

# CBCS on Climate Risk in the Financial Sector

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Climate Change Platform

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**CENTRALE BANK**  
CURAÇAO & SINT MAARTEN

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# Climate Risk in Curaçao, Sint Maarten, and the Caribbean



# The Acceleration of Climate Change

- Preparedness is key
- The speed of onset of climate change effects has been underestimated
- Cost of doing nothing higher than cost of adaptation
- Double our efforts for resilience



# The Consequences for Curaçao and its Financial Sector

- More frequent extreme climate events require better prepared financial institutions
- Awareness is a start
- Risk and impact are increasing, risk management should also increase
- Public policy and investments are essential



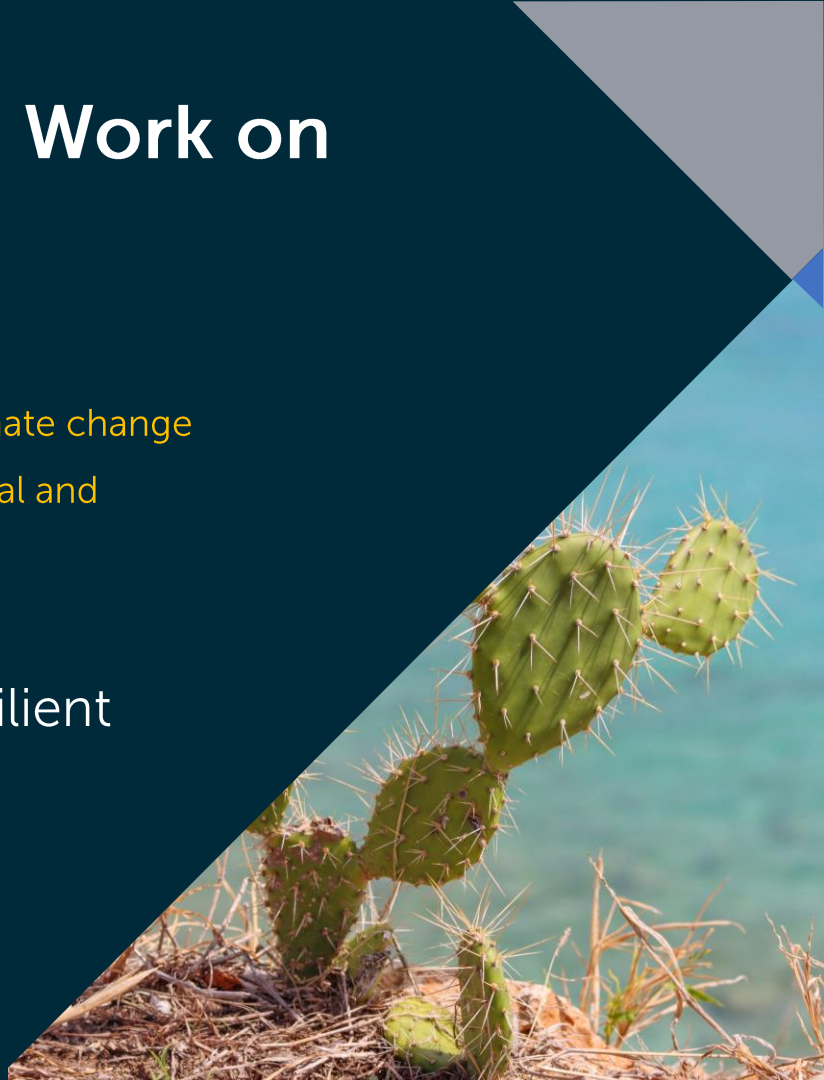
# Possible Impact of Transition Risk in Curaçao

- Curaçao is also vulnerable for transition risks
- Carbon taxes & Net-zero efforts of foreign governments will increase prices here
- Initial focus on physical risk



# Developments in the CBCS' Work on Climate Risk

- Strategic agenda CBCS 2025:
  - Research to improve data & statistics on climate change
  - Intensify collaboration and dialogue with local and international institutions
  - Supervisory framework for climate risk
- Our objective is a climate change resilient financial sector





# Financial Stability Note on Climate Risk Survey

- Survey on Climate Risk Perception and Management
- Note published in September 2024
- Most financial institutions aware of risks
- However, no inclusion of climate risk in their risk management strategy
- Clear need for top-down policy



# Leading the CGBS Technical Working Group on Climate Change and Green Financing

- Technical Working Group of Caribbean banking supervisors
- Tackle challenges of integrating climate change in supervisory framework
- Exchange best practices, pool knowledge
- CBCS will chair the TWG for the first two years





# Becoming a Member of NGFS

- CBCS now member of the Network for Greening the Financial System, NGFS
- Objectives
  - Access to important research and data
  - Collaboration on reporting mechanisms
  - Strengthen our expertise on climate stress testing and more



# Concluding

- Prevent higher costs and drastic outcomes by planning and investing
  - National strategy, on all fronts, urgently needed
- Begin with the end in mind





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## Thank you!

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