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NGFS PRESS RELEASE

Publication of the first NGFS progress report

The Central Banks and Supervisors Network for Greening the Financial System (NGFS), launched at the Paris One Planet Summit on 12 December 2017 held a Plenary meeting in Bali aside the Annual Meetings of the IMF and World Bank Group and published today its first progress report

The key messages of NGFS progress report are the following:

- NGFS Members acknowledge that climate-related risks are a source of financial risk. It is therefore within the mandates of Central Banks and Supervisors to ensure the financial system is resilient to these risks. Some NGFS members have extended their analysis to broader environmental risks finding that these are a source of financial risk as well.
- Central Banks and Supervisors, as well as financial institutions, are deepening their understanding of these risks and the need for an improved approach. The tools and methodologies, however, are still at an early stage and there are a number of analytical challenges.
- Central Banks and Supervisors, as well as financial institutions, need to develop new analytical and supervisory approaches, including those based on forward looking scenario analysis and stress tests.

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- Some Central Banks are also increasingly playing their part in scaling up green finance, for instance by accounting for climate and environment-related factors in their investment strategies.

In the coming months, the NGFS will carry on its work on its first comprehensive report to be published by April 2019.

“The NGFS progress report shows that Central Banks and Supervisors see the urgency to act on climate and environment-related risks. Although we are not there yet, we are taking steps in the right direction by actively assessing the risks and developing tools.” Frank Elderson, chairman of the NGFS says.

<https://www.ngfs.net>

Since last June the NGFS welcomed the following institutions: the Bank of Finland, the Banque centrale du Luxembourg, the Japan FSA, the National Bank of Belgium, the Reserve Bank of Australia as members, the World Bank Group and the IFC-supported Sustainable Banking Network, the European Bank for Reconstruction and Development (EBRD) and the Sustainable Insurance Forum (SIF) as observers. With the Bank Negara Malaysia joining on October 11th, the NGFS now has 19 members and 5 observers.¹

In close partnership with the World Bank Group, the NGFS also organizes aside the Annual Meetings a High Level Event ‘Scaling Up Green Finance – The New Role of Regulators and Central Banks’. Some key leaders will discuss how financial regulation can help mobilize mainstream finance to support the transition towards sustainable development and economic growth.

¹ With these new members, the total membership consists of the following institutions: Banco de España, Banco de México, Bank Al Maghrib, Bank of England, Bank of Finland, Bank Negara Malaysia (Central Bank of Malaysia), Banque Centrale du Luxembourg, Banque de France / Autorité de Contrôle Prudentiel et de Résolution (ACPR), Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), De Nederlandsche Bank, Deutsche Bundesbank, European Central Bank, Finansinspektionen (Swedish FSA), Japan FSA, Monetary Authority of Singapore, National Bank of Belgium, Oesterreichische National Bank, the People’s Bank of China, the Reserve Bank of Australia.

The observership consists of the following institutions: The Bank for International Settlement, the European Bank for Reconstruction and Development, the Organisation for Economic Cooperation and Development, the Sustainable Insurance Forum, the World Bank and the International Finance Corporation supported Sustainable Banking Network.

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