

Ghana

Country Progress Report

April 2022

SUPPLEMENT TO THE 2021 GLOBAL PROGRESS REPORT OF
THE SUSTAINABLE BANKING AND FINANCE NETWORK



Sustainable
Banking and
Finance
Network



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Acknowledgements

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About SBFN

Established in 2012, SBFN is a voluntary community of financial sector regulators and industry associations from emerging markets committed to collectively advancing sustainable finance in line with international good practice and national priorities. As of October 2021, SBFN members represented 63 institutions, 43 countries, and \$43 trillion (86 percent) of the total banking assets in emerging markets. Members are committed to i) improving the management of environmental, social, governance, and climate change risks in financial sector activities, and ii) increasing capital flows to activities with positive environmental and social impacts, including climate change mitigation and adaptation. For more information, visit www.sbfnetwork.org

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Note to the reader: All measurement results featured in this document, such as graphs and progression matrixes, are based on data collected up to July 2021. Additional activities up to the publishing date of this country report have been included in narrative form.

1. Overall country progress – Ghana

1.1 SBFN member institutions:

[Bank of Ghana \(BoG\)](#)

Member Since: 2016

Working Group:

International Development
Association Task Force

[Ghana Association of Bankers \(GAB\)](#)

Member Since: 2016

Working Group:

International Development
Association Task Force

1.2 Other key institutions and national initiatives promoting sustainable finance

[Sustainable Banking Principles Steering Committee \(SBPSC\) for Ghana](#)

[Ghana Environmental Protection Agency](#)

1.3 Overall progress

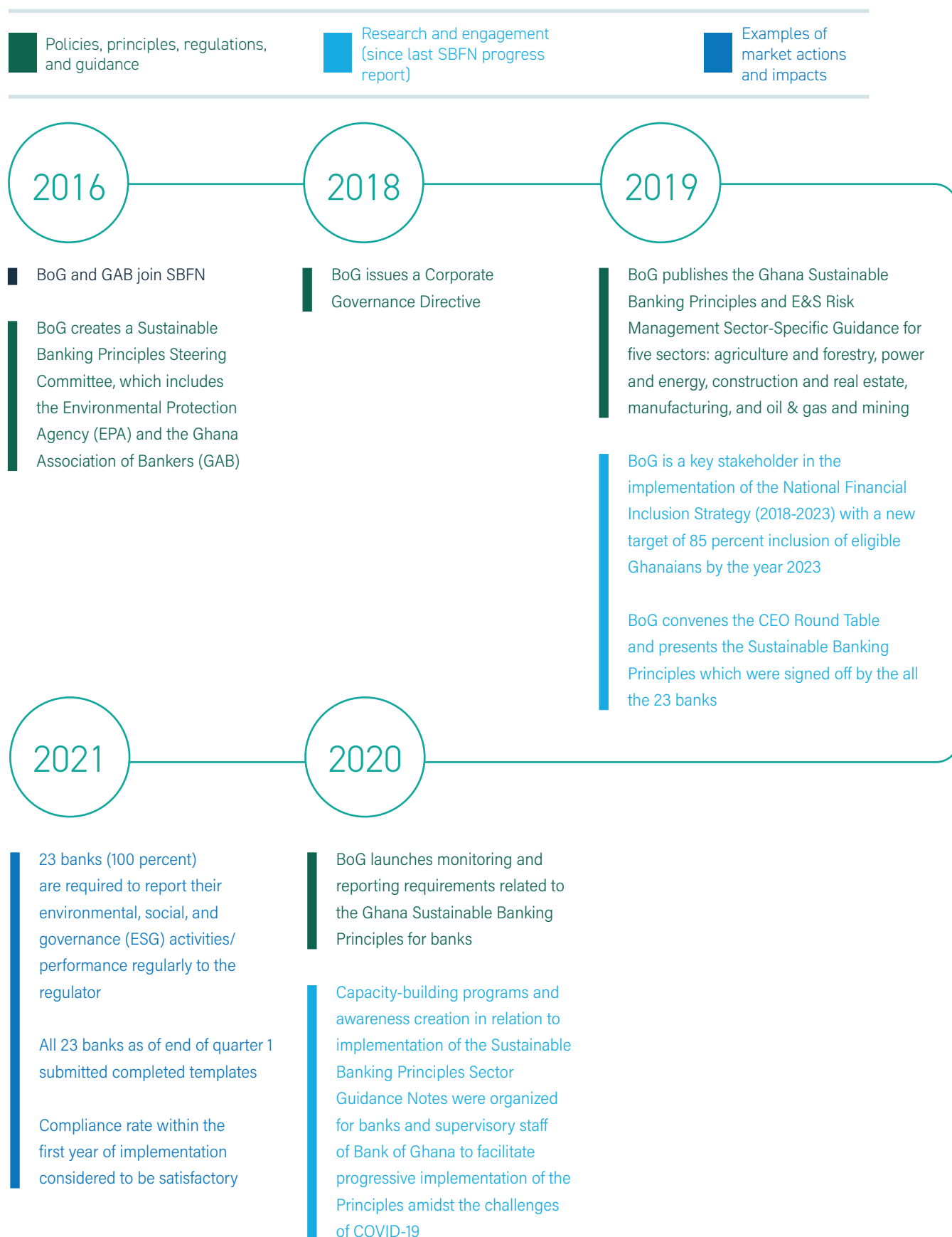
Ghana has **moved up to the “Developing” sub-stage of the “Implementation” stage** from the “Formulating” sub-stage of the “Preparation” stage of the Overall SBFN Progression Matrix. In 2019, BoG issued the Ghana Sustainable Banking Principles with five Environmental and Social (E&S) Risk Management Sector-Specific Guidance documents for agriculture and forestry, power and energy, construction and real estate, manufacturing, and oil & gas and mining, establishing a sustainable finance framework for the banking industry. Ghana has formally launched its sustainable finance framework, including a national roadmap, framework, policy, voluntary industry principles, or guidance. A formal taskforce or initiative is in charge—either within the regulator or banking association, or as a multi-stakeholder working group or platform—which is acknowledged or supported by both regulators and industry. Awareness raising and capacity building have been conducted.

Figure 1: SBFN Progression Matrix - Overall Country Progress



1.4 Country sustainable finance journey

Figure 2: Ghana's sustainable finance journey



1.5 COVID response

COVID-19 has been a resource drain on collaborative efforts to review and steer the implementation of the Ghana Sustainable Banking Principles; however, the process remains ongoing and the overarching goals unchanged. Much of the review process has been conducted through off-site self-reporting assessments. From a financial policy point of view, a number of measures were implemented to address the adverse effect of the pandemic on the Ghanaian economy. Among several measures were the reduction of primary reserve requirements to the banks from 10 percent to 8 percent and the capital conservation buffer from 3 percent to 1.5 percent. This was done to ensure liquidity in the financial sector and credit flows to the economy. In terms of financial inclusion, fees for money transfers were waived to reduce impediments to financial inclusion posed by the pandemic among other policy measures.

1.6 Ambitions for the next phase

The next stage of the assessment process will be the development of a web-based solution to streamline the self-reporting and data collection process with banks. Additionally, while the process has initially only focused on the 23 banks, the plan is to roll it out to other sectors in time. With assistance from IFC, the Securities Exchange Commission is now in discussion about a roadmap around the issuance of green bonds. Stakeholder involvement in the implementation of the sustainability concept is also considered key. As such, the Financial Stability Committee, chaired by the Governor of the BoG, has initiated high-level discussions to ensure the inclusion of a broad range of stakeholders.

1.7 SBFN and IFC role

IFC has provided advisory services to BoG and GAB for their sustainable finance initiatives and for capacity building. Through SBFN, BoG and GAB have shared their experiences with other SBFN members and benefited from the collective SBFN knowledge base.



Our discussion with SBFN has been very helpful, and the insights we've gained, we hope to incorporate into our current and future activities. We hope to have this continuous engagement as we embark on our sustainable banking journey.



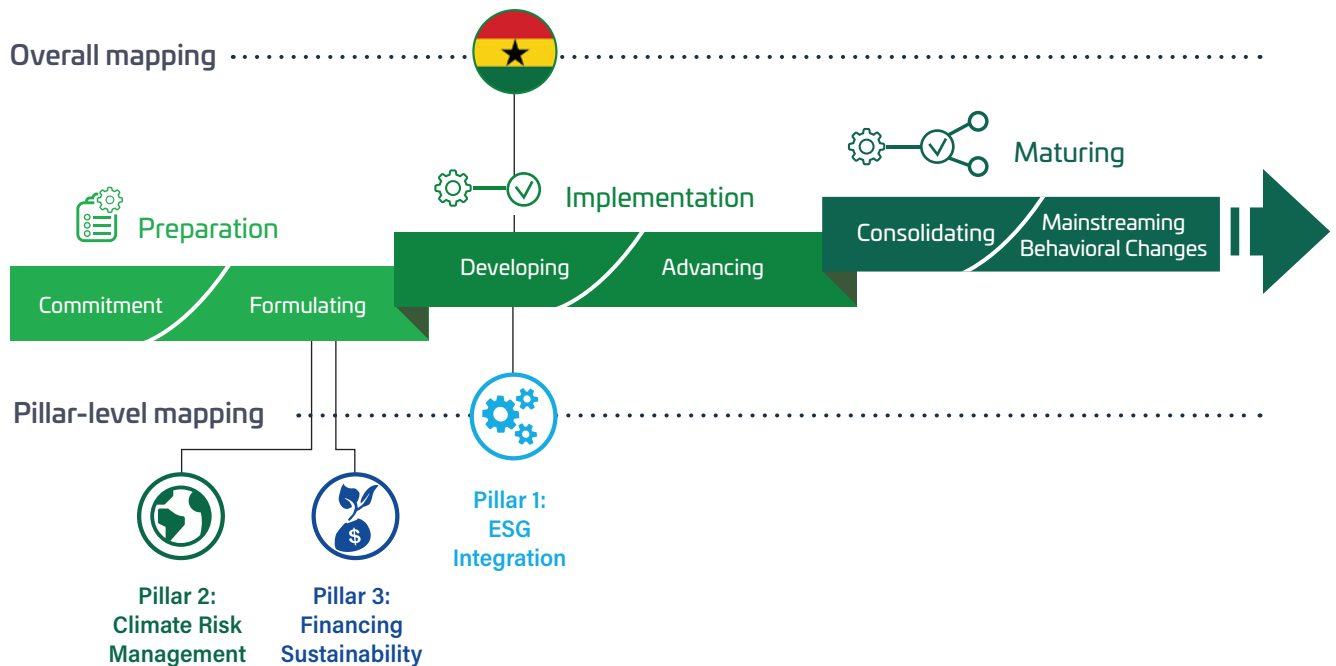
Ismail Adam
Deputy Head of Banking Supervision Department
Bank of Ghana (BoG)



BANK OF GHANA

2. Progress by three pillars

Figure 3: Mapping of overall country progress and individual pillar progress

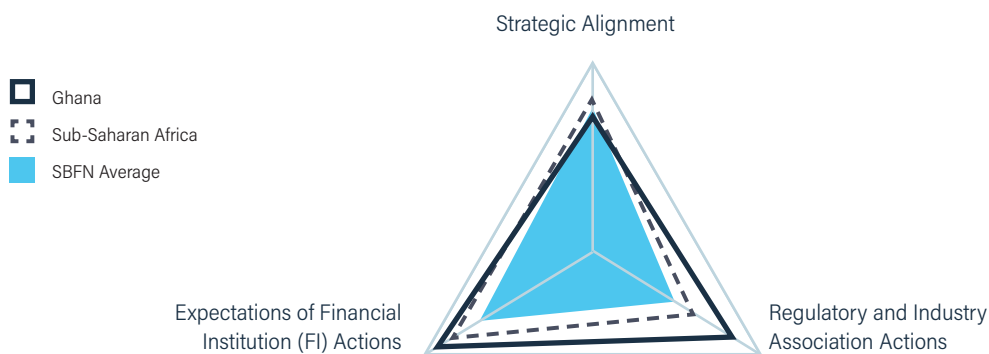


Pillar 1: ESG Integration

Pillar Progress: Developing

Ghana is mapped under the **“Developing” sub-stage of “Implementation” stage** for the ESG Integration Pillar.

There is an existing national framework addressing the integration of ESG risk and performance considerations into the practices of financial institutions (FIs). There are ongoing activities to raise awareness and build capacity, and early-stage implementation is in progress.



Sub-pillar 1: Strategic Alignment

- Ghana's national frameworks for the banking sector, for example, the Sustainable Banking Principles and Sector Guidance Notes (BoG, 2019), set out expectations for integrating the consideration of ESG risks and performance.
- The financial sector's approach to ESG integration is aligned with international good practices and standards, such as the UN Sustainable Development Goals (SDGs), IFC Performance Standards, and the Equator Principles.
- The framework was developed and/or implemented in close consultation with key stakeholders.

Sub-pillar 2: Regulatory and Industry Association Actions

- Ghana's sustainable finance framework, as established through the Sustainable Banking Principles, is supported with implementation guidance and technical tools in the sector guidance notes, which provide detailed Environmental and Social Risk Management (ESRM) guidance for five sectors: agriculture and forestry, manufacturing, oil & gas and mining, power and energy, construction and real estate.
- The implementation of the framework is regularly monitored by BoG, supported by a data collection approach.
- In January 2021, BoG formally launched reporting requirements for the Ghana Sustainable Banking Principles. All banks in Ghana are now required to integrate environmental and social (E&S) considerations into their risk frameworks and report to the BoG periodically in this regard.
- Banks are required to undergo training and certification every year, according to the Corporate Governance Strategy.

Sub-pillar 3: Expectations for FI Actions

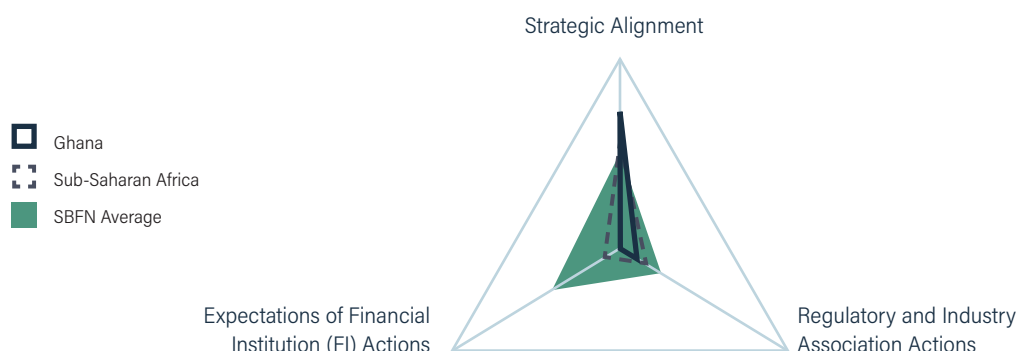
- The Sustainable Banking Principles and Sector-Specific Guidance require FIs to develop policies and procedures to manage ESG risks and performance, and report ESG performance both to the regulator and publicly.



Pillar 2: Climate Risk Management

Pillar Progress: Formulating

Ghana is in the **"Formulating" sub-stage of the "Preparation" stage** of the Climate Risk Management Pillar. In 2019, BoG issued the Sustainable Banking Principles and Sector Guidance Notes, which emphasize the banking sector's role in addressing climate change, in the context of Ghana's national and international climate commitments. The Principles include the management and disclosure of E&S risk in the banking sector, including risks related to climate change. Preparations and activities include research, surveys, and/or multi-stakeholder engagement and awareness raising on the expectations for climate risk management.



Sub-pillar 1: Strategic Alignment

- Addressing climate change risks is a national priority, as indicated in Ghana's Nationally Determined Contribution (NDC) to the Paris Agreement and national climate policies, including the National Climate Change Policy (NCCP). In the financial sector, BoG has issued the Ghana Sustainable Banking Principles, which incorporate basic elements of climate risk as part of environmental issues in the overall ESG approach for risk management. BoG's next review of the Sustainable Banking Principles will fully consider all aspects of climate risk.

Sub-pillar 2: Regulatory and Industry Association Actions

- BoG, with the support of IFC, issued the Sustainable Banking Principles and Sector Guidance Notes (2019), which include Principle 1 on ESG risk management as part of credit analysis, and also include greenhouse gas (GHG) emissions and climate change under E&S risk. Principle 7 references international practices for disclosure, including the Taskforce for Climate-related Financial Disclosures (TCFD).
- The E&S Risk Management Sector-Specific Guidance include agriculture and forestry, mining and oil & gas, and power and energy, and reference basic drivers of climate risk and general implications for credit and reputational risk. For example, the guidance on

agriculture notes the loss of carbon sinks from land clearing and deforestation, and the physical risks and impacts of climate change, including excessive dry season temperatures and uncertain precipitation on agricultural yields and the potential for reduced incomes.

- In terms of awareness raising for E&S and climate risks, BoG inaugurated the Sustainable Banking Principles Steering Committee for Ghana with a mandate to create local principles for the banking sector. The Committee also comprises the Environmental Protection Agency (EPA) and the Ghana Association of Bankers (GAB).
- As part of future progress for Ghana, recommended areas of focus for regulatory and industry association actions include research, capacity building, technical guidance (for example, climate scenarios and risk assessment methodologies), and the development of regulatory and supervisory expectations for FIs for managing climate-related physical and transition risks and financial impacts.

Sub-pillar 3: Expectations for FI Actions

- Application of the Sustainable Banking Principles and Guidance Notes for E&S risk management serves to build familiarity and capacity among Ghanaian FIs to improve climate risk management practices as part of their overall ESG risk management approaches.

- BoG noted in its SBFN reporting for 2021 that the subsequent review of the Sustainable Banking Principles would fully consider all aspects of climate risk. As part of future progress, the ESG-based framework can be further elaborated to guide the expected actions of FIs

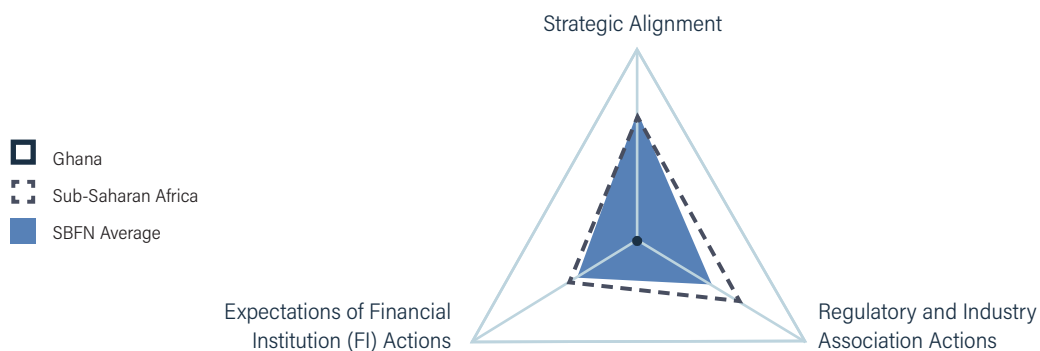
for the development of their strategy, governance, risk management, metrics/targets, and disclosure approaches for climate-related physical and transition risks and financial impacts.



Pillar 3: Financing Sustainability

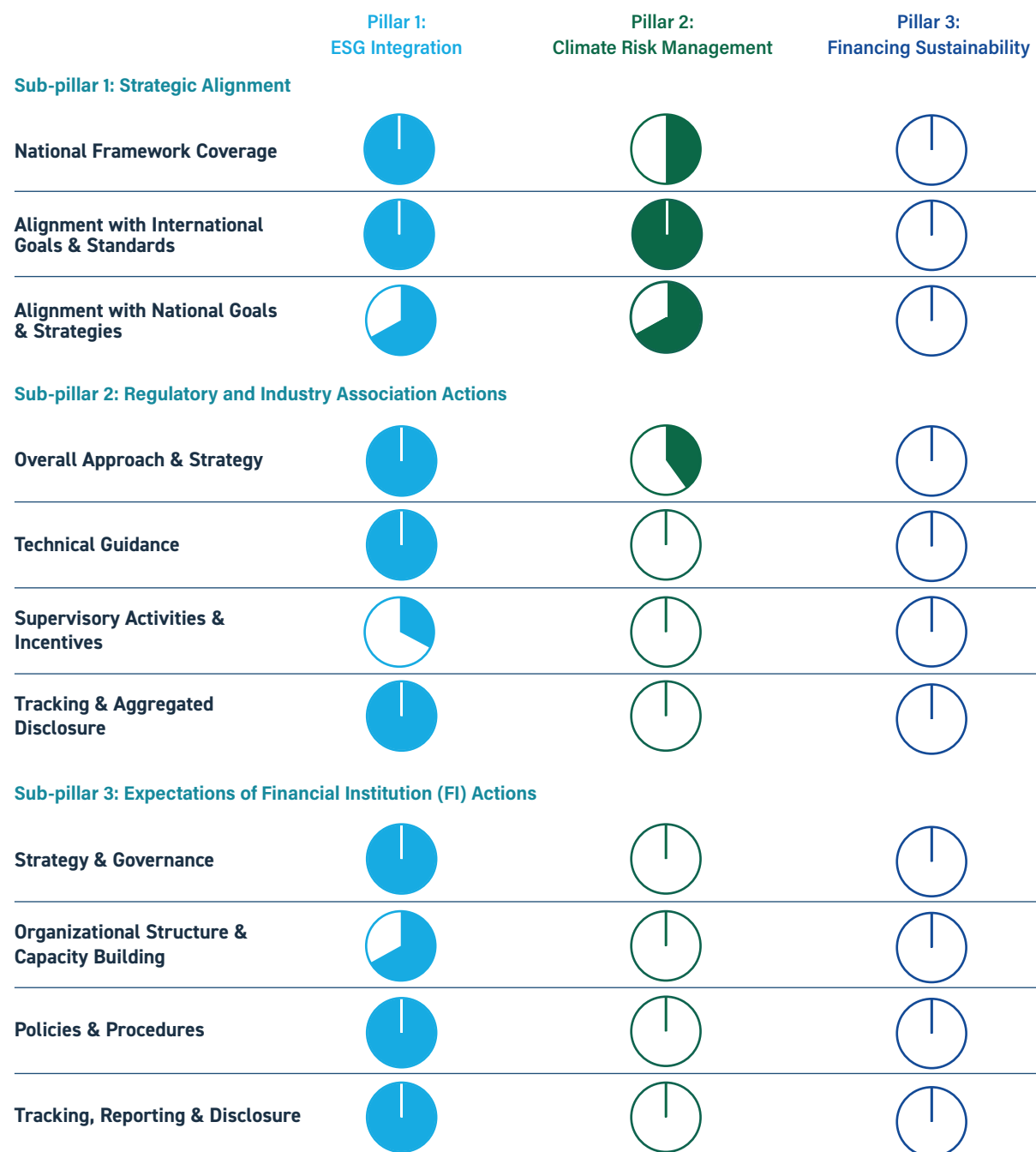
Pillar Progress: Formulating

Ghana is in the **"Formulating" sub-stage of the "Preparation" stage** for the Financing Sustainability Pillar. A formal initiative is in progress to develop a national roadmap, policy, or voluntary industry principles to promote financial flows to green, climate, social, or sustainability-linked projects and sectors. The Sustainable Banking Principles and Sector Guidance Notes, which mostly focus on ESG risk management, mention key E&S opportunities for some sectors, such as the construction and real estate sector. There are also activities for awareness raising and/or multi-stakeholder engagement related to financing sustainability. As part of the Corporate Governance Strategy within the system, banks are requested to undergo annual board training, and a number of training institutions have attached a sustainability component to their programs.



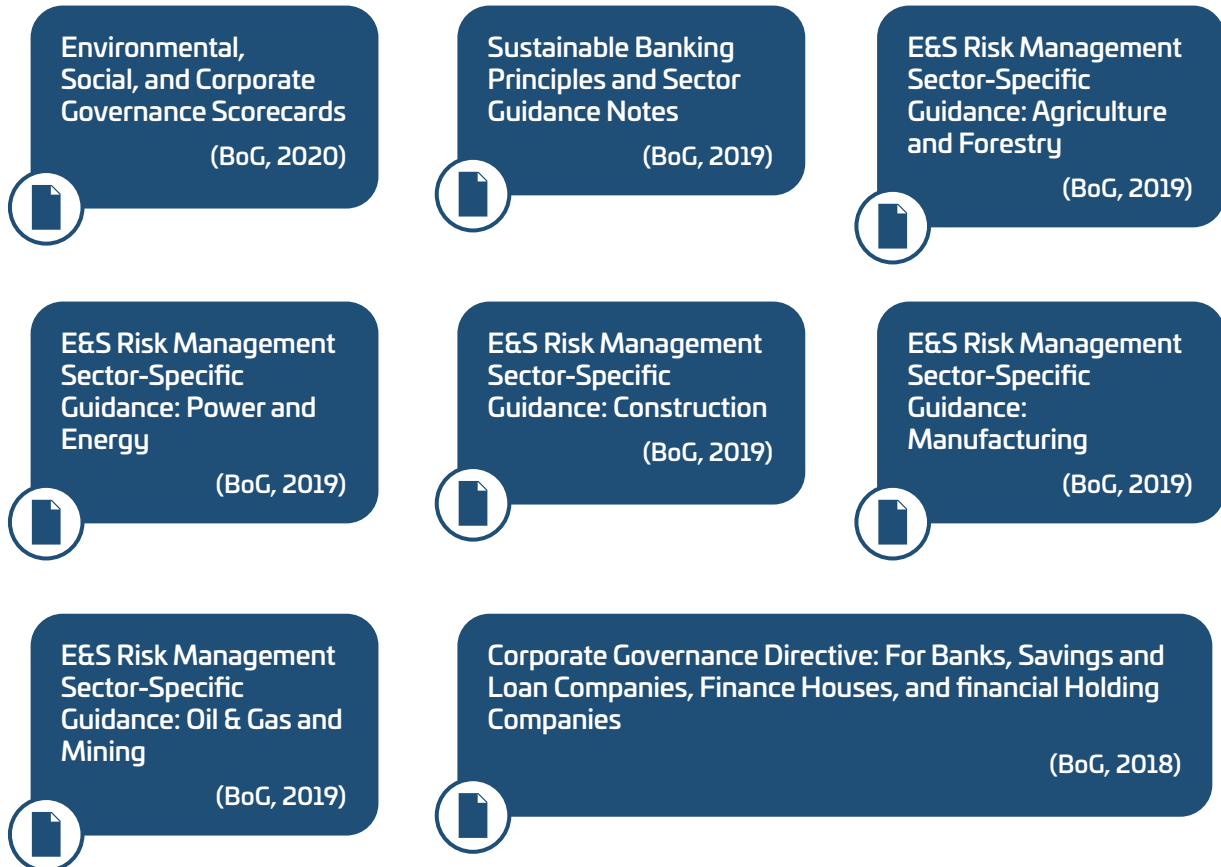
3. Progress by three sub-pillars and 11 indicators

Figure 4: Overview of Ghana's sustainable finance coverage in three framework areas



4. Library of national sustainable finance framework documents

National strategies, roadmaps, policies, voluntary principles, regulations, guidelines, research, templates, and tools that provide an enabling framework for sustainable finance



Download framework documents and check for updates at www.sbfnetwork.org/library

5. SBFN measurement framework and methodology

About SBFN

Established in 2012, the Sustainable Banking and Finance Network (SBFN) is a unique, voluntary community of financial sector regulatory agencies and industry associations from emerging markets committed to advancing sustainable finance in line with international best practice. SBFN is facilitated by IFC as secretariat, and supported by the World Bank Group.

As of October 2021, SBFN comprised 43 member countries representing over US\$43 trillion and 86 percent of total banking assets in emerging markets. Members are committed to collectively driving measurable change.

Why a measurement framework?

In 2016, members requested a systematic comparison of country approaches to developing national sustainable finance frameworks. The SBFN Measurement Working Group was established to convene member inputs on the design of a common framework to benchmark country progress and accelerate peer-to-peer knowledge exchange. The Framework is designed to inform the biennial SBFN Global Progress Report.

An evolving framework

The SBFN Measurement Framework reflects the activities, strategies, and tools that members use to promote sustainable finance in their countries. It evolves to match advances in country initiatives. It also incorporates the latest international standards and best practices identified by members as important to their efforts.

A member-led approach

The Framework was designed with extensive member input under the leadership of the Measurement Working Group and Co-Chairs. Updates to the Framework are guided by the Measurement Working Group and agreed by all SBFN Members.

Data collection in partnership with members

As of 2021, data collection for the SBFN Global Progress Report relies on member country reporting in line with the updated Measurement Framework. Information is supported by evidence, which is verified by the SBFN secretariat in collaboration with third-party service providers. Evaluation and milestones are objective and transparent. Members approve the final Global and Country Progress Reports.

The Framework can be used as:



a **mapping tool** to capture the dynamic interaction of collective insights, market-based actions, and policy leadership demonstrated by SBFN members as they move their financial markets toward sustainability;



a **benchmarking tool** for SBFN members to learn from and compare peer approaches, track and review progress against global benchmarks, develop common concepts and definitions, and leverage innovations and strengths; and



a **forward planning and capacity building tool** to identify future policy pathways and capacity building needs.

The Measurement Framework is based on three intersecting themes in sustainable finance. For each theme, it assesses regulatory guidance, supervision strategies, disclosure requirements, and voluntary industry approaches.



ESG Integration refers to the management of environmental, social, and governance (ESG) risks in the governance, operations, lending, and investment activities of financial institutions.



Climate Risk Management refers to new governance, risk management, and disclosure practices that financial institutions can use to mitigate and adapt to climate change.



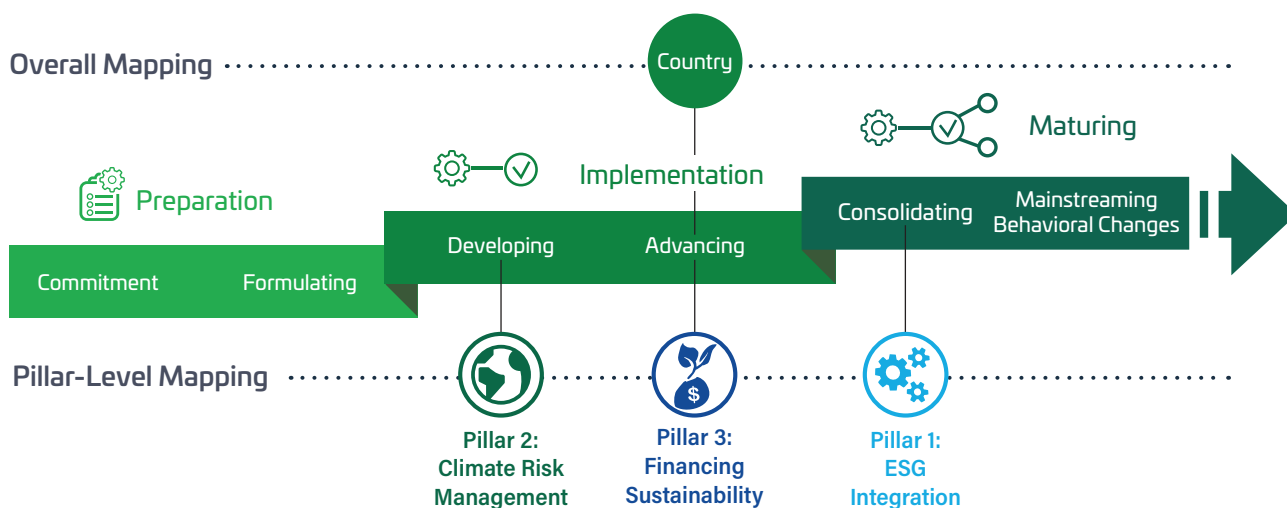
Financing Sustainability refers to initiatives by regulators and financial institutions to unlock capital flows for activities that support climate, green economy, and social goals. This includes new products like green bonds and sustainability-linked loans. Initiatives include definitions, guidance, taxonomies, monitoring, and incentives.

The Measurement Framework consists of three complementary components:

1. Progression matrices

Drawing on SBFN members' common development paths and milestones, the **SBFN Progression Matrix** provides an overview of market-wide progress for all SBFN countries across three typical stages of development. It allows each SBFN member to review its own progress and identify the strengths and weaknesses of its approach.

The stage mapping is based on qualitative milestones and quantitative analysis related to (i) progress in developing and implementing national policies and principles, and (ii) industry uptake and practices. In the 2021 report, in addition to the Overall Progression Matrix, three pillar-level matrices are added to reflect a country's development process in each of the pillar areas.



2. Pillar benchmarking

A dynamic assessment is conducted across several priority pillars of sustainable finance, using qualitative and quantitative datapoints to assess progress and allow comparison across countries. Three pillars, three cross-cutting sub-pillars, 11 cross-cutting indicators, and 75 underlying datapoints are used to objectively assess a country's sustainable finance framework(s), according to clarity, depth, and alignment to international good practice.

	Pillar 1: ESG Integration	Pillar 2: Climate Risk Management	Pillar 3: Financing Sustainability
Sub-pillar 1: Strategic Alignment	<ul style="list-style-type: none"> National framework Alignment with international goals and standards Alignment with national goals and strategies 		
Sub-pillar 2: Regulatory and Industry Association Actions	<ul style="list-style-type: none"> Overall approach and strategy Technical guidance Supervisory activities and incentives Tracking and aggregated disclosure 		
Sub-pillar 3: Expectations of Financial Institution (FI) Actions	<ul style="list-style-type: none"> Strategy and governance Organizational structure and capacity Policies and procedures Tracking, reporting, and disclosure 		

3. Sector data and case studies

In 2021, data collection included an exploratory request for quantitative data points — where available — for the number and percentage of financial institutions that are implementing ESG integration as well as climate risk management and disclosure; and the total value of green, social, and sustainability bond issuance. Detailed case studies were also collected of innovative approaches by regulators and industry. Case studies will be published in a new on-line case study catalogue.



SBFN on-line case study catalogue
Coming soon

SBFN Measurement Framework pillars, sub-pillars, indicators, and underlying datapoints

Pillar 1: ESG Integration			
Sub-pillar	Indicator	No.	Underlying datapoint
Strategic Alignment	National framework ¹ (e.g. policies, roadmaps, guidance, regulations, voluntary principles, templates, or tools)	1	Has the regulator or industry association published a national framework ("Framework") for the banking sector that sets out expectations for integrating the consideration of environmental, social, and governance (ESG) risks and performance?
		2	Has the relevant regulator or industry association published a Framework for capital markets, investment, insurance or other non-lending FIs that sets out expectations for integrating the consideration of ESG risks and performance?
	Alignment with international goals and standards	3	Does the Framework make reference to international sustainable development frameworks or goals?
		4	Does the Framework make reference to established international ESG risk management standards and principles for FIs?
	Alignment with national goals and strategies	5	Does the Framework make reference to specific national development objectives, plans, policies, goals, or targets?
		6	Does any cooperation exist between agencies or between the regulator and industry association with respect to policy design and/or implementation related to ESG integration?
		7	Does any inter-agency data sharing currently exist related to ESG integration by FIs?
Regulatory and Industry Association Actions	Overall approach and strategy	8	Does the Framework provide guidance on the role of the regulator or industry association with regard to assessing and managing ESG risk and performance in the financial sector?
		9	Has the regulator or industry association undertaken market assessment to identify systemic ESG risks through analysis of the portfolios of supervised entities/members and published the results?
	Technical guidance	10	Does the Framework provide technical guidance or tools to support implementation of ESG risk and performance management by the financial sector?
	Supervision activities and incentives	11	Is the implementation of the Framework regularly monitored and/or information regularly collected from FIs by the regulator and/or industry association?
		12	Does the regulator or industry association provide any financial or non-financial incentives for FIs to manage ESG performance as part of the Framework?
		13	Does the regulator or industry association apply any disincentives/penalties for non-compliance by FIs in terms of expectations from the regulator and/or industry association related to ESG risk management as part of the Framework?
	Tracking and aggregated disclosure	14	Has the regulator or industry association established a data collection approach and database to track or regularly publish data related to ESG integration by FIs as part of the Framework?
Expectations of FI Actions	Strategy and governance	15	Does the Framework require/ask the FI's board of directors (or highest governing body) to approve an ESRM and/or ESG integration strategy, and to supervise its implementation?
	Organizational structure and capacity	16	Does the Framework require/ask FIs to allocate resources/budget commensurate with portfolio ESG risks and define roles and responsibilities for ESG integration within the organization?
		17	Does the Framework require/ask FIs to develop and maintain the ESG expertise and capacity of staff commensurate with portfolio ESG risks through regular training and learning?
		18	Does the Framework require/ask FIs to create incentives for managers to reduce the ESG risk-level of the portfolio over a specified timeframe?
	Policies and procedures	19	Does the Framework require/ask FIs to develop policies and procedures to identify, classify, measure, monitor, and manage ESG risks and performance throughout the financing cycle at the client level and/or the transaction/project level?
		20	Does the Framework require/ask FIs to undertake a regular review and monitoring of ESG risk exposure at aggregate portfolio level?
		21	Does the Framework require/ask FIs to establish and maintain an external inquiry/complaints/grievance mechanism for interested and affected stakeholders in relation to ESG practices?
	Tracking, reporting, and disclosure	22	Does the Framework require/ask FIs to report ESG risks and performance to the regulator or industry association?
		23	Does the Framework require/ask FIs to report on ESG integration publicly?
		24	Does the Framework require/ask FIs to track credit risk (e.g. loan defaults) and/or financial returns in relation to ESG risk level?
Pillar 2: Climate Risk Management			
Strategic Alignment	National framework	25	Has the regulator or industry association published a national framework ("Framework") for the banking sector that sets out expectations for integrating the consideration and management of climate risks and their impact in the national economy?
		26	Has the relevant regulator or industry association published a Framework for capital markets, investment, insurance, or other non-lending FIs that sets out expectations for integrating the consideration and management of climate risks and their impact in the national economy?
	Alignment with international goals and standards	27	Does the Framework make reference to international agreements or frameworks to address climate?
		28	Does the Framework recognize or align with established regional or international good practice for climate risk management and disclosure by FIs?
	Alignment with national goals and strategies	29	Has the regulator or industry association aligned the Framework with national goals to address climate change in line with the country's Nationally Determined Contributions (NDCs) to the Paris Agreement?
		30	Does any cooperation exist between agencies, or between government and industry association, with respect to policy design or implementation related to climate risk management?
		31	Does any inter-agency data sharing currently exist related to climate risk management by FIs?

¹ **National framework** refers to the collective set of policies, roadmaps, guidance, regulations, and/or voluntary principles issued by national regulators or industry associations in relation to each pillar of sustainable finance. SBFN recognizes that national frameworks for sustainable finance vary from country to country and are influenced by national priorities and characteristics. They are also often interdependent with other national roadmaps, policies, and regulations. Countries vary in their starting points and the types of documents to kickstart the enabling framework. For instance, initial frameworks could choose to focus on ESG risk management and/or sustainable finance opportunities such as green bonds. They could also focus on banking, capital markets, or institutional investors. The variety of SBFN frameworks provides a rich source of inspiration for peer learning and collaboration.

Regulatory and Industry Association Actions	Overall approach and strategy	32	Has the regulator or industry association undertaken research on historical impacts to the economy and financial sector from climate change, and/or future expected impacts resulting from physical and transition climate risks?
		33	Does the Framework identify key sources of GHG emissions – such as in particular sectors – as priorities in the proactive management of climate risks by the financial sector?
		34	Does the Framework incorporate the conservation/restoration of natural carbon sinks (such as oceans, forests, mangroves, grasslands, and soils) as an important part of reducing climate change risks (e.g., through guidelines, scenario analysis, targets, or incentives for FIs)?
		35	Has the regulator or industry association developed an internal strategy to address climate risk, and/or embedded climate risk management into its governance, organizational structures, and budget as part of the Framework?
		36	Has the regulator or industry association undertaken any activities to expand and deepen analytical understanding of national and/or cross-border physical and transition climate risks, and to raise awareness as to how these risks may transmit to, and impact, the financial sector?
Regulatory and Industry Association Actions	Technical guidance	37	Has the regulator or industry association developed risk assessment approaches, methodologies, or tools to understand and assess the financial sector's exposure to climate risk as part of the Framework?
	Supervisory activities and incentives	38	As part of the Framework, has the regulator clarified supervisory expectations with regard to climate risk management by FIs, including consideration of international good practices?
		39	Has the regulator started to explicitly embed climate-related risk in supervisory activities and review processes as part of the Framework?
		40	Is the implementation of the Framework regularly monitored and/or information regularly collected from FIs by the regulator and/or industry association?
	41	Are there any financial or non-financial incentives to encourage FIs to establish climate risk management systems?	
Tracking and aggregated disclosure	42	Does the regulator or industry association regularly collect and/or report market-level and/or FI-level data on climate-related financial sector risks as part of the Framework?	
Expectations of FI Actions	Strategy and governance	43	Does the Framework require/ask FIs to establish a strategy for climate risk management with responsibility at the board of director level (or highest governing body)?
	Organizational structure and capacity	44	Does the Framework require/ask FIs to define the roles and responsibilities and related capacities of the FI's senior management and operational staff in identifying, assessing, and managing climate-related financial risks and opportunities?
	Policies and procedures	45	Does the Framework require/ask FIs to expand existing risk management processes to identify, measure, monitor, and manage/mitigate financial risks from climate change?
	Tracking, reporting, and disclosure	46	Does the Framework require/ask FIs to report on their overall approaches to climate risk management in line with international good practices (e.g. TCFD), or establish a timeline by which FIs should begin to align their reporting with such practices?
		47	Does the Framework require/ask FIs to identify, measure, and report on exposure to sectors which are vulnerable to transition risk and physical risk?
		48	Does the Framework require/ask FIs to adopt and report on performance targets to reduce portfolio greenhouse gas (GHG) emissions on a regular basis?
		49	Does the Framework require/ask FIs to adopt and report on performance targets to reduce exposure to climate change risks at the portfolio level on a regular basis?
Pillar 3: Financing Sustainability			
Strategic Alignment	National framework	50	Has the regulator or industry association published a national framework ("Framework") for the banking sector that sets out expectations for integrating the consideration of instruments, goals, and standards for financing sustainability, including requirements for ensuring credibility and managing and measuring resulting impacts in the national economy?
		51	Has the relevant regulator or industry association published a Framework for capital markets, investment, insurance, or other non-lending FIs that sets out expectations for integrating the consideration of instruments, goals, and standards for financing sustainability, including requirements for ensuring credibility and managing and measuring resulting impacts in the national economy?
	Alignment with international goals and standards	52	Has the regulator or industry association developed a strategy, regulations, or set of frameworks for stimulating the allocation of capital to sustainable assets, projects, and related sectors in line with global goals, such as the Sustainable Development Goals (SDGs)?
		53	Does the Framework recognize and/or align with existing standards, voluntary principles, or market good practices related to sustainable finance instruments?
	Alignment with national goals and strategies	54	Does the Framework enable the achievement of stated national objectives by guiding capital to sectors, assets, and projects that have environmental and social benefits in line with national sustainable development priorities, strategies, targets, and the size of sustainable investment needs, and taking into account the local barriers to scaling-up sustainable finance?
		55	Does any cooperation exist between agencies or between the regulator and industry association with respect to policy design or implementation related to sustainable finance flows?
		56	Does any inter-agency data sharing currently exist related to stimulating and monitoring sustainable finance flows?
Regulatory and Industry Association Actions	Overall approach and strategy	57	Does the Framework require/ask the regulator or industry association to establish mechanisms to identify and encourage the allocation of capital to sustainable sectors, assets, and projects?
	Technical guidance	58	Does the Framework provide definitions, examples, and/or a taxonomy (catalogue and guidelines) of sustainable finance assets?
		59	Does the Framework provide guidelines for extending green, social, or sustainability-focused loans (excluding bonds)?
		60	Does the Framework provide guidelines for issuance of green, social, or sustainability bonds?
		61	Does the Framework require/ask for external party verification to ensure the credibility of sustainability instruments?
	Supervisory activities and incentives	62	Does the regulator or industry association monitor information reported by FIs related to green/social/sustainability investment, lending, and other instruments to prevent greenwashing and social-washing?
		63	Are there any financial or non-financial incentives for FIs to develop and grow green, social, or sustainability finance instruments?
	Tracking and aggregated disclosure	64	Does the regulator or industry association collect and/or publish data from FIs or other sources about allocation of capital to green/social/sustainability assets, projects, or sectors?

Expectations of FI Actions	Strategy and governance	65	Does the Framework require/ask FIs to establish a strategy, governance, or high-level targets, including at the Board of Directors level, for capital allocation to sustainable assets, projects, or sectors?
	Organizational structure and capacity building	66	Does the Framework require/ask FIs to define internal staff roles and responsibilities to encourage finance flows to green, social, and/or sustainability-focused investments?
		67	Does the Framework require/ask FIs to develop and maintain internal staff capacity on green, social, or sustainability products through regular training and learning?
	Policies and procedures	68	Does the Framework require/ask FIs to put in place policies and procedures for defining, issuing, managing proceeds, tracking performance, and reporting on green, social or sustainability-focused products?
		69	Does the Framework require/ask FIs to appoint an independent external reviewer to confirm that the FI's internal framework meets the requirements of the recognized national framework and regulations, or aligns to international standards?
		70	Does the Framework require/ask that FIs create incentives for managers to increase sustainable loans or investments in the portfolio?
	Tracking, reporting, and disclosure	71	Does the Framework require/ask FIs to publish annual updates on the performance and impacts of the sustainability instruments in compliance with relevant national and/or international standards?
		72	Does the Framework require/ask FIs to obtain and disclose independent review of metrics reported annually in relation to the social and environmental outcomes and impacts achieved through the sustainability instruments?
		73	Does the Framework require/ask FIs to report to the regulator(s) or industry association(s) on allocation and/or outcomes of green, social, and/or sustainability loans?
		74	Does the Framework require/ask FIs to report to the regulator(s) or industry association(s) on green, social, and/or sustainability bonds or other positive impact investments?
		75	Does the Framework require/ask FIs to report publicly on their green, social, and sustainability-focused finance activities and positive outcomes or impacts (i.e. not only to the regulator or shareholders)?

Figure 5: Overall Progression Matrix Milestones

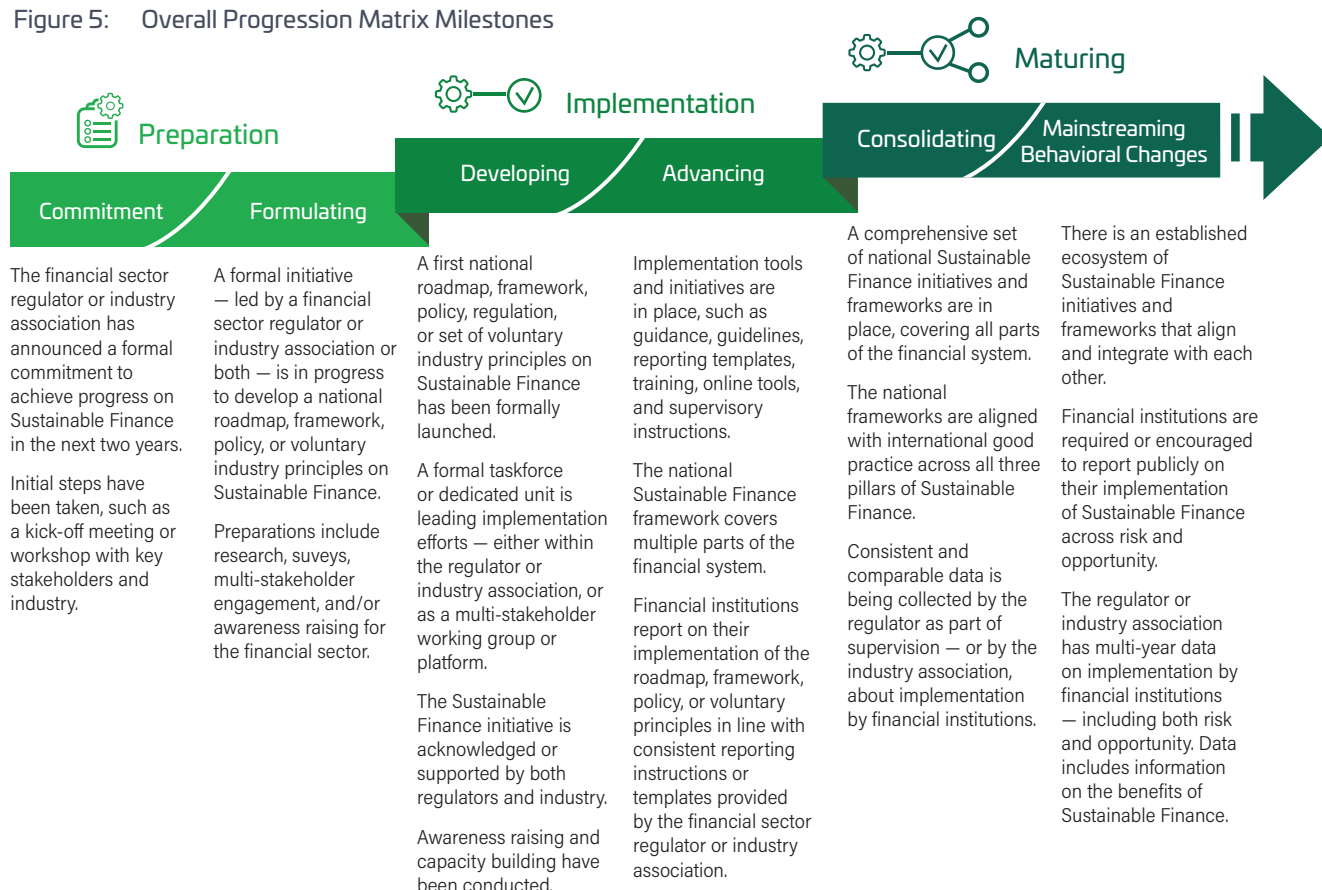


Figure 6: Progression Matrix Milestones – Pillar 1: ESG Integration

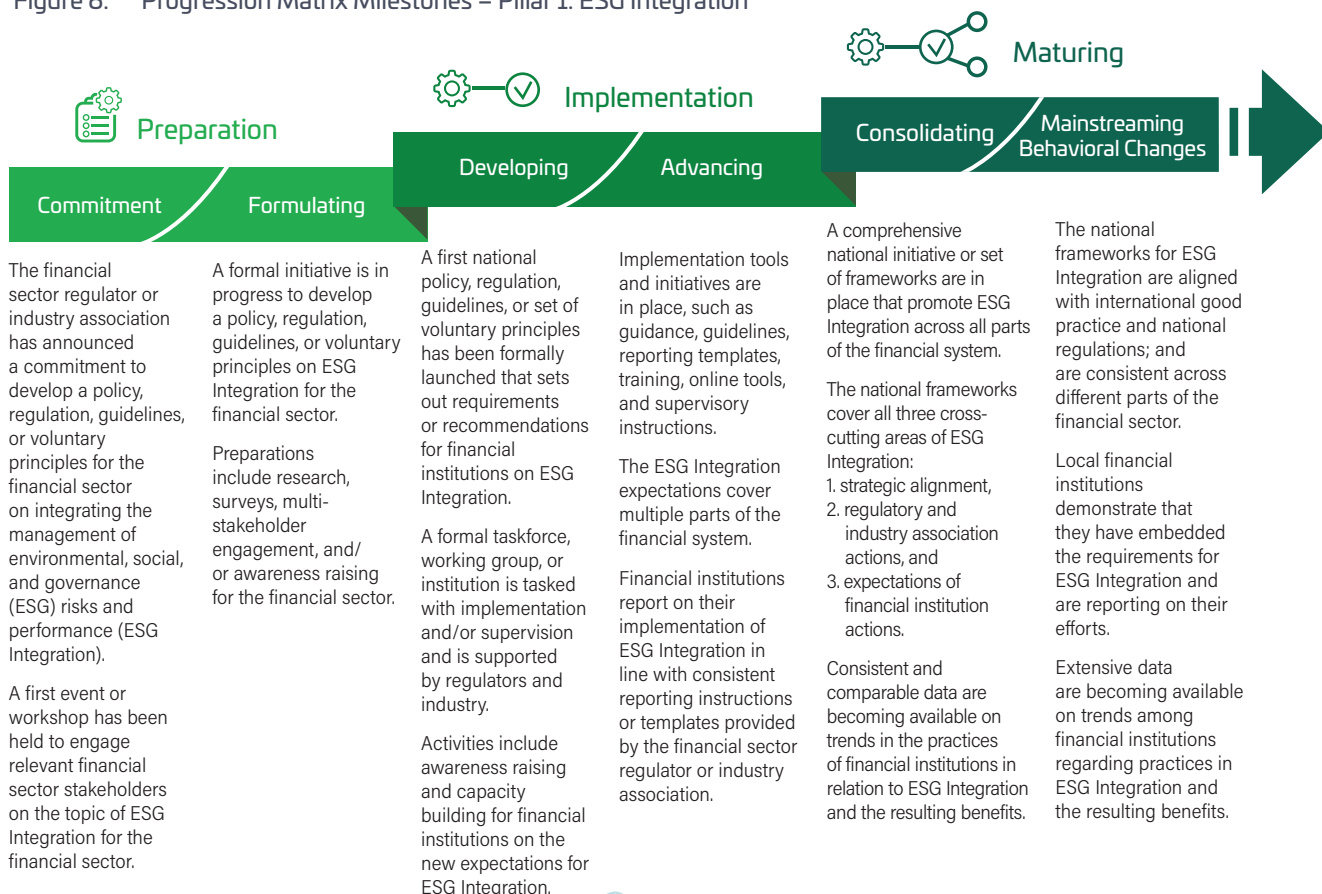


Figure 7: Progression Matrix Milestones – Pillar 2: Climate Risk Management

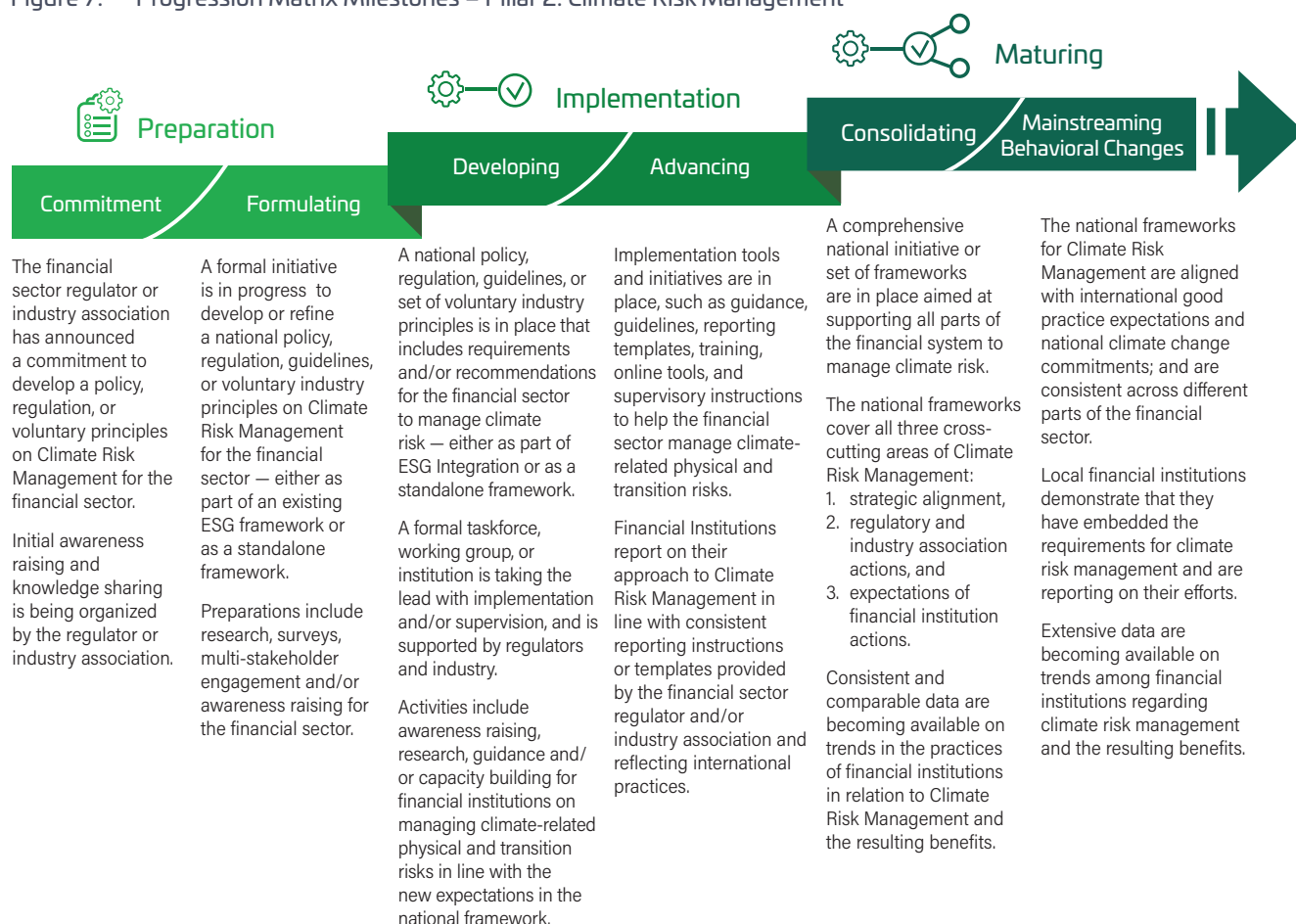
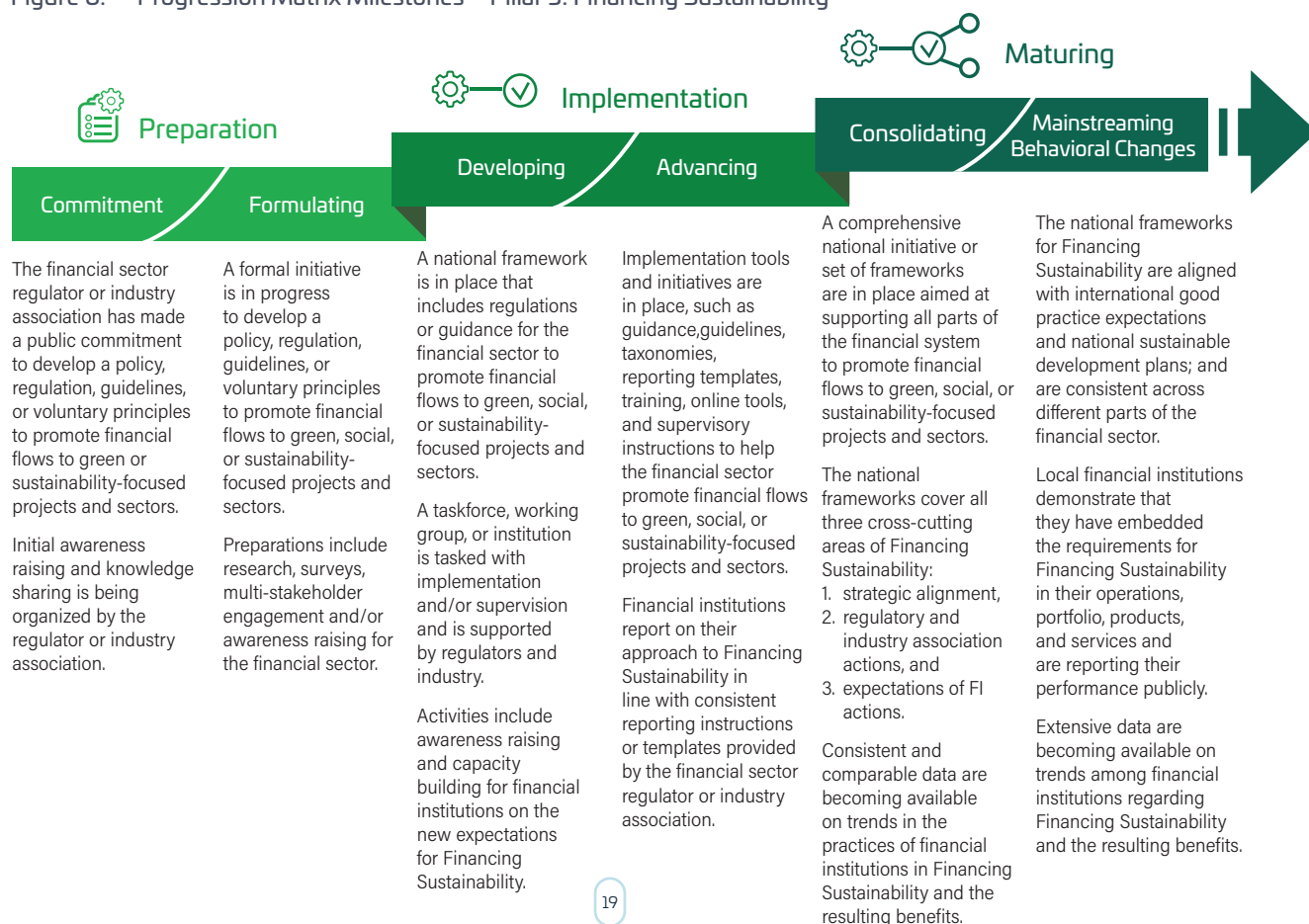


Figure 8: Progression Matrix Milestones – Pillar 3: Financing Sustainability



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