

Regional financial cooperation and climate change finance

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Macrofinancial impacts of climate change: 1) Physical risks: tangible damage and 2) transition risks

Transition risk (power point slide in 2023)

Transition risks of climate change emanate from efforts to build a green economy. Transition risks materialize when changes in technology, standards, taxation, and other policies turn carbon-intensive assets into stranded assets and amplify losses through financial interconnectedness (Cevik 2022).

Addressing macrofinancial risks from climate change

Distinguish physical climate risks and transition risks

Introduce consistent, systematic, and universal appraisal and treatment (role of AMRO)

Develop lending instruments for climate emergency financing, e.g. IMF's resilience and stability trust (RST)

Article 2.1(c) of the international Paris Agreement: making finance flows consistent with a pathway towards sustainability

Fostering markets for climate related finance

- Strengthening Ecosystem for Sustainable Finance in ASEAN+3
- Credit Guarantee and Investment Facility, e.g. Sabana Industrial Real Estate Investment, sustainability-linked bond (SLB)
- GSS+ Bonds Initiative for Southeast Asia was launched under the auspices of the ASEAN Catalytic Green Finance Facility (2022)
- World Economic Forum (WEF). 2024. *Labelled Bonds for the Net-Zero Transition in South-East Asia: The Way Forward*
- Asian Development Bank and Global Green Growth Institute. 2022. *Survey on Green Bonds and Sustainable Finance in ASEAN: Insights On The Perspectives Of Institutional Investors And Underwriters*

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Maraming Salamat!!!

Terima Kasih

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धन्यवाद

Cảm ơn rất nhiều

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謝謝你。

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THANK YOU !!!