

Scaling up **green finance** to achieve the **climate targets**: macro-financial opportunities and challenges for **Austria**

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Green Deal financing in Austria: research questions and methods

WP1: What role markets, policies, institutions play in driving/hindering green finance?

M1: Textual analysis, experts' survey, policy analysis

WP2: Are Austrian investors (mis)pricing green finance risks/opportunities for returns?

M2: Latent class analysis, financial econometrics, market model

WP3: Credible **policies** advocated to signal the market but **uncertain** design, **implementation**, impacts (competitiveness, public debt, markets, inequality)

M3: Macroeconomic analysis: **EIRIN Stock –Flow Consistent Agent Based Model**

WP4: Disorderly transition could drive **carbon stranded assets** in **Western Balkans** and cascade via networks of financial exposures to Austria

M4: Two-regions macro financial network model

WP5: development of operative green finance toolkit inform Austrian decision-makers

M5: stakeholders' knowledge co-production, research-policy interface

Contextualization of research in post COVID-19 world

- **How to finance the Green Deal?** Complementarity of mission-oriented policies, instruments
- To what extent **COVID-19** affects the Green Deal implementation?
- Challenges for stakeholders' engagement in project implementation

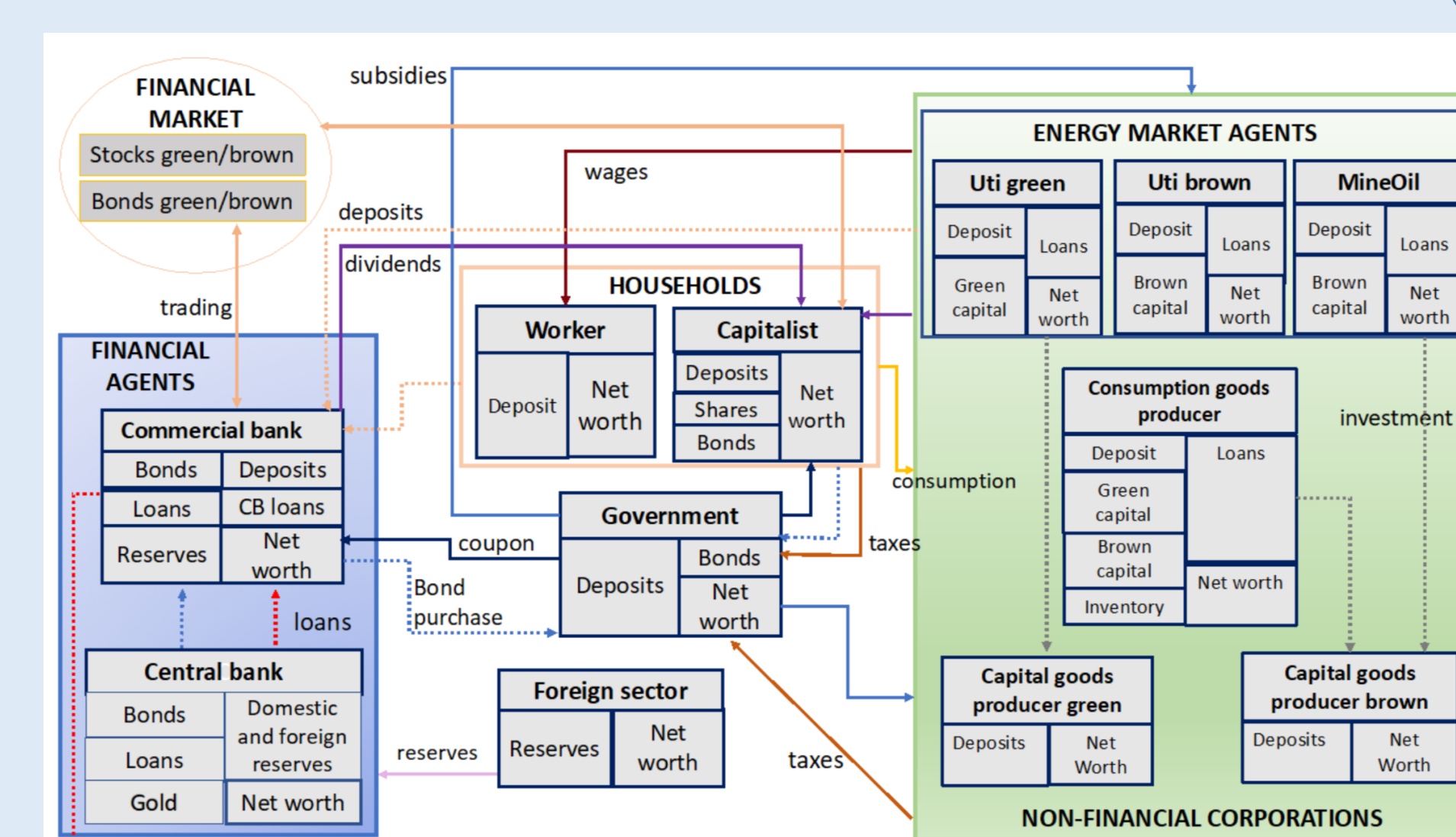
Progress and preliminary results

- EIRIN model further development and application:
 - **European Central Bank (ECB)** Climate Stress-test (Monasterolo et al. 2020a)
 - **World Bank (WB)** in compound climate-COVID risk (Monasterolo et al. 2020b)
- Two-regions SFC model development: application to EU green fiscal and macroprudential (Dunz et al. 2020)
- Identification of stakeholders' network
- Financial market analysis: database, model development

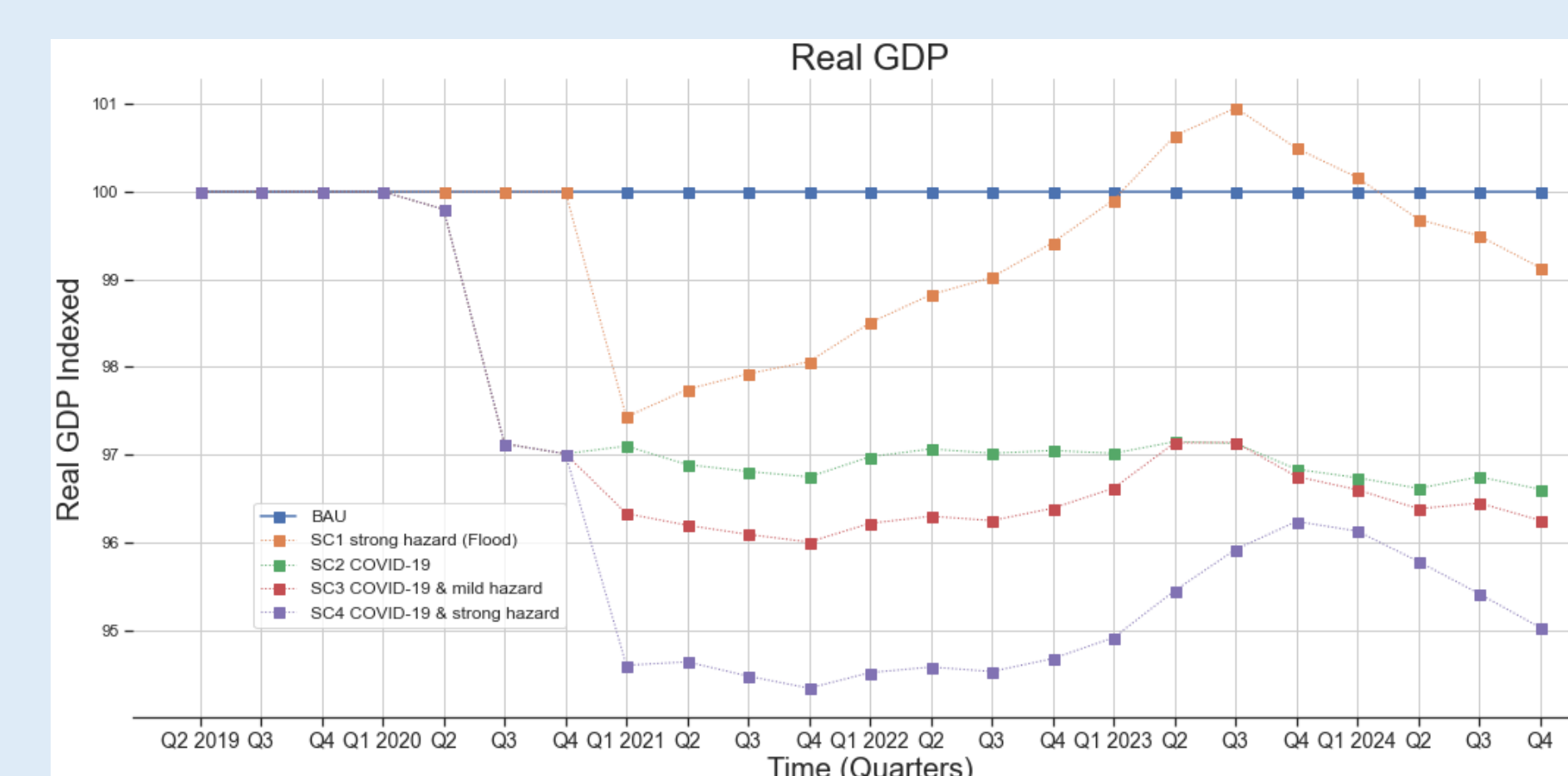
DISSEMINATION:

Presentations. Past: EIOPA, COP25, ECB, WB, UZH Sustainable Finance. Forth: CREDIT 2020, EAEPE2020, EC Summer school

Publications: Ecological Economics, Journal of Financial Stability, Annual Review of Environment and Resources, **G20** chapter, **NGFS** chapter, Financial Times, UN PRI, Euractive



Monasterolo et al. 2020a



Monasterolo et al. 2020b

Impact on	GSF (SC1)	CT & without climate sentiments (SC2)	CT & with climate sentiments (SC3)
GDP (y)	~	↓↓	↓
Relative Prices (Green vs. Brown) (p^G/p^B)	↓	↓↓↓	↓↓
Green vs. Brown Productivity	↑↑↑	↑	↑↑
Capital Adequacy Ratio Volatility	↑	↑↑	↑↑
NPL F (NPL^F)	~	↑	↑
NPL B (NPL^B)	↑	↑↑	↑↑
NPL G (NPL^G)	↓↓↓	↓	↓↓

Dunz et al. 2020

Learn more and engage: <http://greenfin.at/>

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