

# Kyrgyzstan

## Country Progress Report

April 2022

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



Sustainable  
Banking and  
Finance  
Network



**IFC** | International  
Finance Corporation  
WORLD BANK GROUP  
*Creating Markets, Creating Opportunities*

## Acknowledgements

This Country Progress Report was developed by the SBFN Secretariat under the leadership of the SBFN Measurement Working Group and with guidance from the SBFN Regional and Country Coordinators Boris Janjalia and Yuliya Holodkova. Data are provided by the Union of Banks of Kyrgyzstan (UBK) and verified by SBFN. The team is grateful for the support and guidance of UBK representatives who provided data, participated in interviews, and reviewed and provided comments to this report, in particular Rustam Sarybaev, Project Manager.

## 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 US\$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](http://www.sbfnetwork.org)

## About IFC

IFC—a member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. IFC works in more than 100 countries, using its capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2021, IFC committed a record \$31.5 billion to private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity as economies grapple with the impacts of the COVID-19 pandemic. For more information, visit [www.ifc.org](http://www.ifc.org).

---

© International Finance Corporation [2022], as the Secretariat of the Sustainable Banking and Finance Network (SBFN). All rights reserved. 2121 Pennsylvania Avenue, N.W. Washington, D.C. 20433 Internet: [www.ifc.org](http://www.ifc.org). The material in this work is copyrighted. Copying and/or transmitting portions or all of this work without permission may be a violation of applicable law. IFC and SBFN encourage dissemination of their work and will normally grant permission to reproduce portions of the work promptly, and when the reproduction is for educational and non-commercial purposes, without a fee, subject to such attributions and notices as we may reasonably require.

IFC and SBFN do not guarantee the accuracy, reliability, or completeness of the content included in this work, or the conclusions or judgments described herein, and accept no responsibility or liability for any omissions or errors (including, without limitation, typographical errors and technical errors) in the content whatsoever or for reliance thereon. The boundaries, colors, denominations, and other information shown on any map in this work do not imply any judgment on the part of The World Bank Group concerning the legal status of any territory or the endorsement or acceptance of such boundaries.

This work was prepared in consultation with SBFN members. The findings, interpretations, and conclusions expressed in this volume do not necessarily reflect the views of the Executive Directors of The World Bank Group, IFC, or the governments they represent. The contents of this work are intended for general informational purposes only and are not intended to constitute legal, securities, or investment advice, an opinion regarding the appropriateness of any investment, or a solicitation of any type. IFC or its affiliates may have an investment in, provide other advice or services to, or otherwise have a financial interest in, some of the companies and parties named herein.

All other queries on rights and licenses, including subsidiary rights, should be addressed to IFC's Corporate Relations Department, 2121 Pennsylvania Avenue, N.W., Washington, D.C. 20433. International Finance Corporation is an international organization established by Articles of Agreement among its member countries, and a member of the World Bank Group. All names, logos and trademarks are the property of IFC and you may not use any of such materials for any purpose without the express written consent of IFC. Additionally, "International Finance Corporation" and "IFC" are registered trademarks of IFC and are protected under international law.

# Contents



## Overall Country Progress – Kyrgyzstan

1. SBFN member institution
2. Other key institutions and national initiatives promoting sustainable finance
3. Overall progress
4. COVID response
5. Ambitions for the next phase
6. SBFN and IFC role

page 4



## Status of Framework Preparation

Awareness raising practices

Dialogue towards the establishment of a policy or voluntary principles

Timeline for the development of a policy/principles

page 6



## SBFN Measurement Framework and Methodology

Summary of the SBFN measurement framework, a systematic approach to benchmark country progress in developing national enabling frameworks for sustainable finance

page 7

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 – Kyrgyzstan

## 1.1 SBFN member institution

The Union of  
Banks of Kyrgyzstan

Member Since: 2018

### Working Groups:

Measurement  
Sustainable Finance Instruments  
Data and Disclosure  
International Development Association Task Force

## 1.2 Other key institutions and national initiatives promoting sustainable finance

Green Economy Development Programme 2019-2023  
Partnership for Action on Green Economy

Ministry of Economy of the Kyrgyz Republic  
The National Bank of the Kyrgyz Republic

---

## 1.3 Overall progress

Kyrgyzstan is currently in the “Formulating” sub-stage of the “Preparation” stage of the SBFN Progression Matrix. The country intends to launch a framework in the coming years. There is a formal initiative in progress to draft and issue a national sustainable finance framework, led by the Union of Banks of Kyrgyzstan with the support of the National Bank of the Kyrgyz Republic, in collaboration with other stakeholders. Multi-stakeholder engagement and awareness raising have been undertaken.

## 1.5 Ambitions for the next phase

The Union of Banks of Kyrgyzstan is currently working towards the development and adoption of a formal framework document on sustainable finance. To reach the implementation stage, as laid out in the SBFN progression matrix, the Union of Banks will investigate the experience of other countries formulating their sustainable finance principles (especially post-Soviet countries, such as Mongolia, and Eastern European nations), and is exploring the possibility of peer-to-peer exchanges and training.

## 1.4 COVID response

The Government of Kyrgyzstan enacted a state of emergency in March 2020. Price regulation was enacted on several products deemed to be socially significant, and the export of such products, including medicines, was banned for the duration of the state of emergency. Almost 500,000 citizens from vulnerable groups received food relief and payments from the government and approximately \$450 million of foreign aid was allocated to supporting the budget and affected businesses. An anti-crisis plan is currently being formulated, which is expected to include various tax referrals and other support for affected sectors and businesses.

## 1.6 SBFN and IFC role

IFC has provided advisory services to the Union of Banks of Kyrgyzstan for their sustainable finance initiatives and capacity building, in partnership with the Government of Kyrgyzstan. Through SBFN, the Union of Banks of Kyrgyzstan has shared its experience with other SBFN members and benefited from the collective SBFN knowledge base.

Figure 1: SBFN Progression Matrix - Overall Country Progress



I would like to thank SBFN for their assistance in the development of sustainable finance in our country. Banks and other financial institutions in the Kyrgyz Republic are increasingly showing interest in the implementation of sustainable finance principles.

The SBFN platform is a key community that assists us in developing and implementing the national initiative to promote sustainable finance. We are sure SBFN will facilitate knowledge sharing and build our capacity.

**Mr. Rustam Sarybaev**  
Project Manager, Union of Banks of Kyrgyzstan



Кыргызстан банктарынын бирикмеси  
Союз банков Кыргызстана  
Union of Banks of Kyrgyzstan

## 2. Status of Framework Preparation

Introducing a formal, national sustainable finance framework (such as a roadmap, policy, regulatory guidelines, or voluntary industry principles) has been shown to be foundational for developing effective strategies for countries to promote the shift to sustainable finance. Based on SBFN members' experiences, a number of steps are commonly required in preparation for doing so.

These include raising awareness within the sector, initiating dialogue among public and private sector stakeholders, and researching national priorities, requirements, and current practices with regard to sustainable finance.

The readiness of the country's framework preparation has therefore been reviewed according to three criteria:

- Is awareness raising being undertaken in the country, with leadership by either the financial sector regulator and/or the banking association (for example training, knowledge-sharing events, conferences and meetings, research, and publications)?
- Has a sector-wide dialogue been initiated towards the establishment of a national sustainable finance framework, involving relevant stakeholders (for example government and other public bodies, private and public financial institutions, regulators, and civil society organizations)?
- Has a timeline for the development of a policy been defined, including a clear schedule and milestones to launch the framework?

### 2.1 Awareness-raising practices

The Union of Banks of Kyrgyzstan held several meetings with various government bodies and international institutions on the topic of sustainable finance in 2020. In addition, a survey was conducted to determine the interest of financial sector organizations in the implementation of environmental, social, and governance (ESG) standards in practical activities. Several members of the financial sector participated, including commercial banks, microfinance organizations, NGOs, and insurance companies. This survey showed that there is currently little shared understanding of sustainable finance. There is substantial interest in the topic, however, especially with regards to attracting international financing and meeting the sustainable finance requirements of international organizations.

### 2.2 Dialogue towards the establishment of a policy or voluntary principles

Many events and initiatives in 2020 were suspended due to the COVID-19 pandemic. However, in 2021, with the assistance of the National Bank of the Kyrgyz Republic, a working group on the implementation of sustainable finance principles was created with representatives from several government agencies and financial institutions, including the National Bank, the Ministry of the Economy, the State Service for Regulation and Supervision of Financial Markets, as well as several microfinance and insurance organizations. Furthermore, in April 2021, with the support of IFC, an online seminar was organized on the topic of environmental and social risk management, which acted as a training workshop for representatives of the financial sector. This is part of the ongoing work to develop sustainable finance principles in Kyrgyzstan.

### 2.3 Timeline for the development of a policy/principles

The Union of Banks of Kyrgyzstan, with the support of the IFC's Integrated ESG Standards Program, is working to develop and adopt a framework document on sustainable finance, as well as to identify priorities for the financial sector. A national sustainable finance document has been drafted and is undergoing consultation. To this end, the Union of Banks of Kyrgyzstan has signed a preparation agreement with the IFC. The Union of Banks of Kyrgyzstan focused on formulating the principles of sustainable development and green finance in 2021, while 2022 will focus on the development of a framework document on sustainable finance. Additionally, the Union of Banks of Kyrgyzstan plans to work alongside the Kyrgyz Government to implement the Green Economy Development Program (2019 – 2023) using the associated Action Plan.



# 3. 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.



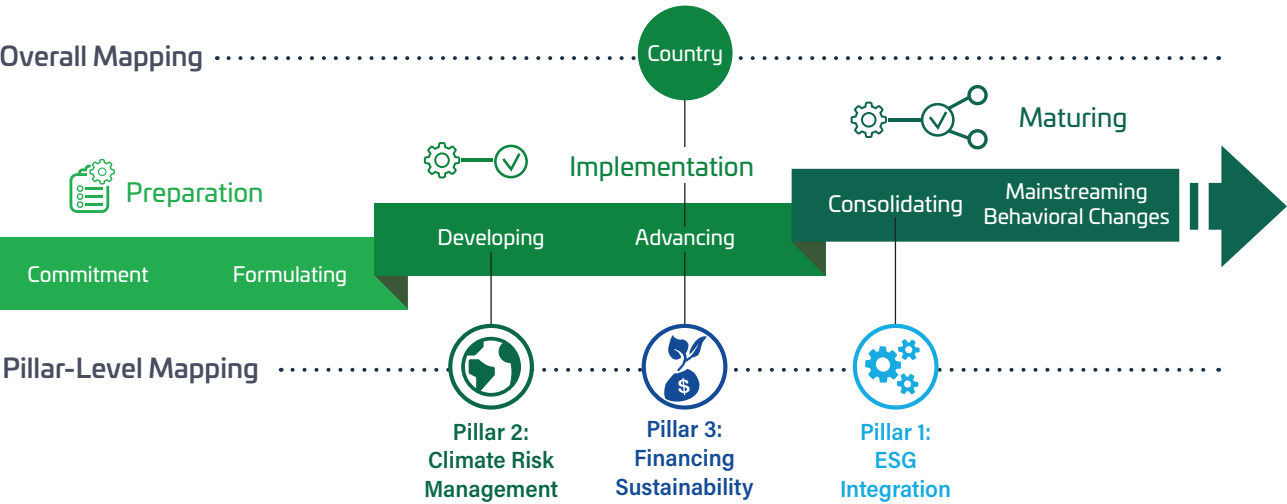
**Financing Sustainability** refers to initiatives by regulators and financial institutions to unlock capital flows for activities that support climate, green economy, and social goals. This includes new products like green bonds and sustainability-linked loans. Initiatives include definitions, guidance,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



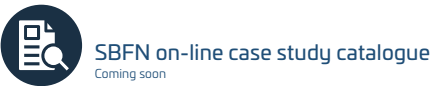
## 2. Pillar benchmarking

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.

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

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

Pillar 1: ESG Integration			
Sub-pillar	Indicator	No.	Underlying datapoint
Strategic Alignment	National framework <sup>1</sup> (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?

<sup>1</sup> **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 1: Overall Progression Matrix Milestones

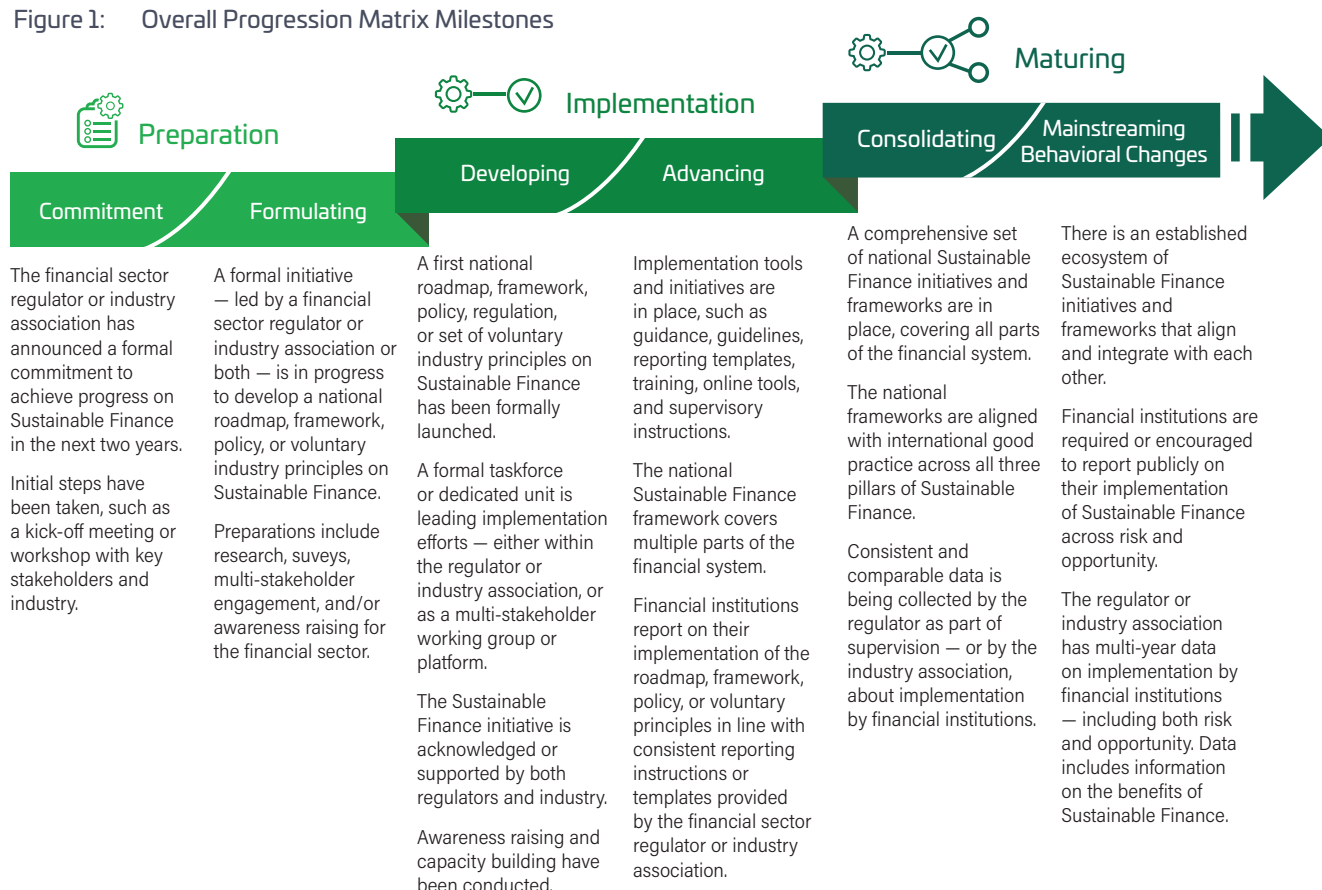


Figure 2: Progression Matrix Milestones – Pillar 1: ESG Integration

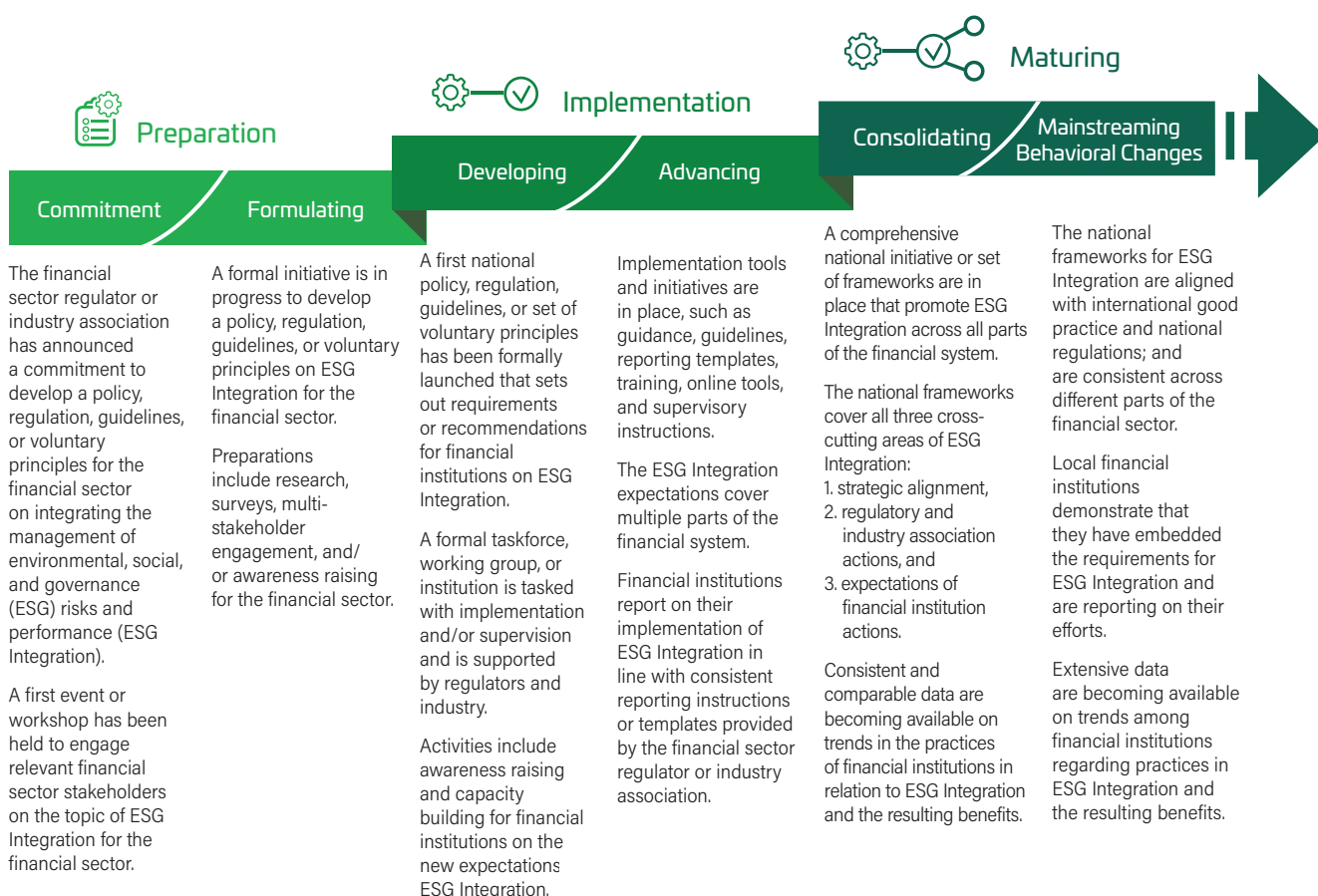


Figure 3: Progression Matrix Milestones – Pillar 2: Climate Risk Management

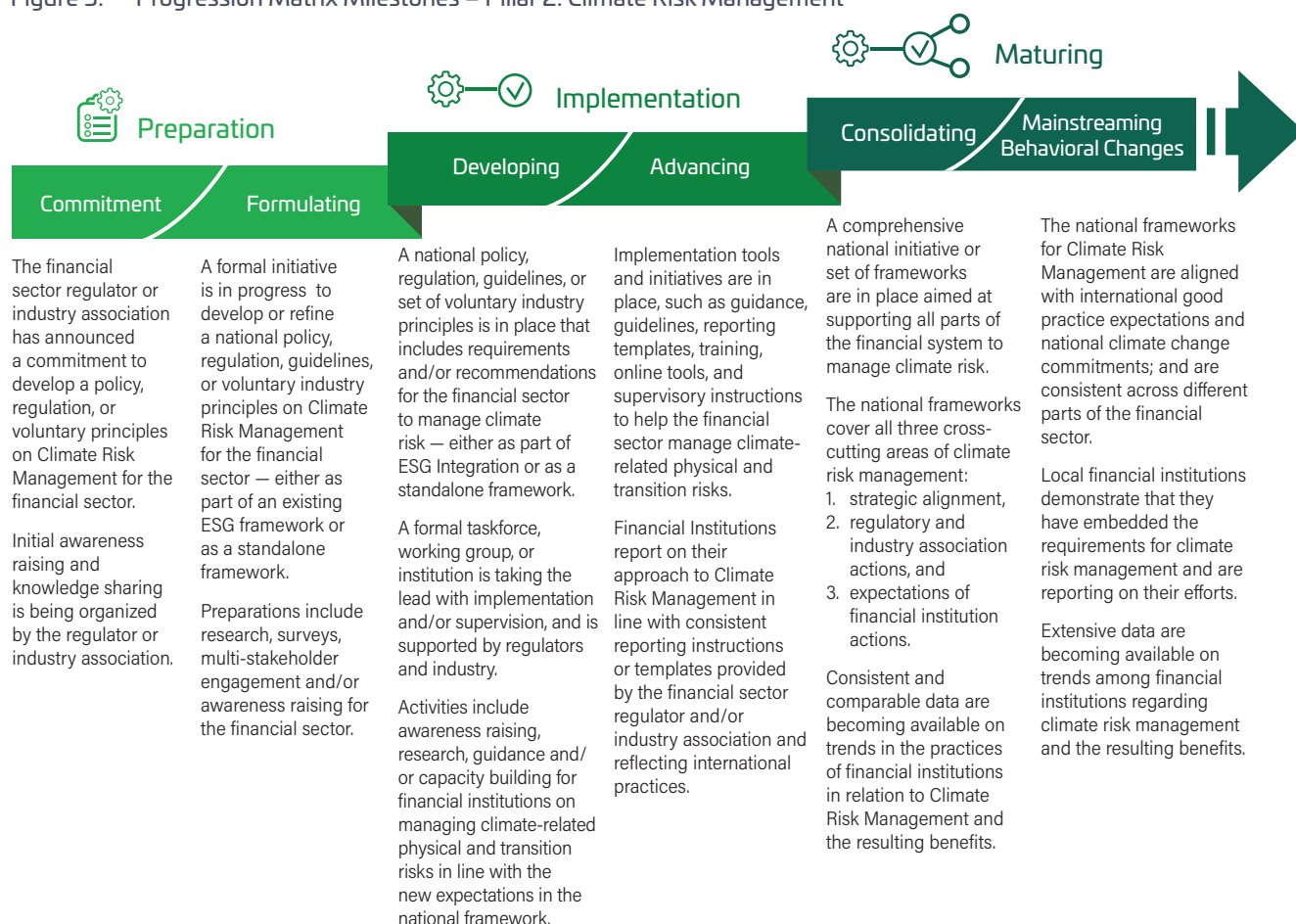
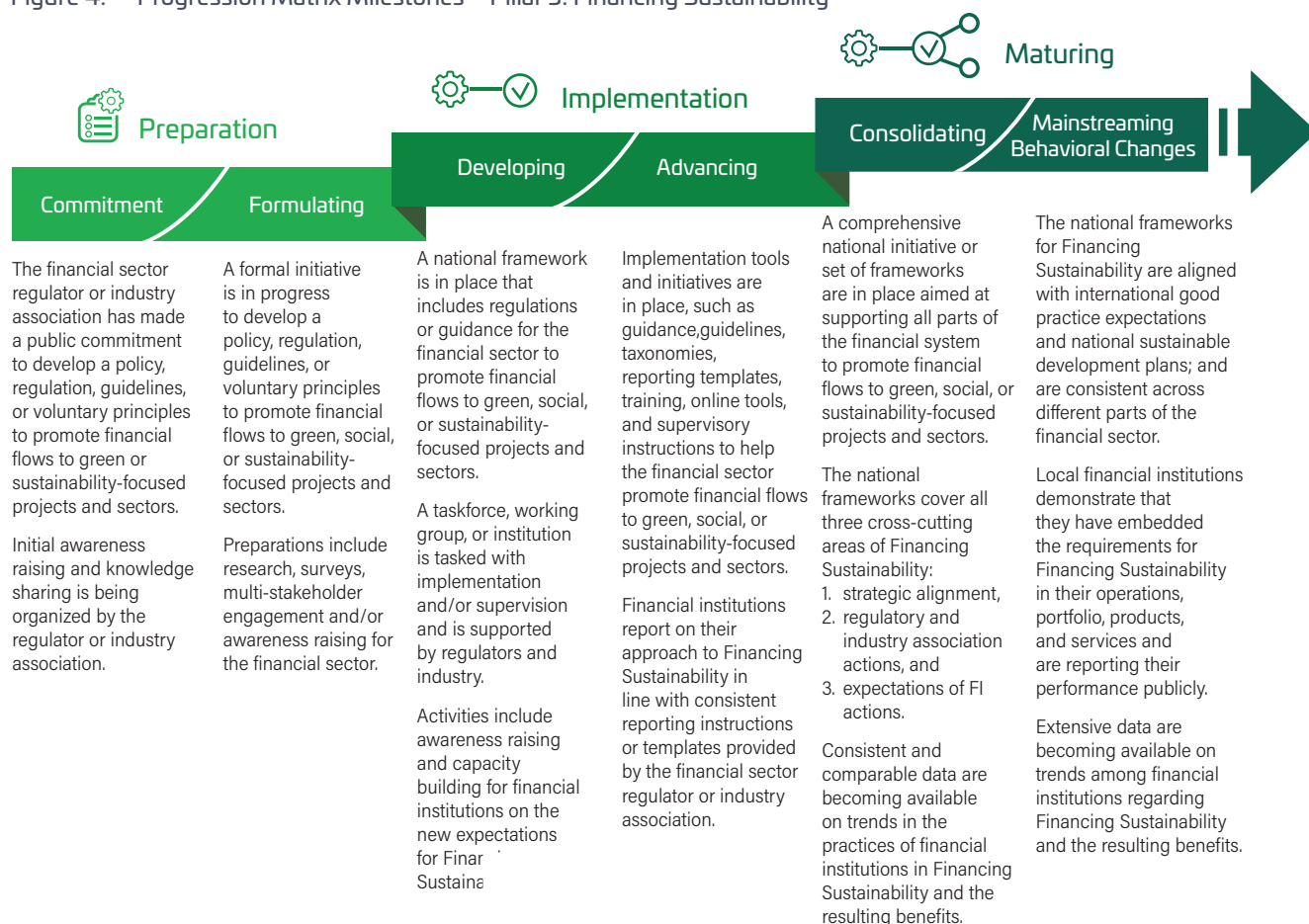


Figure 4: Progression Matrix Milestones – Pillar 3: Financing Sustainability





ACCESS THE SBFN GLOBAL AND  
COUNTRY PROGRESS REPORTS AT:  
[WWW.SBFNETWORK.ORG](http://WWW.SBFNETWORK.ORG)



Sustainable  
Banking and  
Finance  
Network



*Creating Markets, Creating Opportunities*