

Account of Meeting No. 6 of the Climate Risk and Sustainable Finance Forum (the Climate Forum)

12 December 2024

In attendance:

- Members ([here](#))¹

- Central Bank:

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

Mark Cassidy (Director of Financial Stability); and

Rory McElligott (Head of Climate Change Unit).

1. Introduction by Chair

The Chair welcomed members and acknowledged changes within the Central Bank of Ireland, including the departure of Yvonne McCarthy as head of the Climate Change Unit (CCU) -who's contribution to climate change within the Central Bank and the Climate Forum was noted – and appointment of Rory McElligott as the new head of the CCU, as well as changes amongst Forum members. The Chair acknowledged international events such as progress made at COP29 and the events of Sustainable Finance week in November including the Bank's co-hosting of the United Nations Global Insurance Summit Europe with the United Nations Development Programme (UN DP) and highlighted work recently published by the Bank on the Flood Protection Gap in Ireland. The Chair also recognised the establishment of the UN DP project office in Dublin, as announced in November. The Chair noted her own upcoming departure from both the Forum and the Central Bank, and reflected on the goals and successes of the Climate Forum and thanked members for their ongoing commitment to addressing climate. The Chair concluded her remarks by introducing the first speaker, Ms. Laura Burke, Deputy Governor of the Environmental Protection Agency.

2. Presentation by Laura Burke, Director General, Environmental Protection Agency

Laura Burke discussed the findings of Ireland's State of the Environment Report 2024. The report, published every four years, is a general assessment of Ireland's overall environmental performance. Ms. Burke discussed the transformation of Irish society over the last three decades in terms of improved health and environmental outcomes and highlighted the important role of EU membership in Ireland's progress. However, she stressed that Ireland is not currently on track to meet its 2030 targets and that substantial improvements must be made in order to incorporate environmental policy with other policy domains. She noted that current policies must be rigorously implemented, investment in infrastructure must be scaled up, and transformations across the energy, transport, food and industrial sectors will be needed in order to achieve a sustainable future. While much work is yet to be done, she noted that Ireland is moving in the right direction. Emissions declined in 2023 and dropped a further 3.4% on an annual basis in the first six months of 2024. She discussed ongoing improvements in monitoring and reporting

¹Apologies from BPF, Brokers Ireland, CUMA, IAIM, RSA Insurance Ireland DAC, Davy, SEAI and Maynooth University

environmental conditions by the EPA, such as the introduction of quarterly emissions statistics. A Q&A session followed Ms. Burke's presentation.

3. Presentation by Dr. Emily Duffy: The Flood Protection Gap in Ireland

The Chair then introduced Dr. Emily Duffy, of the Insurance Directorate within the Central Bank of Ireland. Dr. Duffy opened the presentation by discussing the increased risks of flooding associated with climate change in Ireland. These risks have prompted the Central Bank of Ireland to focus on access to flood insurance and risks associated with a lack of access to insurance, an issue referred to as the "Flood Protection Gap". Dr. Duffy presented the results of quantifying this gap, noting that 1 in 20 buildings in Ireland have extremely limited or no access to flood insurance. This gap is also associated with €101 million in annual losses from inland flooding risks, which is highly concentrated amongst certain geographies. She underlined the likelihood that climate change will risk a widening of this protection gap and therefore called on increased collaboration amongst stakeholders to address this issue. A Q&A session and short break followed Dr. Duffy's presentation.

4. Central Bank of Ireland Updates: COP29 and Transition Planning

The Chair introduced the next speaker, Mr. Philip Brennan of the CCU at the Central Bank of Ireland, Mr. Brennan discussed the emphasis on finance at COP29. This included the setting of the New Collective Quantified Goal on Climate Finance². He also summarised the Report of the UN FCCC Standing Committee on Finance³, highlighting increases in the annual flows of climate finance for the period 2021 and 2022 but noted the substantial finance needed for the clean energy sector and the substantial amount of funding being directed towards fossil fuel subsidies. He also noted ongoing improvements in monitoring the delivery of climate finance commitments. Approval of an UN-regulated carbon market and supervisory body was also established at COP29. Mr. Brennan noted that COP30 will focus on the implementation of Nationally Determined Contributions (NDCs) to ensure that countries are following through on their commitments to reduce greenhouse gas emissions in line with the Paris Agreement. He noted that research so far has determined that failing to increase ambitions in new NDCs could contribute to global temperature increases of 2.6-3.1°C⁴.

After a short Q&A, the Chair introduced Rory McElligott as the next speaker. Mr. McElligott provided an overview of the developments in respect of transition planning in the financial sector. Climate Forum members provided feedback on their own actions relating to transition planning and strongly supported the provision of views to set out a Central Bank of Ireland approach on transition planning. A discussion followed this presentation.

5. Working Group Updates

Mr. McElligott then discussed the role of the Working Groups and thanked members for their ongoing work. He announced Nadya Lazarova, Insurance Ireland as the co-chair of the newly established Data & Disclosure Working Group, and noted that a call for practitioners would be shortly issued to enhance working group membership. Mr. Ross Allen was introduced as the new co-Chair of the Climate Risk Management working group, and he gave a brief overview of the working group's short-term goals.

Closing remarks were provided by the Chair, who thanked all members for their contributions since the Forum had been established; and noted that the next meeting would be announced in 2025.

² <https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2024/11/Raising-ambition-and-accelerating-delivery-of-climate-finance-Third-IHLEG-report.pdf>

³ https://unfccc.int/sites/default/files/resource/UNFCCC_BA6_Summary_Web_Final.pdf

⁴ <https://www.unep.org/resources/emissions-gap-report-2024>