

**To:**

Agustín Carstens, BIS General Manager  
Andréa Maechler, BIS Deputy General Manager

Erik Thedéen, Chair of the BCBS  
Neil Esho, Secretary General of the BCBS  
Joanne Marsden, Deputy Secretary General of the BCBS  
Frank Elderson, European Central Bank, Co-Chair of the BCBS Task Force on  
Climate-related Financial Risks  
Kevin Stiroh, Federal Reserve Bank of New York, Co-Chair of the BCBS Task Force on  
Climate-related Financial Risks

Basel, June 29, 2024

Dear members of the BIS and the BCBS,

We write to you today as a broad coalition of civil society organisations dedicated to making our financial system work for people and planet. We address the members of the BIS and the organisations it hosts, such as the BCBS and IAIS ahead of this year's annual meeting.

One year ago, during the BIS Annual General Meeting in Basel, the first People's Forum for Climate Justice and Financial Regulation was organised. The event brought together human rights and environmental activists as well as NGOs from across the world, to find **solutions to address the continued financial support for extractive projects which fuel the climate crisis, harm communities and our environment**, even nine years after the historic Paris Agreement. The climate emergency poses **significant risks to the global financial system and the economy**.

A delegation of the Global Coalition of People Facing Extractivism (GCPE) met with former Deputy General Manager, Mr. Pereira da Silva and BIS staff members, and handed over **our demands for fair financial regulation endorsed now by over [80,000 people and Ekō members](#)**. Representatives from Canada, India and Mexico were able to share how extractive projects, enabled by current financial regulation, are harming their livelihoods. Since then our movement has grown and we continue to call on you to **regulate the flow of finance to harmful projects, reduce systemic risk, maintain financial stability, and respect human rights**.

One year on amidst increasing flooding, heat waves and other extreme weather events, there is more urgency than ever to reform the global prudential framework,

but we have, however, **not seen sufficient action from the BIS and its members yet**. On the contrary, we have reason to believe that even minimalistic ambitions outlined by the BIS-hosted-organisations to respond to climate-related financial risk are being obstructed by US domestic politics<sup>1</sup>, against the consensus of the wider BIS membership in the various working groups.

We understand you are facing various challenges, but allowing the US prevent you from fulfilling your mandate is unacceptable and poses risk to global financial stability. This context **makes the work of the BIS and hosted organisations even more necessary**.

In the name of our organisations and the 80,000 people who signed, we are calling for increased efforts to reform the prudential framework by focusing on the following areas:

1. **Disclosure Standards:** Continue to work on the standard on disclosure of climate-related financial risks with special attention to the integration of transition plans.
2. **Transition Plans:** Build on the work undertaken by supervisors in the NGFS, establish a common standard for transition planning and transition plans as prudential and supervisory tools to manage climate-related risks.
3. **Scenario Analysis:** Recognise that scenario analyses need significant improvement before their results can be reliably used to measure risk and determine the ambition and timeline for the net zero transition; Use economic models based on climate science to estimate the true cost of climate change and cost of missing or delayed transition.
4. **Capital Requirements:** Review the capital framework to incorporate climate risk, specifically addressing higher capital requirements for fossil fuel related assets, which represent high transition risk and a source of systemic physical risk.
5. **Extended sustainability considerations:** Incorporate the risks related to critical ecosystem services and human rights abuses into the Basel Framework. This should include the obligation for banks to conduct due diligence and comply with the Free, Prior and Informed Consent (FPIC) and binding prior consultation for the financing of all extractive projects.

Crucially, these reforms should be implemented through:

1. **Collaboration:** Collaborate more closely with climate scientists and biodiversity experts to bridge the gap between economics and science.

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<https://www.bloomberg.com/news/articles/2024-04-03/fed-blocks-tough-global-climate-risk-rules-for-wall-street-banks>

2. **Inclusive Engagement:** Institutionalise dialogue with Civil Society Organisations (CSOs), think tanks and delegates of affected communities particularly from the Global South.
3. **Equitable representation:** Increase the representation of Global South countries in the BIS membership to ensure equitable participation in the shaping of global financial policies.

To summarise, we call on the BIS and the organisations it hosts to implement global prudential regulations that **prevent further climate breakdown and avert another financial crisis**. The resilience of our social and financial systems requires a progressive and effective transition to carbon neutrality and a nature-positive, fair economy. **Please prioritise people and planetary boundaries over financial institutions' profits.**

Please let us know how you plan to work to implement these demands. We remain open to dialogue and collaboration to shape global prudential reform.

Sincerely,

Climate Alliance, Switzerland

Ekō, Global

Breakfree, Switzerland

Campax, Switzerland

Co-signed by :

British Black Anti Poverty Network, United Kingdom

End Fossil Occupy Uganda, Uganda

Debt for Climate, Swiss Chapter

Cerca Research & Design Lab, Switzerland

SIS, Brazil

Mothers Rise Up, United Kingdom

Instituto Ambientalista Natura, Perú

CRY-GEAM (Corporación Regional Yariguíes-Grupo de Estudios Sociales, Extractivos y Ambientales del Magdalena Medio), Colombia

ONIC (Organización Nacional Indígena de Colombia), Colombia

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