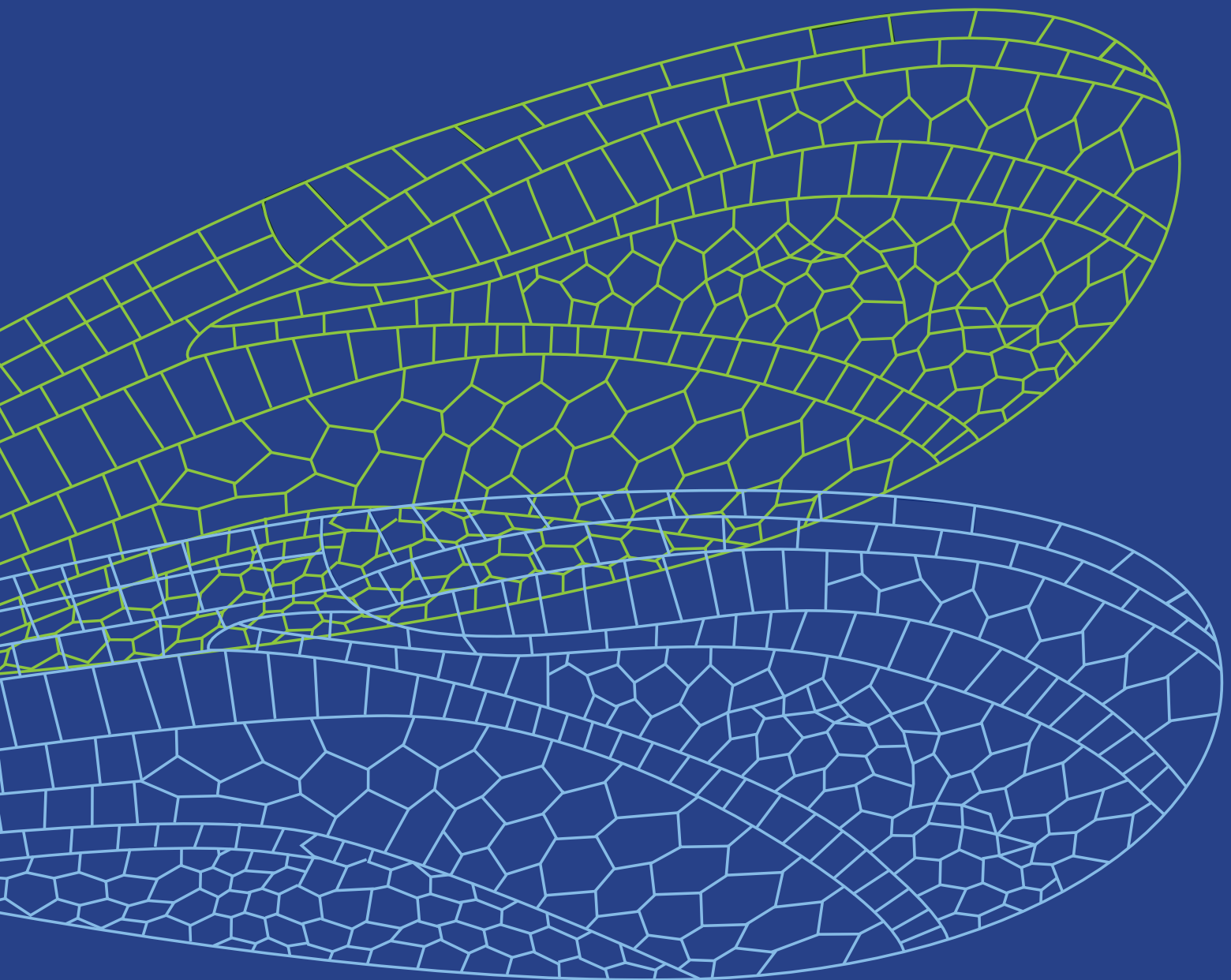


# Climate Bonds Resilience Taxonomy (CBRT)

The methodology underpinning the development  
of the Climate Bonds Resilience Taxonomy

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## Glossary

Term	Definition
<b>Activity</b>	An (economic) activity delivering goods or services.
<b>Adaptation (or climate [change] adaptation)</b>	In human systems, the process of adjustment to actual or expected climate and its effects, to moderate harm or exploit beneficial opportunities. In natural systems, the process of adjustment to actual climate and its effects; human intervention may facilitate adjustment to expected climate and its effects.
<b>Climate hazards</b>	The potential occurrence of a climate-related event or trend that may cause that may cause harm, including loss of life, injury to people, damage to communities, assets, property, or infrastructure, disruption to livelihoods or service provision, and harm to ecosystems or environmental resources. For the purposes of the CBRT, these climate hazards focus on the consequences of climate-related events or trends that affect economic assets, society, or ecosystems.
<b>Climate impacts</b>	The effects of climate change – such as rising temperatures, shifting precipitation, and extreme weather – on exposed and vulnerable human and natural systems. These may be felt directly (direct impacts) or indirectly as knock-on effects of the direct climate impacts on assets, people, and systems (indirect impacts).
<b>Climate vulnerability</b>	The sensitivity of a system or process to climate change (i.e., the degree to which outputs or attributes change in response to changes in climate inputs) that outweighs/exceeds the adaptability of that system (i.e., the extent to which changes are possible that take advantage of altered climate conditions).
<b>Climate risk and vulnerability assessment</b>	A systematic process that identifies, evaluates, and prioritises the potential impacts of current and future climate hazards on assets, systems, communities, or ecosystems to inform adaptation planning.
<b>Discernible</b>	Able to be demonstrated through either quantitative metrics/indicators or qualitative assessments.
<b>Environmental/social/ economic impact</b>	The impacts of climate hazards on natural and human systems such as livelihoods, health and well-being, ecosystems and species, economic, social and cultural assets, services (including ecosystem services), and infrastructure.
<b>Ex ante</b>	A measurement that is based on forecasts rather than actual results.
<b>Ex post</b>	A measurement that is based on actual results rather than forecasts.
<b>Exposure</b>	The presence of people, livelihoods, species or ecosystems, environmental functions, services, resources, infrastructure, or economic, social, or cultural assets in places and settings that could be adversely affected.
<b>Hazard</b>	The potential occurrence of a natural or human-induced physical event or trend that may cause loss of life, injury, or other health impacts, as well as damage and loss to property, infrastructure, livelihoods, service provision, ecosystems, and environmental resources.
<b>investment context</b>	The specific boundaries or setting within which the impact of a climate resilience investment is assessed.
<b>Maladaptation</b>	The risk of an unintended measurable increase in vulnerability (or exposure) in the investment context and/or in the wider system within which the investment is situated.
<b>Measure</b>	Specific intervention within an asset, activity, or entity within a defined period of time that creates substantial additional climate resilience benefit or services for the asset/activity/entity within which the measure is undertaken.
<b>Physical climate risk</b>	Risks resulting from climatic events, such as storms, floods, or increasing temperatures. The determinants of physical climate risk are hazards, exposure, and vulnerability.
<b>Proxy</b>	A means of confirming an investment's Substantial Contribution to climate resilience using robust and authoritative climate resilience assessment frameworks or standards pre-approved by Climate Bonds on the basis that they are equivalent in focus and ambition to the criteria specified in the CBRT.
<b>Resilience (or climate resilience)</b>	The capacity of social, economic, and environmental systems to cope with climate-related hazardous events, trends, or disturbances, responding or reorganizing in ways that maintain their essential function, identity, and structure, while also maintaining the capacity for adaptation, learning, and transformation.
<b>Sector</b>	A distinct, broad subset of an economy or society used to group related industries, services, or other activities.
<b>Significant harm</b>	The potential of an investment to negatively impact mitigation efforts and other social and environmental objectives.
<b>Subsector</b>	A specific, narrower, and often specialized division within a given sector that is used to classify distinct and specific activities.
<b>Substantial Contribution to climate resilience</b>	A measurable reduction in vulnerability (and/or exposure) to climate impacts in the investment context.
<b>Vulnerability</b>	The propensity or predisposition to be adversely affected. Vulnerability encompasses a variety of concepts and elements, including sensitivity or susceptibility to harm and lack of capacity to cope and adapt.

## List of acronyms

<b>A&amp;R</b>	Adaptation and Resilience
<b>CBRT</b>	Climate Bonds Resilience Taxonomy
<b>CRP</b>	Climate Bonds Climate Resilience Principles
<b>DFIs</b>	Development Finance Institutions
<b>DNSH</b>	Do No Significant Harm
<b>GSS+</b>	Green, Social, Sustainable and Sustainability Linked
<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>ISIC</b>	International Standard Industrial Classification of All Economic Activities
<b>MDB</b>	Multilateral Development Bank
<b>RTAG</b>	Resilience Taxonomy Advisory Group
<b>SDGs</b>	Sustainable Development Goals
<b>SPO</b>	Second Party Opinion
<b>TSC</b>	Technical Screening Criteria
<b>TWG</b>	Technical Working Groups
<b>UoP</b>	use of proceeds

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# Overview

This document sets out the methodology that underpins the development of the Climate Bonds Resilience Taxonomy (CBRT), a framework designed to define, identify, and scale up investments for climate resilience (or climate adaptation)<sup>1</sup> by providing clear guidance on what constitutes a resilient investment. This document has been prepared to support taxonomy developers, with an intended primary audience that includes:

- CBRT developers, including Climate Bonds staff, Technical Working Groups (TWGs), supporting consultants, and other experts and stakeholders involved in the further design, development, and/or extension of the CBRT.
- Developers of other sustainable finance taxonomies, such as regulators, governments, or financial institutions, who may wish to adopt the CBRT as a reference for how climate resilience may be covered in national, regional, or other taxonomies.

Users of the CBRT might include financial institutions such as banks, investors, asset managers, insurers or development finance institutions (DFIs), etc., corporates and non-financial firms, market observers such as Second Party Opinion (SPO) providers, credit rating agencies or standard setters, international organisations such as United Nations agencies, climate finance mechanisms or bilateral donors, and government bodies such as regulators, ministries, treasuries, municipalities/city authorities, or state-owned enterprises. See Table 1 for a full breakdown of CBRT users and use cases.

This document therefore takes a ‘taxonomy developer perspective’ and provides methodological guidance that is mainly intended to support taxonomy development. Climate Bonds also intends to develop more specific guidance over 2026–2028 for taxonomy developers on the application of the CBRT in taxonomy development. Conversely, CBRT users such as those wishing to use the Taxonomy to assess investments or issuances, may instead find it useful to consult other CBRT guidance materials that have been prepared with a ‘CBRT user perspective’, such as the [CBRT Explainer](#) and the [CBRT User Guide](#), which provide practical, step-by-step guidance on applying the CBRT for various use cases, and the [Criteria for Certification against the CBRT](#).

This document accompanies the CBRT to provide additional clarity on its contents and guidance on how to interpret and apply the CBRT effectively. It outlines the foundational principles, definitional building blocks, and key decisions underlying the CBRT. It details the classification methodologies and rulesets that have been applied to populate and determine the eligibility of investments included in the Taxonomy.

An interim version of the CBRT was released in September 2024, with an extensive list of climate resilience investments and corresponding interim screening criteria. Those will progressively be both checked and updated by TWGs on a sector-by-sector basis under the guidance of Climate Bonds. This will serve to validate, expand, and further develop the list of investments and associated criteria to ensure that they are robust, useable, science-based, and measurable. The [Climate Resilience Principles](#), issued by Climate Bonds in 2019, will also be updated over 2026–2027 to align with the CBRT and to provide an overall framework for its application and further development.

The first version of the CBRT Methodology Document was issued in September 2024, and this document is the first updated version dated May 2026. The key changes that have been made in this update are:

- Structural changes: a clearer focus on the taxonomy developer focus, reduced advocacy and background content, a sharper methodology focus, and reduced repetition and duplication.
- Terminological changes: alignment of terminology with widely referenced sources including the Intergovernmental Panel on Climate Change Sixth Assessment Report, and expanded definitions to clarify terminology where needed.
- Integration of clear rule-sets: to improve transparency of validation processes and support the consistent application of key concepts such as maladaptation, Do No Significant Harm, Substantial Contribution to climate resilience, etc.

# 1. Introduction, context and objectives

## 1.1. Objectives, development and use cases of the CBRT

Sustainable finance taxonomies and standards are crucial for directing private and public investments toward sustainability goals by providing clear definitions and a common framework for issuers and investors. The CBRT aims to accelerate global capital flows for climate resilience investments by offering clear definitions, focused, detailed guidance, science-based criteria, and a common framework on climate adaptation and resilience (A&R); an area that is often under-prioritised or addressed only broadly in many existing taxonomies.

The CBRT aims to fill this gap by supporting and informing the development of more comprehensive national and regional taxonomies. This allows issuers, investors, market regulators, observers, and policymakers to identify and develop actions and investments that make substantial, consistent, and verifiable contributions to climate resilience. Additionally, it can guide other applications, including sustainable debt issuances and other use cases as detailed in section 1.1.2). The CBRT will be regularly updated based on the latest climate science, emergence of new technologies and sector specific criteria. It is a tool for issuers, investors, governments, and municipalities to help them to understand investments that help to deliver a resilient economy.

The CBRT is a classification system that lists and organises activities, assets, and measures that can be invested in ('investments') with the potential to make a Substantial Contribution to climate resilience, and the criteria for assessing them. It does not prescribe a mandatory list of such investments but provides a positive, non-exhaustive list of credible resilience investments that mitigate the risk of greenwashing. It makes no judgement on the financial performance of these investments. It does not address resilience at a company or entity level.<sup>2</sup> Therefore, the CBRT can most readily be used for financing that is specifically allocated and ring-fenced for defined purposes, such as use of proceeds (UoP) debt financing.

The CBRT adds to the evolving landscape of other taxonomies and frameworks that define climate resilience financing and investments, such as the Joint Multilateral Development Bank Adaptation Finance Tracking Methodology and the EU Sustainable Finance Taxonomy, which defines sustainable economic activities. Inter-operability with these existing approaches recognised as a priority for the CBRT, which is elaborated further in section 6.3 of this document. It makes an important addition to the arsenal of tools for mobilising climate resilience finance by providing a robust and comprehensive framework for assessing the eligibility of investments based on their contribution towards climate resilience. Specifically, the CBRT's distinctive contribution alongside these existing approaches lies in its granularity, including a focus on measures as well as economic activities, its explicit investment typology, and its use of ex ante investment-level screening criteria.

The CBRT complements other frameworks by being designed not only as a classification framework, but as a market-building tool intended to support investable, certifiable use cases, especially thematic debt. This is why the CBRT's design places emphasis on screening logic, usability, and clarity. However, it is important to define the boundaries of the functions that the CBRT is and is not intended to provide. For instance, the CBRT is not intended to provide comprehensive guidance on how to perform climate risk and vulnerability assessments at portfolio level, nor to provide any assessment of the financial or economic performance of investments.

Climate Bonds seeks to mobilise global capital for climate action by providing definitions and taxonomies that steadily expand the universe of eligible projects that are aligned with climate goals – from clean energy to a broad range of mitigation investments, and now to A&R. Central to this effort is the development of science-based and ambitious taxonomies and standards that guide, shape, and grow the market. Published in 2012 and regularly updated, the Climate Bonds Taxonomy was the first sustainable finance taxonomy. It provides a guide for identifying climate-aligned assets and projects with common green definitions across global markets to support the growth of a cohesive thematic bond market that delivers climate action. Additionally, the Climate Bonds Standard and Certification Scheme remains the only global green bond certification programme.

The CBRT expands and complements the Climate Bonds Taxonomy by providing a classification system and draft<sup>3</sup> screening criteria for climate resilience investments. In this way, the CBRT is intended both for direct application on investments and bond issuances, and as a reference architecture for the development or adaptation of wider national and regional taxonomies. While the CBRT can be applied directly in such market use cases, this Methodology is intended more broadly to explain and justify the underlying design logic so that the taxonomy can be governed, extended, and potentially adapted for use in national or regional taxonomy systems.

With over 10 years of experience, Climate Bonds is uniquely positioned to lead the development of definitions for a global climate resilience taxonomy given the complexities of defining A&R. The organisation has extensive expertise in crafting internationally recognised taxonomies and standards. Experience in supporting corporates, banks, multilateral, sovereign, and sub-sovereign entities across Latin America and the Caribbean, Africa, Central Europe, Central Asia, and the Association of Southeast Asian Nations (ASEAN) in applying these definitions has provided valuable insights into the practicalities of usability and data constraints. This expertise has directly influenced the development of the CBRT to be both scientifically rigorous and practical for a diverse range of stakeholders.

## Box 1: The need for the CBRT

As the effects of climate change become increasingly apparent and damaging, the need to scale up financing for climate resilience from a wide range of sources, both public and private, grows increasingly urgent. However, at present, current finance flows for climate resilience remain well below these estimated needs, with almost all coming from the international public sector, including from development finance institutions, rather than private finance sources.<sup>4</sup>

The sustainable debt market presents a substantial opportunity to bridge this gap between current finance flows for climate resilience and the estimated needs. Green, social, sustainable and sustainability-linked (GSS+) bonds, which have already channelled over USD5.1tn from capital markets to sustainable activities, have emerged as a primary vehicle for financing climate action. While demand for thematic borrowing and investment has grown and diversified into areas such as social, sustainability, Sustainable Development Goals, blue, and resilience, the supply of projects still falls short, leaving investor demand unmet.

This issue is particularly acute in relation to climate resilience, which currently receives only a small portion of the labelled capital flows. Climate Bonds research found that only 19% of labelled green bonds had any resilience-related use of proceeds.<sup>5</sup>

One of the key barriers to scaling up investment in climate resilience is the lack of clarity on what actually constitutes a climate resilience investment. This uncertainty can make it difficult for both investors and issuers to identify credible and impactful projects for inclusion in thematic instruments, hindering the flow of capital towards this critical area.

### 1.1.1. CBRT development process

The CBRT has been developed through a comprehensive, multi-stakeholder, consensus-building approach that incorporates expertise from diverse sectors and stakeholders. This collaborative effort aims to establish the CBRT as an evolving, globally applicable, clear, and detailed system that can grow and adapt with changing needs, integrating the most current scientific research, evidence, and existing methodologies. The involvement of diverse stakeholders also ensures that the CBRT effectively addresses the interconnected nature of climate resilience by incorporating a wide range of perspectives and expertise.

The development of the CBRT began with the 2023 White Paper on Designing a Climate Resilience Classification Framework to Facilitate Investment in Climate Resilience through Capital Markets,<sup>6</sup> which was developed by Climate Bonds and Cadlas, with support from the United Nations Office for Disaster Risk Reduction (UNDRR).<sup>7</sup> It sets out a clear, upstream framework for defining investments that contribute towards climate resilience. Building on this foundation, the interim CBRT (a list of climate resilience investments and draft screening criteria for assessing those investments) was developed by Climate Bonds and Cadlas with support from the Co-operators<sup>8</sup> and launched in September 2024.

This work has been, and continues to be, guided by the Resilience Taxonomy Advisory Group (RTAG), composed of experts representing financial institutions, finance sector industry associations, international organisations, academia, non-governmental organisations, consultancies, and think tanks.<sup>9</sup> In addition, TWGs, operating on a sector-by-sector basis, perform the important role of checking, updating, and validating the definitions and draft criteria set out in the interim CBRT. The first TWG, focused on the water infrastructure sector, began its work in 2025 and launched in May 2026 for market use, with other TWGs planned.

As the CBRT is a dynamic and evolving tool to be regularly maintained and updated, its further refinement, including this methodology document, will also be informed by practical application by practitioners. This may include, for example, supporting investors to identify climate resilience investments, assisting governments in using the CBRT as a reference model for integrating climate resilience into their sustainable finance taxonomies, and aiding issuers in aligning their bond UoP with the CBRT. Feedback from these applications will drive further enhancements to the CBRT, ensuring that it remains responsive to real-world applications and evolves to meet emerging resilience challenges effectively.

### 1.1.2. CBRT use cases

The CBRT was designed to have a wide range of applications and use cases. The main expected users and potential use cases of the CBRT are outlined in Table 1.

**Table 1: Summary of CBRT users and use cases**

User group	Debt issuances (bonds and loans)	Other applications
<b>Government</b> including regulators, ministries, treasuries, municipalities/ city authorities, state-owned enterprises, etc.	Support issuance of sovereign and sub-sovereign corporate or financial institution debt that credibly builds resilience	Guide budget planning and tagging
		Direct fiscal incentives to investments in resilience
<b>Financial institutions</b> Including banks, investors, asset managers, insurers, DFIs, etc.	Guide investors and underwriters to assess the credentials of resilience debt issuances	Support the development of national and regional taxonomies <sup>10</sup>
		Support the development of other government financial levers, such as development allowances, licensing powers, incentives and standards on A&R, such as procurement requirements.
<b>Real Economy Sectors</b> including corporates and other non-financial businesses, etc.		Guide investors on how to assess the credibility of resilience investment opportunities
		Use the CBRT to underpin the design of financial services and products that are taxonomy aligned, and to inform their internal methodologies related to financing climate resilience
		Enhancing the insurability of assets through the implementation of resilience measures and activities
<b>Market observers</b> SPO providers, credit rating agencies, standard setters, etc.	n/a	Support DFIs in identifying resilience investments for concessional finance and derisking
		Inform corporate strategic decision-making, reporting and disclosures
<b>International Organisations</b> UN agencies, climate finance mechanisms, OECD, bilateral donors, etc.	n/a	Inform assessment, screening & assurance of the credentials of resilience investments and/or action
		Inform the assessment of climate projects
		Adaptation finance reporting

## 2. CBRT core principles

### 2.1. Definitions

The CBRT and its development are based on externally recognised and science-based definitions that draw on authoritative sources, including the Intergovernmental Panel on Climate Change (IPCC), the EU Sustainable Finance Taxonomy, and others. Box 2 explains how such external sources have been used to define the basic terminology of the CBRT.

#### 2.2.1. Core principles

The CBRT is underpinned by seven core principles that ensure its robustness, flexibility, and applicability across diverse contexts:

- **Principle 1: Multi-stakeholder approach.** The CBRT has leveraged diverse perspectives from varying regions, economic contexts, sectors, and stakeholders during the development phase. It has drawn from extensive industry experience, knowledge, resources, and evidence within the resilience domain. This approach also fosters consensus and ensures widespread adoption.
- **Principle 2: Global applicability.** Climate resilience is highly context-specific and place-based. However, leveraging global capital markets necessitates a universal approach that facilitates cross-border investment flows. The CBRT is designed without regional or local biases but remains flexible for local adoption while aiming for interoperability through common definitions, principles, and structures. For example, it avoids setting specific thresholds within criteria and opts for uniform, harmonised metrics instead. Similarly, it refrains from prioritising sectors or investments, enabling countries or users to align it with their National Adaptation Plans or other resilience strategies and prioritisation processes.
- **Principle 3: Usability and clarity.** Developed with end-users in mind – including financial institutions, corporates, and investors – the Taxonomy is accessible even to those who are not climate experts and may have limited access to data. By following a logical, systematic approach, the CBRT ensures consistency and coherence and thus clarity. It has drawn on consultation with users and on Climate Bonds expertise on taxonomies and usability challenges.
- **Principle 4: Granularity.** Many existing guidance documents and taxonomies for climate resilience (or adaptation) take a high-level, process-based approach, whereas the CBRT provides detailed activities and measures across numerous sectors. This approach addresses the need for clarity and precision in the identification of resilience investments, reducing the risk of greenwashing that can deter engagement from both investors and issuers. However, granularity is balanced with flexibility by taking a globally applicable approach (as described in Principle 2), leveraging process-based approaches where needed.

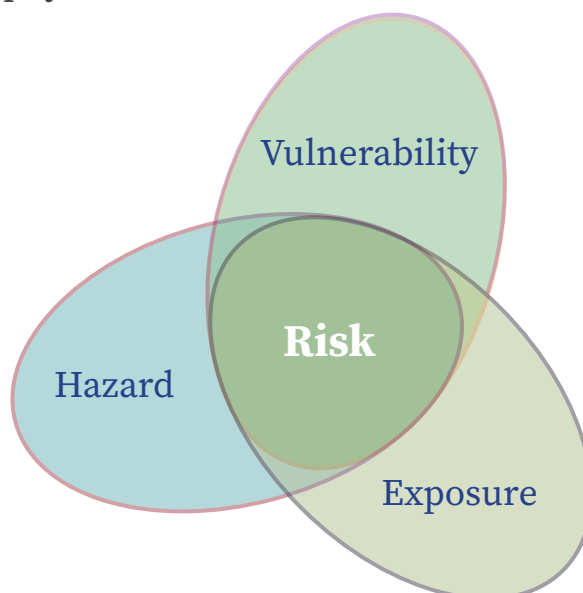
### Box 2: Defining terms - climate resilience and adaptation

This document uses the terms ‘climate resilience’ and ‘adaptation’ (as defined in the Glossary) interchangeably. For consistency, it uses climate resilience as the preferred term, except when explicitly referencing external sources that use adaptation (e.g., the EU Sustainable Finance Taxonomy). This is consistent with Climate Bonds’ Climate Resilience Principles (2019),<sup>11</sup> reflecting a view that the term climate resilience is more readily and intuitively understood by a wider range of non-specialist stakeholders.

A simplified way of considering the relationship between these two concepts is that adaptation is the process and climate resilience is the outcome. Given that the overall objective of the CBRT is to help to mobilise and scale up capital flows that contribute towards achieving climate resilient economies, societies, and natural systems, the CBRT uses the term climate resilience to frame what it is aiming to achieve.

In addition, the CBRT uses widely recognised IPCC concepts and definitions to inform its approach to understanding physical climate risks and their determinants (Figure 1).

Figure 1: Determinants of physical climate risk



Source: IPCC, 2014: *Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change* [Core Writing Team, R.K. Pachauri and L.A. Meyer (eds.)]. IPCC, Geneva, Switzerland.

For definitions of exposure, hazard, and vulnerability, see Glossary.

- **Principle 5: Dynamic.** The CBRT is designed with a forward-looking approach, with plans for regular reviews, version updates, and road-testing/piloting to refine its effectiveness. As new investments are identified, the CBRT will expand to provide broader coverage, recognising that while it may never be exhaustive, it will continually increase its scope over time.
- **Principle 6: Science- and evidence-based.** Investments included in the Taxonomy are supported by strong evidence in literature and research, demonstrating that they can contribute towards climate resilience while avoiding maladaptation and significant harm to other sustainability objectives. Each investment is linked to specific climate hazards and impacts, preventing the inclusion of business-as-usual investments that lack a clear contribution to resilience. Moreover, the CBRT criteria and guidance draw from the best available research and science, including those from the IPCC and other credible, recognised sources.
- **Principle 7: Systemic and multi-sectoral.** Recognising that resilience is crucial across all aspects of society, ecosystems, and economies, this principle ensures that the CBRT considers a wide range of sectors. It defines resilience comprehensively, considering investments that address underlying vulnerabilities and impacts that are related to climate change, such as social and economic inequalities that exacerbate climate impacts, in addition to investments in physical measures that protect assets from specific risks like flooding or climate hazards.

## 2.2. Investment types covered by the CBRT

The overall purpose of every investment under the CBRT is to build resilience to the physical impacts of climate change. As such, the CBRT investment types have been defined based on three key questions.

### 2.2.1. What investment types can build climate resilience?

The CBRT covers two basic investment types that can contribute to climate resilience: **activities** and **measures** (Table 2). This ensures that the CBRT covers a broad range of investment types that can contribute in various ways to building climate resilience.<sup>12</sup>

**Table 2: Overview of basic investment types**

	Definition	Examples
<b>Activity</b>	An (economic) activity delivering goods or services	<ul style="list-style-type: none"> <li>• Production of steel</li> <li>• Production of crops</li> <li>• Provision of drinking water</li> </ul>
<b>Measure</b>	Specific intervention within an asset, activity, or entity within a defined period of time that creates substantial additional climate resilience benefit or services for the asset/activity/entity within which the measure is undertaken.	<ul style="list-style-type: none"> <li>• Installation of new equipment within a production facility</li> <li>• Adoption of new technologies, practices or operational changes within a facility</li> </ul>

### 2.2.2. What is the purpose of the investment types?

In addition to the activity/measure distinction, the CBRT investment types also incorporate an adapted/enabling lens, as defined in the 2023 White Paper<sup>13</sup>:

- **Adapted:** integrating measures to reduce material physical climate risks to the asset or activity that is the subject of the investment.
- **Enabling:** making other activities more climate resilient.

Layering this distinction onto the measures and activities defined in the CBRT allows the coverage of a broad range of investment types that can contribute to climate resilience. The adapted/enabling lens helps in characterising investments accurately, allowing for the development of tailored criteria that reflect the investment's nature, contribution, and objectives related to resilience. This categorisation also provides the basis for the identification of climate resilience-related costs within different kinds of investments.<sup>14</sup>

### 2.2.3. How can the CBRT’s four investment types be identified and differentiated?

The CBRT is comprised of four investment types (Figure 2). These investment type definitions are provided for the **taxonomy developer perspective** and are not necessarily required for the CBRT user perspective. They exist to provide taxonomy developers with a robust and consistent framework for defining investment-appropriate screening criteria and determining the eligible costs of investments, both of which will differ in nature between the four investment types.

#### 2.2.3.1. Adapting measure

This refers to a specific action or intervention taken within an activity to make it more climate resilient. The term ‘adapting’ is used rather than ‘adapted’ because the focus is on whether the measure improves the resilience of the overall activity within which it is implemented. Examples of adapting measures include the installation of leak detection equipment in residential buildings to build resilience to water stress, upgrading crop storage facilities to adapt to heat stress, or community education programmes on water conservation methods and storage solutions. Some adapting measures are tagged as climate resilience solutions in the taxonomy (see Box 3).

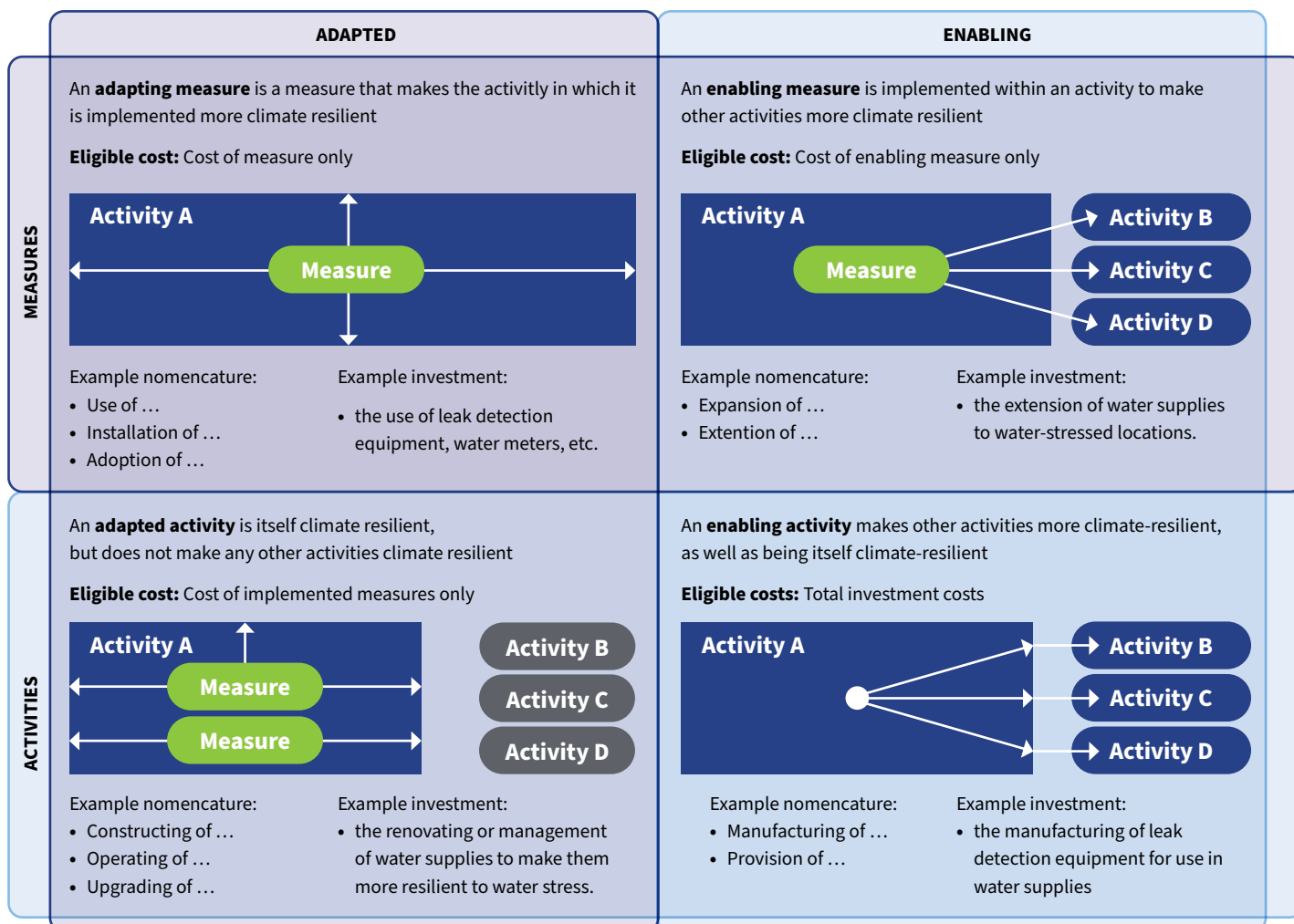
### Box 3: Definition of a climate resilience solution

The CBRT defines a climate resilience solution as an adapting measure (i.e., a technology, product, service, information set, or practice) that, by design, has the dedicated purpose of providing a specific and Substantial Contribution to reducing the climate vulnerability of the party that adopts or uses the solution, and/or of other parties who may benefit from its use or adoption.

In the CBRT, certain adapting measures are tagged as climate resilience solutions to help users filter and identify them easily, however, not all adapting measures qualify as climate resilience, as some are implemented for broader, general purposes. This distinction is relevant for the definition of **enabling activities** that manufactures, provide or deliver climate resilience solutions (see Annex V). For example, in the buildings sectors:

- The **installation of flood barriers and flood proofing** is an adapting measure that is regarded as a climate resilience solution because it has the dedicated and specific purpose of reducing the vulnerability of buildings to flood damage.
- The **installation of wall insulation** is an adapting measure that is not regarded as a climate resilience solution as it could have applications that are not associated with reducing vulnerability to climate risks.

Figure 2: Four specific investment types covered by the CBRT



### 2.2.3.2. Adapted activity

This refers to an economic activity that has implemented specific adapting measures to make it more resilient to the target climate impacts that it is intended to address, thus making a Substantial Contribution to climate resilience.<sup>15</sup> Examples of adapted activities may include, for instance, upgrading a building to be more fire-resistant through the integration of adapting measures, such as fire-resistant building materials, fixtures and equipment; operating water supply networks to withstand drought through the integration of adapting measures, such as automated water control systems; or providing healthcare services that can continue functioning during extreme weather events through the integration of adapting measures such as rapid response strategies. The primary purpose of the investment is to enhance the resilience of a specific economic activity.

### 2.2.3.3. Enabling measure

This refers to a specific intervention implemented within an economic activity with the primary intention of enhancing the resilience of one or more other economic activities. Unlike adapting measures, which focus on making the activity itself more resilient, enabling measures aim to strengthen the resilience of other activities.

This distinction is important because enabling measures introduce a systems perspective to the Taxonomy, highlighting how interventions can enhance the resilience of other interconnected activities or systems. These measures typically involve expanding or extending existing essential services and activities with the primary goal of addressing climate impacts and supporting the resilience of other systems or communities.

For example, the extension of a water supply network to cover additional water-stressed communities would be regarded as an enabling measure. The primary focus here is to improve water access and resilience for communities that are currently underserved and vulnerable to water stress, while at the same time ensuring that the water supply network is resilient. The goal is to enhance the resilience of these communities by ensuring they have reliable access to water, which in turn supports their overall climate resilience.

Ensuring that the enabling measure is also itself resilient is crucial for investor confidence, as it guarantees that the enabling measure can reliably support the resilience of other systems over the long term. If the enabling measure is vulnerable to climate hazards and fails to deliver the intended resilience outcomes, the investment's value and impact may be compromised.

### 2.2.3.4. Enabling activity

This refers to an activity that has the primary intention of enhancing the climate resilience of other activities. Enabling activities provide, produce, or deliver technologies, products, services, information sets, or practices specifically aimed at reducing climate vulnerability for the adopter or other beneficiaries, also referred to as Climate Resilience Solutions (see Box 3).

For example, the manufacturing of leak detection equipment improves the resilience of water distribution networks by preventing water loss and maintaining a reliable supply even under climate stress. Similarly, health-related information technology enhances the resilience of health services by improving their ability to respond to increasing outbreaks and incidences of disease caused by climate impacts. These activities focus on creating solutions that enhance the climate resilience of other services, making them crucial for broader resilience efforts.

While it is important for these activities to be resilient themselves to ensure they can deliver their intended function amidst climate impacts, due to the high-impact nature of these activities on resilience outcomes, the requirements in the CBRT for demonstrating that enabling activities are themselves adapted are lighter-touch than for other investment types. This is discussed further in Section 5.2.3 and Annex V.

### 2.2.4. Summary of investment types and application of definitions

The four investment types in the CBRT are interlinked, but they differ in their primary outcomes. Some investments are focused on building the resilience of a specific asset or activity, enhancing its ability to withstand climate impacts (adapting measures collectively allow an activity to be or become 'adapted'). Others aim at achieving broader systemic resilience, contributing to the overall resilience of systems and communities (enabling measures and enabling activities). This distinction highlights:

1. diverse pathways through which investments can enhance climate resilience;
2. different pathways through which investments will be screened for eligibility;
3. what proportion of investments count towards resilience and can be tagged as resilience finance; and
4. the 'families' of investments that link the four investment types.

Investments within the CBRT have been categorised/tagged under one of the four investment types described above. The process of populating the CBRT with comprehensive, well-structured lists of investments has also been supported by the definition of 'families' of investments. These group together investments across the four investment types that tackle the same climate impact within specific subsectors. This organisational structure illustrates how different investment types may be deployed to address given climate

impacts. It also enables users to identify synergies more easily and facilitate targeted strategies and more effective allocation of resources to achieve comprehensive climate resilience outcomes. This approach may be helpful to taxonomy developers using the CBRT as a guide for identifying and organising climate resilience investments within national or regional taxonomies.

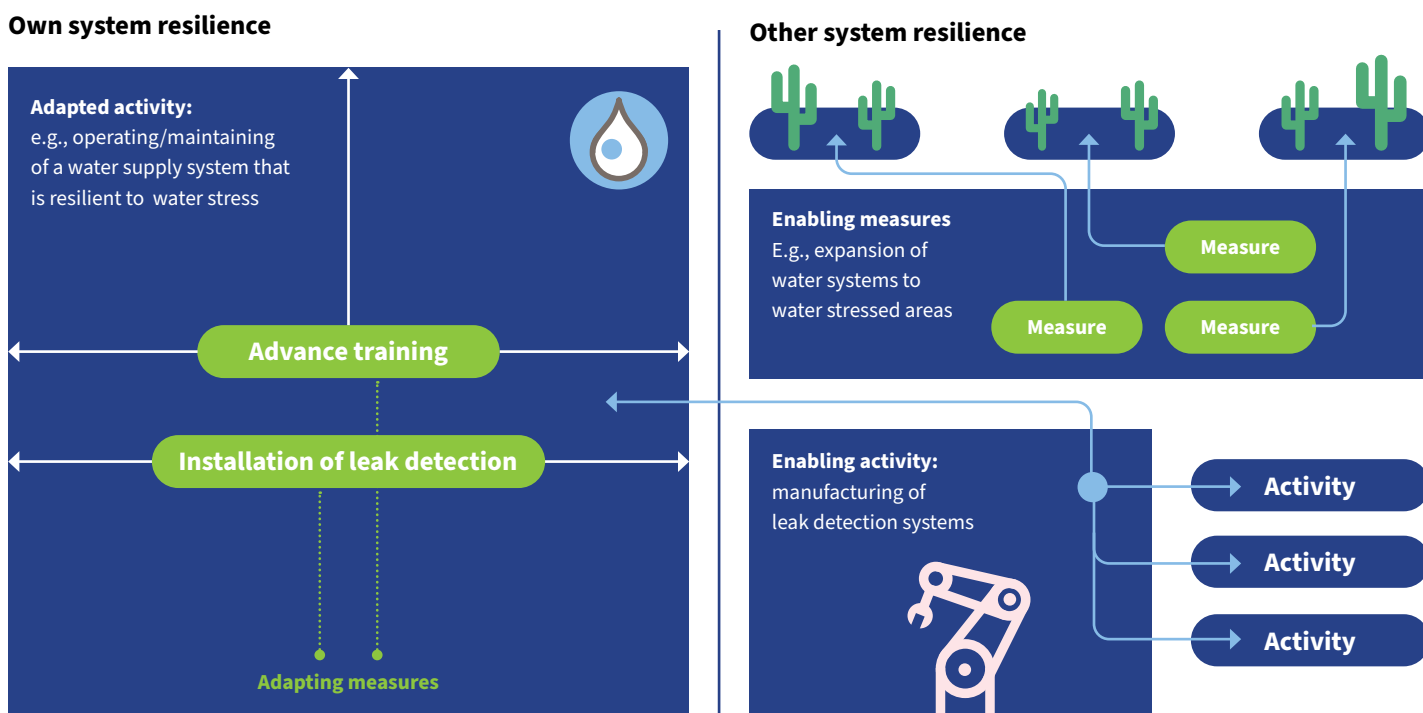
An illustration is provided through the example of investments that make water supplies (subsector) more resilient to water stress (hazard consequence). Specifically, investments that may contribute towards climate resilience by making water supplies more resilient to water stress can include:

- **adapting measures**, such as installation of leak detection equipment;
- **adapted activities**, such as operating water supply networks with the integration of adapting measures to make them more resilient to water stress;
- **enabling measures**, such as extending water supply networks to cover water-stressed locations; and
- **enabling activities**, such as the manufacturing of leak detection equipment that may be installed in water supply networks.

Adapting measures play an important role in underpinning the other investment types. They can be:

- implemented/installed within adapted activities and enabling measures; and
- produced/manufactured by enabling activities.

Figure 3: Schematic illustration of the four investment types showing how adapting measures underpin the other investment types, as they may be implemented within adapted activities and enabling measures, and produced or delivered by enabling activities



## 2.2.5. Eligible costs under the four investment types

The investment costs that are eligible under the CBRT as assessed differently for each of the investment types:

**Adapting measures:** Only the cost of the adapting measure itself is eligible for resilience financing, not the cost of the entire asset or activity within which it is implemented. This is because resilience financing is specifically intended to support actions that directly contribute to reducing climate risk. The broader asset or activity may have other purposes beyond enhancing resilience, so only the expenses directly related to the adapting measure are considered eligible.

**Adapted activities:** Only the costs associated with implementing the adapting measures that are integrated within adapted activities are eligible for resilience financing, not the entire cost of the asset or activity (as for adapting measures). This is because resilience financing is specifically intended to support actions that directly reduce climate risk.

**Enabling measures:** Similar to adapting measures and adapted activities, only the costs directly associated with implementing the enabling measure itself can be counted as resilience financing. This ensures that the focus remains on the specific actions that contribute directly to enhancing climate resilience, rather than the broader costs of the entire activity, which may serve additional purposes beyond resilience.

**Enabling activities:** the entire cost of the activity is eligible for resilience financing. This also sets them apart from other investment types, such as adapting measures and adapted activities, where only the costs directly associated with specific resilience measures are eligible. Since the primary purpose of enabling activities is to enhance the resilience of other activities, the full cost of the economic activity is considered eligible as resilience investment.

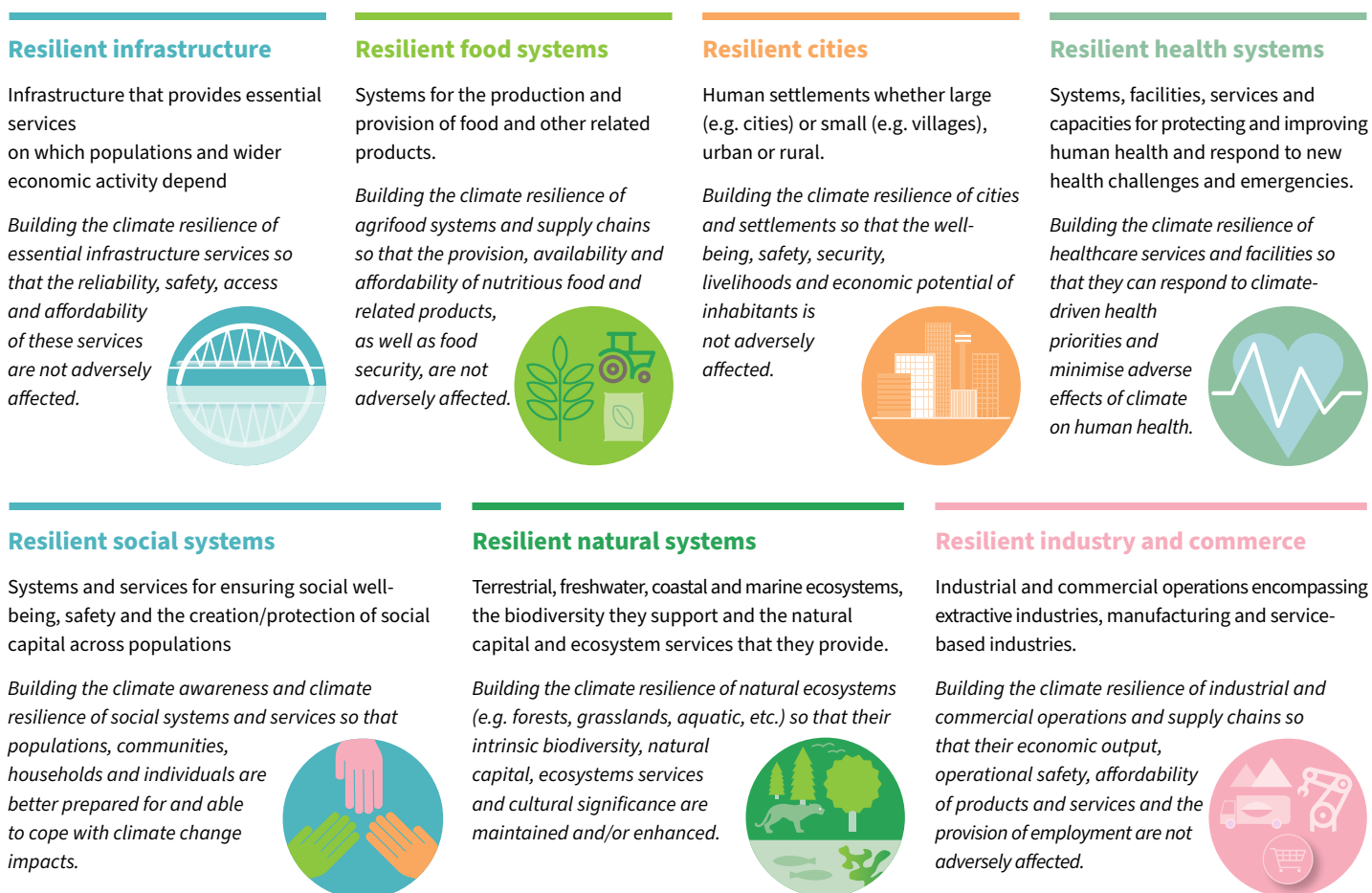
## 3. CBRT structure

The CBRT organises climate resilience investments and their associated criteria according to the sector and subsector in which they arise. This follows the approach of existing taxonomies by adopting structures that align with widely recognised sector classification systems such as NACE, ISIC or NAICS. The CBRT uses a breakdown of subsectors that represent specific and identifiable economic activities to aid navigation and use by economic actors. Sectors are organised under a set of seven Climate Resilience Themes (See Figure 4 below) that organise the very broad range of investments that can contribute towards climate resilience, drawing from a range of authoritative sources, including the Sustainable Development Goals (SDGs), Nationally Determined Contributions under the Paris Agreement, IPCC AR6, and others.

### 3.1. Thematic and sectoral structure

The CBRT includes seven Climate Resilience Themes: Resilient Agrifood Systems, Resilient Cities & Settlements, Resilient Health Systems, Resilient Industry & Commerce, Resilient Infrastructure, Resilient Natural Systems, Resilient Social Systems (see Figure 4). This thematic structure was defined in the 2023 Climate Bonds Resilience Taxonomy White Paper<sup>16</sup> and has subsequently been used in several other related materials.<sup>17,18</sup>

Figure 4: CBRT investment themes



The CBRT is further broken down into 27 sectors and 69 subsectors (see Table 3 for an overview of the sector and subsector breakdown of each Climate Resilience Theme). These correspond to the key economic sectors within each theme and the key subsectors within each sector in which

investments may contribute towards climate resilience. It should be noted that this breakdown of sectors and subsectors may be adjusted in line with recommendations from TWGs over the further development of the CBRT.

**Table 3: Overview of the CBRT structure: themes, sectors and subsectors**








Themes	Sectors	Subsectors
<b>Resilient Agrifood Systems</b> 	Agricultural production	Crop production
		Animal production
		Agro-forestry
	Aquacultural production	Fishing
		Other aquacultural production
	Agrifood logistics, processing and retail	Wholesale of agricultural produce
		Manufacture of food and beverage products
		Retail of food products
	<b>Resilient Cities &amp; Settlements</b> 	Construction and real estate activities
Construction, upgrade, and maintenance commercial buildings		
Construction, upgrade, and maintenance industrial buildings		
Construction, upgrade, and maintenance of hospitals & other healthcare buildings		
Construction, upgrade and maintenance of community buildings including schools		
Urban systems		Urban planning and management
<b>Resilient Health Systems</b> 	Healthcare facilities	Operation of hospitals, clinics, nursing homes, etc.
	Human health services and activities	Delivery of treatment and care
		Emergency health services
<b>Resilient Industry &amp; Commerce</b> 	Mining and quarrying	Mining and quarrying
	Forestry and logging	Commercial timber production
	Manufacturing	Process manufacturing
		Pharmaceuticals and biotechnology
		Technology manufacturing
		Other discrete manufacturing
	Commercial trade	Wholesale trade
		Retail trade
	Logistics services	Warehousing and storage
		Logistics information management
	Hospitality	Tourism
		Leisure
	Financial and insurance activities	Banking
		Insurance
	Other services	Scientific and engineering services, including R&D
		Data and information services
Other office-based services		

Table 3: Continued

THEMES	SECTORS	SUBSECTORS
<b>Resilient Infrastructure</b> 	Energy	Hydropower generation
		Wind power generation
		Solar power generation
		Geothermal generation
		Nuclear power generation
		Biomass generation
		Electricity transmission, distribution, and storage
	Information and Communication	Construction/operation of transmission networks
		Construction/operation of data facilities
	Civil engineering: Transport	Construction of roads
		Construction/operation of railways
		Construction/operation of ports
		Aviation
Water supply	Water supplies	
	Wastewater collection and treatment	
	Flood management	
Waste management and remediation	Solid waste management	
<b>Resilient Natural Systems</b> 	Terrestrial ecology	Terrestrial ecosystems
		Terrestrial biodiversity
	Freshwater ecology	Freshwater ecosystems
		Freshwater biodiversity
	Marine ecology	Marine ecosystems
		Marine biodiversity
<b>Resilient Social Systems</b> 	Education and awareness	Child education
		Public awareness
	Social work and protection	Social assistance
		Livelihoods support
	Public administration	Maintaining national security
		Disaster risk reduction
	Culture	Preservation of cultural heritage
		Management of cultural facilities (e.g., museums, libraries, art galleries, concert halls)

### 3.1.1. Assignment of sectors and subsectors to Climate Resilience Themes

Investments can be assigned to multiple Themes, sectors, or subsectors. For example, an investment that provides a climate resilient supply of safe drinking water could be thought of as belonging to both the Resilient Infrastructure Theme and the Resilient Health Systems Theme. The CBRT identifies and assigns investments in two ways:

1. To a **primary** Theme, sector, or subsector based on the theme, sector, or subsector in which the investment is implemented. For example:

a. An investment in installing water metering will be assigned as follows:

- Primary Theme: resilient infrastructure
- Primary sector: water
- Primary sector: water infrastructure
- Subsector: water supplies.

2. To a **secondary** sector that primarily benefits from the investment. For example:

a. Investment contributes to resilience of multiple sectors, e.g., an investment in installing water metering that makes water supplies more resilient to water stress will likely be implemented by a water utility (primary Theme: Resilient Infrastructure) while providing benefits to another sector through more resilient water supplies to buildings (secondary sector: Buildings).

This primary/secondary overlaying allows CBRT users to identify all investments relevant to a given Theme, sector, or subsector, regardless of whether they are primary or secondary to that Theme, sector, or subsector. For example, a CBRT user aiming to identify investments that contribute towards climate resilient health can find water infrastructure investments that may deliver health-related benefits, even if those investments are primarily assigned to the Resilient Infrastructure Theme.

In addition, measures that are assigned secondary sectors by the CBRT may be transferrable to other activities that are also assigned to those same sectors, either as primary or secondary sectors. For example, improving stormwater drainage in roads (measure) is normally located under the roads sector (primary sector) in the CBRT, but could be transferrable to the energy sector (secondary sector) in cases where road stormwater drainage improvements are being implemented as part of operating a solar farm (activity).

This approach can be particularly helpful to CBRT users when trying to identify potential co-benefits/resilience outcomes of investments.

#### 3.1.1.1. Naming investments in the CBRT

The CBRT uses a consistent nomenclature for the four investment types (Figure 2), which defines the action taken by the investment to build resilience to specific climate hazards:

- adapting measures: use of, installation of, adoption of;
- adapted activities: constructing, renovating, operating and upgrading of;
- enabling measures: expansion of, extension of; and
- enabling activities: manufacturing of, provision of, delivery of.

This nomenclature is then used in investment names using the following structure:

**[action] to build resilience of [asset/ entity/ activity/ system/ group] to [climate hazard]**

Examples include:

- installation of water metering to build resilience of buildings to water stress (adapting measure);
- expansion of water supply networks to build resilience of communities to water stress (enabling measure);
- upgrade of hydropower plants to build resilience of power generation to flood damage (adapted activity); and
- manufacturing of storm-resistant doors and shutters to build resilience of buildings to storm damage (enabling activity).

These consistent investment name structures will be used to progressively update and align investment names over the further development and refinement of the CBRT.

#### 3.1.1.2. Mapping the CBRT sector structure to ISIC

The CBRT sector structure can be mapped to internationally recognised economic classifications, specifically the International Standard Industrial Classification of All Economic Activities (ISIC),<sup>19</sup> to facilitate more consistent global tracking and analysis of resilience-related investments (Table 4). This is especially important for the application of the CBRT in national and regional sustainable finance taxonomies, as well as other external frameworks that may be used by financial institutions. This mapping enhances data comparability across markets and strengthens the integration of climate resilience into country-level sustainable finance taxonomies.

The CBRT structure identifies the most appropriate ISIC code corresponding to each level, focusing on activity level wherever possible, given that ISIC is organised around economic activities. Specifically, the ISIC activity level is mapped against the benefiting economic activity (e.g., crop production) in the CBRT. Where it is not possible to map at activity level, the mapping aligns with the most directly related core productive activity.

The CBRT also explicitly identifies cases where no direct ISIC mapping is possible due to factors, such as differences in focus (e.g., ISIC classifies productive activities, whereas CBRT focuses on broader investments that contribute to resilience outcomes) or terminological differences (e.g., the CBRT utilises consistent nomenclature, while ISIC terminology varies across sections). In addition, activities in the ISIC structure, such as 'mining of coal and lignite', that conflict with climate mitigation objectives are excluded from the CBRT.

**Table 4: Connection between CBRT and ISIC classifications**

CBRT level	ISIC level
<b>Theme</b>	Section
<b>Sector</b>	Division
<b>Subsector</b>	Group
<b>Investment (benefiting economic activity)</b>	Activity (where possible)

## 3.2. Climate impacts breakdown

The CBRT identifies how each investment contributes to climate resilience by specifying the climate impacts it aims to address, categorised by climate hazards and their economic, social, and environmental impacts. This focus on climate hazards and impacts is crucial because it ensures that the Taxonomy remains directly linked to the effects of climate change, providing a solid justification for its implementation. By defining the specific impacts to be addressed, the CBRT helps to establish clear screening criteria for investments, guiding what should be tested and measured.

It also provides a useful search tag for users such as investors or property developers who want to target investments that address particular climate hazards, such as wildfires, ensuring their actions are well-aligned with resilience objectives. In addition, the focus on the economic, social, and environmental impacts of these hazards ensures that the CBRT does not only cover investments that build resilience to the direct, physical impacts of climate change, but also covers investments that build resilience to the indirect impacts of climate change (i.e., economic, social, and environmental).

These climate impacts are broken down by:

- **climate hazard**, i.e., the potential occurrence of climate-related events or trends that may cause harm with (for the purposes of the CBRT) a specific focus on their consequences for investments (see Table 5); and
- **economic, social and environmental impacts**, i.e., the impacts of climate hazards on livelihoods, health, ecosystems, economic, social, and cultural assets, services (including ecosystem services), and infrastructure (see Table 6).

While these definitions are based on existing categorisations of climate hazards and impacts,<sup>20,21,22</sup> they are organised here to enhance practicality and useability for CBRT users, by linking the science basis with real world application.

The CBRT categorisation covers a wide range of climate impacts relevant to the investments across the Climate Resilience Themes, using science-based definitions and sources like the IPCC. It provides enough detail to reflect the diversity of climate impacts without making the CBRT structure excessively complex for users. This approach ensures a consistent and logical categorisation of the economic, social, and environmental impacts resulting from the consequences of climate hazards for investments, such as heatwaves, extreme precipitation, or drought.

The climate impact categorisation of each investment is based on the likely primary climate impact and the Substantial Contribution to resilience for that investment is related to the hazard. Under the CBRT there are two impact categorisations:

1. **Multi-hazard:** An investment addresses multiple climate impacts, i.e., there is no obvious primary climate impact. For these multi-hazard investments, the Substantial Contribution to climate resilience would not be hazard-specific (e.g., an investment that addresses crop pest infestations that could be the consequence of various climate hazards).
2. **Hazard-specific:** Where an investment responds to a specific hazard, the Substantial Contribution of a given investment is hazard-specific (e.g., a health sector investment that addresses the adverse health consequences of heat stress specifically) and the specific climate hazard must be identified.

**Table 5: Climate hazards as defined for the purposes of the CBRT**

Category	Climate hazard	Definition (for the CBRT)
<b>Changes in temperature and rainfall patterns</b>	Heat stress	Consequences of high temperatures associated with increased mean surface temperature and/or extreme heat events.
	Cold stress	Consequences of low temperatures associated with cold spells, frost, permafrost, heavy snowfall and ice storms, snow, glacier and ice sheet, and lake, river, and sea ice.
	Water stress	Consequences of water scarcity associated with changes in mean precipitation, aridity, hydrological drought, agricultural and ecological drought, or reduced freshwater availability due to saline intrusion.
<b>Extreme weather events</b>	Flood damage	Consequences of flooding associated with heavy precipitation and pluvial floods, river floods, coastal floods, glacial lake outburst floods, and changes in relative sea level.
	Storm damage	Consequences of severe windstorms, tropical cyclones, sand and dust storms, hail, changes in mean wind speeds, and convective storms.
	Mass movement damage	Consequences of landslides, coastal erosion, snow avalanches, permafrost thawing, subsidence, and other climate-driven mass movement events.
	Wildfire damage	Consequences of fire weather associated with the concurrence of high temperatures, aridity, and windy conditions.
	Changes to marine conditions	Consequences associated with changes in mean ocean temperatures, marine heatwaves, sea water salinity, sea water acidification, marine hypoxia, and algal blooms.
<b>Multi hazard</b>		Consequences of multiple concurrent hazards such as shifts in the coverage of pests, pathogens, and other disease vectors, soil degradation and soil erosion.

Table 6: Economic, social, and environmental impacts

Category	Impact	Definition
Economic	Asset value loss	Reductions in the value of assets including through physical damage and/or reduced insurability, including stranded assets.
	Net revenue loss	Reductions in net revenues including through productivity loss and through increased OPEX requirements.
Social	Population displacement	Internal displacement and/or forced migration.
	Negative health outcomes	Worsened human health outcomes, including mental health.
	Increased gender inequality	Exacerbation of gender-based violence, inequalities and disparities affecting women and/or sexual and gender minorities.
	Increased socio-economic inequality	Exacerbation of inequalities and disparities within society, including people living below the poverty line, indigenous people, and all types of excluded and/or marginalised populations and/or communities based on sexual orientation, beliefs, age, disability, employment, and education, etc.
	Reduced availability of or access to social, cultural and informational resources	Impaired availability of and/or access to resources such as education, culture, skills/training, information, etc.
Environmental	Biodiversity loss	Loss of biodiversity and species richness, including species range shifts.
	Ecosystem loss/degradation	Loss, damage, or fragmentation of ecosystems, including the loss of ecosystem functions and ecosystem services.

Table 7: Integration of cross-cutting elements in the CBRT

Transversal element	How/where captured in the CBRT
Cultural heritage	<ul style="list-style-type: none"> <li>Included as a subsector: Preservation of cultural heritage (under the 'Culture' sector)</li> </ul>
Disaster risk reduction	<ul style="list-style-type: none"> <li>Included as a subsector: Disaster risk reduction (under the 'Public Administration' sector)</li> </ul>
Gender	<ul style="list-style-type: none"> <li>Included as a social impact: Increased gender inequality (under the social impact category)</li> <li>Specific investments that address gendered climate impacts and reduce gender inequality included.</li> </ul>
Indigenous people	<ul style="list-style-type: none"> <li>Included as a climate impact: Increased socio-economic inequality (under social impact category)</li> </ul>
Technology	<ul style="list-style-type: none"> <li>Included as a subsector: Technology manufacturing (under the 'Manufacturing' sector)</li> <li>Specific technological measures included as adapting measures identified across multiple themes</li> </ul>
Vulnerable groups	<ul style="list-style-type: none"> <li>Included as a climate impact: Increased socio-economic inequality (under social impact category)</li> </ul>
Water	<ul style="list-style-type: none"> <li>Included as a sector: Water infrastructure</li> <li>Recognised across a number of climate impacts (i.e., water stress; flood damage)</li> </ul>

### 3.3. Cross-cutting elements in the CBRT

There are several cross-cutting elements that span sectors, subsectors, and resilience impacts. These include cultural heritage, disaster risk reduction, gender, indigenous people, technology, vulnerable groups, and water. The cross-cutting elements have been captured in the CBRT in the following ways:

1. As subsectors: Some of these elements are addressed as sectors/subsectors (e.g. cultural heritage, disaster risk reduction, technology and water) because they relate to specific investments or activities within distinct subsectors. For example:

a. Water-related investments are necessary both in the water sector and in sectors such as agrifood.

b. Technology-related investments are needed in the technology sectors, and technology related investments are also relevant to building resilience in other sectors – for example, smart meters are a technology investment that can be applied across multiple sectors.

2. As lateral issues that cut across multiple sectors and subsectors, e.g., where particular consideration of the impacts for certain stakeholders' groups may be required when designing investments. For example, women and girls are amongst the most vulnerable and most impacted by water shortages. Gender perspectives or special consideration for indigenous people or other vulnerable groups may be necessary to address impacts and develop investments. These cross-cutting transversal elements are incorporated into the CBRT (Table 7).

### 3.3.1. Gender in the CBRT

As mentioned above, gender is identified as a cross-cutting element within the CBRT, recognising that climate impacts often disproportionately affect certain gender groups and that resilience solutions may need to be intentionally designed to address gender inequalities. Investments that address known gender gaps can in turn strengthen resilience by tackling underlying drivers of vulnerability. The CBRT currently reflects gender considerations through:

- recognition of increased gender inequality as a form of climate-related social impact; and
- inclusion of specific investment opportunities that build resilience by addressing gendered physical climate risks or vulnerabilities, such as accessible women's health services during and after extreme climate events. This has been further strengthened with a more comprehensive list of such investments in the CBRT.

Further development of the CBRT will entail:

- identification and elaboration of further investments that address gendered climate impacts and vulnerabilities; and
- introducing a gender equality tag to help users identify investments with potential gender equality benefits, and signalling this tag consistently in the CBRT spreadsheet, following the methodology below.

#### 3.3.1.1. Gender equality tag purpose and methodology

The gender tagging system identifies investments with the potential to contribute to gender equality outcomes, either through intentional design to address gendered climate vulnerabilities or potential gender equality 'co-benefits'<sup>23</sup> at the user or societal level.

Such investments are assigned one of the following two tags:

**1. Gender-responsive:** Investments that are intentionally designed to address gender-specific needs, close access gaps or reduce gendered vulnerabilities to climate impacts. This may be via:

- identifying women and girls as priority users or beneficiaries; or
- incorporating design features to address gendered barriers to access and usage of products/services.

These investments deliver climate resilience precisely by targeting gender-specific barriers, making gender equality a fundamental component of the resilience outcome itself.

E.g., gender-targeted credit schemes that enable women to access finance, reducing socio-economic vulnerability by addressing known gendered barriers to financial recovery after climate shocks.

**2. Gender-relevant:** Investments with the potential to deliver gender equality co-benefits in addition to the primary climate resilience outcome if implemented in a gender-responsive way

E.g., Implementation of water conservation and efficiency measures.

- **Primary climate resilience outcome:** ensuring safe and consistent access to water during times of water stress.
- **Potential gender equality co-benefits:** reduced time spent by women on unpaid care and domestic work, alongside improved hygiene and health outcomes through reduced exposure to waterborne diseases and infections.

The gender equality tag, under development by UN Women as Lead Gender Advisors to the CBRT, will be reviewed by sector experts through the TWG process, and the CBRT will be updated with gender tags as the TWGs are rolled out for resilience sector criteria development, depending on sector-specific relevance. Each investment will be assessed against six co-benefit categories: access to essential services, care work, economic empowerment, safety and dignity, social norms, and health and well-being. Tags and relevant co-benefit categories will be recorded in the CBRT with a written justification, alongside quality assurance provided by sectoral experts.

#### 3.3.1.2. Limitations of the gender equality tag

While the gender equality tag is designed to be globally applicable and solutions-focused, gender equality outcomes depend on local context, sector conditions, and implementation. Therefore, a gender equality tag indicates potential only. The delivery of these co-benefits depends on gender responsive design, targeting, and monitoring. Furthermore, the tag focuses on impacts for users, beneficiaries, and communities and **does not** assess gender equality in employment, leadership, ownership, or supply chains. Investors and issuers seeking stronger gender outcomes should complement tagging with context-specific gender analysis, inclusive design, and monitoring.

## 4. Investment screening: Qualifying investments

### 4.1. Screening requirements

The CBRT provides specific draft screening criteria for assessing the credibility of climate resilience investments.<sup>24</sup> Meeting these criteria ensures that an investment is genuinely contributing to climate resilience and helps to prevent greenwashing (i.e., unsubstantiated claims about an investment's positive impact on climate resilience).

These screening criteria take into account three requirements that all eligible investments must meet:

1. The investment makes a Substantial Contribution to climate resilience.
2. Any maladaptation risks associated with the investment are managed.
3. The investment must do no significant harm (DNSH) to other climate mitigation objectives or to other environmental objectives.<sup>25</sup>

### 4.2. Substantial contribution to climate resilience

The concept of a 'Substantial Contribution' to climate resilience is based on the EU Sustainable Finance Taxonomy's definition of a Substantial Contribution to adaptation (see Box 4). This definition focuses on reducing the risk of adverse climate impacts or of mitigating the adverse impacts themselves. By defining it as a Substantial Contribution, the EU Taxonomy establishes that an investment must cross a certain threshold to be considered as genuinely contributing to climate resilience.

#### 4.2.1. CBRT definition of Substantial Contribution

The CBRT approach breaks down the determinants of physical climate risk (see Figure 1), and focuses on those factors that an investment may measurably reduce – specifically vulnerability, and, in some cases, exposure. Based on this, the CBRT defines a Substantial Contribution to climate resilience as a 'discernible reduction in vulnerability to climate impacts in the investment context'.

#### Box 4: EU Sustainable Finance Taxonomy – Substantial Contribution to adaptation<sup>26</sup>

The EU Sustainable Finance Taxonomy defines a Substantial Contribution to adaptation as 'a substantial reduction of the risk of adverse current/ future climate impacts; or a substantial reduction of those adverse impacts, both without increasing the risk of an adverse impact on people, nature or assets'.



This may be delivered through i) directly responding to climate change impacts (direct or indirect), e.g., coastal defences in response to flood risks and immunisation programmes in response to climate-driven infections; or ii) reducing pressures that exacerbate and/or are exacerbated by climate change impacts (direct or indirect), e.g., reducing water consumption in response to increasing water stress.

The EU Taxonomy has established a strong foundation by fostering convergence around common high-level definitions and establishing the concept of Substantial Contribution. Building on this, the CBRT aims to provide a more detailed approach by defining Substantial Contribution to climate resilience with clear, investment-level screening criteria that are measurable on an ex-ante basis. They serve as a starting point for establishing a consistent approach and metrics.

##### 4.2.1.1. The importance of discernibility

In the CBRT, 'discernible' means that a Substantial Contribution can be demonstrated through either quantitative metrics or qualitative assessments. This allows for evaluation based on verifiable quantitative data or evidence of adherence to best practices and recognised standards, depending on the nature/context of the investment. It also ensures transparency and accountability in assessments. Currently, many investments, especially in UoP bonds, are labelled as A&R with limited supporting information beyond basic descriptions of the interventions. By requiring discernible evidence, the CBRT aims to provide a clearer, more rigorous framework for verifying that investments genuinely contribute to reducing climate vulnerability or exposure.

#### 4.2.1.2. Vulnerability-based definition of Substantial Contribution

The CBRT identifies exposure and vulnerability as key determinants of physical climate risk, as they provide a more immediate and actionable basis for identifying and assessing climate resilience and adaptation options. This provides a focus on how investments address and adapt to current and foreseeable climate impacts, including under future climate projections.

While the CBRT incorporates both exposure and vulnerability, recognising that both are crucial to building climate resilience. However, it places greater emphasis on vulnerability. This is because reducing vulnerability involves tackling the root causes of susceptibility to climate impacts, such as social, economic, or structural weaknesses. While reducing exposure – such as by relocating infrastructure from hazard-prone areas – mitigates immediate risks, it does not resolve the underlying vulnerabilities that contribute to those risks. By focusing on vulnerability, the CBRT aims to enhance overall adaptive capacity and resilience, leading to more sustainable and long-term solutions. The focus on vulnerability reduction and its role in defining screening criteria for investments is further elaborated in section 5 of this document.

While vulnerability reduction is central to the CBRT's definition of Substantial Contribution to climate resilience and to the determination of associated screening criteria for investments, exposure should also be considered when these criteria are applied in a given investment context (e.g., as set out in Annexes I–V of this document), and in the overarching framework for the CBRT that will be provided in the form of the updated Climate Resilience Principles.

#### 4.2.1.3. Defining the investment context

In the CBRT, 'investment context' refers to the specific boundaries or setting within which the impact of a climate resilience investment is assessed. These boundaries must be defined to provide a practical approach for evaluation and to ensure clear attribution of impact, given the inherently interconnected nature of systems and impacts. For example, the investment context could be at the asset level, where the focus is on improving the resilience of physical assets like infrastructure or buildings. It could be at the community or population level, such as investing in a community-based early warning equipment for extreme heat events. These examples are illustrative, and other contexts may also apply depending on the specific objectives of the investment. Further guidance on establishing the investment context is provided in Annexes III, IV, and V.

## 4.3. Maladaptation

Maladaptation is defined in IPCC AR6 as 'actions that may lead to increased risk of adverse climate-related outcomes, including via increased greenhouse gas (GHG) emissions, increased or shifted vulnerability to climate change, more inequitable outcomes, or diminished welfare, now or in the future. Most often, maladaptation is an unintended consequence'.<sup>27</sup> The CBRT builds on this concept by using a more focused definition of maladaptation through the lens of a climate risk and vulnerability assessment. It also separates out issues related to increased GHG emissions, this is in line with the EU taxonomy approach on DNSH to mitigation (see section 4.4.).

Maladaptation for the purposes of the CBRT is defined as 'the risk of an unintended measurable increase in vulnerability (or exposure) in the investment context and/or in the wider system within which the investment is situated. This may be the result of physical climate risk uncertainty, or of miscalculation that leads to increased vulnerability (or exposure) to the climate impact that the investment is intended to address. It may also be caused by a failure to consider system boundaries that leads to increased vulnerability (or exposure) to physical climate risks that are externalities to the investment context.' Some examples of maladaptation include:

- Investment in the introduction of heat-tolerant crop varieties: if not suited to local climate and temperature conditions, the investment may increase the vulnerability of agricultural livelihoods and food security. For example, heat-tolerant maize varieties were introduced in parts of Africa to enhance agricultural resilience to higher temperatures. However, some of these varieties have underperformed under local climate conditions, resulting in reduced crop yields and increased vulnerability for farmers.<sup>28</sup>
- Investments in large-scale irrigation projects: The introduction of large-scale irrigation schemes in regions such as parts of South Asia and China has sometimes led to maladaptation. For instance, the expansion of irrigation in arid regions has led to a rise in groundwater levels and soil salinisation, which in turn has adversely affected local agriculture and reduced resilience to climate impacts.<sup>29</sup>
- Investment in coastal protection infrastructure: A notable example is the construction of seawalls in coastal regions like the Rhine–Meuse–Scheldt Delta in the Netherlands. While these structures were intended to protect against storm surges and sea-level rise, they have sometimes led to maladaptation. For example, the expansion of flood barriers in the Netherlands inadvertently increased flood risk in adjacent areas due to shifting water flow patterns and inadequate consideration of long-term climate projections.<sup>30</sup>

These examples highlight the critical need to consider local conditions, long-term climate projections, and system interactions to avoid unintended negative consequences of adaptation efforts. The key guiding questions that should be asked when considering the potential for maladaptation associated with a given investment are:

- Have the inherent uncertainties in climate change projections been carefully considered, and have appropriate approaches for decision-making under such uncertainty been applied, typically making use of multiple climate scenarios?<sup>31</sup>
- Have the investment's system boundaries been carefully assessed, taking a wider perspective to ensure that potential adverse impacts on other economic activities, people, or social and natural systems beyond the investment have been fully considered?
- Has a precautionary principle been applied to minimise the risk of any unintended increase in vulnerability (or exposure) of any parties to climate change impacts, whether within the investment context or the wider system within which the investment is made?

The CBRT has adopted, based on guidance from the RTAG, a pragmatic approach to identifying the potential for maladaptation by using expert judgment to flag, where possible, adapting measures that are commonly associated with higher risks of maladaptation. This approach, which is to be followed by TWGs when validating the CBRT's maladaptation judgements on adapting measures, entails the following steps for checking whether the investment entails maladaptation risk.

1. Is the investment's ability to deliver its Substantial Contribution to climate resilience context specific?
2. Does the investment entail the potential for failing to deliver its Substantial Contribution to climate resilience and/or inadvertently increasing climate vulnerability, if climate change scenarios turn out to be materially inaccurate or incorrect, or if the inherent uncertainties of those scenarios are not considered?
3. Does the investment entail the potential for failing to deliver its Substantial Contribution to climate resilience and/or inadvertently increasing climate vulnerability, if assumptions about system boundaries are materially incorrect, or if the inherent uncertainties of those system boundaries are not considered?

As any adapting measure could be argued to have some maladaptation risk, TWGs should apply a 'reasonableness licence' to judge whether the risk of maladaptation is material. TWGs should also consider the potential for cumulative maladaptation that may result as a consequence of the investment taking place multiples times in a particular location or setting (e.g., repeat financing, intermediated financing, etc.). For example, whereas the financing of a single groundwater pump for irrigation in a given location might not result in a significant maladaptation risk, the repeat financing of dozens or even hundreds of such pumps might cause a significant maladaptation risk.

Adapting measures that are identified in the CBRT as having maladaptation risk are to be further assessed for maladaptation by following the process-based guidance set out in Annexes I and II. For all other investment types (i.e., adapted activities, enabling activities and enabling measures) maladaptation risks are considered as part of the process-based assessment criteria set out on annexes III, IV, and V, respectively.

In the next development phase, the sector-specific TWGs will conduct a more thorough investigation into maladaptation risks for the different types of investments included in the CBRT.

## 4.4. Do No Significant Harm to climate mitigation and to other environmental objectives

The concept of DNSH is derived from frameworks such as the EU Taxonomy Regulation (EU 2020/852) and has been widely adopted across various international taxonomies. It represents a standard benchmark to ensure that an investment contributing to one objective does not significantly harm any other environmental or social objectives.<sup>32</sup> The CBRT also draws on other widely accepted good practices in environmental safeguards, such as IFC Performance Standards, Equator Principles, etc. However, it should be noted that this document does not provide specific recommendations on DNSH to social objectives, as Climate Bonds instead addresses minimum social safeguards at the entity level.

Integrating DNSH ensures a holistic approach to sustainability by balancing resilience with mitigation and other critical environmental and considerations. Thus, to be eligible under the CBRT, all investments must avoid:

- undermining climate mitigation objectives by causing a significant increase in GHG emissions (e.g., high energy-intensity and/or fossil fuel use);
- undermining other environmental objectives by causing significant environmental harm (e.g., unsustainable water use or ecosystem loss); or
- undermining social objectives by causing significant adverse social impacts (e.g., flood diversion schemes that require involuntary resettlement of communities).

Similar to the approach for identifying maladaptation risks, the CBRT incorporates the DNSH principle by using expert judgment to identify and flag investments that may undermine climate mitigation or cause environmental damage. Investments with higher potential for significant harm have been flagged on an interim basis, and these are to be checked and validated by sector-specific TWGs to define robust, relevant, and appropriate DNSH criteria.

It should be noted that the CBRT addresses DNSH considerations for climate mitigation objectives separately from other social and environmental concerns. This distinction helps to ensure that investments do not undermine key climate goals, particularly because investors focused on climate solutions are likely to use the CBRT and need to evaluate both mitigation and adaptation. For practicality, the CBRT has grouped other social and environmental concerns together and flagged where there are well-known risks of harm.

Table 8: Examples of investment-level checks for DNSH to mitigation

	Investment	Subsector and climate hazard addressed	Potential SH to mitigation	Potential means of checking DNSH to mitigation
<b>Measures</b>	Irrigation management	Commercial buildings and economic activities	Increased energy use and GHG emissions due to use of fossil fuel based irrigation pumps	<ul style="list-style-type: none"> <li>Check at the activity-level (e.g., production of crops) to ensure that there is no fossil fuel lock-in or significant increase in GHG emission intensity (e.g., per tonne of crop produced))</li> </ul>
	Conventional cooling e.g., fans, air conditioning	Commercial buildings and economic activities To make commercial buildings more resilient to heat stress	Increased energy use and GHG emissions	<ul style="list-style-type: none"> <li>Product (cooling system) is best available technology as demonstrated by an energy efficiency standard/label and/or is a fossil fuel free substitute</li> </ul>
<b>Activities</b>	Renovation or management of commercial buildings	Commercial buildings and economic activities To make commercial buildings more resilient to extreme heat	Increased energy use and associated GHG emissions	<ul style="list-style-type: none"> <li>Check that there is no fossil fuel lock-in or significant increase in GHG emission intensity (e.g., per m2 of floorspace); or</li> <li>Use EU Mitigation Taxonomy DNSH criterion i.e., that ‘the building is not dedicated to extraction, storage, transport or manufacture of fossil fuels’</li> </ul>
	Provision or expansion of weather-related insurance schemes	Commercial buildings and economic activities To make various economic activities more resilient to multiple climate hazards	If the insurance scheme covers a high-emitting economic activity, then it could facilitate fossil fuel use and associated GHG emissions	<ul style="list-style-type: none"> <li>Use EU Mitigation Taxonomy DNSH criterion i.e., that ‘the activity does not include insurance of the extraction, storage, transport or manufacture of fossil fuels or insurance of vehicles, property or other assets dedicated to such purposes’</li> </ul>

#### 4.4.1. Assessing DNSH to mitigation

The CBRT identifies investments with potential for significant harm to mitigation at both measure-level and activity-level (see Table 8 for examples of DNSH to mitigation in existing CBRT investments). This approach ensures that both the specific measures implemented and the broader activities they are part of are considered. For example, an investment in flood-resilient breakwaters (measure) within a port that operates as a hydrocarbon terminal (activity) should take into account DNSH to mitigation at the activity level, even if the measure itself is not flagged as having the potential for DNSH to mitigation. In this example, even though the breakwaters themselves do not pose a significant risk to climate mitigation, the broader activity could still undermine mitigation efforts. This approach helps to prevent A&R investments from unintentionally locking in high emissions activities and undermining decarbonisation goals. It should also be noted that investments with inherently high risk of significant harm to mitigation (e.g., extraction of fossil fuels, fossil fuel power generation) are excluded from the CBRT.

Currently, the CBRT does not include DNSH criteria for climate mitigation. Instead, it flags investments that are known to pose risks to mitigation efforts on an interim yes/no (Y/N) basis. Their validation and further development into DNSH mitigation criteria will entail the following steps:

**Step 1:** Reviewing the interim DNSH mitigation assessment to check that there is a Y flag as based on:

- Other benchmarked taxonomies having a DNSH to mitigation criteria for the specific investment.
- The investment having the potential to substantially increase GHG emissions.
- The investment having the potential to be included in any fossil fuel power/electricity generation activity, or any activity dedicated to the exploration, refinement, supply, or transportation of fossil fuels.

**Step 2:** Where the investment has a Y flag, determining whether bespoke, investment-specific criteria are needed, or whether the following generic criteria (as defined in the CBRT Certification Criteria section 2.4.1) are appropriate/sufficient/user friendly:

- Where possible and relevant, evidence that the investment meets existing sector-specific DNSH to mitigation criteria from credible and authoritative sources, such as the EU Taxonomy or other sustainable finance taxonomies that have been approved by national or regional authorities; or
- Evidence that the investment is not included in any fossil fuel power/electricity generation activity, or any activity dedicated to the exploration, refinement, supply, or transportation of fossil fuels, and either:
  - avoids the lock-in of fossil fuel use by demonstrating that it only uses technologies or equipment that are compatible with non-fossil fuel use and do not commit the assets or activities financed to long-term or permanent fossil fuel use; or
  - is expected to avoid a material increase in GHG emissions intensity per unit (e.g., tCO<sub>2</sub>e per unit of product produced, or per unit of floorspace) over the lifespan of the investment, based on an investment-specific GHG audit or verification.

**Step 3:** Where the investment has a Y flag and the above generic criteria are not sufficient or appropriate, defining bespoke criteria for the investment that screen out investments that would otherwise cause significant harm to mitigation objectives, drawing on points a-c in Step 1 above as needed.

Future work and guidance to be developed by Climate Bonds will also clarify how the CBRT can be interoperable with the Climate Bonds Taxonomy (mitigation), including by ensuring that the structure and investments set out in each taxonomy can be coherently mapped against each other.

## 4.4.2. DNSH to other environmental objectives

The CBRT flags, on an interim basis, investments that have known potential for significant harm to other environmental objectives, such as pollution prevention or biodiversity, based on high-level expert judgement. These flagged investments are to be checked for DNSH to other environmental objectives.

The checking and validating of these interim Y/N flags under the further development of the CBRT shall entail the following steps:

**Step 1:** Ensuring that there is a Y flag where the investment entails the risk of SH to any of the following environmental objectives:

**a. Sustainable use and protection of water and marine resources:** does the investment entail the potential for large-scale water abstraction (quantity) or discharge into water bodies (quality)? (Y/N)

**b. Transition to a circular economy:** does the investment entail the potential for generating large amounts of waste, and/or for failing to re-use or recycle that waste? (Y/N)

**c. Protection and restoration of biodiversity and ecosystems:** Does the investment entail the potential for damage to or loss of natural habitats? (Y/N)

**d. Pollution prevention and control:** Does the investment entail the potential for release of harmful substances into the environment? (Y/N)

**Step 2:** Where the investment has a Y flag, determining whether bespoke, investment-specific criteria are needed, or whether the following generic criteria are appropriate/sufficient/user friendly:

- **For a, b and c from Step 1:** Can these risks be managed by applying established environmental due diligence practices (e.g., ESIA legislation, IFC Performance Standards, Equator Principles), or move to step 3.
- **For d from step 1:** can these risks be managed by applying established environmental due diligence practices (e.g., ESIA legislation, IFC Performance Standards, Equator Principles), or are any exclusionary criteria required to exclude investments that involve highly harmful substances (e.g., CFCs, POPs, mercury, etc.) – or move to step 3.

**Step 3:** Where the investment has a Y flag and the above generic criteria are not sufficient/appropriate, defining bespoke criteria for the investment that screen out investments that would otherwise cause Significant Harm to environmental objectives, drawing on points a–d in Step 1 above as needed.

# 5. Framework for developing and applying screening criteria for substantial contribution to climate resilience

The CBRT defines a Substantial Contribution to climate resilience as a ‘measurable reduction in vulnerability (or exposure) to climate impacts in the investment context’. To confirm that an investment makes this Substantial Contribution, criteria are needed to verify this reduction. These should include:

- **Able to be used ex ante:** an investment’s Substantial Contribution to climate resilience may need to be checked before the investment has taken place to ensure it aligns with the intended reduction in vulnerability or exposure. This allows for proactive decision-making based on expected results rather than relying only on observed outcomes.
- **Attributable to the investment:** the benefits should directly result from the specific interventions provided by the investment, not from external or unrelated factors.
- **Defined at the output-level:** the outputs<sup>33</sup> of an investment are easier to measure on an ex-ante basis than on outcomes<sup>34</sup> (see Box 5 for further description of output and outcomes in the CBRT).

## Box 5: Illustration of outputs and outcomes as defined in the CBRT

**Output-level:** this focuses on the immediate, measurable results of an investment, such as products, capital goods, or services that directly reduce climate vulnerability. For example, an investment in installing green roofs in residential buildings may result in improved heat absorption by the building structure. This improvement in heat absorption is considered the ‘Substantial Contribution’ to climate resilience at the output level, and criteria are developed to substantiate this impact.

**Outcome-level:** this represents the broader, longer-term impacts of an investment. In the case of the green roofs example, the outcome is the resulting lower indoor temperatures during heat stress, which benefits the comfort and health of the inhabitants.

Understanding the causal linkage between outputs and outcomes helps to frame what to measure, ensuring that criteria focus on immediate outputs, which are more practical to assess ex ante, while still considering their potential longer-term outcomes. This approach is particularly important for enabling measures and activities, where the demonstration of how outputs contribute to outcomes is key to validating their ‘enabling’ contribution.

## 5.1. Types of screening criteria in the CBRT

The CBRT screening criteria for Substantial Contribution vary for the four investment types defined in Section 2.2: adapting measures, adapted activities, enabling measures, and enabling activities.

There are three types/processes of screening criteria for assessing Substantial Contribution under the CBRT:

1. No screening criteria (some adapting measures only, as indicated by ‘n/a’ in column J of the CBRT spreadsheet)

2. Technical specification check (some adapting measures only, as indicated in column J of the CBRT spreadsheet)

3. Process-based criteria (all other adapting measures as indicated in column J of the CBRT spreadsheet, plus all adapted activities, enabling activities, and enabling measures).

Figure 5: Approach to developing screening criteria

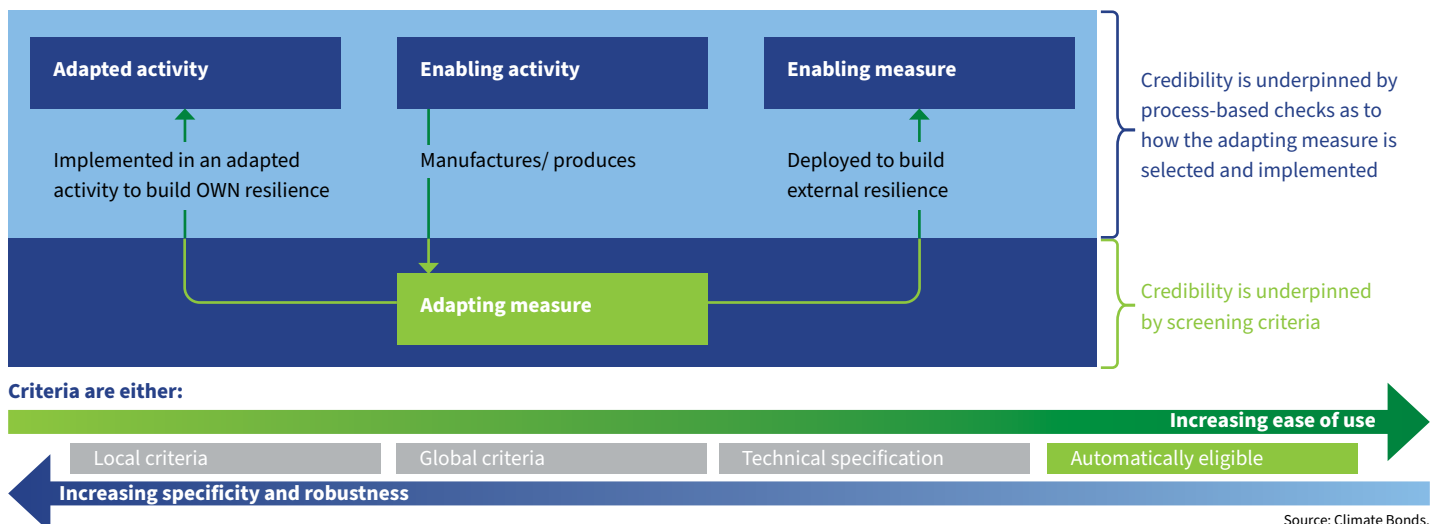
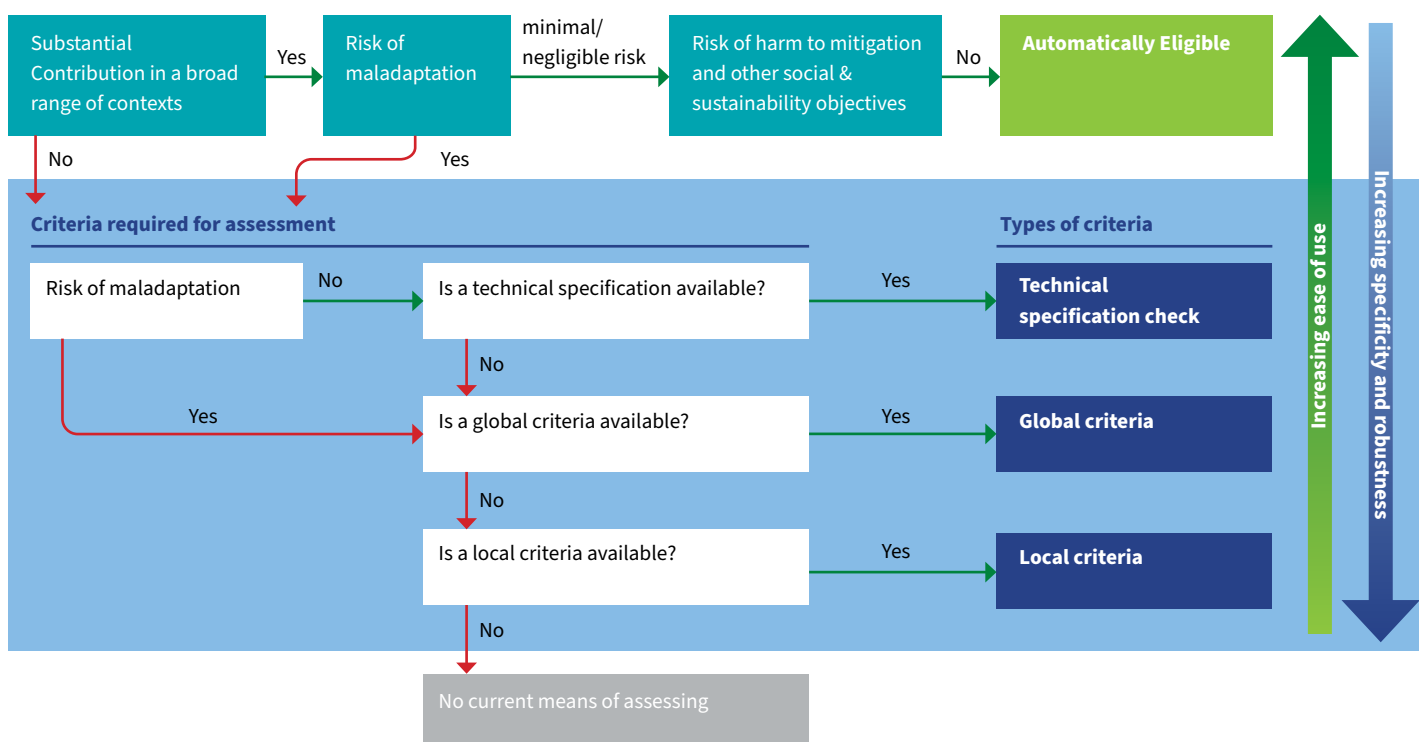


Figure 6: Determination of type of screening criteria for adapting measures



Source: Climate Bonds.

### 5.1.1. Adapting measures: types of screening criteria

For adapting measures, a graduated approach to criteria development has been employed, starting with the simplest solutions, such as a list of automatically eligible investments, to minimise the process burden. More detailed, process-based criteria for adapting measures are introduced only when necessary to assess Substantial Contribution, avoid maladaptation, or prevent harm.

The need for screening criteria and their nature is determined based on a consideration of i) whether the investment can deliver a Substantial Contribution to climate resilience across a broad range of contexts and/or ii) whether the investment poses potential maladaptation risk.

- The CBRT defines whether adapting measures are expected to deliver their Substantial Contribution to climate resilience across a broad range of contexts by checking the following steps, which are also to be followed by TWGs for validating the CBRT's interim criteria:

1. Is the investment a proven technology, material, or practice that is known to reduce vulnerability to the consequences of climate hazards in a wide range of locations, settings, and contexts?
  2. Is the delivery of the investment's Substantial Contribution to A&R generally unaffected by the location, setting, or type of asset or system within which the adapting measure is implemented?
  3. Is there a robust and diverse evidence base supporting the measure's Substantial Contribution to resilience across a broad range of contexts?
- The approach for determining whether adapting measures entail maladaptation risk is set out in section 4.3 of this document.

Screening criteria for adapting measures may be quantitative or qualitative and the means of checking them will vary (Figure 6). The approach is designed to make the process as straightforward as possible for users, whenever feasible. The principle is to reduce the assessment burden by allowing clear, beneficial investments to pass through easily, introducing more complexity only when necessary.

### 5.1.2. No screening criteria (automatically eligible)

While most adapting measures will need to be tested against criteria to confirm their eligibility, at the time that this document was prepared more than 400 adapting measures had been determined to be automatically eligible under the CBRT without associated screening criteria. As shown in Figure 6, the determination of whether an adapting measure is automatically eligible has been made in line with expert judgement (supported by literature reviews) on whether the investment can a) deliver Substantial Contribution to resilience across a broad range of contexts; b) has low risk of maladaptation; and c) minimal risk of doing harm to mitigation, environmental, or social objectives. A precautionary principle has been applied, meaning that if there is insufficient evidence to confidently determine that an investment meets these requirements they have not been included in the automatically eligible category.

For automatically eligible investments only, the CBRT does not specifically call for a climate risk and vulnerability assessment to determine whether a given investment is appropriate in a given context. This is because the CBRT operates on the assumption that issuers will only seek to raise capital for an investment when they have a clear need and justification for it. As automatically eligible investments, by definition, entail certainty over the expected Substantial Contribution to climate resilience and no maladaptation risk, there is no potential downside to assess. However, users are still encouraged to disclose information wherever possible on how these investments are expected contribute to climate resilience. Examples of automatically eligible investments are provided in Table 9 (note: screening criteria are not applicable to automatically eligible investments).

### 5.1.3. Technical specification check

Adapting measures that do not entail maladaptation risk but that cannot guarantee a Substantial Contribution to climate resilience across a broad range of contexts require a check against a technical specification. These types of checks require lighter assessment processes by end-users to confirm CBRT alignment (see Table 10 for examples).

Technical specification criteria allow for the verification of the inherent quality of the measure, regardless of the implementation context. In the current version of the CBRT, these have been provided on an interim basis drawing from expert judgement, pending validation by TWGs. They draw from externally recognised benchmarks, performance standards, industry codes, standards, guidance, or certifications with defined thresholds that can be readily verified with evidence from a manufacturer, industry association, certifier, or other relevant body. These technical specifications-based criteria will be reviewed and confirmed by TWGs during the next phase of CBRT development. Wherever possible, this method is preferred due to its simplicity and practicality.

Table 9: Examples of automatically eligible investments (adapting measures)

Investment	Screening criteria
Installation of permeable paving and other external surfaces (Flood Damage)	N/A
Sending early warning system alerts for extreme precipitation (Storm Damage)	N/A
Installation of automated water control systems (Heat Stress)	N/A
Monitoring temperature and evapotranspiration datasets (Water Stress)	N/A

Table 10: Examples of technical specification check criteria (adapting measures)

Investment	Climate hazard or consequence addressed	Screening criteria (interim) - technical specifications
Installation of fire-resistant building materials, fixtures and equipment	Wildfire damage	Increase in length of time materials can withstand fire exposure against counterfactual
Heat-resistant processing equipment and machinery	Heat Stress	Machinery operation continuity under [x] oC temperature threshold against counterfactual
Development of curriculum design for health worker roles during emergencies	Multi Hazard (Water Stress)	Percentage of projected health worker role competency needs met by curriculum design against counterfactual

### 5.1.4. Investment-level assessment against a global threshold

Adapting measures that entail potential maladaptation risk cannot use technical specification criteria because they require a detailed investment-level assessment to identify and address such risks. Even when an investment delivers its Substantial Contribution to climate resilience across a broad range of contexts, a process-based assessment is necessary to avoid maladaptation. This involves evaluating the investment against a global threshold where appropriate and available. If a global threshold is not available, a local assessment is then required (see section 5.1.5).

Global thresholds are defined as investment-specific criteria that align with globally recognised best practices, industry standards, or regulations. In the current version of the CBRT, these have been provided on an interim basis drawing from expert judgement, pending validation by TWGs. For each adapting measure flagged in the CBRT as requiring ‘investment-level assessment against a global threshold’, the achievement of the defined threshold must be assessed by the end-user against a counterfactual, which is the current actual performance (for existing assets) or current industry practice (for new assets). This comparison ensures that the adapting measure achieves a level of performance that makes a Substantial Contribution to climate resilience in its local context. The user must also undertake an assessment of maladaptation potential as part of the climate risk assessment. The CBRT includes some preliminary global threshold criteria, which will be reviewed and confirmed by TWGs during the next phase of CBRT development. Process-based guidance on how to undertake this assessment is included as Annex I and draws from existing good practices on project-level assessment in the context of climate resilience financing.<sup>35</sup>

### 5.1.5. Investment-level assessment against a local threshold

Investment-level assessment against local thresholds is required for adapting measures under the following conditions:

1. Substantial Contribution to climate resilience is determined by localised conditions.
2. There is a lack of a global threshold.
3. The adapting measure(s) carry potential maladaptation risks require an investment-level assessment against a local threshold.

Unlike fixed global thresholds, local thresholds are customised to specific investment contexts and conditions. The CBRT provides proposed units of measurement for these thresholds, but users must define the actual local thresholds based on their specific context. The assessment process involves evaluating both the Substantial Contribution of the investment to climate resilience and any potential maladaptation risks. This type of criteria is the most complex but also the most robust. Process-based guidance for performing this assessment is provided in Annex II.

Table 11: Examples of global threshold criteria (adapting measures)

Investment	Screening criteria (interim) – global thresholds (indicated as [x] pending validation by TWGs)
<b>Strengthening of building structure (mass movement damage)</b>	Increased lateral load resistance [x] kN against counterfactual
<b>Mechanically strengthening transmission and distribution lines (storm damage)</b>	Increased wind resistance in [x] mph against counterfactual
<b>Implementation of controlled environment agriculture with cooling/ventilation (heat stress)</b>	Temperature reduction of [x] oC against counterfactual
<b>Implementation of school curricula on cold events (cold stress)</b>	Improved knowledge outcomes of children against counterfactual

Table 13: Examples of localised threshold criteria (adapting measures)

Investment	Screening criteria (interim – local thresholds)
<b>Adjustment of reservoir capacity for hydropower generation (water stress)</b>	Water storage potential of [x]m <sup>3</sup> against counterfactual
<b>Creation of evacuation strategies (heat stress)</b>	Clear evacuation routes and plans for different scenarios
<b>Implementation of community-led mangrove restoration and coastal land maintenance</b>	Total area of mangrove forest restored and coastal ground area stabilised in [x]km <sup>2</sup>
<b>Implementation of community-led mangrove restoration and coastal land maintenance</b>	Total area of mangrove forest restored and coastal ground area stabilised in [x]km <sup>2</sup>

## 5.2. Adapted activities, enabling measures, and enabling activities: screening criteria

Adapted activities, enabling measures, and enabling activities all require process-based screening criteria. While these are distinct for each of these investment types, they also share certain common elements (Figure 7). For adapted activities, enabling measures, and enabling activities, it is essential to verify which adapting measures were integrated, how they were selected, and whether the criteria for those measures were met. The figure below illustrates this approach, followed by further details on the approach taken for developing criteria for each of the investment types.

Annexes II, III, and IV provide guidance on how investment-level process-based assessments may be carried out for the different investment types in the CBRT. These assessments are to be performed by the CBRT user, using the screening criteria defined in the CBRT for specific investments. For adapted activities, enabling measures and enabling activities, the process-based guidance draws from externally recognised guidance and frameworks including the EU Taxonomy’s Technical Screening Criteria for Substantial Contribution to Adaptation<sup>36</sup> in economic activities.

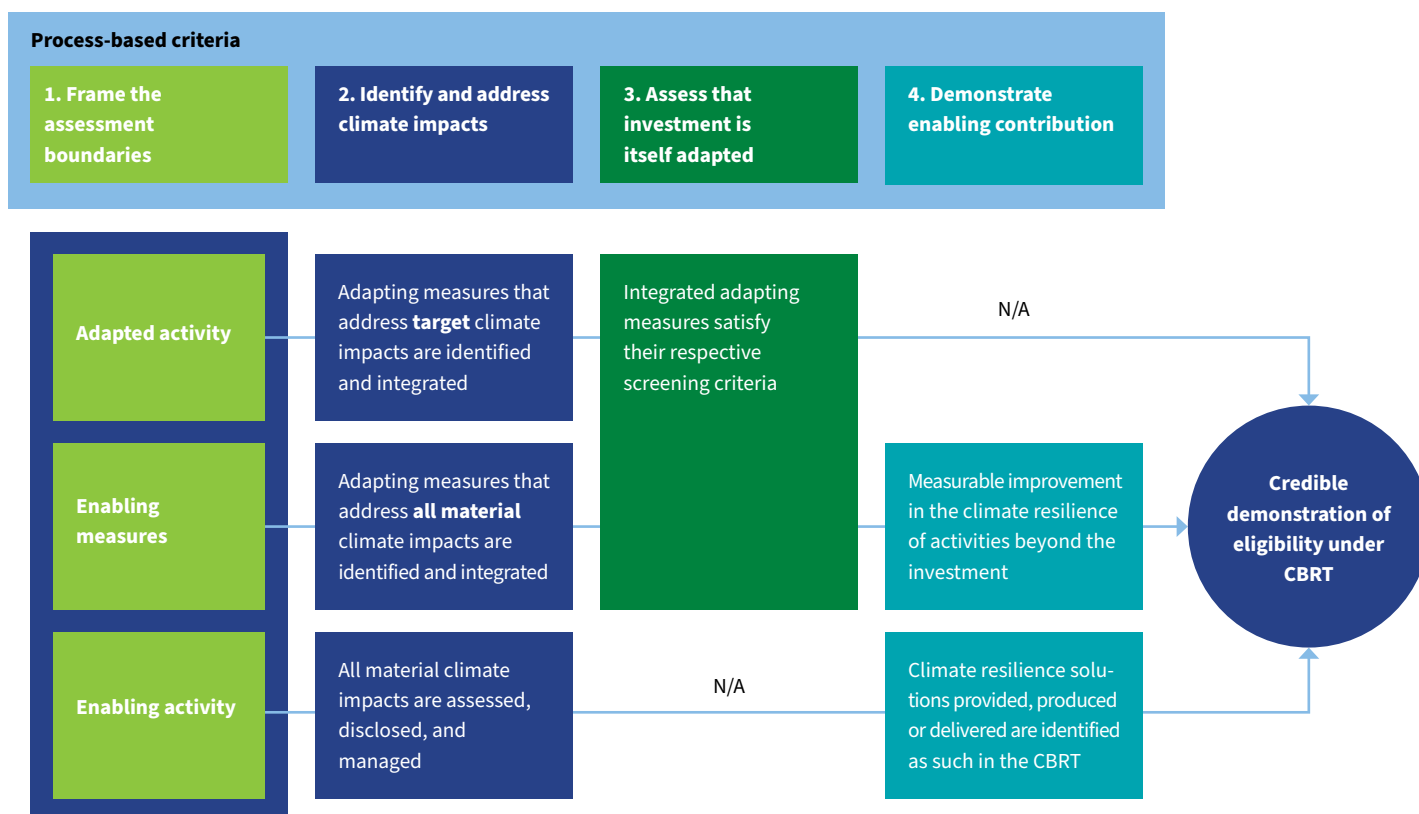
### 5.2.1. Adapted activities: screening criteria

Adapted activities require investment-level checks against process-based screening criteria (see Figure 7 and Annex III). This type of assessment ensures that the activity is resilient specifically to the climate impacts it is designed to address. The focus is on verifying that the adapting measures integrated into the activity effectively build resilience to the specific climate impacts targeted by the investment. An illustrative example is provided in Table 13.

### 5.2.2. Enabling measures: screening criteria

Enabling measures also require investment-level checks against process-based screening criteria (Figure 7). The assessment of enabling measures involves ensuring that the measure is resilient to all relevant climate impacts and verifying its contribution to the resilience of other activities.

Figure 7: Principles for developing screening criteria for adapted activities, enabling measures, and enabling activities



**Table 13: Adapted activity example application: upgrading power transmission and distribution to make it more resilient to flood damage**

Investment (adapted activity)	Target climate impact	Climate resilience outcome	Substantial Contribution (output-level)	Screening criteria
Constructing / expanding / operating / upgrading power transmission and distribution systems	Flood damage	Infrastructure asset upgraded with investment-appropriate adapting measures that reduce the vulnerability of that activity to flood damage	Power transmission and distribution more resilient to flood damage	<ul style="list-style-type: none"> <li>The projected flood conditions over the lifespan of the buildings have been assessed</li> <li>Adapting measures that contribute towards making those power transmission and distribution systems more resilient to flood damage (e.g., installing underground transmission / distribution lines, flood defences in sub-stations, etc.) have been identified and integrated into the investment</li> <li>These integrated adapting measures comply with their respective screening criteria</li> </ul>

**Table 14: Enabling measure example application: Provision or expansion of targeted social assistance schemes**

Investment (enabling measure)	Target climate impact	Climate resilience outcome	Substantial Contribution (output-level)	Screening criteria
Provision or expansion of targeted social assistance schemes	Mass movement damage	Other social assistance programmes more resilient to mass movement damage	Targeted social assistance schemes extended with investment-appropriate adapting measures that reduce vulnerability to mass movement damage in activities beyond the investment	<ul style="list-style-type: none"> <li>All potentially material climate impacts that may affect the [extended] social assistance schemes being financed have been assessed (see Annex V)</li> <li>Investment adapting measures that will contribute towards making the social assistance scheme more resilient to identified climate impacts (e.g., emergency housing and shelter assistance for families displaced, short-term cash assistance programs, vouchers for emergency supplies, etc.) have been identified and integrated</li> <li>These integrated adapting measures comply with their respective screening criteria</li> <li>There is an enabling contribution beyond the investment (e.g., no. of additional people with access to social assistance schemes due to the investment)</li> </ul>

For enabling measures, it is crucial to confirm that the enabling measure is itself resilient by addressing all potentially material climate hazards. This involves identifying these hazards and integrating adapting measures into the enabling measure so that it is resilient to current and future climate conditions. A resilient enabling measure is essential, as any failure in its own resilience would undermine its ability to build the resilience of other activities effectively.

Additionally, the assessment must evaluate whether the enabling measure positively impacts the climate resilience of other activities, such as those involving people, nature, and cultural heritage. This includes quantifying the enabling contribution using appropriate units of measurement as set out in Annex V. Evaluating this contribution is vital for justifying the overall resilience benefits of the investment.

The CBRT provides process-based guidance for performing such checks in Annex IV and an example application is provided in Table 14.

### 5.2.3. Enabling activities: screening criteria

Enabling activities also require investment-level checks against process-based screening criteria (Figure 7). The CBRT provides process-based guidance for performing such checks in Annex V. While it is crucial for enabling activities to be resilient to climate impacts, it is also considered necessary for such checks to be proportionate to avoid creating barriers to financing these critical investments, given their potentially significant role in delivering resilience solutions. To ensure such proportionality, enabling activities may be assessed by i) leveraging existing disclosure practices, such as ISSB reporting for example, to ensure that any material climate impacts have been identified and managed, or alternatively ii) through a stand-alone, process-based assessment.

## 5.3. Use of proxies for assessing a Substantial Contribution to climate resilience

The CBRT makes provisions for the use of proxies, where appropriate, to simplify and streamline the assessment of an investment's Substantial Contribution to climate resilience. A proxy is defined as 'a means of confirming an investment's Substantial Contribution to resilience using robust and authoritative climate resilience assessment frameworks or standards pre-approved by Climate Bonds on the basis that they are equivalent in focus and ambition to the criteria specified in the CBRT.' Proxies may include external, third-party certifications where possible and appropriate. Table 15 provides some examples of the kinds of proxies that may be considered for inclusion in the CBRT.

Proxies are identified and assessed as part of CBRT development to ensure that they align with the CBRT's screening criteria for specific investments, typically at the activity level, and to determine if any additional checks are needed. The process for identifying suitable proxies in the CBRT involves evaluating whether a proxy effectively confirms an investment's Substantial Contribution to climate resilience by checking the following:

1. Does the proxy entail an appropriate assessment framing that covers assessment boundaries, interdependencies, investment context, and intent to reduce climate vulnerabilities, taking into account maladaptation risks?
2. Does the proxy entail an assessment of material climate impacts to the investment?
3. Does the proxy entail an assessment of whether the investment is made climate resilient through the integration of adapting measures that respond to material climate impacts?

The assessment of a potential proxy should also identify whether the proxy entails a specific verification mechanism that can be used to demonstrate whether an investment meets its requirements (e.g., a certification mechanism), or whether the CBRT user is required to demonstrate this through other means.

Currently, the CBRT includes preliminary screenings to identify potential proxies, which will be further evaluated to ensure they meet the CBRT criteria. This evaluation will be a key part of the TWG review process across various themes in future development phases. Additionally, future development will focus on establishing criteria to assess the suitability of these proxies. The CBRT may also adopt open-source methods for ongoing updates to the list of proxies. A comprehensive list will be valuable for standard setters and investors, improving engagement and facilitating updates.

The use of such proxies, where available and appropriate, can reduce the process burden on CBRT users by leveraging credible external standards and certifications that are already in use. This is especially relevant for investment types where process-based assessment would otherwise be required to check CBRT eligibility.

**Table 15: Examples of potential proxies that may be recognised under the CBRT (pending review and validation by sector-specific TWGs)**

Investment (activity)	Potential proxies
<b>Constructing/expanding/operating/upgrading port facilities</b>  <i>(to improve resilience to a range of potential climate change impacts)</i>	PIANC (World Association for Waterborne Transport Infrastructure)  <i>Climate Change Adaptation Planning for Ports and Inland Waterways<sup>39</sup></i>
<b>Constructing/renovating/managing residential buildings</b>  <i>(to improve resilience to increasing heat stress)</i>	Building Research Establishment (BREEAM):  <i>Climate Resilience in the Built Environment Certification<sup>40</sup></i>

Other considerations in the use of proxies in the CBRT include:

- **Global vs regional, national, or local applicability:** some potential proxies have global applicability, whereas others are limited to a specific geography. For example, it may not be appropriate to apply a Canadian standard for minimising overheating in buildings in a South-East Asian context. The CBRT will, subject to its further development and refinement, provide information on any geographical limitations on the application each proxy.
- **Sector specific or cross-sectoral:** most proxies are likely to be specific to particular sectors or industries, whereas others may have more generic applicability across a broader range of sectors and investments, e.g., Gold Standard's Adaptation Framework,<sup>37</sup> or the Physical Climate Risk Assessment Methodology (PCRAM).<sup>38</sup>
- **Certification mechanisms:** Some proxies entail certification mechanisms, and some do not. For example, the BREEAM Climate Resilience in the Built Environment has a certification mechanism whereas PIANC's guidance on Climate Change Adaptation Planning for Ports and Inland Waterways does not. If there are no certification mechanisms (or if the user chooses not to use it), then the use of the proxy for checking CBRT eligibility may instead rest on self-declaration by the user.

## 6. Using the CBRT

### 6.1. Further development and application of the CBRT

Given the highly diverse and context-specific nature of climate resilience, and the extremely broad range of potential climate resilience financing needs, it is expected that there will be a need to incorporate additional investments into the CBRT, potentially including investments that are flagged by CBRT users and reviewers as needing to be included.

To accommodate this need, Climate Bonds will consider putting in place a mechanism for reviewing and approving proposed new investments for inclusion in the CBRT. This will entail clear, robust, and efficient governance arrangements so that all proposed new investments are appropriately checked, defined in full alignment with the CBRT structure and logic, and with screening criteria (as appropriate) that comply with the requirements set out in this Methodology Document.

It is also possible that taxonomy developers wishing to use the CBRT as a reference for taxonomy development, or for the integration of climate resilience (or adaptation) within an existing taxonomy, may find it useful to have a set of principles to identify, structure, and describe climate resilience investments. These principles may also help to support the further development and evolution of the CBRT itself. Climate Bonds may consider developing these principles in the form of a climate resilience framework to guide the further development of the CBRT and its application in other taxonomies.

### 6.2. Future application and use within the Climate Bonds Standard and Certification Scheme

Within the Climate Bonds Standard and Certification scheme, the CBRT may be used to certify debt instruments with proceeds that align with the criteria in CBRT in the same way that labelled green bonds are certified.

As the CBRT and the criteria that it contains have not yet been fully reviewed and validated by TWGs, interim Criteria for Certification against the Climate Bonds Resilience Taxonomy<sup>41</sup> were launched by Climate Bonds in August 2025 to facilitate the certification of climate resilience investments under the Climate Bonds Standard.<sup>42</sup> These take the form of robust, process-based criteria for certifying investments against the CBRT pending the validation of the CBRT's criteria by TWGs.

Looking ahead, the CBRT's definitions and criteria will require further review and validation by TWGs before it can be included in the Certification Scheme.

### 6.3. Inter-operability of the CBRT with other relevant taxonomies and frameworks

Inter-operability with existing frameworks is crucial for ensuring the adoption and effectiveness of the CBRT. Many users already adhere to established guidance, some of which may be regulatory, underscoring the need for clear alignment between these frameworks and the CBRT. Our approach ensures that the CBRT complements and expands upon existing frameworks such as the Climate Bonds Climate Resilience Principles<sup>43</sup> (and other relevant Climate Bonds resources, including Climate Bonds Sector Criteria), the EU Sustainable Finance Taxonomy<sup>44</sup> and the Common Framework of Sustainable Finance Taxonomies for Latin America and the Caribbean.<sup>45</sup> Our goal is to support users in navigating and applying these frameworks seamlessly, fostering broader adoption and effective integration into investment and policy decisions.

#### 6.3.1. Inter-operability with the Climate Bonds Climate Resilience Principles

The CBRT draws from the Climate Bonds Climate Resilience Principles (CRPs), which were launched in 2019. They provide a framework and high-level criteria for climate resilience investments based on assessing physical climate risks, addressing and managing those risks, delivering climate resilience benefits and ongoing monitoring and evaluation. The CBRT builds on the CRPs as follows:

- **Defining clear boundaries for assessing investments:** the CBRT uses a clear investment typology of adapting measures, enabling measures, adapted activities, and enabling activities that sets clear boundaries for how those different investment types are assessed.
- **Assessment of physical climate risks, risk reduction measures, and climate resilience benefits:** the CBRT advances these principles by defining investments that require such assessments (as well as 'automatically eligible' investments that do not) and providing clear criteria and guidance on how these assessments are done for different investment types.
- **Mitigation trade-offs assessment:** the CBRT advances on this principle by applying the DNSH approach as defined by the EU Taxonomy, which was launched subsequently to the CRPs.
- **Ongoing monitoring and evaluation:** the CBRT criteria provide a clear framework for monitoring an investment's contribution towards climate resilience as required.

The Climate Resilience Principles will be updated over 2026–2027 to align them with the CBRT, so that they provide an overarching framework within which the CBRT may be applied and further developed.

In addition, the CBRT also draws as appropriate from other Climate Bonds resources such as:

- **Climate Bonds Standard and Certification Scheme<sup>46</sup>**: by providing a clear typology of investment types and corresponding differentiated assessment processes.
- **Climate Bonds Taxonomy<sup>47</sup>**: aligned with the clear and comprehensive categorisation of investments by sector and subsector with corresponding screening criteria.

### 6.3.2. Inter-operability with the EU Sustainable Finance Taxonomy (Adaptation)

The CBRT also draws from the EU Sustainable Finance Taxonomy, which sets standards for sustainable finance and sustainable activity across the European Union, including criteria for climate adaptation (climate resilience). The CBRT's process-based approach with regards to economic activities is aligned with its core definitions and principles and is specifically aligned with the definitions and principles of Technical Screening Criteria (TSCs) for substantial Contribution to adaptation that are defined in the 2021 Climate Delegated Act.<sup>48</sup>

However, the CBRT also identifies and provides screening criteria for measure-level investments, some of which are non-process based, and even makes some measures automatically eligible. In this way the CBRT enhances granularity and applicability, providing more detailed guidance tailored to diverse global contexts and sectors. By providing clear and consistent screening criteria and standardised assessment guidance for a consistent set of investment types, the CBRT provides a streamlined way of applying the principles of the EU Taxonomy across a broad range of investments.

The specific ways in which the CBRT ensures interoperability with the EU Taxonomy adaptation TSCs are:

- **Physical risk assessments**: Annexes I to V of this Methodology Document provide TSC-aligned guidance on the assessment of physical risks (climate impacts) for activity-level investments.
- **Implementing climate resilience solutions**: the CBRT provides TSC-aligned guidance on the implementation of climate resilience solutions (adaptation solutions) for activity-level investments. This includes ensuring that the concepts of maladaptation and DNSH to other environmental and social objectives are applied as required by the TSCs.

- **Enabling climate resilience (adaptation) in other activities**: the CBRT provides TSC-aligned guidance on checking the enabling contribution of enabling activities on other economic activities.

The CBRT makes provision for applying these principles in streamlined and proportionate manner by defining a number of ways in which they may be applied by CBRT users: stand-alone assessments, assessments against proxies, or confirmation based on climate/sustainability-related disclosures (enabling activities only).

### 6.3.3. Inter-operability with the Multilateral Development Bank Joint Methodology for Tracking Climate Change Adaptation Finance

The CBRT also allows for inter-operability with the Multilateral Development Bank (MDB) Joint Methodology for Tracking Climate Change Adaptation Finance,<sup>49</sup> which is widely used by MDBs, DFIs and other financial institutions for tracking financial flows related to adaptation and climate resilience. Table 16 shows how the different investment types set out in the CBRT relate to the MDB Joint Methodology.

The 'three steps' of the MDB Joint Methodology<sup>50</sup> are embedded into the CBRT's process-based guidance for all investment types except for adapting measures that are automatically eligible or that are assessed against a technical specification. For these investment types, additional assessment against the 'three steps' is required to ensure inter-operability with the MDB Joint Methodology.

The CBRT investment types also map against the three 'project types' identified in the MDB Joint Methodology. Adapted activities generally correspond to type 1 projects (i.e., activities that integrate measures to manage physical climate risks and ensure that the project's intended objectives are realised despite these risks). Enabling measures and enabling activities correspond to type 2 projects (i.e., activities that directly reduce physical climate risk and build the adaptive capacity of the system within which the activity takes place) and type 3 projects (i.e., activities that contribute to reducing the underlying causes of vulnerability to climate change at the systemic level and/or removing knowledge, capacity, technological and other barriers to adaptation).

**Table 16: Comparison table of the CBRT investment types against the MDB Joint Methodology for Tracking Climate Change Adaptation Finance**

CBRT investment type	MDB Joint Methodology 'three steps'	Equivalence with the MDB Joint Methodology 'project types'
Adapting measure (automatically eligible)	Additional assessment needed to ensure inter-operability	Equivalent to the 'measures integrated to manage physical climate risks' in Type 1 projects
Adapting measure (technical specification)		
Adapting measure (global threshold)		
Adapting measure (local threshold)	Included in process-based guidance (Annex II)	
Adapted activity	Included in process-based guidance (Annex III)	Equivalent to Type 1 or Type 2
Enabling measure	Included in process-based guidance (Annex IV)	Equivalent to Type 3
Enabling activity	Included in process-based guidance (Annex V)	Equivalent to Type 3

While adapting measures themselves do not correspond directly to any of those three project types, they are equivalent to the ‘measures integrated to manage physical climate risks’ that the MDB Joint Methodology defines for Type 1 projects.

### 6.3.4. Inter-operability with the Common Framework of Sustainable Finance Taxonomies for Latin America and the Caribbean

The objective of the Common Framework is to support Latin American and Caribbean (LAC) countries in developing sustainable finance frameworks that are interoperable across LAC jurisdictions and internationally. Inter-operability between the CBRT and LAC Common Framework is possible due to:

- Shared commitments to pursuing inter-operability with other relevant frameworks.
- Common focus on making material positive contributions/Substantial Contributions towards sustainability objectives (including climate resilience) while avoiding significant harm to other objectives.
- Both use clear, science-based definitions as the basis for defining screening criteria/screening criteria.
- Both use clear sector breakdowns based on externally recognised sector classification systems, and while the LAC Common Framework is based on ISIC this is readily relatable to the sector/subsector breakdown used in the CBRT.
- Both use the concept of enabling activities that promote sustainability (including climate resilience) improvements in other sectors, with the LAC Common Framework also introducing the concept of enabling sectors.

Furthermore, the LAC Common Framework also provides a valuable reference for how the application of the CBRT could be customised for specific regions or countries in due course, including by layering in geography-specific information about the significance of different climate impacts and sectors/subsectors, and using national climate resilience plans and strategies as a basis for identifying eligible investments.

## Endnotes

1. For the purposes of this document, the terms 'climate resilience', 'resilience', 'climate adaptation', and 'adaptation' are all used interchangeably.
2. Further considerations and guidance on entity-level investments (e.g., corporate financing or equity investment in companies or other private or public entities) may be provided in further phases of CBRT development.
3. The screening criteria in this version of the CBRT will be finalised in the next phase of development with the support of Thematic Working Groups that will be convened in Phase 2 of CBRT development.
4. Climate Policy Initiative, 2023. Global Landscape of Climate Finance 2023, [https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2023/cbi\\_sotm23\\_02h.pdf](https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2023/cbi_sotm23_02h.pdf) (climatebonds.net)
5. Climate Bonds Initiative, 2024. Sustainable Debt Global State of the Market 2023, <https://www.climatebonds.net/resources/reports/resilience-taxonomy-white-paper>
6. Climate Bonds Initiative and UNDRR, 2023. Resilience Taxonomy White Paper, <https://www.climatebonds.net/resources/reports/resilience-taxonomy-white-paper>
7. United Nations Office for Disaster Risk Reduction, <https://www.undrr.org/>
8. The Co-operators are a leading Canadian financial services co-operative.
9. See Annex IV for a full list of RTAG members.
10. The application of the CBRT methodology in national and regional taxonomies may require a clear and simplified approach.
11. Climate Bonds Initiative, 2019. Climate Resilience Principles: A framework for assessing climate resilience investments, <https://www.climatebonds.net/files/documents/Climate-Resilience-Principles-A-framework-for-assessing-climate-resilience-investments.pdf>
12. The 2023 Resilience Taxonomy White Paper defined four levels of investments (measure, asset, activity, and entity) but of these, measures and activities were identified as the key building blocks of the CBRT and are therefore the focus of this Methodology Document.
13. Climate Bonds Initiative and UNDRR, 2023. Resilience Taxonomy White Paper, <https://www.climatebonds.net/resources/reports/resilience-taxonomy-white-paper>
14. This is aligned with how the EU Taxonomy defines the eligibility of investment costs of adapted activities and enabling activities.
15. See section 4.2.1 for definitions of Substantial Contribution to climate resilience.
16. Climate Bonds Initiative and UNDRR, 2023. Resilience Taxonomy White Paper, <https://www.climatebonds.net/resources/reports/resilience-taxonomy-white-paper>
17. Tailwind Climate, 2024. Taxonomy for Adaptation and Resilience Investments, <https://www.tailwindclimate.com/taxonomy/>
18. Standard Chartered, KPMG and UNDRR, 2024. Guide for Adaptation and Resilience Finance, <https://av.sc.com/corp-en/nr/content/docs/Standard-Chartered-Bank-Guide-For-Adaptation-And-Resilience-Finance-FINAL.pdf>
19. United Nations, 2008. International Standard Industrial Classification of All Economic Activities (ISIC), Revision 4, [https://unstats.un.org/unsd/publication/seriesm/seriesm\\_4rev4e.pdf](https://unstats.un.org/unsd/publication/seriesm/seriesm_4rev4e.pdf)
20. IPCC, 2014. Fifth Assessment Report, <https://www.ipcc.ch/assessment-report/ar5/>
21. IPCC, 2023. Sixth Assessment Report, <https://www.ipcc.ch/assessment-report/ar6/>
22. European Commission, 2021. Climate Change Mitigation: Appendix A, <https://ec.europa.eu/sustainable-finance-taxonomy/assets/documents/CCM%20Appendix%20A.pdf>
23. Gender equality co-benefits refer to positive, secondary outcomes for gender equality that arise from investments primarily designed to deliver climate resilience benefits. These co-benefits are not the main objective of the investment, but they occur as a result of how people – particularly women and marginalized groups – access, use, or are affected by the products, services, or systems supported by the investment.
24. This first version of the CBRT provides draft screening criteria only, which will be validated and finalised in the next update and version of the CBRT
25. The CBRT does not address DNSH to social objectives as Climate Bonds addresses minimal social safeguards at entity level.
26. European Commission, n.d. EU taxonomy for sustainable activities, [https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities\\_en](https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en)
27. IPCC, 2021. Annex VII: Glossary, [https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC\\_AR6\\_WGI\\_AnnexVII.pdf](https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_AnnexVII.pdf)
28. Lobell, D.B., Schlenker, W., & Costa-Roberts, J. (2011). *Climate trends and global crop production since 1980*. Science, 333(6042), 616-620. doi:10.1126/science.1204531
29. Scott, C.A., Farina, M., & Schneider, K. (2014). *Global assessment of the impact of groundwater depletion on agricultural productivity*. Environmental Research Letters, 9(4), 044013. doi:10.1088/1748-9326/9/4/044013
30. Smith, H., van der Veen, A., & de Lange, M. (2021). The unintended consequences of flood defences: A case study of the Netherlands. Journal of Hydrology, 601, 126668. doi:10.1016/j.jhydrol.2021.126668
31. For the purposes of this document, 'climate scenarios' refer to projected future climate conditions based on emissions scenarios such as Shared Socio-Economic Pathways.
32. Examples of environmental objectives include climate change mitigation, climate resilience (or climate change adaptation), or other environmental objectives such as pollution prevention and control. Examples of social objectives include decent working conditions and human rights.
33. Outputs: the products, capital goods, and services which result from an investment.
34. Outcomes: the likely or achieved short-term and medium-term change and effects of intervention outputs.
35. e.g. EUFIWACC, 2016. Integrating Climate Change Information and Adaptation in Project Development, <https://www.eib.org/attachments/press/integrating-climate-change-adaptation-in-project-development.pdf>
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37. Gold Standard, 2024. Pilot Adaptation Framework Updated, <https://www.goldstandard.org/news/gold-standards-pilot-adaptation-framework-updated>
38. IIGCC, 2025. The Physical Climate Risk Appraisal Methodology 2.0, <https://www.iigcc.org/resources/the-physical-climate-risk-appraisal-methodology-2.0>
39. Climate Change Adaptation Planning for Ports and Inland Waterways - Pianc
40. BRE certification climate resilience (bregroup.com)
41. Climate Bonds Initiative, Climate Resilience Consulting and World Resources Institute, 2019. Climate Resilience Principles: A framework for assessing climate resilience investments, <https://www.climatebonds.net/files/page/files/climate-resilience-principles-climate-bonds-initiative-20190917-.pdf>
42. Climate Bonds Initiative, n.d. Climate Bonds Standard, <https://www.climatebonds.net/our-expertise/standard-sector-criteria-certification/the-standard>
43. Climate Bonds Initiative, Climate Resilience Consulting and World Resources Institute, 2019. Climate Resilience Principles: A framework for assessing climate resilience investments, <https://www.climatebonds.net/files/page/files/climate-resilience-principles-climate-bonds-initiative-20190917-.pdf>
44. European Commission, n.d. EU taxonomy for sustainable activities, [https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities\\_en](https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en)
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46. Climate Bonds Initiative, n.d. Certification under the Climate Bonds Standard, <https://www.climatebonds.net/certification>
47. Climate Bonds Initiative, 2021. Climate Bonds Taxonomy, [https://www.climatebonds.net/files/files/CBI\\_Taxonomy\\_Jan2021.pdf](https://www.climatebonds.net/files/files/CBI_Taxonomy_Jan2021.pdf)
48. European Commission, 2021. Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R2139>
49. Multilateral Development Banks, 2022. Joint Methodology for Tracking Climate Change Adaptation Finance, <https://thedocs.worldbank.org/en/doc/20cd787e947dbf44598741469538a4ab-0020012022/original/20220242-mdbs-joint-methodology-climate-change-adaptation-finance-en.pdf>
50. These are: i) setting out the project's context of vulnerability to climate change, ii) making an explicit statement of intent of the project to reduce the climate change vulnerabilities identified, and iii) articulating a clear and direct link between specific project activities and the climate change vulnerability.