

ASCOR



Grantham
Research Institute
on Climate Change
and the Environment

Assessing Sovereign Climate-related Opportunities and Risks (ASCOR) Explainer Series

Area CF3. Transparency in
climate spending

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ASCOR framework

Emissions Pathways (EP)	Climate Policies (CP)	Climate Finance (CF)
EP1. Emissions trends EP2. 2030 targets EP3. Net zero targets	CP1. Climate legislation CP2. Carbon pricing CP3. Fossil fuels CP4. Sectoral transitions CP5. Adaptation CP6. Just transition	CF1. International climate finance CF2. Climate costing CF3. Climate spending CF4. Renewable opportunities

Note: [ASCOR framework: methodology note - Version 1.1](#) was used to assess 70 countries in 2024.

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1. Introduction to transparency in climate spending
2. How does ASCOR assess transparency in climate spending?
3. Results and emerging good practices

1. Introduction to transparency in climate spending

Why does ASCOR assess transparency in climate spending?



A transparent budget that shows **national climate policy priorities** and **allocated public funds** to these priorities, enhances the accountability and credibility of climate commitments.



Tracking, quantifying and disclosing climate-related measures, on both the revenue and the expenditure side, enables taxpayers and investors to verify whether governments are allocating funds to the climate transition.



Climate Budget Tagging (CBT) has been adopted in many countries to **assess the impact** of climate expenditures.

What is climate budget tagging (CBT)?



[World Bank](#) defines CBT as a “process of **identification, measurement, and monitoring** of climate-relevant public expenditures”.



There is **no commonly agreed methodology**, with countries designing their own CBT methodology based on their domestic needs and budgeting processes.



Existing CBT practices **tend to differ** in terms of:

- **Definitions** of climate-relevant expenditures (e.g. mitigation vs adaptation)
- **Coverage** (e.g. national or subnational level; sectors analysed; expenditure types)
- **Quantification** (e.g. weights to estimate the climate-relevance of the expenditures)

2. How does ASCOR assess transparency in climate spending?

Indicators



CF3a. Has the country disclosed its climate-related expenditure?



CF3b. Has the country applied climate budget tagging?

How does ASCOR assess transparency in climate spending?



We search for country budget documents, portals or sustainability bond reports.



We only accept disclosure with climate-specific expenditures. Broader categories like environmental protection expenditures that lack climate benefits are not included.



To qualify as having CBT, the country must disclose a specific methodology and publish the results of applying that methodology to their budget.



We do not assess the amount of climate spending, as the methodologies and expenditures covered differ between countries.

3. Results and emerging good practices

2024 assessment results

CF3.a Has the country disclosed its climate-related expenditure?



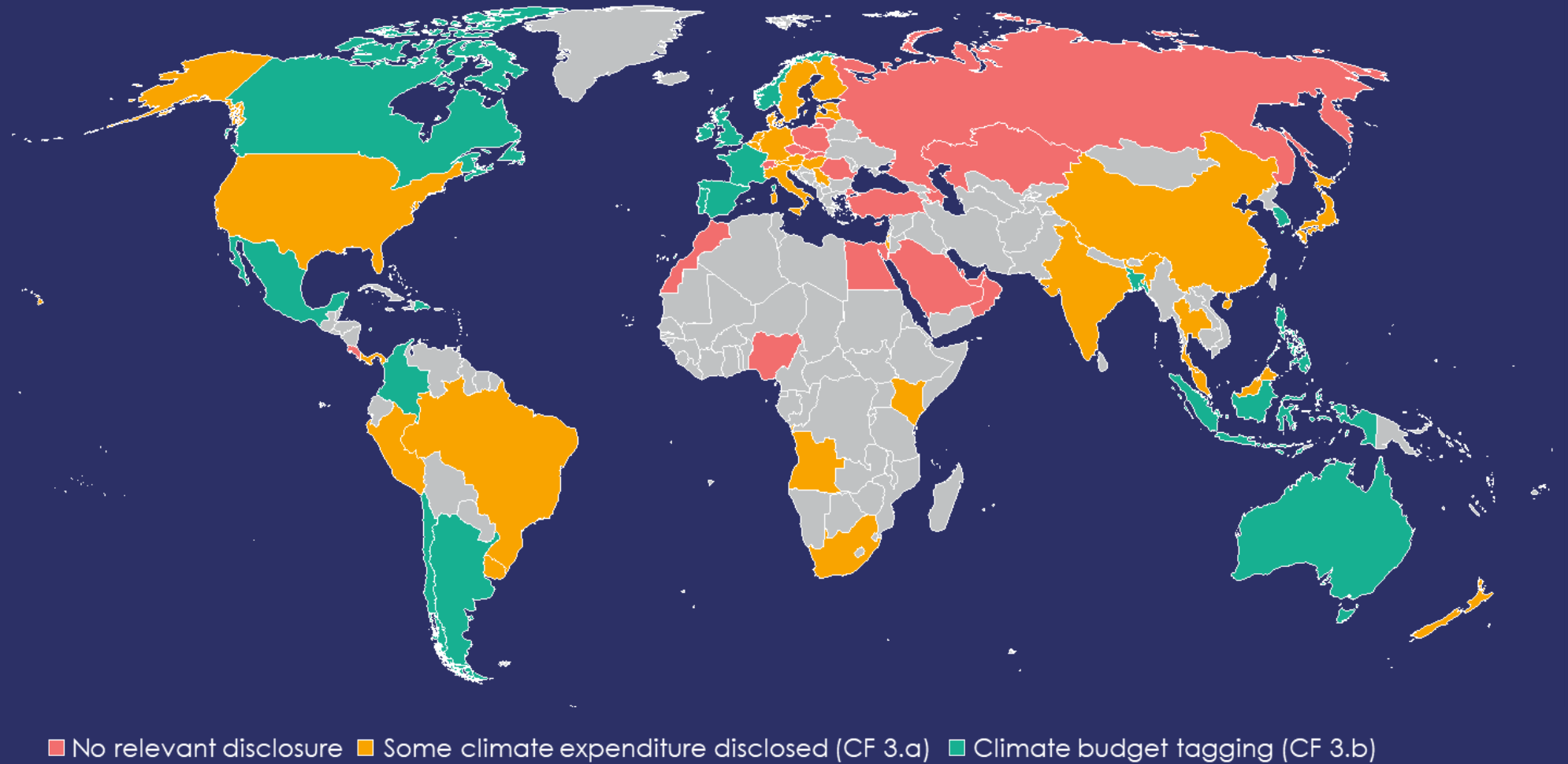
CF3.b Does the country apply climate budget tagging?



Yes No

Note: The number of countries assessed against each indicator is specified next to each bar.

Transparency in climate spending by country



Emerging good practices



Open budget portals are a type of platform that enhances transparency and accountability.

- **Peru's** ['Transparencia Economica'](#) portal gives information on climate mitigation and adaptation spending from 2014 to 2022.
- **Finland's** [budget portal](#) provides detailed information under the 'sustainable development tab' for carbon neutrality and green transition budgetary appropriations.



More countries are announcing that they will begin adopting CBT approaches.

- **Portugal** applied a [methodology](#) prioritising 4 sectors and will extend it next year.
- Several countries including [Costa Rica](#), [Serbia](#) and [Slovenia](#) have already published a CBT methodology but have yet to disclose their climate-tagged expenditures.

Stay up to date on the ASCOR project:

www.ascorproject.org

Access the ASCOR tool and database:

www.transitionpathwayinitiative.org/ascor

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