

## WORKING GROUP

### Sustainable Infrastructure Development: Guidelines and Standards

In the context of the ECONOMIC POLICY FORUM: Driving Sustainable Infrastructure Development and Finance – Building Blocks and Bottlenecks in Emerging Economies

*In preparation for “Geneva - EPF Round Table Discussion”*

#### PROPOSED ACTIVITY

Concept note on the role of guidelines and standards in sustainable infrastructure development, based on the expertise and experience of CIDAC, GVces, RAP and WRI.

The guiding questions are:

- How to translate existing sustainability guidelines/standards/ratings into public and corporate policies and processes?
  - What are the main drivers?
  - Are there opportunities for improvements?
  - What do *on the ground* experiences teach us?
- How to build frameworks/procedural strategies on sustainable infrastructure to be implemented by governments, private sector and key stakeholders in civil society? What capacities/capacity building measures are necessary?

The concept note will be based on:

1. Academic literature review and case studies on infrastructure developments
2. In-depth research on standards/guidelines and ongoing initiatives
3. Elaboration of drafts and peer review process

#### PARTNERS INVOLVED

- [leader] Paulo Branco, Daniela Gomes Pinto and Lívia Menezes Pagotto, Center for Sustainability Studies of the Getulio Vargas Foundation (GVces), Brazil
- Jorge Ramirez, Centro de Investigación para el Desarrollo (CIDAC), Mexico
- Christopher James, Regulatory Assistance Project (RAP), USA
- Zhu Shouqing and Lihuan Zhou, World Resources Institute (WRI), China

#### AGREED SCHEDULE

| ACTIVITY   | DEADLINE (2016)      |
|--|----------------------|
| <b>1. 1<sup>st</sup> Draft – Regional Cases</b>  | May 20 <sup>th</sup> |
| <b>2. Peer Review Process</b>  | May 25 <sup>th</sup> |
| <b>3. Poster + PPT Working Version - Geneva week</b> (Introduction + I. Cases + Preliminary Findings)            | June 2 <sup>nd</sup> |
| <b>4. Final version</b> (Introduction + I. Cases + II. Comparative Analysis + Main Findings and Recommendations) | TBD                  |

#### PAPER OUTLINE



## INTRODUCTION

This section will comprehend:

- motivations for the concept note development
- brief description of partners' involvement with the thematic explored in the document ("why are we joining forces" to write the concept note)
- concept note's structure and objectives

**Responsible:** all

## I. FROM SUSTAINABILITY STANDARDS AND GUIDELINES TO REGIONAL PRACTICES: CASES FROM BRAZIL, CHINA, EUROPE AND MEXICO *(preliminary name)*

Suggested number of words per case: 1.000 – 1500 words

This section will comprehend four parts:

### **PART I: Cases Brazil - Infrastructure in the Brazilian Amazon**

- Identification of the main challenges for incorporating national standards/good practices into corporate and public procedures in environmental licensing process: the Belo Monte Hydroelectric power plant experience
- Guidelines for Public Policies and Corporate Practices on Sustainable Infrastructure in the Brazilian Amazon Region: an ongoing multistakeholder project dedicated to the creation of procedural strategies on sustainable infrastructure

**Responsible:** GVces

### **PART II: Case(s) China**

- Case study on how international practices in safeguarding environment and communities are translated into bank policies in the China Development Bank and the Export and Import Bank of China, mostly from the perspective of renewable energy sector development. The case study will also look at the impediments to full compliance with international best practices, and suggest ways to move to that direction.

**Responsible:** WRI

### **PART III: Case(s) Mexico Sustainable Infrastructure in the Energy Sector**

- There is an important deficit for sustainable infrastructure in the Mexican energy sector. Especially in the case of electricity generation through solid waste. This section will analyze the experience of one of the first companies to create this type of infrastructure in Mexico. The section will expose the costs, rate of return, as well as social and environmental benefits of this infrastructure in Mexico. Finally, it will present a series of challenges particular to the Mexican context and regulatory framework, concluding with specific policy recommendations.

**Responsible:** CIDAC

#### **PART IV: Cases - Energy Sector**

- What are the right environmental and energy structures and mechanisms to implement the existing standards and guidelines?
- An overview of lessons learned in Chinese, European and north American cases
- China Case: Implementation of a “clean first” transmission policy would increase access for the large scale wind and solar projects that have been completed. China plans to increase deployment of such resources by many fold in the next decade. Market reforms are needed to fully integrate RE, and to provide signals to power plant developers that the future for new fossil-fueled plants, especially coal, is limited.
- EU case: Roadmap 2050 case example, transmission and distribution system planning
- North American case: renewable energy zones and improved wind forecasting in the US state of Texas enabled large scale wind projects to be completed in the western part of the state, and for their output to be transmitted to population centers in the eastern part of the state. California’s renewable portfolio standards are being increased to 50% by 2030. Utilities are planning to build over 30,000 electric vehicle charging stations to provide competition for gasoline as a vehicle fuel. The increased penetration of RE helps to ensure that vehicles will be recharged using low or no carbon resources.

**Responsible:** RAP

#### **II. FROM SUSTAINABILITY STANDARDS AND GUIDELINES TO REGIONAL PRACTICES: LESSONS LEARNT AND COMPARATIVE ANALYSIS** *(preliminary name)*

This section will comprehend:

- Lessons learnt per case
- Comparative analysis among regional initiatives

**Responsible:** all

#### **MAIN FINDINGS AND RECOMMENDATIONS**

This section will comprehend:

- What do the partners’ experience and regional/national context indicate in terms of sustainable infrastructure development? Are we on the right track?

- Recommendations for further actions

**Responsible:** all

## SUGGESTED ADITIONAL GOALS AND FURTHER ACTIVITIES FROM THE CONCEPT NOTE

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The relevant and interesting discussions emerged at the Economic Policy Forum and the following constitution of a working group on *Sustainable Infrastructure Development: Guidelines and Standards* represent an opportunity beyond the elaboration of the concept note.

All members of the working group are already engaged in initiatives regarding guidelines, standards and ratings for sustainable infrastructure development in emerging countries. From their experiences and unique perspectives, there is an opportunity to gather state-of-the-art information related to the topic, and to promote further dialogue and actions aiming at improving and customizing standards.

Therefore, in parallel to the concept note, is suggested that the group, with potential support of GIZ and other institutions, could engage in further activities that would tremendously improve the impacts and results provided by the concept note elaboration.

Such activities could run in parallel with the concept note. For such activities, additional resources are required.

Activities shall include:

- ✓ 2016/2017:
  - To gather and systematize information on policy and planning tools and state-of-the-art methodologies regarding sustainable infrastructure in emerging countries.
  - To establish the working group as a hub of information regarding standards/guidelines in sustainable infrastructure in emerging economies – with the support of a website, newsletter, and network of institutions involved (possible via EPF website and newsletter).
- ✓ 2017:
  - To translate existing guidelines/standards into step by step processes and procedures, aiming at creating a framework to be implemented for governments and key-stakeholders.
  - To development on-site pilot project(s) in order to analyze the effects of guidelines/standards and good practices implementation.

- To organize regional workshops in 2017 with leading regional institutions, aiming at:
  - customizing standards in the context of emerging economies, based on (i) territorial approaches, such as forest regions, urban development areas, conflict areas, and (ii) based on challenges and opportunities, related to environmental impacts (climate change, adaptive measures and deforestation) and social and economic aspects (poverty and inequality, economic growth, improvement of local development, and social empowerment).
- To provide sharing findings and a final policy brief, with strong recommendations for public policies and corporate practices.

## EXPERIENCES OF THE INSTITUTIONS INVOLVED/ ONGOING PROJECTS/ FURTHER OPPORTUNITIES

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| <b>GVCES</b> | <b>Ongoing projects:</b> <i>Guidelines for Public Policies and Corporate Practices on Sustainable Infrastructure in the Brazilian Amazon Region</i> : more than 60 institutions involved, including private sector (Bunge Foundation, Itaipu), financial sector (including International Finance Corporation, HSBC, Itaú BBA), World Bank, Ministries of Social Development, Environment and |
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|              | <p>Planning, NGOs (WWF, TNC, IPAM etc.), Federal University of Pará, Fundação Getulio Vargas, Bunge Foundation, among others.</p> <p><b>Opportunities:</b> to expand the initiative’s approach to further national and/or regional projects; to apply the same social technology for social engagement and political dialogue.</p>  |
| <b>CIDAC</b> | <p><b>Ongoing projects:</b> Methodology – Index: social, economic, political and environmental context of infrastructure projects in Brazil</p>   |
| <b>RAP</b>   | <p>RAP is an independent and nonpartisan team of experts whose staff is comprised primarily of former air and power sector regulators. RAP helps energy and air regulators and NGOs navigate the complexities of power sector policy, regulation, and markets, so they can most effectively assist in the transition to clean, reliable, and cost-effective energy resources.</p>   |
| <b>WRI</b>   | <p><b>Previous experience:</b> Environmental and Social Risks Management Studies in Overseas Investment; Green Finance Mapping and Methodology with the International Development Finance Club; Green Finance Reform and Green Transformation under the China Council for International Cooperation on Environment and Development.</p> <p><b>Projects under development:</b> Environmental and Social Risks Management Capacity Building for the Silk Road Fund and China Export and Import Bank; International Best Practices in Green Finance with the Asian Development Bank.</p> |