

NGFS–CFMCA Joint Initiative on the Macroeconomic Dimensions of Climate Change

Announcement of the Informal Dialogue Series

São Paulo, 7 November 2025

Climate change and the transition to a low-carbon economy are reshaping the macroeconomic and financial landscape in ways that directly influence both fiscal and monetary policy environments. Intensifying physical climate impacts, evolving transition pathways, and growing demands for investment in resilience and decarbonization all create challenges and opportunities that cut across policy domains. In this context, constructive exchange between finance ministries and central banks is increasingly important to help ensure macroeconomic stability, financial resilience, and effective long-term planning.

The Network for Greening the Financial System (NGFS) and the Coalition of Finance Ministers for Climate Action (CFMCA) are launching a joint initiative to deepen exchange and shared understanding between central banks and finance ministries on the macroeconomic dimensions of climate change and the low-carbon transition.

As part of this initiative, an informal dialogue series will be convened, bringing together senior representatives from central banks, finance ministries, and key institutional partners to explore the strategic roles and coordination of central banks and finance ministries in navigating the macroeconomic dimensions of climate change and the low-carbon transition.

Central banks and finance ministries operate under distinct mandates and responsibilities, and central bank independence remains fundamental. This initiative does not seek to harmonize mandates or prescribe policy approaches. Instead, it aims to foster mutual learning, shared understanding, and strategically coherent communication across institutions, where appropriate. The dialogue series will support open, practical, and non-binding exchange between member institutions, providing a dedicated space to share experiences, analytical approaches, and institutional perspectives on how climate-related risks and transition dynamics are influencing macroeconomic stability, fiscal sustainability, investment strategies, and financial system resilience.

The thematic focus areas of the dialogue series will be co-developed through consultation with participating institutions. Regular high-level meetings with chief representatives of both organizations will guide the agenda, refine themes, and ensure the dialogue remains practical, relevant, and grounded in institutional realities. Initial areas of focus are expected to include (indicative):

1. **Macro-Economic Modelling and Scenario Analysis for Climate Transitions:** Sharing approaches to macroeconomic modelling and scenario analysis that capture climate-related shocks, transition dynamics, and long-term structural change.
2. **Macroeconomic Risks from Physical Climate Impacts and Adaptation:** Approaches to assessing and responding to the economic and financial implications of climate-related shocks and adaptation requirements.

3. **Transition Risks and Policy Responses:** Understanding economic adjustments associated with transition pathways, including structural transformation, sectoral shifts, and risk management frameworks.
4. **Mobilizing Finance and Macroeconomic Opportunities:** Examining public and private investment strategies, fiscal frameworks, financing models, and financial system preparedness to support a resilient and orderly transition.
5. **Integrating Nature and Biodiversity-Related Economic Risks:** Exploring how nature loss and ecosystem degradation influence macroeconomic stability, fiscal planning, and financial system resilience.
6. **Strategic Coordination:** Institutional approaches to constructive engagement between fiscal and monetary authorities, while fully respecting mandate boundaries and independence.

Participation will be voluntary, flexible, and non-binding, with the dialogue series designed to complement existing institutional processes while supporting clearer shared understanding and communication across fiscal and monetary authorities in the context of climate-related macroeconomic change.