

The Ministry of Finance launches its inaugural Financial Strategy on Climate Change

In December, 2019, the Ministry of Finance launched its inaugural [Financial Strategy on Climate Change](#). The process began more than a year ago and reaffirms the country's commitment on climate action. The strategy defines a framework that will guide institutional efforts to mobilize resources needed to achieve Chile's carbon neutrality target and NDC commitments in a responsible and orderly manner, by addressing barriers and contributing to sustainable development. Hence, it defines three action pillars; i) information and data generation under a proper governance; ii) promotion of green finance instruments and market development and; iii) strengthening of public-private cooperation on green finance.

Regarding the third pillar, during July of 2019, the Ministry of Finance of Chile, constituted a public-private green finance roundtable with the support of the Inter-American Development Bank, the UK Embassy and UNEP-FI. This initiative convenes all of the actors of the local financial sector - investors, banks and insurers - and financial regulators with the aim of defining a common framework to assess the opportunities –such as green bond issuances- of the transition to a low carbon economy and manage climate related risks through a joint [Green Agreement](#). The Agreement was launched on December, 2019 as the first step in the implementation of a broader public-private agenda.

Another result of this initiative was a [joint Declaration on Climate Change](#) by the Ministry of Finance of Chile, the Commission for Financial Markets, the Superintendence of Pensions and the Central Bank of Chile (hereinafter, the “Financial Authorities”), that acknowledges that the effects of climate change and the transition to a low carbon economy involve risks that, if materialized, may have relevant negative consequences for financial institutions and systemic financial stability implications. The Financial Authorities affirmed that they are working to study, understand and identify the risks of climate change and, if necessary, determine supervisory and regulatory actions on this regard.

For more information please visit the Public-Private Green Finance Roundtable’s webpage (only in Spanish): <https://mfv.hacienda.cl/>