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Climate Change and the Financial System

17 April 2024

As part of its event series on the Economics of Climate Change, METAC presented a webinar exploring the dual impact of a warming climate and climate change mitigation policies on financial markets and institutions. The webinar outlined strategies that financial regulators can employ to manage climate-related risks and discussed the financial system's role in combating climate change, including the relationship between climate risks and finance.

Transmission to the Financial Sector



Two **transmission channels**: climate risk drivers affect economic agents (e.g. destroyed factory) and the macroeconomy (e.g. lower productivity)

Impacts on financial institutions are captured by **traditional risk categories**



L. Millischer | Joint Vienna Institute | 2024

Laurent Millischer (JVI) during his presentation.

The webinar was attended by more than 100 participants who engaged in a lively discussion with the speaker during the Q&A session. Questions covered various topics, including how financial institution can integrate climate change into lending decisions; if environmental provisions for potential losses can mitigate risks; and what role green bonds play in financing climate resilience and achieving NDCs.