



In Conversation with

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1. When and why did the De Nederlandsche Bank join the NGFS?

DNB is one of the founding members of the NGFS. Since over ten years, it has been our mission to safeguard financial stability and thus contribute to sustainable prosperity in the Netherlands. That implies that we are committed to sustainable economic growth with no harmful impact on the environment and an inclusive financial and economic system. We recognize that central banks and supervisors have a role to play in making the financial system more sustainable. Within NGFS we can work together and accelerate our efforts.

With 130+ members and many observers and stakeholders, NGFS has come a long way since its beginning! I believe we can be proud of the global recognition for NGFS' work and efforts to put new topics on the agenda, for instance the work we are doing on nature-related risks. At the same time, NGFS can play an important role in helping members build up capacity and knowledge. This is especially relevant for member institutions that are only just starting to focus on climate and environmental topics. With our growing and increasingly diverse membership, the NGFS work is more relevant than ever.

2. Can you share with us the key elements of the De Nederlandsche Bank's climate strategy and how it fits into the broader national strategy in your jurisdiction?

Sustainable Finance Strategy: Sustainability is a strategic priority for DNB. This starts with our mission: to safeguard financial stability and thus contribute to sustainable prosperity in the Netherlands. We want to contribute as concretely as possible to making the financial system more sustainable, and we are therefore working towards fully integrating sustainability into our core functions by 2025. We cover all core functions: financial stability, monetary & payments, economic advice, supervisory and our internal organization. For instance, we have defined a strategy for embedding sustainability risks into our supervisory methodology and into a forward-looking toolkit to identify macroprudential sustainability risks. Our economic research and policy advice, feeds and stimulates the public debate

on sustainable prosperity. In our own organization we strive to make a positive contribution to global sustainability goals where that is possible, for instance via our central bank reserve management and internal operations.

Integrated approach: Sustainability risks are interrelated, often systemic risks that potentially affect financial stability. For instance, climate change drives the degradation of ecosystems, and thereby threatens financial stability. It also works the other way around: nature-related issues, such as biodiversity loss, resource scarcity and water stress, can also amplify climate change. Given this strong interconnectedness, we seek to adopt where possible an integrated approach with a long-term perspective, not looking at these issues in isolation.

National strategy/platform: At the national level, we work together with various private and public authorities for instance via the Dutch Sustainable Finance Platform¹ that DNB established in 2016. This platform forges connections, encourages action and promotes partnerships on sustainable initiatives for the financial sector, supervisory authorities and government ministries. We involve a wide range of stakeholders – financial sector, public sector, academia, civil society - in regularly feeding us with new insights and challenging our Sustainable Finance Strategy, and we annually seek input of a wide range of NGOs.

3. To which extent did the De Nederlandsche Bank leverage the work of the NGFS in its own domestic journey? Any concrete examples?

Climate and environmental topics evolve rapidly so it can be difficult to keep up to date on all developments. We recognize that we all need to be selective in the specific topics we wish to focus on. It is therefore incredibly valuable to be able to cooperate with like-minded organizations within the NGFS, and divide the workload. For topics that DNB is a frontrunner on, like nature-related risks, NGFS provides a platform to cooperate and bring the topic further. Similarly, there are topics for which other NGFS members are in the lead and that we have been able to make the most of. To highlight some examples of the excellent NGFS work that has been very useful for us: the NGFS climate scenarios, the guide for supervisors and the work on climate-related litigation risks.

Where we believe we can make a meaningful contribution, we want to actively contribute to the work performed in the different working groups. In addition to our participation in various work streams, expert networks and taskforces, we are currently co-chairing the taskforce on nature-related risks and have been in the lead for developing the conceptual framework on nature. DNB was one of the first NGFS members to do research on the relevance of nature-related risks, such as biodiversity, for the financial sector with our 2020 publication *Indebted to nature*. Since then, several other NGFS members, such as the Banque de France, have built on this initial work. Furthermore, I am currently Co-Chairing, with MAS' Sing Chiong Leong, the Blended Finance Initiative.

4. One last word?

Let us keep up our important and urgent work in the area of greening the financial system! The NGFS has played a very important role in moving the financial sector in a greening direction, but we are not there yet. There is still a lot of work to be done. Not only on climate change mitigation and adaptation, but also on the interaction with nature(loss). And I hope that we, together within the NGFS, can continue to play our part to green the financial system.

¹ www.dnb.nl/en/green-economy/sustainable-finance-platform/