



Paris, April 6th 2021

NGFS and INSPIRE launch a joint research project on ‘Biodiversity and Financial Stability’

Today, the NGFS and the International Network for Sustainable Financial Policy Insights, Research, and Exchange (INSPIRE) – one of the NGFS research stakeholders – announced the launch of a joint Study Group on ‘Biodiversity and Financial Stability’.

A growing number of central banks and supervisors have recognised the need to extend their focus from climate change to the challenges of addressing the implications of broader nature-related risks and the conservation of nature and biodiversity. Doing this will involve understanding the impact of finance on the provision of key ecosystem services as well as the consequences of biodiversity loss for financial stability. To respond to this emerging agenda, the Study Group will conduct a programme of research and dialogue to address these challenges and propose recommendations for action and further inquiry. The goal of the research initiative is to establish an evidence-based approach to how central banks and supervisory authorities could fulfil their mandates in the context of biodiversity loss, with a focus on land-use and deforestation.

Frank Elderson, Chair of the NGFS and member of the ECB’s Executive Board: *“Companies are highly dependent on the services that ecosystems provide, but may at the same time have a harmful impact on the environment. The financial risks that stem from a loss in biodiversity are a serious threat to the financial sector that urgently require better understanding by policy makers and regulators to which the new NGFS/INSPIRE Study Group will provide an important contribution.”*

This project will be co-led by the Chair of the NGFS Workstream on Research (overseen by Dr Ma Jun, managed by Dr Tianyin Sun) and INSPIRE (overseen by Prof Nick Robins, managed by Dr Simon Dikau). The Study Group will comprise researchers from both NGFS members and INSPIRE.

Dr Ma Jun, Chair of the NGFS Research Workstream, co-Chair of the G20 Sustainable Finance Study Group, and Chairman of China Green Finance Committee: *“Of systematic importance but poorly understood is the impact of biodiversity loss on the economy and financial system. The joint NGFS/INSPIRE research initiative on ‘Biodiversity and Financial Stability’ is formed to improve this understanding, by exploring the dependencies among and impact transmission through the ecological systems, economic activities, and financial stability.”*

Professor Nick Robins, Grantham Research Institute on Climate Change and the Environment: *“2021 is a crucial year with the Biodiversity COP as well as the Climate COP. The Study Group will complement existing initiatives by setting out recommendations that financial authorities can take in the near-term as well as produce a long-term research agenda on biodiversity.”*

About the NGFS

The NGFS, launched at the Paris One Planet Summit on 12 December 2017, is a group of central banks and supervisors, which on a voluntary basis are willing to share best practices and contribute to the development of environment and climate risk management in the financial sector, and to mobilize mainstream finance to support the transition toward a sustainable economy. The NGFS brings together 89 central banks and supervisors and 13 observers. Together, they represent five continents and around 75% of global greenhouse gas emissions, and are responsible for the supervision of all of the global systemically important banks and two thirds of global systemically important insurers. The NGFS is chaired by Frank Elderson, member of the ECB's Executive Board. The Secretariat, headed by Morgan Després, is provided by Banque de France.

About INSPIRE

The International Network for Sustainable Financial Policy Insights, Research, and Exchange (INSPIRE) is an independent research network built to support the central banks and supervisors of the Network for Greening the Financial System (NGFS) in its work to manage climate and environmental risks and mobilise finance to support the transition to a sustainable economy. The INSPIRE secretariat is co-hosted by the Grantham Research Institute on Climate Change and the Environment at the London School of Economics and Political Science and the ClimateWorks Foundation. It is guided by an Advisory Committee and has commissioned over 30 research projects across a range of critical themes.

**For more details on the NGFS, visit the [NGFS website](#) and [Twitter account](#) or contact the NGFS Secretariat at Banque de France sec.ngfs@banque-france.fr
Press Office at Banque de France : +33 (0) 1 42 92 39 00 / presse@banque-france.fr**

For more details on INSPIRE, visit the [INSPIRE website](#) and [Twitter account](#).