishment and upgrading of existing infrastructure (i.e. ‘brownfield’ projects), and during the construction or operation phases of a project.

In terms of geographical application, the Label will provide a globally intuitive and easily applicable scheme, without compromising the comprehensiveness of the sustainability assessment. In developing and emerging countries, the FAST-Infra Label could accelerate the transition towards sustainable and resilient infrastructure by referring to international standards of sustainability and resilience as well as recognised best practices. Moreover, there is a clear opportunity in these regions to leapfrog old technologies in favour of more efficient, contextually appropriate and integrated infrastructure development options (including also green infrastructure), which is particularly attractive in the face of rising infrastructure needs.
developed countries, the FAST-Infra Label is particularly relevant for Infrastructure refurbishment and modernisation upgrades as well as new infrastructure development. It is important to note that whilst the Standard requires projects to comply with applicable law, it will not replace legal requirements or applicable law. The FAST-Infra certification will be able to be reviewed if there is cause for concern about the legal compliance, and the certification could be withdrawn in the case of non-compliance.

4.6 Label Principles

The FAST-Infra Label has been established in line with ISEAL’s 10 credibility principles. Building on the feedback from stakeholders, the following principles will guide and govern the development and management of the FAST-Infra Label:

a) **Sustainability Impacts:** The FAST-Infra Label’s sustainability objectives and scope are clearly defined and embedded in the Label’s Theory of Change, and communicated externally via the Label’s website. The overall purpose of the label is to drive positive social, environmental, and economic impacts through sustainable infrastructure, which is at the basis of the functioning of entire societies/systems. Moreover, the label encourages infrastructure projects to remediate negative impacts through positive contributions.

b) **Collaboration:** The Label is the result of a collaborative effort between private entities, multilateral agencies, governments and civil society organizations, who are members of the FAST-Infra Group and saw the need for an integrated label that could build on existing similar efforts and connect the various actors of the value chains of infrastructure projects to produce sustainable infrastructure systems. The label is also operationalized based on the collaboration between the Secretariat, run by the Global Infrastructure Basel Foundation and the Data Repository, run by Bloomberg L.P. with the idea of creating a label and data repository that is accessible, rigorous and efficient.

c) **Value Creation:** The FAST-Infra Label is built on a model that brings value to project developers, infrastructure financiers and public institutions - as described in section 4.4. For project developers, the Label aims to help improve risk management by providing clear guidance on sustainable infrastructure, drawing from more than 25 international regulatory frameworks and guidelines (e.g. EU Taxonomy, SFDR, TCFD, etc.); make compliance and disclosure efficient and effective, and thus increasing access to sustainable finance capital. The FAST-Infra Label also aims to benefit financiers by helping them source sustainable infrastructure projects, complement their own due diligence processes, communicate on the impact of their investments and support commercial differentiation. For public institutions, the FAST-Infra Label will help set procurement requirements that promote sustainable and resilient infrastructure as well as to compare and select projects in a transparent and efficient manner. For project developers, financiers and public institutions, the data repository is a
key tool that can help maximize access, compliance and disclosure of information. The FAST-Infra Label framework will align with evolving industry practices and include new elements from existing standards such as the IFC Performance Standards; and, in future, the Data Repository shall enable the project to use the related data to report against other frameworks.

d) **Measurable Progress:** The Fast-Infra Label and Data Repository will allow for the Secretariat to measure progress towards sustainability objectives over time. For example, it will help keep track on whether the label is helping to bridge the gap between infrastructure projects and sources of finance (for example, IFIs or private financiers) interested in investing in projects that bring positive impacts to society.

e) **Stakeholder Engagement:** The FAST-Infra Label aims to unite the stakeholders involved in infrastructure development around a common understanding of sustainability, by involving them throughout the process and including their requirements and expectations. Multiple stakeholders have participated in the first proposal of the label (dimensions, criteria and indicators) and will continue to be engaged as the label is tested and refined. Moreover, the label is governed by a Steering Committee, comprising of eight representatives, and the Executive Committee, currently consisting of 32 representatives of different organizations relevant to infrastructure development.

f) **Transparency:** The components (criteria, assurance, monitoring and evaluation system) of the Fast-Infra Label are being developed through a rigorous, inclusive and transparent process, making information readily available through the Label’s website. In addition, the Label relies on a system in which projects can self-assess against the Fast-Infra Label and communicate that they have successfully completed the FAST-Infra Self-Assessed label. In order to achieve the FAST-Infra Verified label, projects will need to undergo third-party verification, profiting from greater legitimacy and transparency and communicating that their Label has been verified. Having a Data Repository will encourage a transparent process of compliance, disclosure and communication.

g) **Impartiality:** The Fast-Infra Label has been developed by a range of international stakeholders and is also currently governed by a range of relevant international actors (who make part of the Steering Committee and the Executive Advisory Committee). The continuous stakeholder engagement throughout the development, testing and refinement of the Label help avoid conflict of interest and allow it to be internationally applicable. In addition, the FAST-Infra Label is built upon the content of trustworthy sustainability and resilience frameworks and conventions, for example UNFCCC, Convention on Biodiversity, International Labour Organisation Conventions, the Sendai Framework for Disaster Risk Reduction, and the Sustainable Development Goals (SDGs), among others.
h) **Reliability:** The Fast-Infra Label and the Data Repository can be consistently implemented and assessed. They complement one another and help assess that users’ sustainability performance is competent and accurate.

i) **Truthfulness:** The Fast-Infra Label and Data Repository work together to bring a transparent, reliable, rigorous and efficient tool to help infrastructure developers monitor whether their projects comply with international sustainability regulations and frameworks, understand clearly where they have yet to improve compliance and disclose evidence for their claims. Likewise, it helps investors identify sustainable projects relying on the FAST-Infra Label (and what it stands for) and the information that the Data Repository provides. These characteristics help the FAST-Infra Label bring truthfulness to claims of sustainability in infrastructure development.

j) **Continual Improvement:** The FAST-Infra Label has developed through various iterations of collecting inputs and expertise, testing the label, reviewing users’ experience and refining criteria and indicators. The Label’s Secretariat and Governance Bodies will continue to review the Label’s performance, evaluate its impacts and outcomes, will apply the lessons learned and will update it periodically, in order to reflect continual improvement and application of good practice.

These factors summarise how the FAST-Infra Label will operate. To achieve its goals, GIB notes the importance of engaging with existing tools, further mutual learning and achieve mutual recognition and compatibility. The FAST-Infra Label framework is committed to aligning with evolving industry practices and including new elements from existing standards such as the IFC Performance Standards.

**4.7 Justification of the need for the Label**

The FAST-Infra Framework and Label were conceived in early 2020 under the auspices of the One Planet Summit and were collaboratively designed by a dedicated working group under the FAST-Infra initiative made up of relevant leading organisations committed to collectively advancing sustainable infrastructure development globally. This multi-stakeholder group included the Climate Policy Initiative (CPI), HSBC, the International Finance Corporation (IFC), 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.

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1 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.

Through the collective expertise of the organizations participating in the FAST-Infra Initiative, it was identified that there is currently a trillion-dollar sustainable infrastructure investment gap. The FAST-Infra label aims to help close that gap urgently, by transforming sustainable infrastructure into a mainstream, liquid asset class and scale up private investment in sustainable infrastructure globally, with a focus on emerging and developing economies. The rational of the Label is that by signalling whether an infrastructure project complies with the sustainability minimum safeguards, criteria (and indicators) and generates positive contributions, this will provide coherency in the market regarding infrastructure quality and sustainability and will facilitate investment decisions across private providers of capital (banks, asset owners, asset managers) by easily identifying sustainable infrastructure assets to finance or refinance. With time, the FAST-Infra Label will encourage original sponsors to design projects with label in mind to market asset credentials and facilitate exit. Overall, the label hopes to positively influence upstream pipeline preparation efforts of developing country governments to offer bankable, sustainable infrastructure investment opportunities and facilitate the use of blended finance by donor governments and development finance institutions.

Prior to launching an initial version of the FAST-Infra Label, the FAST-Infra presented the initiative and collected input from four sectoral roundtables: 1) MDBs and ECA’s, 2) Private Sector (Investors and Financiers), 3) Public Sector, International Organizations and Civil Society and 4) Verifiers, Rating Agencies, Standard Setters and Developers. It then conducted a public consultation in May of 2021.

In the process of developing the FAST-Infra Label, the FAST-Infra Group developed a mapping of other sustainable infrastructure standards and taxonomies, which helped draw from existing frameworks, standards, and taxonomies; and provide coherency and comparability for and across the global infrastructure finance market (refer to Figure 1). The FAST-Infra group and its stakeholders viewed the lack of a common language among these approaches as an impediment for project developers to position themselves sustainably and for investors and financiers to efficiently identify sustainable infrastructure projects. While certain safeguarding schemes as those issued by International Financial Institutions (IFIs) represent rather heavy frameworks of compliance and risk mitigation, other organisations (e.g. private with an engineering focus) have established very flexible sustainability management tools wherein a project owner can freely set sustainability and positive contribution goals to be achieved. The FAST-Infra Label tries to build on existing good practices and establish common definitions around sustainable infrastructure, so as to reduce unnecessary financial and/or reputational burden whether a project is seeking funding from an IFI or a private fund.
The FAST-Infra Label also aims to manage overlaps with other tools and initiatives by taking a collaborative and inclusive approach to standard development to ensure that the Label advances sustainability and resilience practices in infrastructure in a consistent and coherent manner. The Label profits from SuRe®’s experience and lessons learned. SuRe® was an initiative that advanced sustainability standards in infrastructure and was owned by GIB, which currently runs the office of the Secretariat of the FAST-Infra Label.

The FAST-Infra label embeds recognised standards used in finance such as the Equator Principles, the IFC’s Performance Standards, UN Principles for Responsible Investment (PRI), Climate Bond Standards, Social Bond Principles, EU Green Taxonomy and other guidelines developed by Multilateral Development Banks (MDBs) as minimum safeguards and as references to the criteria and indicators in the four dimensions that make up the Label.

Over time, the SI Framework will evolve to reflect the advancement of good practice, definitions, standards, and taxonomies for determining sustainability.

**Figure 1.** Summary of key existing sustainability schemes (relevant to infrastructure development)
5 Risk Assessment

In reference to ISEAL’s Standard-Setting Code v6.0 (2014), the risks associated with developing the Label can be separated into risks impeding successful label development, risks of the Label not achieving its goals (effectiveness) and potential unintended consequences.

Development

The following situations could pose a risk for the successful development of the FAST-Infra Label:

- Opposition among expert and stakeholder groups;
- Implementation is delayed by disagreement on material content;
- Business model and/or certification model proves unfeasible;
- No or minimal uptake.

To mitigate these risks, GIB has engaged with the expert groups (Steering Committee and Executive Advisory Committee), other relevant stakeholders and potential certifiers from a very early stage on, in order to include their comments, remove uncertainties and build a solid base for the Standard implementation. Further, GIB is actively searching guidance from ISEAL on process and business modelling aspects.

Effectiveness

According to the International Federation of Consulting Engineers FIDIC, the quality of an assessment and certification scheme depends, amongst other, on the following parameters:

- Guidelines offered alongside the scheme;
- Credibility and recognition gained by certified projects;
- Quality of the sustainability criteria employed;
- Geographical and sectorial relevance.

There are certain risks associated with these characteristics. In order to mitigate them, GIB is taking various steps. Firstly, the FAST-Infra Label is developed according to detailed guidelines accompanying the Label, in collaboration with the Steering Committee and the Executive Advisory Committee. Secondly, the FAST-Infra Label has been successfully piloted to demonstrate effectiveness. Further, a broad analysis of existing tools and schemes, as well as a consultation of technical and financial experts has been done to verify the criteria set forming the core of the Label.

Unintended consequences

Given the high level of interdependence and complexity of sustainability and resilience issues, there are certain risks of unintended consequences associated with the introduction of a sustainability label, possibly also implying trade-offs among the economic, environmental and social goals. Also in this context, a wide, open and thorough stakeholder consultation will serve
as a risk mitigation tool. Moreover, GIB will assess the impacts of the FAST-Infra Label on a regular basis according to the ISEAL impacts code, and will adjust the Label requirements accordingly through the regular revision process if unintended negative consequences point in that direction.

6 DECISION MAKING PROCESS

In order to ensure that a fair and gender-balanced representation of stakeholder groups is maintained at all times and that their inputs help shape the content of the FAST-Infra Label, GIB’s governance strategy is based on the collaborative functioning of two main governance bodies which oversee, make decisions and provide recommendations on the Standard development process: Steering Committee and the Executive Advisory Committee.

For more information on the membership and governance procedures governing the Steering Committee and the Executive Advisory Committee, please refer to the document “Governance Bodies Terms of Reference GO01” where clear steps for decision-making and membership requirements are outlined.