



# **BANCO CENTRAL DO BRASIL**

**Apontamentos do Presidente do Banco Central do Brasil,  
Roberto Campos Neto, em sessão plenária do**

**Congresso Mercado Global de Carbono  
Descarbonização e Investimentos Verdes**

**Moderador:**

**Roberto Campos Neto (BCB)**

**Participantes:**

**Graham Stock (EM Sovereign Strategist of BlueBay Asset Management)**

**Luiz Awazu Pereira da Silva (Deputy General Manager of BIS)**

**Ravi Menon (Managing Director of the Monetary Authority of Singapore and Chair of NGFS)**

- Good morning!
- For central banks, a sustainability agenda is important because climate issues have the potential to affect their two main mandates:
  - Monetary policy; and
  - Financial stability.
- In Brazil, we have made some progress on the path to develop a financial system to support a net zero and climate-resilient future.
- In September 2020, the Central Bank of Brazil (BCB) launched its sustainability agenda as an additional pillar of its strategic agenda for the development of the financial system (Agenda BC#).
- This agenda aims:
  - To lead by example within the Brazilian financial system; and
  - To deliver concrete results to society, in line with the best international practices.
- This sustainability agenda has several kinds of actions, involving: **internal** initiatives; **partnerships**; **policy**; and **supervisory** and **regulatory** measures. Here I will focus on some of these initiatives.
- **Partnerships** are very important once they bring benefits, such as:
  - The exchange of experiences and knowledge about best practices in social and environmental issues;
  - Improved data analysis and mitigation of social and environmental risks in the financial system.
    - For instance, the BCB has:
      - joined NGFS (and is a TCFD supporter);
      - signed a MoU with the CBI; and
      - participated in international debate.
- In the area of **Supervision**, we are:
  - Structuring and broadening the scope for collecting information on social, environmental and climate-related risks;
  - Improving the monitoring of climate risks and stress tests.
- Regarding **Regulation**, the BCB has sought to dialogue with society, through public consultations.

- In 2021, for example, two important issues were regulated after being the object of a public consultation:
  - **The ESG Risk Management and Policy; and**
  - **The Disclosure of ESG Policy.**
    - The former extends regulatory requirements applicable to the management of traditional risks to social, environmental and climate-related risks. Furthermore, it also establishes an integrated risk management.
    - The latter improves the requirements for implementing a transparent and standardized reporting of the Social, Environmental and Climate risks and opportunities of financial institutions.
- One of the BCB's most important ongoing actions is the implementation of a Sustainable Rural Credit Bureau, also known as the **Green Bureau**.
  - The measure seeks to define sustainability criteria applicable to rural credit concessions, which allow the identification of rural credit operations that have social, environmental, or climatic characteristics.
  - The Green Bureau is a tool for risk management by financial institutions and an important step towards the development of a green bond market, as well as the securitization of these green credit operations.
  - Guided by the principles of Open Finance, it allows beneficiaries of rural credit to share their information with any interested party, without the need for intermediation by financial agents.
  - This data sharing will allow for better asset pricing, which will benefit credit conditions and provide incentives for the adoption of practices with social, environmental, or climatic characteristics.
- Among BCB's internal initiatives:
  - In September 2021, the BCB released the first edition of its first Report on Social, Environmental and Climate-related Risks and Opportunities, being one of the first central banks in the world to do something similar.
  - In December 2021, the BCB created its Committee of Sustainable Economy (Ecos).

- To conclude, I would like to point out that the objective of this agenda is, within the BCB's mandate, to induce the conditions for the development of sustainable finances in the national finance system, which includes:
  - The best international practices related to sustainable finance;
  - Greater availability of financial system resources for sustainable enterprises; and
  - Better management of social, environmental and climate risks.
- This set of measures is extensive, but by no means exhaustive.
- The plan is to stay on the frontier to address present and future social, environmental and climate challenges, as this is a field in constant evolution.
- Now we will turn to the discussion of the theme with our guests.