INTERNATIONAL FRAMEWORK FOR
SOCIO-ECONOMIC FACTORS
FOR GREEN BUILDING RATING TOOLS
IN DEVELOPING COUNTRIES

Led by the Green Building Council of South Africa on behalf of the World Green Building Council, with funding from Old Mutual Properties

Draft v10 - PILOT Version
- October 2013
Contents

EXECUTIVE SUMMARY ............................................................................................................. 1

1. Introduction, context and objectives .................................................................................. 4
   1.1 Moving beyond ‘green’ focus to include broader sustainability impacts .................. 4
   1.2 Focus on developing country context ................................................................. 5
   1.3 Development and consultation process ................................................................ 5
   1.4 Socio-economic priorities selected and examples of credits provided ............... 5
   1.5 Focus and parameters ....................................................................................... 7

2. Five key socio-economic priority themes .......................................................................... 7
   2.1 Introduction to selected key priorities .................................................................... 7
   2.2 Definitions of the selected socio-economic priorities .......................................... 8
   2.3 Descriptions of the themes ................................................................................ 9
   2.4 Principles for allocation and value prioritisation ............................................... 10
   2.5 Development of measurable credits related to each theme ................................ 11

3. Proposed credits for Employment and economic opportunity ....................................... 11
   3.1 Employment Creation ......................................................................................... 11
   3.2 Economic Opportunity ..................................................................................... 13
   3.3 Background ..................................................................................................... 15

4. Proposed credits for Education and skills development .................................................. 16
   4.1 Education and Skills Development ................................................................. 16
   4.2 Background ..................................................................................................... 17

5. Proposed credits for Equality .......................................................................................... 18
   5.1 Equity of Access to Employment ........................................................................ 18
   5.2 Access to Affordable Housing .......................................................................... 19
   5.3 Equal Access for People with Disabilities, the Elderly and Infirm .................... 20
   5.4 Background ..................................................................................................... 21

6. Proposed credits Health and Safety .................................................................................. 23
   6.1 Occupational Health and Safety ........................................................................ 23
   6.2 Background ..................................................................................................... 26

7. Proposed credits Community Engagement and Benefit .................................................. 27
   7.1 Community Benefit ........................................................................................... 27
   7.2 Background ..................................................................................................... 29

8. Rewarding innovation ..................................................................................................... 30

9. Recommendation for use, next steps and conclusion ..................................................... 32

10. References .................................................................................................................... 33
EXECUTIVE SUMMARY

The widespread use of green building rating systems around the world has been instrumental in driving the shift towards a more sustainable built environment. By rewarding measurable improvements to a building’s environmental performance, green building rating systems create market incentives that are transforming building industry practices globally.

At the same time, for Green Building Councils (GBCs) operating in developing country contexts with large-scale social and economic challenges such as poverty, poor public health, unemployment and lack of skills and education, focusing only on the environmental outcomes of a project has not been enough. These GBCs have recognized that for the uptake of green building practices to grow beyond a small ‘niche’ market, they need to demonstrate how a more sustainable built environment can also help address these pressing issues.

As a response to this, the World Green Building Council and the Green Building Council of South Africa (GBCSA) established a joint project to develop a framework for these more complex socio-economic issues to be integrated into any green building rating system in the world. By taking on these issues directly, GBCs and green building rating tools can be a greater part of the action needed to address national development challenges.

This framework was developed in consultation with an International Advisory Panel (IAP) made up of representatives of Green Building Councils from 15 countries/regions. They began by identifying the key social and economic sustainability factors that can be practically addressed through the design and construction of individual buildings. These factors were clustered into five Key Priority Themes: Employment and Economic Opportunity; Education and Skills Development; Health and Safety; Equality and Community Engagement & Benefit.

With contributions from the GBCSA, technical consultants and a broad Technical Working Group in South Africa, under these Key Priority Themes a set of ‘credit criteria’ or performance indicators for developing country applications were also developed, along with examples of assessment measures and benchmarks (a summary table follows this page). The intention is for these criteria to be able to be adapted to meet the specific requirements of each country’s context.

Green Building Councils are invited and encouraged to use this framework as a starting point for integrating socio-economic impacts into their own green building rating tools. This broadening of the scope of green building rating tools is a vital step in the continuing growth of the green building movement and underscores the influential role that the building industry can play in meeting its country’s national priorities.
### SUMMARY OF INTERVENTIONS AND INDICATORS FOR THE 5 THEMES

<table>
<thead>
<tr>
<th>EXAMPLE INTERVENTIONS:</th>
<th>POSSIBLE INDICATORS:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>THEME 1: EMPLOYMENT AND ECONOMIC OPPORTUNITY</strong></td>
<td></td>
</tr>
<tr>
<td><strong>EMPLOYMENT CREATION</strong></td>
<td></td>
</tr>
<tr>
<td>Using labour-intensive construction methods wherever possible</td>
<td>Increase in number of jobs against baseline for the specific project</td>
</tr>
<tr>
<td></td>
<td>Increase in number of man/person-hours for a specific activity or set of activities using labour-intensive methods</td>
</tr>
<tr>
<td></td>
<td>Increase in labour cost as a % of construction cost against a typical baseline labour cost for that type of building</td>
</tr>
<tr>
<td></td>
<td>Pre-manufacturing of certain materials in a labour-intensive way for use in the project</td>
</tr>
<tr>
<td>Creating a long-term facility for economic opportunity</td>
<td>Size of employment creation facility provided as a % of the usable space in the building</td>
</tr>
<tr>
<td></td>
<td>Value of spend on employment creation facility as a % of the construction value.</td>
</tr>
<tr>
<td></td>
<td>Employment creation facility alternatively provided on the site (not within the building), or on the public street-front side of the site or area in front of or adjacent to the site.</td>
</tr>
<tr>
<td><strong>ECONOMIC OPPORTUNITY</strong></td>
<td></td>
</tr>
<tr>
<td>Procurement of goods and services through smaller and local businesses</td>
<td>% of goods and services (including labour) sourced from within a certain kilometre radius of the project</td>
</tr>
<tr>
<td></td>
<td>% of goods and services used must be sourced from within the same country as the project</td>
</tr>
<tr>
<td></td>
<td>% of goods and services (including labour) used during construction sourced from small businesses</td>
</tr>
<tr>
<td>Small business/ enterprise development support</td>
<td>Small business/ enterprise development support</td>
</tr>
<tr>
<td>Small business procurement during operation phase</td>
<td>% of total services during building operation phase procured from smaller local companies</td>
</tr>
<tr>
<td><strong>THEME 2: EDUCATION AND SKILLS DEVELOPMENT</strong></td>
<td></td>
</tr>
<tr>
<td>% project expenditure on education and skills development programmes</td>
<td>Value of spending on training as a % of the project cost (total expenditure)</td>
</tr>
<tr>
<td></td>
<td>Outcomes of training expenditure and skills development are demonstrated</td>
</tr>
<tr>
<td></td>
<td>% of staff on the project trained.</td>
</tr>
<tr>
<td></td>
<td>Total number of hours that staff on the project have been trained</td>
</tr>
<tr>
<td><strong>THEME 3: EQUALITY</strong></td>
<td></td>
</tr>
<tr>
<td><strong>EQUITY OF ACCESS TO EMPLOYMENT</strong></td>
<td></td>
</tr>
<tr>
<td>Minimum % employment of disadvantaged or marginalised groups</td>
<td>Appointment of women as a % of people employed on the design and construction teams</td>
</tr>
<tr>
<td></td>
<td>Marginalised or disadvantaged persons employed on the project, as a % of total number of employees</td>
</tr>
<tr>
<td>ACCESS TO AFFORDABLE HOUSING</td>
<td></td>
</tr>
<tr>
<td>--------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>Inclusion of a portion of housing that is deemed to be “affordable”</td>
<td>Use the Simpson Diversity Index to determine the diversity factor of housing / accommodation in a development</td>
</tr>
<tr>
<td></td>
<td>Include a % of “affordable units” in the development at a reduced cost</td>
</tr>
<tr>
<td></td>
<td>Include a % of “affordable units” in the development, at a specified threshold of cost per unit</td>
</tr>
<tr>
<td>Inclusion of some accommodation units for low-income workers during the operation phase</td>
<td>Provide a % of additional units (based on total number of units) of two-person accommodation or sleep-over facilities on site for low-income operational staff</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EQUAL ACCESS FOR PEOPLE WITH DISABILITIES, THE ELDERLY AND INFIRM</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellence (above legal compliance) in provision of dignified access for all people</td>
<td>Compliance with in-country accessibility standards for buildings, or accepted international standards (whichever is the higher standard)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>THEME 4: HEALTH &amp; SAFETY</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement of occupational health and safety practices and results</td>
<td>Production and implementation of an occupational health and safety plan</td>
</tr>
<tr>
<td></td>
<td>Conducting a ‘design hazard identification risk assessment’ (HIRA).</td>
</tr>
<tr>
<td></td>
<td>Achieving a certain ‘disabling injury frequency’ rate</td>
</tr>
<tr>
<td></td>
<td>Provide construction worker accommodation according to standards e.g. IFC guidelines</td>
</tr>
<tr>
<td>General health awareness and disease risk control</td>
<td>Expenditure on health awareness and disease risk control interventions as a % of total project cost.</td>
</tr>
<tr>
<td></td>
<td>Conducting full medical screening tests for all project/construction employees</td>
</tr>
<tr>
<td></td>
<td>Programme focused on safety training and health interventions in employees’ homes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>THEME 5: COMMUNITY ENGAGEMENT AND BENEFIT</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Conduct stakeholder engagement and/or a community needs assessment</td>
<td>Conducting a ‘needs assessment’ or ‘asset assessment’ in consultation with the identified community</td>
</tr>
<tr>
<td></td>
<td>Community consultation and stakeholder engagement undertaken with regard to the building as a whole.</td>
</tr>
<tr>
<td>Provide a community facility/facilities - based on the outcome of stakeholder engagement and/or needs assessment</td>
<td>Space for a facility inside the building</td>
</tr>
<tr>
<td></td>
<td>Space for a facility on the site, but outside of or separate from the main building</td>
</tr>
<tr>
<td></td>
<td>A multi-purpose facility inside the building that allows part-time use of space for public purposes/ benefit</td>
</tr>
<tr>
<td></td>
<td>A public-benefit facility built in an identified community (not on project site)</td>
</tr>
</tbody>
</table>
1. Introduction, context and objectives

The Green Building Council movement started as a platform to bring together leaders within the building sector to drive the transformation of the sector towards sustainability through tangible, measurable actions. Ten years later, with more than 1 billion m² of certified green building space globally, many markets are in full stride with almost 50 percent of new commercial construction being green.

One of the major keys to this transformation has been the widespread use of green building rating systems around the world. Green buildings have been certified in over 150 countries, demonstrating their environmental performance through measurable and verifiable criteria.

Green Building Councils in developing countries operate in a context of large-scale social and economic challenges such as poverty, poor public health, unemployment and lack of skills and education. They have recognized that for the uptake of green building practices to grow beyond a small ‘niche’ market, they would have to demonstrate how a more sustainable built environment can help address these pressing issues.

To answer this need, the World Green Building Council and the Green Building Council of South Africa established a joint project to develop a framework for these more complex socio-economic issues to be integrated into any rating system in the world. By taking on these issues directly, green building rating tools can be a greater part of the action needed to address national development priorities.

The framework sets out priority social and economic sustainability factors, along with examples of performance criteria and benchmarks, which can be used by GBCs in rating tools as part of their certification of the design and construction of green building in developing countries. It serves as a guide to enable GBCs to reward green building projects that take action to help create the conditions for improving socio-economic circumstances.

This document has been created in collaboration with representatives from several GBC, many of which operate rating tools both in developed and developing countries. The GBC South Africa has taken a further step of adapting this framework to the Green Star SA rating system.

1.1 Moving beyond ‘green’ focus to include broader sustainability impacts

The concept of sustainability usually spans three factors: social, economic and environmental. Traditionally, most green building rating systems have understandably tended to focus exclusively on environmental impacts. However, internationally within the green building movement there appears to be an increasing interest in the inclusion of social and economic impacts as well, and a shift in this direction.

Well established rating systems which are used in many countries - such as BREAM (UK), Green Star (Australia) and LEED (USA) - have already included some socio-economic factors in their community-scale tools and LEED is busy establishing a Social Equity credit in its tools for individual buildings. South Africa is due to launch a Socio-Economic Category in PILOT format soon for Green Star SA, and other developing countries such as Colombia, Turkey, India and Mauritius have started to include socio-economic issues in some way too.
1.2 Focus on developing country context

Including broader socio-economic sustainability issues has particular relevance in developing countries where often, fundamental human needs are not being met. At a national policy level in developing countries, there are huge societal challenges which have to be tackled, such as: poverty and unemployment, lack of education and skills, and poor health. Each of these can be addressed, at least to some extent, through the process of design and construction of a green building.

Thus this Framework document has been specifically created for developing country contexts, and targets them in terms of content and approach. Inclusion of these socio-economic factors will significantly increase the relevance of green building tools in developing countries.

While developed countries are also increasingly experiencing challenges such as unemployment and social inequity, these can often be of a different scale and nature to those experienced in developing countries. However, while this Framework document is intended primarily for developing country contexts, there may well be value within it for those developed countries which are also working in similar territory.

A future project may generate a broader, more ‘universal’ set of guidelines which might apply to any kind of country context.

1.3 Development and consultation process

The content of this Framework document has been produced in consultation with an appointed International Advisory Panel (IAP) of GBCs from 15 countries/regions, and through international research and contributions from the GBCSA, technical consultants and a broad range of experts in a South-African based Technical Working Group. It has been funded by the Old Mutual Property group, which is based in South Africa.

A call for interested GBCs was made through the WorldGBC, and an IAP was formed with representation from countries/regions which have developing economies or are a developed country with a rating tool which is used in developing countries. It included: Australia, Brazil, Colombia, France, Ghana, India, Mauritius, Nigeria, Peru, Singapore, South Africa, Sri Lanka, Tunisia and the Middle East & North Africa (MENA region) network, Turkey and the USA. A process of engagement from August to December 2012 included responses to questionnaires, teleconferences and other written comments. Broader international comment from WorldGBC members was called for in August 2013, and this PILOT version of the Framework is set to be launched in October 2013.

1.4 Socio-economic priorities selected and examples of credits provided

This Framework outlines the most important socio-economic needs and development priorities in developing countries that can be practically addressed primarily through the design and construction of green buildings, within both the public and private sectors. It concentrates on those factors that are not only seen as the biggest challenges, but which can most readily be measured and assessed through a documentation process.
It is designed to:

a) List the key socio-economic priorities which can be addressed in rating tools in developing country contexts, with a definition, description and rationale for each priority.

b) Identify possible credits under each priority, with a description of the aim of the credit, and

c) Provide suggestions of ‘generic’ types of indicators for developing country applications, and examples of possible assessment measures to illustrate how each credit could be benchmarked across many different developing countries.

More proposed credits and indicators are provided than may be eventually selected for further development. Country-specific credits and assessment measures can be developed using this Framework, where each country elects these based on their own specific needs, desired impact, relevance, measurability, and application to local projects.

There are two main types of credits included in this Framework:

- Credits which reward design initiatives (building attributes) e.g. the building design includes educational or health facilities which the surrounding community has identified as being a local need.

- Credits which reward design and construction process elements e.g. the contractor employed 5 people to lay the paving instead of using a machine. In some instances this can also be extended into the operational phase of the building.

Conceptually, socio-economic improvements can be addressed at different ‘levels’ or in different ‘spheres of influence’, such as at the project level and at the corporate/organisational level. These may link to and reinforce each other to increase the benefit. Thus this Framework can be adapted to work in multiple ways. For example:

- For projects that use a green building rating system, decisions that are within scope of project can be rewarded which have a broader socio-economic impact on people and community that it may not have previously considered.

- For companies or organizations which use green building rating systems on their projects, reward can be given within the points system for company/ organisational policies that have a positive socio-economic impact on the community and its people. Thus project level rating systems can have an influence much further into corporate behavior.
1.5 Focus and parameters

This Framework has been established with key considerations and ‘boundaries’ or parameters, such as:

- **BUILDING SCALE.** It addresses individual buildings only, not community, precinct or neighbourhood projects.

- **STAGE OF LIFE.** The focus is on what can be achieved mainly through the design and construction phases. However, there are a few examples of indicators which do address the long-term operational phase of the building.

- **PRIORITISATION.** The focus is on the socio-economic priorities which have been identified by the IAP as being the most important.

- **OBJECTIVE ASSESSMENT MEASURES.** Green building rating systems/tools and their certification processes typically require objective assessment to ensure credibility, meaning the credits suggested must lend themselves to third party measurement or assessment in some way.

2. Five key socio-economic priority themes

2.1 Introduction to selected key priorities

Socio-economic priority needs (relevant in the context of building design and construction) have been identified through the contributions of the International Advisory Panel so far, some international research and from the first interaction with the South African Technical Work Group (TWG) for this project. References such as the United Nations’ Millennium Development Goals (MDGs), the World Bank/International Finance Corporation (IFC) Standards, Equator Principles and the Global Reporting Initiative were considered due to their broad international standing and use.

The selected top socio-economic priorities have been clustered into the following five Key Priority Themes (in no particular order):

- Employment and economic opportunity
- Education and skills development
- Health and safety
- Equality
- Community engagement and benefit.

There were several priority areas which were considered by the IAP and the TWG, and all of these are represented by these 5 over-arching themes.
## 2.2 Definitions of the selected socio-economic priorities

For the sake of clarity, the following definitions are provided below, with further descriptions of each priority in section 2.3 below:

<table>
<thead>
<tr>
<th>THEME</th>
<th>DEFINITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment and economic opportunity</td>
<td>This theme is comprised of three parts, namely employment creation; procurement opportunities and country localisation; and the development of businesses to maximise their economic opportunity. Employment creation is defined as an intervention that is put in place to maximise employment. Procurement and localisation includes creating demand for locally sourced goods and services. Development of businesses incorporates the growth of a recipient business stimulated through a number of interventions e.g. financial investments, capacity building; and the embedding of formal business systems into developing businesses.</td>
</tr>
<tr>
<td>Education and skills development</td>
<td>This is defined as education and skills development interventions that improve the ability of an individual to generate an income.</td>
</tr>
<tr>
<td>Health and safety</td>
<td>Health and safety is a cross-disciplinary area and includes the systems concerned with protecting the safety, health and welfare of people engaged in work or employment (ILO / WHO), including construction workers and the eventual building users.</td>
</tr>
<tr>
<td>Equality</td>
<td>Equality refers to equal rights and opportunities for people regardless of what personal characteristics they might have that make them unique and different.</td>
</tr>
</tbody>
</table>
| Community engagement and benefit                | Community engagement refers to developers or building owner/managers establishing and implementing a strategy/plan to engage with the community and/or relevant stakeholders. This means a community where the building project is located, is near to or that is involved or associated with the project in some way. It can also involve other stakeholders, for example if the building is not in a residential area but there are different groups of people who will be using the building.

The aim is to ensure that community needs are understood and addressed wherever possible, so that they have a ‘voice’ and that benefits can flow from the design, construction and ultimately the operation of green buildings. |

---

1 “Local” is defined as within the country, not regional or community
### Theme Definition

<table>
<thead>
<tr>
<th>Theme</th>
<th>Definition</th>
</tr>
</thead>
</table>
|      | The developer/ owner applies resources to identify, approach and work with community leaders and individual people, community-based organizations and non-governmental organisations (NGO’s) which represent these groups and operate for their benefit.  
Ongoing relationships are built for the purpose of creating a collective vision for the building, and for implementing projects or creating facilities within the building/property for benefits relating to the likes of socio-economic upliftment, education and health improvement. |

Where this document refers to ‘employees’, mainly in the context of a construction project, this includes people who are employed on a short-term or longer-term contract basis as well as people who are appointed as permanent employees.

### 2.3 Descriptions of the themes

**Employment and economic opportunity** - This theme incorporates employment creation; stimulation of the local economy through procurement of local goods and services or development of local supply of previously imported goods and services; and growth and development of business enterprises. Employment creation provides economic opportunity for individual people; procurement, localisation and development of businesses provide economic opportunity for organisations. These components have a direct, high impact socio-economic benefit. Employment creation; procurement and localisation; and enterprise development would be separated in measurement within this theme. Employment creation above industry norms for the specific project type would attract points. Interventions that stimulate economic opportunity for businesses would also qualify for points in this category.

**Education and skills development** - Any education, training or skills development that increases the income-earning potential of a person or people would be incorporated in this theme. Low literacy levels and skills shortages across the range of technical and professional competencies exist in the building industry in developing countries. Therefore this category is an important focus area for socio-economic development. Any career management and career development interventions such as management development programmes and performance management programmes would also qualify for points in this category.
Health and safety - The lack of health and safety systems and reporting in developing countries, with the associated high number of injuries and fatalities, lost work days and high incidence of diseases such as HIV/AIDS and Malaria drive this theme. The focus of this theme includes: better practice in construction safety (thereby causing a reduction in accidents and fatalities); the creation of a safe and healthy working environment (by project owners for each person involved in the project); a change in attitude and behaviours (including lifestyle choices) which result in better health (including primary health related to disease); and overall safety of people involved in projects. Where rating tools do not already have credits addressing the health and wellbeing of building occupants, these could be included here as well.

Equality - Freedom from discrimination is a fundamental human right. Inequality is an ongoing challenge especially in developing countries. The profits of a globalized economy tend to be fairly distributed in a society where equality exists, leading to greater social stability and broader public support for further economic development. This priority is therefore intended to limit discrimination in a wide range of employment and employment-related areas. It also will ensure that cultural differences are acknowledged and conserved, and given equal rights and opportunities. It is essential that prospective employees are considered for employment without discrimination, to enable development to full potential and to reap economic rewards on the basis of merit.

Community engagement and benefit - Community engagement and benefit are about involving citizens in various capacities and including the engagement processes that are necessary to improve the responsiveness and accountability of decision making which has previously been dominated by project owners / developers. Understanding the community structure and functioning is crucial to achieving successful engagement with local communities.

A broad array of individuals within communities should be consulted in order to discuss, define and assess the needs/s social issues of the local community; identify and understand the nature of problems that affect the community; and design programs and services to meet the specific needs and priorities of the populations they serve or exist within. This approach also ensures accountability and contributes to making the best use of available resources. There is a large range of interventions which benefit and help uplift the community, including providing work opportunities, creating infrastructure and/or social service facilities and education or training programmes.

2.4 Principles for allocation and value prioritisation

The way these themes are structured and named is already highlighting some important interventions. For example, stakeholder engagement could be seen as being a means to an end (a way of doing things) rather than an outcome, but it is considered to be so important for these kinds of projects that it has been included in the title.

The detailed allocation of points to be awarded for credits in each of these themes will be decided by each individual country which applies this Framework. By allocating more points to some interventions, this introduces a ‘weighting’ which makes some interventions more valuable than others. Each country can set its own priorities using this method.
There are some credits which can be seen to be relevant to more than one theme (as the themes are often inter-linked). Where there is this kind of ‘overlap’, the credit criteria should be distinguished by the nature of the recipient of that intervention i.e. who gets the benefit? For example, if an employee receives training, then points will be awarded under ‘Skills Development’ credit/s, and if a community member who is not employed on the project receives training, then points will be awarded under ‘Community Benefit’ credit/s.

2.5 Development of measurable credits related to each theme

Each of the following chapters deals with one theme only. One or more credits are proposed for each theme. For each credit, the overall aim, possible interventions and the related indicators and examples of measure per intervention are provided.

3. Proposed credits for Employment and economic opportunity

3.1 Employment Creation

Aim of Credit: To maximise employment through interventions and inclusion of different methodologies.

3.1.1 Intervention 1: Using labour-intensive construction methods wherever possible.

Points would be awarded where employment is created through the use of labour-intensive construction methods on a project for specific activities. These activities would be identified at the design phase of the project and implemented during the construction phase. E.g. paving or landscaping using labour-intensive methods.

Possible Indicators:

a) Increase in number of jobs against baseline for the specific project, as a result of using labour intensive construction methods rather than mechanised solutions for building. The definition of what constitutes a “job” would need to be defined by each country using this indicator e.g. a set number of working days or weeks in a year.

EXAMPLE OF MEASURE: A 5% improvement, or another relevant benchmark.

b) Increase in number of man/person-hours for a specific activity or set of activities using labour-intensive construction methods which must exceed the number of man/person-hours used by conventional construction methods which might have otherwise been used.
EXAMPLE OF MEASURE: The project establishes the baseline of the level of employment for the identified task/s for the way it would have been done for that specific project, and demonstrates how much more employment was created by using the labour-intensive method/s. The increased employment level should be achieved by a minimum of a certain percentage, or be worth above a minimum threshold in terms of project value in order to qualify. A methodology guideline would be provided to illustrate this approach.

c) Increase in labour cost as a percentage of construction cost against a typical baseline labour cost for that type of building project.

EXAMPLE OF MEASURE: A 55% labour cost instead of the normal 50%.

d) Pre-manufacturing of certain materials in a labour-intensive way for use in the project, in order to prevent any loss of time during construction due to labour-intensivity.

EXAMPLE OF MEASURE: Development and implementation of the plan would be rewarded. In this case assessment would be for a methodology-based approach or process which can be shown to have been followed, rather than for achieving a particular outcome which might be difficult to measure or achieving a threshold.

3.1.2 Intervention 2: Creating a long-term facility for economic opportunity

Points would be awarded where a permanent or long-term facility for employment creation or economic opportunity for individual persons or micro/ small scale enterprises is provided in the completed building, or on the site. For example: space and structures for informal traders or food vendors to operate from. (Note that this is one of the interventions included in this Framework which would generate socio-economic benefits over the lifetime of the building, not just during the construction phase.

Possible Indicators:

a) Size of employment creation facility provided as a percentage of the usable space in the building.

EXAMPLE OF MEASURE: The facility must occupy a minimum floor space in the building (or on the site) of a minimum of 0.5% of the total occupied space or 50m². There must be proof of intention to operate this facility for small scale enterprises which generate employment e.g. contracts with operators for a 3 year period as a minimum.

b) Value of spend on employment creation facility as a percentage of the construction value.

EXAMPLE OF MEASURE: 0, 5% of construction value, or other relevant benchmark.

c) Employment creation facility alternatively provided on the site (not within the building), or on the public street-front side of the site or area in front of or adjacent to the site.

This kind of intervention would depend on the nature of local by-laws and arrangements with local municipality/authority.
3.2 Economic Opportunity

Aim of Credit: To stimulate the growth and development of smaller business enterprises through interventions, including procurement of goods and services and enterprise development programmes.

3.2.1 Intervention 1: Procurement of goods and services through smaller and local businesses

Points will be awarded for procurement, particularly during the construction phase, from the following types of businesses where the project provides proof of the completion of a scoping exercise to determine what procurement requirements of the project can be sourced from:

- Small businesses in the construction industry which are larger than start-up size and with real skills and growth potential. For example between US$ 25,000 and US$750,000, but each country should determine its own thresholds.

- Any size business within the relevant country that either provide services, or manufacture from scratch, or adds value to products used (such as local assembly of imported parts) that have previously been imported. For example, a green office building uses light bulbs and tiles produced and procured in the local country, which are normally imported. This means that the project has a reduced foreign content.

Apart from stipulating a methodology to use as a measure for this credit (such as the scoping exercise to be conducted) there should be a minimum threshold value of procurement from these above categories which should be measured as a % of the total project value.

Countries can define ‘local’ in a different way to suit their circumstances e.g. within that region or local area, or even within a kilometre radius.

Possible Indicators:

a) Percentage of goods and services (including labour) must be sourced from within a certain kilometre radius of the project

EXAMPLE OF MEASURE: Within a 50 kilometre radius of the project site. (The kilometre radius will vary for different countries and also perhaps across different types of projects.)

b) Percentage of goods and services used must be sourced from within the same country as the project

EXAMPLE OF MEASURE: 60% of goods and services procured from companies operating within that country, where at least some ‘value added’ is provided within in the country. This would be defined in each context e.g. at least assembly of products. This value could perhaps differ for different types of projects e.g. a big urban office block which is 8 storeys tall, versus a single story school in a rural area.
c) Percentage of goods and services (including labour) used during construction must be sourced from small businesses

EXAMPLE OF MEASURE: 30% of procurement from small companies. The size and/or nature of such small companies to be defined by each country using this credit.

3.2.2 Intervention 2: Small business/enterprise development support

Enterprise development is defined as interventions that are provided to a small business or businesses to assist in growing the capacity of the beneficiary business/businesses. They can include financial and non-financial contributions as well as business development programmes. Where contributions are not directly financial, such as mentoring programmes, the (staff) time cost of these interventions will be computed in financial terms. These may include providing the following kind of support: grants, investments, loans, guarantees, credit facilities, time-cost in business development programmes, preferential credit terms, discounts, facilitating access to credit, and provision of training or mentoring.

For example:

- A developer invests a sum of money into a developing business participating in the project
- A contractor implements or supports a small business development programme for a joint venture partner, and the time cost is calculated as the enterprise development contribution

An architect provides a design manager to a sub-consultant partner for a period of time to assist in establishing a document control system within the sub-consultant business, and the time cost is calculated as the enterprise development contribution.

Possible Indicators:

a) Percentage of enterprise development contributions as a percentage of the project value

EXAMPLE OF MEASURE: For projects above a value of US$ 20 million, points would be awarded where the value of enterprise development contributions exceeds 0.3% of the total project value where the enterprise development contribution is coupled with a qualifying enterprise development programme. For projects with a value of less than US$ 20 million, points would be awarded where a qualifying small business is identified and developed to take up a procurement opportunity on a green building. (This is a methodology-only assessment measure, but a minimum threshold could still be added.)

3.2.3 Intervention 3: Small business procurement during operation phase

Points would be awarded where maintenance, cleaning, waste removal or other services traditionally provided by larger companies are to be provided by a small business during the operational phase of the building. A service level agreement or contract with the service provider/s is required as proof of intent.
Categories of small businesses could be defined as follows, or with other more relevant thresholds:

<table>
<thead>
<tr>
<th>Size</th>
<th>Permanent employees less than</th>
<th>Annual turnover (in US Dollars)</th>
<th>Total gross fixed asset value (fixed property excluded) (in US Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium</td>
<td>200</td>
<td>2,200,000</td>
<td>440,000</td>
</tr>
<tr>
<td>Small</td>
<td>50</td>
<td>550,000</td>
<td>110,000</td>
</tr>
<tr>
<td>Very Small</td>
<td>20</td>
<td>220,000</td>
<td>44,000</td>
</tr>
<tr>
<td>Micro</td>
<td>5</td>
<td>16,000</td>
<td>11,000</td>
</tr>
</tbody>
</table>

Possible Indicators:

a) **Percentage of total services during building operation phase procured from smaller local companies**

**EXAMPLE OF MEASURE:** 50% of operation phase services are from small businesses (to be defined in each country context).

### 3.3 Background

It is estimated\(^2\) that the proportion of people living in developing regions on less than US$1.25 per day at 23.5% of the world’s population. Employment has a direct economic benefit for the individual person and dependants of the person employed. The UN MDG Report of 2012 identifies employment as an important tool in reducing poverty and hunger. Therefore encouraging interventions that maximise employment will have a large socio-economic impact. Linked to employment creation is the development of businesses. As businesses grow, more sustainable employment is created. If informal businesses can be developed into formal businesses, the employment opportunity becomes less vulnerable. The UN MDG Report of 2012 cites the progress in the decrease of vulnerable employment as slow. The formal businesses involved in green building projects create opportunities for less formal businesses to participate in the project through procurement opportunities, sub-contracting and joint ventures. Through these relationships formal businesses have the opportunity to stimulate the growth of less formal businesses which participate in the project through various interventions such as procurement of local goods and services, development of local economy to provide previously imported goods and services, financial investment; capacity building, developing key employees and managers; and supporting less formal businesses to adopt relevant formal business systems for greater efficiency and profitability.

---

\(^2\) World Bank publication ‘Millennium Development Goals Report 2012’ page 7
4. Proposed credits for Education and skills development

4.1 Education and Skills Development

Aim of Credit: To increase the education and skills development of employed people in the categories of unskilled, semi-skilled, skilled, supervisory, technical and professional who are part of the design and construction project.

4.1.1 Intervention 1: Percentage project expenditure on education and skills development programmes

Beneficiaries would typically be labourers, artisans, technicians and young professionals associated with the project in some way - including project employees, sub-contractors and suppliers. The nature, quality and quantity of training should be defined by each country.

A list of interventions which would qualify as skills development interventions would be provided, and this would be likely to include a range such as: skills training programmes; adult basic education (literacy and numeracy level); provision of experiential training; learnerships / apprenticeships, internships and mentorship programmes. The skills development might include formal or informal instruction, at an institution or in the workplace, and include theoretical knowledge or practical learning.

Some countries may want to specify some specific skills that should be invested in (either stipulated or only encouraged) e.g. scarce skills needed in that country, and skills related to traditional design or construction methods which are important for cultural heritage preservation and promotion.

There are some indicators which are related simply to expenditure, and some which look at the outcomes of that expenditure. A country might choose one of these options, or opt for some kind of combination of both of these (as South Africa has done).

Possible Indicators:

a) Value of spending on training as a percentage of the project cost (total expenditure)

EXAMPLE OF MEASURE: Expenditure on education and skills development exceeds a minimum of 3% of the project wage bill. Mentorship time would be converted to hourly rates for staff time spent as part of the calculation (e.g. Mentor’s time, and time of person being mentored), but no more than 30% of cost may be from mentorship. Furthermore, no less than 70% of the cost should be spent on lower skilled staff (i.e. up to artisan level).

b) Outcomes of training expenditure and skills development are demonstrated

EXAMPLE OF MEASURE: The skills/education level of staff on the project is recorded at the beginning of a project, and then at the end of the project, with the achievement during the project recorded. Each relevant member of construction staff should leave the project with an improved skills or basic education level.
c) Percentage of staff on the project trained.

EXAMPLE OF MEASURE: A minimum of 25%. The nature, quality and quantity of training which qualifies would have to be defined e.g. 40 hours of training as a minimum.

d) Total number of hours that staff on the project have been trained

EXAMPLE OF MEASURE: A minimum of 40 hours per project staff member, on average. The nature, quality and quantity of training which qualifies would have to be defined.

4.2 Background

Although the focus for the green building industry will be on training that is employment related, adult numeracy and literacy training will also be considered. Interventions will include training, skills development, management development programmes, performance management, and career development.

Relevant training and career development increases the earning potential of the recipient and will have a direct socio-economic impact on employability and income generating capacity. With a global shortage of skills in the construction sector, especially in developing countries, the inclusion of this element in the socio-economic priorities is critical.
5. Proposed credits for Equality

5.1 Equity of Access to Employment

**Aim of Credit:** To reward initiatives that improve access to the employment market for women and other marginalised/ disadvantaged groups for the design and construction phases of (green) building projects.

5.1.1 Intervention 1: Minimum percentage employment of disadvantaged or marginalised groups

Preferential appointment of gender and / or other marginalised or disadvantaged individuals / groups during construction as identified for each country or region, broken down into the following example of key categories: (1) Gender (2) Race (3) Disability (4) Social status.

Targets are to be determined by each country. It will depend on factors such as whether the disadvantaged groups are in the minority or in the majority and also whether there are national targets set for companies and public organisations and over what kind of timeframe (e.g. progressive increase in targets over 15 years), and what can be applied to short-term building projects.

This would be related to any existing country-specific legislation.

Possible Indicators:

a) Appointment of women as a percentage of people employed on the design and construction teams

**EXAMPLE OF MEASURE:** 20% women as part of the design team, and 5% women as part of the construction team. Proof of contracts with the design team for the project, which contain specific reference to members of the team who are female gender, their names and confirmation of their availability for the duration of the project. Higher level of achievement could warrant more points.

b) Marginalised or disadvantaged persons employed on the project, as a percentage of total number of employees

**EXAMPLE OF MEASURE:**

In countries where the marginalised or disadvantaged people are in the MINORITY, the following kind of thresholds could apply for the first 5 years:

- If disadvantaged people make up 3-5 % of total employees = 1 point
- If disadvantaged are 5.1 - 7% of total = 2 points
- If disadvantaged are 8% and above = 3 points
In countries where the marginalised or disadvantaged people are in the MAJORITY, the following kind of thresholds could apply for the first 5 years:

- If disadvantaged people make up 50% of total employees = 1 point
- If disadvantaged are 51-60% of total = 2 points
- If disadvantaged are 61-70% of total = 3 points

NOTE: Countries may have their own priorities and legislation or policy relating to redressing inequalities, and targets or thresholds for this can be developed in relation to these.

5.2 Access to Affordable Housing

**Aim of Credit:** The provision of some affordable housing options in residential housing developments.

5.2.1 Intervention 1: Inclusion of a portion of housing that is deemed to be “affordable”

Design and construction of residential housing developments that include a portion of housing that is deemed to be ‘affordable’, according to an agreed definition or standard/s in that country - based on context and which income-groups are to be targeted. For example in South Africa the proposal is to cover both very low income groups which qualify for government housing subsidies as well as those who have slightly higher incomes but still need ‘social’ or affordable housing options. The upper price limit of ‘affordable’ units proposed for Green Star SA is therefore currently set at an equivalent of US$ 70,000, or rental value of less than US$ 700.

Note: This credit would typically only be applicable for multi-unit residential housing developments, or in some cases perhaps mixed use developments which include a significant residential component. A range of ownership and management options from fully-bonded, rent-to-purchase or rent only can be included.

**Possible Indicators:**

a) **Use the Simpson Diversity Index**\(^3\) to determine the diversity factor of housing / accommodation in a development

**EXAMPLE OF MEASURE:** A Diversity Index score of 0.5 or above (indicating high diversity level).

**NOTE:** The Simpson Diversity Index, as used in the American LEED ND rating system credit, has been considered as an option for South Africa. It has strong potential as a possible credit, but was found to me more applicable for community/ neighbourhood scale developments and would probably have to have a cost dimension added to become relevant for developing countries. Only including different size units means that there is a risk of a situation where expensive bachelor units could be on offer rather than affordable accommodation.

---

\(^3\) As per the LEED ND (neighbourhood) Housing Diversity Credit
b) Include a percentage of “affordable units” in the development at a reduced cost

EXAMPLE OF MEASURE: A certain percentage, such as 10% of units in a development should be rented out by the developer (in order to prevent investors purchasing many of the ‘affordable’ units) at a value of no more than a percentage such as 25% of the average value of a unit in the development. This may often mean that these units would be very small (perhaps a third of the typical size) and developed with somewhat less high-end finishes to balance out the high cost of services that must be provided by the developer.

c) Include a percentage of “affordable units” in the development, at a specified threshold of cost per unit

EXAMPLE OF MEASURE: A certain percentage, such as 10% of units in a development should be below a certain purchase or rental value (based on country-specific conditions or policies).

5.2.2 Intervention 2: Inclusion of some accommodation units for low-income workers during the operation phase

Provision of additional units (based on number of units) of two-person accommodation or sleep-over facilities are provided on site for operational staff such as domestic workers, cleaners, landscaping, security or maintenance staff that typically have to travel far from home or be present at the building outside/ beyond traditional business hours. Such units would be rented at a nominal rate only, which would be considered ‘affordable’ for this level of income, and the bulk of development cost could be recovered from levies on other units in the building (cross subsidy).

Possible Indicators:

a) Provide a percentage of additional units (based on total number of units) of two-person accommodation or sleep-over facilities on site for low-income operational staff

EXAMPLE OF MEASURE: At least 10% of the development’s total units to be allocated as two-person accommodation or sleep-over facilities for low-income operational staff. For such units at least 16m² of space allocation per two-person unit should be allowed for, and each unit may not accommodate more than 2 persons. (Not meant as family accommodation, and to prevent over-crowding conditions).

5.3 Equal Access for People with Disabilities, the Elderly and Infirm

Aim of Credit: The provision of access and facilities within the building for the elderly, infirm and people with disabilities.

5.3.1 Intervention 2: Excellence (above legal compliance) in provision of dignified access for all people

Building design that promotes dignified access for all persons, in particular easy and effective access and facilities within the building for the elderly, infirm and people with disabilities.
Design components of the building provided according to legislation requirement for the relevant country or international best practice design standards for access for disabled, elderly and infirm people - whichever represents the higher set of standards. Many countries do have design standards for disability access, but it’s not clear if this can be exceeded in a way where achieving a higher level can be rewarded (e.g. more points for doing more). It might be that there is only 1 point available for this factor, if the international best practice is achieved and no point if it is not achieved.

Compliance with in-country accessibility standards must be complied with, or in its absence an internationally accepted accessibility standard complied with. E.g. the ISO (the International Organization for Standardization) standards\(^4\) 11.180: Aids for disabled or handicapped persons\(^5\) can be used as a base standard. Interventions above and beyond in-country standards can be rewarded with additional points.

Note: Rating systems may not want to reward projects for achieving what may already be legally required in that country. Some countries might decide that this is not a critical credit to include in terms of a poverty alleviation objective, or they may include it for broader development objectives.

Possible Indicators:

a) **Compliance with in-country accessibility standards for buildings, or accepted international standards (whichever is the higher standard)**

**EXAMPLE OF MEASURE:** Conditional or compulsory base achievement would be adherence to the chosen standard, with additional points awarded for interventions above and beyond the chosen standard (if there are such higher standards).

### 5.4 Background

Millions of people around the world experience discrimination based on their personal characteristics as listed below without regard for their skills and capabilities. This discrimination takes the form of being denied access to employment; certain occupations; education; training or receiving lower wages. Discrimination denies access to economic benefit based on merit and inhibits their opportunity to develop to their full potential. Freedom from discrimination is a fundamental human right and equality in the workplace leads to a better quality, more diverse workforce and has significant economic benefits. Some of these benefits include a fairer distribution of profit, greater social stability and broader public support for further economic development. This theme is intended to foster equality in employment-related areas which could include recruitment and promotion; equal remuneration; training and employment conditions.

---


The personal characteristics that could be included as selected priorities are likely to be chosen from the following range:

- **Gender**: male, female or transsexual
- **Race**: includes race, appearance, ethnic origin and indigenous origin
- **Disability**: includes people with physical, intellectual, learning, cognitive or emotional disabilities and a range of medical conditions, and the elderly
- **Social Status**: includes social standing, class or economic status or means
- **Sexual orientation**: includes gay, lesbian, bisexual and heterosexual
- **Religion**: means religious belief, background, outlook or none
- **Age**: refers to all persons of employable age from youth to retirement age
- **Civil status**: includes single, married, separated, divorced, widowed people, civil partners

---

6 International Finance Corporation (IFC) Standard 2 and International Labour Organisation (ILO) standards on equality at work
7 Goal 3 of the Millennium Development Goals (MDGs): “Promote gender equality and empower women”
4 The United Nations (UN) Convention on the Rights of Persons with Disabilities
6. Proposed credits Health and Safety

6.1 Occupational Health and Safety

**Aim of Credit:** Reward excellence in occupational health and safety performance during design, construction and operations of buildings.

6.1.1 Intervention 1: Improvement of occupational health and safety practices and results

**Possible Indicators:**

a) **Production and implementation of an occupational health and safety plan** for the building project that complies with current country-specific legislation or international best practice (whichever is higher) as a minimum. This would include common prevention measures such as regular health and safety briefings held with project employees, providing employees with personal protective equipment, and also the ongoing monitoring and recording all accident events that occur.

**EXAMPLE OF MEASURE:** An independent health and safety agent, consultant or inspector confirms in a written report that country-specific legislation or an international ‘best practice’ had been complied with or not. Some countries also have different grades of achievement, which could be linked to rewarding additional points.

b) **Conducting a ‘design hazard identification risk assessment’** (HIRA). The HIRA would be conducted by the design team and contractor for the project during the design phase in order to amend design components that are unsafe to build and maintain, or put in place measures for prevention of incidents regarding identified dangerous components in the construction of the building.

**Note:** HIRA is mandatory and well developed in the UK (see reference link), and it is also now mandatory in other countries too e.g. South Africa.

**EXAMPLE OF MEASURE:** An independent health and safety agent, consultant or inspector confirms in a written report that the design HIRA has been conducted, and the majority of risks associated with the construction as well as the maintenance of the building have been averted.

---

c) Achieving a certain ‘disabling injury frequency’ rate

EXAMPLE OF MEASURE: A rate of no more than 0.4 disabling injuries per 200,000 hours worked. (This represents the top 10% of achievement in a country such as South Africa). Where possible to measure or assess against agreed industry norms, projects can be rewarded for exceeding the industry norms for health and safety performance. In these cases an independent report would be submitted as proof.

d) Provide construction worker accommodation according to standards e.g. IFC guidelines

Where accommodation for construction workers are required or provided for the project (typically developments in rural areas, and sometimes called ‘labour camps’), this accommodation must be designed, constructed and operated according to a relevant national or international standard.

EXAMPLE OF MEASURE: Compliance with the International Finance Corporation (IFC) and European Bank for Reconstruction and Development’s guidelines for construction worker accommodation.\(^\text{10}\)

Note: This indicator has been added into the Health and Safety credit in this Framework, but it may well fit better elsewhere or as a stand-alone credit in countries where worker accommodation is a common feature.

6.1.2 Intervention 2: General health awareness and disease risk control

The aim of this intervention is to foster health awareness, prevention measures and implementation of programmes for disease risk control amongst people involved in the design and construction of the building project. It would further implement interventions / programmes that enhance health awareness and behavioural change towards disease risk control. For example provision of HIV/AIDS training for construction employees, or mosquito nets for project employees and their families where projects are in malaria areas. Each country to determine its own health and disease risk priorities.

Possible Indicators:

a) Expenditure on health awareness and disease risk control interventions/programmes as a percentage of total project cost. As with other credits, targets and achievement measures would be set by each country to relate to their specific conditions.

---

EXAMPLE OF MEASURE: For commercial buildings, rating measures could be something like the following:

- Spending 0.25 - 0.4% of project value = 1 point
- Spending 0.41 - 0.5% = 2 points
- Spending 0.6 and above = 3 points

Note: The “payback” for this credit (for projects) would be less lost time due to illness, and greater productivity.

a) Conducting full medical screening tests for all project/ construction employees at least once per annum or once during the construction phase at the beginning of the project (if the project duration is less than one year).

EXAMPLE OF MEASURE: Spending at least US$ 60 per person on accredited medical screening. Some countries might also want to specify some level of spending on medical treatment for those people who are diagnosed with treatable illnesses, depending on what kind of national medical/ health care system and/ or corporate medical aid programmes are in place.

b) Conduct a health and safety program focused on safety training and health interventions in employees’ homes

The program will include:

- An assessment of the H&S and primary health practices of a sample group of construction employees of the project at their place of residence, at the beginning of the construction phase.
- The production and implementation of an awareness training program that seeks to improve the H&S practice and primary health awareness of employees in their homes.

EXAMPLE OF MEASURE: As part of Corporate Social Investment (CSI) contribution, spend at least 0.05% of the project value on the programme.
6.2 Background

There is a concerning lack of safety systems, procedures and adherence in the construction industry in developing countries, with a resulting high number of fatality and accident rates (approximately five times higher than that of developed countries). Diseases such as HIV / Aids and Malaria (in Sub-Saharan Africa) cause significant lost workdays due to absenteeism and productivity decreases, and generally reduce people’s ability to be able to work or find work if they are unemployed. According to the International Labour Organization\textsuperscript{11} (ILO) and the World Health Organization\textsuperscript{12} (WHO), health and safety at work is aimed at the promotion and maintenance of the highest degree of physical, mental and social well-being of workers in all occupations; the prevention among workers of leaving work due to health problems caused by their working conditions; the protection of workers in their employment from risks resulting from factors adverse to health; the placing and maintenance of the worker in an occupational environment adapted to his or her physiological and psychological capabilities. The inclusion of this priority will motivate developers and project owners to recognize their responsibility to ensuring that the protection of human life and the safety, health, and well-being of workers, customers, building users and neighbouring communities is among the primary considerations in their business practices, operations, or development.

\textsuperscript{11} ILO guidelines ILO-OSH-2001
\textsuperscript{12} WHO guidelines as well as IFC Performance Standard 4
7. Proposed credits Community Engagement and Benefit

7.1 Community Benefit

Aim of Credit: To encourage and recognise developments that provide a community facility/facilities responding to the socio-economic needs and issues of identified communities and contributing as a “public good”\(^\text{13}\), and/or which engage with relevant communities and stakeholders on the overall purpose and design of the building as well.

7.1.1 Intervention 1: Conduct stakeholder engagement and/or a community needs assessment

These indicators are an attempt to provide some ideas for what is generally an undertaking which is difficult to measure.

Possible Indicators:

a) Conducting a needs assessment in consultation with the identified community, or conducting a “community assets assessment” (which includes skills and materials/resources) using what is called an ‘asset based community development’ (ABCD\(^\text{14}\)) methodology. As part of the needs/assets assessment, the relevant local government authority’s development plans and/or similar spatial planning documents should be considered, as these documents often outline the implementation plan for projects already identified in higher level documents.

EXAMPLE OF MEASURE: The project submits a (perhaps independent) report to demonstrate that they have conducted the needs assessment, according to a ‘best practice’ methodology. The IFC publication “Investing in People: Sustaining Communities through Improved Business Practice\(^\text{15}\)” provides a recommended methodology for community needs assessment. The ‘asset based community development’ (ABCD\(^\text{16}\)) methodology is also an alternative to consider using (particularly for more rural applications).

Note: This is a methodology-based approach, and there is no metric or threshold involved as a measure or for credit assessment.

b) Community consultation and stakeholder engagement undertaken with regard to the building as a whole. There may be some requirement for this in many countries already. It is considered to be particularly important for public buildings and buildings in rural areas, for example.

\(^{13}\) Public good is defined as a good or service that is provided without profit for society collectively - a good that is both non-excludable and non-rivalrous in that individuals cannot be effectively excluded from use and where use by one individual does not reduce availability to others.

\(^{14}\) http://www.abcdinstitute.org/ The Asset-Based Community Development Institute (ABCD) is at the centre of a growing movement that considers local assets as the primary building blocks of sustainable community development. Building on the skills and resources of local residents and their local context, the power of local associations, and the supportive functions of local institutions, asset-based community development draws upon existing community strengths, rather than their needs, to build stronger, more sustainable communities.

\(^{15}\) http://www1.ifc.org/wps/wcm/connect/1dc2e10048865811b3663a6515bb18/CommunityGuide.pdf?MOD=AJPERES

\(^{16}\) http://www.abcdinstitute.org/
EXAMPLE OF MEASURE: Stakeholder consultation conducted according to the principles of the International Association of Public Participation - IAP2 (See www.iap2.org)

7.1.2 Intervention 2: Provide a community facility/ facilities - based on the outcome of stakeholder engagement and/or needs assessment

Potential Indicators:

a) The design and construction of community facilities based on the outcome of the above-mentioned assessment methods, using any one or more of the following options, from (i) through to (iv):

i) Space for a facility inside the building, with floor space for this allocated as a percentage of the total occupied space of the building17.

EXAMPLE OF MEASURE: The facility must occupy a minimum floor space in the building of at least 0.5% (or 50m² whichever is the greater) of the total occupied space.

As an alternative measure, it has been suggested that in some cases the cost of the facility as a percentage of the total project value could be used as opposed to percentage size of facility, as some high-technology or purpose-built facilities may be small in size but have a high cost.

b) Space for a facility on the site, but outside of or separate from the main building

(E.g. outdoor facility) that will be available to the public on completion of construction;

EXAMPLE OF MEASURE: On-site facilities could include something like a playground area, open landscaped area for active play (minimum area 200m²), outdoor gym / exercise, community market, recycling depot, open piazza or community food garden of at least 5% (or 50m² whichever is the greater) of the land parcel size.

c) A multi-purpose facility inside the building that allows part-time use of the space for public benefit/ purposes e.g. an auditorium which can be used as a training venue in the evenings.

EXAMPLE OF MEASURE: The facility must occupy a minimum floor space in the building of at least 0.5% (or 50m² whichever is the greater) of the total occupied space.

d) A facility built in the identified community that will be available to the public on completion of construction.

EXAMPLE OF MEASURE: The facility must occupy a minimum floor space of at least 0.5% (or 100m² whichever is the greater) of the total occupied space of the building. The facility must be designed by the project design team, and it must be part of the main project cost.

---

17 Example derived from the Sustainable Building Assessment Tool (SBAT) methodology which has been developed by the Council for Scientific and Industrial Research (CSIR) in South Africa.
7.2 Background

Community engagement and benefit is increasingly promoted in developing countries\(^{18}\). Depending on the nature of the project, this could mean residential communities in and around the building, and/or it could also mean other stakeholder groups e.g. types of people who will be using the building, including low-income earners like cleaning, security and catering staff who do not live there but commute there daily. Currently for measurement/assessment, the most strenuous standards to meet are the World Bank/IFC requirements for documentation as proof of good faith negotiation with indigenous peoples and communities for maximum beneficiation.

This theme has been included because of a history of previous poor engagement with communities and stakeholder groups, often leading to fewer benefits received from projects. In recent years, community engagement has emerged as an important dimension in social beneficiation planning and decision-making within a targeted community beneficiation programme. Understanding the value of community/stakeholder engagement and structure in planning and decision-making within local communities and the broader community system is a critical component of project planning and construction.

**Community benefit** will include programmes, physical facilities or activities that provide opportunity and/or promote community benefit as a response to community needs. It includes mainly interventions which:

- Respond to needs of the community (as defined in consultation with the community), focusing on marginalised sectors of the population such as persons living in poverty;

- Provide physical infrastructure or facilities which can be used for public or social benefit of the community.

\(^{18}\) As reflected in publications such as the IFC Policy and Performance Standards
8. Rewarding innovation

Many green building rating tools include an innovation section which rewards projects which go beyond the specified credits in some way e.g. by exceeding standards significantly, creating new products or methods, or by implementing something different which still achieves the intended overall purpose or intention.

Items which might qualify for innovation points/ credits are sure to be of a very diverse nature across the world. The following are just a few examples to illustrate what’s possible.

Possible Indicators:

a) Improve the primary health of construction workers.

**EXAMPLE OF MEASURE:** A primary health programme for construction site employees has been implemented as follows:

- Conducting full medical screening tests for all construction-related employees, including Sub-Contractors employees, at least once per annum or once during the construction phase at the beginning of the project (whichever is the shorter time period);
- Conducting a basic health awareness programme for construction-related employees addressing the top few priority health issues identified in the screening tests above e.g. HIV/AIDS, Tuberculosis and drug and alcohol abuse or malaria, depending on the project;
- The expenditure on this primary health programme must be for a minimum amount of $50 (or other more relevant amount) per unskilled, semi-skilled or skilled employee involved in construction.

b) Inclusion of public art produced by local artist/s, for inside or on the building, or on the site with public access or within public sight. This provides an economic opportunity for the local artists and related suppliers/ service providers which design, produce and install the art works - most of whom are likely to be small enterprises. It is also a concrete (albeit relatively small) way of promoting the visual expression of local culture. (Although issues of ‘cultural expression’ have not been identified as a priority for addressing developing country needs, and are not directly covered in the above 5 themes, some countries may wish to include them.)

Opportunities would include: sculptures; murals; tapestries, other art pieces e.g. paintings hung on walls; street or internal furniture; signage and surface textures.

**EXAMPLE OF MEASURE:** 1% of construction cost must be invested in public art or urban fabric upgrade, and all road noise walls must incorporate urban art. (This comes from some Australian local authorities which have included this in regulations.)

c) Projects that go to substantial lengths to procure services from small businesses and encourage local manufacture. For example, setting up a small enterprise/s to produce building blocks, or setting up nursery for plants - either on site or in the area. Or procuring from a local supplier which is manufacturing a product which was previously imported.
d) **Significantly higher achievement than the benchmark for skills training**, and perhaps taking this further in terms of commitment to permanent employment opportunities for some of the trained (local) people.
9. Recommendation for use, next steps and conclusion

This Framework document has been compiled as a resource, reference and guide for Green Building Councils which operate rating/certification systems and tools in developing countries and would like to actively and directly link their green building tools to addressing development priorities and improving socio-economic conditions. Green Building Councils are invited and encouraged to use this Framework as a starting point for integrating socio-economic impacts into their own green building rating systems and tools.

For those countries which are interested, the suggested next steps are:

- **Apply this Framework to your country context.** Consult with relevant advisors and stakeholders to ensure that it addresses priorities and that the credits apply to the local conditions, culture, policy and legislation.

- **Take these credit and indicators ideas further.** Produce indicators and benchmarks which best suit local contexts, and see where they apply to design and construction (‘as built’) stages.

- **Decide on how these issues can best be added.** In some cases it will be possible for socio-economic issues to be completely integrated within the rating system or tools, such as producing a new category within the tool. In other cases it would be best to have them as a separate but linked set of additional credits, possibly even with different branding.

- **PILOT the product.** Test it with a range of public and private sector projects to generate rich learning about its practicality, cost-benefits of implementation and results.

- **Share feedback with WorldGBC and its members, including this International Advisory Panel.** Send a summary of the results from your test experience to WorldGBC to share with the IAP group and other interested member countries, so that they can learn from it too.

This Framework is being developed further into a full ‘prototype’ Socio-Economic Category to be integrated into or added to the Green Star South Africa rating system. It will be added to the existing categories of the existing tools: Office v1; Retail v1, Multi-Unit Residential v1, Public and Education v1 and Interiors PILOT. The Socio-Economic Category for Green Star will provide an illustrative set of examples of how detailed benchmarks and assessment measures have been done in one country for seven different credits.

The PILOT version of the Socio-Economic Category is set to be launched in mid-October 2013 for testing in South Africa for a year or more. The PILOT version and final Socio-Economic Category V1 will be available on the GBCSA website: [www.gbcza.org.za](http://www.gbcza.org.za).

For any queries or comments, please contact [greenstarsa@gbcza.org.za](mailto:greenstarsa@gbcza.org.za)
10. References


ii International Finance Corporation (IFC), 2012 ‘IFC Performance Standards on Environmental and Social Sustainability’ [www.ifc.org]


iv Global Reporting Initiative (GRI), 2011 ‘Sustainable Reporting Guidelines’ [www.globalreporting.org]