



## Frontiers of climate and nature in macroeconomics and finance

Paris, 24 & 25 October 2022

# Frontiers of climate and nature in macroeconomics and finance

The Banque de France, NGFS, sustainable macro and INSPIRE are organising a conference on frontiers of climate and nature in macroeconomics and finance in Paris, on October 24 & 25, 2022.

## Program

Monday, 24 October 2022

- 8:30 – 9:00** Arrival and registration
- 9:00 – 9:15** Welcome and opening remarks - Sylvie Goulard, Vice-Governor (Banque de France)
- 9:15 – 10:30** Keynote 1 – Fireside chat - Sir Partha Dasgupta (University of Cambridge) in conversation with Saskia de Vries (DNB/NGFS)
- 10:30 – 11:00** Coffee break

**11:00 – 12:00** Session 1 – The role of central banks and the Paris Agreement

Session chair: Maria Sole Pagliari (Banque de France)

- **Presentation 1: Macroprudential ideas, climate change, and ‘thermostatic’ shifts at the Bank of England** - Monica DiLeo (University of Queensland)
- **Presentation 2: Ratcheting up Paris** - Thomas Stoerk (National Bank of Belgium and LSE) with Humberto Llavador and John Roemer

**12:00 – 13:00** Lunch break

**13:00 – 14:30** Session 2 – Monetary policy and environmental risks

Session chair: Pierre-François Weber (Banque de France)

- **Presentation 1: Macroeconomic Effects of Green "Helicopter"** - Money Xiaofei Ma (ESSCA School of Management) with Mohamed Tahar Benkhodja (ESSCA), Vincent Fromentin (Université de Lorraine)
- **Presentation 2: Planetary boundaries and the case for interest rate differentiation** - Jens van 't Klooster (University of Amsterdam)
- **Presentation 3: Climate-Related Natural Disasters and Exchange Rate Misalignment in Developing Countries** - Thibault Lemaire (Banque de France & Université Paris 1 Panthéon - Sorbonne)

**14:30 – 15:00** Coffee break

**15:00 – 16:30** Session 3 – Sovereign bonds and environmental risks

Session chair: Prof Ulrich Volz (SOAS)

- **Presentation 1: Climate change exposure and macroeconomic vulnerabilities** - Guilherme Magacho (AFD) with Etienne Espagne, Irene de Echer, Michel Simioni
- **Presentation 2: Rising temperatures, falling ratings: The effect of climate change on sovereign creditworthiness** - Matt Burke (Sheffield Hallam University) with Patrycja Klusak, Matthew Agarwala, Moritz Kraemer and Kamiar Mohaddes
- **Presentation 3: First nature loss-adjusted sovereign credit rating** - Patrycja Klusak (University of East Anglia & Cambridge University) with Matthew Agarwala, Matt Burke, Moritz Kraemer and Ulrich Volz

**16:30 – 17:30** Session 4 – Carbon taxation and the macroeconomy

Session chair: Chiara Colesanti Senni (CEP)

- **Presentation 1: Carbon Taxation and Greenflation: Evidence from Europe and Canada** - Maximilian Konradt (Graduate Institute Geneva) with Beatrice Weder di Mauro
- **Presentation 2: Social inequality in the context of a domestic carbon tax: a case study of French households** - Raphaël Semet (University of Paris Saclay)

Tuesday, 25 October 2022

**9:00 – 10:00** Session 5 – Climate and nature shocks on the economy

Session chair: Elsa Allman (Banque de France)

- **Presentation 1: Demand or Supply? An empirical exploration of the effects of climate change on the macroeconomy** - Fulvia Marotta (University of Oxford) with Matteo Ciccarelli
- **Presentation 2: Measuring the impact of the Amazon Fund on deforestation reduction in Brazil** - Loris André (PSE), Julio Ramos-Tallada, Banque de France

**10:00 – 11:30** Session 6 – Nature, climate and microfinancial risks

Session chair: Prof Frank Venmans (LSE)

- **Presentation 1: Who takes the land? Quantifying the use of built-up land by economic activities to assess biodiversity-related transition risks in France** - Mathilde Salin (Banque de France and CIREA) with Etienne De l'Estoile (Banque de France, Université Paris 1)
- **Presentation 2: Performance and Climate Risk in Microfinance Institutions** – Iftekhar Ahmed (University of Otago) with Ivan Diaz-Rainey and Helen Roberts
- **Presentation 3: Do Lenders Price the Brown Factor in Car Loans? Evidence from Diesel Cars** - Winta Beyene (University of Zurich, Swiss Finance Institute) with Steven Ongena, Matteo Falagiarda and Alessandro Scopelliti
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**11:30 - 11:45** Coffee Break

**11:45 – 12:30** Keynote 2 - Some theory and some evidence on nature based solutions to climate change - Prof Ben Groom (University of Exeter and Grantham Institute)

**12:30 – 14:00** Lunch break

**14:00 – 15:30** Session 7 - Environmental risks and macroeconomy

Session chair: Yannis Dafermos (SOAS)

- **Presentation 1: Climate policy uncertainty and firms' and investors' behavior** - Tobias Kruse (OECD) with Pier Basaglia, Stefano Carattini, Antoine Dechezleprêtre
- **Presentation 2: The macroeconomic effects of the insurance climate protection gap** - Margherita Giuzio (ECB) with Linda Fache Rousova, Sujit Kapadia, Hradayesh Kumar, Luisa Mazzotta, Miles Parker, Dimitris Zafeiris
- **Presentation 3: Global biodiversity scenarios: what do they tell us for Biodiversity-Related Financial Risks?** - Julie Maurin (AFD) with Julien Calas, Etienne Espagne and Antoine Godin

**15:30 – 16:00** Coffee break

**16:00 – 17:00** Policy panel – Financial policy at the frontier of climate and nature