

Frequently Asked Questions

- What is the Glasgow Financial Alliance for Net Zero (GFANZ)?
- Who are the members of GFANZ?
- Who are the sector-specific alliances that comprise GFANZ?
- What is the role of the sector-specific alliances?
- What is GFANZ's role in relation to the sector-specific alliances?
- What is the role of the financial sector in the transition to net zero?
- When and why was GFANZ launched?
- What is the focus of GFANZ?
- How do financial institutions benefit from being a part of GFANZ?
- What differentiates GFANZ from other financial services alliances focused on climate change and net zero?
- Who leads GFANZ?

WHAT IS THE GLASGOW FINANCIAL ALLIANCE FOR NET ZERO (GFANZ)?

The Glasgow Financial Alliance for Net Zero (GFANZ) is a practitioner-led, global coalition of financial sector institutions and their sector-specific alliances. Together, they work to accelerate the world's transition to net-zero greenhouse gas emissions by 2050 and achieve the objective of the Paris Agreement to limit global warming to no more than 1.5 degrees C.

WHO ARE THE MEMBERS OF GFANZ?

GFANZ comprises more than 450 member firms from across the global financial sector, representing more than \$130 trillion in assets under management and advice¹. A list of GFANZ members as of November 2021 can be found in the [GFANZ Progress Report](#) released at COP26.

A firm becomes a member of GFANZ when it joins a sector-specific net zero alliance (as listed in following question) and meets criteria aligned with the [UN-backed Race to Zero campaign](#). Through the sector-specific alliances, GFANZ members include banks, insurers, asset owners, asset managers, financial service providers and investment consultants. Its geographic reach is global, spanning 45 countries from Bangladesh to Brazil, Canada to Costa Rica, and Singapore to South Africa.

¹ Total number of member firms and as of October 2021.

WHAT ARE THE SECTOR-SPECIFIC ALLIANCES THAT COMPRISE GFANZ?

GFANZ is the umbrella initiative for independent sector-specific alliances that bring together specific parts of the financial industry, all committed to net zero and decarbonizing the global economy. These include:

- [Net-Zero Banking Alliance \(NZBA\)](#)
- [Net Zero Asset Managers initiative \(NZAM\)](#)
- [Net-Zero Asset Owners Alliance \(NZAOA\)](#)
- [Paris Aligned Investment Initiative \(PAII\)](#)
- [Net-Zero Insurance Alliance \(NZIA\)](#)
- [Net Zero Financial Service Providers Alliance \(NZFSPA\)](#)
- [Net Zero Investment Consultants Initiative](#)

GFANZ supports the work of sector-specific alliances, elevating best practices, and addressing cross-sector transition challenges.

WHAT IS THE ROLE OF THE SECTOR-SPECIFIC ALLIANCES?

Each sector-specific alliance is anchored in the [UN-backed Race to Zero campaign](#), which mobilizes actors outside governments to take rigorous and immediate action to credibly reach net-zero carbon emissions by 2050 at the latest. Net-zero commitment criteria are decided by the sector-specific alliances in reference to Race to Zero criteria and aligned with the sector's business model and levers of influence.

Those criteria are reviewed by an independent, academic-led Expert Peer Review Group (EPRG), established by the UN High-Level Climate Champions.

As part of the Race to Zero criteria, all GFANZ members have committed to:

- Use science-based guidelines to reach net-zero emissions across all emissions scopes by 2050
- Set 2030 interim targets that represent a fair share of the 50% decarbonization required by the end of the decade
- Set and publishing a net-zero transition strategy
- Commit to transparent reporting and accounting on progress against those targets
- Adhere to strict restrictions on the use of offsets

The sector-specific alliances identify best practices on transition planning and elevate challenges and insights for sector-wide consideration and undertake policy engagement.

WHAT IS GFANZ'S ROLE IN RELATION TO THE SECTOR-SPECIFIC ALLIANCES?

GFANZ serves as the strategic forum for supporting the net-zero sector-specific alliances within the financial industry.

GFANZ convenes practitioner-led workstreams — transition planning for financial institutions, mobilizing capital to emerging markets and developing economies (EM&DEs) and net-zero public policy — focused on elevating cross-sector best practices and technical collaboration to accelerate the alignment of investment, lending and underwriting with net-zero transition plans.

WHAT IS THE ROLE OF THE FINANCIAL SECTOR IN THE TRANSITION TO NET ZERO?

By 2030, we must reduce emissions by 50% if we are to achieve a net-zero world by 2050 to limit warming to 1.5 degrees C and prevent irreversible and catastrophic climate change². This requires a massive reallocation of capital to support a whole economy transition to net zero. Every bank, insurer, investor, and intermediary must make climate change a part of their financial decision-making to facilitate the transition to a resilient, net-zero global economy.

The net-zero transition also brings the biggest commercial opportunity of our generation. To date, 80% of global GDP³ is committed to the net-zero transition, and we expect this will create more than \$100 trillion to \$150 trillion of investment opportunities over the next three decades⁴. The financial sector is crucial in helping to fund necessary initiatives and innovations that mobilize capital in line with 1.5 degrees C net-zero transition pathways.

WHEN AND WHY WAS GFANZ LAUNCHED?

GFANZ was launched in April 2021 by UN Special Envoy on Climate Action and Finance Mark Carney and the COP26 presidency, in partnership with the UN-backed Race to Zero campaign launched by UN High-Level Climate Champions Nigel Topping and Gonzalo Muñoz, to unite net-zero financial sector-specific alliances from across the globe into one industry-wide strategic alliance.

GFANZ unites net-zero sector-specific alliances from across the global financial sector in a shared mission to accelerate the economy's transition to a sustainable, net-zero future. Specifically, GFANZ was created to:

- Support the financial sector's ambition to address climate change and accelerate the decarbonization of the global economy;
- Convene the full financial ecosystem in the service of channeling investment to assets that will underpin the transition to a net-zero global economy, where they are needed most, across sectors and countries; and
- Drive knowledge-sharing, science-based rigor, and best practices in how financial institutions implement their net-zero commitments.

WHAT IS THE FOCUS OF GFANZ?

GFANZ is focused on three core areas that are critical to the net-zero transition:

- **Transition planning for financial institutions:** Supporting efforts to translate net-zero pledges into actionable, near-term, science-based transition plans and helping the sector converge around methodologies, frameworks, and resources that help firms to effectively align their business activities to 1.5 degrees C pathways and net zero.
- **Mobilizing capital to EM&DEs:** Accelerating the deployment of capital to enable emerging markets and developing economies to decarbonize and prosper in a global net-zero economy.
- **Net-zero public policy:** Leveraging GFANZ's scale to drive ambitious, credible, and predictable public policies and regulations that enable the net-zero transition.

² The Intergovernmental Panel on Climate Change (IPCC) found that in order to limit heating to 1.5°C, we need: a net-zero global economy by 2050 and immediate rapid decarbonization reaching 50% by 2030. Source: the [2018 IPCC Summary for Policy Makers](#).

³ As at November 2021, more than 80% of global GDP — and 77% of global greenhouse gases — are now covered by a national net-zero target, up from 68% and 61% last year, according to a new tracker co-led by Oxford Net Zero. But that number shrinks to 10% of global GDP and 5% of global emissions, if only strong commitments and clear plans are included. *Net Zero Tracker. Energy and Climate Intelligence Unit, Data-Driven EnviroLab, NewClimate Institute, Oxford Net Zero. 2021.*

⁴ Based on range of estimates for 1.5 degrees C aligned net-zero scenarios from IEA, NGFS, IRENA and BloombergNEF.

HOW DO FINANCIAL INSTITUTIONS BENEFIT FROM BEING A PART OF GFANZ?

GFANZ magnifies a financial institution's impact on the whole economy transition to net zero by mobilizing the entire industry value chain around a shared mission and a united coalition — ensuring that the whole is greater than the sum of its parts.

GFANZ members benefit from the collaboration and knowledge sharing that result from convening financial institutions from across sectors, together with technical climate advisors, to develop new tools and solutions. GFANZ members implement their net-zero commitments in sector-specific ways developed by their alliances but face shared challenges that can be effectively addressed in a holistic forum informed by diverse perspectives. GFANZ members also benefit from the proprietary research commissioned by the coalition.

The GFANZ focus on mobilization of capital to emerging markets and developing economies enables members to access opportunities across a diverse range of initiatives and help shape the structural reforms needed to unlock more private finance.

Finally, GFANZ provides a leadership platform for financial institutions to demonstrate ambition and impact to the market, their customers, and policymakers, while amplifying the industry's voice in driving the systemic changes needed to achieve the net-zero transition.

WHAT DIFFERENTIATES GFANZ FROM OTHER FINANCIAL SERVICES ALLIANCES FOCUSED ON CLIMATE CHANGE AND NET ZERO?

GFANZ is the only group bringing actors across the entire global financial community together, at scale, specifically to drive progress on net zero and working alongside the UN-backed Race to Zero campaign, climate scientists and experts, and civil society.

Prior to the launch of GFANZ, there was no mechanism for coordinating efforts across all sectors of the financial system to tackle the challenges associated with the net-zero transition, or a forum for global coordination.

WHO LEADS GFANZ?

The GFANZ leadership team comprises:

- [Mark Carney](#), Co-Chair of GFANZ and UN Special Envoy for Climate Action and Finance;
- [Michael R. Bloomberg](#), Co-Chair of GFANZ and UN Special Envoy on Climate Ambition and Solutions and Race to Zero Ambassador;
- [Mary Schapiro](#), Vice Chair of GFANZ and Head of the Secretariat; and
- [Nigel Topping](#), UN High-Level Champion for COP26 and member of the GFANZ leadership team.

GFANZ is also led by a [Principals Group](#) of 19 CEOs from sector-specific alliances anchored in the UN's Race to Zero Campaign. The Principals Group sets the strategic direction and priorities of GFANZ and monitors progress against them.

In addition, GFANZ has established an [Advisory Panel](#) to ensure its work is held to the highest standards of ambition and science-driven solutions. Panel members come from civil society representing a variety of technical climate expertise with a focus on the financial sector. The panel's role is to provide strategic and technical advice to GFANZ and facilitate collaboration between GFANZ and the wider sustainable finance ecosystem.

GFANZ will report periodically to the G20's [Financial Stability Board \(FSB\)](#).
