

Sharon Donnery: Climate Risk and Sustainable Finance Forum - Capacity Building Working Group

Remarks by Ms Sharon Donnery, Deputy Governor of the Central Bank of Ireland, at the launch of the "Report from the Climate Risk and Sustainable Finance Forum's Working Group on Capacity Building", Dublin, 27 March 2024.

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My thanks to Dorothy and Kevin for the warm introduction. I am delighted to be here with you all at the launch of this [Report from the Climate Risk and Sustainable Finance Forum's Working Group on Capacity Building](#).

As many of you will be aware, the [Climate Forum](#) first met in June 2022, and is made up of senior-level representatives from the Central Bank and the Irish financial sector, as well as climate risk and sustainable finance experts and academics. Its main aim is to build and accelerate a shared approach between the financial sector and the Central Bank in the understanding and management of the financial risks and opportunities posed by climate change.

We seek this through discussion of high-priority climate issues and the establishment of a framework within which industry can progress work on these topics.

Having identified climate-related capacity building as one of the high priority issues, I am very pleased to see the publication of the Working Group's report, and the first external piece of work from the Climate Forum come to fruition. I also look forward to the publication of the Risk Management Working Group Report in the coming weeks.

On behalf of the Forum, my thanks to all working group members for their efforts and a special thanks to Dorothy and Kevin for co-chairing and delivering this work.

The willingness of Climate Forum members to come together and support the working group, to devote time and resources, and to collaborate on this topic is very welcome, and to my mind reflective of the importance of the issue and the seriousness we must all treat it with.

The transition to a sustainable net zero economy is critical for the economy and society and we encourage the ambitions and progress shown already through the climate forum to support financial services in playing its part to make this a necessary reality.

While this Report does not represent Central Bank requirements or guidance and is, rather, the work of the climate forum, I very much welcome its publication today.

The work of the Climate Forum seeks to identify the ways in which progress can be achieved in a manner that is accessible for all financial market participants – and today's report is a good step forward in this journey.

Building capacity by enhancing our understanding of climate risk, seeking to address those risks through upskilling, identifying useable tools and frameworks, raising awareness, and taking leadership applies to all participants in the financial system – including regulators – and we are supportive of many of the recommendations.

I am particularly drawn to the *New Industry Narrative* recommendation, which proposes to articulate a coherent story on what role the industry is playing in support of wider climate goals. In my view, the establishment of the Climate Forum and the publication of this report is a substantial first step in building that narrative.

But there is no doubt that we are very much in the early days of this journey. And while we can expect the regulations and industry best practices for meeting those regulations to evolve – there is a need to further embed climate risk and sustainable finance within our organisations and that can only happen through building capacity.

As I have said before while the path toward a net-zero economy is a difficult one, it is nevertheless one that we must all walk together.

My thanks again to the working group for making a substantive contribution in that journey with this report and I look forward to the rest of the event this morning.