

From Droughts to Carbon Border Adjustments: Assessing the IMF's Role in Mitigating Climate Risks



In a pre-recorded statement, the Minister of Finance and Economic Affairs on 14th April 2022 took part in the V20 task force Pre-spring side event.

Background information: The latest Intergovernmental Panel on Climate Change (IPCC) report on climate impacts underscores that the next decade requires decisive action now to reduce irreversible consequences. The international community is already beginning to feel the pressure from climate change, as historically severe weather rocked economies around the world in 2021, and impacts are only expected to worsen.

Beyond physical climate risks, countries are also coping with other climate-related economic challenges. Transitioning away from fossil fuels requires finding new sustainable revenue streams, and countries rapidly implementing climate policies, like carbon taxes, can have spillover impacts on other economies – particularly emerging markets and developing economies. A coordinated global approach will be crucial to ensuring a swift and inclusive green transition. With its mandate to maintain international financial stability, the International Monetary Fund (IMF) is uniquely positioned to take a lead in ushering in a new era of climate-resilient development.

A series of new technical papers from the Task Force on Climate, Development and the IMF rigorously assesses the various economic impacts from climate change and policy responses to

climate change. Considering the IMF's climate strategy released last August and its latest Comprehensive Surveillance Review, these papers seek to advance climate action at the IMF in three buckets: spillover transition risks, fiscal impacts and physical risk.

How would the European Union's carbon border adjustment mechanism affect other carbon-intensive economies? What risks and opportunities are posed to Central and State governments in India as it works towards its net-zero by 2070 pledge? How could green-led innovation prove to be a crucial new trajectory for economic growth in Africa? And, overall, how does the IMF stand to play a key leadership role in surveillance and advice on these issues?

On **Thursday, April 14, 9:00-10:15 AM ET // 2:00-3:15 PM CET**, join the Task Force on Climate, Development and the IMF for a webinar discussion on the latest suite of research with global experts in economics and international development, with introductory remarks from _____.

Speakers:

- **V20 Minister, 5-7 min**
- **Ma Jun**, Director, Macro and Green Financial Lab at Peking University, 5-7min
- **Rakesh Mohan**, President, Centre for Social and Economic Progress, New Delhi, India, 5-7 min
- **Alicia Bárcena**, Executive Secretary, Economic Commission for Latin America and the Caribbean, 5-7 min
- **Commentator: Laurence Tubiana**, Chief Executive Officer, European Climate Foundation, 5-7 min
- **Sara Jane Ahmed**, V-20 Advisor, Moderator