



COP25 Side-Event Concept Note
From Climate Risk Assessment to Climate Risk Management
Friday 6th of December, 18:00 – 19:00
IDB Pavilion

The event will be followed by a cocktail hosted by the Inter-American Development Bank

Organizers: Climate Action in Financial Institutions Initiative in partnership with the IDB and the AFD as workstream co-leads.

Purpose of the Side Event: As co-leads of the Climate Action in Financial Institutions' [Work Stream 1: Climate Risks: Approaches, Tools, Methodologies](#), the Secretariat is organizing in partnership with the workstream co-leads Inter-American Development Bank (IDB) and the Agence Française de Développement (AFD) a side-event on behalf of the Climate Action in Financial Institutions Initiative to:

1. Share experience on integrating climate considerations in risk assessment processes;
2. Identify and discuss what “climate risks management” means in practice and implies for different types of financial institutions;
3. Share lessons learned on emerging practice with a broader audience;
4. Discuss current trends and areas for further work on climate risks management worldwide;
5. Engage with other networks, initiatives and actors active on the topic.

Event Description: Climate change will have far-reaching implications for how financial institutions identify, assess and manage a range of both risks and opportunities. Whether in the form of the implications of the physical impacts of climate change – or the policies and market shifts expected to be necessary to stabilize and reduce greenhouse gas emissions – financial institutions are increasingly recognizing the importance of understanding and addressing climate change risks in their existing portfolio and operations, as well as to pipeline and future investments. Organized by the Climate Action in Financial Institutions Initiative, this side event will chart how financial institutions are moving from the identification and assessment of climate-related risks to their management both within existing portfolios as well as new transactions.

The event will be preceded by:

- a closed-door event on Thursday December 5th at 9am in the IDFC Pavilion where interested Financial Institutions can exchange lessons learned on implementing climate change risk assessment methodologies and management systems.
- a public side-event on Thursday 5 December at 2pm in the MDBs Pavilion on “How to build an integrated framework to manage climate-related risks: Technical insights from financial institutions”

All FIs welcome! If you want to participate, please reach out to Alice Pauthier (alice.pauthier@I4CE.org).

Provisional Agenda:

Introduction

- Welcome & Presentation of the Initiative – 5 minutes
Ian Cochran, Head of the Secretariat, Climate Action in Financial Institutions Initiative
- Placing Climate Risks on the Regulatory Agenda: Video Message
 - *Network for Greening the Financial System (NGFS) – Why climate change is relevant for central banks and supervisors – [Video Message from Frank Elderson](#) – Chairman, NGFS*

Panel discussion: Where are we on assessing and managing climate risks in the portfolio/investments: key lessons learned from Financial Institutions (10 minutes each)

- Moderation: *Amal-Lee Amin, Division Chief of the Climate Change Division*
- Panelists:
 - *Inter-American Development Bank, Maricarmen Esquivel Gallegos*
 - *French Development Agency, Thomas Nicolas de Lamballerie*
 - *Santander - TBC*
 - *Access Bank (Nigeria) - TBC*

Concluding remarks: Perspectives for the Caribbean and Latin America region – 5 minutes

- Peruvian Government Representative (TBC)

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The [Climate Action in Financial Institutions](#) initiative is a coalition of 44 public and private financial institutions around the globe aiming to systematically integrate climate change considerations across their strategies, programs and operations. Launched in 2015, and built around [5 Principles for Mainstreaming Climate Action Within Financial Institutions](#), the ***initiative aims to provide an opportunity for Supporting Institutions to learn from each other, to disseminate good practice and lessons learned and to collaborate on areas of common interest.***

Through its workstream on “Climate Risks: Approaches, tools and methodologies”, the Initiative facilitates knowledge sharing between Supporting Institutions on climate-related risk management. It aims to develop common understanding of climate risk-related issues and to share definitions and experience on developing metrics to assess this issue quantitatively and qualitatively. At the 2019 Annual Assembly, Supporting Institutions shared their experience as well as discussed the current ‘trends’ on climate risk, including exchanges with the Secretariat of the Network for Greening the Financial Systems (NGFS) as well as Moody’s Investors Service.