



# Thinking Responsible!

## Sustainable infrastructure

Infrastructures – real (physical) assets that are fundamental to the economy and society – are considered a long-term investment thanks to their stability and the constant demand for essential services that they generate. An infrastructure is sustainable when it meets current social needs, reducing the impact on future generations and integrating materials or methods that promote environmental quality, resource efficiency, economic vitality and public security. In order to achieve the Sustainable Development Goals by 2030 and net-zero emissions by 2050, significant and resilient investments are essential.

### KEY MESSAGES

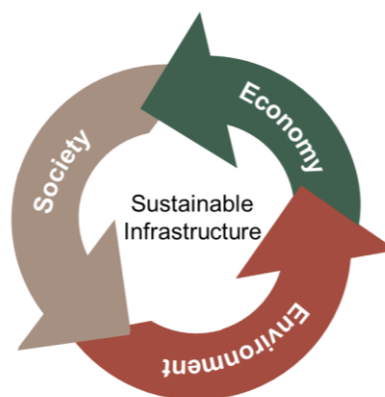
Sustainable infrastructures provide numerous economic, social and governance (ESG) advantages in the long term.

### What is “sustainable infrastructure”?

The world is experiencing a major climate crisis and, now more than ever, it is vital that we combat inequalities affecting vulnerable people. Investing in sustainable infrastructure is a huge opportunity to make a positive change.

The International Institute for Sustainable Development (IISD) used SAVi (Sustainable Asset Valuation) methodology to define sustainable infrastructures as pillars that:

- reduce carbon footprint and environmental impact;
- protect natural ecosystems;
- prove to be resilient to climate change;
- optimise the use of natural ecosystems and their “infrastructural services”;
- go beyond compliance with basic labour standards and human rights;
- drive technological and industrial innovation;
- increase investments in education and research and development (R&D);
- boost employment;
- demonstrate their financial sustainability;
- attract national investors and businesses;
- increase foreign direct investments;
- represent good value for money for contributors and investors.



Source: [Sustainable Infrastructure: Geospatial tech in the forefront – Geospatial World](#)

Sustainable infrastructures therefore offer long-term economic, social and governance (ESG) benefits, playing a vital role when it comes to achieving global climate objectives and SDGs as well as in building a strong and resilient global economy.

According to the Global Infrastructure Hub, bridging the “sustainable infrastructure investment gap” may take more than three times the current level of investment in clean energy, and 70% of the necessary expenditure needs to be made in emerging markets and developing economies.

**KEY MESSAGES**

Focus on industry, innovation and infrastructure.

**United Nations – Sustainable Development Goal 9 (SDG 9)**

SDG 9 aims to build resilient infrastructures, foster innovation – driver of economic growth and human well-being – and to promote inclusive and sustainable industrialisation. It is essential to sustainable development, as investments in this area help create jobs, increase productivity and promote prosperity in the long run.

This goal also promotes universal access to the Internet in least developed countries. In fact, the availability of a fast and reliable computer connection helps improve access to healthcare services, education and technological innovations, and plays a key role in promoting sustainable development at global level. Rising service costs and a lack of infrastructure and digital skills are, however, slowing this process down, which is why greater collaboration between governments, the private sector, civil society organisations and local communities is needed.

**KEY MESSAGES**

Infrastructural damage caused by climate change results in significant economic losses.

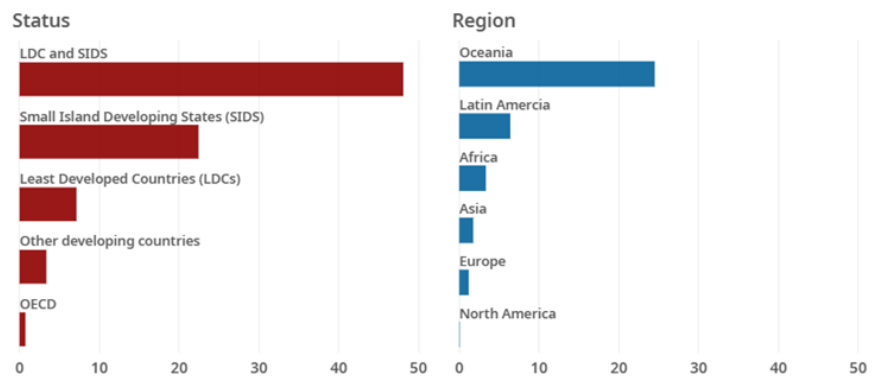
**Infrastructures and the effects of climate change**

Ever since the 1970s, the number of extreme climate events recorded has increased dramatically – as have the economic losses generated by these disasters, which have risen from 198 billion to 1.6 trillion dollars. Current choices regarding infrastructure provision will therefore have an impact on the coming decades.

Record global temperatures are causing more frequent heat waves, droughts and forest fires as well as flooding due to rising sea levels. These events particularly increase the vulnerability of developing countries and small island states, which are fundamentally characterised by high financing costs and a lower capacity to build quality infrastructures and thus achieve development goals.

**Natural disasters by development status and region**

Average number of natural disasters per 1 000 km<sup>2</sup>, 2000-20



Status: the categories are not mutually exclusive. "Other developing countries" include all DAC recipient countries that are non-LDC including low-middle income and upper-middle income countries. • Source: OECD (2024), *Infrastructure for a Climate-Resilient Future*.

Source: [Infrastructure for a Climate-Resilient Future | OECD](#)

Investing in climate-resilient infrastructures would help support steady economic growth in addition to saving human lives. However, the cash flows allocated to these infrastructures are still not enough to tackle the growing impacts of climate change.

**KEY MESSAGES**

Regional and local governments are key investors in climate-resilient infrastructures.

**Governments on the front line**

The disparity between current levels of investment in infrastructures and those necessary to achieve the SDGs is significant. The Organisation for Economic Co-operation and Development (OECD) estimates that – in order to achieve the development goals and create a climate-resilient and low-carbon future – it will be necessary to invest 6.9 trillion dollars annually in sustainable infrastructures until 2050.

In the member countries of the OECD and the European Union, regional and local administrations are currently the main drivers of these investments. However, in order

to plan, build and maintain climate-resilient local infrastructures, all governments will need to adopt new financing strategies.

#### Opportunities

- *Investments in sustainable infrastructures are steadily increasing. The energy transition and decarbonisation policies are factors that favour the development of the sector.*
- *Investing in shares in companies that are active in the sector represents an interesting opportunity given the growing global attention on this topic.*

#### Risks

- *Investments in sustainable infrastructures are influenced by economic trends and the choices or political orientations of individual countries.*
- *Depending on the performance of the markets, the shares are subject to major fluctuations in their value, both upwards and downwards.*

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