

Paolo Angelini: The many shades of climate change through the lenses of dispute settlement

Keynote speech by Mr Paolo Angelini, Deputy Governor of the Bank of Italy, at "The Many Shades of Climate Change through the Lenses of Dispute Settlement" conference, organised by the Bank of Italy and the Roma TRE Unidroit Centre, Rome, 8 November 2024.

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1. Introduction

The Bank of Italy has long been a careful observer of themes related to the environment, climate change and sustainability, for four main reasons. First, developments in these fields can have consequences for the economy, and need to be thoroughly understood for conducting monetary policy. Second, the Bank considers climate-related – physical and transition – risks in conducting its supervision and financial stability functions, as these risks feed the classical risk categories to which intermediaries are exposed (credit, market, operational, liquidity). Third, the Bank, while not subjected to the EU climate legislation, is committed to reducing its environmental footprint; it has been publishing an annual Environment report since 2010, and is working towards reaching net zero emissions by 2050.

Finally, the Bank owns a relatively large portfolio of assets for non-monetary policy-related purposes, and is committed to invest it according to sustainability criteria.

This attention to environmental themes is shared internationally by over 140 central banks and supervisory authorities that have joined the Network for Greening the Financial System (NGFS). The Network, launched in 2017, has the objective to share analyses, methodologies, experiences and best practices in the environmental field, with a particular focus on climate risks.

From this brief overview, it is clear that the theme of today's conference, legal risk stemming from climate change and other environment-related disputes, is fully in scope for the Bank of Italy, and more broadly for the entire community of central banks and supervisors.