

Account of Meeting No. 5 of the Climate Risk and Sustainable Finance Forum (the Climate Forum)

30 May 2024

In attendance:

- Members ([here](#))¹

- Central Bank:

Deputy Governor, Sharon Donnery (Financial Regulation), Chair;

Gerry Cross (Director of Financial Regulation: Policy and Risk);

Mark Cassidy (Director of Financial Stability); and

Yvonne McCarthy (Head of Climate Change Unit).

1. Introduction by Chair

The Chair welcomed members and introduced the speakers to the Climate Risk and Sustainable Finance Forum (the Climate Forum).

Noting that it was the 5th meeting, the Chair acknowledged recent changes to membership and summarised climate-related developments within the Central Bank of Ireland including the publication of the Consultation Paper on the Consumer Protection Code and its recent revisions to tackle greenwashing and incorporate broader climate-related requirements. Responses to the Consultation Paper remain open until 7th June of this year. She also noted that minimum competency requirements have been enhanced for employees engaged in selling or advising on products or services with sustainability-type features. Changes to the Minimum Competency Code (MCC) will become effective at the beginning of 2025. The Chair concluded her remarks by laying out the agenda of the meeting and introducing the first speaker, Ms. Romie Goedicke, Co-Head Nature, UN Environment Programme – Finance Initiative.

2. Presentation by Ms. Romie Goedicke, Co-Head Nature, UN Environment Programme – Finance Initiative (UNEP FI): Biodiversity/ Nature and the Financial System

Romie Goedicke discussed the work of the UNEP FI's Nature Team in supporting financial sector action towards a nature-positive economy. Ms. Goedicke explained the risks related to nature and biodiversity currently facing the financial sector and discussed the importance of an integrated approach by financial institutions to address these risks. She also summarised the successful measures agreed upon at the 2022 UN Biodiversity Conference (COP15), including a target to protect 30% of land and waters by 2030 and the call on large companies to disclose risks, dependencies and impacts on biodiversity across all of their operations. Ms. Goedicke noted that damage to the natural environment presents a significant challenge to economic growth. A study conducted in the UK, for example, found that biodiversity loss and environmental degradation could lead to an estimated 12% reduction in GDP over the coming years. She discussed the evolving regulations in place to address biodiversity and sustainability challenges as well as

¹Apologies from AIB, CUMA, Institute of Bankers, Invesco Investment Management Limited, Irish Life, Irish MiFID Industry Association, KBI, SEAI, Wells Fargo Bank International.

the ongoing improvements in nature-related data, which will be essential in developing common goals related to nature-related risks. A Q&A session and short break followed Ms. Goedicke's presentation.

3. Presentation by Mr. David Owens: COP28 Review and COP29 Preview – Implications for the Financial Sector

The Chair introduced the next speaker, Mr. David Owens of the Department of Finance, and noted that Climate Forum members had requested insights on COP28 and its implications for the financial sector.

Mr. Owens opened the presentation by reviewing Ireland's current climate targets and ongoing efforts to meet these goals. He discussed climate change regulations, and the potential fiscal costs of non-compliance with climate targets, in addition to the revenue challenges attached to the transition to Net Zero (e.g. a reduction in fossil fuel related taxes). He summarised some important successes from COP28, including the establishment of a Loss and Damage Fund created to assist developing countries most exposed to climate change, to which Ireland has pledged €25 million. Ireland also pledged €16 million to the first cycle of the Green Climate Fund and has already committed to increasing this to €40 million in the second cycle. Mr. Owens then outlined the goals of COP29, which will be centred on financing climate action and providing further investments to developing countries. A New Collective Quantified Goal has set a floor of USD \$100 billion per year to be dedicated to Climate Finance, however, decisions related to the scope and structure of these investments are yet to be confirmed.

4. Presentation on working groups

The Chair introduced the co-Chairs of the Climate Forum Working Groups and thanked the members of the Working Groups for their ongoing work.

Capacity Building Working Group

Dr. Dorothy Maxwell, co-chair from Davy, provided an update on developments with the working group having published a report in March that identified needs, gaps and a roadmap of actions to support the financial services sector in fast tracking sustainable finance and capacity. Findings from the report confirmed that capacity is a central issue in the financial services sector in managing climate risks. Following the report, the working group proposed further stakeholder engagement in order to progress the suite of recommendations outlined in the report and to continue tracking progress in the sector. It was agreed that the Climate Forum secretariat would follow up with Climate Forum members after the meeting to agree topics and next steps.

Risk Management Working Group

Ms. Louise O'Mahony, co-chair from the BPF, provided an update on the working group's workplan following the publication in April of its report on climate risk management. The working group has identified that further knowledge building on a number of high-priority topics would be an important next step and proposes to scope out and develop workshops or webinars on specific topics for delivery over the remainder of the year (e.g. transition planning, risk factors beyond climate, such as nature and social factors, data). Forum members were asked for suggestions on high-priority topics, and it was agreed that the Climate Forum secretariat would follow up with Climate Forum members after the meeting to agree topics and next steps.

A Q&A session followed these presentations.

Closing remarks were provided by the Chair.

The next meeting will take place on 12th December 2024.