CLASSIFICATION OF INFORMATION IN TIERS

The sustainability analysis of the projects is carried out by Banobras based on the methodological framework "Attributes and Framework for Sustainable Infrastructure" (methodology), defined by the Inter-American Development Bank (IADB) and consists of classifying the availability of public information around the incorporation of sustainability practices in an infrastructure or energy project throughout its life cycle. This analysis is an effort to represent, in a sustainability datasheet (datasheet), the amount of information available relative to sustainability and should not be considered as a qualification or validation of the quality of the project, since the main objectives are:

1. Show the sustainability elements found that serve as a reference to the project developers to encourage the adoption of good practices in the matter.

2. Provide relevant information for decision-making by institutional investors.

The factsheet groups sustainability practices identified within the methodology into four pillars:

    I.   Economic-financial
    II.   Environmental and climate change
    III.   Social
    IV.   Institutional

Within each of these pillars, sustainability criteria (criteria) are included and for each one of them, trained personnel apply a questionnaire, in order to perform an information classification analysis according to its depth and availability.

The information classification of the criteria is done in four levels (tiers) that, in general, represent the following:

Classification	Meaning
ND	Information not available, either because it is non-existent or because it is not public
Tier 1	General or little detailed information (Identification)
Tier 2	Detailed information, with defined procedures and resources (Mitigation)
Tier 3	Detailed information with long-term and monitoring plans (Monitoring during the project life cycle)

The classification obtained for each of the criteria is reflected in the following way within the datasheet:

Each sustainability datasheet will present a different result depending on the information available about the project and the stage in which it is being analyzed, since the criteria that makes up the datasheet may vary at each stage. This is because there are some practices that only correspond to a specific stage. However, most of the criteria are maintained, so it will be useful to monitor the availability of information on the incorporation of sustainability practices at each stage. In this sense, the sustainability analysis may be carried out, for the same project, in each of the stages of its life cycle.

Stages of the projects' life cycle

Preinvestment → Bidding → Execution → Operation

CRITERIA

Each criterion represents a sustainability practice defined by the methodology. To classify the information that exists about the practices, a series of questions is used in each criterion. With the public information available, the following questions are answered:

- It starts with the Tier 1 question, if the question can be answered affirmatively with the information available, an attempt is made to answer the Tier 2 question.

- If an affirmative answer can be given for question 2, an attempt is made to answer the last question, from Tier 3.

- In case of not having enough information to answer the first question, the classification will be ND.

- The classification corresponding to each criterion will depend on the question that has been reached with an affirmative answer.

The following is a summarized version of the questions used to classify information in each of the 32 criteria. The questions are grouped within the four pillars:

I. ECONOMIC-FINANCIAL

Economic and social return of the project

Tier 1	Are there estimates of economic return and social return (cost-benefit analysis)?
Tier 2	Is the analysis detailed and demonstrates the viability of the project?
Tier 3	Is there a monitoring plan for returns and externalities in the complete life cycle?

Creation of employment opportunities and boost local productivity

Tier 1	Was the potential effect on productivity or local employment generation analyzed?
Tier 2	Are there clear objectives on productivity and the generation of local employment?
Tier 3	Are these effects and objectives considered for the full life cycle?

Financial sustainability of assets

Tier 1	Are there procedures or mechanisms that seek the financial sustainability of assets?
Tier 2	Is there a detailed analysis on financial structuring?
Tier 3	Is there a procedure for updating and monitoring financial estimates?

Detailed risk analysis

Tier 1	Are the potential risks of the project identified (political, social, climatic, etc.)?
Tier 2	Was a plan made with risk distribution and mitigation measures?
Tier 3	Is there a monitoring plan for the complete life cycle?

Cash flow transparency and creditwothiness

Tier 1	Was an analysis of the project's cash flows carried out to show its financial solvency?
Tier 2	Is the analysis detailed, with sources to support estimates, and for the full cycle?
Tier 3	Are there procedures for monitoring and updating cash flows?

Infrastucture asset maintenance and optimal use

Tier 1	Are processes identified for optimal maintenance throughout the life of the project?
Tier 2	Is the detail of the procedures to be followed for a longer useful life of the asset identified?
Tier 3	Is there a monitoring plan for the life of the project?

Sustainability incentives

Tier 1	Are financial incentives identified for the incorporation of sustainability practices?
Tier 2	Is there a detailed analysis for the incorporation of economic incentives?
Tier 3	Is there a monitoring procedure for the incorporation of economic incentives?

Value for money principle

Tier 1	Is there a mapping with the cost estimate of the existing options?
Tier 2	Is there a value for money analysis for efficient use of economic resources?
Tier 3	Does the analysis identify the most optimal solution in the long term?

II. ENVIRONMENTAL AND CLIMATE CHANGE

Greenhouse gas emissions

Tier 1	Are the sources of emissions or types of greenhouse gases generated identified?
Tier 2	Are strategies defined with gas emission mitigation requirements and objectives?
Tier 3	Are there detailed emission monitoring and mitigation procedures?

Control and monitoring of pollutants

Tier 1	Are contaminants or other potentially generated hazardous elements identified?
Tier 2	Are detailed procedures for pollutant mitigation defined?
Tier 3	Do the procedures contemplate the monitoring of contaminants for the entire life cycle?

Climate risks, resilience and disaster risk management

Tier 1	Are climatic risks identified in the project's area of influence?
Tier 2	Are there procedures for mitigation, adaptation and response to risks?
Tier 3	Do the procedures contemplate the monitoring of climate change throughout the life cycle?

Impacts on biodiversity and native flora and fauna in the region

Tier 1	Are the possible impacts of the project on the biodiversity of the area identified?
Tier 2	Is the solution of a project defined with a lower impact on the native flora and fauna?
Tier 3	Do the procedures contemplate the monitoring of the effects for the entire life cycle?

Environmental impacts of the projects

Tier 1	Are mapping of the area and the environmental impacts generated?
Tier 2	Is the solution of a project defined with a lower environmental impact?
Tier 3	Are there detailed procedures to mitigate and monitor project impacts?

Efficient use of energy and renewable sources

Tier 1	Are there references to the efficient use of energy or renewable sources in the project?
Tier 2	Are there detailed procedures for the efficient use of energy and renewable sources?
Tier 3	Is there a monitoring plan for the life of the project?

Efficient use of resources and recycling strategies

Tier 1	Are there references to the efficient use or recycling of resources in the project?
Tier 2	Is there a plan with detailed objectives and procedures for efficient use of resources?
Tier 3	Is there a monitoring plan for the life of the project?

Preservation or enhanceement of public spaces

Tier 1	Are opportunities for improvement identified in public, recreational or natural areas?
Tier 2	Are there procedures with objectives for preservation and improvement?
Tier 3	Do the procedures contemplate the monitoring of the effects for the entire life cycle?

III. SOCIAL

Poverty reduction and access to basic services

Tier 1	Is there a mapping of poverty in the area of influence or the effects on access to services?
Tier 2	Is there a plan to address poverty, needs and the effects mentioned?
Tier 3	Does the plan consider monitoring to prevent negative effects or promote positive effects?

Fair treatment and integration of disable persons

Tier 1	Are potentially affected people with disabilities or special needs identified?
Tier 2	Are there procedures for the integration and attention of needs?
Tier 3	Do the procedures consider monitoring during the project life cycle?

Compliance with human and labor rights

Tier 1	Are the mandatory human or labor rights of the project identified?
Tier 2	Are there procedures that identify teams responsible for compliance?
Tier 3	Do the procedures consider compliance monitoring at all stages?

Effects of the project in the security of the region and in the health of workers and nearby communities

Tier 1	Are possible impacts on the health or safety of workers or communities analyzed?
Tier 2	Are there procedures to mitigate possible negative impacts?
Tier 3	Do the procedures consider monitoring protocols during the life of the project?

Integration of communities and other interested parties

Tier 1	Is there a mapping of communities or stakeholders with informational meetings?
Tier 2	Is there a detailed plan for collecting complaints / comments with regular meetings?
Tier 3	Are there monitoring procedures for collecting complaints / comments?

Cultural heritage and indigenous people

Tier 1	Are the possibly affected indigenous cultural elements or traditions identified?
Tier 2	Is there a detailed analysis that includes teams responsible for mitigating effects?
Tier 3	Is there a long-term action plan with a monitoring protocol?

Gender inclusive and women's economic empowerment through the project

Tier 1	Are the special needs and interests of women identified?
Tier 2	Are there procedures for the integration and empowerment of women?
Tier 3	Do the procedures consider the monitoring of the initiatives?

Equal distribution of benefits and compensations to communities

Tier 1	Are required offsets or potential benefits identified in communities?
Tier 2	Are there procedures to promote the equitable distribution of benefits?
Tier 3	Do the procedures consider monitoring for an equitable distribution of benefits?

IV. INSTITUTIONAL

Alignment with national and international objectives

Tier 1	Is the alignment of the project with national or international objectives identified?
Tier 2	Is there a detailed analysis where the contribution to the objectives is specified?
Tier 3	Are there procedures for the implementation and monitoring of the contribution to the objectives?

Transparency and anti-corruption protocols

Tier 1	Are transparency or anti-corruption protocols to follow identified?
Tier 2	Are there detailed transparency and anti-corruption procedures to follow?
Tier 3	Are there monitoring and response procedures in case of violation of the protocols?

Compliance with social and environmental policies

Tier 1	Are mandatory social and environmental policies identified?
Tier 2	Is there a detailed plan with procedures to follow and the resources for compliance?
Tier 3	Does the plan consider monitoring of policy compliance?

Capacity development in sustainability aspects

Tier 1	Have training needs in sustainability practices been identified?
Tier 2	Are there procedures for institutional training in sustainability aspects?
Tier 3	Do the procedures consider monitoring the development of institutional capacities?

Sectoral and institutional integration

Tier 1	Are synergies with public agencies or sector and territorial strategies identified?
Tier 2	Are there procedures to monitor the alignment of the project with the strategies?
Tier 3	Do the procedures consider contribution monitoring during the life of the project?

Knowledge transfer in sustainability aspects

Tier 1	Are actions that support the transfer of local knowledge identified?
Tier 2	Is there a detailed plan that specifies the resources for knowledge transfer?
Tier 3	Does the plan consider monitoring for the continuity of sustainability practices?

Corporate sustainability, management and governance

Tier 1	Are corporate sustainability goals defined?
Tier 2	Is there a management plan to achieve the objectives that includes the necessary resources?
Tier 3	Does the plan consider monitoring of objectives over the life of the project?

Pre-existing conditions and their monitoring

Tier 1	Are pre-existing conditions identified in the area (complaints, conflicts, contamination, etc.)?
Tier 2	Is there a detailed plan with resources to consider pre-existing conditions?
Tier 3	Does the plan consider monitoring procedures for the entire life cycle?