



TIER 2 INDICATOR TECHNICAL NOTE

NUMBER OF INFRASTRUCTURE PROJECTS SUPPORTED THAT MEET G20 PRINCIPLES FOR QUALITY INFRASTRUCTURE INVESTMENTS, OR SIMILAR INTERNATIONALLY AGREED STANDARDS

Last updated: April 2024

DEFINITION

Infrastructure Projects are defined as the physical assets and systems in a range of sectors that are critical for economic development and quality of life of a country, region or community, such as transportation systems, communication networks, electrification, sewage and water supply, schools and health centres. The term infrastructure ‘projects’ is used interchangeably with infrastructure ‘investments’.

G20 Principles for Quality Infrastructure Investments are internationally agreed principles which reflect a shared aspiration and common strategic direction amongst G20 countries for quality infrastructure investment. These principles highlight the importance of creating positive social, environmental and economic outcomes, which are enabled by open and transparent governance. The principles can be found [here](#).

Internationally agreed standards are comparable standards that reflect DFAT’s commitment to ensuring the infrastructure it finances is high quality, resilient and sustainable. There are a myriad of internationally agreed standards, which reflect these core principles and are aligned with the G20 principles for Quality Infrastructure Investments. Examples of similar standards or principles include:

- Pacific regional infrastructure principles
- The Blue Dot Network (BDN)
- [The Sendai Framework for Disaster Risk Reduction \(2015-2030\)](#)- United Nations Office for Disaster Risk Reduction (UNDRR)
- UK Responsible Infrastructure Investment – Non-Paper
- The OECD’s [policy guidance tool for quality infrastructure investment](#)
- The World Bank’s social and environmental framework
- IFC Performance Standards on Environmental and Social Sustainability
- Asian Development Bank Environmental and Social safeguards
- Equator Principles

DFAT’s principled approach to infrastructure financing is underpinned by the department’s internal environmental and social safeguard policies. These policies (PSEAH, Child Protection, Environmental and Social Safeguards policy) are comparable to the standards of our likeminded partners. As these international standards for infrastructure are ever-evolving, DFAT will continue to monitor and update this list accordingly.



SCOPE

INCLUDES:

This indicator defines 'supported' as any form of financing or funding arrangement provided by DFAT, including official development assistance. This includes DFAT-funded assistance throughout the infrastructure project life cycle, in areas such as:

- project planning
- project preparation
- procurement
- technical assistance and local capacity building
- governance
- implementation
- maintenance.

Measures

There are three key measures included in the scope of reporting for infrastructure:

- Number of infrastructure projects supported that meet G20 Principles for Quality Infrastructure Investments, or similar internationally agreed standards.
- Number of local people accessing jobs created by new infrastructure projects, disaggregated by gender where possible.
- Examples of improved policies and regulations in the infrastructure sector.

EXAMPLES OF PROJECTS THAT SHOULD BE COUNTED ARE:

- Number of projects supported each year. This does not require the infrastructure project itself to be fully constructed and operational, just that the Australian Government has disbursed funds to support the project in that calendar year.
- Care will be taken to avoid double counting projects where the Australian Government provides support through multiple funding arrangements. For example, where the Australian Government supports the same project through the bilateral aid program, alongside AIFFP financing and multilateral financing (which may come from DFAT core funding), the project should only be counted once.
- The same project may be counted in subsequent years if the Australian Government provides support in multiple reporting periods.

EXCLUDES:

Counting for this indicator does not involve an assessment or quantification of the development or social impact of individual infrastructure projects.



CALCULATION METHOD

Where the Australian Government has provided direct support to an infrastructure project, key project documentation (including design documents, due diligence, social and environmental assessments etc) will be reviewed to determine whether it meets internationally agreed quality standards. In many cases, this review takes place during project design and due diligence and would be confirmed at the time of reporting Tier 2 results.

All AIFFP infrastructure investments that comply with will be deemed to meet these principles provided they have followed the AIFFP Standard Operating Procedures are deemed to meet these principles. These Procedures require projects to incorporate international standards on quality, social and environmental safeguards, GEDSI, the use of local content, quality and climate resilience prior to receiving Board endorsement. Likewise, ODA-funded projects that have been developed inline with DFAT's Aid Programming Guide and DFAT's policies on safeguards, child protection and GEDSI will be deemed to comply with international quality standards.

All projects funded by trusted partners such as the Asian Development Bank, World Bank or Export Finance Australia would be deemed to comply as they meet IFC Performance Standards, Equator Principles and their own safeguard processes and are therefore compliant.

Where an investment is funded by other parties in addition to the Australian Government – such as partner governments, other donors, multilateral organisations or other Australian Government departments and agencies – the result should reflect a pro-rata share of DFAT's funding relative to the total funding. This should be based on Australia's share of the total investment value in the reporting year. The following key factors and example should be considered when calculating Australia's pro rata contribution to results:

1. The total value of the investment (this represents the total of all donor/contributor amounts) for the reporting year – for example, AUD10,000,000
2. Australia's percentage share of the total value of the investment for the reporting year (calculated in the same currency) – for example, Australia provided AUD2,000,000 in the reporting year. $2,000,000/10,000,000 \times 100/1 = 20\%$
3. Total number of infrastructure projects supported (by all donors) in the reporting year – 2,500
4. Australia's pro rata share of the total number of infrastructure projects supported for the reporting year – $20/100 (20\%) \times 2,500 = 500$

DATA SOURCE/S.

- Data sources for reporting for AIFFP financed projects can be drawn from the AIFFP portfolio dashboards.
- Data on non-AIFFP ODA-funded projects can be sourced from AidWorks.
- Project documentation should be reviewed by program managers to assess whether it meets international principles on quality.



Australian Government

Department of Foreign Affairs and Trade

DISAGGREGATION

Reporting of both ODA-funded and non-ODA outputs and outcomes

Consistent with the scope of the development policy *Partnerships for Recovery*, the Tier 2 indicators encompass both ODA-funded and non-ODA contributions to development and reporting of non-ODA contributions will be welcome. Non-ODA contributions may comprise:

- projects supported by non-ODA funding
- unfunded activity such as advocacy or facilitation work
- loans.

They may be undertaken in conjunction with ODA-funded activity or on their own. Reporting of non-ODA activity will be narrative in nature, though financial inputs and output data can be included in narrative examples if useful. All Tier 2 reporting will be unclassified however non-ODA reporting can be marked *Not for reference in publications* as appropriate.

Reporting of non-ODA-funded results will be done by the relevant area or program.