THE SUSTAINABLE FINANCE PROGRESS (SFP) FRAMEWORK:

AN INTEGRATED APPROACH TO TRACKING EFFORTS IN G20 ECONOMIES

PILOT APPLICATIONS IN BRAZIL, FRANCE, GERMANY, INDONESIA AND SOUTH AFRICA

About this publication: This working paper was developed by an international consortium co-led by the Institute for Climate Economics (I4CE) and Frankfurt School of Finance & Management (Frankfurt School). It presents the Sustainable Finance Progress (SFP) framework and methodology developed and tested through five country pilots covering Brazil, France, Germany, Indonesia, and South Africa. The country pilots were undertaken by I4CE for France; Frankfurt School for Germany; the Centre for Strategic and International Studies (CSIS) Indonesia; IISD and ZeniZeni Sustainable Finance for South Africa; and individual experts for Brazil.

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- ASCOR (Assessing Sovereign Climate-related Opportunities and Risks) (Transition Pathway Initiative and Grantham Research Institute on Climate Change and the Environment, in collaboration with ASCOR partners),
- Climate Action Tracker (CAT) (Climate Analytics and NewClimate Institute),
- E3G Public Bank Climate Tracker Matrix (E3G),
- Fossil Fuel Subsidy Tracker (International Institute for Sustainable Development and Organisation for Economic Co-operation and Development),
- G20 Sustainable Finance Working Group Progress Tracker (G20 Sustainable Finance Working Group),
- Global Carbon Accounts (Institute for Climate Economics),
- Government Energy Spending Tracker: Policy Database (International Energy Agency),
- Green Central Banking Scorecard (Positive Money),
- IDFC Green Finance Mapping (Climate Policy Initiative),
- Public Finance for Energy Database (Oil Change International),

- Sustainable Banking and Finance Network (SBFN) Data Portal (IFC), and
- Sustainable Financial Regulations and Central Bank Activities (SUSREG) Tracker (WWF).

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Link to the working paper here.

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Methodological Annex A:

Assessment methodology

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This methodological annex sets out the approach used to operationalise the Sustainable Finance Progress (SFP) framework for country-level assessment. It complements the description provided in the Working Paper by explaining in greater detail how the framework is translated into assessable indicators and cascading components, how evidence is collected and assessed, and how qualitative assessments are converted into numerical scores and aggregated into progress categories. The methodology is designed to support a structured and comparable assessment across countries while retaining sufficient flexibility to account for differences in institutional arrangements, policy frameworks, and data availability.

The annex is organised in five parts. It first presents the assessment structure, including the hierarchy of the framework and the three-level assessment logic. Second, it describes the evidence collection and assessment process. Third, it sets out the coding methodology for qualitative cascading components and the treatment of quantitative financial outcomes. Fourth, it explains the aggregation and interpretation of scores, including the progress scale. Finally, it presents the detailed assessment framework, including the indicators and cascading components used in the country pilots.

Assessment structure

The assessment structure provides the analytical basis for gathering and organising country-level information across the framework's pillars and action areas in a comparable way. It is built around qualitative and quantitative indicators. Each sub-action area includes one or more indicator areas for which indicators are formulated as statements. Indicators are then broken down into more granular sub-indicators, referred to as cascading components, that guide the collection and assessment of country-level evidence.

The assessment structure therefore runs from pillar to action area, sub-action area, indicator area, indicator and cascading component. Indicators describe the policy condition against which progress is assessed; cascading components specify the evidence needed to assess that statement.

Cascading components are either closed-ended or open-ended questions. Closed-ended questions are qualitative indicators that assess policy existence, policy quality, and reporting or transparency on financial outcomes. Open-ended questions are qualitative indicators that identify the concrete value of a financial outcome expressed as a flow or stock. They generally **follow a three-level logical sequence:**

- **Level 1 – Policy existence:** whether the relevant policy, regulation, strategy, plan or other tool exists and its stage of development or adoption.

- **Level 2 – Policy quality:** whether the policy, regulation or tool incorporates relevant design and implementation characteristics that can strengthen its contribution to sustainability objectives. Depending on the instrument, these may include ambition or stringency, scope and coverage, enforceability, operational clarity, transparency and coherence with sustainable transition pathways.

- **Level 3 – Policy outcomes:** whether relevant financial outcomes are monitored or publicly reported and, where data are available, the quantitative value of the associated financial stocks or flows.

The three levels constitute an analytical sequence rather than a causal chain. They enable the assessment to move from the existence of a measure to relevant features of its quality and then to observable financial outcomes, without attributing an observed financial outcome to any single policy measure. Not every indicator necessarily contains all three levels, as the relevant assessment dimensions differ by policy instrument and data availability.

Evidence collection and assessment

Each cascading component is assessed through structured desk research using official or otherwise reputable sources. Evidence is collected at the level of the individual cascading component and should be sufficiently specific to support both the response provided and, for closed-ended questions, the corresponding numerical value. The assessment relies on the latest available information at the time of data collection.

Priority is given to primary and official sources, including legislation and regulations, government strategies and plans, official budget and expenditure documents, publications and databases of ministries, central banks, regulators, and supervisors, and reporting by other relevant public institutions. Where appropriate, recognised international databases and publications from international organisations may be used, particularly to support cross-country comparability or where nationally reported information is unavailable. Other reputable secondary sources may complement the assessment where primary evidence is unavailable or requires additional interpretation.

Each cascading component is assigned an assessment status based on the evidence collected and the answer to the question. Five statuses are used across the framework: Yes, Partial, No, “Not applicable”, and “Not available”. For closed-ended questions, **Yes, Partial and No** indicate the degree to which the criterion specified in the cascading component is met and, where applicable, are translated into a numerical code for aggregation. “Not applicable” and “Not available” are non-numeric statuses used where a question cannot appropriately be scored. **“Not available”** is used when the cascading component is applicable but sufficient evidence or data cannot be identified to answer the question; therefore, representing a data gap, **“Not applicable”** is used when indicators or cascading components are not relevant to the country because of its institutional, regulatory, or structural circumstances. For example, if the country did not have a national development bank or a public pension fund, related cascading questions would be coded “Not applicable” rather than scored “0”.

For each closed-ended cascading component, the assessment records the relevant evidence and source and provides a score-backing statement explaining how the evidence supports the status and numerical code assigned. This is particularly important for intermediate scores and for cases classified as “Not available” or “Not applicable”, where the rationale should be made explicit to support transparency, consistency, and subsequent review.

For open-ended financial-outcome components, the same evidence process applies, but the objective is to identify and record the relevant quantitative metric rather than assign a score. As far as available, the recorded information should specify the value, unit, or currency, reference year or period, scope, and underlying definition or classification, together with the source. Where consistent observations are available for multiple years, these metrics can be used to monitor the evolution of financial flows and stocks over time.

Coding methodology

Closed-ended cascading components are coded on a 0–1 scale. Where a question assesses a genuinely binary condition, Yes is coded as 1 and No as 0. Where the question is designed to distinguish meaningful stages of development or degrees of fulfilment, Partial is used as the qualitative status and is further differentiated through one of three intermediate numerical codes: 0.25, 0.50, or 0.75. These represent, respectively, a limited or early degree of fulfilment, partial fulfilment, and a substantial or advanced degree of fulfilment. The resulting coding scale is therefore:

- **0 – No:** the criterion is not met;
- **0.25 – Partial:** the criterion is met to a limited extent or the relevant measure is at an early stage;
- **0.50 – Partial:** the criterion is partly met or the relevant measure has reached an intermediate stage;
- **0.75 – Partial:** the criterion is largely met or the relevant measure has reached an advanced stage;
- **1 – Yes:** the criterion is fully met.

The appropriate intermediate score is determined by the specific content of the cascading component and the stage or degree of fulfilment demonstrated by the evidence. Intermediate scores are therefore used only where the question allows meaningful differentiation between limited, intermediate, and advanced fulfilment. The rationale for assigning a score of 0.25, 0.50, or 0.75 should be documented in the score-backing statement.

The two non-numeric statuses, "Not applicable" and "Not available", are used where a numerical assessment cannot appropriately be made. A score of 0 ("No") is assigned only where the question is applicable and the available evidence supports the conclusion that the criterion is not met.

For **open-ended cascading components**, which capture quantitative financial outcomes expressed as financial flows or stocks, **the response is not translated into the 0–1 coding scale.** The quantitative value is recorded and reported in its relevant metric and can be tracked over time.

The coding methodology applied to each cascading component level is further described below.

Level 1 – Policy existence

Policy-existence questions capture successive stages of development using the five-point coding scale to distinguish policy maturity: 0 where no relevant policy or tool is identified; 0.25 where adoption has been formally announced; 0.50 where concrete steps to develop the measure are under way; 0.75 where the measure has reached an advanced stage of development but is not yet fully approved and in place; and 1 where it has been formally approved or adopted, published where relevant, and is operational or in force. Where a Level 1 question assesses a condition that is inherently binary rather than maturity-based, a 0/1 assessment may be used.

For example, in the case of Germany, the federal government has directly embedded sustainability criteria into public procurement processes through the introduction of the General Administrative Instruction on the Procurement of Climate-friendly Services - AVV Klima in 2022. As a result, the cascading question "Is a publicly available report on budget expenditure contributing and undermining climate and nature objectives published annually?" within the fiscal policy action area (Budgeting) is graded with a 1.

Level 2 – Policy quality

Unlike the grading system applied to assess the existence of a given policy, rating its quality requires a flexible approach to account for differences in policy instruments, legal frameworks, and jurisdictional contexts across the pilot countries. Cascading questions at this level capture relevant characteristics of policy design and implementation that can influence its effectiveness in supporting sustainability objectives. They can differ significantly from one indicator to the other.

Level 2 questions may use the full 0 / 0.25 / 0.50 / 0.75 / 1 scale where the underlying criterion permits meaningful degrees of fulfilment. In these cases, 0 indicates that the criterion is not met; 0.25, 0.50, and 0.75 distinguish increasing degrees of partial fulfilment; and 1 indicates that the criterion is fully met. Where the criterion is inherently binary, a 0/1 assessment is used instead. Intermediate scores should be supported by evidence demonstrating the relevant degree of fulfilment and explained in the score-backing statement. For example, in indicator area 3.1.2 (Climate disclosures of own balance sheet), Banque de France is graded with 1, as it follows the Task Force on Climate-related Financial Disclosures (TCFD) recommendations for disclosing governance, strategy, risk management metrics, and targets for its non-monetary policy operations. This includes qualitative information on scope, scenarios, roadmaps, risk processes, and others.

Level 3 – Policy outcomes

Level 3 contains two distinct but complementary types of cascading components: qualitative components assessing the reporting and transparency of financial outcomes, and quantitative components capturing the financial outcomes themselves.

First, closed-ended questions assess whether relevant financial outcomes are measured, reported and made transparent—for example, whether information is publicly available, sufficiently disaggregated, or regularly updated. As with other closed-ended cascading components, responses are assigned an assessment status and, where assessable, coded on the applicable 0–1 scale. These numerical codes are included in the calculation of aggregate scores and the corresponding progress scale, alongside coded Level 1 and Level 2 components. Although transparency may be largely restricted by legal frameworks, insufficient transparency on the reporting of financial outcomes hinders the assessment of the effectiveness of specific policy measures. Thus, the act of appropriately reporting financial data is graded with a 1 to acknowledge this effort. Where the relevant data cannot be reported or accessed because of applicable legal or regulatory restrictions, the component is recorded as "Not available" to identify the resulting data gap, rather than assigning a score of 0.

To illustrate, where the ECB reports the share of its foreign reserves invested in thematic assets, the corresponding reporting and transparency cascading component under the monetary policy sub-action area "Securities market interventions" is scored 1, as the requested financial-outcome information is publicly reported. By contrast, under fiscal policy, where the relevant German Export Credit Agency does not report the share of its portfolio associated with fossil fuel activities, nor provide sufficient information to calculate that share, the corresponding cascading component is scored 0, as the reporting criterion is not met. Where there is evidence that the requested information cannot be disclosed or accessed because of applicable legal or regulatory restrictions, the component is recorded as "Not available" to flag the resulting data gap rather than assigning a score of 0.

Second, open-ended questions capture the financial outcomes themselves as quantitative flows or stocks. Rather than assessing the fulfilment of a qualitative criterion, these questions request the relevant quantitative value. Financial outcomes are therefore recorded in their original metric, together with the relevant unit or currency, reference year, or period, scope, definition, and source. These quantitative financial-outcome metrics are not assigned a 0–1 code. Instead, they provide a complementary quantitative dimension of the assessment that can be used to examine the level, composition, direction, and evolution over time of relevant financial flows and stocks. The framework does not assume that changes in these financial metrics can be causally attributed to an individual policy or regulation. Financial outcomes can reflect the combined contribution of several policies, institutions, and broader economic and financial conditions. The framework therefore links implementation and financial outcomes through a contribution logic rather than a claim of direct causal attribution.

Figure Annex 1 below illustrates the assessment logic and coding methodology applied to qualitative cascading components under each level. Level 1 uses the policy-existence maturity ladder. Close-ended, qualitative Level 2 and Level 3 questions use the Yes/Partial/No coding described above. "Not applicable" and "Not available" are also noted as answers, although they are not coded or translated into a score.

Figure Annex 1: Assessment logic of the SFP framework

	Indicator (statement)	**Assessment logic**			
		Status / What is assessed (depending on each level)	**Answer** (based on score backing statement)	**Code** (number)	**Progress** (share)
Cascading components (questions)	**Level 1. Policy existence** (qualitative indicators)	**Non-existent**	**Yes / Partial / No / Not available / Not applicable**	**0**	**Simple average of scores per indicator** (Only for qualitative indicators)
		Announced		**0.25**	
		Under development		**0.50**	
		Developed pending approval / application		**0.75**	
		Approved & applied		**1**	
	Level 2. Policy quality (qualitative indicators)	**Policy features (e.g., scope, stringency, ambition) / choices made**		**0.25** **1 / 0.50 / 0** **0.75** (only for qualitative indicators)	
	Level 3. Policy outcomes (qualitative / quantitative indicators)	**Reporting on financial flows / stocks**			

Note: The figure summarises the assessment statuses and corresponding coding options. "Not applicable" and "Not available" are non-numeric statuses. The coding approach may be further refined as the framework evolves.
Own illustration

Aggregation and interpretation of scores

Aggregation applies only to cascading components that receive a numerical code on the 0–1 scale. This includes coded closed-ended questions across Levels 1, 2, and 3. Quantitative financial-outcome metrics follow a separate treatment. "Not available" observations are treated as evidence gaps rather than zero scores and should be reported separately so that a high score based on limited evidence is not interpreted as equivalent in robustness to the same score based on comprehensive evidence. "Not applicable" components are excluded from this process.

For the pilot assessments, scores are aggregated using an unweighted arithmetic mean. No weighting is applied across coded cascading components and scores are aggregated on an equal basis. While this approach supports a transparent and consistent aggregation of results, it does not imply that all policy dimensions are equally relevant or important. The potential use of weighting or other approaches to reflect differences in policy relevance or hierarchy may be explored in future iterations of the framework.

Aggregation follows the hierarchy of the assessment framework. Scores assigned to individual cascading components are first averaged to obtain the relevant indicator score. Scores are then progressively aggregated across indicator areas, sub-action areas, and action areas using the same arithmetic-mean approach. At each stage, the score is calculated as the sum of the applicable numerical scores divided by the number of applicable scored components at that aggregation level. The resulting score remains on a 0–1 scale and may be multiplied by 100 for presentation as a percentage. For example, four applicable cascading components scored 1, 0.75, 0.50, and 0.25 produce an indicator score of (1 + 0.75 + 0.50 + 0.25) / 4 = 0.625, or 62.5%. The same averaging principle is subsequently applied when aggregating scores at higher levels of the framework.

Quantitative financial-outcome components are not assigned a numerical score or included in the aggregation process; instead, the corresponding financial flow or stock is recorded in its relevant metric or marked as “Not available” where the required data cannot be identified. For financial outcomes, relative indicators are preferred where robust and meaningful data are available, as they can facilitate interpretation and comparison across countries and over time. Where relative measures cannot be robustly calculated, absolute financial values are retained.

Aggregate scores are translated into a five-category progress scale to support the interpretation and communication of assessment results. Based on the average score of the applicable coded cascading components, the indicator is classified as: Limited (0–20%), Emerging (21–40%), Moderate (41–60%), Substantial (61–80%), or Outstanding (81–100%) progress. The progress categories should be interpreted as an assessment of progress against the criteria covered by the framework, rather than as a measure of sustainability impact or of whether a country is on track to achieve its sustainable development objectives.

The progress scale and quantitative financial-outcome metrics are complementary. The aggregate score provides a structured view of commitments and policy implementation, including reporting and transparency, while financial metrics show the scale and evolution of relevant financial flows and stocks.

Figure Annex 2 illustrates the application of this approach through an example from monetary policy. It shows how the responses to closed-ended cascading components are translated into scores and aggregated into an indicator score and corresponding progress category, while the quantitative financial-outcome component is recorded separately and does not enter the score.

Figure Annex 2: Assessment logic of the SFP framework illustrated by an example (Figure 4 in the SFP framework working paper)”

4. MONETARY POLICY AND CENTRAL BANK OPERATIONS

- 4.1 Ambition and transparency
- 4.2 Credit operations
  - 4.2.1Discount rates on loans (incl. targeted refinancing)
  - **4.2.2 Climate-aligned collateral frameworks**
  - 4.2.3 Climate-related disclosure requirements for counterparties
- 4.3 Securities market interventions
- 4.4 Macroeconomic analysis & policy framework
- 4.5Own funds & other non-monetary policy portfolio

4.2.2 Indicator: The central bank incorporates climate, environmental or social considerations into its collateral frameworks by adjusting asset eligibility to reflect sustainability risks

Level	Cascading component	Coding
Policy existence	1. Does the central bank integrate climate, environmental or social risks in its asset pool eligibility for collateral from eligible counterparties?	Yes / No / Partial / Not applicable
Policy quality	2. Does the central bank apply eligibility or concentration limits to assets having adverse climate, environmental or social impacts under its collateral framework?	Yes / No / Partial / Not applicable
Policy outcomes	3a. Does the central bank publicly disclose information related to its climateadjusted collateral framework including outcomes?	Yes / No / Partial / Not applicable
	3b. Share of total collateral asset pool subject to screening and eligibility requirements for climate, environmental or social risks	# / % / Not available / Not applicable

Coding and aggregation process:

Numeric code (0-1 scale): No = 0 | Partial = 0.25 / 0.5 / 0.75 | Yes = 1
Non-numeric statuses: Not available = absence of data | Not applicable = when an exemption is applied
Aggregation rule:
Unweighted arithmetic mean. E.g: Average score of cascading components = indicator score

Outstanding: 81-100% | Substantial: 61-80% | Moderate: 41-60% | Emerging: 21-40% | Limited: 0-20%

Note: May be subject to further changes as the project evolves. Own illustration

Detailed assessment framework: indicators and cascading components

This subsection presents the detailed indicators and cascading components used to operationalise the SFP framework for country-level assessment. It follows the framework structure set out in the Working Paper, beginning with Pillar 1 – Commitments, followed by the four action areas under Pillar 2 – Implementation, and incorporating the associated quantitative financial outcomes under Pillar 3 – Outcomes, where relevant.

Within each indicator area, indicators are formulated as statements describing the conditions against which country progress is assessed. Each indicator is further broken down into cascading components, formulated as questions, which guide evidence collection and assessment. In line with the three-level assessment logic described above, these components assess policy existence (Level 1), policy quality (Level 2), and policy outcomes (Level 3).

The indicators and cascading components presented reflect the framework used for the pilot assessments, together with refinements introduced through peer review and methodological learning. Components added or substantively modified after the initial piloting phase are identified accordingly. As these refinements were not part of the common assessment basis applied across all five initial country pilots, they should be treated as proposed refinements for subsequent applications unless the pilot assessments are retrospectively reassessed using the revised framework.

Pillar 1. Commitments

International commitments and national laws, strategies and plans

- **Sustainable Development Goals (SDGs):** The Sustainable Development Goals (SDGs) are translated into national level strategies and plans, including through governance arrangements and reporting on progress.
    - Has the country adopted an SDG roadmap or equivalent national strategy?
    - Has the country set up a governance structure to coordinate SDG implementation?
    - Are SDGs embedded in national development strategies or sectoral plans?
    - Does the country have reporting measures in place to track progress on SDG achievement?
    - Has the country delivered on the commitment to provide 0.7% of GNI in Official Development Aid (ODA) for developing countries over the past 3 years (SDG 17.2)?
    - Volume and share of country's Official Development Assistance (ODA) that is aligned with Sustainable Development Goals (SDGs) or sustainable development objectives.
    - Amount of development finance provided/mobilised for third countries.

- **Paris Agreement (PA):** The Paris Agreement (PA) has been ratified and commitments translated into laws, strategies and plans, including through governance arrangements and reporting on progress.
    - Has the country signed and ratified the PA?
    - Has the country submitted a Nationally Determined Contribution (NDC) and updated as required by the PA, including the latest NDCs 3.0 cycle?
    - Has the country endorsed a high-level climate pledge, such as the COP28 Global Renewables and Energy Efficiency Pledge or the Global Methane Pledge?[1]
    - Does the latest NDC state a mitigation target to hold the increase of global temperature well below 2°C above pre-industrial levels in line with science-based references, such as emission trajectories from the IPCC?
    - Do the latest NDC state measures to increase its ability to adapt to the adverse impacts of climate change and foster resilience?
    - Do the latest NDC state measures to make financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development?
    - Is the NDC's mitigation ambition assessed as Paris-compatible by independent benchmarks?
    - Has the country set up a governance structure to coordinate PA implementation?
    - Has the country developed and submitted a long-term low greenhouse gas emission development strategy (LTS)?
    - Does the country have a climate-neutrality target in law or national strategies?
    - Does the country have a National Adaptation Plan (NAP)?
    - Has the country embedded climate commitments into national development strategies or plans?
    - Does the country have a climate change or equivalent law?
    - Has the country complied with progress reporting requirements under the PA and put in place reporting infrastructure to track progress, such as a national MRV system?
    - Has the country delivered on its commitment to mobilise climate finance for developing countries?
    - Amount of climate finance provided/mobilised for third countries as part of international commitments.
    - Climate finance mobilised from the private sector by official development finance interventions (e.g., guarantees, syndicated loans and shares in collective investment vehicles).

[1] Proposed during peer review process. To be considered for new pilots and overall framework refining.

- **Global Biodiversity Framework (GBF):** The Global Biodiversity Framework (GBF) has been translated into national level strategies and plans, including through governance arrangements and reporting on progress.
  - Has the country endorsed a high-level nature pledge, such as the Leaders' Pledge for Nature, the High Ambition Coalition for Nature and People or the Bonn Challenge?[2]
  - Has the country submitted a National Biodiversity Strategies and Action Plan (NBSAP) to the Convention on Biological Diversity (CBD)?
  - Has the country set up a governance structure to coordinate GBF implementation?
  - Does the country have reporting measures in place to track progress on GBF achievement?
  - Has the country delivered on its commitment to mobilise biodiversity finance for developing countries?
  - Amount of international public finance directed at biodiversity protection.

Pillar 2. Implementation, including applicable Pillar 3. Outcomes

Action area 1. Financial strategy and alignment

Sub-action area 1.1. Financial strategies and plans

- **Indicator area 1.1.1. Finance needs & investments:** Public and private investment / financing needs for climate, nature, and sustainable development goals more broadly have been estimated.
  - Does the country have a country-level estimate of overall SDG investment / financing needs?
  - Does the latest NDC include an estimate of overall climate investment needs?
  - Does the LTS include an estimate of overall investment / financing needs?
  - Does the NAP include an estimate of overall investment / financing needs?
  - Has the country developed a country-level estimate of overall GBF investment / financing needs?
  - Amount of annual domestic climate investments (public and private).
  - Difference between estimated investments needed to reach 2030 climate objectives and actual climate investments (investment gap).
  - Amount of annual domestic investments directed at biodiversity protection (public and private).
  - Difference between estimated investments needed to meet environmental objectives, including but not limited to climate and nature / biodiversity.

- **Indicator area 1.1.2. Financial strategies & plans:** An investment / financing strategy or plan supports key processes and is connected to a macroeconomic impact assessment.
  - Does the country have an investment / financing strategy or plan for the SDGs?
  - Does the country have an investment / financing strategy or plan for climate or the ecological transition more broadly?
  - Is the investment / financing strategy or plan aligned with the country's NDC or LTS?
  - Is the investment / financing strategy or plan aligned with the country's NAP?
  - Is there a specific agency or government body formally in charge of climate or ecological transition financial planning?
  - Is there an assessment of macroeconomic impacts of climate change or the ecological transition more broadly?
  - Is the assessment of macroeconomic impacts of climate change or the ecological transition connected to the country's NDC or LTS?
  - Is the assessment of macroeconomic impacts of climate change or the ecological transition connected to the investment / financing strategy or plan?

[2] Proposed during peer review process. To be considered for new pilots and overall framework refining.

- Has the country adopted a dedicated biodiversity finance plan to increase financial resources in line with Target 19 of the GBF?
- Has the country developed a plan or strategy to support large businesses and financial institutions to reduce negative impacts on biodiversity and increasing positive impacts aligned with Target 15 of the GBF?

Sub-action area 1.2. Alignment approaches

- **Indicator area 1.2.1. Alignment principles & approaches:** The country follows an alignment approach that considers the principles of the G20 Sustainable Finance Roadmap and integrates transition finance considerations.
  - Is the country following or actively developing an alignment approach that takes into account at least one of the voluntary principles of the G20 Sustainable Finance Roadmap?
  - Does the national alignment approach cover the 6 voluntary principles of the G20 Sustainable Finance Roadmap?
  - Does the country's alignment approach integrate transition finance considerations or has concrete plans to do so?

- **Indicator area 1.2.2. Taxonomies:** A framework, such as a finance taxonomy, supports sustainable investments and aims to direct finance flows to sustainable assets, sectors, and/or activities.[3]
  - Has the country published a national framework to direct financial flows to sustainable assets, sectors, and/or activities?
  - Does the framework refer to international agreements or goals to address climate change, biodiversity loss and/or ecosystems degradation?
  - Does the framework include transition activities, or non-green activities that require financial flows to transition, including sunset clauses for phase-out?
  - Does the framework include considerations to support a just transition or minimum social safeguards?
  - Are there any mechanisms in place to ensure compliance with the national framework?
  - Does the country report on the amount of taxonomy-aligned finance flows and stocks from private and/or public sources?

- **Indicator area 1.2.3. International public finance alignment:** The country has embedded in national instruments a commitment to phase out fossil fuel public financing internationally.
  - Has the country embedded in national instruments a commitment to phase out fossil fuel public financing internationally?
  - Has the country introduced exclusion policies for coal?
  - Has the country introduced exclusion policies for oil?
  - Has the country introduced exclusion policies for gas?
  - Has the country decreased international fossil fuel finance after embedding in national instruments a commitment to phase out fossil fuel public financing?
  - Amount of international fossil fuel finance of the country before embedding in national instruments a commitment to phase out fossil fuel public financing.
  - Amount of international fossil fuel finance of the country after embedding in national instruments a commitment to phase out fossil fuel public financing.

[3] Some elements of the indicator area have been updated to integrate peer reviewer input. To be considered for new pilots and overall framework refining.

Action area 2. Fiscal policy and public finance

Sub-action area 2.1. Fiscal frameworks and fiscal rules

- **Indicator area 2.1.1. Fiscal frameworks:** The country has integrated climate, nature, and/or sustainability considerations into medium-term fiscal frameworks (MTFF).
  - Does the MTFF explicitly reference climate, nature (environment) and/or sustainability objectives?
  - Are there quantified fiscal parameters (targets, ceilings, or envelopes) for ecological-transition spending or revenues?
  - Does the MTFF incorporate analysis of fiscal risks linked to climate change, nature loss, or the ecological transition?
  - Are medium-term projections of ecological-transition-related spending integrated into the fiscal trajectory?

- **Indicator area 2.1.2. Fiscal rules:** The country has integrated climate, nature, and/or sustainability considerations into fiscal rules.
  - Do national fiscal rules explicitly reference climate, nature (environment) and/or sustainability objectives?
  - Do fiscal rules provide explicit flexibility, fiscal buffers or contingency mechanisms for climate- or disaster-related shocks?
  - Is green or sustainable spending exempted from fiscal caps or deficit limits ("green golden rule")?
  - Are projected climate/shocks shock costs or environmental-liability incorporated into debt-sustainability or fiscal-risk analyses?
  - Is there a fixed share of total public investment that must be climate-positive under the fiscal rules? Has this fixed share been met?[4]

Sub-action area 2.2. Budgeting

- **Indicator area 2.2.1. Budget tagging and tracking:** Ministries of Finance have put in place budget tagging to track sustainable and unsustainable spending.
  - Is a green budget tagging system in place?
  - Is the green budget tagging an annual recurrent exercise?
  - Is positive expenditure or expenditure contributing to climate and nature objectives tracked?
  - Is negative expenditure or expenditure undermining climate and nature objectives tracked?
  - Are social aspects integrated in the budget tagging in place?
  - Is a publicly available report on budget expenditure contributing and undermining climate and nature objectives published annually?
  - Share of public budgets contributing to climate / sustainable development objectives.
  - Share of public budgets undermining climate / sustainable development objectives.

- **Indicator area 2.2.2. Public investment guidance tools:** Ministries of Finance have integrated climate, nature, and sustainability considerations into public investment guidance tools.
  - Is there any type of tool in place (e.g., green public financial management in line with IMF, sustainability proofing, PEFA climate, etc.) to integrate climate, nature and/or sustainability considerations into public investment guidance?[5]
  - Are public investments evaluated through their climate responsiveness?
  - Are there legal safeguards to prevent public investment with negative environmental impact?
  - Are climate-responsive standards and criteria used to set clauses in public procurement contracts?
  - Are sustainable public procurement quantitative targets and priorities in place?

Sub-action area 2.3. Taxes & pricing instruments

[4] Integrates edits proposed during peer review. To be considered for new pilots and overall framework refining.

[5] Descriptive elements (parenthesis with examples) added to integrate peer reviewer feedback.

- **Indicator area 2.3.1. Environmental taxation:** The country has environmental taxation instruments (apart from direct carbon pricing) in place to promote sustainable consumption / production.
  - Is there an indirect CO_2 taxation in place (e.g., excise tax on fossil fuel, tax on plane ticket purchase, bonus-malus on vehicle technologies purchase, or similar)?
  - Is there a tax on non-CO_2 greenhouse gases and/ or air pollution?
  - Are taxes on polluting or harmful products (plastics, pesticides, fertilizers, etc.) in effect?
  - Is there a tax on waste production?
  - Are environmental taxes applied without reduced rates, rebates, or exemptions that significantly weaken their environmental incentive? (focus on the most significant taxes)
  - Is there an increasing rate trajectory or indexation to inflation/emission targets? (focus on the most significant taxes)
  - Does the government report on the revenue raised from environmental taxation?
  - Amount of revenue generated by other environmental taxes.

- **Indicator area 2.3.2. Carbon pricing:** The country imposes a direct price on carbon emissions through a carbon tax and/or an Emission Trading Scheme (ETS).
  - Is there one or several direct (carbon tax/ETS) carbon pricing instruments in place?
  - Are CO_2 emissions from power generation priced?
  - Are CO_2 emissions from the industry sector (excluding electricity) priced?
  - Are CO_2 emissions from the transport sectors priced?[6]
  - Are CO_2 emissions from the building sectors priced?[7]
  - Are CO_2 emissions from the agriculture sector priced?
  - Is the price (carbon tax rate or ETS average price) consistent with price floors in ICPF‘s proposal ($25 for low-income countries, $50 for middle-income countries, and $75 for high-income countries)?
  - Is there an increasing rate trajectory or indexation to inflation/emission targets of the carbon pricing instrument (carbon tax/ national ETS)?
  - If applicable, is the price of the additional carbon pricing mechanism consistent with price floors in ICPF‘s proposal ($25 for low-income countries, $50 for middle-income countries, and $75 for high-income countries countries)?
  - If applicable, is there an increasing rate trajectory or indexation to inflation/emission targets for the additional carbon pricing mechanism (additional mechanism)?
  - Does the country’s carbon pricing system (all mechanisms aggregated) cover at least 50% of national greenhouse gas emissions?
  - Does the country‘s carbon pricing system (all mechanisms aggregated) cover at least 50% of national greenhouse gas emissions with an effective price (i.e. excluding emissions covered by free allowances for ETSs, and exemptions for carbon taxes)?
  - Has the jurisdiction implemented a carbon border adjustment mechanism (CBAM) or equivalent policy?
  - Does the government report on the revenue raised from carbon pricing instruments?
  - Amount of revenue generated by the ETS.
  - Amount of revenue generated by the carbon tax.

- **Indicator area 2.3.3. Use of environmental taxation & carbon pricing revenues:** The country uses environmental taxation and carbon pricing revenues to support sustainable investment.
  - Is there a legal or policy framework that addresses the use of environmental taxation and carbon pricing revenues for sustainable investment?
  - Is a significant portion of revenues from environmental taxation (apart from direct carbon pricing) used for sustainable development objectives (at least 50% for partial and above for 1)?

[6, 7] Proposed during peer review process. To be considered for new pilots and overall framework refining.

- Is a significant portion of carbon revenues generated by a carbon pricing instrument in place used for sustainable development objectives (at least 50% for partial and above for 1)?
- Is a significant portion of carbon revenues generated by any additional carbon pricing instrument in place used for sustainable development objectives (at least 50% for partial and above for 1)?
- Does the country provide public reporting on the allocation and use of environmental taxation and carbon pricing revenues?
- Share of ETS revenues used for climate & environment purposes.
- Share of ETS revenues used to support affordability of the transition for households.[8]
- Share of carbon tax revenues used for climate & environment purposes.
- Share of carbon tax revenues used to support affordability of the transition for households.[9]

Sub-action area 2.4. Subsidies & other incentives

- **Indicator area 2.4.1. Fossil fuel subsidies & other incentives:** The country is transparent about its own fossil fuel subsidies and has a subsidy phaseout plan in place.
  - Does the country have a formal plan or strategy to phase out fossil-fuel subsidies with concrete timelines?
  - Has the country formally planned its phase out of fossil-fuel consumption subsidies?
  - Has the country formally planned its phase out of fossil-fuel production subsidies?
  - Does the country assess the socioeconomic impacts of its own fossil fuel subsidies or has it produced any analysis of the distributional impacts of reforming certain subsidies?
  - Does the country publish a national inventory of fossil-fuel subsidies on a regular (annual/biennial) basis?
  - Amount of domestic public finance provided annually for the consumption of fossil fuels (defined as both budgetary transfers and tax expenditure).
  - Amount of domestic public finance provided annually by the country for the production of fossil fuel (including fossil fuel generated electricity).

- **Indicator area 2.4.2. Clean energy subsidies & other incentives:** The country provides grants to the production and consumption of clean energies.
  - Does the country subsidise clean energy (grids/storage, clean fuels, energy efficiency, electrification and associated industrial technologies) industries (R&D, production)?[10]
  - Does the country subsidise clean energy consumption (tax cuts, monetary assistance, targeted grants for certain households)?
  - Are clean-energy subsidies designed to accelerate deployment or R&D of emerging low-carbon technologies (hydrogen, storage, CCUS, or other technologies used)?[11]
  - Are support levels or eligibility criteria aligned with national or EU climate targets (e.g. NECP, Fit-for-55)?
  - Is there annual reporting on subsidies for clean energy?
  - Public financial support for the development of renewable energies.

- **Indicator area 2.4.3. Subsidies for household affordability of the transition:** The country subsidises households to ensure affordability of investments in electric mobility and housing energy retrofit more accessible.
  - Does the country subsidise investments for the sustainable transition to be made by households (direct subsidies, subsidised loans, tax reductions, etc.)?
  - Has the country increased aid amounts since the aid programs were introduced?
  - Has the country indexed subsidies on household incomes?

[8, 9] Proposed during peer review process. To be considered for new pilots and overall framework refining.

[10] Integrates edits proposed during peer review, namely the parenthesis with examples.

[11] Integrates peer reviewer suggested addition: “other technologies used” to replace “etc.”

- Have subsidies significantly improved the accessibility of investments over the years?
- Is there annual reporting on subsidies to support affordability of the transition for households?
- Public financial support for households investment in the ecological transition.

Sub-action area 2.5. Domestic public investment vehicles (extra-budgetary)

- **Indicator area 2.5.1. National Development Banks (NDBs) or equivalent vehicles:**[12] The NDB has aligned its operations and increased finance for climate, nature and/or sustainable development objectives, while reducing finance for fossil fuels and other harmful sectors / activities.
  - Is there a formal mandate or policy explicitly committing the NDB to support sustainable development, climate, and nature objectives?
  - Does the NDB have a comprehensive climate strategy towards Paris alignment?
  - Does the NDB have strategies for alignment with the nature/biodiversity and sustainable development objectives more broadly?
  - Has the NDB established policies to restrict / exclude finance for all fossil fuels?
  - Is the NDB scaling up climate and nature finance with explicit target?
  - Has the NDB phased down fossil fuel investments?
  - Does the NDB regularly report on progress made regarding its sustainability objectives, including on financial flows contributing and undermining them?
  - Share of NDB investments and financing covered by Paris alignment targets.
  - Share of reduction in carbon intensity of the NDB's listed equity portfolio of asset management companies between 2020 and 2024.
  - Annual amount mobilised by the NDB to contribute to climate and nature objectives.

- **Indicator area 2.5.2. State-owned enterprises (SoEs):** The State exercises its shareholder power to enforce sustainability requirements in its portfolio companies.
  - Is there a formal mandate or policy explicitly committing the SoE to align its operations with sustainable development, climate, and nature objectives, and to phase out support for activities that undermine them?[13]
  - Are sustainability requirements aligned with the Paris Agreement (e.g., using SBTi, TPI or WBA methodologies)?[14]
  - Are SoEs required to report on progress made to reach sustainability objectives set by the government?[15]
  - Are SoEs subject to penalties or sanctions in case of non-compliance with pre-established sustainability requirements?[16]
  - Does the SoE regularly report on progress made regarding its sustainability objectives?
  - Capital expenditure made annually by energy SoE in fossil fuel activities.

- **Indicator area 2.5.3. Public pension funds:** Investments by public pension funds channel finance for sustainable development.[17]
  - Is there a formal mandate or policy explicitly committing the Pension Fund to sustainable development, climate, and nature objectives?
  - Does the public pension fund set quantitative climate investment targets (e.g. share of assets allocated to climate / transition projects)?
  - Is the public pension fund scaling up its climate investments?
  - Is the public pension fund committed to phasing out fossil fuel investments?

[12] Integrates edits proposed during peer review, namely the addition of "or equivalent vehicles".
[13] Reformulated to integrate edits proposed during peer review.
[14] Same as above. Namely examples in the parenthesis.
[15, 16] Proposed during peer review process.
[17] Reformulated to integrate peer reviewer feedback.

- Does the public pension fund regularly report on progress made regarding its sustainability objectives?
- Share of outstanding loans corresponding to investments in activities supporting the energy transition.
- Share of total energy portfolio corresponding to fossil fuel/ clean energy activities.

- **Indicator area 2.5.4. Special purpose funds:** The State manages special-purpose funds, including sovereign wealth funds in order to ring-fence green investments and climate risks liabilities.[18]
  - Is there any extra-budgetary special-purpose fund dedicated to green/sustainable investment or climate/disaster risk management?
  - Does the fund have explicit eligibility criteria linking its resources to environmental/climate objectives and governance mechanisms ensuring ring-fencing (e.g. earmarked levies, dedicated accounts, sustainability reporting)?
  - Does the fund regularly report on its investments?
  - Annual financial contribution of extra-budgetary special-purpose funds to green/sustainable investment and/or climate/disaster response (in EUR or % of GDP).

Sub-action area 2.6. Mobilisation & catalytic finance

- **Indicator area 2.6.1. Sovereign bonds:** The country issues sustainability-related sovereign bonds (via Treasury or other public institution) supported by an issuance framework and reporting that enables credible allocation/performance tracking.
  - Has the country issued any type of sustainability-related sovereign bond to finance green / sustainable activities?
  - Has the country developed and adopted at least one official sovereign sustainable bond framework, including governance and reporting commitments?
  - Does the framework define eligibility criteria and proceeds/KPI governance (selection, management, and reporting responsibilities)?
  - Is external review/assurance arranged (e.g., second-party opinion and/or verification/assurance of reporting)?
  - Has sustainable bond issuance led to increased finance for sustainable development, climate and nature?
  - Are issuance volumes and allocation/KPI performance publicly reported at least annually?
  - Amount of sustainability-related sovereign bonds issued in the last fiscal year (local currency and USD/EUR equivalent).

- **Indicator area 2.6.2. De-risking mechanisms (blended finance, FX risk mitigation):** The country deploys guarantees and credit enhancements (via MoF and/or public finance institutions) to de-risk sustainable investments and mobilise private capital, with transparent reporting and fiscal risk controls.
  - Has the country put in place any type of mechanism dedicated to de-risking (guarantees/credit enhancement mechanisms) climate / green / sustainable investments?
  - Does the mechanism include first-loss risk absorption (e.g., first-loss guarantee, funded first-loss reserve, junior tranche) to crowd in private capital?
  - Has the country established an FX risk mitigation mechanism (e.g. currency hedging or risk-sharing facility) to support sustainable investments?
  - Has the country raised / mobilised finance for sustainable development, climate and nature through de-risking mechanisms?

[18] Integrates edits proposed during peer review, namely the reference to sovereign wealth funds. To be considered for new pilots and overall framework refining.

- Are guarantee commitments/outstandings and (where available) private finance mobilised publicly reported at least annually with a stated method?
- Annual volume of guarantees/credit enhancements committed or outstanding (latest fiscal year; by type if available).

- **Indicator area 2.6.3. Public-private investment platforms and processes:** Ministries of Finance or public banks have set up ad hoc platforms to promote public-private investments.
  - Has the country established at least one public-private investment platform or facility for sustainable development/climate/nature?
  - Does the platform include a clear mobilisation rationale and crowding-in approach (additionality, private investor targeting, risk-sharing design)?
  - Are governance and eligibility rules defined (pipeline criteria, sustainability alignment requirements, decision rights, and reporting obligations)?
  - Has the country raised / mobilised finance for sustainable development, climate and nature through public-private investment platforms and processes?
  - Are annual commitments/disbursements and the private share publicly reported (at least in aggregate; ideally by mechanism)?
  - Annual amount of finance raised / mobilised for sustainable development, climate and nature through public-private investment platforms and processes.

- **Indicator area 2.6.4. Carbon crediting frameworks & mechanisms:** The country has developed and implemented carbon crediting frameworks and voluntary carbon markets.
  - Has the country put in place a voluntary operational domestic carbon crediting framework that enables the generation and issuance of carbon credits?[19]
  - Has the country defined eligibility and methodology governance by specifying eligible sectors/project types/activities and establishing a formal process to approve/update crediting methodologies?
  - Does the framework specify MRV requirements and required independent validation/verification of credited results, including rules on who can act as verifier?
  - Has the country enabled lifecycle management for voluntary market participation by establishing or recognising a registry/track-and-trace system and rules for transfer and retirement/cancellation, with minimum integrity provisions to reduce double counting?
  - Has the country established governance arrangements to ensure transparency, credibility, and oversight of voluntary carbon market activities?
  - Has the country's domestic carbon crediting mechanism led to increased finance for sustainable development, climate and/or nature?
  - Are key data on crediting and market activity publicly disclosed at least annually to enable quantification (issued/certified; retired/cancelled; value/finance where available)?
  - Annual value of voluntary carbon transactions / finance mobilised through domestic carbon crediting.
  - Has the country authorised and completed any international transfer or acquisition of mitigation outcomes under Article 6 (A6.2 ITMOs and/or Article 6.4 credits)?
  - Are there measurable Article 6 flows/revenues and are they disclosed?
  - Annual amount of resources received and/or disbursed through Article 6 transactions, and corresponding volumes transferred/acquired (tCO_2e).

- **Indicator area 2.6.5. Results-based finance:** The country has developed and implemented a results-based finance (RBF) framework.
  - Has the country put in place a formal results-based finance/payments framework to receive and/or disburse payments for verified emissions reductions/removals or enhanced carbon sinks?

[19] Integrates edits proposed during peer review, namely the word "voluntary". Countries not participating show a "Not applicable" status and do not receive a 0 score.

- Has the country defined the scope of the results-based finance mechanism (at minimum: sectors/activities, geographic scope, and eligible result types such as tCO_2e reductions/removals or enhanced sinks)?
- Has the country established governance/oversight arrangements (designated lead institution; roles for line ministries/agencies; approval workflows; grievance/safeguards where relevant)?
- Does the framework include MRV requirements and independent verification arrangements for results (including baseline/reference approach where relevant)?
- Are rules defined for receiving, managing, and allocating RBF proceeds (e.g., budget channel vs dedicated fund; benefit-sharing/allocation principles; audit/controls)?
- Has the country successfully raised or disbursed finance through result-based payment mechanisms (e.g., payments for verified emissions reductions)?

Sub-action area 2.7. International public finance

- **Indicator area 2.7.1. Bilateral Development Finance Institutions (DFIs):** The DFI is aligning its activities with the PA, GBF and SDGs more broadly.
  - Is there a formal mandate or policy explicitly committing the DFI to sustainable development, climate and/or nature objectives?
  - Does the DFI have a comprehensive climate strategy towards Paris alignment?
  - Does the DFI have strategies for alignment with the nature/biodiversity and sustainable development objectives more broadly?
  - Has the DFI established and implemented policies to restrict / exclude finance for all fossil fuels?
  - Is the DFI scaling up climate, nature and other SDG finance with explicit targets?
  - Has the DFI phased down fossil fuel investments?
  - Are annual international finance flows, contributing and undermining sustainability objectives, reported and publicly disclosed?[20]
  - Annual international climate, nature and development (SDG) finance committed by the DFI.
  - Share of climate, nature and development (SDG) finance in total DFI annual investments.
  - Annual amount of international public finance provided by the DFI to fossil fuels.
  - Annual amount of international public finance provided by the DFI to clean energy.

- **Indicator area 2.7.2. Export Credit Agencies (ECAs):** The ECA has aligned its operations and increased finance for climate, nature and/or sustainable development objectives, while reducing finance for fossil fuels and other harmful sectors / activities.
  - Does the ECA have a formal policy, legal provision, or mandate that embeds sustainability or climate alignment requirements in its export credit and guarantee operations?
  - Does the ECA have a comprehensive climate strategy towards Paris alignment?
  - Does the ECA have strategies for alignment with the nature/biodiversity and sustainable development objectives more broadly?
  - Does the ECA have policies that restrict / exclude support for new fossil fuel projects and related value chains?
  - Does the ECA provide preferential guarantee conditions (bonuses) or favourable terms for climate / sustainable / green projects?
  - Is the ECA scaling up climate, nature and other SDG finance with explicit targets (e.g. increase of share of clean energy over the total energy portfolio?
  - Has the ECA reduced the share of fossil fuel financing over its total energy portfolio?
  - Amount / share of annual fossil fuel finance by the ECA.
  - Amount / share of annual clean energy finance by the ECA.

[20] Integrates edits proposed during peer review.

- **Indicator area 2.7.3. International Financial Institutions (IFIs) & Multilateral Development Banks (MDBs):** The State exercises its shareholder power to support the alignment of IFIs/MDBs operations with climate, nature and sustainable development objectives.
  - As a shareholder, has the country supported the alignment of IFIs/MDBs' strategies and operations with climate, nature and/or sustainable development objectives?[21]
  - Does the country advocate for enhanced climate/biodiversity targets within IFI/MDB reform agendas?[22]
  - Has the country provided or mobilised finance for climate-aligned MDB reforms or trust funds (including but not limited to RST, IDA 20)?

Action area 3. Monetary policy and central bank operations

Sub-action area 3.1. Ambition and transparency

- **Indicator area 3.1.1. Overall strategy and mandate:** The central bank integrates climate and environmental objectives within its mandate, strategy, and governance.
  - Does the central bank recognise climate, environmental, and social objectives as relevant to its mandate, objectives, or core functions (e.g., price stability, financial stability, balance sheet management)?
  - Does the central bank embed climate, environmental, or social considerations into its institutional strategy, governance, or decision-making processes (including for non-monetary portfolios)?
  - Does the central bank implement policies or measures to mitigate climate, environmental, or social-related impacts of its own operations?

- **Indicator area 3.1.2. Climate disclosures of own balance sheet:** The central bank publishes climate-related disclosures of its balance sheet operations, including non-monetary policy portfolios.
  - Does the central bank publicly disclose an annual climate or sustainability report aligned with international standards (e.g., TCFD, TNFD)?
  - Does the central bank disclose qualitative information on its exposure and mitigation to climate-related risks in its balance sheet operations and activities?
  - Does the central bank disclose quantitative metrics on its climate-related exposures in its balance sheet operations and activities (e.g., scopes 1-3, WACI, etc.)?
  - Does the central bank disclose nature-related and other environmental impacts of its balance sheet and operational activities (e.g., biodiversity footprint)?

- **Indicator area 3.1.3. Transition plans of central banks:** The central bank adopts and discloses a forward-looking transition plan to mitigate climate, environmental, or social-related risks and impacts of its activities.
  - Does the central bank publicly disclose a forward-looking transition plan?
  - Does the central bank align its transition plan with a net-zero target by 2050?[23]
  - Does the strategy underlying the existing transition plan cover operational processes and balance sheet exposures?[24]
  - Does the existing transition plan include both climate-related and environmental risks and impacts of the central banks' activities?[25]
  - Does the transition plan include a multi-year timeframe with credible interim targets for balance sheet exposures and operational activities?[26]

21 Integrates edits proposed during peer review, namely adding the word "strategies".

22 Same as above, adding strategies and plans.

23 Became a separate cascading component to integrate peer reviewer feedback. Originally part of the one above.

24-26 Reformulated to integrate peer reviewer feedback.

- **Indicator area 3.1.4. Membership in leading industry peer groups:** The central bank participates in international, regional, and domestic initiatives and peer networks related to climate or broader sustainability-related risk management in the financial system.
  - Does the central bank participate in national climate, environmental, and social-related policy initiatives?
  - Is the central bank an active member of relevant regional or international networks focused on climate, environmental, or social-related risk (e.g., NGFS)?
  - Does the central bank commit to voluntary principles or initiatives supporting sustainable finance or responsible investment (e.g., UN PRI), where relevant to its activities?

Sub-action area 3.2. Credit operations

- **Indicator area 3.2.1. Discount rates on loans (incl. targeted refinancing):** The central bank differentiates credit operation conditions (rates, maturity, volume) to reflect climate, environmental, and social risks.
  - Does the central bank adjust lending conditions (e.g., maturity, pricing) to reflect climate, environmental or social criteria?
  - Does the central bank issue subsidised or preferential loans integrating climate, environmental or social objectives?
  - Does the central bank publicly disclose its climate, environmental or socially-discounted or subsidised loans?
  - Are differentiated lending conditions explicitly linked to credible transition or decarbonisation pathways (e.g., taxonomy-aligned, national pathways)?
  - Share of total credit operations subject to differentiated or discounted conditions (% of outstanding lending).
  - Average interest rate differential versus standard facilities (basis points).
  - Average maturity extension versus standard facilities (years).
  - Total outstanding volume under climate- or sustainability-linked credit operations (USD $ / EUR €).

- **Indicator area 3.2.2. Climate-aligned collateral frameworks:** The central bank incorporates climate, environmental, or social considerations into its collateral frameworks by adjusting collateral valuations or haircuts to reflect sustainability risks.
  - Does the central bank adjust asset valuations or haircuts to reflect climate, environmental or social risks under its collateral framework?
  - Does the methodology for calibrating the climate-adjusted valuation or haircut consider credible, granular decarbonisation scenarios to reflect material climate shocks?
  - Does the climate-adjusted valuation or haircut calibration include both transition and physical climate risk impacts on collateral value?
  - Share of collateral assets subject to climate, environmental or social risk adjusted valuations (%).

- **Indicator area 3.2.3. Climate-related disclosure requirements for counterparties:** The central bank requires counterparties to disclose climate-related information as a condition for participating in monetary policy operations.
  - Does the central bank require firms to make mandatory climate-related disclosures to participate in its credit operations?
  - Are climate-related disclosures for firms aligned with leading reporting standards (e.g., TCFD, TNFD, ISSB, national equivalents)?
  - Does the central bank publicly report on the share of firms making climate-related disclosures under its monetary credit operations?
  - Number/Share of counterparties disclosing climate-related information under credit operations (#/%).[27]

[27] Integrates edits proposed during peer review.

Sub-action area 3.3. Securities market interventions

- **Indicator area 3.3.1. Domestic asset purchases (monetary policy portfolio):** The central bank integrates climate, environmental, and social factors into its domestic asset purchase programmes.
  - Does the central bank tilt or grant preferential eligibility/allocation to assets or issuers with positive climate or broader sustainability-related characteristics?
  - Does the central bank exclude or apply limits to assets or issuers that adversely impact climate, environmental, or social objectives?
  - Does the central bank apply positive tilting or allocation strategies to align its portfolio with Paris-aligned or science-based decarbonisation pathways?
  - Share of domestic asset purchase portfolio subject to tilting (%).
  - Emissions reduction (in %) of asset purchase portfolio after tilting implementation.
  - Share of holdings with science-based decarbonisation targets (%).

- **Indicator area 3.3.2. Foreign exchange (FX) reserves and international portfolios:** The central bank integrates and monitors climate, environmental, or social risks of its foreign reserves portfolios.
  - Does the central bank have a climate risk management strategy for its foreign currency (FX) reserves, including sovereign and non-sovereign portfolios?
  - Does the central bank manage and mitigate climate, environmental or social risks of its foreign currency portfolios?
  - Does the central bank invest a portion of FX reserves in green or sustainability-themed assets?
  - Does the central bank publicly report on climate, environmental or social risks, including relevant metrics, of its foreign reserves portfolio?
  - Share of the foreign reserves portfolio for which climate, environmental or social metrics are reported (%).
  - Share of foreign reserves invested in thematic assets (%).

Sub-action area 3.4. Macroeconomic analysis & policy framework

- **Indicator area 3.4.1. Climate-integrated macroeconomic analysis and policy framework:** The central bank recognises and incorporates climate, environmental, and social factors as macroeconomic and macro-financial drivers relevant to monetary policy, including through inflation analysis, scenario analysis, and stress testing.
  - Does the central bank monitor climate or broader sustainability-related impacts on inflation, growth, productivity, or supply-side shocks within its macroeconomic analytical framework?
  - Does the central bank use climate or broader sustainability-related scenarios (e.g., NGFS or national transition pathways) to assess macroeconomic or macro-financial outcomes relevant to monetary policy?
  - Are climate or broader sustainability-related macroeconomic risks incorporated into monetary policy deliberations, risk assessments, or discussions of uncertainty and tail risks (even if not embedded in baseline forecasts)?
  - Does the central bank publicly communicate analysis of climate or broader sustainability-related impacts on inflation, macroeconomic dynamics, or monetary policy trade-offs?

Sub-action area 3.5. Own funds & other non-monetary policy portfolio

- **Indicator area 3.5.1. Asset management of non-monetary policy portfolio:** The central bank integrates climate, environmental, and social factors into its non-monetary policy investment portfolios (own funds, pension funds, and other non-policy portfolios).

- Does the central bank monitor and manage climate and environmental risks for its non-monetary policy portfolios?
- Does the central bank assess the forward-looking impact of climate, environmental or social risks on its non-monetary portfolio using scenario analysis or climate stress testing?
- Does the central bank adopt a double materiality lens for the management of climate and environmental risks of its non-monetary portfolio?
- Does the central bank define sustainability targets aligned with science-based climate scenarios (e.g., 1.5°C pathways) and overall decarbonisation objectives?
- Does the central bank apply portfolio management tools to reduce exposure to climate or broader sustainability-related risks (e.g., exclusions, phase-out plans, limits for environmentally harmful activities)?
- Share of non-monetary portfolio included in climate, environmental, or social-related targets (%).
- Non-monetary portfolio-level emissions intensity (WACI).

- **Indicator area 3.5.2. Asset management of non-monetary policy portfolio:** The central bank invests in labelled sustainable or thematic assets to support climate, environmental, or social objectives within its non-monetary policy portfolio.
  - Does the central bank invest in green, climate, or other sustainability-themed assets (e.g., green bonds, social bonds, sustainability-linked bonds), including via secondary markets[28], within its non-monetary portfolio?
  - Does the central bank rely on recognised international or national frameworks or labels (e.g., green bond standards, SLB frameworks, taxonomies) for thematic investments?
  - Share of green, sustainability-linked, and other thematic assets in the non-monetary portfolio (%).

Action area 4. Financial policy and regulation

Sub-action area 4.1. Macroprudential regulation & supervision

- **Indicator area 4.1.1. Stress testing & system-wide scenario analysis:** The central bank or prudential authority integrates climate and environmental risks into macroprudential supervision, acknowledging that these risks are a source of systemic risks for financial stability.
  - Do the macroprudential authorities acknowledge and communicate that climate and environmental risks are potential systemic risks?
  - Does the prudential authority acknowledge and monitor systemic climate risks within its prudential framework for banks?
  - Does the prudential authority acknowledge and monitor systemic environmental risks within its prudential framework for banks?
  - Does the prudential authority acknowledge and monitor systemic climate risks within its prudential framework for insurers?
  - Does the prudential authority acknowledge and monitor systemic environmental risks within its prudential framework for insurers?
  - Does the prudential framework integrate the concept of double materiality?

- **Indicator area 4.1.2. Stress testing & system-wide scenario analysis:** The supervisor conducts periodic system-wide stress testing on climate and environmental risks for regulated financial institutions, based on credible, forward-looking scenarios in line with national and international objectives.
  - Has the prudential authority conducted climate stress testing and/or scenario analysis exercises for the banking sector to assess material exposures to climate risks, both transition and physical risks?

[28] Integrates edit proposed during peer review, namely the addition of “including via secondary markets”.

- Has the prudential authority conducted climate stress testing and/or scenario analysis exercises for the insurance sector to assess material exposures to climate risks, both transition and physical risks?
- Does the stress testing framework(s) recognize the concept of double materiality for climate and environmental risks?
- Does the supervisor assess climate risks using forward-looking, credible scenarios such as those developed by the NGFS for its scenario analysis exercises across short, medium and long-term horizons?
- Does the prudential authority conduct periodic or regular climate stress testing and scenario analysis to identify and monitor systemic risks?
- Does the prudential authority conduct periodic regular nature-related stress testing and scenario analysis to identify and monitor systemic risks?
- Has the supervisor issued recommendations and best practices to financial institutions for integrating climate risks into their risk management practices?
- Has the supervisor issued recommendations and best practices to financial institutions for integrating nature-related risks into their risk management practices?
- Does the supervisor disclose its macroprudential stress testing methodology and results?

- **Indicator area 4.1.3. Macroprudential buffers:** Adoption of climate and environmental risks via specific or general macroprudential buffers.
  - Are climate and environmental risks addressed in macroprudential buffers, either with a specific buffer or within a general buffer?
  - Are banks and insurers subjected to climate and environmental adjustments in computing their mandatory capital and solvency requirements?
  - Has the supervisor issued recommendations and best practices to financial institutions for integrating climate and environmental risks into their risk management practices?
  - Has the prudential authority provided recommendations or best practices on integrating climate and environmental risks within banks' prudential capital adequacy requirements?
  - Does the supervisor introduce green-differentiated reserve requirements for commercial banks and other lending institutions (e.g., in the form of a minimum proportion of financial assets to be held in low-emission sectors)?[29]
  - Average size of the climate and environmental risk component in the macroprudential buffer.
  - Weight of the climate and environmental risk component in the macroprudential buffer with respect to total assets covered.[30]

- **Indicator area 4.1.4. Large exposure restrictions (LER) and concentration risk limits:** Financial institutions face large exposure restrictions or concentration limits on sectors/exposures vulnerable to climate and environmental risks such as fossil fuel exposures.
  - Does the prudential supervisor implement concentration limits and monitor systemic exposures in high-risk sectors (such as fossil fuels) for banking portfolios?
  - Does the prudential supervisor implement concentration limits and monitor systemic exposures in high-risk sectors vulnerable to climate risks, especially physical risks, for insurance portfolios?
  - Has the prudential supervisor implemented concentration limits or large exposure restrictions for banking portfolio exposures vulnerable to climate risks, such as fossil fuel exposures?
  - Has the prudential supervisor implemented sectoral limits or restrictions for insurance portfolio exposures vulnerable to climate risks, such as fossil fuel exposures, physical climate hazards?
  - Does the prudential supervisor publicly disclose the restriction, concentration limits or sectoral limits on supervised entities?

[29] Reformulated to integrate peer reviewer feedback.

[30] Proposed during peer review process. To be considered for new pilots and overall framework refining.

Sub-action area 4.2. Microprudential regulation & supervision

- **Indicator area 4.2.1. Differentiated prudential capital requirements:** The prudential supervisor integrates climate and environmental risks within mandatory capital requirements under the pillar 1 supervisory framework for financial institutions.
  - Has the prudential supervisor integrated climate and environmental risks in the calculation of differentiated prudential capital requirements under pillar 1 for banks?
  - Has the prudential supervisor integrated climate and environmental risks in the calculation of differentiated prudential capital requirements under pillar 1 for insurers?
  - Has the prudential supervisor conducted preliminary or exploratory assessments to integrate climate risks into banks' microprudential capital requirements?
  - Has the prudential supervisor conducted preliminary or exploratory assessments to integrate environmental risks into banks' microprudential capital requirements?
  - Has the prudential supervisor conducted preliminary or exploratory assessments to integrate climate risks into insurers' microprudential capital and solvency requirements?
  - Has the prudential supervisor conducted preliminary or exploratory assessments to integrate environmental risks into insurers' microprudential capital and solvency requirements?
  - Does the supervisor publicly disclose the capital charge associated with climate or environmental risks?
  - Average size of the climate or environmental risk-adjusted capital charge (in % of total pillar 1 capital).

- **Indicator area 4.2.2. Prudential reporting requirements:** The prudential supervisor requires financial institutions to disclose their exposure to climate, environmental or social risks and their management of these risks under the pillar 3 supervisory framework.
  - Are banks subjected to mandatory climate and ESG risk disclosures to supervisory authorities?
  - Are insurers subjected to mandatory climate and ESG risk disclosures to supervisory authorities?
  - Has the prudential supervisor issued guidelines, recommendations and templates to help banks report on the management of climate and broader ESG risks?
  - Has the prudential supervisor issued guidelines, recommendations and templates to help insurers report on the management of climate and broader ESG risks?
  - Does the prudential supervisor publicly disclose the information on the quality of financial institutions' pillar 3 disclosures?
  - Number / Share of financial institutions reporting climate-related or ESG risks in their pillar 3 disclosures.[31]
  - Number / Share of financial institutions reporting climate-related or ESG risks in their pillar 3 disclosures (# / %).[32]

- **Indicator area 4.2.3. Supervision review process:** The prudential supervisor requires financial institutions to integrate climate and environmental risks within the supervisory review process or equivalent pillar 2 monitoring frameworks.
  - Does the supervisor integrate climate, environmental or social risks in banks' pillar 2 framework including risk management, capital and liquidity assessment processes, stress testing, governance and controls?
  - Does the supervisor integrate climate, environmental or social risks in insurers' pillar 2 framework including risk management, capital and liquidity assessment processes, stress testing, governance and controls?
  - Has the prudential supervisor issued guidance on its expectations for integrating, monitoring and reporting of climate, environmental or social risks for banks' pillar 2 supervisory framework?
  - Has the prudential supervisor issued guidance on its expectations for integrating, monitoring and reporting of climate, environmental or social risks for insurers' pillar 2 supervisory framework?

[31,32] Integrates edits proposed during peer review.

- Has the prudential supervisor introduced climate, environmental or social risk-adjusted capital add-ons for individual banks under the pillar 2 framework?
- Has the prudential supervisor introduced climate, environmental or social risk-adjusted capital add-ons for individual insurers under the pillar 2 framework?
- Does the prudential supervisor publicly disclose the quality and progress made by financial institutions in integrating climate, environmental or social risks into their pillar 2 supervisory processes?
- Number / Share of financial institutions including climate, environmental or social risks within their pillar 2 processes.[33]
- Number / Share of financial institutions including climate, environmental or social risks within their pillar 2 processes (# / %).[34]
- Do capital add-ons increase in time and exposure level to activities identified as negatively contributing to sustainability-related objectives?

- **Indicator area 4.2.4. Prudential transition plans:** The prudential supervisor mandates financial institutions to report prudential transition plans under the supervisory framework.
  - Does the regulatory framework require banks to prepare and report mandatory prudential transition plans for supervisory purposes?
  - Does the regulatory framework require insurers to prepare and report mandatory prudential transition plans for supervisory purposes?
  - Has the supervisor issued guidance on the content, format and supervisory expectations to ensure the robustness and credibility of prudential transition plans for banks?
  - Has the supervisor issued guidance on the content, format and supervisory expectations to ensure the robustness and credibility of prudential transition plans for insurers?
  - Does the supervisor require that prudential transition plans have credible targets, aligned with the objectives of the Paris Agreement or national climate objectives?
  - Does the supervisor require that prudential transition plans include physical climate and transition risks as well as environmental and social risks?

- **Indicator area 4.2.5. Capacity building & technical assistance for FIs:** The prudential authority conducts regular capacity building programs to identify, assess, and manage climate and environment risks for prudential policy.
  - Does the prudential authority conduct capacity building programs for supervised FIs on a regular basis to facilitate the management of climate and environmental risks?
  - Has the prudential authority developed an internal capacity-building program to develop its expertise to manage climate and environmental risks for prudential policy?

Sub-action area 4.3. Disclosure & transition plans

- **Indicator area 4.3.1. Mandatory climate & sustainability disclosures:** A national or jurisdictional regulatory framework mandates firms to disclose public climate and/or sustainability reports covering their business operations, value chains, risks management and other elements of equivalent sustainability international standards.
  - Does the jurisdictional regulation require mandatory disclosure of public climate and sustainability reports for financial and non-financial firms?
  - Have the regulatory bodies issued guidance, frameworks and standards to enable firms on their mandatory sustainability disclosures with expected data points, indicators for climate, environmental and social?

[33,34] Integrates edits proposed during peer review.

- Does the sustainability reporting regulation align with international standards and frameworks on ESG and climate reporting (e.g., IISB)?
  - Do mandatory climate and sustainability disclosures require firms to follow the double materiality principle in conducting assessments, impacts and risks?
  - Does the disclosure regulation require non-financial firms and financial institutions to report publicly on their climate and/or sustainability-focused finance allocation and outcomes/impacts?
  - Does the jurisdiction mandate and enforce a due diligence duty for firms to identify and assess climate and/or sustainability impacts in their own business operations, including value chains?
  - Does the regulation require mandatory audit and/or assurance of sustainability-related information by statutory auditors?
  - Have the regulatory authorities issued guidelines and standards for auditors and assurance firms for national sustainability frameworks?
  - Number / Share of firms that disclose climate and/sustainability-related information as mandated under national disclosure regulations.[35]

- **Indicator area 4.3.2. Sustainability data management (public utilities, digital taxonomies & tagging):** The regulator or relevant national authority aggregates and discloses climate and/or sustainability disclosures through a public data repository or utility.
  - Has the regulator or relevant national authority established a data collection mechanism to aggregate firms' public disclosures on climate and sustainability?
  - Has the authority facilitated transparency and usage of public climate and sustainability data through digital tagging, centralised disclosure repositories or others?
  - Is the public data utility under the governance of the regulatory or supervisory body?

- **Indicator area 4.3.3. Transition plans (risks and impacts):** The regulator requires firms to develop and disclose credible climate transition plans with sectoral objectives, interim science-based targets to meet national decarbonisation objectives.
  - Does the regulatory authority require financial institutions to disclose mandatory climate transition plans to achieve their net-zero or other decarbonisation objectives?
  - Does the regulatory authority require non-financial firms to disclose mandatory climate transition plans to achieve their net-zero or other decarbonisation objectives?
  - Has the relevant authority issued guidance or a framework regarding its expectations on the scope, content, and credibility of transition plans?
  - Does the regulatory authority require firms to prepare their transition plans with interim targets and objectives in line with national decarbonisation targets?
  - Does the national supervisor or regulatory authority monitor and supervise firms' disclosed climate transition plans and planning processes with firm-specific actions (whether recommendations, penalties, etc.)?
  - Does the regulatory authority disclose information on the quality of firms' mandatory transition plans?
  - Number of firms that report and disclose transition or decarbonisation plans.

Sub-action area 4.4. Sustainable finance products & instruments[36]

- **Indicator area 4.4.1. Sustainable finance products regulation:** The prudential supervisor or competent financial market authority monitors sustainable investment products issued by financial institutions through disclosure regulation and other supervisory requirements.[37]
  - Is there a specific regulation for sustainable financial products issued by financial market authorities that mandate public disclosure of climate, environmental or social impacts?[38]

[35] Integrates edits proposed during peer review.
[36] Same as above, replacing the word "investment" by "finance.
[37] Same as above, including the term "competent financial market authority".

- Has the regulator or relevant national authority provided guidelines, templates for mandatory reporting on sustainable finance disclosures?
- Does the disclosure regulation require financial institutions to identify, assess and report climate, environmental or social risks and impacts through the principle of double materiality?
- Does the regulation mandate investment funds to disclose sustainability risks in both pre-contractual and periodic disclosures to investors to ensure market transparency on risks and impacts?
- Does the regulation require sustainable or related products to be classified under designated labels/categories to drive sustainable investments, with minimum criteria, KPIs and objectives?
- Does the regulatory authority disclose information on the quality of sustainable investment product disclosures?
- Number of financial firms that have made sustainability or climate disclosures (of financial products provided to investors and retail customers), including risks and impacts as per the national regulation.[39]

- **Indicator area 4.4.2. Guidelines for sustainable finance instruments and labelled products:** The prudential supervisor or relevant authority has issued guidelines, frameworks, labels to promote market integrity for sustainable finance products issued by firms.
  - Has the national authority issued guidelines, tools, labels and recommendations for the issuance of sustainability-related labelled products such as green bonds, sustainable bonds, sustainable loans, and green loans for firms?
  - Do the guidelines, certifications or labels align with international standards such as those issued by ICMA, LMA and others, especially regarding eligibility criteria, use of proceeds, and reporting?
  - Quantum (volume or quantity) of sustainable and thematic bonds issued in primary market.
  - Percentage of sustainable bond market relative to overall debt market.

Sub-action area 4.5. Financial market regulation

- **Indicator area 4.5.1. Sustainability listing requirements:** Indicator 4.5.1.1. The national stock exchange has mandatory climate, sustainability and/or ESG-related listing rules and reporting requirements for firms.
  - Does the stock exchange have mandatory company-specific ESG-related listing and reporting rules?
  - Is the stock exchanges' ESG-related reporting aligned with international sustainability reporting standards?
  - Number of firms complying with the climate and/or ESG-related reporting requirements.

  Indicator 4.5.1.2. The national stock exchange promotes the issuance of climate or ESG thematic securities through guidance, sustainable benchmark indices, listing segments or other related activities.
  - Does the stock exchange have specific climate or ESG benchmark indices based on national or international sustainability objectives?
  - Has the stock exchange issued guidance on mandatory sustainability or ESG reporting for listed firms?
  - Does the stock exchange host a separate SME listing platform?
  - Does the national stock exchange produce annual sustainability reports aligned with national reporting standards, frameworks?

- **Indicator area 4.5.2. Sustainability integration in fiduciary duties:** Climate and/or ESG objectives are included in fiduciary duties of institutional investors.

[38] Reformulated to integrate peer reviewer feedback.

[39] Integrates edits proposed during peer review. Namely the clarification in parenthesis.

- Does the national regulation mandate climate and/or ESG integration into institutional investors' fiduciary duties and mandates?

- **Indicator area 4.5.3. Sustainability in stewardship codes:** The regulatory framework mandates the inclusion of climate, ESG and/or sustainability factors in institutional investors' stewardship codes, including through portfolio allocation, risk management and disclosure.
  - Does the national regulation require institutional investors to mandatorily include climate and/or ESG considerations in their stewardship codes that drive investment practices and long-term value creation?
  - Number of stewardship engagements whether through shareholder voting or other channels.
  - Percentage of divestment/exclusion outcomes in institutional investors' stewardship.

- **Indicator area 4.5.4. Greenwashing regulation:** The national regulatory framework includes rules, codes or guidelines to prevent greenwashing and to protect investors.
  - Has the relevant national authority issued guidelines, principles or recommendations to prevent greenwashing with regards to labels, claims, advertising or other communication channels?
  - Is there a national regulatory framework to prevent greenwashing with clear definitions, mandatory criteria, prohibitions, labelling and other safeguards?
  - Is greenwashing included in consumer protection codes, environmental codes and other relevant industry codes?
  - Does the greenwashing regulation allow for legal proceedings including penalties and other legal action against greenwashing claims?

THE SUSTAINABLE FINANCE PROGRESS (SFP) FRAMEWORK:

AN INTEGRATED APPROACH TO TRACKING EFFORTS IN G20 ECONOMIES

PILOT APPLICATIONS IN BRAZIL, FRANCE, GERMANY, INDONESIA AND SOUTH AFRICA

Methodological Annex B:

Glossary of definitions

(page B1-B15)

To address inconsistencies in the interpretation and application of key terms identified during the testing phase, a draft glossary was developed in collaboration with country partners. Following several iterations, the glossary provides a shared reference to support the consistent interpretation and application of key concepts across country assessments. Table Annex 1 presents the key terms and definitions currently used for the application of the SFP framework. The glossary is intended as a living reference and may be updated as additional terms requiring clarification are identified. Country partners are encouraged to consult it whenever the definition or scope of a term is unclear. While country-specific definitions are not currently included, these may be incorporated in future iterations where relevant.

Table Annex 1: Glossary of key terms and definitions used in the SFP framework

Term/ Concept	Interpretation / Definition	Sources used	Official definition	Examples	Action area(s)
Sustainability objectives	Although there is consensus on the fact that there is no universal answer to define "sustainability", existing instruments such as the SDGs legitimise the choice of specific sustainability dimensions including: • the preservation of the environment, ecosystems, and biodiversity • the fight against climate change (in the form of climate change mitigation and adaptation) • the improvement of human and other forms of life in the planet (prosperity), including by eradicating poverty, hunger, and reducing inequalities.	2030 Agenda (A/RES/70/1) – 2015 – https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_70_1_E.pdf | Paris Agreement – 2015 – https://unfccc.int/sites/default/files/resource/parisagreement_publication.pdf | CBD GBF (Dec.15/4) – 2022 – https://www.cbd.int/gbf	No	National SDG strategies; NDCs/LTS under Paris; NBSAPs under GBF.	General
Sustainable finance policies	Set of public-policy interventions and regulatory, supervisory, and market-governance measures that shape financial system behaviour so that capital is mobilised, steered, and aligned with national and international sustainability objectives. In other words, policies that are tailored to influence how financial actors identify and manage sustainability-related risks and opportunities, how they allocate capital across sectors, and how they support long-term economic transitions. Sustainable finance policies are therefore considered as the action by policymakers that translates commitments into measurable financial outcomes and lay the foundation for achieving real-economy impacts aligned with sustainability objectives.	OECD 2024 Aligning financial flows with climate objectives	No	Real-economy policies refer to the range of policy instruments and interventions that governments may use to influence the alignment of real-economy investments. Financial sector policies are defined as those that "oversee and guide the functioning of the financial system towards ensuring its stability, integrity, and efficiency".	General

Term/ Concept	Interpretation / Definition	Sources used	Official definition	Examples	Action area(s)
Sustainable transition pathways	Long-term, country-specific processes through which finance and overall stakeholder action ultimately supports the achievement of sustainability objectives. Sustainable transition pathways entail a strategic shift in action by policymakers and key accountable actors with the power to scale up and redirect financial flows. Sustainable transition pathways establish a narrative that highlights the need to close investment gaps and to shift away from unsustainable activities and toward resilient, low-emission and nature-positive models.	This framing is consistent with the Paris Agreement's call to "make finance flows consistent with a pathway toward low greenhouse gas emissions and climate-resilient development", and with the GBF's emphasis on aligning public and private finance with biodiversity goals. Edit and add references to Shared-Socio-Economic-Pathways (SSPs) used in climate modelling community.	No		General
Climate objectives	Paris Agreement objectives: hold warming well below 2°C and pursue 1.5°C; increase adaptive capacity/ resilience; and make finance flows consistent with low GHG and climate-resilient development.	UNFCCC Paris Agreement summary – 2015/updated – https://unfccc.int/process-and-meetings/the-paris-agreement | Treaty text – 2015 – https://unfccc.int/sites/default/files/resource/parisagreement_publication.pdf	Yes	NDCs, LTS, NAPs.	General
Nature objectives	Kunming–Montreal GBF: four 2050 Goals (A–D) and 23 Targets to 2030, including finance-related targets (T14, T15, T18, T19).	CBD GBF portal – 2022 – https://www.cbd.int/gbf | COP15 final text (Dec.15/4) – 2022 – https://www.cbd.int/article/cop15-final-text-kunming-montreal-gbf-221222	Yes	Countries updated NBSAPs to align with GBF.	General
Social equity & wellbeing objectives	2030 Agenda's "People/Prosperity" dimensions: eradicate poverty/hunger; reduce inequalities; improve health, education, decent work, and more. Add link to respective SDGs UN General Assembly A/RES/70/1 – 2015 – https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_70_1_E.pdf	UN General Assembly A/RES/70/1 – 2015 – https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_70_1_E.pdf	Yes	SDGs 1–5, 8, 10, 11, 16, 17 in national plans/VNRs.	General

Term/ Concept	Interpretation / Definition	Sources used	Official definition	Examples	Action area(s)
Climate commitment	A country's formal commitments under the UNFCCC: NDC (mitigation/ adaptation), LTS (Article 4.19), NAPs/ adaptation communications.	UNFCCC 'What is an NDC?' / NDC registry – current – https://www4.unfccc.int/sites/ndcstaging/Pages/Home.aspx | UNFCCC LTS page – current – https://unfccc.int/process/the-paris-agreement/long-term-strategies | UNFCCC NAPs – current – https://unfccc.int/national-adaptation-plans	Yes	Submitted NDCs/LTS/ NAPs on UNFCCC portals.	General
Sustainability commitment	National commitment to the 2030 Agenda, typically expressed via national SDG strategies and Voluntary National Reviews at the United Nations' High-level Political Forum on Sustainable Development (UN HLPF).	UN HLPF VNR portal – current – https://hlpf.un.org/vnrs/ | OHCHR explainer on VNRs – 2024 – https://www.ohchr.org/en/sdgs/voluntary-national-reviews	Yes	VNRs table national progress and governance for SDGs.	General

Term/ Concept	Interpretation / Definition	Sources used	Official definition	Examples	Action area(s)
Nature commitment	A country's formal commitments under the Convention on Biological Diversity (CBD) and the Kunming–Montreal Global Biodiversity Framework (Kunming-Montreal GBF), evidenced by (1) adopting, revising and implementing an NBSAP aligned with GBF goals and targets and setting national biodiversity targets; (2) participating in the CBD's planning–monitoring–reporting–review cycle, including submission of national reports using the GBF monitoring framework (headline and binary indicators) on the timeline set by COP decisions; and (3) committing to resource mobilization and alignment of public and private financial flows with GBF Goal D and Target 19 (and related Targets 14, 15 and 18) Review this particularly and Add NBSAPs	CBD COP15 Decision 15/4: Kunming–Montreal GBF – 19 Dec 2022 – https://www.cbd.int/doc/decisions/cop-15/cop-15-dec-04-en.pdf | CBD COP15 Decision 15/6: Mechanisms for planning, monitoring, reporting and review – 19 Dec 2022 – https://www.cbd.int/doc/decisions/cop-15/cop-15-dec-06-en.pdf | CBD COP15 Decision 15/5: Monitoring framework for the GBF – 19 Dec 2022 – https://www.cbd.int/doc/decisions/cop-15/cop-15-dec-05-en.pdf | CBD 'What is an NBSAP?' (Art. 6 & 26) – 10 Oct 2024 – https://www.cbd.int/nbsap/introduction.shtml | CBD National Reports / Online Reporting Tool – 2025 – https://www.cbd.int/reports | CBD Resource Mobilization (Decision 15/7; Goal D/Target 19) – 2023/updated – https://www.cbd.int/gbf/related/resourcemobilization"	No	Updated NBSAP with national targets submitted via the CBD **Online Reporting Tool**; publication of national biodiversity targets aligned to GBF; submission of the **national report** per Decision 15/6 using GBF headline/binary indicators; adoption of a national **resource mobilisation strategy** and measures addressing GBF **Targets 14/18/19**; introduction of disclosure measures consistent with **Target 15**.", GBF **Targets 14/18/19**; introduction of disclosure measures consistent with **Target 15**.",	General

Term/ Concept	Interpretation / Definition	Sources used	Official definition	Examples	Action area(s)
Climate risks (physical)	Risks that result from climate change itself, such as acute events (floods, wildfires) or chronic shifts (sea-level rise, temperature changes). Physical risk has the potential to cause financial loss.	TCFD; BIS/FSI executive summary 'Climate and environmental risks – guide for supervisors' – 2023 – https://www.bis.org/fsi/fsisummaries/climate_env_risks.pdf	Yes	Supervisory expectations referring to physical/ transition risks (NGFS/ BIS).	General
Climate risks (transition)	Risks that arise from the process of adjusting to a lower-emission economy, including policy changes, technology advancements, market shifts, and reputational damage. Transition risk has the potential to cause financial loss.	TCFD; BIS/FSI executive summary 'Climate and environmental risks – guide for supervisors' – 2023 – https://www.bis.org/fsi/fsisummaries/climate_env_risks.pdf	Yes	Supervisory expectations referring to physical/ transition risks (NGFS/ BIS).	General
Nature-related risk	Risks to organisations and finance arising from dependencies on, and impacts on, nature (physical, transition risk split same as for climate).	TNFD Glossary (v2024/2025) – 2024–2025 – https://tnfd.global/publication/glossary/ | TNFD Final Recommendations – 2023 – https://tnfd.global/wp-content/uploads/2023/09/FINAL-18-09-23-TNFD-final-recommendations-release.pdf	No	Supervisory/ market use of TNFD framing; links to GBF.	General
Transition finance	Finance supporting entity wide, credible transition to NetZero/low emission pathways (especially hard to abate sectors), guided by robust transition plans.	OECD Guidance on Transition Finance – 2022 – https://www.oecd.org/en/publications/oecd-guidance-on-transition-finance_7c68a1ee-en.html	No	OECD guidance; IPSF/G20 SFWG work on transition finance.	General

Term/ Concept	Interpretation / Definition	Sources used	Official definition	Examples	Action area(s)
Transition plan	A plan setting out how an entity will align strategy, capex, products and engagement with a Paris consistent pathway and manage related risks/ opportunities.	ISSB IFRS S2 (climate) references to transition plans – 2023 – https://www.ifrs.org/issued-standards/ifrs-sustainability-standards/ifrs-s2-climate-related-disclosures/ | UK Transition Plan Taskforce (TPT) Sector Neutral Framework – 2023/2024 – https://transitiontaskforce.net	Yes	ISSB S2 disclosures; UK TPT guidance.	General
Ecological transition	Broad policy term (EU/France) for the shift to a climate-neutral, resource-efficient, nature-positive economy; not formally defined in a treaty.	European Green Deal communications – 2019+ – https://climate.ec.europa.eu | FR "transition écologique" usage in law/policy portals (official)	No	European Green Deal; national 'transition écologique' ministries.	General
Clean energy	Operational term used by IEA to include renewables, nuclear, grids, storage, efficiency, EVs/heat pumps and some low-emissions fuels; not a single legal definition.	IEA 'World Energy Investment' key takeaways/clean energy coverage – 2024/2025 – https://www.iea.org | IRENA (renewables scope) – current – https://www.iea.org/about/international-collaborations/irena	No	IEA: "clean energy investment includes…" in annual reports.	General
Public authorities	Actors with the power to define policies that will ultimately impact the whole economy of a country. Under the SFP framework, the focus is on public authorities with the power to define policies that will ultimately shape rules of financial ecosystems and lead to outcomes to scale-up and redirect financial flows.	OECD Budgetary Governance Recommendation – 2015/updated – https://legalinstruments.oecd.org/api/print?ids=319&lang=en	No	Ministries of finance, central banks, regulators/ supervisors, NDBs.	Account-able actors
Public pension fund	Any state-established or state-backed institution that accumulates and manages financial reserves to support current or future retirement expenditures, whether or not it is directly linked to a specific pension scheme.	OECD "Governance and Investment of Public Pension Reserve Funds" – 2017+/landing – https://www.oecd.org/en/publications/governance-and-investment-of-public-pension-reserve-funds-in-selected-oecd-countries_244270553278.html	Yes	French Fonds de réserve pour les retraites (FRR), created to smooth demographic shocks and support long-term pension financing	Account-able actors

Term/ Concept	Interpretation / Definition	Sources used	Official definition	Examples	Action area(s)
Sovereign wealth fund	State-owned investment vehicle that centralizes surplus public revenues (from natural-resource exports, fiscal surpluses, foreign exchange reserves) into a single pool of assets managed for long-term national benefit. In this narrow sense, SWFs are distinct entities with clear mandates, centralized governance, and globally diversified portfolios. Their core purpose is to preserve and grow national wealth, stabilize the economy, and provide intergenerational savings.	Santiago Principles (GAPP) – 2008 – https://www.ifswf.org/santiago-principles	Yes	Norwegian Government Pension Fund Global, Abu Dhabi Investment Authority	Account-able actors
Special purpose fund	Extra-budgetary financial vehicle established by the state to channel earmarked resources into climate- and transition-related investments. These funds are legally distinct from the general state budget, often financed by specific revenues (carbon pricing, energy taxes, or reallocated subsidies), and governed by their own management frameworks. Their purpose is to provide stable, multiannual financing for decarbonization, renewable energy, energy efficiency, and climate adaptation.	IMF GFSM 2014 (extrabudgetary units/ funds) – 2014 – https://www.imf.org/external/Pubs/FT/GFS/Manual/2014/gfsfinal.pdf | Germany **KTF** official pages – 2022–2024 – https://www.bundesregierung.de/breg-de/aktuelles/ktf-sondervermoegen-2207614	Yes	the German Klima- und Transforma-tionsfonds (KTF), which consolidates revenues from emissions trading and other sources to fund energy transition and industrial decarboni-zation projects.	Account-able actors
Green investment bank	A public or semi-public financial institution created explicitly and exclusively to finance sustainable investments, with a mandate to mobilize private capital into renewable energy, energy efficiency, and low-carbon infrastructure. Its portfolio is fully aligned with environmental objectives, and its governance, financial instruments, and risk frameworks are tailored to accelerate the green transition.	OECD "Green Investment Banks: Leveraging Innovative Public Finance" – 2016 – https://www.oecd.org/environment/cc/green-investment-banks.htm (overview/publication page)	No	the UK Green Investment Bank, the Connecticut Green Bank in the U.S.	Account-able actors
Public development banks	Publicly controlled financial institutions with a policy mandate; independent legal status and financial autonomy; align finance with SDGs/Paris.	Finance in Common (What are PDBs?) – 2024/2025 – https://financeincommon.org/why-finance-in-common | Declarations – 2020+ – https://financeincommon.org/declarations	Yes	KfW (DE), BNDES (BR), CDP (IT), DBSA (ZA).	Account-able actors

Term/ Concept	Interpretation / Definition	Sources used	Official definition	Examples	Action area(s)
Central banks	Public institutions conducting monetary policy, providing settlement/payment infrastructures, and often contributing to financial stability.	ECB explainer “What is a central bank?” – 2015 (evergreen) – https://www.ecb.europa.eu/ecb-and-you/explainers/tell-me/html/what-is-a-central-bank.en.html | BIS paper “Roles and objectives of modern central banks” – 2009 – https://www.bis.org/publ/othp04_2.pdf	Yes	ECB, Federal Reserve, Bank of Japan, RBI.	Account-able actors
Financial regulators	Authorities that set rules/standards for financial markets/institutions and market conduct.	IOSCO Principles—exec summary (incl. role of regulators/SROs) – 2022 – https://www.bis.org/fsi/fsisummaries/iosco_principles.htm	Yes	Securities regulators (e.g., SEC, ESMA), conduct authorities.	Account-able actors
Financial supervisors	Authorities that oversee/assess the soundness/risk profile of institutions (microprudential) and, where mandated, systemwide risks (macroprudential).	BCBS Core Principles for effective banking supervision – 2024 – https://www.bis.org/bcbs/publ/d573.htm | IMF Staff Guidance on Macroprudential Policy – 2014 – https://www.imf.org/external/np/pp/eng/2014/110614.pdf	Yes	Banking/ insurance supervisors; integrated prudential authorities.	Account-able actors
Ministries of Finance	Core public-finance authorities responsible for fiscal policy, budget governance, debt management, and often oversight of public financial institutions.	OECD Performance/ Budgeting frameworks – 2023 – https://one.oecd.org/document/GOV/SBO(2023)1/en/pdf	Yes	MoF/ Treasury in national systems.	Account-able actors
Self-regulated entities	Nongovernmental organisations (exchanges, industry bodies) that set/enforce rules for members under regulatory oversight.	IOSCO “Model for Effective SelfRegulation” – 2000 – https://www.iosco.org/library/pubdocs/pdf/IOSCOPD110.pdf | IOSCO Objectives & Principles (Principle 9) – 2017 – https://www.iosco.org/library/pubdocs/pdf/IOSCOPD154.pdf	Yes	FINRA (US), stock exchanges with SRO functions.	Account-able actors

Term/ Concept	Interpretation / Definition	Sources used	Official definition	Examples	Action area(s)
Fiscal policies	Use of government taxation, spending, and financing to influence the economy and deliver policy goals.	IMF factsheet "Monetary Policy and Central Banking" (for context) & IMF fiscal policy publications – current – https://www.imf.org | OECD Public finance & budgets – 2025 – https://www.oecd.org/en/topics/public-finance-and-budgets.html	Yes	Annual budgets, tax/expenditure measures, debt operations.	Fiscal policy
Fiscal frameworks	Institutional/legal rules and processes (medium-term budgeting, top-down ceilings) guiding fiscal policy formulation and execution.	OECD Spending Better / Budgetary Governance – 2015–2024 – https://legalinstruments.oecd.org/api/print?ids=319&lang=en | OECD Medium-term/top-down budgeting – 2023 – https://one.oecd.org/document/GOV/SBO(2023)10/REV1/en/pdf	Yes	MTBFs, fiscal strategies, top-down ceilings.	Fiscal policy
Fiscal rules	Permanent numerical constraints on budget aggregates (debt, deficit, expenditure, revenue) to anchor fiscal sustainability.	IMF Staff papers on fiscal rules – various; definition consolidated in IMF practice – 2014+ – https://www.imf.org	Yes	Debt/deficit/expenditure rules; escape clauses.	Fiscal policy
Public budgets	Annual/multiyear authorisations of revenues and expenditures reflecting policy priorities and legal commitments.	OECD Budgetary Governance Recommendation – 2015/updated – https://legalinstruments.oecd.org/api/print?ids=319&lang=en	Yes	Annual budget laws; appropria-tions; finance bills.	Fiscal policy
Public investment	Government capital formation to create/maintain public assets (infrastructure, buildings, equipment).	OECD public investment guidance/indicators – evergreen – https://www.oecd.org/governance/infrastructure-governance/public-investment.htm	Yes	General government gross fixed capital formation (GFCF).	Fiscal policy
Investment needs	Estimated capital required to achieve specific policy targets (SDGs, NZE); not a single standard definition.	IEA/OECD/UN estimates in sectoral reports – current – https://www.iea.org; https://www.oecd.org	No	IEA NZE investment needs; national transition costings.	Fiscal policy

Term/ Concept	Interpretation / Definition	Sources used	Official definition	Examples	Action area(s)
Investment gap	Difference between investment needs and current finance.	UN/OECD/IEA usage in investment outlooks – current – https://www.iea.org; https://www.oecd.org	No	Used in national transition plans and climate investment plans.	Fiscal policy
„green“ expenditure (Contributing)	Budgetary outlays supporting environmental/ climate/ nature objectives identified via green/climate budget tagging/tracking frameworks.	OECD Green Budgeting/CBT guidance – 2021+ – https://www.oecd.org | EU climate/ environmental expenditure tracking (Eurostat/Rio markers) – current – https://ec.europa.eu/eurostat/	No	Green budget tagging shares; climate tagged EU budget.	Fiscal policy
“brown” expenditure (Undermining)	Outlays or tax expenditures that harm climate/nature objectives (environmentally harmful subsidies, including fossil fuel support).	OECD on Environmentally Harmful Subsidies – 2005+ – https://www.oecd.org/en/publications/environmentally-harmful-subsidies_9789264012059-en.html | EU page on phasing out EHS – 2024 – https://environment.ec.europa.eu/economy-and-finance/phasing-out-environmentally-harmful-subsidies_en	No	Fossil fuel support; harmful tax expenditures.	Fiscal policy
Environ-mental taxation	Taxes, the base of which is a physical unit (or proxy) of something with a proven negative environmental impact.	OECD/SEEA methodological guidance – 2019 – https://unece.org/fileadmin/DAM/stats/documents/ece/ces/ge.33/2019/mtg1/S3_4_Rev_OECD_ERTR_accounts_rev_EN.pdf | Eurostat Environmental tax statistics – current – https://ec.europa.eu/eurostat/statistics-explained/index.php/Environmental_tax_statistics	Yes	Energy/ carbon, transport (exfuel), pollution/ resource taxes.	Fiscal policy
Fiscal incentive	A tax or spending measure intended to change behaviour (e.g., tax credit, accelerated depreciation, subsidy) toward sustainability goals; umbrella term, not standardised.	OECD tax expenditure and green incentive literature – various – https://www.oecd.org/tax/	No	Cleantech investment tax credits; EV purchase subsidies.	Fiscal policy

Term/ Concept	Interpretation / Definition	Sources used	Official definition	Examples	Action area(s)
Micro-prudential supervision	Aim to safety/soundness of individual institutions.	IMF Staff Guidance on Macroprudential Policy – 2014 – https://www.imf.org/external/np/pp/eng/2014/110614.pdf | ECB/BIS notes on micro vs macro prudential roles – 2014/2016 – https://www.ecb.europa.eu/pub/pdf/fsr/art/ecb.fsrart201405_03.en.pdf	Yes	Used in national a CCyB, sectoral capital, LTV/DTI tools plans and climate investment plans.	Fiscal policy
Micro-prudential supervision	Aim to limit systemic risk and smooth the financial cycle.	IMF Staff Guidance on Macroprudential Policy – 2014 – https://www.imf.org/external/np/pp/eng/2014/110614.pdf | ECB/BIS notes on micro vs macro prudential roles – 2014/2016 – https://www.ecb.europa.eu/pub/pdf/fsr/art/ecb.fsrart201405_03.en.pdf	Yes	ICAAP/SREP	Fiscal policy
Climate-neutrality target	A formally stated objective to achieve a balance between anthropogenic GHG emissions and removals within a defined territory and timeframe, resulting in net-zero emissions.	UNFCCC Paris Agreement, Article 4; IPCC AR6 Glossary; European Climate Law (EU)	Yes	EU European Climate Law (Regulation (EU) 2021/1119); „The EU has committed to a climate-neutrality target by 2050“	Commit-ments
Climate investment or financing	Financial flows directed towards activities that contribute to climate objectives. Includes capital expenditure, operating expenditure, and financial instruments.	OECD Climate Finance terminology; UNFCCC Standing Committee on Finance	No	„Public climate investment in renewable energy infra-structure“; Scaling up climate financing for adaptation“	Commit-ments

Term/ Concept	Interpretation / Definition	Sources used	Official definition	Examples	Action area(s)
Climate finance	There is no agreed definition of climate finance. The term "climate finance" is applied to the financial resources devoted to addressing climate change by all public and private actors from global to local scales, including international financial flows to developing countries to assist them in addressing climate change. Climate finance aims to reduce net greenhouse gas emissions and/or to enhance adaptation and increase resilience to the impacts of current and projected climate change. Finance can come from private and public sources, channelled by various intermediaries, and is delivered by a range of instruments, including grants, concessional and non-concessional debt, and internal budget reallocations. Short: Public, private, or blended financial resources or instruments mobilised to support climate objectives.	UNFCCC; IPCC AR6 Glossary	Yes	Used in national a CCyB, sectoral capital, LTV/ DTI tools plans and climate investment plans.	Commit-ments
Development finance	Financial resources or instruments provided primarily by public or publicly backed institutions to support economic development, poverty reduction, and sustainable development objectives, particularly in low- and middle-income countries.	OECD Development Assistance Committee; World Bank Group	No		Commit-ments
Sustainable investment	Investment in economic activities that contribute to environmental and/or social objectives.	EU Sustainable Finance Disclosure Regulation Article 9; OECD Responsible Business Conduct	No		Over-arching
Just transition	Process of transitioning to a low-carbon and environmentally-sustainability economy in a manner that is fair and inclusive (to ensure decent work, social protection, and community resilience).	International Labour Organization; UNFCCC	No		Over-arching
Minimum social safeguards	Baseline social and human rights standards that economic activities must respect to qualify as sustainable, including labour rights, human rights, and anti-corruption principles.	EU Taxonomy Regulation; OECD Guidelines for Multinational Enterprises	Yes (EU context)		Over-arching
International public finance	Financial resources provided by governments or public institutions across borders to support development, climate, or sustainability objectives.	OECD DAC; UNFCCC climate finance reporting	No		General

Term/ Concept	Interpretation / Definition	Sources used	Official definition	Examples	Action area(s)
Domestic public finance	Financial resources raised and allocated within a country by public authorities, including public budgets, public investment, and public financial institutions.	IMF Government Finance Statistics	No	Used in national a CCyB, sectoral capital, LTV/ DTI tools plans and climate investment plans.	General
Monetary policy	Actions undertaken by a central bank to influence money supply and credit conditions in order to achieve macroeconomic objectives, such as financial stability or price stability.	IMF; BIS	Yes		Monetary
Non-monetary policy	Strategies, governance arrangements, operational practices, and institutional actions undertaken by a central bank that are outside the scope of monetary policy instruments and objectives. Includes how the central bank organises itself, manages its own balance sheet and operations, discloses sustainability-related information, and engages with peer institutions.	IMF	No		Monetary
Sustainability-related financial risk	Financial risks arising from ESG factors that can materially affect financial institutions, markets, or asset values. (See also climate risks)	FSB; TCFD	No		Monetary
Environ-mental-related risks	Risks arising from environmental degradation, climate change, biodiversity loss, and resource depletion, including physical and transition risks. Inclusive of nature-related risks. (See also climate risks)	NGFS	No		Monetary
Sustainable and thematic investments/ assets	Financial products or asset classes that focus on specific sustainability themes, such as climate, biodiversity, health, or social inclusion (green bonds, social bonds, sustainability-linked bonds or loans, thematic equity or debt funds, or green or sustainable loans).	ICMA; OECD sustainable finance terminology	No		Monetary
Transition objectives	Policy or strategic goals aimed at shifting economic systems, sectors, or activities toward transition pathways to NetZero/low emission pathways.	IPCC transition pathways; EU transition finance discussions	No		Monetary
Financial policy	Policies related to the regulation, supervision, and oversight of the financial and payment systems, including markets and institutions, with the view to promoting financial stability, market efficiency, and client-asset and consumer protection.	IMF - Code of Good Practices on Transparency in Monetary and Financial Policies, Part 1 https://www.imf.org/external/np/mae/mft/code/index.htm#annex	Yes		Financial policy

Term/ Concept	Interpretation / Definition	Sources used	Official definition	Examples	Action area(s)
Stress testing	Stress testing assesses how vulnerable a portfolio, institution, or financial system is to hypothetical adverse scenarios. It is a quantitative "what if" exercise that estimates the impact of potential risks on capital, profits, and cash flows.	IMF Publication - Stress Testing Principles, Concepts, and Frameworks - https://www.elibrary.imf.org/display/book/9781484310717/ch002.xml	No		Financial policy
Monetary policy	Actions undertaken by a central bank to influence money supply and credit conditions in order to achieve price stability (and other macroeconomic objectives, when specified by their mandate).	Advise from Pierre Monin (CEP)	No		Monetary policy
Non-monetary policy	Strategies, governance arrangements and institutional actions undertaken by a central bank that are outside the scope of monetary policy instruments and objectives.	Advise from Pierre Monin (CEP)	No		Monetary policy
Monetary policy operations	Operations conducted for the implementation of monetary policy (association with monetary policy asset portfolios).	Advise from Pierre Monin (CEP)	No		Monetary policy
Non-monetary policy operations	Operations conducted for the implementation of monetary policy (association with monetary policy asset portfolios).	Advise from Pierre Monin (CEP)	No		Monetary policy
Non-monetary policy operations	Operations conducted for the management of central banks' non-monetary policy asset portfolios (own fund, pension funds).	Advise from Pierre Monin (CEP)	No		Monetary policy
Internal central banking operations	Operational practices and infrastructure of the central banks (day-to-day operations not linked to asset management, like buildings and IT energy consumption, travel emissions, etc.).	Advise from Pierre Monin (CEP)	No		Monetary policy
Systemic risks	Systemic risk refers to the possibility of financial distress at significant portions of the financial system, leading to broad economic disruption. When systemic risk materializes, its effects spread through financial interconnections such as interbank exposures, collateralized funding, and market confidence	ECB - Financial Stability Review - https://www.ecb.europa.eu/pub/pdf/fsr/art/ecb.fsrart200912_02.en.pdf?39462a69bb594e9a7f14091c0085c132	No	system-wide risk	Financial policy
Science-based targets	(Corporate) targets to mitigate GHG emissions that are in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement: to pursue efforts to limit warming to 1.5°C	SBTi - Glossary - https://files.sciencebasedtargets.org/production/files/SBTi-Glossary.pdf?dm=1764695637	Yes		Financial policy
Green-washing	Practice of misrepresenting sustainability-related practices or the sustainability-related features of investment products	IOSCO - 2021 Asset Management Report https://www.iosco.org/library/pubdocs/pdf/IOSCOPD688.pdf	No		Financial policy

Note: Based on existing literature (for more details see the column "sources used").

THE SUSTAINABLE FINANCE PROGRESS (SFP) FRAMEWORK:

AN INTEGRATED APPROACH TO TRACKING EFFORTS IN G20 ECONOMIES

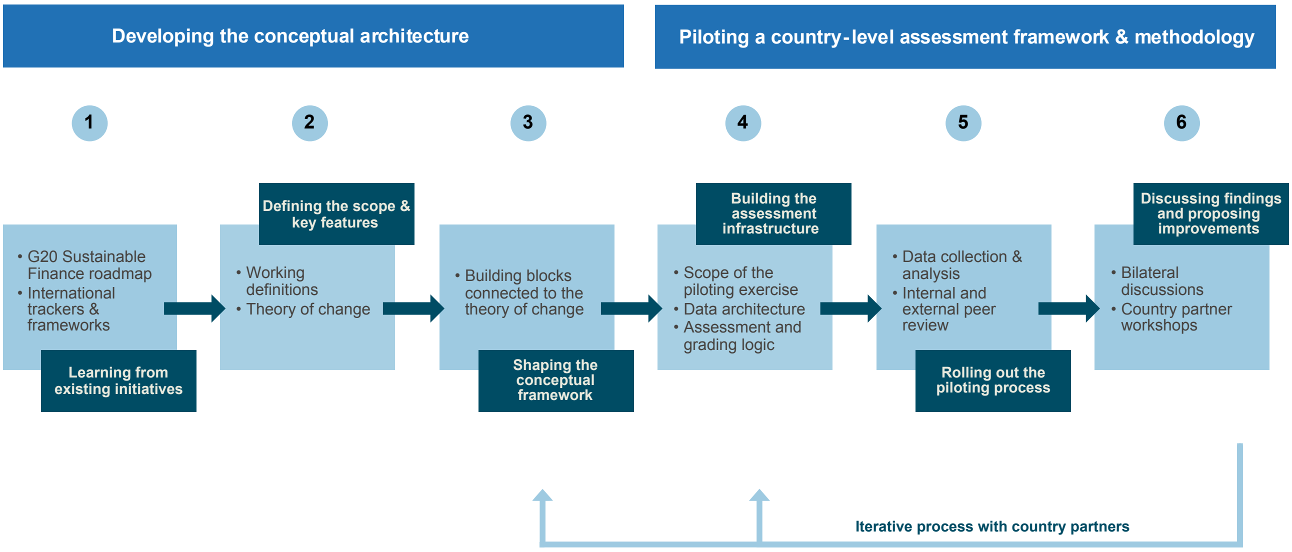
PILOT APPLICATIONS IN BRAZIL, FRANCE, GERMANY, INDONESIA AND SOUTH AFRICA

Methodological Annex C:

Methodology development process of the Sustainable Finance Progress (SFP) framework (page C1-C12)

The SFP framework was developed through an iterative process with two main components: the development of the framework's conceptual architecture and the piloting of a country-level assessment framework and methodology in selected G20 countries. This first phase of the project was implemented by the Institute for Climate Economics (I4CE), the International Institute for Sustainable Development (IISD), the Climate Finance Group for Latin America and the Caribbean (GFLAC), and Frankfurt School of Finance and Management (FS). In the second phase of the project, pilot tests were conducted in five countries: Germany, France, South Africa, Indonesia, and Brazil. Each country pilot test was led by a different institution with extensive local expertise, including FS (Germany), I4CE (France), the International Institute for Sustainable Development and ZeniZeni (South Africa), the Centre for Strategic and International Studies (Indonesia), and independent experts associated with Fundação Getulio Vargas (Brazil). The pilot tests ended in April 2026. Therefore, changes in the regulatory environment, legal frameworks, policies, and names of ministries that occurred after April 2026 are not reflected in this annex. Figure Annex 3 below illustrates this process.

Figure Annex 3: The SFP framework development and piloting process



Note: Own illustration

Developing the conceptual architecture

The conceptual architecture of the SFP framework describes the integrated steps taken to extract key lessons and information from existing initiatives (e.g., tools, trackers, databases), the definition of the scope and key features (working definitions, theory of change), and the establishment of the building blocks or “structure” of the SFP framework.

1. Learning from existing initiatives

The first step was a critical review of existing initiatives, with the G20 Sustainable Finance Roadmap[40] serving as an initial reference point. The Roadmap and its Progress Tracker[41] proved useful for identifying key areas for action and gaps across the international sustainable finance agenda, while also providing an overview of country-level initiatives and reported progress. As such, the Roadmap constitutes an important agenda-setting tool and basis for discussion on emerging sustainable finance issues. At the same time, **its assessment highlighted several considerations relevant for the development of a more comprehensive framework.** The Roadmap’s structure, shaped by political negotiation and consensus-building, is not intended to provide a fully comprehensive picture of country-level progress, because:

- many of its indicators focus on actions by international organisations rather than on implementation by domestic public authorities; and
- the tracker relies primarily on self-reporting and descriptive information, which can result in uneven depth, quality and comparability of data.

[40] https://g20sfwg.org/roadmap/

[41] https://g20sfwg.org/progress-tracking/

These features do not diminish its value as a collective reference point of the Roadmap, but they do underline the need for a complementary framework that is more systematic, country-grounded and assessment-oriented.

In parallel, a broad desk review and consultation process was undertaken to examine a wide range of existing trackers and frameworks relevant to sustainable finance. This exercise highlighted the value and specific role each initiative plays, and helped identify methodological trends and blind spots, data gaps, redundancies and complementarities. This includes:

- **+20 tools** (e.g., SBFN, ESG LAB, PACTA, CDP's Open Data Portal, Energy Policy Tracker),

- **+35 assessment reports** (e.g., Climate Transparency Reports, State of Climate Action, TPI Net Zero Banking Assessment Framework, independent Global Stocktake), and

- **+20 (interactive) dashboards** (e.g., Fuel Subsidy Tracker, Climate Action Tracker – Finance, Net Zero Finance Tracker)

This comprehensive benchmarking exercise enabled the identification of methodological trends and blind spots, data gaps, redundancies, and potential complementarities across initiatives. From the broader review, a subset of initiatives was shortlisted based on their relevance to the scope and methodological development of the SFP framework. Table Annex 2 presents these initiatives, highlighting their objectives, coverage, and limitations, as well as the elements considered particularly relevant for informing the framework's indicators, data sources, and assessment approach. The full mapping of trackers and frameworks reviewed can be made available upon request.

Table Annex 2: Assessment of shortlisted trackers and data sources incorporated into the SFP framework

#	Name of the methodology	Type / Action Area	Developed by	Coverage	Key objectives	Limitations	Summary of assessment criteria
1	SBFN Measurement Framework	Interactive dashboard / financial policy	Sustainable Banking and Finance Network (SBFN)	Argentina, Brazil, China, Indonesia, Mexico, South Africa, Türkiye	To develop a systematic approach for assessing and benchmarking country progress in developing national sustainable finance frameworks.	Not all G20 countries are covered. In addition, according to the SBFN, it is impossible to create a one-size-fits-all framework given the diversity of its members in terms of legal landscapes, institutional arrangements, etc.	The framework is highly replicable and follows a consistent approach for assessing progress towards sustainable finance objectives. In addition, data is presented in a comparable manner and is complete for every country analysed.
2	Climate Action Tracker (CAT)	Interactive dashboard / strategy & vision	Climate Analytics	All except France and Italy	The CAT rating should incentivise donor countries to increase the transparency, volume, and predictability of their international climate mitigation-related finance contributions.	Currently available climate-finance data sources are not consistently reported and do not provide sufficient details on the type of finance provided to assess its quality. Moreover, an assessment of the effect of the contributions, in terms of emissions reductions, is unavailable.	Although ratings are qualitative (which hinders an accurate comparison of cross-country outcomes), the indicators used are relevant since they aim at tracking G20 governments‘ progress towards their climate commitments. In addition, indicators show a high degree of applicability and replicability.
3	Assessing Sovereign Climate-related Opportunities and Risks (ASCOR) Online Tool	Interactive dashboard / financial policy, fiscal policy	Transition Pathway Initiative (TPI); Grantham Research Institute on Climate Change and the Environment	All	ASCOR aims to inform, support and facilitate investors' decision-making on sovereign bonds and enable a more explicit consideration of climate change.	The use of „yes/no" criteria for responding to (sub-) indicators and the lack of an „overall" country-level quantitative rating may difficult cross-country comparability of results.	The static approach embedded into the assessment undermines its applicability to the project, but the indicators can be easily replicated (after incorporating a time-sensitive perspective) due to their reliance on publicly available data.

#	Name of the methodology	Type / Action Area	Developed by	Coverage	Key objectives	Limitations	Summary of assessment criteria
4	Sustainable Financial Regulations and Central Bank Activities Tracker	Interactive dashboard / financial policy	World Wildlife Fund for Nature	All	Reflect fast evolving practices and thinking on the role of central banks, financial supervisors and policymakers in greening the financial system. Provide a practical online assessment tool, acting as a roadmap for a sustainable financial system.	No time-sensitive perspective embedded into the assessment method. In addition, there is a low cross-country comparability due to the lack of quantitative grading and clear qualitative categorizations.	The method is relevant given its geographical coverage, and the indicators are useful for tracking progress in micro- and macroprudential regulation. However, the indicators may be difficult to replicate or update due to the reliance on self-reported data. In terms of applicability, the indicators can be extracted and measured on a quarterly/yearly basis instead of sticking to a static approach.
5	Fossil Fuel Subsidy Tracker	Interactive dashboard / fiscal policy	International Institute for Sustainable Development	All	The tracker aims to track fossil fuel subsidies and other support measures in consistent and time-sensitive manner.	Updated once a year based on the OECD - IEA estimates (using a combination of approaches).	The assessment framework focuses on government subsidies towards fossil fuels. This will be important for informing several indicators for sustainable finance.
6	State-Owned Enterprises (SOEs) CAPEX into fossil energy	Assessment report/ fiscal policy	International Institute for Sustainable Development	All (applied to all G20 countries that have a majority-owned energy SOE)	The report aims to track the annual fossil-related capital expenditure by majority-owned SOEs.	Updated once a year based on SOEs' annual reports.	The framework is highly replicable; data is presented in a comparable manner and is complete for every country analysed. The importance of this indicator lies in the fact that SOEs, while an important vehicle of public in-vestments into fossil fuels, still tend to be largely a blind spot.
7	Public financial support for renewable energy (RE)	Assessment report/ fiscal policy	International Institute for Sustainable Development	All	The report tracks G20 countries' public financial support for renewable power generation and integration.	Updated once a year based on publicly available information.	The method is relevant given its geographic coverage and the importance of a RE public financial support focus for sustainable transition pathways. Data is of high quality, and the framework is fairly replicable.

#	Name of the methodology	Type / Action Area	Developed by	Coverage	Key objectives	Limitations	Summary of assessment criteria
8	Sustainable Finance Index	Assessment report / fiscal policy	Climate Finance Group of Latin America and the Caribbean (	Latin America and the Caribbean (G20 countries covered: Brazil, Argentina and Mexico)	To monitor national and international income and expenses in terms of climate change and sustainable development. Identifying resources that could be hindering progress towards the transition to a climate-resilient and low-carbon development.	It only analyses 3 of the G20 countries. Highly dependent on countries giving the information since there is a lack of standardized tag for climate-related finance flows.	Indicators are framed for national level assessment. Data is highly comparable to the other countries in the report. Each indicator gives a punctuation on how good the country finance agenda is.
9	Public Finance for Energy Database	Database, Interactive dashboard / Outcome indicators on fiscal policy	Oil Change International	All (incl. MDBs, DFIs, NDBs, ECAs)	The database compiles transaction-level data on finance from G20 export credit agencies and development finance institutions as well as the major MDBs.	Poor reporting from governments means that the figures presented in the database are incomplete and potentially underestimate actual finance flows targeting fossil fuels.	The assessment shows how much governments of the G20 and MDBs committed funding for fossil fuels and clean energy projects through loans, grants, equity stakes, or guarantees.
10	Transition financing plans	Assessment report/ fiscal policy	Institute for Climate Economics	5 G20 countries (Australia, France, ROK, UK, US) + 5 non G20)	Indicators to track country progress on the path to finance the transition from planning tools to policies and mobilisation instruments	Data available only for 2024 and for a limited number of G20 countries and dependent on publicly available data from official sources	Assessment has been applied to sample of G20 countries and has replicability potential to scale to other countries
11	Global carbon accounts	Assessment report/ fiscal policy	Institute for Climate Economics	Global	Tracking carbon pricing (existence of a carbon tax or ETS, prices and coverage), revenues and revenue use	Data available from 2018 to 2023 only for direct carbon pricing instruments and dependent on publicly available data from official sources	Data comes from official sources and is the main source of global data on carbon revenue use and included in the State & Trends of Carbon Pricing report of the World Bank

#	Name of the methodology	Type / Action Area	Developed by	Coverage	Key objectives	Limitations	Summary of assessment criteria
12	Finance fit for Paris (3fP)-Tracker	Assessment report / financial policy	Frankfurt School – UNEP Collabora-ting Centre on Climate and Sustainable Energy Finance	EU, Spain, Italy, Germany, France and the Nether-lands.	The 3fP-Tracker screened and assessed existing financial market regulation and policies on country level to evaluate where the national financial regulation stands against the imperative of the <2-degree target as anchored in the Paris Agreement.	The tracker was last updated in 2020 and covers only a set of G20 member countries within the EU.	The 3fP structures the regulatory analysis along the main economic dimensions of financial market regulation: transparency and stability.
13	Regulation Database	Database / overarching, fiscal policy	UN PRI	All	To provide an overview of top 20 countries by PRI signatory count + G20 members + EU financial, corporate and real economy policies supporting, encouraging or requiring responsible investment practice.	Does not track spending or the flow of public finances for the energy transition or any of the indicators assessed.	The database serves as a verification source for regulatory measures on sustainable finance policies. Additionally, the database provides information about the alignment of country policies with global frameworks.
14	E3G Public Bank Climate Tracker Matrix	Interactive dashboard / fiscal policy (especially IFIs)	E3G	Germany, China, France, South Korea, Nether-lands, Japan	Assessing Paris Agreement alignment of public banks, including national and multilateral development banks.	Does not cover countries per se and only a limited number of PDBs operate nationally rather than internationally.	The tracker is updated on a regular basis and highly relevant to track progress of IFIs (MDBs, PDBs) towards different “building blocks”. These include climate finance, climate risk resilience and adaptation, mitigation, reporting, etc.

#	Name of the methodology	Type / Action Area	Developed by	Coverage	Key objectives	Limitations	Summary of assessment criteria
15	Climate Policy Monitor	Interactive dashboard / transition planning, disclosure, public procurement	Oxford Martin School	All	According to Oxford Martin School, the Climate Policy Monitor aims to assess the level of ambition, comprehen-siveness, and stringency of regulations across three dimensions: transition planning, climate disclosure and public procurement.	The monitor has a relatively narrow coverage of policies and dimensions relevant for the successful implementation of sustainable transition pathways (climate and nature risk mitigation frameworks), which need to be complemented with data from other tools. In addition, the monitor does not provide outcome-level indicators.	The monitor can be useful for informing indicators on transition planning and public procurement (fiscal policy action area), as well as to assess climate disclosure regulations. In addition, the large geographical coverage and high data accessibility of the tool ensure a coherent analysis of the highlighted policy areas for all G20 countries.
16	Global Tax Expenditure database (GTED)	Interactive dashboard / Fiscal policy	Green Finance Platform	All	GTED tracks information on preferential tax treatments such as exemptions, execution, credits, deferrals, and reduced tax rates that are implemented by governments worldwide to promote different policy goals.	The main issue, which is inherent to tax expenditure (TE) data, regards bench-marking. TEs are defined as departures from – usually country-specific – normal tax structures or benchmarks. When it comes to the methodology used by governments to compute the fiscal cost of TE provisions, the vast majority of countries report on TEs based on the revenue forgone approach that estimates the amount by which taxpayers have their tax liabilities reduced as a result of a TE based on their actual current economic behaviour.	Tax expenditure by country is calculated for the latest available year (on a rolling basis), both in absolute terms and % of GDP. Data is easily accessible and can be used to inform backend indicators on fiscal policy (specifically the administration of tax revenues for sustainability-related objectives across the G20).

Note: Only illustrative. Descriptions date to April 2026 and may be subject to future updates.

More than **40+ expert interviews** were conducted across thematic areas, guided by tailored interview protocols for each workstream to complement this exercise. All interviews were transcribed, analysed, and summarised per workstream and action area of the framework. Findings from these engagements informed the iterative development of the framework, grading approaches, and complementarities with other initiatives. This ensures that the SFP framework reflects both theoretical robustness and real-world constraints and opportunities. It also provides added value with respect to ongoing efforts to track sustainable finance policies and outcomes.

Finally, **two workshops** were carried out to gather feedback on a first draft of the proposal in March 2025 with 40 key actors of the sustainable finance ecosystem at the international level and leading independent tracking efforts. The format of the workshop allowed for targeted discussions with focus groups per thematic area. These discussions provided valuable insights into the methodological approaches and current challenges for tracking sustainable finance measures within fiscal, monetary, and financial policy. In addition, they helped clarify existing complementarities with key initiatives and the potential added value opportunities of the SFP framework.

2. Defining the scope and key features

The next step was to define the scope and key features of a framework (see section 2.1 in the working paper) that aims to capture country-level progress on sustainable finance with an integrated approach. This involved several drafts and iterations that were shaped by discussions on what such a framework should cover, how it could complement rather than duplicate existing efforts, and which analytical choices would be needed to balance comprehensiveness, feasibility, and policy relevance. This process led to a set of broad design parameters that include the following:

- geographical focus and country-level perspectives,
- focus on responsible entities, covering action by domestic public authorities,
- broad coverage of fiscal, financial, monetary, and other policy domains,
- set of target spaces (SDGs, climate, and nature),
- modular structure to accommodate sustainability objectives over time using the latest data, as well as historical data,
- theory of change from commitments to implementation, connecting with outcomes and impact,
- forward-looking vision of an annual tracking exercise.

During that process, a glossary of definitions for key terms has been started. (See Methodological Annex 2: Glossary of Definitions).

3. Shaping the conceptual framework

With these inputs and the theory of change, a first draft of the building blocks (see section 2.1 in the working paper) was proposed and refined through additional expert feedback. This was done through a series of iterative exchanges with project partners and selected experts, and culminated in four virtual workshops involving around 50 non-governmental experts in December 2025 and January 2026. The workshop format enabled targeted discussions in thematic focus groups and provided detailed feedback on the emerging proposal. These exchanges were instrumental in shaping and refining the conceptual architecture, including its working definitions, theory of change, and core building blocks.

In total, the assessment structure includes over 60 indicators and 400 sub-indicators covering qualitative and quantitative data points. The number of data points does not imply the relative importance of a given action area. Figure Annex 4 illustrates this structure.

Figure Annex 4: Assessment structure of the SFP framework (Figure 2 in the SFP framework working paper)

PILLAR 1 **Commitments**	Shared sustainability objectives providing a political mandate that anchors expectations across public and private actors. Covers strategies, plans, laws, governance arrangements, and progress tracking. **• 30 data points**
PILLAR 2 **Implementation**	Actions by responsible entities in terms of real-economy and financial policy interventions that shape financial system behaviour toward sustainable transition pathways.
	FINANCIAL STRATEGY AND ALIGNMENT Government — all bodies with leadership mandates Financial strategies & alignment approaches, including principles and taxonomies to ensure policy coherence and economy-wide guidance on sustainable finance. **• 35 data points**
	FISCAL POLICY AND PUBLIC FINANCE Min. of Finance, Public Dev. Bank, Export Credit Agency Public spending, taxation, subsidies, and debt management shaping real-economy incentives. **• 160 data points**
	MONETARY POLICY AND CENTRAL BANK OPERATIONS Central Bank Mobilising finance toward sustainable activities; removing incentives for harmful economic activities. **• 57 data points**
	FINANCIAL POLICY AND REGULATION Regulators, Supervisors, Central Bank Minimising systemic climate and nature risks; incentivising investment in sustainable financial activities. **• 105 data points**
PILLAR 3 **Financial Outcomes**	Outcomes of actions by responsible entities in terms of financial flows and stocks that contribute to or undermine sustainability objectives. Captured through both qualitative (transparency) and quantitative indicators. **• 115 data points**
***PILLAR 4** **Impact**	Effectiveness of finance toward achieving real-economy impacts aligned with sustainability action targets. Not covered in this version of the SFP framework.

Note: Own illustration. *Pillar 4 is not covered in this version of the SFP framework.

Piloting a country-level assessment framework

The piloting phase of the SFP framework involved testing it in the five countries (Brazil, France, Germany, Indonesia, and South Africa), with the aim of drawing key lessons, identifying methodological challenges, and formulating potential solutions to facilitate a future application process. I4CE and FS led the working paper development and country pilots in France and Germany, respectively. Individual experts associated with the FGV implemented the pilot in Brazil, CSIS implemented it in Indonesia, and IISD and ZeniZeni implemented it in South Africa.

1. Building the assessment infrastructure

The next stage of the process focused on operationalising the conceptual architecture for country assessment through a framework and methodology capable of generating policy-relevant insights in a way that is both comparable and sensitive to national context. To achieve this, an iterative and evidence-based approach was adopted and reflected in the choice of piloting the framework application in selected countries. Lessons from pilots were used to refine both the assessment framework and methodology, as well as the conceptual architecture.

This process started by defining the scope of the piloting exercise and establishing an initial assessment infrastructure capable of supporting a consistent country-level application of the framework. Definitions on the scope covered the thematic focus and geographical scope. The infrastructure included a data architecture and an assessment methodology; that is, an analytical structure through which country-level information could be gathered and organised, including quantitative and qualitative indicators, and an assessment logic that could capture progress by identifying both strengths and gaps.

2. Rolling out the piloting process

The next step was to roll out the piloting process. Country teams carried out national-level sustainable finance ecosystem mappings, and compiled and assessed data for each indicator using a combination of primary and secondary sources. Primary sources included official public reporting and documentation by relevant authorities, such as budgets, policy documents, guidelines, technical notes, databases, and reports. These were complemented by secondary sources drawn from existing trackers, assessment reports, and databases. Data collection and analysis were human-led, with support from artificial intelligence tools to accelerate the identification of relevant information dispersed across multiple sources.

The piloting phase also included an internal and an external peer review. The internal review was conducted by each country partner following a four-eye principle, with a second reviewer checking the consistency of the assessment and grading logic applied to each cascading component, the coherence with the definitions glossary, and the completeness and accuracy of the information used. This helped ensure ongoing quality control and strengthened the internal consistency of each country assessment. The external review covered two main elements to improve coherence and comparability: an expert review of the data architecture and a third-party analysis of the consistent application of the assessment logic across pilots.

Overall, the external peer review process concluded that the general approach is sound, entries are well substantiated, and, in most cases, the backing statements are sufficiently clear to justify the assigned grades. In summary, the framework is methodologically sound and explanations are sufficiently transparent. The main areas for improvement suggested by the peer reviewers related to ensuring full alignment between narrative and scoring, handling missing or uncertain information more consistently, and applying the distinction between “Not available” and “Not applicable” more rigorously across all indicators.

Detailed findings from the external peer review include:

- **Cross-country comparisons.** Across country pilots, the main inconsistency relates to the classification of “Not available” or “N/A”” versus “Not applicable.” While backing statements are generally clear, several countries apply “N/A” in cases where the explanation indicates that a policy instrument is not in place. This reduces clarity and comparability. In addition, some variation in grading logic can be observed where countries describe similar policy situations but assign different grades. In some cases, and for some indicators:
    - The assigned score is not fully supported by the explanation, making it hard to justify the given score. A follow-up for further insights and explanation might be helpful.
    - Relatively positive tone and confidence in the grading of questions compared to other countries. Rediscussing scores that are not fully backed by statements or seem too confident might be helpful.
    - Confusion of N/A, 0, and “Not applicable”: Structurally inapplicable cases should be labelled “Not applicable” rather than “Not available”. In many cases, countries state “not applicable” in the score backing statement but miss out on filling the “score” column or place ““Not available”. A solution would be to fill in “Not applicable” manually at the given spots (see country-specific tables).
    - Missing fields, no information in the score backing statement, or no value given, leading to a lack of transparency. A follow-up would be helpful to find missing information. If that is not successful, the missing fields should be manually filled with “Not available” or “Not applicable” (see country-specific tables).

The findings from the external review described above were addressed and integrated in country pilots to prevent them from affecting the consistency and quality of results.

3. Discussing findings and proposing solutions

Lastly, findings from the pilots were discussed and improvements proposed to both the conceptual framework and its assessment infrastructure. After each testing phase, a refinement process was undertaken to address omissions, overlaps and formulation issues. This led to proposals from country teams for rephrasing, removing or adding indicators and sub-indicators. This process landed in **four thematic workshops with country pilot partners, as mentioned under “Shaping the conceptual framework”,** to discuss proposed improvements and to ensure that the framework would be strengthened while preserving comparability across countries and recognising contextual differences.