



## **Charter of the Central Banks and Supervisors Network for Greening System (NGFS)**

### **I. General provisions**

#### **Article 1: Objectives of the Central Banks and Supervisors Network for Greening the Financial System (NGFS)**

The Central Banks and Supervisors Network for Greening the Financial System (NGFS) is a group of Central Banks and Supervisors willing, on a voluntary basis, to exchange experiences, share best practices, 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. Its purpose is to define and promote best practices to be implemented within and outside of the Membership of the NGFS and to conduct or commission analytical work on green finance.

### **II. Members and Observers**

#### **Article 2: Membership**

- a. Any supervisory authority or central bank committed to actively contribute to the objectives and work of the NGFS is eligible to be a NGFS member. The NGFS Membership aims to achieve a diverse representation of institutions in terms of geographic areas as well as between developed and emerging countries.
- b. The candidate institution should have demonstrated a proven commitment in at least one of the following five areas:
  - i. the design and integration in the regulation framework and/or supervisory practices of climate and environmental risk analysis tools;
  - ii. the adoption of policy measures aiming at mobilizing capital for green and low-carbon investments in the broader context of environmentally sustainable development;
  - iii. the production of analysis and/or research on topic (i) or (ii);
  - iv. a track-record of active involvement in regional or international fora on green finance and willingness to openly share best practices with the other NGFS Members; and/or
  - v. otherwise demonstrated a willingness to contribute to the objectives of the NGFS.

#### **Article 3: Application procedure**

Eligible institutions under article 2 and 5 apply for joining the NGFS in compliance with the following procedure:

- i. The submission of an official request from the Governor or Head of Supervision for Membership application or board-level official for observers to the NGFS Chair, copy the Secretariat. This request describes the motivations for joining the NGFS as well some

examples of proven commitments as set out in article 2 of this Charter and the areas of interest in which the institution specifically wants to contribute.

- ii. The Secretariat thereafter submits the application request by written procedure or at a physical meeting to the approval by consensus of the NGFS Members' jurisdictions.
- iii. Once approved, the new Member will be asked to appoint its representatives in the relevant NGFS Workstreams.

#### **Article 4: Commitments of NGFS Members**

NGFS Members commit to:

- i. Actively contribute to the work of the NGFS and dedicate the appropriate resources in their organization to support their participation;
- ii. Appoint relevant expert(s) in at least one NGFS Workstream;
- iii. Raise the awareness on the work of the NGFS in their jurisdiction, their geographic area and within the international or regional standard setting, regulatory, supervisory and central bank bodies they are involved in;
- iv. Participate when appropriate in the outreach exercises conducted by the NGFS vis a vis external stakeholders.

#### **Article 5: Observers**

International or regional financial institutions and international or regional standard setting, regulatory, supervisory and central bank bodies are eligible to be NGFS observers. In that capacity, they contribute to the work, attend the relevant meetings but are not consulted on items for decision of the NGFS Members. They apply to the NGFS in compliance with the procedure set out in article 3 and are subject to the conditions for membership described in article 2, sub b, of this Charter.

### **III. Organisation**

#### **Article 6: Structure**

The organisational structure of the NGFS consists of the following:

- i. The NGFS Plenary;
- ii. The NGFS Steering Committee;
- iii. The Workstreams;
- iv. The Chair;
- v. The Secretariat.

#### **Article 7: The NGFS Plenary**

- a. The NGFS Plenary consists of representatives of all NGFS Members and Observers. The NGFS Plenary should be appropriately sized to fulfil its mission in an efficient and effective manner.
- b. Decisions by the NGFS Plenary are taken by consensus of the NGFS Members' jurisdictions. Only NGFS Members are consulted on the agenda items for decision.
- c. The NGFS Plenary formally:

- i. Appoints the NGFS Chair upon proposal of the Steering Committee;
  - ii. Approves the strategy and work programme of the NGFS;
  - iii. Decides upon the admission of new NGFS Members and observers;
  - iv. Agrees upon the amendments made to this Charter;
  - v. Decides on any other matter pertaining to the functioning of the NGFS upon proposals of the Chair or the Steering Committee.
- d. The NGFS Plenary holds at least one physical meeting per year. NGFS Plenary Members are represented by one senior-level official, possibly accompanied by one technical expert. Observers and other participants have one representative.
- e. The Chair of the NGFS is chairing the Plenary. The Chair can extend *ad-hoc* invitations to representatives of other institutions to attend whole or part of the Plenary meetings.
- f. A press release is issued after each physical meeting of the NGFS Plenary.

#### **Article 8: The NGFS Steering Committee**

The NGFS Steering Committee is the executive body of the NGFS in charge of:

- i. Under the stewardship of the Chair, preparing the NGFS strategy and work programme;
- ii. Conducting the operational work of the NGFS and fulfilling the work programme;
- iii. Approving the deliverables by consensus of the Steering Committee Members' jurisdictions;
- iv. Upon proposal of the Chair, approving by consensus of the Steering Committee Members' jurisdictions, the establishment of Workstreams, endorsing their mandates and timelines and appointing the Workstreams' Chairs;
- v. Preparing the decision making by NGFS Plenary Members; and
- vi. Taking forward any other matter necessary to the fulfillment of the objectives of the NGFS.

#### **Article 9: Composition of the NGFS Steering Committee**

- a. The NGFS Steering Committee comprises ten (10) Members and one (1) Observer.
- b. The Steering Committee Members are the following:
- Banco de Mexico;
  - Bank al Maghrib
  - the Bank of England;
  - the Banque de France and Autorité de Contrôle Prudentiel et de Résolution (ACPR) ;
  - the Bundesanstalt für Finanzdienstleistungsaufsicht;
  - the Deutsche Bundesbank;
  - De Nederlandsche Bank;
  - Finansinspektionen (The Swedish FSA);
  - the Monetary Authority of Singapore; and
  - the People's Bank of China.

The Bank of International Settlement is an Observer to the Steering Committee.

- c. Steering Committee Members are consulted on the agenda items for decision.

- d. Steering Committee Members hold at least two meetings per year, one of them being a physical meeting. NGFS Steering Committee Members are represented by one senior-level official, possibly accompanied by one technical expert. Other participants have one representative. The Chair of the NGFS is chairing the Steering Committee.
- e. The Chair can extend *ad-hoc* invitations to representatives of other institutions to attend whole or part of the Steering Committee meetings.

#### **Article 10: The Workstreams**

- a. Workstreams are established by the NGFS Steering Committee, upon proposal of the Chair, to conduct specific technical or analytical work contributing to the objectives of the NGFS. The mandates and timeline of the Workstreams are approved by the NGFS Steering Committee.
- b. Members can propose to the Chair the establishment of a Workstream.
- c. The Chair of the Workstreams are selected among NGFS Members and appointed by the Chair of the NGFS, upon approval of the Steering Committee.
- d. NGFS Members, observers and representatives from research centers and universities are eligible to take part in the Workstreams.
- e. The Workstream Chair is responsible for the composition of the Workstream. After consultation of the Steering Committee, the Chair of the Workstream may establish a sub-workstream for specific technical or analytical work that falls within the mandate of the Workstream.

#### **Article 11: The Chair**

- a. The Chair of the NGFS is a board-member level official, selected among the Steering Committee Member institutions. The Chair is selected by the Steering Committee and appointed after approval of the Plenary for a two-year term with an optional extension of one year.
- b. The Chair is in charge of steering and organizing the work of the NGFS. More specifically:
  - i. The Chair decides, upon approval of the Steering Committee, on the establishment of Workstreams when appropriate to fulfill the work programme and on the appointment of the Chairs of the Workstreams.
  - ii. The Chair convenes and chairs the meeting of the NGFS Plenary and Steering Committee.
  - iii. Without prejudice of the NGFS members and the Secretariat to communicate upon their involvement in the work and the published deliverables of the NGFS, the Chair is the spokesperson for the NGFS and representative of the NGFS externally.
  - iv. The Chair, in the discharge of his functions, does not represent his home institution. His home institution is therefore entitled to appoint an additional representative at NGFS Plenary and Steering Committee meetings.

#### **Article 12: The Secretariat**

- a. The main responsibilities of Secretariat include the following:

- i. To support the activities of the NGFS Plenary, Steering Committee, the Workstreams and the Chair;
  - ii. To facilitate cooperation among Members and between the NGFS and other institutions;
  - iii. To ensure an efficient communication within the NGFS and outreach vis à vis external stakeholders;
  - iv. To maintain the NGFS records, administers the NGFS dedicated webpage and sharepoint and deal with correspondence of the NGFS;
  - v. When appropriate and/or at the request of the Chair, the Secretariat produces some position papers for discussion/submission to the Plenary/ Steering Committee.
- b. The Secretariat conducts its tasks in an inclusive and transparent manner and provides some regular updates to the Members on its activities.
  - c. Members of the Secretariat, in the discharge of their functions, do not represent their home institution.
  - d. The Secretariat is provided by the Banque de France in close cooperation with all Members and the Chair.

#### **Article 13: Relations with external stakeholders**

Beyond its Members, the NGFS reaches out to other stakeholders through the publication of reports, the organization of public events, the issuance of press releases and via a dedicated web-page. When appropriate, the NGFS consults amongst its Members and other stakeholders including the private sector, the NGOs, the academia and non-Member institutions.

### **IV. Final provisions**

#### **Article 14: Financial contribution**

The Membership to the NGFS is free of charge. NGFS Members may wish to pool financial resources to finance specific projects. In this case a dedicated arrangement is established.

#### **Article 15: Legal effect**

This Charter is not intended to create any legal rights or obligations.

#### **Article 16: Review of the NGFS Charter**

The NGFS Charter is periodically reviewed to ensure the adequacy of the NGFS governance framework with its objectives. Amendments to the Charter are proposed by the Chair, for the approval of the Steering Committee and ultimately approved by consensus of the NGFS Plenary Members.

#### **Article 17: Effective date**

This Charter will come into effect on April 24th 2018 and will be reviewed before April 2020. In compliance with article 16, the Chair will submit some options for reviewing the Charter for the

approval of the Steering Committee and ultimately of the NGFS Plenary Members before the end of 2019.