International Institute
for Sustainable Finance

IISF

THE CSFP CHARTER

Chartered Sustainable Finance Professional (CSFP)™

Syllabus and Learning Outcomes

Level I Foundations of Sustainable Finance

Level II Advanced Applications and Strategic Integration

2026 Edition
Version 1.0 · October 2026

sustainablefinance.in

SYLLABUS AND LEARNING OUTCOMES

Contents

1 Introduction 3

2 Structure of the Body of Knowledge 4

3 Assessment 6

4 Level I: Foundations of Sustainable Finance 7

Domain 1 Ethics and Professional Standards 8
Domain 2 Finance Essentials: Instruments, Valuation, Credit, and Risk 9
Domain 3 Sustainability Economics, Climate Science, and Social Foundations 10
Domain 4 Policy, Regulation, and Taxonomies 11
Domain 5 Sustainability Data, Disclosure, and Materiality 12
Domain 6 Sustainable Debt and Transition Capital Instruments 13
Domain 7 Corporate Governance, Stewardship, and Sustainable Investment 14
Domain 8 Climate and Nature Risk Fundamentals 15

5 Level II: Advanced Applications and Strategic Integration 16

Domain 1 Ethics and Professional Judgement in Practice 17
Domain 2 Climate Risk Measurement, Scenario Analysis, and Stress Testing 18
Domain 3 Carbon Markets and Carbon Pricing 19
Domain 4 Transition Finance, Industrial Decarbonisation, and Just Transition 20
Domain 5 Project and Infrastructure Finance: Structuring and Modelling 21
Domain 6 Blended, Development, and Sovereign Finance in Emerging Markets 22
Domain 7 Nature, Adaptation, and Resilience Finance 23
Domain 8 Impact Measurement, Assurance, and Integrity 24

6 The Capstone 25

7 Governance of the Syllabus 26

A Command Words 27

About IISF 28

SECTION 1

Introduction

1.1 Purpose of this syllabus

This syllabus defines the body of knowledge examined for the Chartered Sustainable Finance Professional (CSFP) designation. It states what a candidate must know and be able to do at each level. Examinations are set to the learning outcomes in this document, and material that falls outside them is not examined.

1.2 The designation

The CSFP is a chartered designation earned by examination. It attests technical competence in sustainable finance, transition capital, and climate risk, and it binds its holders to a code of professional conduct. Holders are known as charterholders.

The designation is open to finance practitioners and to professionals entering the field from other disciplines. Level I assumes no prior qualification in finance and builds the financial base on which later study depends.

1.3 The route to the charter

Stage	Requirement	Result
Level I	Pass the Level I examination.	IISF Certificate in Foundations of Sustainable Finance
Level II	Pass the Level II examination.	Progression to the capstone
Capstone	Submit an applied strategy paper and defend it before an assessment panel.	Completion of the examined requirements
Professional conduct	Accept the IISF Code of Ethics and Professional Conduct.	Award of the CSFP designation and entry in the public register of charterholders

1.4 Principles of design

Competence stated as outcomes	Each domain is expressed as learning outcomes that can be examined, so a candidate can see precisely what is required.
Neutral to frameworks	Outcomes describe competencies and the economic logic beneath them. The standards and regulations in force are identified in the prescribed readings, so the syllabus stays current as instruments change.
Open entry, exacting standard	Candidates may come from any discipline. The standard is held in the examination.
Depth in emerging markets	Every domain is examined in advanced and emerging-market settings. Cost of capital, country risk, and development finance are core subject matter.
Ethics at both levels	Professional conduct is examined as knowledge at Level I and as judgement at Level II.

SECTION 2

Structure of the Body of Knowledge

2.1 Two levels, sixteen domains

The body of knowledge has sixteen domains across two levels, expressed in 177 learning outcomes: 88 at Level I and 89 at Level II. The weight of a domain is its share of the examination at that level.

No.	Level I: Foundations of Sustainable Finance	Weight	Level II: Advanced Applications and Strategic Integration	Weight
1	Ethics and Professional Standards	10%	Ethics and Professional Judgement in Practice	10%
2	Finance Essentials: Instruments, Valuation, Credit, and Risk	15%	Climate Risk Measurement, Scenario Analysis, and Stress Testing	15%
3	Sustainability Economics, Climate Science, and Social Foundations	10%	Carbon Markets and Carbon Pricing	10%
4	Policy, Regulation, and Taxonomies	10%	Transition Finance, Industrial Decarbonisation, and Just Transition	15%
5	Sustainability Data, Disclosure, and Materiality	15%	Project and Infrastructure Finance: Structuring and Modelling	15%
6	Sustainable Debt and Transition Capital Instruments	15%	Blended, Development, and Sovereign Finance in Emerging Markets	15%
7	Corporate Governance, Stewardship, and Sustainable Investment	15%	Nature, Adaptation, and Resilience Finance	10%
8	Climate and Nature Risk Fundamentals	10%	Impact Measurement, Assurance, and Integrity	10%
Total		**100%**		**100%**

2.2 Emerging-market context

Sustainable finance is practised under different conditions in emerging and developing economies. Capital costs more, currency and policy carry greater risk, and development needs compete with decarbonisation for scarce resources.

Examination material in every domain draws on these settings. At Level II, at least one third of case material is set in emerging and developing economies.

2.3 Progression between levels

Level II assumes every Level I outcome. A mark shows where each Level I foundation is developed at Level II. Level II domains are numbered as in the table at 2.1.

Level I foundation	II.1	II.2	II.3	II.4	II.5	II.6	II.7	II.8
I.1 Ethics and Professional Standards	●							
I.2 Finance Essentials: Instruments, Valuation, Credit, and Risk					●	●		
I.3 Sustainability Economics, Climate Science, and Social Foundations			●	●			●	
I.4 Policy, Regulation, and Taxonomies			●	●				
I.5 Sustainability Data, Disclosure, and Materiality		●						●
I.6 Sustainable Debt and Transition Capital Instruments				●		●		
I.7 Corporate Governance, Stewardship, and Sustainable Investment		●		●				●
I.8 Climate and Nature Risk Fundamentals		●					●	

2.4 Reading a learning outcome

Each learning outcome completes the sentence “The candidate should be able to” and opens with a command word. The command word fixes the depth at which the outcome is examined. Each outcome also carries a reference showing level, domain, and sequence: II.5.4 is the fourth outcome of Level II, Domain 5.

2.5 Cognitive levels

Command words fall into four cognitive levels. The right-hand columns show the share of learning outcomes set at each level. An outcome set at a higher level presumes those beneath it. Appendix A defines each level and command word.

Cognitive level	Command words	Level I	Level II
Knowledge and comprehension	define, identify, describe, classify, explain, distinguish	77%	4%
Application	calculate, apply, interpret, estimate	17%	17%
Analysis	analyse, compare	6%	30%
Evaluation and synthesis	evaluate, assess, justify, recommend, select, construct, structure, design, formulate, defend	0%	49%
Share of learning outcomes		**100%**	**100%**

SECTION 3

Assessment

3.1 Level I examination

Format	Proctored, computer-based examination.
Structure	100 multiple-choice questions.
Coverage	All eight Level I domains. The number of questions in each domain equals its percentage weight.
Depth	Mainly knowledge and comprehension, with application in every domain. Quantitative questions require calculation.
Result	IISF Certificate in Foundations of Sustainable Finance.

3.2 Level II examination

Format	Proctored written examination.
Structure	Case studies, each followed by structured questions that require calculation, analysis, and reasoned recommendation.
Coverage	All eight Level II domains, with marks allocated by domain weight. A single case may draw on several domains. Level I outcomes are assumed.
Depth	Mainly application, analysis, evaluation, and synthesis.
Result	Progression to the capstone.

3.3 The capstone

The capstone is an applied strategy paper and an oral defence. Section 6 sets out its outcomes and assessment criteria.

3.4 Pass standard

IISF sets the pass standard for each examination by reference to the competence expected of a newly qualified charterholder. The standard is held constant across examination windows and is independent of the performance of other candidates.

3.5 Conduct of examinations

Both examinations are proctored, and candidate identity is verified at each sitting. Candidates are bound by the IISF Code of Ethics and Professional Conduct from registration. A breach of examination rules is a breach of the Code.

3.6 Administration

Examination windows, fees, registration, and sitting arrangements, including duration and permitted materials, are published on the IISF website and in the examination notice for each window.

SECTION 4

Level I: Foundations of Sustainable Finance

Aim	Level I establishes the knowledge base of the profession: the ethics, finance, science, policy, data, instruments, investment practice, and risk concepts on which sustainable finance depends.
Assumed knowledge	No prior qualification in finance is assumed. Candidates need numeracy sufficient for percentages, ratios, and compound interest. Domain 2 supplies the financial base.
Depth	Outcomes are set mainly at the level of knowledge and comprehension, with application examined in every domain.
Examination	Proctored, computer-based examination of 100 multiple-choice questions. The number of questions in each domain equals its percentage weight.
Award	IISF Certificate in Foundations of Sustainable Finance, and eligibility to register for Level II.

Domains and weights

Domain	Title	Weight	Questions	Outcomes	Page
I.1	Ethics and Professional Standards	10%	10	10	8
I.2	Finance Essentials: Instruments, Valuation, Credit, and Risk	15%	15	12	9
I.3	Sustainability Economics, Climate Science, and Social Foundations	10%	10	11	10
I.4	Policy, Regulation, and Taxonomies	10%	10	10	11
I.5	Sustainability Data, Disclosure, and Materiality	15%	15	11	12
I.6	Sustainable Debt and Transition Capital Instruments	15%	15	12	13
I.7	Corporate Governance, Stewardship, and Sustainable Investment	15%	15	12	14
I.8	Climate and Nature Risk Fundamentals	10%	10	10	15
Total		**100%**	**100**	**88**	

LEVEL I · DOMAIN 1

Ethics and Professional Standards

WEIGHT	QUESTIONS	LEARNING OUTCOMES
10%	10 of 100	10

Scope. The ethical obligations of a sustainable finance professional and the standards set by the IISF Code of Ethics and Professional Conduct. The domain covers duties to clients, employers, and markets, and the integrity of sustainability claims.

Ref.	The candidate should be able to:
Ethics and the profession	
I.1.1	Explain why ethical conduct is a condition of trust in financial markets and in sustainability claims.
I.1.2	Distinguish between ethical obligations, legal requirements, and professional standards.
I.1.3	Describe the structure and principles of the IISF Code of Ethics and Professional Conduct.
Duties to clients, employers, and markets	
I.1.4	Explain the duties of loyalty, prudence, and care owed to clients and beneficiaries.
I.1.5	Explain how the duty to consider financially material sustainability factors arises from fiduciary obligation.
I.1.6	Identify conflicts of interest that arise in sustainable finance and describe how they are disclosed and managed.
I.1.7	Describe the obligations of independence and objectivity in research, rating, verification, and advice.
Integrity of sustainability claims	
I.1.8	Define greenwashing and classify its forms at the level of product, entity, and market communication.
I.1.9	Explain the standard of fair, clear, and substantiated representation that applies to sustainability claims.
I.1.10	Apply the Code to a described situation and identify the conduct it requires.

LEVEL I · DOMAIN 2

Finance Essentials: Instruments, Valuation, Credit, and Risk

WEIGHT	QUESTIONS	LEARNING OUTCOMES
15%	15 of 100	12

Scope. The financial knowledge that later domains assume: instruments, valuation, financial statements, credit, and risk. The domain is written for candidates from any discipline and is examined to the level of working fluency.

Ref.	The candidate should be able to:
The financial system and its instruments	
I.2.1	Describe the functions of the financial system and the roles of banks, institutional investors, capital markets, and public financial institutions.
I.2.2	Distinguish between debt, equity, and hybrid instruments by claim, cash flow, and risk.
I.2.3	Describe the main features of loans and bonds, including coupon, maturity, seniority, security, and covenants.
Time value and valuation	
I.2.4	Calculate present value, future value, net present value, and internal rate of return for a series of cash flows.
I.2.5	Calculate the price of a fixed-rate bond and explain the relationship between price, yield, and duration.
I.2.6	Calculate a weighted average cost of capital and explain its components.
I.2.7	Describe discounted cash flow and relative valuation as methods of valuing a company.
Financial statements and credit	
I.2.8	Interpret the income statement, balance sheet, and cash flow statement of a non-financial company.
I.2.9	Calculate and interpret ratios of profitability, leverage, liquidity, and debt service coverage.
I.2.10	Calculate expected loss from probability of default, loss given default, and exposure at default, and describe the use of credit ratings.
Risk and return	
I.2.11	Classify financial risks as credit, market, liquidity, and operational risk.
I.2.12	Explain the relationship between risk and expected return and the effect of diversification on portfolio risk.

LEVEL I · DOMAIN 3

Sustainability Economics, Climate Science, and Social Foundations

WEIGHT	QUESTIONS	LEARNING OUTCOMES
10%	10 of 100	11

Scope. The scientific, economic, and social reasoning on which sustainable finance rests. The domain explains why markets misprice environmental and social costs and what follows for policy and capital.

Ref.	The candidate should be able to:
Climate and natural systems	
I.3.1	Describe the greenhouse effect, the principal greenhouse gases, and the main sources of emissions by sector.
I.3.2	Explain carbon budgets and emissions pathways.
I.3.3	Calculate carbon dioxide equivalent emissions using global warming potentials.
I.3.4	Describe the observed and projected physical effects of climate change and the sources of uncertainty in projection.
I.3.5	Describe ecosystem services, biodiversity loss, and the dependence of economic activity on natural systems.
The economics of sustainability	
I.3.6	Explain externalities, public goods, and common-pool resources as sources of market failure.
I.3.7	Explain the social cost of carbon and the effect of the discount rate on long-horizon decisions.
I.3.8	Compare carbon taxation, emissions trading, regulation, and subsidy as responses to market failure.
Social foundations	
I.3.9	Describe the social dimensions of sustainability, including labour standards, human rights, inclusion, and community impact.
I.3.10	Explain the concept of a just transition and its relevance to workers, regions, and developing economies.
I.3.11	Explain how responsibility for emissions and capacity to respond differ between advanced and developing economies.

LEVEL I · DOMAIN 4

Policy, Regulation, and Taxonomies

WEIGHT	QUESTIONS	LEARNING OUTCOMES
10%	10 of 100	10

Scope. The public architecture within which sustainable finance operates: international agreements, national policy, financial regulation, and classification systems. Instruments in force are identified in the prescribed readings.

Ref.	The candidate should be able to:
International and national policy	
I.4.1	Describe the structure of international climate agreements, including national commitments, review cycles, and climate finance obligations.
I.4.2	Explain how national climate, energy, and industrial policy shapes the risk and return of transition investment.
Financial regulation and supervision	
I.4.3	Describe the mandates of central banks, prudential supervisors, and securities regulators in relation to climate and sustainability risk.
I.4.4	Describe the main categories of sustainable finance regulation: disclosure, product labelling, prudential treatment, and conduct.
I.4.5	Distinguish between mandatory and voluntary measures and between principles-based and rules-based regimes.
Taxonomies and classification	
I.4.6	Explain the purpose of a sustainable finance taxonomy and describe its typical design: objectives, technical screening criteria, and safeguards.
I.4.7	Compare binary, traffic-light, and transition-inclusive taxonomy designs.
I.4.8	Apply the screening criteria of a stated taxonomy to classify an economic activity.
I.4.9	Explain the problem of interoperability between jurisdictions and its consequences for cross-border capital.
Policy in emerging markets	
I.4.10	Describe the policy constraints particular to emerging and developing economies, including energy access, fiscal capacity, and development priorities.

LEVEL I · DOMAIN 5

Sustainability Data, Disclosure, and Materiality

WEIGHT	QUESTIONS	LEARNING OUTCOMES
15%	15 of 100	11

Scope. The information on which sustainable finance decisions depend. The domain covers materiality, disclosure, emissions accounting, data quality, ratings, and assurance.

Ref.	The candidate should be able to:
Materiality	
I.5.1	Distinguish between financial materiality, impact materiality, and double materiality.
I.5.2	Identify the sustainability factors likely to be financially material in a given sector.
Disclosure	
I.5.3	Describe the common architecture of sustainability disclosure standards: governance, strategy, risk management, and metrics and targets.
I.5.4	Explain the connection between sustainability disclosure and financial reporting.
Emissions accounting	
I.5.5	Distinguish between Scope 1, Scope 2, and Scope 3 emissions and classify emission sources accordingly.
I.5.6	Calculate emissions from activity data and emission factors, and calculate emissions intensity.
I.5.7	Calculate the emissions attributable to a loan or investment and explain the concept of financed emissions.
Data quality, ratings, and assurance	
I.5.8	Describe the sources of sustainability data and the limitations of reported, estimated, and modelled data.
I.5.9	Explain why sustainability ratings from different providers diverge.
I.5.10	Distinguish between limited and reasonable assurance and describe the role of independent verification.
I.5.11	Interpret an extract from a sustainability disclosure and identify gaps, inconsistencies, and unsupported claims.

LEVEL I · DOMAIN 6

Sustainable Debt and Transition Capital Instruments

WEIGHT	QUESTIONS	LEARNING OUTCOMES
15%	15 of 100	12

Scope. The debt instruments through which capital is raised for sustainable and transition purposes. The domain covers use-of-proceeds and performance-linked structures, transition instruments, and the markets in which they trade.

Ref.	The candidate should be able to:
Use-of-proceeds instruments	
I.6.1	Describe green, social, sustainability, and blue bonds and loans, and explain the use-of-proceeds principle.
I.6.2	Describe the components of an issuance framework: eligible projects, project selection, management of proceeds, and reporting.
I.6.3	Explain the function of external review, including second-party opinions, verification, and certification.
Performance-linked instruments	
I.6.4	Describe sustainability-linked bonds and loans, including key performance indicators, performance targets, and coupon or margin adjustments.
I.6.5	Calculate the effect of a coupon adjustment on the cost of a sustainability-linked instrument when a performance target is missed.
I.6.6	Compare use-of-proceeds and sustainability-linked structures by issuer suitability, investor protection, and integrity risk.
Transition instruments	
I.6.7	Define transition finance and explain why emissions-intensive sectors require it.
I.6.8	Describe the features of a credible transition plan at the level of the entity.
I.6.9	Identify the risk of carbon lock-in and describe the safeguards against it.
Markets and pricing	
I.6.10	Describe the participants in sustainable debt markets: issuers, underwriters, investors, and external reviewers.
I.6.11	Explain the pricing difference between labelled and conventional bonds and the evidence for it.
I.6.12	Describe sovereign sustainable debt, including labelled sovereign bonds and debt-for-nature exchanges.

LEVEL I · DOMAIN 7

Corporate Governance, Stewardship, and Sustainable Investment

WEIGHT	QUESTIONS	LEARNING OUTCOMES
15%	15 of 100	12

Scope. How companies are governed and how investors act on sustainability considerations. The domain covers board oversight, investment approaches across asset classes, and stewardship.

Ref.	The candidate should be able to:
Corporate governance	
I.7.1	Describe the roles and responsibilities of the board, its committees, management, and shareholders.
I.7.2	Explain how board oversight, executive remuneration, and internal control bear on sustainability performance.
I.7.3	Compare governance across ownership structures, including state-owned and family-controlled enterprises.
Sustainable investment approaches	
I.7.4	Distinguish between exclusion, norms-based screening, best-in-class selection, integration, thematic investment, and impact investment.
I.7.5	Explain how sustainability factors enter fundamental analysis and valuation.
I.7.6	Describe how sustainability considerations are applied in listed equity, fixed income, private markets, and real assets.
I.7.7	Apply a screening rule to a set of securities and interpret its effect on the investable universe.
I.7.8	Describe the evidence on the relationship between sustainability characteristics and financial performance, and its limitations.
Stewardship	
I.7.9	Describe engagement, proxy voting, and collaborative engagement as instruments of stewardship.
I.7.10	Compare engagement and divestment as responses to the sustainability performance of an investee.
Mandates and products	
I.7.11	Describe how asset owners express sustainability objectives through investment policies and mandates.
I.7.12	Describe the construction of sustainability indices and the basis on which funds are labelled as sustainable.

LEVEL I · DOMAIN 8

Climate and Nature Risk Fundamentals

WEIGHT	QUESTIONS	LEARNING OUTCOMES
10%	10 of 100	10

Scope. The concepts used to identify and describe climate and nature-related financial risk. Measurement and modelling are developed at Level II.

Ref.	The candidate should be able to:
Categories of risk	
I.8.1	Distinguish between physical risk and transition risk, and between acute and chronic physical hazards.
I.8.2	Describe the sources of transition risk: policy, technology, market preference, and legal liability.
I.8.3	Explain the channels through which climate risk becomes credit, market, liquidity, operational, and underwriting risk.
Concepts of measurement	
I.8.4	Apply the concepts of hazard, exposure, and vulnerability to describe the physical risk of an asset.
I.8.5	Describe the purpose of climate scenario analysis and distinguish scenarios from forecasts.
I.8.6	Explain the concept of stranded assets and identify assets exposed to stranding.
Nature-related risk	
I.8.7	Explain dependencies and impacts on nature as sources of financial risk.
I.8.8	Identify sectors with high dependency on water, soil, pollination, and other ecosystem services.
Risk governance	
I.8.9	Describe how climate and nature-related risk enter the risk governance, risk appetite, and reporting of a financial institution.
I.8.10	Explain why emerging and developing economies carry higher exposure to physical risk and lower capacity to adapt.

SECTION 5

Level II: Advanced Applications and Strategic Integration

Aim	Level II develops the capacity to apply the body of knowledge to transactions, portfolios, institutions, and public policy, and to exercise professional judgement where evidence is incomplete.
Assumed knowledge	Every Level I outcome is assumed and may be drawn on in the Level II examination.
Depth	Outcomes are set mainly at the levels of application, analysis, evaluation, and synthesis.
Examination	Proctored written examination built on case studies. Marks are allocated to domains by weight, and a single case may draw on several domains.
Capstone	An applied strategy paper and oral defence, taken after the examination. Section 6 sets out its outcomes and assessment criteria.
Award	The Chartered Sustainable Finance Professional (CSFP) designation, on passing the examination, completing the capstone, and accepting the Code.

Domains and weights

Domain	Title	Weight	Outcomes	Page
II.1	Ethics and Professional Judgement in Practice	10%	8	17
II.2	Climate Risk Measurement, Scenario Analysis, and Stress Testing	15%	14	18
II.3	Carbon Markets and Carbon Pricing	10%	10	19
II.4	Transition Finance, Industrial Decarbonisation, and Just Transition	15%	12	20
II.5	Project and Infrastructure Finance: Structuring and Modelling	15%	13	21
II.6	Blended, Development, and Sovereign Finance in Emerging Markets	15%	12	22
II.7	Nature, Adaptation, and Resilience Finance	10%	10	23
II.8	Impact Measurement, Assurance, and Integrity	10%	10	24
Total		**100%**	**89**	

LEVEL II · DOMAIN 1

Ethics and Professional Judgement in Practice

WEIGHT	ASSESSED BY	LEARNING OUTCOMES
10% of marks	Written examination	8

Scope. The exercise of professional judgement where duties compete, evidence is incomplete, or commercial interest presses against the Code. The domain is examined through cases.

Ref.	The candidate should be able to:
Applying the Code	
II.1.1	Apply the IISF Code of Ethics and Professional Conduct to cases that involve competing duties.
II.1.2	Evaluate conflicts of interest in structuring, verification, rating, and advisory mandates, and recommend controls.
II.1.3	Assess whether a sustainability claim made for a product, issuer, or portfolio is substantiated.
Judgement under uncertainty	
II.1.4	Analyse situations in which commercial pressure, client instruction, and professional obligation diverge.
II.1.5	Justify a course of action where data are incomplete, standards conflict, or outcomes are uncertain.
II.1.6	Evaluate the adequacy of disclosure where sustainability outcomes fall short of commitments.
Professional responsibility	
II.1.7	Evaluate the responsibility of supervisors and senior managers for the conduct of those they direct.
II.1.8	Recommend escalation, reporting, and remediation where a breach of professional standards is identified.

LEVEL II · DOMAIN 2

Climate Risk Measurement, Scenario Analysis, and Stress Testing

WEIGHT	ASSESSED BY	LEARNING OUTCOMES
15% of marks	Written examination	14

Scope. The quantitative assessment of climate risk in borrowers, assets, and portfolios. The domain covers scenario design, translation into financial impact, supervisory stress testing, and portfolio alignment.

Ref.	The candidate should be able to:
Scenario design	
II.2.1	Compare orderly, disorderly, and high-warming scenario families and their assumptions.
II.2.2	Evaluate integrated assessment models as a basis for financial analysis, including their treatment of damages, technology, and policy.
II.2.3	Design a scenario narrative and variable set suited to a stated portfolio and time horizon.
From scenario to financial impact	
II.2.4	Estimate the effect of a carbon price on the costs, margins, and debt service capacity of a borrower.
II.2.5	Apply scenario variables to adjust the cash flows and valuation of an equity or debt holding.
II.2.6	Apply scenario variables to adjust probability of default, loss given default, and collateral value.
II.2.7	Estimate physical risk losses for an asset from hazard, exposure, and vulnerability data.
II.2.8	Analyse the sectoral and geographic concentration of climate risk in a loan book or portfolio.
Stress testing and supervision	
II.2.9	Distinguish between microprudential and macroprudential climate stress tests and between top-down and bottom-up designs.
II.2.10	Interpret the results of a climate stress test and assess the implications for capital, provisioning, and risk appetite.
II.2.11	Evaluate the limits of climate stress testing, including horizon, data gaps, balance sheet assumptions, and model risk.
Portfolio alignment and strategy	
II.2.12	Calculate and interpret financed emissions, weighted average carbon intensity, and related metrics.
II.2.13	Evaluate methods of measuring portfolio alignment, including sectoral pathway comparison and implied temperature measures.
II.2.14	Formulate a portfolio decarbonisation strategy that combines reallocation, engagement, and escalation, and evaluate its effect on emissions in the real economy.

LEVEL II · DOMAIN 3

Carbon Markets and Carbon Pricing

WEIGHT	ASSESSED BY	LEARNING OUTCOMES
10% of marks	Written examination	10

Scope. The design and economics of carbon pricing, the integrity of carbon credits, and the treatment of carbon in cross-border trade and financial decisions.

Ref.	The candidate should be able to:
Compliance markets	
II.3.1	Analyse the design of an emissions trading system: cap, coverage, allocation, banking, and price stability mechanisms.
II.3.2	Compare cap-and-trade systems with intensity-based and baseline-and-credit systems.
II.3.3	Analyse the drivers of allowance prices and the roles of compliance entities, intermediaries, and investors.
Carbon credits	
II.3.4	Evaluate the integrity of a carbon credit against additionality, baseline setting, permanence, leakage, and double counting.
II.3.5	Compare avoidance, reduction, and removal credits across the principal project types.
II.3.6	Analyse the carbon credit lifecycle from methodology and validation to issuance and retirement, and identify the points of integrity risk.
International transfers and border measures	
II.3.7	Explain cooperative approaches under international climate agreements and apply corresponding adjustments to a transfer of mitigation outcomes.
II.3.8	Analyse the effect of a border carbon adjustment on the cost position and financing needs of an exporter.
Carbon in financial decisions	
II.3.9	Apply an internal carbon price to an investment appraisal and interpret the result.
II.3.10	Evaluate the use of carbon credits within the decarbonisation strategy of a company or financial institution.

LEVEL II · DOMAIN 4

Transition Finance, Industrial Decarbonisation, and Just Transition

WEIGHT	ASSESSED BY	LEARNING OUTCOMES
15% of marks	Written examination	12

Scope. The financing of decarbonisation in emissions-intensive sectors. The domain covers sectoral pathways, assessment of transition plans, structuring of transition capital, and the social consequences of industrial change.

Ref.	The candidate should be able to:
Sectoral pathways	
II.4.1	Analyse decarbonisation pathways for power, steel, cement, chemicals, and heavy transport, including the principal abatement technologies.
II.4.2	Interpret a marginal abatement cost curve and select abatement options in order of cost-effectiveness.
II.4.3	Analyse the capital cost, operating cost, and competitiveness effects of an abatement investment.
Assessing transition plans	
II.4.4	Evaluate the credibility of a corporate transition plan against its targets, capital allocation, governance, and interim milestones.
II.4.5	Assess carbon lock-in and stranded asset exposure in a financing proposal.
II.4.6	Evaluate whether a financing qualifies as transition finance under a stated classification approach.
Structuring transition capital	
II.4.7	Structure a sustainability-linked or transition instrument, selecting indicators, targets, and adjustment mechanisms suited to the issuer.
II.4.8	Evaluate mechanisms for the managed phase-out of emissions-intensive assets, including early retirement financing.
II.4.9	Analyse the role of offtake contracts, contracts for difference, and public support in making low-carbon industrial projects financeable.
Just transition	
II.4.10	Analyse the employment, regional, and fiscal effects of an industrial or energy transition.
II.4.11	Recommend measures that build just transition commitments into a financing structure.
II.4.12	Evaluate transition finance needs and constraints in emerging and developing economies.

LEVEL II · DOMAIN 5

Project and Infrastructure Finance: Structuring and Modelling

WEIGHT	ASSESSED BY	LEARNING OUTCOMES
15% of marks	Written examination	13

Scope. The structuring and financial modelling of limited-recourse projects, with emphasis on energy transition assets. The domain carries the heaviest quantitative content of Level II.

Ref.	The candidate should be able to:
Project finance structure	
II.5.1	Analyse the contractual structure of a project financing, including sponsors, project company, lenders, offtaker, and contractors.
II.5.2	Analyse the allocation of construction, operating, market, counterparty, political, and currency risk among project parties.
II.5.3	Evaluate a power purchase agreement or other revenue contract as a basis for debt.
II.5.4	Assess a project against the environmental and social safeguards applied by lenders, including resettlement, labour conditions, and community consent.
Financial modelling	
II.5.5	Construct a project cash flow waterfall from revenue to equity distributions.
II.5.6	Calculate debt service coverage, loan life coverage, and project and equity internal rates of return.
II.5.7	Calculate debt capacity by sculpting repayments to cash flow available for debt service.
II.5.8	Calculate the levelised cost of energy and analyse its sensitivity to cost of capital, capacity factor, and capital cost.
II.5.9	Analyse sensitivities and downside cases and interpret their effect on covenants and returns.
Energy transition assets	
II.5.10	Compare the risk profiles of solar, wind, storage, transmission, and early-stage technologies such as low-carbon hydrogen.
II.5.11	Evaluate the bankability of a renewable energy or green infrastructure project.
Emerging-market considerations	
II.5.12	Analyse the effect of country risk, currency mismatch, and offtaker credit quality on the cost of capital.
II.5.13	Recommend risk mitigation instruments, including guarantees, political risk insurance, and currency hedging.

LEVEL II · DOMAIN 6

Blended, Development, and Sovereign Finance in Emerging Markets

WEIGHT	ASSESSED BY	LEARNING OUTCOMES
15% of marks	Written examination	12

Scope. The mobilisation of capital where commercial terms alone do not suffice. The domain covers blended structures, development finance institutions, sovereign instruments, and the cost of capital in emerging markets.

Ref.	The candidate should be able to:
Blended finance	
II.6.1	Explain the rationale for blended finance and the principles of additionality and minimum concessionality.
II.6.2	Compare first-loss capital, guarantees, concessional debt, grants, and technical assistance as blending instruments.
II.6.3	Structure a blended finance vehicle with tranches matched to the risk appetite of public, philanthropic, and commercial investors.
II.6.4	Evaluate a blended structure for mobilisation, additionality, and risk of market distortion.
Development finance institutions	
II.6.5	Analyse the roles of multilateral development banks, national development banks, and climate funds in mobilising private capital.
II.6.6	Compare the risk-sharing instruments offered by development finance institutions, including syndicated lending structures and partial guarantees.
Sovereign finance	
II.6.7	Analyse the effect of climate vulnerability on sovereign creditworthiness and borrowing cost.
II.6.8	Evaluate labelled sovereign bonds, sustainability-linked sovereign debt, debt-for-nature exchanges, and climate-resilient debt clauses.
II.6.9	Analyse the interaction between debt sustainability and climate investment needs.
Cost of capital in emerging markets	
II.6.10	Estimate the cost of capital for an emerging-market investment, incorporating country risk and currency premia.
II.6.11	Evaluate local currency financing and other solutions to currency risk.
II.6.12	Formulate a financing strategy for a national or sectoral transition programme, combining public, concessional, and private capital.

LEVEL II · DOMAIN 7

Nature, Adaptation, and Resilience Finance

WEIGHT	ASSESSED BY	LEARNING OUTCOMES
10% of marks	Written examination	10

Scope. Finance for the protection of natural systems and for adaptation to physical climate change. The domain covers nature-related assessment, financing instruments, the economics of resilience, and risk transfer.

Ref.	The candidate should be able to:
Nature-related assessment	
II.7.1	Apply a structured method to locate, evaluate, and assess nature-related dependencies, impacts, risks, and opportunities.
II.7.2	Interpret natural capital accounts and explain their use in decision-making.
II.7.3	Evaluate nature-related risk in a lending or investment portfolio.
Financing nature	
II.7.4	Evaluate instruments for financing nature, including biodiversity credits, payments for ecosystem services, and blue bonds.
II.7.5	Analyse the financing of sustainable agriculture, forestry, and land use, including smallholder and value chain structures.
Adaptation and resilience	
II.7.6	Analyse the economic case for an adaptation investment, including avoided loss and wider resilience benefits.
II.7.7	Explain why adaptation attracts less private capital than mitigation and evaluate measures to close the gap.
II.7.8	Structure the financing of a resilience investment that generates limited direct revenue.
Risk transfer	
II.7.9	Compare indemnity insurance, parametric insurance, catastrophe bonds, and sovereign risk pools.
II.7.10	Evaluate the protection gap in emerging and developing economies and recommend instruments to narrow it.

LEVEL II · DOMAIN 8

Impact Measurement, Assurance, and Integrity

WEIGHT	ASSESSED BY	LEARNING OUTCOMES
10% of marks	Written examination	10

Scope. The evidence that sustainable finance delivers what it claims. The domain covers impact measurement, reporting and assurance, the control of greenwashing risk, and the integration of these disciplines within an institution.

Ref.	The candidate should be able to:
Impact measurement	
II.8.1	Construct a theory of change that links capital to outputs, outcomes, and impact.
II.8.2	Select indicators, baselines, and targets for a financing or portfolio.
II.8.3	Evaluate attribution, contribution, and additionality in an impact claim.
Reporting and assurance	
II.8.4	Evaluate an allocation and impact report for a labelled instrument.
II.8.5	Assess the scope and level of assurance required for a sustainability claim.
II.8.6	Evaluate the quality and independence of an external review.
Integrity risk	
II.8.7	Analyse greenwashing risk across product design, marketing, and reporting.
II.8.8	Evaluate the legal, regulatory, and reputational consequences of unsupported sustainability claims.
II.8.9	Design controls to prevent and detect misrepresentation in sustainable finance products.
Institutional integration	
II.8.10	Formulate a sustainable finance framework for an institution, covering governance, eligibility, monitoring, and reporting.

SECTION 6

The Capstone

6.1 Purpose

The capstone tests whether a candidate can bring the body of knowledge to bear on a single, realistic problem and defend the result.

6.2 The task

The candidate prepares a transition or sustainable finance strategy for a specified institution, sector, or jurisdiction, and defends it orally before an assessment panel. The brief, submission requirements, and schedule are issued to candidates who have passed the Level II examination.

6.3 Learning outcomes

Ref.	The candidate should be able to:
C.1	Formulate a transition or sustainable finance strategy for a specified institution, sector, or jurisdiction.
C.2	Analyse the financial, policy, and market evidence that bears on the strategy.
C.3	Construct the financial analysis that supports the recommendation, stating its assumptions.
C.4	Evaluate the risks, constraints, and alternatives, including the social consequences.
C.5	Justify the recommendation against professional and ethical standards.
C.6	Defend the analysis and recommendation under questioning by an assessment panel.

6.4 Assessment criteria

Criterion	What the panel looks for
Problem definition	The question is framed precisely, with scope, constraints, and affected parties identified.
Technical rigour	The analysis is correct, quantified where the problem allows, and open about its assumptions.
Integration	The strategy draws on several domains of the syllabus and reconciles their demands.
Feasibility and judgement	Recommendations are practicable for the institution and its context, and alternatives have been weighed.
Integrity	Claims are substantiated, limitations are disclosed, and the work meets the standards of the Code.
Communication and defence	The argument is clear in writing and holds under questioning.

SECTION 7

Governance of the Syllabus

7.1 Review

IISF reviews the syllabus each year with the advice of its Standards & Advisory Board. The review tests each domain against current market and supervisory practice.

7.2 Weights

Domain weights express the relative importance of each domain to professional practice. They are reconsidered at each review.

7.3 Editions and amendments

Each edition applies from its date of publication until it is superseded. IISF publishes a summary of amendments with every new edition. Candidates are examined on the edition in force for the window in which they sit.

7.4 Prescribed readings

Prescribed readings for each domain are issued to registered candidates through the Candidate Portal. Readings support study. The learning outcomes define what is examined.

7.5 This edition

Edition	2026 Edition, version 1.0
Published	October 2026
Applies to	CSFP Level I and Level II examinations and the capstone

APPENDIX A

Command Words

Every learning outcome opens with one of the command words below. Examination questions use the same words with the same meaning.

Command word	Meaning
Knowledge and comprehension	Recall concepts accurately and explain them.
Define	State the precise meaning of a term.
Identify	Recognise and name an item, feature, or instance.
Describe	Set out the main characteristics of a concept, instrument, or process.
Classify	Place items in categories according to stated criteria.
Explain	Make clear how or why something is so, giving reasons.
Distinguish	State the differences that separate two or more concepts.
Application	Use a concept or method to reach a result in a given situation.
Calculate	Derive a numerical result, showing the method where required.
Apply	Use a concept, rule, or method in a given situation.
Interpret	State the meaning and implications of data, results, or documents.
Estimate	Derive an approximate value from stated data and reasoned assumptions.
Analysis	Separate a problem into its elements and show how they relate.
Analyse	Examine a matter in detail, separating its elements and showing how they relate.
Compare	Set out the similarities and differences between items and state their significance.
Evaluation and synthesis	Form and defend a judgement, or build a solution to a stated problem.
Evaluate	Judge the merit of something against stated criteria, weighing the evidence on each side.
Assess	Weigh the significance, extent, or quality of something and reach a conclusion.
Justify	Give the evidence and reasoning that support a decision or conclusion.
Recommend	Propose a course of action and give the reasons for it.
Select	Choose among alternatives and give the grounds for the choice.
Construct	Build a model, schedule, or framework from its components.
Structure	Arrange the terms of a transaction or vehicle to meet stated objectives and constraints.
Design	Devise a scheme, process, or instrument fit for a stated purpose.
Formulate	Develop a strategy or policy from analysis and state it in a form that can be acted on.
Defend	Sustain a position under questioning, addressing objections on their merits.

THE INSTITUTE

About IISF

The International Institute for Sustainable Finance (IISF) is a professional institution that sets standards of competence and conduct for sustainable finance, transition capital, climate risk, and responsible investment. It awards the Chartered Sustainable Finance Professional (CSFP) designation.

IISF is the learning and credentialing arm of the Sustainable Capital Research Foundation (SCRF), a not-for-profit company registered under Section 8 of the Companies Act, 2013 (India).

Contact

Admissions	**admissions@sustainablefinance.in**
General enquiries	**office@sustainablefinance.in**
Website	**www.sustainablefinance.in**

© 2026 International Institute for Sustainable Finance. All rights reserved.

This syllabus may be reproduced for personal study. Reproduction for commercial purposes requires the written permission of IISF. IISF may amend the syllabus, and the edition in force is published at sustainablefinance.in.