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Making climate risk financially visible

What SRS 1 means for Rwanda

Rwanda has earned a reputation for turning climate ambition into practical action—from green growth planning to climate budget tagging and activating innovative vehicles like the Rwanda Green Fund (FONERWA). The next frontier is not whether we act, but whether we can demonstrate—clearly and credibly—how climate risk is shaping public finances, public assets, and the delivery of services citizens rely on every day.

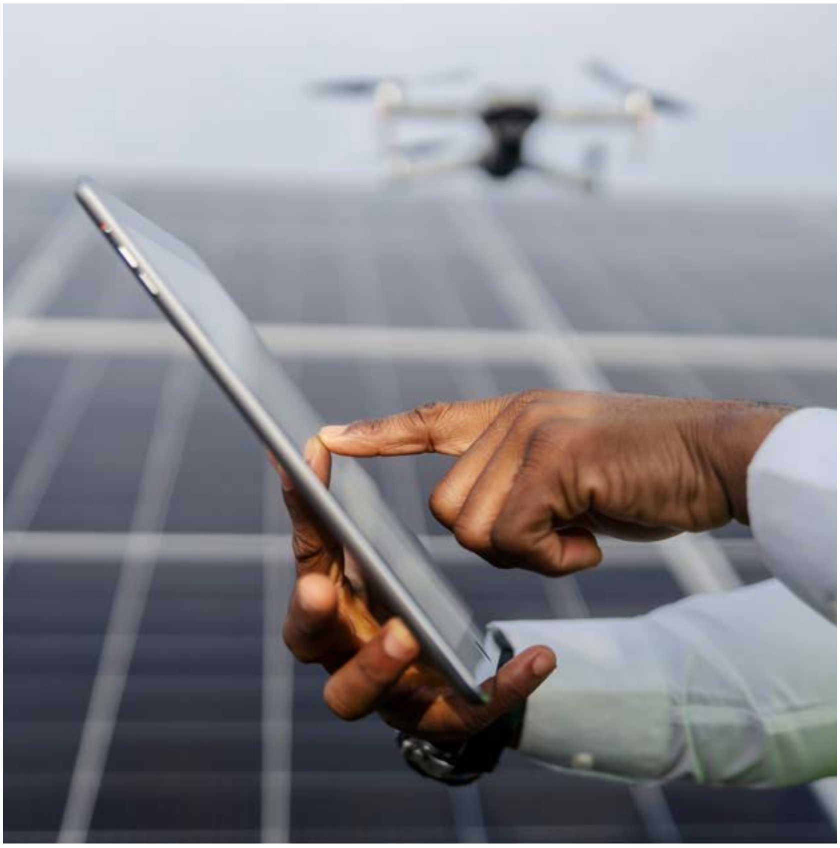
That is why the International Public Sector Accounting Standards Board's Sustainability Reporting Standard 1 (SRS 1) on climate-related disclosures matters for Rwanda. It is not a new climate strategy, and it is not a substitute for national commitments. It is, fundamentally, a way to make climate impacts visible within the country's core financial accountability system—so decisions on budgets, infrastructure, and fiscal sustainability are informed by climate reality, not just policy intent.

For too long, climate discussions in the public sector have risked becoming parallel conversations: climate plans on one side, fiscal decisions on the other. SRS 1 helps close that gap by asking a disciplined question: how do climate-related risks and opportunities affect what government owns, what it spends, and what it can deliver—now and over time?

The good news is that Rwanda does not need to start from scratch. Many building blocks already exist. Climate Budget Tagging (CBT) is a strong foundation for connecting spending to climate objectives. National planning frameworks—from the Green Growth and Climate Resilience Strategy (GGCRS) to national transformation priorities, such as NST 1 and NST 2—already articulate where the country is going. The challenge is integration: ensuring climate risk is treated as a financial and operational issue across institutions, not only as an environmental agenda.

Consider public assets. Roads, bridges, water systems, health facilities, and schools are increasingly exposed to floods, mudslides, heat stress, erosion, and rainfall variability. Every time a road washout requires emergency repairs or a health centre's services are disrupted, climate risk becomes a fiscal event. SRS 1 encourages public entities to document those exposures and costs systematically—so government can see patterns, understand material risks, and plan proactively rather than reactively.

Or take public investment decisions. Rwanda is investing in infrastructure and service expansion to support development outcomes. Climate-aware investment is not simply a technical add-on; it is fundamental to safeguarding value for money.



A climate-sensitive approach to investment planning can help identify where resilience upgrades are essential, where maintenance costs may rise, and where service disruption risks could undermine development goals.

SRS 1 structures disclosures around four pillars: governance, strategy, risk management, and metrics and targets. In practical terms, that means: Who is accountable for climate-related financial risk? How does climate influence priorities and long-term resilience? How are risks identified and managed in mainstream processes? And how is progress measured in a way that stakeholders can understand and trust?

This structure aligns with global climate disclosure expectations, which matters for Rwanda's access to finance. Development partners and lenders increasingly look for credible, comparable signals that climate-related risks are understood and managed. When disclosures are systematic—anchored in financial reporting—they strengthen confidence that climate finance is being deployed with discipline, and that resilience is being built where it matters most.

The key is to approach adoption with pragmatism. The aim in the early periods is not perfection; it is "good-faith, decision-useful" disclosure that improves year by year. Institutions can start by clarifying ownership for reporting, defining what is in scope, and identifying the most significant climate risks to service delivery and asset resilience.

They can build a baseline data plan—starting with what exists—and improve coverage over time. Most importantly, they can embed climate into routine systems: risk registers, budget submissions, investment appraisal, and performance reporting.

Rwanda is already leading in many areas in public financial management. The Office of the Auditor General recently released a report to Parliament indicating that the Government of Rwanda had made significant strides in implementing IPSAS (International Public Sector Accounting Standards) as a general-purpose financial reporting framework.

Rwanda's opportunity is to lead again—this time by showing how climate commitments translate into climate-informed fiscal decisions. SRS 1 provides a practical bridge between ambition and accountability. In a world where credibility increasingly determines access to capital, and resilience increasingly determines development outcomes, that bridge may be one of the most valuable investments Rwanda can make.

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