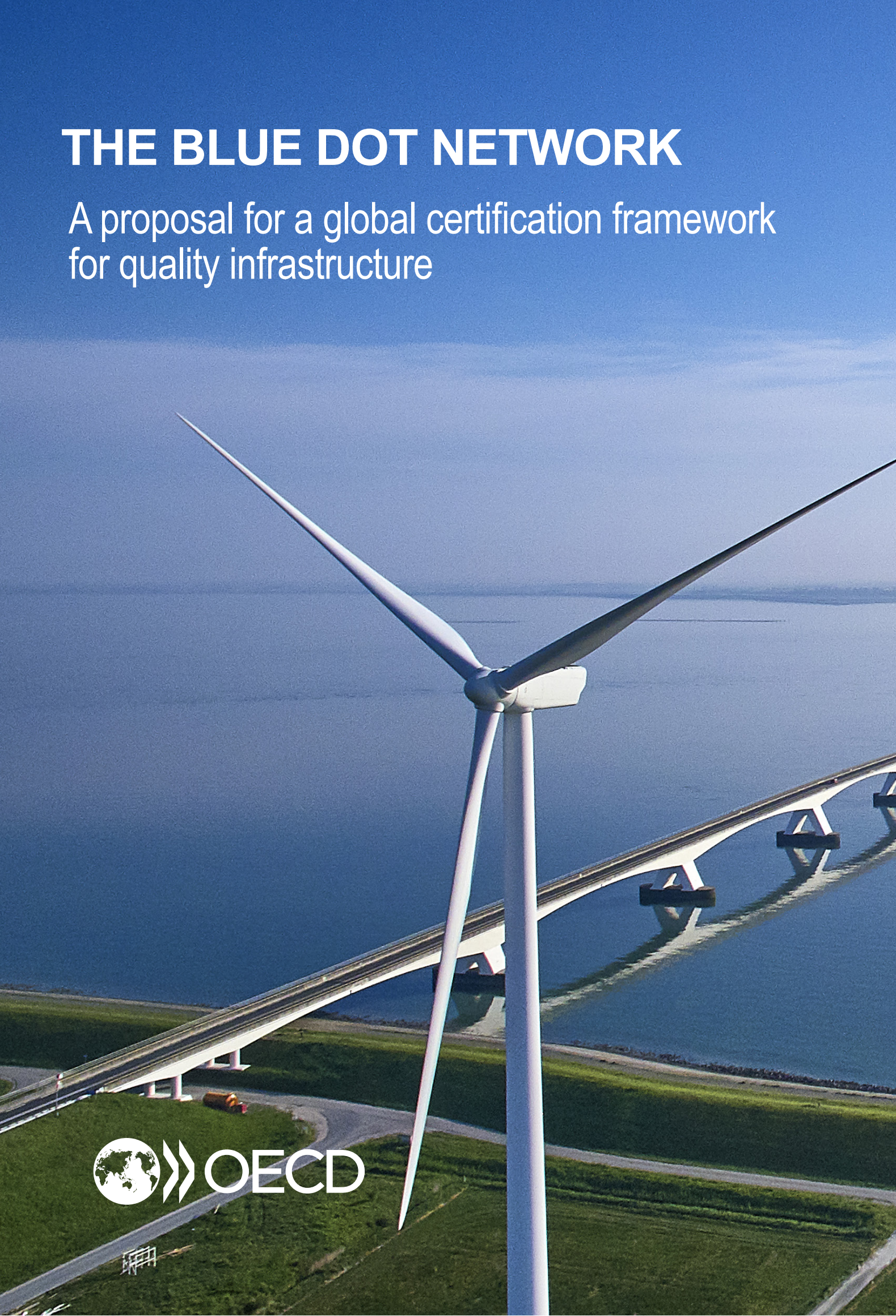
THE BLUE DOT NETWORK

A proposal for a global certification framework for quality infrastructure



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LOOK AGAIN AT THAT DOT. THAT'S HERE. THAT'S HOME. THAT'S US. ON IT EVERYONE YOU LOVE, EVERYONE YOU KNOW, EVERYONE YOU EVER HEARD OF, EVERY HUMAN BEING WHO EVER WAS, LIVED OUT THEIR LIVES. […] TO ME, IT UNDERSCORES OUR RESPONSIBILITY TO DEAL MORE KINDLY WITH ONE ANOTHER, AND TO PRESERVE AND CHERISH THE PALE BLUE DOT, THE ONLY HOME WE'VE EVER KNOWN.

—**Carl Sagan**

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Foreword

Worldwide, billions still lack access to basic infrastructure such as clean energy and water, healthcare services, and communication infrastructure. Moreover, to meet the goals of the Paris Agreement and limit global warming to 1.5ºC from pre-industrial times, the OECD estimates that global investments in infrastructure need to increase by approximately USD 3 trillion annually.

The world needs effective global co-operation and innovative approaches to ensure we align infrastructure investment with sustainable outcomes. Quality infrastructure investment, based on international standards, delivers benefits for citizens, communities and end-users, and represents a key pillar of the economic recovery by creating quality jobs and enhancing productivity. However, public resources alone will not be enough to meet present and future infrastructure needs and private sector investments will also be required to bridge the investment gap.

The Blue Dot Network represents an innovative solution to help mobilise private sector investment by identifying and encouraging market-driven, transparent and sustainable infrastructure projects. It establishes a voluntary, private-sector focused, government-supported project-level certification scheme developed in alignment with the *G20 Principles for Quality Infrastructure Investment,* the *Sustainable Development Goals,* the *International Finance Corporation (IFC) Performance Standards*, the *Equator Principles*, the *OECD Guidelines for Multinational Enterprises* and the *OECD Recommendation on the Governance of Infrastructure*. By promoting, facilitating and streamlining the application of international standards and best practices, the Blue Dot Network aims to create a level playing field and build trust around quality infrastructure investments.

This document presents an evidence-based proposal for a credible, efficient, transparent and sustainable certification framework that can provide a basis for operationalising the Blue Dot Network. It synthesises more than a year of intensive research and multi-stakeholder consultations.

The governments of the United States, Australia and Japan initiated the Blue Dot Network to support and attract investment into quality infrastructure. At the request of the founding governments, the OECD is providing technical support and has convened an informal Executive Consultation Group of over 170 business and civil society leaders to inform the development of the certification framework.

The principles of quality infrastructure investment reflect a commitment to market-based economic principles, transparency and accountability, the rule of law, gender equality, the protection of human rights, and the promotion of environmental sustainability. The proposed design for the Blue Dot Network presented by the OECD puts these shared values at the centre of the future of infrastructure development in an effort to leave no one behind, protect the environment and improve lives everywhere.

Mathias Cormann
OECD Secretary-General

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The report was developed under the guidance of the Blue Dot Network Steering Committee composed of representatives from Australia's Department of Foreign Affairs and Trade (DFAT), Japan's Ministry of Foreign Affairs (MOFA), the Japan Bank for International Cooperation (JBIC), the U.S. Department of State, the U.S. Agency for International Development (USAID), and the U.S. International Development Finance Corporation (DFC).

The report was enriched with inputs and comments from colleagues across the OECD including Edwin Lau, Paulo Magina, Nicolás Penagos, Virginie Marchal, Kumi Kitamori, Allen Jorgensen,Tihana Bule and Hannah Koep-Andrieu. Rita Guelzim and Pauline Gautrot also provided analytical support throughout the process. It built on contributions provided by Zuzana Smidova and David Turner. Pamela Duffin and Liv Gudmundson provided valuable editing, formatting and graphical design assistance and advice.

Numerous OECD colleagues also contributed to the development of the certification framework including Ana Maria Ruiz, Raffaelle della Croce, Dejan Makovsek, Mathieu Cahen, Denis Bravenec, Paul Whittaker, Benjamin Katz, Virginie Marchal, Elodie Pierre, Jane Ellis, Edward Perry, Coline Pouille, Raphael Jachnik, Douglas Herrick, Michael Mullan, Deger Saygin, John Dulac, and Takayoshi Kato.

The report has also benefited from an ongoing dialogue and inputs from the Blue Dot Network Executive Consultation Group, a group of over 170 senior leaders from the private sector, civil society, trade unions and academia providing high-level and technical guidance to the OECD on the development of the Blue Dot Network.

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Executive summary

> "Look again at that dot. That's here. That's home. That's us. On it everyone you love, everyone you know, everyone you ever heard of, every human being who ever was, lived out their lives. […] To me, it underscores our responsibility to deal more kindly with one another, and to preserve and cherish the pale blue dot, the only home we've ever known."
>
> Carl Sagan, Pale Blue Dot, 1994
> *(Commenting on an image of the earth taken by the Voyager 1 spacecraft as it was leaving the solar system)*

Quality infrastructure provides a foundation for future human prosperity and well-being while protecting the planet. The Blue Dot Network, founded by the governments of Australia, Japan and the United States, aims to support and attract investment into quality infrastructure in order to help bridge the estimated USD 2.5-3.5 trillion infrastructure investment gap and support the pathway to global net-zero emissions. It seeks to achieve this by establishing a voluntary, private-sector focused, government-supported and globally-recognised framework that encourages quality infrastructure investment through certifying projects that are environmentally and socially sustainable, resilient, open and inclusive, transparent, debt-sustainable and economically efficient. At the request of the founding members, the OECD has provided technical support and policy advice, and convened stakeholders in the form of an Executive Consultation Group, comprising over 170 senior leaders from the private sector, civil society, trade unions and academia, to assist in developing a certification framework and a review mechanism. The findings in this report outline suggestions made by the OECD with input from stakeholders to operationalise the Blue Dot Network.

Quality infrastructure projects should be developed in alignment with the G20 Principles for Quality Infrastructure Investment and other relevant standards such as the IFC Performance Standards, the Equator Principles and the OECD Guidelines for Multinational Enterprises. They are projects that are more likely to deliver beneficial outcomes for society while lowering risks for investors and stakeholders. The Blue Dot Network Vision Statement and the ten Blue Dot Network Elements express the core values of quality infrastructure investment.

The operationalisation of quality infrastructure investment through a global certification framework, as envisaged by the Blue Dot Network, will yield significant benefits for citizens, communities and end-users. It will contribute to achieving sustainability goals such as the Paris Agreement, help to build back better from the COVID-19 pandemic, and attract private investment in infrastructure. Conversely, it can help to avoid low-quality infrastructure projects that impose high costs on society through the corrupt diversion of funds, environmental and social harm, or unsustainable debt levels.

A Blue Dot Network certification aims to provide a trusted signal to investors, communities and other important stakeholders that a project is aligned with internationally-agreed standards for quality

infrastructure investment. It can thus assist low- and middle-income economies to attract financing by sending a clear message to the market that a project is sound and has addressed a number of key risks. For infrastructure developers and contractors it can help establish a global level playing field by placing fair competition, open procurement, transparency and anti-corruption at the centre of project development. A global certification framework can thus promote a “race to the top” by catalysing a shift in behaviour among all actors in the infrastructure value chain.

These conclusions are supported by an extensive literature review and the results of a survey of global private sector and civil society organisations which found very significant demand for a credible and trusted certification regime for quality infrastructure projects.

A Blue Dot Network certification framework that delivers these benefits for governments, investors and other stakeholders has the following qualities:

- Focused on infrastructure projects, and applied throughout the entire life cycle.
- Open and inclusive of all projects, irrespective of location or owner, as long as they are aligned with the Blue Dot Network elements.
- Does not create a new standard, but seeks to streamline and facilitate the implementation of existing widely-accepted standards and instruments.
- Credible and evidence-based while minimising the overall cost and burden for participants.
- Supports private sector investment while recognising that quality infrastructure is a joint public-private responsibility.
- Recognises that project developers and jurisdictions have varying levels of capacity, and encourages progressive realisation of requirements for impactful projects.

The OECD-proposed certification framework is designed to ensure that projects are aligned with a core set of requirements while recognising those that outperform in certain areas. In this way, the Blue Dot Network can provide confidence to stakeholders as to the robustness of projects that meet basic standards while incentivising better performance.

A Blue Dot Network certification for quality infrastructure projects has three components:

1. **A set of essential requirements** for determining the basis for awarding a certification.

   To be certified, a project must demonstrate alignment with a set of essential requirements derived from over 70 commonly applied international standards and frameworks that the OECD has identified through a comprehensive mapping exercise.

2. **A scoring system** that translates compliance with individual requirements into an assessment for the entire project.

   A point-based scoring system will recognise progressively higher levels of quality infrastructure. Thus, a project that excels in particular areas will be granted additional points. The overall performance of certified projects will be distinguished by how many Blue Dots they receive (between one and three).

3. **An efficient and credible review process.**

   The review process will consist of an initial self-assessment conducted by the applicant, followed by an independent verification by a third-party. In an effort to generate efficiencies, the Blue Dot Network will seek to recognise existing due diligence procedures conducted by Development Finance Institutions (DFIs) and other financing agencies, and existing labels and certification schemes that share similar values and criteria with the Blue Dot Network.

While the Blue Dot Network certification is open to all infrastructure projects, irrespective of location, ownership or stage in the life cycle, it seeks in particular to support projects in low- and middle-income countries where the need for investment in quality infrastructure is greatest. Considering that projects in those jurisdictions may initially lack the capacity or experience to meet all the requirements for certification, the OECD proposes that capacity building tools and programmes, along with access to a community of practice, could play a role in assisting stakeholders to obtain certification.

Looking forward, the certification framework will be calibrated using real infrastructure projects to ensure that it is efficient, operable in different regions and sectors, and is adapted to the various phases of a project's life cycle. In addition, to enhance the efficiency and robustness of the certification, the OECD suggests that the Blue Dot Network leverage a variety of external data sources and technologies, such as data analytics and artificial intelligence. An integrated data platform could be developed to optimise workflow, automate certain aspects of the certification, and cross-check data points against third-party data sources.

This report was prepared by the OECD Secretariat in coordination with the Blue Dot Network Steering Committee, but it reflects the analysis of the OECD. The OECD's role is to provide technical support and suggestions to the Steering Committee, which makes all final decisions on the design and the implementation of the Blue Dot Network.

1 Operationalising quality infrastructure investment through the Blue Dot Network

Bridging the infrastructure investment gap

The Blue Dot Network is being developed to tackle the USD 2.5-3.5 trillion global infrastructure investment gap in a way that is effective and sustainable over the long-term. The initiative was founded by the governments of Australia, Japan and the United States to establish a globally-recognised certification framework for quality infrastructure projects.[1] It brings together governments, the private sector and civil society organisations to promote a shared vision of quality infrastructure investment that is open and inclusive, transparent, economically efficient, financially viable, fiscally-sound, debt-sustainable, resilient, and environmentally and socially sustainable. The Blue Dot Network aims to translate internationally agreed quality infrastructure standards into a project-level, evidence-based certification framework.

The report provides analysis by the OECD on options for a certification framework for quality infrastructure projects for consideration by the Blue Dot Network Steering Committee. The report begins by providing an overview of the key benefits of quality infrastructure investment, and assessing private sector and civil society demand for a global certification framework. It then sets out a possible architecture for the certification framework, along with a design for a scoring system for rating projects. Finally, it puts forward a proposal for a credible, legitimate and efficient review process. The report concludes by outlining some of the next steps suggested by the OECD for operationalising the certification framework.

The G20 Principles for Quality Infrastructure Investment[2] provide an internationally-recognised standard to assist countries in pursuing investments that maximise the positive economic, social, environmental and development impact of infrastructure. The Blue Dot Network does not aim to create a new standard; instead it seeks to operationalise widely accepted and existing frameworks, principles and standards, such as the *Sustainable Development Goals,* the *IFC Performance Standards*, the *Equator Principles,* the *OECD Guidelines for Multinational Enterprises* and the *OECD Recommendation on the Governance of Infrastructure,* among others, at the project level through the establishment of a voluntary private-sector-focused and government-supported certification framework.

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[1] The development of the Blue Dot Network is governed by a Steering Committee composed of representatives from Australia's Department of Foreign Affairs and Trade (DFAT), Japan's Ministry of Foreign Affairs (MOFA), the Japan Bank for International Cooperation (JBIC), the U.S. Department of State, the U.S. Agency for International Development (USAID), and the U.S. International Development Finance Corporation (DFC).

[2] The G20 Principles for Quality Infrastructure Investment were developed under the Japanese G20 Presidency and endorsed by the G20 Leaders in 2019 (G20, 2019[6]).

It is an unfortunate reality that infrastructure investments that fail to respect international norms can impose high costs on society through the corrupt diversion of funds, environmental or social harm, and unsustainable debt levels. Quality infrastructure investment, based on international standards certified with one or more Blue Dots, will help ensure that infrastructure delivers benefits for citizens, communities and end users, protects the environment and human well-being, and provides value-for-money in view of project life cycle costs. It also represents a key policy pillar for governments seeking to build back better from the COVID-19 pandemic. Further, it provides a framework for civil society to engage with and monitor environmental, social and human rights commitments on infrastructure projects.

For low- and middle-income countries in particular, the Blue Dot Network could assist governments and businesses alike to make well-informed infrastructure development decisions that take into account the various costs and benefits of proposed projects. In doing so, it ensures that investment in infrastructure contributes to sustainable growth and development, and provides value for money for users and taxpayers (Figure 1). The Blue Dot Network could also play a crucial role in assisting low- and middle-income countries to mobilise private investment by ensuring that infrastructure projects are well-planned and managed, and procured in an open and transparent manner.

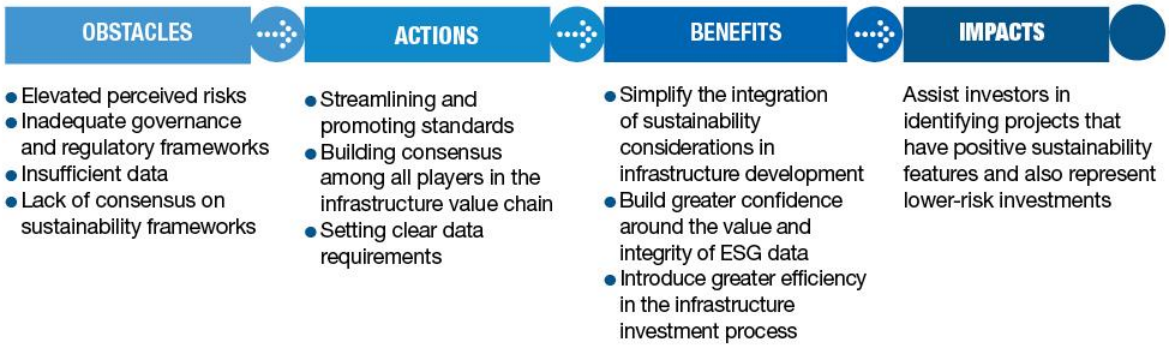
Figure 1. The Blue Dot Network promotes the benefits of the G20 Principles for Quality Infrastructure Investment

Note: This diagram lists some of the benefits resulting from the implementation of the G20 Principles for Quality Infrastructure Investment.

Finally, the Blue Dot Network could help governments avoid the pitfalls of low-quality infrastructure projects. For example, on average, more than one-third of the resources spent on creating and maintaining public infrastructure are lost due to inefficiencies resulting from either poor management or corruption (IMF, 2015[1]; Schwartz et al., 2020[2]). Infrastructure projects that cause environmental impacts (such as high-levels of air pollution or destruction of biodiversity) can result in adverse impacts on human health and lost productivity, or hinder the ability of ecosystems to provide vital necessities such as clean water. Investments that fail to protect the health and safety of workers or the well-being of affected communities generate social costs for societies and may face resistance from local communities that result in project delays. In the context of scarce fiscal resources, it is paramount that infrastructure investments yield the greatest possible benefits while imposing the least amount of costs.

Furthermore, quality infrastructure has the potential to form a significant component of the portfolios of institutional investors, particularly those with a long-term investment and environmental, social and governance (ESG) focus. However, investors face numerous obstacles relating to elevated perceived risks, inadequate governance and regulatory frameworks, insufficient data, and lack of consensus on sustainability frameworks (see section below “Strong demand for a global certification framework”). The Blue Dot Network could facilitate more private financing for infrastructure by reducing investment risk and increasing project transparency through promoting and streamlining standards, setting clear data requirements, and building consensus among all players in the infrastructure value chain on the essential features of quality infrastructure (Figure 2).

Figure 2. The Blue Dot Network can facilitate investment in quality infrastructure

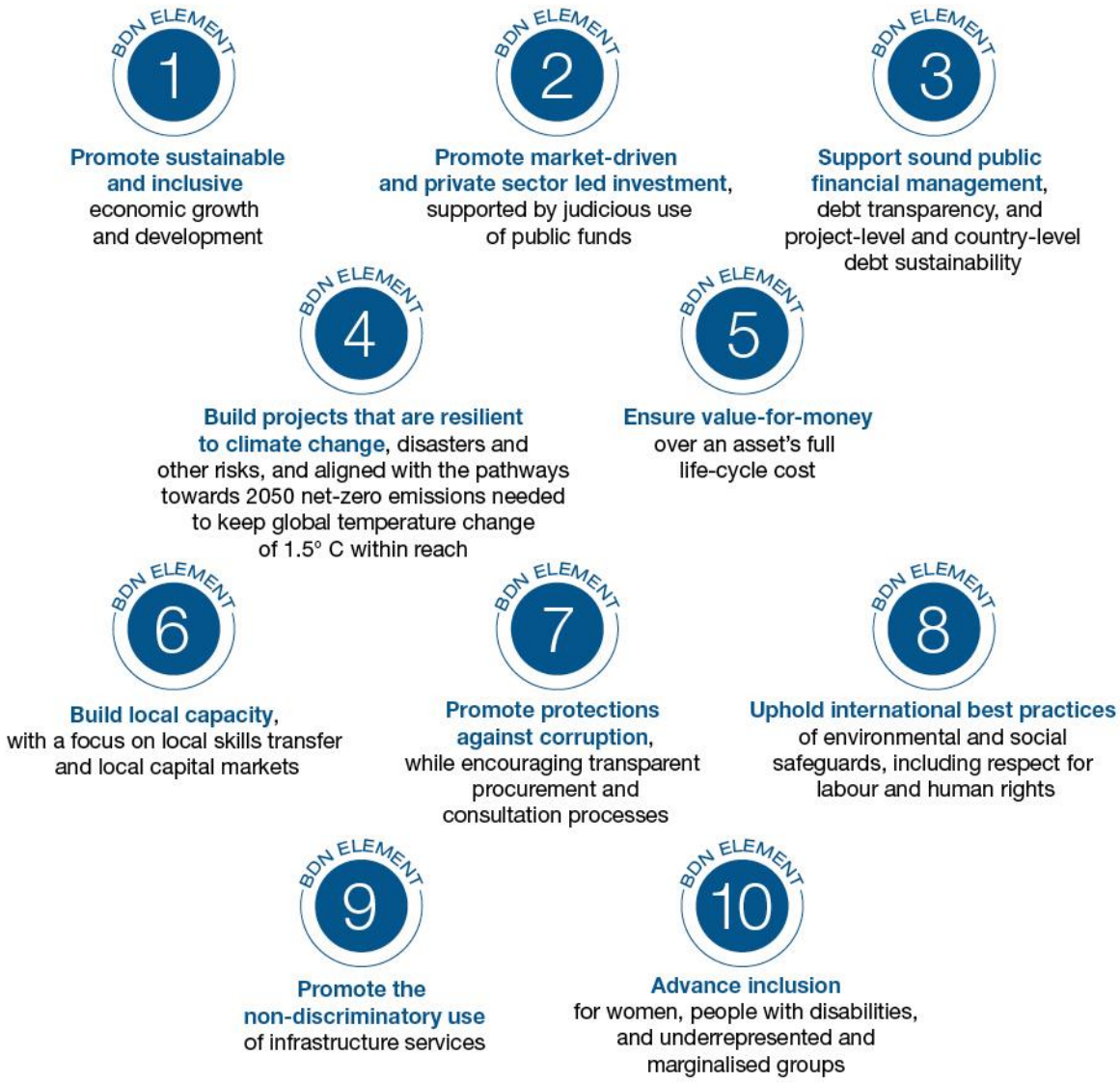


Ultimately, the Blue Dot Network could help to establish better alignment between contracting authorities, project developers, engineering and construction firms, and investors, and thereby ensure that projects are developed with a common understanding of sustainability criteria from the earliest stage of project development. Project developers can therefore be confident that a project that satisfies Blue Dot Network requirements will meet the expectations of major financing institutions. Finally, by placing fair competition, open procurement, transparency and anti-corruption at the centre of project development, the Blue Dot Network aims to establish a level playing-field for project developers and contractors globally.

Blue Dot Network (BDN) Elements

At the core of the Blue Dot Network are the 10 BDN Elements (Figure 3).[3] These elements represent the high-level objectives that the initiative seeks to promote. They provide an overarching framework for implementing quality infrastructure investment that is derived from the G20 Principles for Quality Infrastructure Investment.

Figure 3. The Ten BDN Elements of the Blue Dot Network



[3] The BDN Elements of the Blue Dot Network were agreed on by the governments of Australia, Japan and the United States in 2019, and updated in 2021. See: https://www.state.gov/blue-dot-network-vision-statement/

Quality infrastructure investment: A joint public-private responsibility

As a core aim of the Blue Dot Network is to help bridge the infrastructure investment gap, an important focus is increasing the confidence of private sector investors in infrastructure projects. Infrastructure development involves a complex ecosystem of investors, developers, contractors and service providers. It is important that the views of these various parties are taken into account to ensure that the framework addresses their needs. The development of the certification framework has therefore been informed by an extensive and ongoing engagement with the private sector and civil society.[4]

Nevertheless, privately financed projects require the joint efforts of the public and the private sector to deliver the desired benefits to end-users and society. The public sector is typically responsible for planning, preparing and regulating infrastructure. Their policies and actions will be determine in large part whether a private investment meets its objectives and delivers benefits for society. This joint responsibility is reflected in the 10 BDN Elements, a number of which depend on the actions of the public sector. The certification framework will recognise this joint responsibility to catalyse projects that have a high positive impact.

While highlighting the global need to increase investment in infrastructure, especially from the private sector, the Blue Dot Network does not advocate for any particular type of financing. The certification can therefore be applied to projects that are either publicly, privately, or co-financed.

Development of the certification framework

The development of the certification framework is being led by the Blue Dot Network Steering Committee which is composed of representatives of the governments and relevant public finance institutions of Australia, Japan and the United States. The OECD's Trust in Business initiative is coordinating technical support (Box 1) for the development of the Blue Dot Network, including through mobilising an informal Executive Consultation Group (ECG), with more than 170 leaders from the private sector, civil society, trade unions and academia, to provide high-level guidance for the design and operationalisation of a certification framework. To ensure that the Blue Dot Network meets the needs of developed and developing economies alike, participants in the ECG include representatives from all regions of the world.

[4] Please see: Towards a global certification framework for quality infrastructure investment: Private sector and civil society perspectives on the Blue Dot Network - Highlights (oecd.org)

Box 1. OECD technical support for the Blue Dot Network

At the request of the founding members of the Blue Dot Network the OECD, through its Trust in Business initiative*, has coordinated technical support on the Blue Dot Network. The technical support has drawn on expertise from across the OECD and has included contributions from the Centre for the Responsible Business Conduct (Directorate for Financial and Enterprise Affairs), the Public Governance Directorate, the Environment Directorate, and the Economics Department. Key OECD policy bodies have been updated on an ongoing basis on the technical support provided to the Steering Committee. As part of this technical support the OECD has:

- Developed an evidence base on the benefits of quality infrastructure investment with a view to building the value proposition of the BDN.
- Established an informal Executive Consultation Group with over 170 global leaders and experts from the private sector, civil society, trade unions and academia to inform the development of a global certification framework and review process. The Executive Consultation Group members have provided technical input through bilateral, and thematic working group meetings to support the development of a proposal for the Blue Dot Network.
- Surveyed stakeholders from the private sector and civil society on the need and demand for a global certification framework for quality infrastructure projects.
- Mapped international standards and assessment frameworks against the 10 BDN Elements.
- Developed a proposal for a certification framework for quality infrastructure projects consisting of criteria against which to assess projects; a scoring system for rating projects; and a credible and efficient review process to assess, verify and certify infrastructure projects.

* *https://www.oecd.org/daf/ca/trust-business.htm*

2 Why is a global certification framework for quality infrastructure projects necessary?

Quality infrastructure investment delivers positive outcomes

The 10 BDN Elements are the foundation for operationalising quality infrastructure investment. They provide a common framework to identify and reward quality infrastructure projects. The elements encompass, yet go beyond, traditional ESG criteria and seek to address key challenges faced by the various parties in the infrastructure value chain including investors, developers, workers, communities, contractors and contracting authorities. They establish a shared understanding among stakeholders across regions and sectors on the basic dimensions of quality infrastructure projects. The Blue Dot Network certification framework will therefore assist projects that meet international standards to mobilise support from stakeholders.

As part of its technical support for the Blue Dot Network, the OECD analysed the benefits of quality infrastructure investment based on a comprehensive review of the literature and existing research. The analysis found that the operationalisation of quality infrastructure investment, as envisaged by the Blue Dot Network, yields significant benefits for both communities and societies, and can promote private investment in infrastructure.

Supporting the recovery from the COVID-19 crisis

As the world works to recover from the economic devastation of COVID-19 infrastructure investment has the potential to stimulate demand and create jobs while increasing productive capacities in the medium-term and supporting long-term development priorities. The benefits of infrastructure investment can extend beyond the immediate economic stimulus and direct job creation to encompass positive spill-over effects on the wider economy and productivity improvements that enhance long-term economic growth (OECD, 2020[3]). According to the IMF, an increase in public investment of 1 percent of GDP increases employment by between 0.9 and 1.5 percent over two years during periods of high uncertainty (IMF, 2020[4]).

Ensuring infrastructure investment delivers long-term benefits for all

The contribution of infrastructure investment to productivity growth depends, crucially, on the efficiency of that investment. Regrettably, on average, more than one third of the resources spent on creating and maintaining public infrastructure are lost due to inefficiencies resulting from either poor management or corruption (IMF, 2015[1]; Schwartz et al., 2020[2]). The strength of a country's infrastructure governance plays a critical role in enabling countries to reap the benefits from their investments (OECD, 2020[5]). Quality infrastructure investment, which builds in good governance, including open and transparent

procurement, meaningful consultation processes and strong protections against bribery, is therefore a pre-requisite for achieving sustainable long-term growth.

Quality infrastructure investment, as reflected by the 10 BDN Elements, can contribute to reducing negative impacts on the environment through aligning with the goals of the Paris Agreement and avoiding the destruction of biodiversity, and can promote economic development and human well-being. The BDN Elements are also critical for ensuring that the benefits of investments are experienced by those with the greatest need. This can be done by promoting the non-discriminatory use of infrastructure services and advancing inclusion for women, people with disability, and underrepresented and marginalised groups (G20, 2019[6]).

Strengthening resilience

Quality infrastructure investment builds in resilience against a wide range of natural disasters, which are increasingly climate-related, as well as human-made risks such as terrorism and cyber-threats (G20, 2019[6]). Ensuring that infrastructure is resilient to extreme weather, natural disasters, pandemics, and other risks will help to reduce direct losses in lives and assets as well as indirect costs resulting from the disruption of services. This will contribute to achieving the United Nations Sustainable Development Goals to realise the society in which "no one is left behind" based on the concept of human security.[5] Furthermore, investments in resilience can often yield significant savings since the cost of rebuilding public infrastructure after a disaster is typically larger if there was no resilience investment ex ante (Schwartz et al., 2020[2]).

Mobilising private investment

Implementation of quality infrastructure investment can contribute to aligning the interests of governments, citizens and investors through creating pipelines of investable lower-risk projects. In parallel, it can appeal to the growing demand for infrastructure assets that satisfy ESG criteria (OECD, 2020[7]). The Blue Dot Network could assist investors to more easily identify quality projects, and thus help catalyse more private infrastructure financing in low- and middle-income economies.

Strong demand for a global certification framework

The OECD surveyed private sector and civil society organisations from over 30 countries – with broad representation from developed, middle-income and low-income countries - to understand the obstacles to private investment in infrastructure and assess whether a trusted certification could facilitate increased infrastructure investment especially in emerging and developing economies. Encouragingly, survey participants overwhelmingly agreed that a credible and trusted certification regime would increase private sector participation in infrastructure projects and improve appetite to invest in low- and middle-income countries (OECD, 2021[8]). Results show that 97% of all respondents believed that a trusted certification regime would increase their participation in infrastructure projects, and 92% of private sector respondents affirmed that it would increase their appetite to invest in low and middle-income countries.[6]

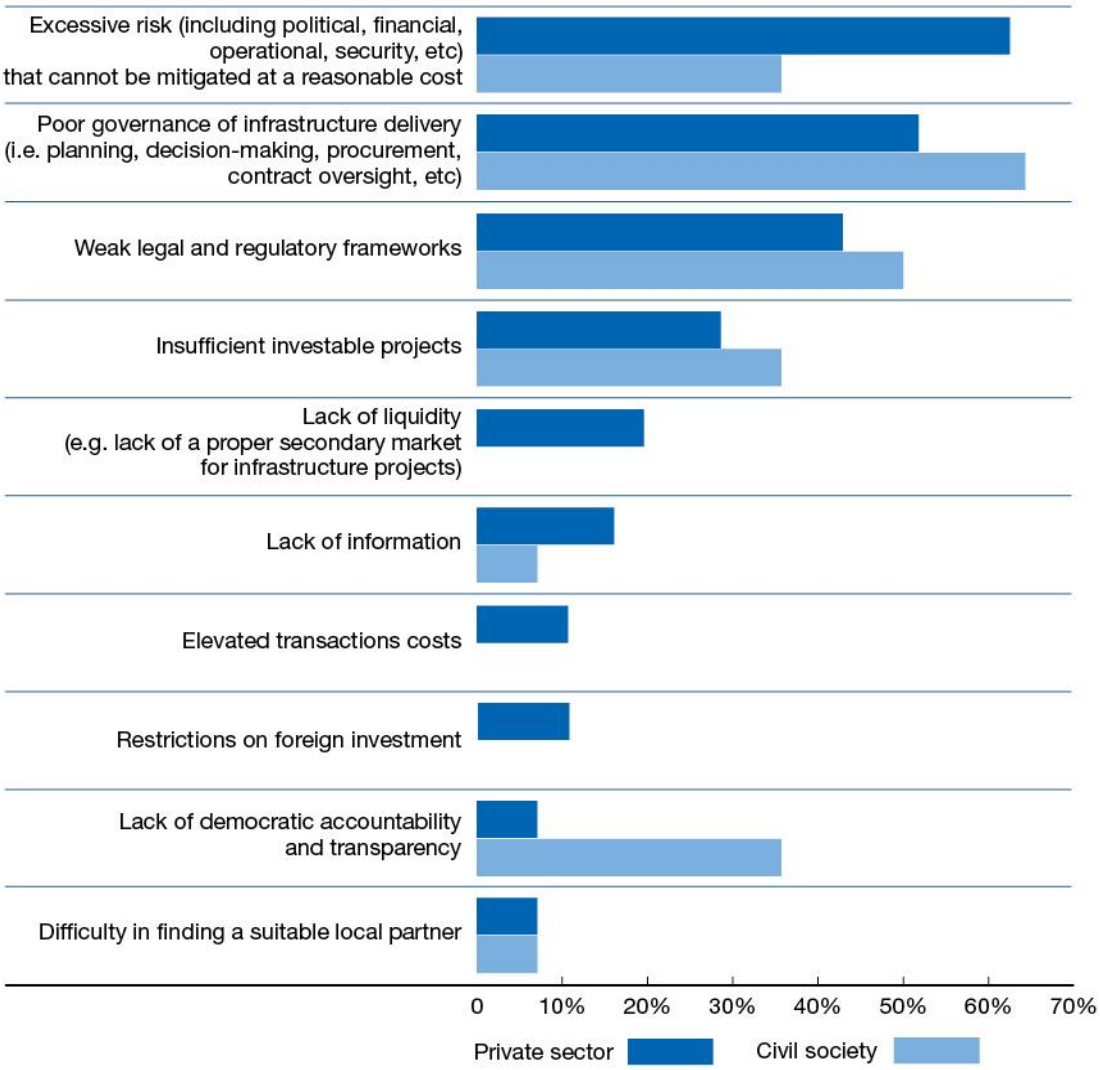
[5] As per the joint Statement of the 12th Mekong-Japan Summit, https://www.mofa.go.jp/mofaj/files/100115097.pdf.

[6] These results were consistent across all regions with little variance between respondents based in developed, middle-income or low-income countries.

Compensate for obstacles and risks faced by the private sector

Stakeholders noted excessive risk, weak public governance of infrastructure and inadequate legal and regulatory frameworks as the principal factors inhibiting private infrastructure investment in low- and middle-income countries (Figure 4). By raising awareness and promoting international standards among low- and middle-income countries, a Blue Dot Network certification may encourage them to implement reforms of their governance systems or regulatory frameworks. This could improve the environment for investors. As a more immediate benefit, a certification would help projects to meet the expectations of international investors and project developers, for instance, with regard to project appraisal, human rights, corruption or environmental protection. By increasing transparency and ensuring that projects are aligned with robust standards and practices, the Blue Dot Network could help to overcome or compensate for some of the primary obstacles and risks faced by the private sector that inhibit their engagement in infrastructure projects in low- and middle-income countries.

Figure 4. Obstacles to investing/operating in infrastructure in low- and middle-income countries by stakeholder group



Note: This figure synthesises the results of a survey of private sector and civil society stakeholders involved in infrastructure development. A total of 91 private sector and civil society organisations responded to the survey. Participants were asked to identify from a multiple choice the main obstacles to investing or operating in infrastructure in low- and middle-income countries.

Build alignment around environmental, social and governance (ESG) standards for infrastructure

A core aim of the Blue Dot Network is to facilitate the application of robust standards and encourage sustainable practices. A majority of organisations participating in the survey reported that they already integrate sustainability considerations and/or ESG metrics as a formal part of their infrastructure investment decision-making, lending or management process. Moreover, 70% of industry respondents reported they already have established or are planning to establish a net-zero emissions target for 2050 or earlier.

While environmental, social and governance issues are central to the activities of most respondents, insufficient or unreliable data and a lack of clarity of applicable standards represent key barriers to applying sustainability considerations. Moreover, existing and emerging frameworks for sustainable infrastructure are strongly focused on environmental and social dimensions, and fail to cover the wider range of issues addressed by quality infrastructure investment (Figure 5). Integrating ESG criteria in infrastructure investment is necessary, but it is insufficient for ensuring investments meet their objectives in a manner that benefits all of society. Without good public governance, considerations of value for money and equal access, and a focus on long-term development objectives, investments are less likely to generate the expected benefits (Schwartz et al., 2020[2]; OECD, 2020[5]).

The Blue Dot Network seeks to fill this gap by creating a global certification framework for operationalising quality infrastructure investment that will also contribute to building alignment around applicable standards and ESG data. Further, by synthesising the requirements imposed by multiple standards, and providing an efficient and user-friendly platform that will guide applicants through the process, the Blue Dot Network could reduce the overall burden for participants.

Figure 5. Quality infrastructure investment provides a holistic approach to infrastructure development that goes beyond standard ESG criteria

Note: 1. Resilience considerations, while not standard in all ESG frameworks, are increasingly being viewed as an important sustainability dimension.

Create complementary incentives for private sector engagement

Private sector and civil society stakeholders also highlighted the potential complementary role a global certification framework could play alongside other incentives such as the provision of risk mitigation instruments, capacity building and project preparation support. When combined, these measures have the potential to unlock vastly larger amounts of private investment for infrastructure.

In particular, stakeholders mentioned the importance of capable public sector counterparts for developing quality infrastructure projects. The provision of capacity building and project preparation support could assist in the development of projects that satisfy Blue Dot Networks requirements.

3 Creating a global certification framework for quality infrastructure projects

The Blue Dot Network aims to translate leading internationally agreed principles of quality infrastructure investment into a project-level, evidence-based, market-driven and global certification framework with an initial focus on emerging and developing economies (U.S. Department of State website, n.d.[9]).

Qualities of the certification framework

The research conducted by the OECD and the information received from stakeholders suggests that the Blue Dot Network certification framework should be underpinned by the following qualities:

- Open and inclusive
- Credible and legitimate
- Replicable and verifiable methodology
- Efficient in terms of time and cost
- Managing expectations and supporting applicants
- Accommodating evolving standards
- Encouraging progression
- Leveraging data and technology
- Shifting behaviours and building capacity

Open and inclusive

The Blue Dot Network should be open and inclusive of all projects, irrespective of location or owner, as long as they satisfy the requirements of the certification framework.

Credible and legitimate

The success of a certification framework will be enhanced by being trusted by its users and stakeholders including governments and civil society. Credibility and legitimacy should be qualities at the forefront of the design of a certification framework. For a certification framework to be credible and legitimate it should be evidence-based and built on international standards that benefit from a broad international consensus. Similarly, the review process should instil confidence in the value of the certification (see Box 2 for an example of how the application and review process could operate).

Box 2. Applying for Blue Dot Network certification: an illustrative example[1]

Consortium ABC has been awarded the contract to build, own and operate a light rail system after participating in a competitive bidding process. The consortium would like to apply for a Blue Dot Network certification for the project as a certification would help it close financing from banks and institutional investors on more attractive terms. It has also made a commitment as part of its winning bid that it would seek to obtain Blue Dot Network certification.

Steps in the Blue Dot Network certification process

As a first step in the process, the project company undertakes a preliminary quick-check (Step 1) using an online checklist to verify whether it is likely to satisfy the essential requirements required to obtain a certification. While not a guarantee of certification, the quick-check self-assessment indicates that the project has a good chance of being certified.

Based on the positive results of the quick-check, the Project Company decides to proceed with an application for Blue Dot Network certification. The full self-assessment involving the submission of evidence to support the claims (Step 2) is performed using the online tool that streamlines the process and tailors the questions based on the nature of the project, the sector and its stage in the life cycle. The applicant conducts an assessment of the project's performance against the criteria for each of the ten BDN Elements. The evidence to support claims (e.g. Environmental and Social Impact Assessment - ESIA) can be uploaded directly via the online tool. Throughout the process, applicants are provided with access to support and guidance.

The next stage in the process involves a verification by an independent reviewer[2] of the results generated by the online tool (Step 3). The reviewer verifies the data and evidence provided to ensure that it supports the claims being made and confirms the outcome of the assessment. In this case, the project meets all the essential requirements and outperforms in a number of dimensions, and is therefore awarded two Blue Dots (Step 4). The certification is valid for a period of five years. During this period, the Project Company submits annual updates addressing key issues and risks, and disclosing any material changes.

Four years later, the construction has been completed and the project is operational. The Project Company decides to renew the certification for another five-year period. In order to renew the certification, the Project Company completes an update to the assessment to provide information relating to the final as-built characteristics and operational performance of the project (Steps 5 and 6).

Notes: 1. This example is solely for illustrative purposes. The design of the application and review process may change. 2. The final choice with regard to the review mechanism has yet to be made.

Replicable and verifiable methodology

A certification should be applied in a consistent manner across all projects and over time. Assessments should be fact-based and not depend on any individual's subjective views.

Efficient in terms of time and cost

Applying for certification should not represent an onerous burden, either in terms of cost or time (see Box 2). This is particularly important in the context of low- and middle-income countries where capacity to develop projects may be lower, and an initiative that is seen as increasing costs or time might not gain broad appeal. The process for applying for certification should be made as efficient as possible all the while maintaining sufficient rigour to ensure its credibility.

Managing expectations and supporting applicants

The certification process should be as predictable as possible in order to manage the expectations of applicants seeking a certification. Support and guidance should be provided throughout the process in the form of manuals, check-lists and capacity building toolkits.[7]

Accommodating evolving standards

International standards regularly emerge or are updated, particularly in areas where technologies and policies are evolving rapidly such as in the realms of digital security and the environment. The certification will not be a static framework based on current standards. New standards will be reviewed and assessed as they emerge, and reflected in the certification framework, where appropriate. Future changes to the certification framework should be informed by a consultation with stakeholders, and determined by the Blue Dot Network Steering Committee.

Encouraging progression

Different sectors and regions have different levels of maturity with regard to the implementation of quality infrastructure investment. A certification framework should reward best-in-class projects, and inspire projects to adopt best practices over time. A framework that encourages progression is more likely to level the playing field globally.

Leveraging data and technology

Where feasible, the Blue Dot Network should leverage data and technology to streamline workflows, automate aspects of the certification, screen projects for high risks, and generally improve the efficiency and reliability of the process. A wide range of data sources are available that could be applied directly or indirectly to the certification process including subject-matter databases providing contextual information, project-level databases and company databases. Moreover, new technology solutions are emerging that apply data analytics and artificial intelligence to analysing infrastructure project data.

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[7] For example, the OECD is developing an Infrastructure Anti-corruption Toolbox (I ACT) that will provide guidance, training and capacity building for building effective anti-corruption systems for infrastructure projects seeking to be awarded a Blue Dot. This toolbox could support jurisdictions and project developers in meeting the requirements of *BDN 7: Promoting protections against corruption while encouraging transparent procurement and consultation processes*.

Shifting behaviours and building capacity

The ultimate aim of the Blue Dot Network is to transform how infrastructure is developed globally so that it delivers long-term benefits for users and citizens while minimising any adverse impacts. The certification can promote a race to the top by catalysing a shift in behaviour, and enhancing the capacities of project developers and governments to develop quality infrastructure. It should be recognised that certain jurisdictions may lack the capacity to meet all 10 BDN Elements underpinning the Blue Dot Network. As suggested by a number of stakeholders surveyed by the OECD, the provision of capacity building, particularly for jurisdictions in low-income countries, could complement the certification framework by assisting them in meeting the requirements.

Key features of the Blue Dot Network certification

The following key features for the certification framework have been identified based on guidance from the founding members of the Blue Dot Network, a review of literature and inputs received from the OECD's consultation with stakeholders from the private sector and civil society.

The project-level focus

The certification will apply to "projects" rather than companies, organisations, countries or other jurisdictions. Projects are the key construct underpinning infrastructure development, both from the perspective of the public sector and the private sector. While the definition and scope of a project can vary substantially, in the context of the certification it will apply to an undertaking that involves developing, maintaining and/or operating an asset or a group of interdependent assets. A project is also the unit that is used for the purpose of raising finance for infrastructure which is a key Blue Dot Network objective. Still a project's impact may depend on a series of complementary investments, initiatives or policies. The certification framework can reflect this reality by recognising such interdependencies.

The certification also recognises that infrastructure projects involve multiple stakeholders including contracting authorities, project developers, contractors, and investors. Each of these stakeholders plays a key role in ensuring a project is delivered successfully and achieves the desired outcomes. Applications for certification may therefore be initiated by a stakeholder with a lead role in developing, managing or operating a project be it a contracting authority, a developer, an operator or an investor.

While recognising the centrality of the project, the certification scheme may accept certain commitments or policies of the sponsor company when these are applied to the level of a project. For instance, a company may have an environmental and social policy that it applies to all of its investments.[8]

Streamline existing standards and frameworks

While the Blue Dot Network will be built on a robust foundation of international standards that are relevant for infrastructure, it will not add to the already substantial collection of standards through the development of any new standards. Rather, it will reduce the burden of complying by identifying relevant aspects within existing standards that relate to infrastructure, emphasising similar aspects and requirements across different standards, and synthesising relevant performance requirements within one single initiative. Further, since project developers, contractors and investors are already subject to a plethora of certification schemes, reporting standards, and sustainability frameworks, the Blue Dot Network will recognise, as far

[8] The role of company policies in the context of meeting certain project-level criteria will be examined further during the pilot phase of the initiative.

as possible, existing widely applied criteria and indicators to further reduce the effort involved in applying for certification.

Building pathways to certification based on existing due diligence processes and certifications

A key quality sought in developing the framework is to minimise the burden and effort of applying for a certification by building on existing recognised due diligence processes and certifications. This may include recognising certain due diligence processes that are closely aligned with the BDN Elements. For instance, in view of the alignment of BDN 8 with the IFC Performance Standards, projects approved by the IFC could be considered to automatically satisfy those criteria. It would be advised that such an approach be extended to other DFIs and ECAs such as the Japan Bank for International Cooperation, (JBIC), Development Finance Corporation (DFC) and Export Finance Australia (EFA).[9]

In addition, the Blue Dot Network should seek, where possible, to extend recognition to existing labels and certification schemes that provide equivalent results across one or more Blue Dot Network criteria, and use review processes that apply similar standards of objectivity.[10] Any recognition of third-party schemes will be conditional on an alignment assessment that evaluates their compatibility in terms of reference standards, criteria, requirements and strength of review process. Eventually, there could be multiple pathways to certification that build on a range of frameworks depending on the region or the sector. Care should be taken to ensure that all the pathways are equivalent and do not yield different results.

Apply throughout the project life cycle

A Blue Dot Network certification is likely to have the greatest impact and provide the most value when applied during the early stages of project development (planning, project preparation, procurement, pre-financial closure).[11] First, it is much easier to plan and design-in quality and sustainability than to make changes once a project is up and running. A certification applied during the planning and project preparation phases will help to shape a project so that it generates the greatest possible positive impact. Second, a certification can instil greater confidence in the quality of a project, and facilitate the process of raising finance or enabling a sale by the project developer.

With this in mind, the application process could be initiated as soon as the key project parameters are known, land has been secured and necessary approvals obtained. In the case of projects involving public procurement (such as for PPPs or concessions), the process could be initiated by the contracting authority and integrated into the request for proposal. For infrastructure developed privately or for regulated infrastructure, the developer could initiate an application process as soon as the key approvals and permits are obtained. While timeframes for project development can vary substantially, the application and review process for a certification should be sufficiently simple and brief so as not to cause project delays.

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[9] This could be extended to other public financial institutions that wish to engage with the Blue Dot Network such as, for example, the European Investment Bank (EIB), KfW, Agence française de development (AFD), CDC (UK), and Export Development Canada (EDC).

[10] Examples of existing labels and certification schemes include FAST-Infra Sustainable Infrastructure Label, SuRE Standard for Sustainable and Resilient Infrastructure, Infrastructure Sustainability Council IS Rating Scheme, Envision and CEEQUAL. Initial discussions held with some leading certification schemes suggest a willingness on their part to engage and to consider mutual recognition.

[11] In view of the sensitivity and competitive implications of the certification information, particularly during the bidding phase, utmost care and legal protections (e.g. through using Non-Disclosure Agreements) will be taken to protect sensitive information and ensure confidentiality, where needed, during and after the application process.

Over time, the Blue Dot Network could accept applications from projects at various stages of development, including from projects that are operational. For instance, there may be circumstances during the operational phase of projects, such as in preparation for a sale or a refinancing, when gaining a certification could be of value.

However, it is advised that certification should not be a one-off. A process should be developed to ensure that assurances are maintained over the life cycle. This is particularly important post-construction to ensure that the project aligns to the extent possible with the original plan and design. It is recommended that any process for renewing a certification should be as simple as possible in order to minimize the burden for applicants.

The certification should accommodate the evolving nature of the information and data that can be generated by the project at different stages of its life cycle. For instance, projects in the planning or preparation stage may not have all the systems in place, or may not be able to generate evidence to support the claims. In some cases, therefore, the OECD proposes that certain claims made at an early stage in the project life cycle may need to take the form of *commitments* that are implemented at a later stage.

How is a Blue Dot awarded?

Components of a certification

The Blue Dot Network certification for quality infrastructure projects is proposed to consist of three components:

1. **Criteria for determining the basis for awarding a certification**. In the case of the Blue Dot Network, these criteria are derived from the 10 BDN Elements (Figure 3). The criteria are expressed as a set of more detailed requirements, organised according to the architecture outlined below.
2. A **scoring system** that translates compliance with individual requirements into an assessment for the entire project.
3. A **review process** that specifies responsibilities and outlines the actions required to achieve and maintain certification.

Architecture of the certification framework

The key features of the Blue Dot Network outlined above are reflected in the architecture for the certification framework which sets out its principal building blocks and how they relate to each other (Figure 6).[12] Inputs from the Executive Consultation Group have helped to ensure that the certification framework is aligned with stakeholder expectations and current practices.

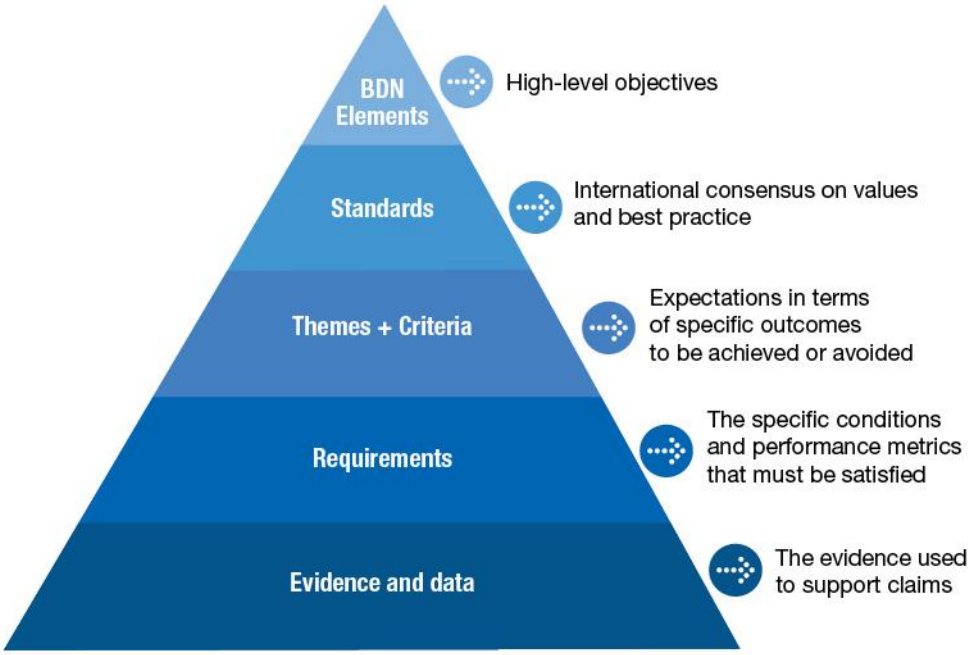
- **Standards:** The certification framework is based on a meticulous mapping of existing standards and assessment frameworks (Box 3). International standards benefiting from widespread international consensus convey the basic values and best practices that are reflected by each of

[12] Criteria and requirements are under development and will seek to balance between credibility and usability.

the BDN Elements. They thus confer legitimacy to the certification and provide the basis for identifying themes and criteria.[13]

- **Themes and criteria:** The themes and criteria consist, respectively, of the broad thematic areas and the specific expectations that projects should meet under each of the 10 BDN Elements in order to gain certification (see Table 1 for a list of themes associated with each BDN Element). They include both actions and outcomes that the project needs to actively pursue (e.g. measures to protect the safety of its workers) and avoid (e.g. the emission of greenhouse gases).
- **Requirements:** Requirements set out the specific conditions and performance metrics for determining whether a criterion has been met. Requirements can be expressed as either qualitative or quantitative performance measures. A given criterion can have multiple requirements that represent different levels of performance, or that reflect the evolving circumstances or data availability at different stages of the life cycle.
- **Evidence and data**: To ensure its credibility, the certification should stand on a foundation of evidence and data. Claims made as part of an application will need to be supported by data and evidence that is verifiable and comparable. Careful consideration will be given to protecting sensitive information submitted as part of the certification process.

Figure 6. Architecture of the Blue Dot Network certification framework



[13] It is important to note that obtaining a Blue Dot Network certification does not require a project to be fully compliant with all the standards identified. In some cases, only certain aspects of a standard are relevant for infrastructure projects. The standards serve to define appropriate criteria that will form the basis of certification.

Table 1. Proposed themes to associate with the BDN Elements of the Blue Dot Network

BDN ELEMENT 1	**Promote sustainable and inclusive economic growth and development**	• SDG alignment • Alignment with national and local development strategies • Job creation • Access to infrastructure services
BDN ELEMENT 2	**Promote market-driven and private sector led investment, supported by judicious use of public funds**	• Private sector participation • Sustainable funding • Competitive environment • Risk allocation and mitigation • Catalytic finance
BDN ELEMENT 3	**Support sound public financial management, debt transparency, and project-level and country-level debt sustainability**	• Disclosure of liabilities • Public financial sustainability
BDN ELEMENT 4	**Build projects that are resilient to climate change, disasters, and other risks, and aligned with the pathways towards 2050 net-zero emissions needed to keep global temperature change of 1.5° C within reach**	• Greenhouse gas emissions • Climate risk • Climate disclosure • Disaster risk assessment • Resilient plans and designs • Emergency preparedness and response
BDN ELEMENT 5	**Ensure value-for-money over an asset's full life-cycle cost**	• Project appraisal and selection based on life cycle assessment • Choice of delivery mode (public-private partnerships vs. traditional procurement) • Competitive procurement based on life cycle costs • Effective project management, monitoring and oversight • Efficient maintenance • Technology and innovation
BDN ELEMENT 6	**Build local capacity, with a focus on local skills transfer and local capital markets**	• Capacity development • Skills transfer • Local capital markets
BDN ELEMENT 7	**Promote protections against corruption, while encouraging transparent procurement and consultation processes**	• Anti-corruption • Transparent procurement
BDN ELEMENT 8	**Uphold international best practices of environmental and social safeguards, including respect for labour and human rights**	• Management of environmental and social risks • Meaningful stakeholder engagement with affected communities • Biodiversity • Pollution • Resource efficiency • Waste and hazardous materials • Human rights • Labour and working conditions • Community health and well-being • Indigenous Peoples • Involuntary resettlement and land use restrictions • Cultural heritage
BDN ELEMENT 9	**Promote the non-discriminatory use of infrastructure services**	• Non-discriminatory contracts • Inclusive regulatory frameworks • Sustainable and affordable pricing
BDN ELEMENT 10	**Advance inclusion for women, people with disabilities, and underrepresented and marginalised groups**	• Addressing needs of women and marginalised groups • Employment opportunities • Safety and well-being for women and vulnerable users

Note: The proposed themes are not definitive and may evolve following the pilot phase of the initiative.

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Box 3. Mapping of international standards and assessment frameworks

The OECD has mapped over 70 international standards and assessment frameworks against the 10 BDN Elements (see Annex A for a synthesis of the mapping). The mapping of standards serves to identify the core values that should be conveyed by the certification, and informs the development of criteria and requirements. The mapping covers industry standards such as the *IFC Performance Standards* and the *Equator Principles*, standards developed by international organisations such as the *G7 Charlevoix Commitment on Innovative Financing for Development*, the *OECD Guidelines for Multinational Enterprises*, *UN Guiding Principles for Business Human Rights* and *ILO Conventions*, and more thematically-focused standards such as the *OECD Recommendation on Public Procurement* and the *ISO 37001 Anti-Bribery Management System Standard*, to name a few. While some of the standards considered are not specific to infrastructure they contain guidance and principles that are nevertheless central for implementing quality infrastructure investment.

Assessment frameworks consist of widely used tools, existing certifications, disclosure or reporting frameworks that may be a source of relevant criteria and requirements for the different BDN Elements. The mapping of assessment frameworks ensures that the Blue Dot Network certification leverages commonly-used criteria and indicators, which may already be measured in the context of existing processes, thus limiting the additional burden of applying for certification.

The mapping, together with the survey of the Executive Consultation Group, highlighted the role of the IFC Performance Standards and those of other DFIs as key benchmarks, including for private investors.

A certification scoring system

A project should be certified on the basis of an assessment of its alignment with the criteria under each BDN Element. Compliance with the requirements of each individual criteria will then be translated using a scoring system into a decision or score for the project as a whole. Based on the results of the stakeholder survey and a review of existing certification and rating schemes, it is proposed that Blue Dot Network projects should satisfy a set of essential requirements in order to qualify for a certification. Certified projects will then be awarded between one and three Blue Dots depending on their total score obtained across all 10 BDN Elements. Such a scheme would offer reassurance to investors, end-users and other stakeholders that the project does not undercut standards in key areas. By recognising different levels of performance, it would also provide project developers with an incentive for outperformance and thus stimulate a race to the top.

The essential requirements would ensure a level playing field based on respect for international rules, standards and agreements, and provide fundamental protections and safeguards against environmental and human rights abuses and corruption risks. The essential requirements reflect expectations that a project in all jurisdictions can realistically meet and are derived from standards that are commonly applied by projects around the world, such as the IFC Performance Standards.[14]

The overall score for a certified project would then be determined based on a project's performance across all criteria spanning the 10 BDN Elements. Each individual criteria would have one or more requirements.

[14] Certain essential requirements may be common across all projects while some may vary according to the sector.

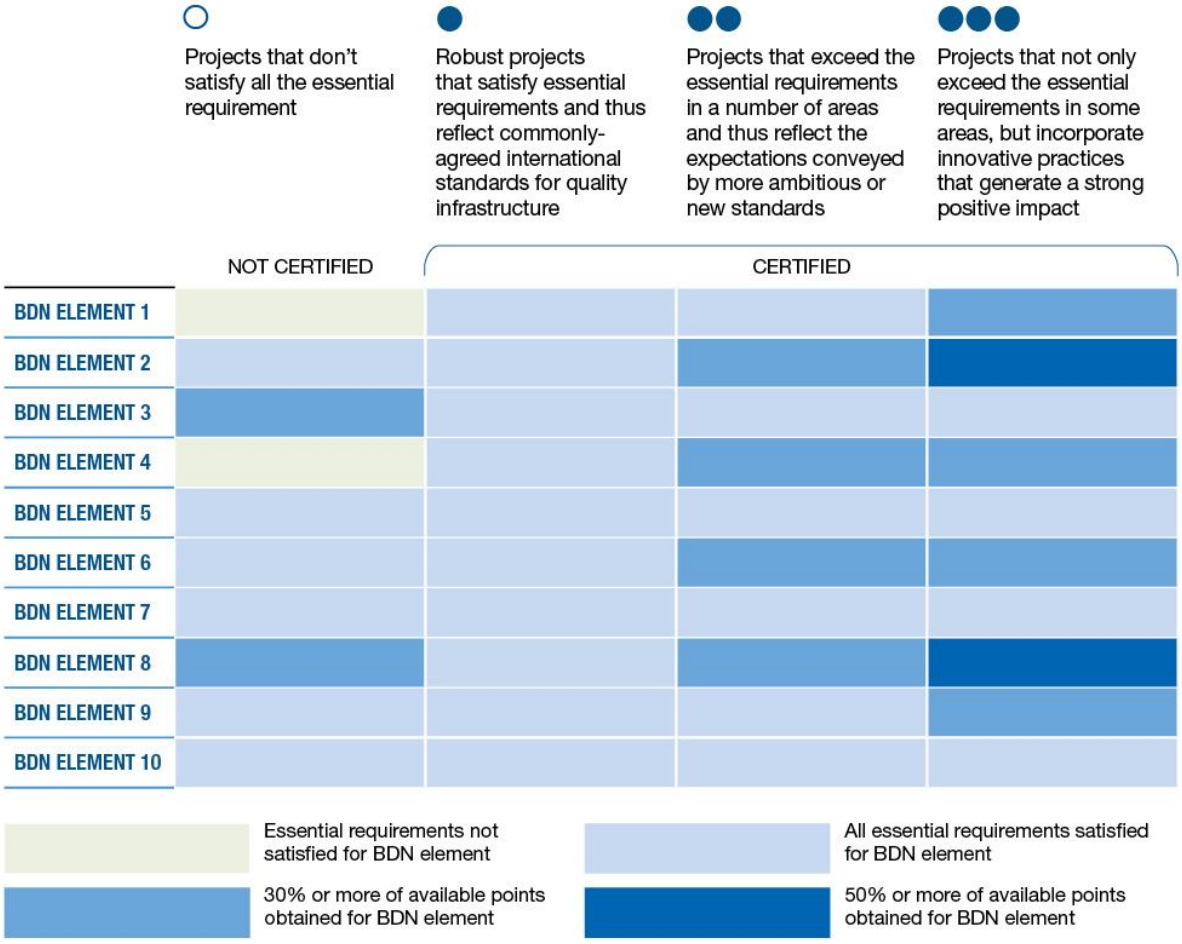
The requirements within each criteria can accommodate up to three levels of performance (Figure 7)[15], with each level conferring a certain number of points.[16] Requirements may vary slightly according to the sector and factors such as the nature of the project's ownership and the mode of delivery (e.g. public–private partnerships versus fully privatised assets). The performance across individual criteria is then translated into performance at the level of the project which determines whether it receives one, two or three Blue Dots.

- **Essential (1 Blue Dot):** practices that reflect commonly-agreed standards for quality infrastructure investment, and are pre-conditions for obtaining a certification. The OECD surveyed the Executive Consultation Group as part of the process of determining the essential requirements to ensure that they were achievable for the average project in developing and emerging economies. Projects that meet the essential requirements provide reassurance to stakeholders that they are robust and aligned with key international standards.
- **Superior (2 Blue Dots):** reflect the expectations conveyed by more ambitious or new standards that have received strong international endorsement. Superior projects exceed the essential requirements in a number of areas, and offer additional comfort to stakeholders that projects will deliver their expected outcomes.
- **Best-in-class (3 Blue Dots):** reflect innovative practices or outcomes that generate a strong positive impact**.** Best-in-class projects not only exceed the essential requirements, but excel in a number of areas.

[15] A criteria does not need to have requirements for each performance level, nor does it need to have an essential requirement. For example, it may only have a level 3, best-in-class requirement.

[16] Since essential requirements are required for all projects, there are no points associated with them.

Figure 7. Illustrative example of a potential design for a scoring system



Note: (1) This is an illustrative example of a potential scoring system design that scores projects based on their performance across the different BDN Elements. The design and approach of the scoring system will be further elaborated and tested during the pilot phase. (2) In this particular example of a potential design, each individual requirement will confer a certain number of points depending on whether they represent essential, superior, or best-in-class levels of performance. The total number of points achieved within each BDN Element will determine the performance at the level of the BDN Element (denoted by colour coding in diagram). The overall performance across the ten BDN Elements will then determine how many Blue Dots are awarded to a project. Percentages or thresholds for determining performance levels or the number of Blue Dots are only illustrative, and will be calibrated during the pilot phase. (3) Refer to Figure 3 for a full description of the 10 BDN Elements.

4 A credible and transparent review process

The review process refers to the mechanism by which information on a project is evaluated to determine whether it meets the requirements of the certification framework at different stages of the project life cycle. It defines the steps involved in awarding and maintaining (or withdrawing) a certification over the life cycle, and assigns roles and responsibilities for each step. The process entails a number of activities, including the assessment of the project's performance against the certification criteria, verification of the assessment and supporting evidence, and the decision to award a certification (Figure 8).

Figure 8. Steps in a review process

A credible, efficient and trusted review process will find the right balance between ensuring the consistent and objective application of the criteria required for certification and keeping the process simple and practical for applicants. The review process should also aim to be efficient in terms of the time, resources, expertise and cost of the certification, both from the point of view of applying for and of administering the certification scheme. Finally, the roles and responsibilities of the various stakeholders need to be clearly defined throughout the different stages of the review process.

After comparing different review models, the OECD suggests that a review process based on initial self-assessments by the applicant followed by verification by an independent third-party appears to achieve a good balance between costs, market credibility and scalability.

Through leveraging self-assessments and requiring that the applicant submit documentary evidence, an independent verification limits the scope of the third-party review to ensuring the framework has been properly applied during the self-assessment, verifying the accuracy of the claims made by the applicant, ascertaining the validity and the strength of the evidence submitted in support of the claims, and confirming or adjusting the assessment and scores.

The use of self-assessments by the applicant brings additional benefits. Self-assessments can be used as a stand-alone tool by project developers at an early stage of project development to identify potential weaknesses and gaps in their plans and processes. This allows them to make adjustments at a stage

when changes are less costly (i.e. compared to latter stages when key decisions have been made and contracts may have been signed).

Project developers can decide whether or not to proceed with the application for certification based on the results of a quick-check self-assessment (which would not require the submission of evidence). This may save the project developer considerable time and expenses, particularly if a project is unlikely to fulfil the essential requirements.

To be successful, such a scheme may require the provision of guidance and support for the applicants conducting the self-assessments, along with training and oversight of independent verifiers when these are external. Well-established schemes have developed user-friendly digital platforms that enable applicants to complete their self-assessments through an online tool that provides guidance. Moreover, schemes that use external verifiers need a process for attracting and vetting experts that can perform the role. These elements need to be in place for the review process to be efficient and productive.

Validity of a certification

Maintaining a certification over the life cycle of a project helps to protect the credibility of the framework while sustaining its value for stakeholders, particularly for investors. Considering that a project's circumstances change over time, a certification award should be limited in time, but should nevertheless last long enough for the applicant to benefit from the certification. Project owners should be able to decide whether they wish to renew a certification.

In determining the need and/or frequency of reviews during the project's lifetime, a key consideration is balancing the cost to the applicant with the need to protect the value of the certification.

Certification entity

In an independent verification scheme, the decision to award a certification should be based on an independent, expert and impartial review of the independent verifier's recommendation. Ensuring that the award decision is made by a body with diverse representation will help to strengthen the legitimacy of the certification and increase confidence in the impartial nature of the process.

5 From design to implementation

The Blue Dot Network represents an innovative solution to help address the global infrastructure investment gap. Through operationalising the G20 Principles for Quality Infrastructure Investment, Blue Dot Network certification aims to deliver benefits for citizens, communities and end users, protect the environment and human well-being, and provide value-for-money in view of project life cycle cost. The certification also aims to support private investment by providing comfort to investors and stakeholders regarding the robustness of projects that are aligned with international standards while incentivising a race to the top.

However, to encourage adoption, it will be crucial to ensure that it is practical and operable in different regions and across sectors. For low-income regions the OECD suggests that capacity building can complement the certification by strengthening the capability of authorities to develop projects that can meet the essential requirements. Further, to maximise the impact of the certification, it should be efficient and scalable. In this regard, the OECD proposes that data and technology be leveraged to streamline workflows, support the assessment and verification process, and automate aspects of the certification.

Piloting the certification framework across different sectors and regions

In order to ensure that the certification framework is efficient, that it works in different regions and sectors, and that it is adapted to the different phases of a project's life cycle, it will be crucial to test the framework on real projects. Piloting the framework will also serve to fine-tune the performance levels, establish thresholds for different requirements, trial the different options for a scoring system, and refine the evidence requirements, where necessary. As a next stage, the Steering Committee could work with a selection of projects against which to test the certification framework. Pilot projects could be sought from Asia, the Pacific, Sub-Saharan Africa, Latin America or the Middle East.

Capacity building and knowledge sharing to support certification

Certain jurisdictions, particularly in developing countries, may lack the capacity to initially meet all of the elements underpinning the Blue Dot Network. Although the option of progressive realisation, outlined in the report, provides an avenue for projects to commit to and work towards all the essential requirements, additional capacity building support could help to ensure that a Blue Dot Network certification becomes widely accessible and does not depend on the involvement of project developers from high-income countries. Existing programmes that support the implementation of quality infrastructure investment will contribute to enhancing the capacity of countries to develop projects that are Blue Dot Network-compatible. The Blue Dot Network can exchange information on needs and develop synergies with those programmes.

Further, through building and providing access to a community of practice and promoting knowledge sharing, the Blue Dot Network can assist stakeholders in obtaining a certification. Going a step further, the Blue Dot Network can develop and make available dedicated tools and support to help specific stakeholders to align with the 10 BDN Elements. For example, technical assistance could be offered to

governments (or individual ministries or contracting authorities) that commit to seeking certification for their projects.

Streamlining certification through data and analytics

The OECD proposes that a dedicated digital platform for Blue Dot Network projects that integrates multiple data sources could serve to streamline and partially automate the certification process from application, through self-assessment and independent verification, to monitoring thereby enhancing its overall efficiency and scalability. The use of external third-party data could also serve as a means to cross-check data submitted by applicants.

It is proposed that the Blue Dot Network explore options for an integrated data platform that pulls data from a wide range of sources, and has the capability to perform advanced analytics on the data. Based on a thorough mapping of existing infrastructure data sources by the OECD Secretariat and conversations with data providers, it is clear that no single major data provider has exhaustive project-level data, which could be used to directly certify potential projects across all 10 BDN Elements. However, through combining project-level, company-level, and contextual data, and through applying data analytics to derive insights, the certification process could be significantly enhanced with reduced need for manual input. In developing a data platform, utmost care will be taken to secure project information and protect confidentiality.

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Annex A. Mapping of international standards and assessment frameworks

The tables below provide a non-exhaustive list of the most relevant international and regional standards and assessment frameworks for the Blue Dot Network. They constitute a selection, based on analysis by the OECD and input from the Executive Consultation Group, of the most applicable frameworks developed and used by leading international organisations, infrastructure actors, financial institutions, and civil society organisations. The Blue Dot Network will not require that projects comply will all of these standards, but rather synthesises these standards to identify the key aspects where there is broad agreement and which are most relevant for delivering quality infrastructure investment.

Table A.1. Mapping of international standards and agreements

G20 Principles for Quality Infrastructure Investment
UN Sustainable Development Goals
IFC Performance Standards
OECD Guidelines for Multinational Enterprises
OECD Due Diligence Guidance for Responsible Business Conduct
Paris Agreement
Equator Principles
G7 Charlevoix Commitment on Innovative Financing for Development
OECD Compendium of Policy Good Practices for Quality Infrastructure Investment
OECD Recommendation on the Governance of Infrastructure
G20 Riyadh InfraTech Agenda
United Nations International Good Practice Principles for Sustainable Infrastructure
United Nations Guiding Principles on Business and Human Rights
World Bank Environmental and Social Framework (ESF)
IIF Voluntary Principles For Debt Transparency
ICMA Climate Transition Finance Handbook
ISO 37001 Anti-Bribery Management System Standard
ISO 14001 Environmental management systems
ISO 45000 Family: Occupational health and safety
ISO 37002:2021 - Whistleblowing standard
OECD Blended Finance Principles
OECD Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence
OECD Anti-Bribery Convention
OECD Recommendation of the Council on Sustainable Lending Practices and Officially Supported Export Credits
OECD Recommendation on Fighting Bid Rigging in Public Procurement

OECD Recommendation on Principles for Public Governance of Public-Private Partnerships
OECD Recommendation of the Council on Bribery and Officially Supported Export Credits
OECD Good Practice Guidance on Internal Controls, Ethics, and Compliance
OECD-UNDP Impact Standards for Financing Sustainable Development
Open Contracting for Infrastructure Data Standards
GRI Global Reporting Standards
Guidelines on Business and KBAs (IUCN)
CoST Infrastructure Data Standard
UNCITRAL Model Law on Public Procurement (2011)
FIDIC Procurement Procedure Guide
UNDP Social and Environmental Standards
UNDP SDG Impact Standards
IUCN Policy on Biodiversity Offsets
ILO Declaration on Fundamental Principles and Rights at Work
ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy
ILO Discrimination (Employment and Occupation) Convention
ILO Equal Remuneration Convention
United Nations Beijing Declaration and Platform for Action
United Nations Sendai Framework for Disaster Risk Reduction

Note. 1. The OECD Compendium of Policy Good Practices for Quality Infrastructure Investment is not a stand-alone standard but a consolidation of good practices that are relevant for quality infrastructure investment drawn from over 50 OECD standards.

Table A.2. Mapping of regional standards

ADB Safeguards
African Development Bank Group's Integrated Safeguards System
EBRD Environmental and Social Policy
EIB Environmental and Social Standards
IDB Environmental and Social Policy Framework
IDB Invest Environmental and Social Policy Framework
CAF-GEF Project Environmental and Social Safeguards
Japan Bank for International Cooperation (JBIC) Guidelines for Confirmation of Environmental and Social Considerations
Basic Guidelines on Climate Transition Finance" (published by Financial Services Agency, Ministry of Economy, Trade and Industry and Ministry of the Environment on May 2021)

Table A.3. Mapping of assessment frameworks

GRESB
SuRE
FAST-Infra
Envision (Institute for Sustainable Infrastructure)
CEEQUAL (BREEAM)
Infrastructure Sustainability Council IS Rating Scheme
Sustainability Accounting Standards Board (SASB)
Task-Force on Climate-Related Disclosures
The Net-Zero Standard – Science Based Targets
Green Bond Principles
Gold Standard for Global Development
Climate Bond Standards
Program for Infrastructure Development for Africa (PIDA)
EU Sustainable Taxonomy
EU Technical Guidance on the Climate Proofing of Infrastructure 2021-2027
World Bank Benchmarking Infrastructure Development 2020
World Bank Framework for Disclosure in Public-Private Partnership Projects
IMF PPP Fiscal Risk Assessment Model (PFRAM)
Methodology for Assessing Procurement Systems (MAPS) - Module on Sustainable Public Procurement and Module on PPPs and Concessions
IMF PIMA (Public Investment Management Assessment)
A Common Set of Aligned Sustainable Infrastructure Indicators (SII)
World Bank Environmental, Health, and Safety Guidelines
Commonwealth Anticorruption Benchmarks
Open Contracting Red flags for integrity: Giving the green light to open data solutions
True zero waste
United Nations Conflict Analysis Practice Note
World Bank Conflict Analysis Framework (CAF)

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