

Coalition of Finance Ministers for Climate Action
and
Network of Central Banks and Supervisors for Greening the Financial System

Chairs Joint COP26 Statement

November 3, 2021

On the occasion of the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26), we, the Co-Chairs of the Coalition of Finance Ministers for Climate Action (the Coalition), and the Chair of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), reaffirm our commitment to mobilizing our organizations to achieve the goals of the Paris Agreement.

Our two entities recognized from the start that achieving the goals of the Paris Agreement requires ambitious climate actions from all Parties, and, from the public sector, stepped-up climate engagements and broader alignment of economic policies. Against this background, finance ministries, central banks and financial supervisors need to take action within their respective fields of responsibility to implement appropriate economic policies and promote financial flows “consistent with a pathway towards low greenhouse gas emissions and climate-resilient development” as set out in the Paris Agreement.

To that end, we have fostered close dialogue and collaborative action, at both national and international levels, between finance ministries and the community of central banks and supervisors. Joint events and workshops have enabled members from both organizations to discuss, learn, and identify areas for collaboration. Over the past few years, we have pushed the idea of building back better as well as looking forward, in the context of a robust post-covid green recovery, calling for the incorporation of climate considerations in recovery plans. We have also identified the importance of training and capacity building among our members and look forward to cooperating in these areas.

We recognize the potential to work together more closely on key priority areas, including the assessment and analysis of the economic and financial impacts of climate change (such as forward-looking scenario analyses and prudential stress tests), as well as the implications for the conduct of economic policy and the preservation of financial stability. We believe that a transition consistent with the Paris Agreement goal of limiting average global warming to 1.5°C is within our collective reach, provided we take strong action

without delay and implement well-designed policies that will together create the incentives needed to enable an orderly transition.

Given the urgency to achieve net-zero and climate-resilient economies, we will work within our respective fields of responsibility to help ensure the readiness and resiliency of the financial sector and drive change in the real sector. Action by central banks, supervisors, finance ministries, as well as line ministries, can play a key role in mitigating climate-related risks for enhanced investment, especially the private sector. We recognize the importance of private capital mobilization. Success hinges on our collective ability to address climate change in a comprehensive manner through ambitious mitigation efforts, investments in adaptation and resilience, and policy measures that ensure a just, inclusive and equitable transition.

We acknowledge that beyond the potentially significant economic and financial implications directly associated with nature loss, global climate and nature goals are closely intertwined and the loss of biodiversity and ecosystem services could undermine climate change mitigation and adaptation efforts, while exacerbating climate risks. Addressing these issues will be critical for a successful transition to net zero. Conserving and restoring forests and other critical ecosystems, as well as transitioning to more sustainable agricultural and land-use practices, can help substantially reduce greenhouse gas emissions and increase sequestering of atmospheric carbon. Against this background, we will strive to better reflect cross-cutting issues related to agriculture, forests and other land uses in our work.

Finally, we recognize that our strength is rooted in our diverse and committed membership. We proudly chair global organizations comprised of low-, middle- and high-income countries that all resolve to urgently scale-up efforts to ensure a smooth transition toward a net-zero, climate-resilient and nature-positive economy. We will continue to work closely together to raise ambition and accelerate action.