

# Call for papers

## Journal of Financial Stability Special issue on climate risks and financial stability

There is a growing awareness among finance practitioners and regulators that climate change imposes significant new risks on the stability of both individual financial institutions and the financial system as a whole. Climate change could damage physical assets, increasing the credit risk of banks and inducing financial losses for the insurance sector. Moreover, the transition to a low-carbon economy could lead to unanticipated and sudden adjustments of asset prices for entire asset classes leading to financial shocks for asset managers, institutional investors and banks. Together, these two sources of shocks can have wider implications for financial stability as a result of the highly interconnected global financial system.

Despite the sense of urgency and policy relevance of this topic, important gaps remain in the academic research in finance and economics in this area. In order to promote research aimed at filling such gaps, the *Journal of Financial Stability* will publish a special issue on climate risks and financial stability.

This special issue aims to publish original contributions that shed new light on the sources and the impact of climate-related financial risks, and analyse possible financial policies and financial instruments aiming at mitigating these risks. We welcome research based on wide spectrum of approaches (such as network models, dynamic macroeconomic models based on evolutionary economics, as well as financial econometrics), which makes fundamental contributions to:

- identifying and assessing (i) transmission channels of climate risk from the real economy to financial institutions' portfolios, (ii) amplification mechanisms within the financial system and (iii) feedback effects of climate-impaired financial institutions on the real economy;
- analysing to what extent market players price in climate risk across instruments and institutions;
- developing metrics of climate-related financial risk;
- assessing potential implications of green finance policies, including climate-aligned central bank tools and macroprudential regulation;
- analysing climate-aligned developments in the financial markets (e.g. green bonds);
- the conceptual and analytical understanding of the conditions for the onset and the mitigation of climate-related financial risk.

**Guest editors:**

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**Deadline for paper submission:** 15 February

**Guidelines for authors:** Please submit your manuscript via email to:

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Please take into account the journal's [guidelines for authors](#). Please ensure that the introduction of your paper will include a couple of paragraphs explaining briefly the key recent developments in climate finance and your view on this topic. All submissions will go through a regular refereeing process.