COMMON APPROACH TO MEASURING CLIMATE RESULTS

Update on Indicators

NOVEMBER 2024

ANNEXES 5 AND 6 UPDATED IN NOVEMBER 2026

ADB

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INTRODUCTION

Multilateral Development Banks (MDBs) share a collective vision for supporting countries, and public and private sector clients to transition toward an equitable low-carbon and climate-resilient future while continuing to pursue core sustainable development objectives. Central to this vision is supporting the achievement of the ambitious mitigation and adaptation goals of the Paris Agreement through a wide range of financing and advisory services, and supporting climate policies, plans, and frameworks.

In April 2024, the MDBs published a Common Approach to Measuring Climate Results (the Common Approach) presenting the first common framework to define, measure, and link global progress on climate mitigation and adaptation with climate results of MDB activities. This is the first time MDBs are looking at results jointly and represents a significant step, in addition to tracking and reporting climate finance, and implementation of the COP24 Paris Alignment framework.[1] The Common Approach aims over time to provide stakeholders with a clearer view of climate results of MDBs and to enhance consistency in measuring results across MDBs.

This note expands on the April 2024 publication by providing an initial list of common indicators. To ensure indicators are compatible with MDB business models, this work is founded on individual MDB experiences in results measurement as well as other MDB joint approaches.[2] It has also benefited from technical exchanges with external stakeholders.

Over time, MDBs will continue to add to and refine the indicators proposed, applying lessons learned through operationalization and further engagement and dialogue with relevant stakeholders, including those also working on harmonization of climate results metrics such as the Multilateral Climate and Environment Funds. This process will further inform the list of common indicators (and their methodologies), allowing the Common Approach to be responsive to the evolving international sustainability and impact measurement and disclosure landscape, and to reflect the best available global knowledge. In this way the Common Approach will provide a basis for incorporating further important interconnections that relate to climate change in sustainable development frameworks, such as the Sustainable Development Goals, the Kunming Montreal Global Biodiversity Framework, and the Sendai Framework for Disaster Risk Reduction; as well as for examining how to report results that support systemic change.

CONTEXT

The list of initial common indicators that are presented represent an initial in-depth reflection of the impact of the MDB contribution to achieving the goals of the Paris Agreement. The indicators leverage existing individual MDB frameworks for tracking climate-related results, as reported elsewhere, including routine project- and corporate-level documents. Beyond existing indicators, these initial common indicators introduce new indicators to cover areas where MDBs contribute or have an impact but are not yet systematically capturing results. While this set of common indicators is intended to be flexible, the following common guiding principles were applied to shape the initial common indicators chosen:

[1] See Joint Declaration of MDBs Alignment Approach to Paris Agreement.

[2] See in particular the joint methodological principles for assessment of Paris Agreement alignment of new operations; the common principles for climate mitigation finance tracking; common principles for climate change adaptation finance tracking, and the Framework and Principles for Climate Resilience Metrics in Financing Operations.

- **Results:** MDBs primarily include ex-ante expected outputs and outcomes in this initial list of common indicators.[3] This approach allows MDBs to identify expected results from operations at the time of commitment. Over time, results will include considerations of ex-post results analysis where this is appropriate.
- **Coverage:** This initial set of common indicators is not exhaustive. While the common framework captures all MDB financing, not only climate finance, it does not intend to cover all MDB climate-related results from this financing. MDBs rely on a broad set of indicators and tools to tell their unique stories on climate results and impact and may use other indicators to cover areas where MDBs contribute or have an impact.
- **Commonality:** The initial common indicators proposed seek to identify common areas of focus - with this initial list covering indicators with the potential for commonality among MDBs. These indicators reflect common results areas at a high level; however, results in these areas may or may not be tracked, and if tracked, may use different methods or approaches across institutions. At this stage, definitions are intentionally flexible to reflect the differences that can exist across MDBs in mandates, business models, processes, and clients.
- **Connectivity:** Where applicable, MDBs will disaggregate indicator results by topic such as gender, conflict, and fragile countries. Understanding the importance of the climate and social nexus, this will be further informed by related work that is ongoing in the MDB and international community – such as the climate and gender, and climate, fragility and conflict metrics work ongoing in the MDB gender working group and the Abu Dhabi group, respectively.[4]
- **Reporting coverage:** Flexibility is maintained to accommodate each MDB's selection of indicators and their unique processes for tracking and reporting, as well as clients' capacity to collect data against this proposed set of indicators. MDBs will report on results achieved through their respective systems and reporting processes, and work to support their clients in their efforts to collect data across these indicator sets.

COMMON APPROACH TO MEASURING CLIMATE RESULTS

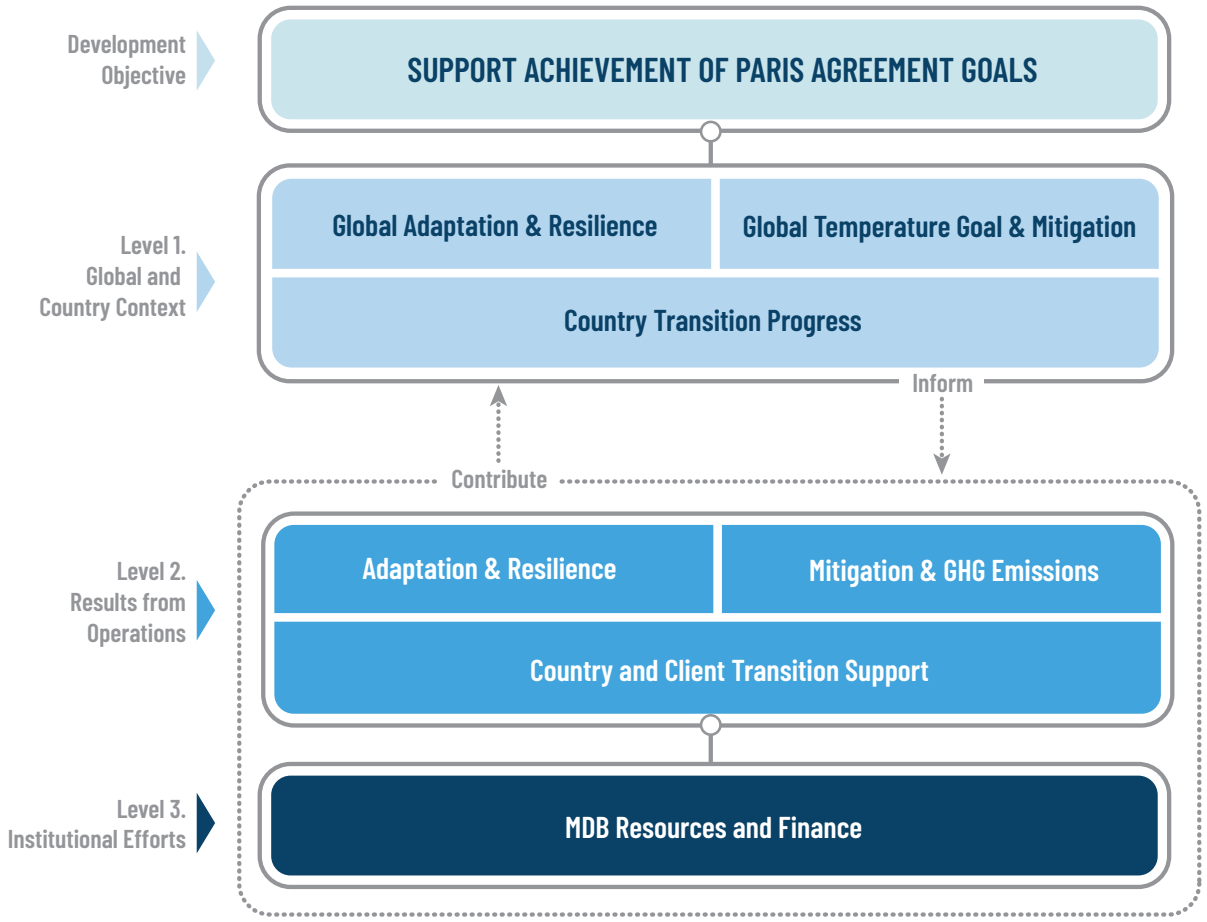
This note continues to frame the Common Approach around three levels (Figure 1) adding a thematic-based perspective to articulate the theory of change behind MDBs contributions to achieving the goals of the Paris Agreement. At this stage, MDBs have focused on indicators at level 1 (global and country context) and level 2 (results from operations).[5] Level 3 indicators capturing MDBs' institutional efforts will be developed as a later step. The following sections describe Level 1 and 2 common indicators for (i) Adaptation and Resilience; (ii) Global Temperature Goal, mitigation, and GHG emissions, and (iii) Country and Client Transition.

[3] OECD 2022. Glossary of Key Terms in Evaluation and Results-Based Management.

[4] See Annex 6, below for further background on related climate and social interlinkage workstreams.

[5] Level 2 indicators are reported as expected results at the time of commitment. MDBs then follow their individual procedures for reporting actual results later in the project cycle (see *Results under Context*).

Figure 1. Common Approach to Measuring Climate Results



LEVEL 1 AND 2 INDICATORS FOR ADAPTATION AND RESILIENCE

Climate resilience is not a static attribute, but a dynamic and complex physical characteristic that changes over time and space making it complex to establish universal metrics for climate adaptation and resilience. Furthermore, the multi-dimensionality of climate adaptation and resilience means that a suite of metrics are needed to more accurately represent the topic. The initial common indicators proposed to measure the positive climate adaptation and resilience impacts of MDB operations aims to capture the wide range of results from the variety of climate adaptation activities financed, acknowledging the importance of context to tracking this progress.

The Common Approach builds on the individual systems and frameworks of MDBs reporting climate results. It also builds on the continued MDB cooperation for several years, including with other entities, on climate results reporting.[6] Throughout the process of identifying initial common indicators for adaptation and resilience, extensive consultation has been undertaken with leading climate adaptation and resilience results metrics

[6] See in particular Framework and Principles for Climate Resilience Metrics in Financing Operations.

experts. MDBs will continue to learn from and collaborate with each other and external experts and organizations, particularly under the ongoing process of developing indicators for the Global Goal on Adaptation (GGA) of the United Nations Framework Convention on Climate Change (UNFCCC) Paris Agreement.

Level 1 - Global Climate Adaptation and Resilience

The UAE Framework for Global Climate Resilience (UAE FGCR)[7] recognizes that climate adaptation is a process and sets relevant process-based targets that are critical for achieving climate resilience. Tracking people at high risk from climate shocks is a global indicator which can help to track global progress on adaptation and resilience.

TABLE 1. Adaptation and Resilience Context Indicator

Context Area	Indicator
Global Adaptation and Resilience	Percentage of people at high risk from climate-shocks globally [%]

Recognizing that this indicator does not capture all dimensions of global climate adaptation and resilience, MDBs will continue to work to identify other additional indicators which can enrich the characterization of the global state of climate adaptation and resilience.

Level 2 - Climate Adaptation and Resilience Results from MDB Operations

The Common Approach presents climate adaptation and resilience indicators in line with the MDB climate resilience metrics framework, focusing on project results, specifically outputs and outcomes. Climate adaptation and resilience outputs and outcomes relate to adaptation activities which credibly address a context of climate vulnerability.[8] Without a climate vulnerability context, the indicators may reflect a positive development outcome but not a climate resilience outcome. The high-level principles underpinning the Common Approach and proposed indicators are presented in detail in Annex 1.

The Global Goal on Adaptation (GGA)[9] of the United Nations Framework Convention on Climate Change (UNFCCC) Paris Agreement provides a foundation for the development of indicators to track progress on climate resilience and adaptation. To structure the wide variety of results from MDB climate adaptation activities, the Common Approach includes a set of indicators against six of the seven key areas.[10] These thematic results areas reflect improved climate resilience across the lens of people, planet, and economy. This lens provides a clear focus on the climate adaptation and resilience impact of MDB investments in terms of the social, environmental, and economic benefits that they confer[11].

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[7] UAE Framework for Global Climate Resilience was created to advance how global progress on adaptation is tracked, assessed, and reported on to advance progress on the Global Goal on Adaptation (GGA) of the Paris Agreement agreed to at COP28.

[8] Adaptation and climate resilience outputs and outcomes need to be directly related to adaptation activities as defined through the three steps outlined in the joint MDB methodology for tracking adaptation finance. Critically, there needs to be a direct and logic link between project activities, from which adaptation and climate resilience results are reported, and the climate vulnerability context of the project.

[9] The GGA process, also known as "UAE – Belém work programme" established at the COP 28 in Dubai in 2023, aims to develop indicators to measure progress towards the targets outlined in the UAE Framework for Global Climate Resilience. The framework includes a range of thematic and dimensional targets for climate adaptation and resilience.

[10] The seventh area, cultural heritage, has not been included as further analysis is needed to understand how MDBs' activities may relate to results in this area.

[11] As is described in the ARIC Adaptation and Resilience Investors Collaborative paper, Adaptation and Resilience Impact, a measurement framework for investors April 2024.

Adaptation and climate resilience results (i) are cross-cutting and often delivered beyond typical economic sector areas, (ii) can lead to both direct and indirect outcomes, and (iii) contain significant interaction and often overlap between the results areas. Activities in one results area could lead to positive outcomes in one or more areas. For example, improvements in water stewardship may increase yields in food productivity. Additionally, gains in access to reliable energy can lead to positive outcomes in health, food security, education and wider social benefits. Likewise, improvements in infrastructure systems may improve health outcomes. Descriptions of each results area can be found in Annex 1.

The following proposed indicators reflect project results in terms of outputs and outcomes. They are intentionally ambitious and given the relatively early stage of development of climate adaptation and resilience indicators, are therefore subject to further refinement and development moving forward. Further details, including descriptions for each indicator, can be found in Annex 2.

TABLE 2. Adaptation and Resilience Results Indicators[12]

Dimensions	People	Planet	Economy
Thematic Results Area	**Indicator**		
Water Considers water as a sector as well as water as a medium for building climate resilience.	Volume of water made available in a climate related water-stressed context [m^3]		
	Beneficiaries with new or improved access to water, sanitation, or hygiene in a climate-related water-stressed context [Number]		
	Beneficiaries of adaptation measures to manage water-related hazards [Number]		
Food and Agriculture Considers the food and agricultural system as a sector as well as access to adequate food and nutrition.	Beneficiaries of climate adaptation measures in agriculture and food systems [Number]		
	Increased and/or maintained agricultural productivity (i.e. yields) with implementation of adaptation measures [Tons]		
	Beneficiaries of improved or maintained access to food and nutrition due to adaptation measures [Number]		
Health Considers the healthcare sector as well as the health-related outcomes of improved climate resilience.	People with strengthened capacity to prevent, detect and respond to climate-related health emergencies [Number]		

[12] In order to respond to the three dimensions of people, planet and economy, beneficiary indicators can include but are not limited to people, firms, and ecosystems. Additionally, beneficiaries can be divided into two categories (direct and indirect) for the purposes of measuring the impacts of MDB operations. Direct beneficiaries are those individuals, ecosystems and firms targeted by an intervention or benefitting directly from the intervention. Indirect beneficiaries capture those individuals, ecosystems and firms which are not the primary target of the intervention, but receive benefits through the ripple effect of the intervention's impact on the direct beneficiaries. The Adaptation and Resilience Results Indicators allow MDBs to capture all (direct and indirect) beneficiaries.

TABLE 2. Adaptation and Resilience Results Indicators *(continued)*

Dimensions	People	Planet	Economy
Thematic Results Area	**Indicator**		
Ecosystems and Biodiversity Considers all forms of ecosystem and biodiversity, including terrestrial, inland water, mountain, marine and coastal ecosystems.	Beneficiaries of adopted nature-based solutions for climate resilience [Number]		
	Area of terrestrial and aquatic ecosystems under protection, conservation and/or enhanced management in response to climate variability and change [Hectares, m^2, etc.]		
Infrastructure & Human Settlements Considers the climate resilience of infrastructure and human settlements as well as the climate resilience benefits that they provide.	Beneficiaries of infrastructure (including all assets, services, and systems of the built environment) that integrates adaptation measures and/or enables adaptation [Number] *Note, services include the services that infrastructure provides, including access to energy, and emergency management services, and captures all types of adaptation activities.*		
	Reduced service disruption, or reduced damage, or increased benefits provided due to climate resilient infrastructure services that integrate adaptation measures and/or enables adaptation [e.g. Days of downtime, or $]		
Poverty Eradication and Livelihoods Includes activities that reduce the adverse effects of climate change on poverty eradication, and financial inclusion, through adaptive social protection, livelihood diversification, and adaptation activities that are locally led, gender-transformative, fragile, and conflict sensitive.	Beneficiaries of adaptive social protection programs [Number]		
	Poor and vulnerable people actively engaging in adaptation decision-making [Number]		
	Beneficiaries accessing financial products and services to manage physical climate risk [Number]		
	People with access to adaptation finance that promote gender equality and social inclusion [Number]		
	Beneficiaries of livelihood resources to manage climate risk [Number]		

LEVEL 1 AND 2 INDICATORS FOR GLOBAL TEMPERATURE GOAL, MITIGATION, AND GHG EMISSIONS

The ambitious temperature goal of the Paris Agreement is to keep global warming well below 2 degrees Celsius with efforts to limit it to 1.5 degrees Celsius. The latter part of the goal and the urgent actions needed for it were reconfirmed by parties to the convention at COP28, including in the longer-term achieving net zero greenhouse gas (GHG) emissions by mid-century which involves structural transformations across all sectors of the economy. MDBs will measure results from their operations (Level 2) within the broader context of global- and country-specific emissions (Level 1).

Level 1 - Global Temperature Goal and Mitigation

The global emissions profile provides valuable insights on worldwide progress towards the temperature goals outlined in the Paris Agreement, and highlights the level of urgency required to avoid dangerous climate change impacts.

TABLE 3. Global Temperature Goal and Mitigation Context Indicators

Context Area	Indicator
Global Temperature Goal and Mitigation	Global GHG emissions [$GtCO_2e$/year]
	Global GHG atmospheric concentration [ppm]

Level 2 – Mitigation and GHG Emissions Results from MDB Operations

The initial common indicators for mitigation results seek to reflect the MDB contributions to support the progress of public and private sector clients towards equitable and low emissions development. Two types of indicators are considered:

i. Indicators that capture the effects of projects in terms of GHG emissions.

ii. A set of sector-specific indicators, which seek to reflect progress in the transformations needed in relevant sectors.

These two types of indicators are complementary: some projects for which sector indicators are not pertinent are covered by estimation of GHG emissions and vice versa. The indicators do not capture more indirect, systemic, nor long-term contributions to transformation which MDB projects can stimulate. For example, some projects may lead to an increase in emissions and yet be instrumental in achieving decarbonization.

The foundation of choosing these sectors and developing these indicators has been guided by (i) the UNFCCC sector classifications for GHG emissions reporting by countries (which map across broadly to the sectors used as part of the *Common Principles,*[13] and (ii) the outcomes of COP28 to track progress against Paris Agreement objectives, particularly in areas such as renewable energy and energy efficiency improvements.[14]

Greenhouse gas emissions results indicators

Absolute and relative emissions are two key metrics used to track and manage greenhouse gas emissions. Both play important roles in shaping climate strategies. MDBs recognize, however, that there are significant methodological issues to address under each metric, which require further work. As an initial step, the principles for relative emissions are outlined in Annex 3, providing a foundational framework to guide emissions reporting. With regards to absolute emissions, the MDBs will work on the development of principles for calculating and reporting this indicator.

[13] Where applicable, the Common Approach mitigation indicators refer to specific activities within Common Principles for Climate Mitigation Finance Tracking Revision version 5 December 2023. Eligible activities and associated references may change over time with periodic updates to the Common Principles.

[14] See: COP 28 (here), Energy (here), Transport (here), Industry (here), buildings (here), Circular Economy (here), Agriculture (here).

TABLE 4. Greenhouse Gas Emissions Results Indicators

Mitigation Results	Indicator
GHG Emissions Results	Relative GHG emissions per year [tCO_2e/year]
	Absolute GHG emissions per year [tCO_2e/year]

Mitigation sectoral results indicators

The table below sets out common sector areas where eight indicators are proposed for these sectors as well as two cross-sectoral indicators. These indicators are informed by the definitions in the Common Principles with further details, including descriptions for each indicator, found in Annex 4.[15]

TABLE 5. Mitigation Results Indicators

Sector Result Area	Indicator
Energy	Renewable energy capacity enabled [GW]
Transport	Passenger trips by low-carbon mode or vehicle [Passenger-trips/year]
	Transport of goods by low-carbon mode or vehicles [Tons/year]
Industry	Conversion of energy source in industrial processes [MWh/year]
Buildings	Floor area with emission reductions in new or retrofitted buildings [m^2]
Waste, wastewater and circular economy	Amount of solid waste processed with low-emission systems [Tons]
	Volume of wastewater processed with low-emission systems [m^3]
Agriculture, forestry, land use and fisheries	Terrestrial and aquatic areas under conservation or sustainable management [Hectares]
Cross-sectoral	Energy efficiency improvements under activities [MWh/year]
	Beneficiaries with access to financial products and services via financial intermediaries that support climate mitigation activities [Number]

LEVEL 1 AND 2 INDICATORS FOR COUNTRY AND CLIENT TRANSITION SUPPORT

To deliver on the goals of the Paris Agreement, MDBs consider country and client ambition and progress in the transition toward low-emission, climate resilient, and equitable economic development, as an important consideration for their engagement. This progress informs MDBs' understanding of country and client needs and shapes their support in designing and implementing transition plans and enabling policy environments.

[15] Common Principles for Climate Mitigation Finance Tracking Revision version 5 December 2023 www.eib.org/attachments/documents/mdb_idfc_mitigation_common_principles_en.pdf.

Level 1 – Country Transition Progress

At a global and country level, the country transition progress indicators reflect established reporting and transparency frameworks under the Paris Agreement - providing insight into the status of country-level ambition in terms of GHG emissions reduction, climate resilience, and related social considerations, and country and client progress in delivery of this ambition.[16] Further details, including descriptions for each indicator which integrate how the client progress will be assessed and supported, can be found in Annex 5.

TABLE 6. Country Transition Progress Context Indicators

Context Area	Indicator
Country Transition Progress	Countries with Long-term Strategies [Number]
	Countries with Nationally determined contributions [Number]
	Countries with climate vulnerability and risk assessment [Number]
	Countries with National Adaptation Plan [Number]
	Countries with resilience monitoring, evaluation and learning systems [Number]

These key sources of information will be supplemented by MDB diagnostics and objective third-party analysis of transition progress, both in terms of public sector ambition and delivery and in relation to countries' adoption of international standards and regulations, as well as emerging best practice in private sector (enterprise and financial sector) regulation.

Level 2 – Country and Client Transition Support Results from MDB Operations

MDBs support countries in the development and implementation of climate policies, strategies, and plans at national, sub-national, and sectoral levels. MDBs also support private sector clients (corporates and financial intermediaries) in developing readiness conditions and credible transition plans for aligning to the Paris Agreement.

Recognizing that, if not properly managed, the socioeconomic change resulting from the green transition can worsen social inequality, or that the green transition may stall, MDBs acknowledge the critical importance of ensuring a just transition to a low emission and climate resilient economy that simultaneously improves social development. This includes gender equality and women's economic empowerment, and reducing the adverse effects of climate change on conflict, fragility, migration and forced displacement.

In addition to the provision of climate finance themselves, MDBs also mobilize climate finance from a range of partners and market actors. Building on climate co-finance volumes which are already jointly reported in the annual Joint MDB Climate Finance Report, the Common Approach proposes to include the already reported figure of private climate finance mobilized, and a limited number of additional indicators, to reflect MDB support in particular to (i) increasing the outreach of financial institutions in deploying climate finance, particularly

[16] MDBs recognize the critical role we can play in supporting countries as they work toward their climate commitments under the Paris Agreement. We also acknowledge that the submission of documents such as NDCs, LTSs, and NAPs does not alone guarantee substantive progress, and we aim to support countries in continually strengthening their climate governance by encouraging a focus on the quality and effectiveness of their policies.

to MSMEs which MDBs do not finance directly, and (ii) enabling public and private sector clients to issue climate related bonds, thus leveraging finance from the capital markets and supporting further capital markets' engagement in this sphere. MDBs will continue to work to refine and adjust these indicators to capture additional support given by MDBs to catalyze climate action through financial systems and support market mechanisms, such as Article 6 implementation and supporting carbon pricing, which can enhance client's fiscal space.

Table 7 lists an initial set of proposed indicators that reflect MDB support to countries and clients, while a discussion on the areas of engagement and challenges in capturing catalytic effects can be found in Annex 6.

TABLE 7. Country and Client Transition Support Results Indicators

Thematic Results Area	Indicator
Client Transition Support	Countries supported in climate policy, legal and regulatory development, and implementation [Number]
	Corporates and financial intermediaries supported in climate transition plan and readiness condition development and implementation [Number]
Just Transition and wider social interlinkages	*Common Just transition indicators, beyond the considerations under Country support, above, are presented in Annex 5.*
	Common indicators demonstrating joint Gender/climate results, beyond those included in the Adaptation, Mitigation, Country support and Finance mobilization, sections of this paper are also presented in Annex 5. Fragility/climate indicators remain under consideration, as outlined in Annex 6.
Finance mobilization[17]	Volume of private climate finance mobilized both directly and indirectly [US$ mn]
	Beneficiaries accessing climate financing via financial intermediaries and funds [Number]
	Beneficiaries accessing climate finance via other instruments mobilizing private finance [Number]
	Issuance supported by MDBs of climate related bonds [number of issuers and US$ mn]

[17] The MDB and IFI working group on private finance mobilization is working to update their methodologies, which will be considered in future improvements to these indicators.

NEXT STEPS AND OPERATIONALIZATION

The indicators in this initial list are intended as a flexible menu for MDBs to adopt as appropriate to their specific mandates and their feasibility within the constraints of their results management systems and resources.

After COP29, MDBs will assess the potential of their individual institutions to operationalize some or all these initial common indicators within the context of their mandates and institutional data collection and reporting systems. Those indicators adopted may be reported by each MDB through their respective result reporting mechanisms.

MDBs will continue to refine and adjust the Common Approach through lessons learned and collaboration across MDBs, including considerations on ex-post results analysis where this is appropriate. This process will also be informed by further dialogue with stakeholders, advances in relevant technical areas, and evolving global reporting standards. The process will also act to continuously improve the list of common indicators and develop methodologies to facilitate consistency in future data collection and reporting. Over time, collaboration on common indicators will help improve MDB reporting and narrative on results that support MDB reporting, and systemic change and transformative impact.

ANNEX 1
CLIMATE ADAPTATION AND RESILIENCE RESULTS

The Common Approach and proposed initial common indicators are underpinned by the following principles that guide the development and application of the metrics.

Physical Climate Vulnerability Context

Adaptation and climate resilience outputs and outcomes are required to be directly related to adaptation activities as defined through the three steps outlined in the joint MDB methodology for tracking adaptation finance. Critically, a direct and logical link between project activities is required, from which adaptation and climate resilience results are reported, and the climate vulnerability context of the project. Without a direct link, the indicators may reflect a positive development outcome but not a climate resilience outcome.[18]

Timeframes of Project Results

Climate resilience metrics must be compatible with the variable and often long timescales over which intended project results may be delivered. There may be long time lags between project design and implementation and the delivery of climate resilience results. Therefore, the indicators are flexible to ensure they are appropriate for project-specific temporal as well as spatial scales.

Uncertainty Regarding Future Climate Projections

Climate resilience metrics must be able to cope with the inherent uncertainties associated with future climate conditions. The longer the timescales for project implementation and the assessment of project results, the greater the climate uncertainties and their implications for project performance. This makes estimating future project results even more challenging. Therefore, the application of indicators and the interpretation of the results, requires flexibility and cognizance of such uncertainties. The capacity to cope with uncertainty reduces maladaptation risks at the same time.

Scales of Results

MDB climate adaptation activities include both adapted activities and activities that enable climate resilience at the system level; they therefore deliver both asset level and system level results. Furthermore, these results may be direct or indirect (e.g. at the level of the project or within the supply chains). Therefore, the indicators are flexible to be applied in the relevant project-specific context and capture the project results at different scales while being conservative in nature.

Types of Indicators

Project results include outputs, outcomes and impacts:

- **Outputs** are the products, capital goods, and services that are delivered through the MDB finance, responding to the project-specific context of climate vulnerability in order to build climate resilience. They may also include changes resulting from the project that are relevant to achieving outcomes.

[18] This includes all type 1, type 2 and type 3 activities, even if they incur no additional costs, and all acute and chronic climate hazards are relevant.

- **Outcomes** are the likely or achieved effects of MDB finance, which may take the form of adjustments of physical, human, or environmental systems and associated economic benefits, responding to the project-specific context of climate vulnerability in order to build climate resilience.
- **Impacts** can be inferred from outputs and outcomes and may be expressed in purely qualitative or descriptive terms.

Structure of Sectors and Results Areas

To structure the wide variety of results from MDB climate adaptation activities, the Common Approach identifies sectoral results areas that reflect improved climate resilience at the most fundamental level of people (e.g. individuals, families, or communities), the planet (e.g. natural habitats, ecosystems or biodiversity) and/or the economy (e.g. economic assets, economic activities or economic systems). The 'people, planet, and economy' lens provides a clear focus on the climate adaptation and resilience impact of MDB investments in terms of the social, environmental, *and* economic benefits that they confer.[19]

The Global Goal on Adaptation (GGA) of the United Nations Framework Convention on Climate Change (UNFCCC) Paris Agreement provides a foundation for the development of standard metrics and common indicators to track progress on climate resilience and adaptation. Recognizing that achieving climate resilience is a dynamic process, MDBs propose a series of enhanced results that can facilitate the scaling up of climate adaptation finance and ensure that all financing flows are aligned with climate adaptation and resilience goals as outlined in the GGA. The Common Approach also includes a set of example indicators against six of the seven key areas defined within the UAE FGCR, agreed to at COP28, which contribute to the delivery of this overarching aim. The seventh area, cultural heritage, has not been included as further analysis is needed to understand how MDBs' activities may relate to results in this area.

There is significant interaction and overlap between the results areas. They should be understood as broad interlinked categories, where activities in one results area could result in positive outcomes in another, or in multiple areas. For example, improvements in water stewardship may increase yields in food productivity. Likewise, improvements in infrastructure systems may improve health outcomes. Adaptation and climate resilience results are cross-cutting and often delivered from beyond typical economic sector areas. For example, the results of sectors such as Industry, Education or Social Protection can be seen in the results areas of infrastructure, health, and poverty and livelihoods.

[19] FAO 2013. Climate-Smart Agriculture: Sourcebook. Rome, Italy: Food and Agriculture Organization of the United Nations.

TABLE 1. Climate Adaptation and Resilience Results Areas

Climate Adaptation and Resilience Results Areas and Topic Descriptions			
Dimensions	**People**	**Planet**	**Economy**
Water	• Considers water as a sector as well as water as a medium for building climate resilience. • Includes activities that significantly reduce climate-induced water scarcity and enhancing climate resilience to water-related hazards. • Includes activities that support a move towards climate-resilient water supply, climate-resilient sanitation, and towards access to safe and affordable potable water for all.		
Food and Agriculture	• Considers the food and agricultural system as a sector as well as access to adequate food and nutrition. • Includes activities related to climate-resilient food and agricultural production and supply and distribution of food and agricultural products. • Includes activities that increase sustainable and regenerative production and equitable access to adequate food and nutrition for all.		
Health	• Considers the healthcare sector as well as the health-related outcomes of improved climate resilience. • Includes activities that promote climate-resilient health services. • Includes activities that enhance resilience against climate change related health impacts, and/or significantly reduce climate-related morbidity and mortality, particularly in the most vulnerable communities.		
Infrastructure & Human Settlements	• Considers the climate resilience of infrastructure and human settlements as well as the climate resilience benefits that they provide. • Infrastructure and Human settlements include all assets, services and systems of the built environment, from cities and urban areas, to rural settlements, buildings and infrastructure assets and services, whether for private organizations or public use (e.g. transport, energy, water, information and communication technology, etc.).		
Ecosystems and Biodiversity	• Considers all forms of ecosystem and biodiversity, including terrestrial, inland water, mountain, marine and coastal ecosystems. • Considers the impact of climate change on ecosystems and biodiversity as well as the climate resilience benefits that they provide. • Includes activities that reduce climate impacts on ecosystems and biodiversity, including through their management, enhancement, restoration, conservation, and protection. • Includes activities that accelerate the use of ecosystem-based adaptation and nature-based solutions.		
Poverty Eradication and Livelihoods	• Includes activities that substantially reduce the adverse effects of climate change on poverty eradication, and financial inclusion, in particular by promoting the use of adaptive social protection and livelihood diversification. • Includes adaptation activities that are locally led, gender-transformative, fragile and conflict sensitive, and aim at empowering vulnerable communities in climate adaptation decision making.		

Climate Adaptation and Resilience Results Areas and Topic Descriptions			
Dimensions	**People**	**Planet**	**Economy**
Cultural Heritage	• Considers the protection of cultural heritage from the impacts of climate change as well as the guidance that traditional knowledge, indigenous peoples' knowledge, and local knowledge systems can provide in adapting to climate change and enhancing climate resilience. • Further work is required to understand which types of MDB activities would be included and how results would be delivered.		

ANNEX 2
CLIMATE ADAPTATION AND RESILIENCE INDICATORS

Global Context Indicator – Adaptation and Resilience

Indicator	Definition
Percentage of people at high risk from climate-shocks globally [%]	The percentage of people at high risk from climate shocks globally is defined as the number of people who are both exposed to a set of key climate-related hazards (floods, droughts, cyclones, and heatwaves), and are also highly vulnerable (i.e., have a propensity to be adversely affected or unable to cope with the impacts), as a share of global population. Specifically, people are counted as at high risk from climate shocks if they are exposed to at least one hazard and are identified as highly vulnerable on at least one dimension of vulnerability. *Source:* Percentage of people at high risk of from climate-related hazards globally.

Results Indicators – Adaptation and Resilience

Adaptation and Climate Resilience Results – Indicators by Thematic Results Area			
Dimensions	**People**	**Planet**	**Economy**
Thematic Results Area	**Indicator**	**Description:**	
Water Considers water as a sector as well as water as a medium for building climate resilience.	**Volume of water made available in a climate related water-stressed context [m^3]**	Additional water made available, either through water savings or through the provision of additional usable water, including conventional and unconventional water sources. Further, this includes water supply and water storage capacity added or improved in a climate-related water-stressed context and unconventional water resources capacity added or improved to respond to climate-related water stressed context, through treatment, recycling, and reuse.	
	Beneficiaries with new or improved access to water, sanitation, or hygiene in a climate-related water-stressed context [Number]	Beneficiaries include people, ecosystems, and firms that directly or indirectly benefit from a reliable and continuous access to secure water (through for example well managed water sources, additional or improved hygiene, enhanced water supply system's redundancy, reduction of water losses, non-revenue water, use of smart metering, Internet-of-things, among others). This indicator should be disaggregated, where possible, by gender, rural/urban, etc.	
	Beneficiaries of adaptation measures to manage water-related hazards [Number]	Beneficiaries include people, ecosystems, and firms that directly or indirectly benefit from specific adaptation measures oriented towards managing observed and/or anticipated hydrometeorological risks exacerbated by climate change.	

Adaptation and Climate Resilience Results – Indicators by Thematic Results Area			
Dimensions	**People**	**Planet**	**Economy**
Thematic Results Area	**Indicator**	**Description:**	
Water (cont.)	**Beneficiaries of adaptation measures to manage water-related hazards [Number]**	Water-related hazards include floods, cyclones, landslides, or any other relevant hazard. In the context of drought, if a project has a primary objective of drought risk management and includes irrigation as a measure to manage drought risk, then irrigation should be captured here. Otherwise, irrigation is covered under the thematic results area of infrastructure and human settlements. The outcomes of addressing other non-water-related climate hazards (e.g. heatwaves) are covered under infrastructure. This indicator should be disaggregated, where possible, by gender, rural/urban, etc. This outcome may be delivered through the achievement of the output of ***Area protected through adaptation measures to manage water-related hazards [Hectares, m^2, etc.].***	
Food and Agriculture Considers the food and agricultural system as a sector as well as access to adequate food and nutrition.	**Beneficiaries of climate adaptation measures in agriculture and food systems [Number]**	Food systems include all the ways through which food is grown, gathered, harvested, processed, delivered, accessed, and consumed, and how these intersect with health, environment, economy, and society. Climate resilient food systems integrate climate risk and adaptation considerations, thereby helping in reducing climate risk. Climate Smart Agriculture is defined as "agriculture that sustainably increases productivity, enhances resilience (adaptation), reduces/removes GHGs (mitigation) where possible, and enhances achievement of national food security and development goals". [20] Climate resilient agriculture refers to the ability of an agricultural system to anticipate and prepare for, as well as adapt to, absorb, and recover from the impacts of changes in climate and extreme weather event frequency and intensity. This indicator should be disaggregated, where possible, by gender, rural/urban, etc. This outcome may be delivered through the achievement of the output of ***Number of agricultural and food producers and enterprises benefitting from adaptation measures [Number]*** which includes adaptation measures such as climate information services, agricultural insurance, capacity building on soil management, access to climate resilience finance, etc.)	

[20] FAO 2013. Climate-Smart Agriculture: Sourcebook. Rome, Italy: Food and Agriculture Organization of the United Nations.

Adaptation and Climate Resilience Results – Indicators by Thematic Results Area			
Dimensions	**People**	**Planet**	**Economy**
Thematic Results Area	**Indicator**	**Description:**	
Food and Agriculture (cont.)	**Increased and/or maintained agricultural productivity (i.e. yields) with implementation of adaptation measures [Tons]**	Additional or maintained capacity for agricultural potential achieved through improved climate resilience. This includes environmentally sustainable improvements in crop yield that can be expected from improved climate resilience, for example, through adaptation measures or climate resilient management practices, such as reduced soil tillage/erosion, using climate resilient crop varieties, improved irrigation techniques such as drip irrigation, integrated pest management, use of agroforestry techniques, crop rotation, intercropping, enhanced nutrient management, etc., while recognizing that climate resilience objectives may be supported by reducing agricultural production. This outcome may be delivered through the achievement of the output of ***Terrestrial and aquatic area under climate resilient management practices [Hectares, m², etc.]*** Outcomes of improved climate resilient food and agriculture systems that affect income levels are captured in the poverty and livelihoods thematic results area.	
	Beneficiaries of improved or maintained access to food and nutrition due to adaptation measures [Number]	The number of beneficiaries across multiple sectors that strengthen food security in the face of climate change by applying adaptation measures. These interventions may span the universally accepted dimensions of food security, including the availability of food, access to food, utilization of food, and the stability of the food system. Examples of such interventions could include operations which relate directly to food production and consumption, such as climate-resilient agriculture and food systems; social protection; nutrition services; agriculture supply chains; financial and trade finance operations that support food inputs; imports and distribution of food, etc.; increasing the income of small-scale food producers; water for agriculture; agricultural services; improved practices and technologies; integration of (smallholder) farmers into markets; clean and energy efficient cooking that addresses a climate vulnerability context. Food security is defined when all people, always, have physical and economic access to sufficient safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life. As such improved nutrition can also be an impact here.	

Adaptation and Climate Resilience Results – Indicators by Thematic Results Area			
Dimensions	**People**	**Planet**	**Economy**
Thematic Results Area	**Indicator**	**Description:**	
Health Considers the healthcare sector as well as the health-related outcomes of improved climate resilience.	**People with strengthened capacity to prevent, detect and respond to climate-related health emergencies [Number]**	Capacity to prevent, detect and respond to a climate-related health emergency will depend on the nature of climate hazard and may include, for example, improving awareness among communities to stay hydrated during heat waves; use of vaccine for vector borne diseases that are increased due to changing climate; improving national health surveillance system preparing climate-related health emergency management plans; and access to educational material allowing a better understanding of specific climate change impacts and vulnerability context, etc. This indicator should be disaggregated, where possible, by gender.	
Ecosystems and Biodiversity Considers all forms of ecosystem and biodiversity, including terrestrial, inland water, mountain, marine and coastal ecosystems.	**Beneficiaries of adopted nature-based solutions for climate resilience [Number]**	Beneficiaries of nature-based solutions are beneficiaries of "actions to protect, conserve, restore, sustainably use and manage natural or modified terrestrial, freshwater, coastal and marine ecosystems which address social, economic, and environmental challenges effectively and adaptively, while simultaneously providing human well-being, ecosystem services, resilience, and biodiversity benefits".[21] This indicator refers to climate adaptation and resilience through ecosystems. Beneficiaries can include people and firms and can be disaggregated by gender where possible. This outcome may be delivered through the achievement of output of ***Ecosystem-based adaptation solutions implemented to manage physical climate risks. [e.g., Number, hectares, m²].***	

[21] Definition from United Nations Environment Assembly, Nairobi February 2022 (UNEA 5.2) resolution 5/5 adopted 2 March 2022.

Adaptation and Climate Resilience Results – Indicators by Thematic Results Area			
Dimensions	**People**	**Planet**	**Economy**
Thematic Results Area	**Indicator**	**Description:**	
Ecosystems and Biodiversity (cont.)	**Area of terrestrial and aquatic ecosystem under protection, conservation and/or enhanced management in response to climate variability and change [Hectares, m², etc.]**	The indicator measures the terrestrial and inland/marine aquatic areas that are under enhanced protection, conservation, restoration, and/or sustainable management in response to climate variability and change. This includes diverse landscapes (e.g. forests, grass/shrub lands, woodlands, wetlands, water bodies, watersheds, oases, urban green and blue spaces) and seascapes (e.g. ocean and coastal zones, including wetlands, deltas, mangroves, and reefs) that have been improved from a nature perspective. These are expected to improve the extent or condition of these areas relating to biodiversity or other ecosystem services and address drivers of nature loss. Relevant activities may reduce and reverse natural resource degradation, protect and enhance natural habitats and their ecosystem services, and therefore provide nature benefits to dependent communities. This indicator does not include terrestrial or aquatic areas managed as offsets for project-related biodiversity impacts (public or private sector). Production landscapes or seascapes (e.g., plantations, agriculture, and aquaculture areas) may be included where practices are applied that result in demonstratable benefits to nature, while not involving conversion of natural habitats.	
	Area of terrestrial and aquatic ecosystem under protection, conservation and/or enhanced management in response to climate variability and change [Hectares, m², etc.]	This outcome may be delivered through the achievement of the output of ***Area of terrestrial and aquatic ecosystem managed with climate adaptation practices. [Hectares, m² etc.].***	

Adaptation and Climate Resilience Results – Indicators by Thematic Results Area			
Dimensions	**People**	**Planet**	**Economy**
Thematic Results Area	**Indicator**	**Description:**	
Infrastructure & Human Settlements Considers the climate resilience of infrastructure and human settlements as well as the climate resilience benefits that they provide.	**Beneficiaries of infrastructure that integrates adaptation measures and/or enables adaptation [Number]**	Beneficiaries of climate resilient infrastructure includes those who benefit from all assets, services and systems of the built environment that integrate adaptation measures or enable adaptation. Services includes the services that infrastructure provides and captures all types of adaptation activities. Services also includes emergency management services. This also includes improved access to reliable energy which is considered a climate adaptation measure in specific contexts where such access directly addresses a physical climate risk; such as in the case of cooling during heatwaves, access to power during extreme weather events, and the provision of early warning systems in extreme weather. Beneficiaries can include but are not limited to people, firms, and ecosystems and can be disaggregated by gender and social inclusion, income, and geographic coverage. This includes both direct and indirect beneficiaries as relevant. This outcome may be delivered through the achievement of the output of ***[Unit] of infrastructure integrating adaptation measures against physical climate risk considerations and/or enabling adaptation (disaggregated where possible by geography – rural, urban, cross-border etc.).*** Units may vary for linear infrastructure (e.g., km), point infrastructure (e.g. number), and/or area (e.g. m^2 in case of buildings).
	Reduced service disruption, or reduced damage, or increased benefits provided due to climate resilient infrastructure services that integrate adaptation measures and/or enables adaptation [e.g. days of downtime, or $]	Reduced service disruption includes the reduction in the amount of time that a system or elements of a system are rendered inoperable due to physical climate risks (in other words, lost operational time). Reduced damage includes the reduction in the physical damage to assets (in other words, lost capital expenditure) due to improved climate resilience to physical climate risks, associated to rapid or slow onset climate impacts. Increased benefits include the value of infrastructure protected or other measurable value delivered. This outcome may be delivered through the achievement of the output of ***Value of infrastructure integrating adaptation measures against physical climate risk considerations and/or enabling adaptation [$]***

Adaptation and Climate Resilience Results – Indicators by Thematic Results Area			
Dimensions	**People**	**Planet**	**Economy**
Thematic Results Area	**Indicator**	**Description:**	
Poverty Eradication and Livelihoods Includes activities that reduce the adverse effects of climate change on poverty eradication, and financial inclusion, through adaptive social protection, livelihood diversification and adaptation activities that are locally led, gender-transformative, fragile and conflict sensitive.	**Beneficiaries of adaptive social protection programs [Number]**	Social protection refers to a set of policies and programs designed to reduce poverty and vulnerability by promoting labor market functioning, diminishing people's exposure to risks, and enhancing their capacity to protect themselves against hazards and the interruption or loss of income. Adaptive social protection refers to program that helps build the resilience of poor and vulnerable households by investing in their capacity to prepare for, cope with, and adapt to climate-related shocks, ensuring that they do not fall (deeper) into poverty. The scope of adaptation measures implemented through the program will depend on the type of social protection intervention (social assistance, labor market, or social insurance). "Beneficiaries of adaptive social protection program" refers to individuals, households, or firms receiving assistance from adaptive social protection programs. This indicator should be disaggregated, where possible, by gender. This outcome may be delivered through the achievement of the output of ***Number of adaptive social protection programs implemented [Number].***	
	Poor and vulnerable people actively engaging in adaptation decision-making [Number]	"Poor people" are those from households living on less than $2.15 a day using 2017 prices. "Vulnerable people" refer to (as relevant for a particular project) ethnic minorities, hard-to-reach remote populations, migrants, and internally displace and/or conflict-affected people, persons with disability, returning refugees, HIV/AIDS-affected individuals and households, the elderly, and households headed by women. "Active engagement" refers to participation of poor and vulnerable people in the adaptation planning process, influencing the volume of adaptation finance meeting the local needs, and in social audits to determine the effectiveness of adaptation implementation. This indicator should be disaggregated, where possible, by gender, demography, indigenous populations, people with disability, and other vulnerable groups.	

Adaptation and Climate Resilience Results – Indicators by Thematic Results Area			
Dimensions	**People**	**Planet**	**Economy**
Thematic Results Area	**Indicator**	**Description:**	
Poverty Eradication and Livelihoods (cont.)	**Beneficiaries accessing financial products and services to manage physical climate risk [Number]**	"Financial products" include credit, savings and insurance for managing physical climate risk. "Financial services" include secure and convenient access to credit, savings, and insurance; improved access to finance and e-commerce opportunities for micro-, small-, and medium-sized enterprises; and other improved financial services that can help people and firms to manage physical climate risk. Beneficiaries include enterprises and individuals, disaggregated by gender, income level, etc. This outcome may be delivered through the achievement of the output of *number of beneficiaries, such as MSMEs, cooperatives and individuals that receive financial products and services for adaptation including via financial intermediaries [Number].*	
	People with access to adaptation finance that promote gender equality and social inclusion [Number]	"Gender equality" refers to the equal rights, responsibilities and opportunities of women and men and girls and boys to benefit from adaptation measures. "Social inclusion" is defined as the process of improving the terms of participation for adaptation-related decision making, particularly for people who are disadvantaged, through enhancing opportunities, access to resources, voice, and respect for rights.	
	Beneficiaries of livelihood resources to manage climate risk [Number]	"Livelihood resources" refers to a range of technical, financial, including income diversification, capacity building and skill development-related support provided to manage physical climate risks. Beneficiaries include enterprises and individuals, disaggregated by gender, income level, etc.	

ANNEX 3

PRINCIPLES FOR GREENHOUSE GAS EMISSIONS RESULTS – RELATIVE GHG EMISSIONS

MDBs will prepare ex-ante estimates of the relative GHG emissions of the projects they finance during the project approval process.[22] This is performed by mapping the causal chain of effects of the intervention and estimating all the significant differences in GHG emissions and removals between a baseline scenario and a project scenario.

The baselines will be defined according to the *Framework for a Harmonised Approach to GHG Accounting prepared by the IFI TWG*.[23]

The assessments deliver a figure of annualized relative emissions expressed in tons of carbon dioxide equivalent per year (tCO_2e/year). A positive figure represents an increase in emissions vis-à-vis the baseline, and a negative figure represents a reduction in emissions.

Each MDB will define what project types will be assessed (for example, direct investments, policy loans, loans through financial intermediaries, equity investments, corporate loans). Within each project type, MDBs will define the screening criteria to determine the projects that will be assessed based on their materiality (for example, financial threshold, and/or physical threshold based on relative and/or absolute emissions). The numbers can also be presented in specific sub-sectors.

Review of the Ex-Ante Estimates

A review of the ex-ante estimate may be carried out at the time of the project's final results report.[24] It is recommended that this figure be informed by the actual outcomes of the project (i.e., activities delivered) and not necessarily changes in the assumptions used. Importantly, it is suggested that the counterfactual be based on the ex-ante estimates (made during project preparation).[25]

MDBs will continue to refine and shape the manner through which ex-ante GHG accounting estimates are reviewed and updated across project implementation.

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[22] Depending on the terminology adopted by an IFI, relative emissions can also be referred to as "net emissions."

[23] International Financial Institutions' Technical Working Group on GHG Accounting, 2022. Framework for a Harmonised Approach to GHG Accounting.

[24] The timing of the project's final results report depends on each MDBs operational procedures and financial products. For example, in some MDBs direct investment projects stop producing results reports after the last disbursement. In other MDBs this happens when a loan is fully repaid.

[25] If there are other assumptions beyond the counterfactual definition that cannot be verified, ex-ante assumptions should be used in a similar way as described.

ANNEX 4
MITIGATION SECTORAL INDICATORS

These common mitigation indicators are informed by the definitions in the *Common Principles*, reproduced below.[26]

- Greenfield activities relate to projects in new sites or in existing facilities where the vast majority of a plant and equipment is new and where, in the case of projects in existing facilities, all the critical items of equipment are decommissioned. Greenfield activities include also those that primarily acquire and deploy new appliances or equipment.
- Brownfield activities relate to projects that modify existing facilities, equipment, appliances, systems or processes. Where there is gradual replacement or retrofit of a whole facility dedicated to the same activity over a longer period of time, this may be considered as a series of brownfield projects.
- Where there is a physical expansion of an existing site, a significant increase in output capacity, or a significant extension of the expected life of the site, facility or the equipment, the activity should be disaggregated into brownfield and greenfield components whereby the one corresponding to such an increase or extension should be considered as greenfield development.
- The phrase "low carbon" is used to denote projects or materials that have low levels of CO_2e emissions associated with them.
- Where an activity proposed is the replacement of a chemical compound with another with much lower global warming potential, the phrase "a reduction in CO_2e emissions" is used.
- The columns in the tables use inclusive "or"—equivalent to "and/or" for the series of options presented. For example, if A, B or C are listed as covered activities, carrying out any one of these activities and meeting the corresponding descriptions and criteria would be sufficient for eligibility.

Global Context Indicators – Global Temperature Goal and Mitigation

Indicator	Definition
Global GHG emissions [$GtCO_2e$/year]	A measure of annual emissions of greenhouse gasses (GHG) disaggregated at the global level by four gas categories—carbon dioxide (CO_2), methane (CH4), nitrous oxide (N2O), and F-gasses— and 13 subsectors within the energy, industry, waste, agriculture, and land use, land use change, and forestry sectors, standardized to carbon dioxide equivalent values. At the country level, data are further disaggregated by the six greenhouse gases covered by the Kyoto Protocol—CO_2, CH4, N2O, hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and Sulphur hexafluoride (SF6)—plus hydrochlorofluorocarbons (HCFCs) and nitrogen trifluoride (NF3) and 15 subsectors that further disaggregate the agriculture and the waste sector. *Source*: Global greenhouse gas emissions ($GtCO_2e$/year)

[26] Specific definitions have been informed by the *Common Principles for Climate Mitigation Finance Tracking* and extensive work produced on definitions there. This includes definitions and scope related to greenfield and brownfield activities; and the use of phrases such as "low carbon" and "a reduction in CO_2e emissions."

Indicator	Definition
Global GHG atmospheric concentration [ppm]	A measure of the atmospheric concentration and trends of greenhouse gasses (GHG) disaggregated at the global level by four gas categories—carbon dioxide (CO_2), methane (CH4), nitrous oxide (N2O), and sulfur hexafluoride (SF6). *Source:* Carbon Cycle Greenhouse Gases – Global Monitoring Laboratory.

Results Indicators – Greenhouse Gas Emissions

Mitigation Results	Indicator	Definition
GHG Emission Results	**Relative GHG emissions per year [tCO_2e/year]**	Annualized estimations of the relative GHG emissions calculated as the difference between the project emissions and baseline emissions and including all relevant effects. Emissions are captured in CO_2e emissions of the following: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N2O), hydrofluorocarbons, perfluorocarbons, and sulphur hexafluoride (SF_6). Emissions can be disaggregated by sector and gas, if available.
	Absolute GHG emissions per year [tCO_2e/year]	Annualized estimations of the GHG emissions from sources within the project assessment boundary. Emissions are captured in CO_2e emissions of the following: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons, perfluorocarbons, and sulphur hexafluoride (SF_6). Emissions can be disaggregated by sector and gas, if available. The MDBs will work on development of principles for calculating and reporting this indicator.

Results Indicators – Mitigation Sectoral Indicators

Sector Result Area	Indicator	Definition
Energy	**Renewable energy capacity enabled [GW]**	This indicator measures the generation capacity of renewable energy to be enabled with (i) direct investments (i.e. physical infrastructure (greenfield), or (ii) indirect support (i.e. enabling infrastructure and activities (transport and energy storage); and support to investment in renewable energy markets (project and corporate financing and guarantees). Renewable energy generated may be electricity, heat, cooling energy, or mechanical energy. Eligible renewable energy is described in activities 2.1 and 5.10 of the *Common Principles*. The capacity enabled should be additional to the existing capacity. (i) The units for non-electric applications are in equivalent GW.

Sector Result Area	Indicator	Definition
Transport	**Passenger trips by low-carbon mode or vehicle [Passenger-trips/year]**	This indicator measures the trips made by passengers using vehicles with lower GHG emissions than those operating on fossil fuels, or fossil fuel transport vehicles that generate a modal shift. It includes all eligible activities in the Common Principles in projects where passenger trips are measured, activities 8.1–8.9. Broadly, indicator 2 covers: (i) public transport, railway, or waterway passenger transport with modal shift or improvement of existing systems, (ii) electric, hybrid, or hydrogen fuel cell vehicles, or vehicles operating on biofuels or synthetic fuels with low lifecycle emissions (with or without modal shift), and (iii) electric or human-powered personal mobility. Where possible MDBs may enrich the indicator by providing the distance traveled per passenger resulting in a passenger-kms/year indicator. i.e. ***Passenger trips by low carbon mode [Passenger-kms/year].*** Where applicable, the indicator can be disaggregated to pinpoint the activities that produce no direct emissions i.e. ***Passenger trips in vehicles with zero direct emissions [Passenger trips/year].***
	Transport of goods by low-carbon mode or vehicles [Tons/year]	This indicator measures the weight of goods transported each year using vehicles with lower GHG emissions than those operating on fossil fuels, or vehicles operating on fossil fuels that generate a modal shift. It includes all eligible activities in the *Common Principles* in projects where the mass of freight is measured, activities 8.3, 8.5–8.7, and 8.9. Broadly, indicator 3 covers: (i) railway or waterway transport with modal shift or improvement of existing systems, and (ii) electric, hybrid, or hydrogen fuel cell vehicles, or vehicles operating on biofuels or synthetic fuels with low lifecycle emissions (with or without modal shift). Where possible MDBs may enrich the indicator by providing the distance over which the goods have been transported resulting in tons-kms/year indicator i.e. ***Transport of goods by low-carbon mode or vehicles [Tons-km/year].*** Where applicable, the indicator can be disaggregated to pinpoint the activities that produce no direct emissions i.e. ***Transport of goods in vehicles with zero direct emissions' [Tons/year].***
Industry	**Conversion of energy source in industrial processes [MWh/year]**	This indicator measures electrification and hydrogen to decarbonize industrial processes. It includes all eligible activities, as described in activity 4.4 and use of hydrogen as described in activity 4.9 in the *Common Principles*.
Buildings	**Floor area with emission reductions in new or retrofitted buildings [m²]**	Emission reductions in buildings refers to the criteria in activity 9.2 of the *Common Principles* (including greenfield and brownfield buildings).

Sector Result Area	Indicator	Definition
Waste, wastewater and circular economy	**Amount of solid waste processed with low-emission systems [Tons]**	This indicator measures the tons of solid waste processed in a manner consistent with activities 7.3–7.12 of the *Common Principles*. Where applicable, the indicator can be disaggregated to pinpoint the amount of solid waste processed in a manner consistent with activities 7.3-7.8 of the Common Principles.
	Volume of wastewater processed with low-emission systems [m^3]	This indicator measures m^3 of wastewater processed in systems that are improved or established in a manner consistent with activities 6.4-6.8 of the *Common Principles*.
Agriculture, forestry, land use and fisheries	**Terrestrial and aquatic areas under conservation or sustainable management [Hectares]**	The indicator measures the terrestrial and inland/near-shore aquatic areas (hectares) that are under enhanced protection, conservation, restoration, or sustainable management that sequester or reduce emissions. This captures: (i) Natural surface area under conservation or sustainable environmental management including natural land and water bodies, as covered by activities 5.2, 5.6, and 5.7 of the *Common Principles*; and (ii) Agricultural and aquaculture areas under sustainable management including cultivation of crops, livestock farming, fisheries, and production of forestry products, as covered by activities 5.1–5.5 and 5.8 of the *Common Principles*.
Cross-sectoral	**Energy efficiency improvements under activities [MWh/year]**	This indicator captures activities in projects that improve energy efficiency in activities. This includes: (i) Energy efficiency improvement in production and transport of energy or conversion from waste to energy – as captured by activities 2.5–2.7, 2.10, 2.11, 2.13, and 4.10 of the *Common Principles*; and (ii) Energy efficiency improvement or use of energy from waste in consumption of energy – as captured by activities 4.1–4.3, 5.1, 7.13, 9.1, 10.1–10.2, and 12.1–12.2 of the *Common Principles*. (iii) Energy efficiency improvements in water supply and wastewater management – as captured by activities 6.1-6.5 of the *Common Principles*. (iv) Activities that reduce curtailment of renewable energy complements indicator 1 and concerns projects involving storage, transport, or other measures that decrease curtailment of renewable energy in *existing* capacity, in contrast to installation of new capacity in indicator 1.

Sector Result Area	Indicator	Definition
Cross-sectoral	**Number of beneficiaries with access to financial products and services via financial intermediaries that support climate mitigation activities [Number]**	This indicator will track the number of businesses and people, supported by MDBs via financial intermediaries, accessing financial products and services to fund eligible mitigation activities included in the *Common Principles*. Where applicable, this indicator should be disaggregated to present the percentage of women or female owned or led businesses accessing financial products and services. This can be captured under the proposed indicator or tracked directly as '*Number of female beneficiaries with access to financial products and services that support climate mitigation activities*'.

MDBs will endeavour to avoid potential double counting. For example, if a building has on-site renewable energy generation under the buildings indicator, the installed capacity should not be counted again under the first indicator on renewable energy.

ANNEX 5
COUNTRY AND CLIENT TRANSITION INDICATORS[27]

Global Context Indicators – Country Transition Progress

Context Area	Indicator	Definition
Country Transition Progress	**Countries with Long-term Strategies [Number]**	This indicator captures the number of countries with a formal submission to the UNFCCC of an LTS (with consideration of countries with quantified analysis).
	Countries with Nationally determined contributions [Number]	This indicator captures the number of countries having formally submitted Nationally determined contributions to UNFCCC, by the most recent submission deadline and having submitted documentation on delivery progress, including National communications and Biennial transparency reports.
	Countries with climate vulnerability and risk assessment [Number]	This indicator captures the number of countries having conducted up-to-date assessments of climate hazards, climate change impacts and exposure to risks and vulnerabilities, as referenced in National adaptation communication submissions to UNFCCC.
	Countries with National adaptation plans [Number]	This indicator captures the number of countries having put in place gender-responsive national adaptation plans, policy instruments and planning processes or strategies, as referenced in National adaptation plan submissions to UNFCCC.
	Countries with resilience monitoring, evaluation and learning systems [Number]	This indicator captures the number of countries having designed, established and operationalized systems for monitoring, evaluation and learning for national adaptation efforts, as referenced in National adaptation communication submissions to UNFCCC.

[27] Annexes 5 and 6 were updated in November 2026 and replace the versions included in the November 2024 publication.

Results Indicators – Country and Client Transition Support

Results Area	Indicator	Definition
	Countries supported in climate policy, legal and regulatory development and implementation [Number]	This indicator measures the number of countries supported by MDBs through advisory activities and technical assistance. Policies supported should enable countries and clients (including via capacity building provided by MDBs) to undertake a just transition to low-carbon, climate-resilient and sustainable development. The indicator tracks the number of countries receiving support at the national, sub-national, and sectoral levels, including, but not limited to those supporting Long-term strategies, Nationally Determined Contributions, National Adaptation Plans, Just Transition strategies, green economy plans, frameworks for greening financial systems and carbon market development. The indicator is intended to capture both the development of new policies and the improvement of existing ones and would be disaggregated, inter alia by thematic coverage, sector and inclusion of wider social and gender considerations, and potentially by stage of development/implementation and beneficiaries of capacity building where applicable and feasible.
Transition Support	**Corporates and financial intermediaries supported in climate transition plan and readiness condition development and implementation [Number]**	This indicator tracks the number of corporates and financial intermediaries receiving support in the development and/or implementation of climate-related strategies, plans, procedures, frameworks, disclosures and related capacity building from MDB advisory activities and technical assistance. The interventions are expected to support clients in their efforts to decarbonize, enhance resilience, and improve climate-related governance and operations. Key areas of support include: transition plans and related governance and implementation procedures supporting decarbonization and building climate resilience; climate-related disclosures aligning with international reporting standards (e.g., TCFD, CDP, ISSB); readiness conditions for less advanced clients, including the development of GHG accounting systems, physical climate risk management capabilities. The indicator could be disaggregated inter alia by institution type, thematic coverage, sector and inclusion of wider social and gender considerations, and potentially by stage of development/implementation and number of beneficiaries of capacity building.

Results Area	Indicator	Definition
Just Transition (JT)[28]	The proposed indicators cover all three focus areas (FA) described in Annex 6 below: • FA 1 Institutions and stakeholders • FA 2 Employment, skills and livelihoods • FA 3 Infrastructure and productivity In addition, the sub-focus areas and number of the corresponding UN Sustainable Development Goal (SDG) to which the results contribute are also indicated.[29]	
	FA 1 *JT planning* **Countries supported in climate policy, legal and regulatory development and implementation [Number]** (SDG 17)	This indicator measures MDB support to Just Transition (JT) at the country level, looking at the planning and strategy stages and necessary legislative conditions.
	FA 1 *JT planning* **Corporates and financial intermediaries supported in climate transition planning and readiness condition development and implementation [Number]** (SDG 17)	This indicator measures MDB JT support to financial intermediaries and corporates at the planning and strategy stages and necessary legislative conditions.
	FA 1 *JT planning* **National/regional/sectoral Just Transition strategies or plans developed [Number]** (SDG 17)	This indicator captures the number of strategies or plans to design, establish and operationalize systems for measuring, monitoring, and evaluating a just and inclusive transition away from fossil fuels and towards a net-zero economy in line with ILO guidance and the MDBs' high-level principles, which imply putting the workers, communities and economic sectors most affected by the transition to the low-carbon economy into the center of the transition policy and planning.

[28] See cross-cutting remarks and *caveats* on all Level 2 indicators for Just Transition at the end of this annex.
[29] The list of UN Sustainable Development Goals (SDGs) can be found here: THE 17 GOALS | Sustainable Development.

Results Area	Indicator	Definition
Just Transition (JT) (cont.)	**FA 1** *Stakeholder engagement* **Stakeholder engagement platforms/processes at the level of the MDB operation [Number of platforms]** (SDG 17)	This indicator counts the number of stakeholder engagement platforms or processes in MDB JT operations. Going beyond compliance-driven one-time consultations, the indicator refers to platforms for stakeholder engagement supported by dedicated financing and sustained throughout the transition cycle – from the earliest stages of preparation to completion and beyond. In complex – multi-sector or multi-location – MDB JT operations, more than one platform may be put in place per MDB JT operation.
	FA 2 *Education, skills and training* **People trained or receiving education [Number]** (SDG 4)	This indicator captures the number of people trained or receiving education across all levels of education in MDB JT operations. The indicator may count beneficiaries in MDB operations that (i) support education programs and training measures (wage and other operational cost); or (ii) invest in new or improved educational infrastructure (capital expenditure). • Disaggregation by gender is strongly encouraged. • Disaggregate by age whenever feasible.
	FA 2 *Employment support and opportunities* **Jobs generated and/or improved [Number of jobs]** (SDG 8)	This indicator captures positive impacts of MDB operations on employment from a variety of sources, notably (i) employment created during implementation, and (ii) additional employment enabled by the operation (e.g. if the operation expands production capacity), and (iii) employment improved (e.g., as a result of the operation increasing firms' competitiveness, labor productivity and/or wages) or for other reasons duly assessed by the reporting MDB. • Disaggregation by gender is strongly encouraged. • Disaggregate by age whenever feasible. • Disaggregate by project stage (employment during implementation *versus* employment after implementation) whenever feasible. • Disaggregate between jobs generated and jobs improved. • Over and above the number of new or better jobs, measure and report on the evolution of productivity and earnings as a metric for "better" jobs if possible.

Results Area	Indicator	Definition
Just Transition (JT) (cont.)	**FA 2** *Social protection measures* **People benefiting from better access to social protection and health care [Number]** (SDG 3)	This indicator reports the number of beneficiaries from MDB operations improving (i) access to health services and (ii) social protection for people impacted by the transition. Positive results under this indicator may stem from different types of MDB intervention such as, (i) for health services: MDB-financed construction of health infrastructure (hospitals, care centers), and (ii) MDB-financed support to increasing social protection coverage of the population, or (iii) MDB-provided technical and administrative advisory leading to the above results. • Disaggregation by gender is strongly encouraged.
	FA 3 *Support for Small and Medium-sized enterprises (SMEs) and other companies* **Companies supported [Number]** (SDG 8)	This indicator counts the number of companies benefiting from all types of MDB financing in JT operations, be it through intermediate financing for their overall viability (investment and working capital), be it as final beneficiaries of projects related to other sub-focus areas (access to clean energy, innovation support, renewables and energy efficiency investment incentive programs etc.). • Distinguish between size classes of companies wherever feasible (micro-, small, medium-sized enterprises, large enterprises). • Distinguish between women-owned SMEs and others where feasible.
	FA 3 *Site repurposing and rehabilitation* **Land area rehabilitated [Hectares]** (SDG 11)	This indicator captures the land area rehabilitated, typically brownfields in the context of closing coal or other fossil-fuel mines and installations or fossil-fuel powered power plants or large industrial complexes in transition.[30]
Wider social interlinkages	Gender indicators are presented in this section on social interlinkages and also throughout the document.	
	Employment and/or training opportunities for women in the context of a climate project [Number or Share]	This indicator reports on the number or share of employment and/or training opportunities accessed by women during or as a result of a climate project. Its ambition is to assess to what extent women are benefitting from employment and training opportunities generated through climate finance projects.

[30] Also refer to the methodological descriptions of scorecards published by several MDBs (ADB, IADB, IsDB, WB), e.g., see 2024 Corporate Results Scorecard Asian Development Bank.

Results Area	Indicator	Definition
Wider social interlinkages (cont.)	**Women-owned and/or led SMEs supported through climate finance [Number]**	This indicator reports the number of women-owned and/or led SMEs supported through climate finance or technical assistance, e.g., through green credit lines, financial products that address climate resilience, or technical assistance to strengthen their resilience to climate shocks or scale their climate businesses. Reported in line with established 2X, WE-FI or similar MDB criteria where applicable.
Finance mobilization[31]	**Volume of private climate finance mobilized both directly and indirectly [US$ mn]**	This indicator tracks the volume of activity climate finance by private direct mobilization and private indirect mobilization (i.e. total private mobilization) climate finance. This recognizes and measures the private capital mobilized in MDB project activities, as reported in the Joint MDB Climate Finance Report.
	Beneficiaries accessing climate financing via financial intermediaries and funds [Number]	This indicator will track the number of businesses, including MSMEs, supported by MDBs via financial intermediaries, in getting access to financial products and services to fund eligible activities included in the Common Principles for Climate Mitigation and Adaptation Finance Tracking. It will be disaggregated by thematic coverage and gender where applicable and feasible.
	Beneficiaries accessing climate finance via other instruments mobilizing private finance [Number]	This indicator will track the number of clients supported by MDBs using instruments that will help them to mobilize private finance to support eligible activities in the Common Principles for Climate Mitigation and Adaptation Finance Tracking. It will be disaggregated by thematic coverage and gender where applicable and feasible.
	Issuance supported by MDBs of climate related bonds [Number of issuers and US$ mn]	This indicator tracks the number of sovereigns, sub-nationals, corporates, and financial institutions that issue climate related bonds, including green, blue, sustainability and sustainability-linked bonds, with the support of MDBs; and the volume issued. It may be disaggregated by issuer type, thematic coverage, and gender considerations, where applicable and feasible.
	Number or share of climate projects that also include outcomes related to gender and/or inclusion [Number or Share]	This indicator tracks the number or share of climate projects that also include outcomes related to gender and/or inclusion. The indicator does not assess how much climate finance is supporting such outcomes but tracks the number or share of projects that have both climate and gender/inclusion objectives, in line with the respective gender-tag/flag methodologies in the MDBs.

[31] The MDB and IFI working group on private finance mobilization is working to update their methodologies, which will be considered in future improvements to these indicators.

Cross-cutting remarks and *caveats* on all Level 2 indicators for Just Transition (JT)

- MDBs need to carefully establish the JT context before reporting results from operations as contributing to making the transition to low-carbon, climate-resilient economies just and fair – see Annex 6 for further explanation.
- The adoption of the common indicators is voluntary and will be undertaken in alignment with each MDB's respective operating context and business model.
- Most Level 2 indicators outlined in this annex are already used by MDBs outside of a JT context. In a JT context, however, achieving results – such as reskilling of workers, job creation, and improved educational outcomes in communities most impacted by the transition – is key to ensure that the transition to a low-carbon economy is just and fair. Therefore, as stated above, it is vital that each MDB carefully establishes the JT context for the selected operations ("Step 1") as a prerequisite for reporting on these indicators under JT.
- The proposed results indicators cover both outputs and outcomes but not financing provided by MDBs (considered as a Level 3 indicator). There is no consensus among MDBs about the exact distinction between outputs, outcomes, long-term impacts and wider social (co-)benefits from operations. Thus, a wide notion of "result" is preferred.
- The sub-focus areas are merely meant to facilitate and direct the search for results indicators by experts assessing JT projects. In many cases, one and the same operation may produce positive results in several sub-focus areas. For example, an industrial decarbonization project may lead to the conservation of existing jobs and creation of new ones, and a higher skill level of the workforce thanks to training financed by the MDB operation.
- The proposed list of indicators is a first step in enabling collective reporting on JT results. It does not necessarily portray the "full picture" of real-world JT contexts and MDB operations in all their breadth and complexity. For example, the sub-focus areas "Economic diversification" and "Economic productivity" are not explicitly covered in the tables above, suggesting a need to develop suitable results indicators in the future. Also, sub-areas already covered may benefit from additional indicators reflecting the multiple challenges facing communities transiting away from fossil-fuel dependency, for example, beneficiaries of job counseling or placement activities, or more granular information on the level and distribution of incomes before and after an MDB intervention.
- The proposed list of indicators mainly reflects the understanding of JT as interventions that address the socio-economic challenges resulting from decarbonization and are thus rooted in climate change mitigation, reflecting the current understanding among the majority of the MDBs. That being said, the MDB High-Level Principles are broad enough to encompass interventions addressing the socio-economic impacts resulting from Climate adaptation as well (see, for example, the EIB Global approach to a just transition and just resilience).

- In practice, MDB staff appraising potential JT operations are not necessarily JT experts themselves. Determining the MDB operation's potential to contribute to a JT will therefore require guidance tools developed by each MDB based on their chosen operational approach. MDBs currently differ in terms of the "decision tree" used to establish a positive contribution to the JT. Some use operation-specific upstream research on the distributional impacts of climate mitigation policies on specific places (e.g. coal communities) whereas others rely on a mix of criteria (e.g. territorial vulnerability, policy intent, and sector of the MDB operation) to establish such contribution. For further guidance, see the MDB Just Transition High-Level Principles[32], which state that MDBs pursue positive socio-economic outcomes in climate action or in climate-enabling operations.

Cross-cutting remarks and *caveats* on all Level 2 indicators for Wider Social Interlinkages (Gender)

- **Climate change has distributional impacts.** Women, men, girls, and boys often experience climate risks differently due to varying social roles, access to resources, and involvement in decision-making. Women are also developing climate solutions and are key actors in the transition towards lower-emitting, climate-resilient economies, but remain less likely to benefit from new opportunities like training and employment. These gender indicators help operationalize MDB commitments to just and equitable transitions.
- **Sex disaggregation is a baseline standard.** To ensure consistency and visibility across the Common Approach, sex disaggregation should not only be implied in definitions but explicitly stated in indicator titles of all beneficiary-level results indicators, e.g., "[Number, Sex]".
- **Gender-responsive planning.** Just Transition strategies and national adaptation plans supported by MDBs should be assessed for inclusion of gender analyses and outcomes. MDBs are encouraged to reflect whether supported climate transition plans are informed by gender and social equity considerations, and to track the proportion of climate infrastructure and service investments designed with a gender lens to address a known gender gap or expand access for women.
- **Disaggregate indicators beyond gender where feasible.** In addition to gender, MDBs are encouraged to disaggregate beneficiary-level indicators by key demographic and socioeconomic characteristics, including age, income, rural/urban location, and disability, where data systems and project design permit.
- **Flexibility across MDB frameworks.** As terminologies, development indicators, and data reporting systems vary across MDBs, the gender indicators proposed in the Wider Social Interlinkages section are designed to be feasible and flexible, allowing MDBs to align them with their own definitions and processes (e.g., 2X, WE-FI or similar criteria for women-owned and led enterprises).
- **Alignment with international commitments.** Integration of gender into the Common Approach is fully in line with the recently adopted UNFCCC Belém Gender Action Plan, as well as MDB commitments under the Sustainable Development Goals, in particular SDG 5 (Gender Equality) and SDG 13 (Climate Action).

[32] mdb-just-transition-high-level-principles-en.pdf

ANNEX 6
CONTEXT FOR COUNTRY AND CLIENT TRANSITION

Country and Client Transition Support

MDBs provide a range of finance and advisory services to support countries in their efforts to reduce greenhouse gas (GHG) emissions and drive adaptation and resilience, while delivering on broader development goals. The Common Approach focuses on a sub-set of catalytic engagements which includes the following:

- **Increasing climate ambition and ownership:** Including the provision of market signals to boost investor confidence, improving policy instruments and implementation by engaging a range of stakeholders and improving in-country coordination;
- **Enabling regulatory environments:** Supporting the development of policies, laws and regulations that help countries transition towards low-emission, resilient, and equitable economic development;
- **Climate governance and capacity building:** Providing advisory and technical support to help public and private clients build climate governance at system-level, improve climate risk management, and enhance transparency and knowledge;
- **Greening financial systems and developing green capital markets:** Engaging with central banks and financial regulators, encouraging the development of environmentally sustainable financial practices across financial institutions, and developing local green capital markets to increase demand for green finance.

While the results of direct investments can be identified through the indicators set out in the climate mitigation and adaptation sections above, capturing the effects of these catalytic engagements is often more challenging, largely due to:

- **Attribution complexity:** The difficulty of isolating the specific contribution of a single intervention (e.g., MDB support) from the broader ecosystem of actors and factors influencing outcomes;
- **Time lag in results:** Catalytic interventions often take a significant amount of time to produce visible outcomes. Reforms in financial systems, for example, may take years to fully materialize, making it difficult to capture results within typical project evaluation periods;
- **Indirect outcomes:** Catalytic effects can lead to indirect or second-order impacts, such as encouraging private sector investments or influencing policy reforms. These often follow complex pathways that are harder to track and measure using traditional metrics;
- **Behavioral, institutional change:** Catalytic interventions often seek to trigger shifts in behavior or institutional practice, which are qualitative and harder to measure using conventional metrics.

Just Transition and Wider Social Interlinkages

In 2021, most MDBs agreed on a set of high-level principles[33] to guide MDB support for a just transition (JT), and to ensure consistency, credibility, and transparency across their frameworks. Building on these principles, in 2024 and 2025, MDBs worked on a set of JT indicators, which were first presented at COP30 in November 2025.

[33] mdb-just-transition-high-level-principles-en.pdf

In the absence of a harmonized MDB operational approach on just transition (JT), a conscious decision was made to identify a common set of results indicators that could realistically be applied by all MDBs. In the interest of pragmatism and speed of implementation, the indicators presented in this annex have been limited to those that are already tracked by most MDBs for the purpose of reporting on wider socio-economic and climate-related operations, and those that apply across the diverse set of policy and operational JT frameworks applied by MDBs.

A contextual approach is therefore needed to determine when an indicator tracks a JT-related operation. It is each MDB's own responsibility to clearly establish the transition context as a first step ("Step 1") based on (i) the MDB's own operational approach to JT, (ii) the MDB High-Level Principles, and (iii) national or territorial JT policies, strategies, and plans in the context of a country's climate policy framework (e.g., Nationally Determined Contributions or Long-Term Strategies).

Step 1 will further determine the set of operations or other activities for which to identify and measure JT results. The MDBs consider operations with a positive socio-economic impact as counting as JT, both those that contribute directly to climate action and other operations that are enabling insofar as they support lasting buy-in for decarbonization policies in places or communities that are, directly or indirectly, impacted by the transition.

In deriving specific outputs and outcomes ("results") from the JT operations selected at Step 1, the results area is broken down into the following three **focus areas (FA)** and associated sub-focus areas:

- **FA 1 Institutions and stakeholders**
  - JT diagnostics
  - JT strategy development
  - JT planning
  - Stakeholder engagement
- **FA 2 Employment, skills and livelihoods**
  - Education, skills and training
  - Employment support and opportunities
  - Social protection measures
- **FA 3 Infrastructure and productivity**
  - Development of low carbon infrastructure
  - Economic productivity
  - Economic diversification
  - Support for Small and Medium-sized enterprises (SMEs) and other companies
  - Site repurposing and rehabilitation.

The proposed common JT results indicators distinguish between results from MDBs' support to countries or companies at the strategy and planning stage under FA 1, and results from specific MDB operations for investment or advisory under FAs 2 and 3, as shown in Annex 5 above.

Further, in recognizing (i) that social inclusion and gender equality can accelerate GHG emission reductions and climate resilience; and (ii) the risk that the transition can create new or deepen existing social inequality, the Common Approach underlines the importance of engaging wider considerations, such as social inclusion, gender equality, conflict and migration, health, and economic inclusion in the design and delivery of climate action, and seeks also to reflect MDB support to an inclusive transition.

Support to gender equality and women's economic empowerment is therefore included as a cross-cutting consideration across Common Approach indicators, through relevant indicators (e.g. in resilience building) and targeting and disaggregation of beneficiaries (population and enterprises) where relevant (e.g. disaggregation of MSMEs supported by women-owned or led enterprises, according to established 2X, WE-FI or similar MDB, criteria). Further, MDBs recognize the need to reflect whether supported climate transition plans, included under Enabling conditions above, are informed by gender and social equity considerations and more broadly, to reflect the proportion of their climate infrastructure and service investments that have been designed with a gender lens to contribute to reduce a known gender gap or expand access for women.

In addition, recognizing the heightened vulnerability of those living in fragile and conflict-affected environments to the impacts of climate change, MDBs are considering specific climate-related Fragility, Conflict and Violence (FCV)-oriented indicators. Options include standardizing reporting on climate results in fragile or conflict-affected situations, as well as establishing dedicated sector results focused on the climate/FCV nexus. This could include capturing interventions that support displaced people and host communities, as well as communities otherwise affected by conflict, through the provision of adequate services and livelihoods that enhance climate resilience. The development of such indicators will be guided by technical bodies, including the Cross-MDB Working Group on FCV.

Finance Mobilization

Public sector climate co-finance and private sector climate co-finance (including both private direct and private indirect climate finance mobilization, following the definitions and recommendations of the MDB Taskforce on Private Investment Mobilization), are reported as climate co-finance in the annual Joint Report on Multilateral Development Bank's Climate Finance.

Given the wide range of activities that MDBs undertake in support of public and private sector clients and the customized nature of their interventions, the limited set of indicators proposed under the Common Approach is not presented as an exhaustive or definitive list, but is rather considered a basis for further development, to improve the robustness and comprehensiveness of the list proposed.


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