



Paris, April 27th 2022

NGFS publishes a report on enhancing market transparency in green and transition finance

Today, the NGFS released the report [“Enhancing Market Transparency in Green and Transition Finance”](#), which leverages the experiences of NGFS members and observers to shed light on the state of play and key challenges surrounding market transparency issues.

Ravi Menon, Chair of the NGFS and Managing Director of the Monetary Authority of Singapore: *“Transparency is key to mobilising capital for green and transition projects. This report highlights the key elements for achieving transparency in green finance, chief of which is a globally consistent disclosure standard. This is why the work by the International Sustainability Standards Board on a global sustainability reporting standard is critically important. The NGFS is keen to work with like-minded players in enhancing market transparency to harness the power of financial markets to help achieve a net zero world.”*

The report sets out some key considerations relevant to policymakers:

- *Enhance market transparency about issuers’ and investors’ green and transition objectives.* Taxonomies and climate transition frameworks are most effective when they are tied to clear objectives and science-based net zero targets.
- *Facilitate comparability and interoperability of taxonomies, frameworks, and principles.* A common understanding of criteria, targets and methodologies is critical to avoid divergences in assessments in green external reviews.
- *Accelerate efforts on disclosure and reporting.* Enhanced disclosure and reporting, based on global disclosure standards with industry-specific metrics, will form the basis for consistent, comparable and reliable climate data, transition plans and investment products.

Dr Sabine Mauderer, Vice-Chair of the NGFS and Member of the Executive Board of the Deutsche Bundesbank: *“Global warming and geopolitics make it ever more important to cut our dependence on fossil fuels. To provide the necessary financing for the transition, investors need clear and internationally comparable criteria to assess the environmental benefits and costs of their investments. In a nutshell, we need harmonized taxonomies and transition frameworks as well as global baseline disclosure standards.”*

This report aims to feed into international discussions on improving compatibility of approaches to identify, verify and align investments to sustainability goals.

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 114

central banks and supervisors and 18 observers. Together, they represent five continents and more than 85% of global greenhouse gas emissions, and are responsible for the supervision of all of the global systemically important banks and 80% of the internationally active insurance groups. The NGFS is chaired by Mr Ravi Menon, Managing Director of the Monetary Authority of Singapore. The Secretariat, headed by Mr Jean Boissinot, is provided by Banque de France.

For more details, visit the [NGFS website](#) and [Twitter account](#) or contact the NGFS Secretariat at Banque de France sec.ngfs@banque-france.fr

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