



Paris, 15 December 2020

US Federal Reserve joins NGFS and two new publications released

On the occasion of its third anniversary, the NGFS released two new publications and welcomed eight new members, including the US Federal Reserve System. Membership of the NGFS has grown from eight founding members three years ago, to 83 members and 13 observers today.

New members

The US Federal Reserve System joined the NGFS, together with seven other new members: Central Bank of Paraguay, Financial Regulatory Authority of Egypt, Financial Services Authority of Indonesia, Central Bank of Iceland, Polish Financial Supervision Authority, Central Bank of Uruguay and the European Securities and Markets Authority. The addition of these new members firmly cements the NGFS's commitment to collective action on a truly global level. The expanding of the NGFS membership means all of the world's systemically important banks, and many more financial institutions, are now supervised by members of the NGFS.

Frank Elderson, Chair of the NGFS and member of the ECB's Executive Board: *"The NGFS has achieved a lot in the three years since its inception. Yet our job is far from finished. We must still press on with our collective efforts to ensure we reach net-zero emissions and address the risks the climate crisis poses to the financial system. That is why I wholeheartedly welcome the Federal Reserve and all the other new members from around the world on our journey. The commitment of the NGFS's members and observers will contribute to accelerating much-needed worldwide action."*

"As we develop our understanding of how best to assess the impact of climate change on the financial system, we look forward to continuing and deepening our discussions with our NGFS colleagues from around the world," said Federal Reserve Board Chair **Jerome H. Powell**.

Two new publications

The NGFS today published a **"Progress report on the implementation of sustainable and responsible investment practices in central banks' portfolio management"** and a **"Survey on monetary policy operations and climate change: key lessons for further analyses"**.

Dr Sabine Mauderer, Chair of the NGFS' "Scaling-up green finance" workstream and Executive Board member of the Deutsche Bundesbank: *"Climate change is clearly moving up central banks' agenda. Central banks are progressively integrating sustainable and responsible investment practices into their portfolio management, besides taking steps to improve their monitoring and reporting."*

According to the “[Progress report on the implementation of sustainable and responsible investment practices in central banks’ portfolio management](#)”, **more central banks have taken steps to integrating Sustainable and Responsible Investment (SRI) practices in one or more of their portfolios, or are planning to do so.** The progress report, which is a follow-up of the [Guide](#) released in October 2019, builds upon a dedicated survey amongst 40 NGFS members from around the globe and aims in particular at reporting on the steps central banks have taken over the last year. It highlights that awareness of reputational risks and the desire to set a good example are still considered as key motivations for the adoption of SRI by central banks. Central banks have varying SRI objectives and many are still exploring what combination of investment strategies would best align with their portfolio characteristics. Similar to last year, the report concludes with case studies of first-hand experiences by NGFS members.

The NGFS also released the “[Survey on monetary policy operations and climate change: key lessons for further analyses](#)”. The NGFS is conducting a thorough and broad-based analysis of the links between climate change and monetary policy operational frameworks of central banks. This investigation builds on the [Report](#) on initial takeaways regarding monetary policy and climate change, published in June 2020. As part of this investigation, the NGFS circulated a survey among its membership to assess the degree of preparedness that central banks currently have to cater for climate-related risk in their monetary policy operations, the result of which is presented in this document: overall, it confirms an increasing and shared awareness of climate-related risks among central banks, albeit with limited concrete actions having been taken so far.

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 83 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.

For more details, 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