

# PRI RESPONSE

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## B20 SOUTH AFRICA FINANCE & INFRASTRUCTURE TASKFORCE REQUEST FOR INPUT ON DRAFT POLICY PAPER

May 2025

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While the policy recommendations herein have been developed to be globally applicable, the PRI recognises that the way in which policy reforms are implemented may vary by jurisdiction and according to local circumstances. Similarly, the PRI recognises that there may be circumstances where there are merits to allowing market-led initiatives to precede regulatory requirements.

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## ABOUT THE PRI

The Principles for Responsible Investment (PRI) works with its international network of signatories to put the six Principles for Responsible Investment into practice. Its goals are to understand the investment implications of environmental, social and governance (ESG) issues and to support signatories in integrating these issues into investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole.

The six Principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a range of possible actions for incorporating ESG issues into investment practice. The Principles were developed by investors, for investors. In implementing them, signatories contribute to developing a more sustainable global financial system.

The PRI develops policy analysis and recommendations based on signatory views and evidence-based policy research. The PRI welcomes the opportunity to respond to the B20 South Africa Finance & Infrastructure Taskforce's request for input on its draft policy paper.

## ABOUT THIS CONSULTATION

The B20 South Africa Finance & Infrastructure Taskforce is preparing a policy paper with recommendations for the G20. The draft policy paper was shared with Taskforce members, including the PRI, for input. The policy paper will be finalized in late June.

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# KEY RECOMMENDATIONS

The PRI welcomes the B20 South Africa Finance & Infrastructure Taskforce's invitation to provide input on its draft policy paper. We support the Taskforce's recommendation on ensuring that infrastructure development is sustainable and resilient, which is consistent with PRI's views on [the policy and regulatory reforms](#) needed to advance the development of infrastructure projects aligned with governments' sustainability commitments and goals.

In the sections below, we offer recommendations on areas in which the B20 South Africa Finance & Infrastructure Taskforce could enhance coherence between its proposed policy actions on infrastructure investment and its sustainability ambition.

The PRI's key recommendations are:

- **Ensure that disclosures on infrastructure projects include relevant sustainability risks, opportunities, and impacts that may be material for investment decisions.**
- **Ensure the development and implementation of national and subnational infrastructure strategies is consistent with government sustainability commitments, incorporates and upholds the UNGPs, and is embedded in a [whole-of-government approach](#) to the economic transition.**
- **Ensure relevant sustainability outcomes are considered throughout the infrastructure project and investment lifecycle.**

# DETAILED RESPONSE

## ENSURE THAT DISCLOSURES ON INFRASTRUCTURE PROJECTS INCLUDE RELEVANT SUSTAINABILITY RISKS, OPPORTUNITIES, AND IMPACTS THAT MAY BE MATERIAL FOR INVESTMENT DECISIONS

The PRI supports the B20 South Africa Finance & Infrastructure Taskforce's recommended Policy Action 1.2: Improve the availability of data and information and leverage this to make data-driven investment decisions. However, the PRI encourages the Taskforce to consider investors' data needs beyond historical returns from infrastructure investments. Investors also need asset level data to understand associated sustainability impacts and sustainability-related financial risks and opportunities.

The further development and alignment of sustainability standards for infrastructure must be supported by consistent reporting across the infrastructure value chain. This requires standardised reporting on sustainability outcomes in infrastructure that is aligned with international standards and frameworks such as the Sustainable Development Goals (SDGs), UN Guiding Principles on Business and Human Rights (UNGPs), and the Paris Agreement.

Disclosure requirements for infrastructure must align with broader global reporting standards development. They should also:

- Support the development and availability of more consistent indicators and contextual information on resilience to sustainability risks;
- Assess performance alignment with long-term sustainability objectives and how this influences long-term value; and
- Provide current and forward-looking information on future performance and plans to achieve this.

Policymakers and regulators should also collaborate to ensure that data is reliable and comparable across jurisdictions and time horizons, allowing investors with global portfolios to aggregate this information more easily and meet their own growing sustainability reporting requirements. Variation from reporting norms should provide contextual information that investors need, without compromising the comparability of information provided.<sup>1</sup>

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<sup>1</sup> The FAST-Infra Label and the Blue Dot Network are two examples of efforts to address the needs of investors.

## **ENSURE THE DEVELOPMENT AND IMPLEMENTATION OF NATIONAL AND SUBNATIONAL INFRASTRUCTURE STRATEGIES IS CONSISTENT WITH GOVERNMENT SUSTAINABILITY COMMITMENTS, INCORPORATES AND UPHOLDS THE UN GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS, AND IS EMBEDDED IN A WHOLE-OF-GOVERNMENT APPROACH TO THE ECONOMIC TRANSITION**

The PRI supports the B20 South Africa Finance & Infrastructure Taskforce's recommended Policy Action 3.1: Champion development, sustainability, and resilience as interdependent. As noted in recommended Policy Action 3.1.1, Emerging Markets and Developing Economies (EMDEs) have "a unique opportunity to pursue a new model of development, with sustainable infrastructure at its core". While the Taskforce rightfully notes that this model should focus on fostering inclusive growth and ensuring all segments of society benefit from development efforts, the PRI suggests elaborating further on how the development and implementation of national and subnational infrastructure strategies that are part of the proposed development model tailored for EMDEs should align more broadly with government sustainability commitments, the UNGPs, and a whole-of-government approach to the transition to a net zero economy.

The PRI agrees with the Taskforce that the G20 should prioritize sustainable infrastructure initiatives that are aligned with Nationally Determined Contributions (NDCs) and transition plans. However, the PRI recommends the G20 also prioritize sustainable infrastructure initiatives that are aligned with other government sustainability commitments such as the SDGs and adhere to the UNGPs.

## **ENSURE RELEVANT SUSTAINABILITY OUTCOMES ARE CONSIDERED THROUGHOUT THE INFRASTRUCTURE PROJECT AND INVESTMENT LIFECYCLE**

The PRI agrees that the G20 should "place greater emphasis on a whole of lifecycle approach for assessing the environmental impacts of projects as well as for considering resources required and risks posed throughout build, operation, maintenance and decommissioning phases". However, the PRI recommends all material sustainability outcomes, not only environmental ones, be considered at every stage of the infrastructure lifecycle. This includes the initial planning and design phase as well as procurement.

Too often, there is a lack of alignment between different infrastructure players on what, and how, sustainability goals are to be prioritised and achieved. In particular, upfront cost concerns are often seen as an obstacle to embedding relevant sustainability outcomes in greenfield infrastructure. However, considering such costs over the full infrastructure lifecycle can lead to better long-term sustainability and financial outcomes. As such we recommend that:

- Policymakers should develop infrastructure strategies that integrate key concepts, such as the protection of biodiversity, circularity, and respect for human rights. These concepts (and their financial considerations) should be embedded throughout the infrastructure lifecycle and across the investment chain, including government, banks, investors, project developers and the supply chain.
- Particular focus should be placed on mandating that meaningful stakeholder engagement is as the heart of the development of new infrastructure – for example, seeking collaboration on just transition plans with workers and communities reliant on the fossil fuel sector, or ensuring the equitable participation of indigenous groups and/or disadvantaged communities.

*The PRI has experience of contributing to public policy on sustainable finance and responsible investment across multiple markets and stands ready to support the work of the B20 South Africa further to accelerate the development of sustainable infrastructure across the globe.*

*Please send any questions or comments to [policy@unpri.org](mailto:policy@unpri.org).*

*More information on [www.unpri.org](http://www.unpri.org).*