

ESG in Development Monitoring: 5 key strategies for sustainable success

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ESG is becoming more important in development monitoring. By integrating these strategies, we can manage risks, use resources more efficiently, and create lasting benefits for stakeholders. Transparency and accountability are crucial to measuring progress and driving real impact. Embracing ESG principles paves the way for a more **equitable, resilient, and sustainable** future.

Defining ESG Criteria Early

Integrating ESG considerations shouldn't be an afterthought and needs to be woven into the very fabric of a project. Often, lenders consider ESG requirements too late, making it costly and complex to implement changes.

Early-stage ESG planning advice helps lenders ensure projects align with sustainability goals from the beginning. This approach not only mitigates risks but unlocks opportunities for innovation and value creation.

 **Develop comprehensive and clear ESG criteria at the initial project assessment stage and engage early with relevant stakeholders.**


Standardised ESG Reporting Templates

A standardised reporting framework would cut through confusion and create a clear, consistent way for lenders and developers to assess ESG compliance. A unified approach streamlines the process and ensures everyone is working towards the same goals.

 **Avoid technical jargon and ensure that reports are accessible to a wide range of stakeholders.**

Integrating ESG in Development Monitoring

While lenders often focus on ESG during the design and sale phases, ongoing monitoring is crucial to ensure that commitments are upheld throughout the development lifecycle. This means tracking key metrics, conducting regular site visits, and engaging in open dialogue with developers.

 **Develop a monitoring plan and report on ESG performance on a consistent basis (e.g., quarterly or annually).**


Incentivise ESG adherence

As ESG compliance demand grows, we need strategies to keep developers committed. Combining incentives with accountability is key. Clear monitoring, verification, and enforcement mechanisms ensure compliance. A system of rewards and consequences motivates developers to meet and exceed ESG targets.

 **Provide preferential loan terms or access to green financing for developers who demonstrate strong ESG performance.**

Preparing Assets for ESG-Oriented Sale

Developers need to prepare their assets for sale with a clear ESG narrative, showcasing the sustainable features and practices that will appeal to future investors and buyers. This includes obtaining certifications like BREEAM, documenting ESG performance throughout the development process, and crafting a compelling story that highlights the long-term value of the project.

 **If certification is pending, a letter of comfort from the assessor can demonstrate your commitment.**



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