

Central Banks and Supervisors Network for Greening the Financial System (NGFS)

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In news: The RBI joined the Central Banks and Supervisors Network for Greening the Financial System (NGFS) as a Member.

About NGFS-

- The Network of Central Banks and Supervisors for Greening the Financial System (NGFS) was **launched at the Paris One Planet Summit on 12 December 2017.**
- It is a group of Central Banks and Supervisors willing, on a **voluntary basis**, to share best practices and contribute to the **development of environment and climate risk mitigation.**
 - Eight central banks and supervisors had established it and at present it consists of **90 members and 14 observers.**
- The **purpose** of the NGFS is " *to define, promote and contribute to the development of best practices to be implemented within and outside of the Membership of the NGFS and to conduct or commission analytical work on green finance.*"
- The Network defines and promotes **best practices to be implemented within and outside of the Membership of the NGFS** and conducts or commissions analytical work on green finance.
- Its **secretariat** is hosted by the **Banque de France** and its current chair is Dutch central banker Frank Elderson.
- It has been awarded best green initiative of the year 2020 by Centralbanking.com.

- In 2021, the NGFS identified 9 policy options that could be chosen by central banks to align their monetary policy with climate objectives.
- The NGFS work is **currently organised around 5 workstreams:**
 - “Microprudential/Supervision” (Singapore)
 - “Macrofinancial” (Bank of England)
 - “Scaling up green finance” (Deutsche Bundesbank)
 - “Bridging the data gaps” (chaired by European Central Bank and IMF)
 - “Research” (People’s Bank of China)