

Program on Climate Change, Transition Risk and Sustainable Finance



Background:

Climate Change and the risk it entails is no more an uncertainty but a stark reality and, therefore, the threat posed by climate change must be addressed as a core economic and financial system challenge by all stakeholders with urgency. While from a strategic perspective, sustainable finance and green finance aimed at decarbonisation is a clear option for financial system participants, what they may not be as sure about are the right choices to make and when or how soon to make them from both commercial and risk perspectives. Paucity of data on how pressing the need for transition is and absence of well evolved business models that keep the risk-return trade off acceptable, during and after transition, make the task tough both for regulators and financial intermediaries.

The regulatory push would need to be non-disruptive and incremental to make sure that the changes foster effective, efficient and a just transition. That said, if and when climate change risk suddenly accentuates, there could be quick, sharp and large scale deterioration in the quality of assets on the books of financial intermediaries who may also have to deal with sweeping regulatory changes exacerbating business risk. In any case, developing long term intermediation and lending strategies for responsible yet commercially viable businesses is the need of the hour. Financial intermediaries need to expose themselves to green bond markets, which potentially reduces carbon footprints, and to redesign their risk management processes to undertake differentiated risk assessment. The tendency towards greenwashing needs to be curbed and regulated.

Objective:

There is an imperative need, therefore, for continuous dialogue between policy makers/ regulators and business entities/financial intermediaries to exchange information, learn from each other and agree on action programs that potentially mitigate climate change risks as far as financing of economic activity goes. Keeping this in view, the above one day learning program aims to bring regulators and financial intermediaries on one platform. The program seeks to do a quick review of the evolving climate change risk facing financial intermediaries both from microprudential and macroprudential perspectives. Basis the review, there will be deliberations on regulatory and business options for management of risks, adoption of suitable business models and implementation of processes for sustainable and green finance.

Program Highlights:

The program will deal with the following:

- ◆ Climate Change: Physical Risks and Transition Risk - Current situation
- ◆ Evolving regulatory approaches and regulatory changes vis-a-vis climate change risk - scenarios and responses.
- ◆ Existing asset portfolios of financial intermediaries – their potential contribution to environmental pollution, ecological degradation and climate change risk
- ◆ Strategy and policy for incremental growth in credit portfolios, rebalancing of existing portfolios and building of new portfolios - case studies
- ◆ Risks emanating from new business strategies to mitigate climate change risks
- ◆ Economics of sustainable finance and green finance
- ◆ Green Finance – options, business models and use cases - Risk management for green finance

Program Conditions

- ◆ Program fee is payable before the program.
- ◆ Banks may depute another senior officer if the nominated officer cannot attend the program

Date: May 27, 2022

Time: 09:30 AM to 5:00 PM

Venue: Gateway Room, The Taj Mahal Palace, Apollo Bunder, Mumbai

Type: Non-Residential

Fee: Rs. 20,000/- + @18% GST

Nominations now open

For Nomination Form please visit our site www.cafral.org.in

Last date for filing nomination
May 23, 2022

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Participant Profile

Senior Officers of RBI, SEBI, Banks, Financial Institutions and NBFCs dealing with regulations, laws, strategy, compliance relating to climate change. Others who are responsible for ESG compliance, Green Finance, Sustainable Finance and risk management, particularly ERM should also attend this program.

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