

PFM4CA Pilot Executive Briefing: Greening Public Financial Management

CLIMATE RISK WORKSHOP

Organization: City of Vienna

Physical risks for a 3.0°C+ scenario: Current Policies



To evaluate physical risks, you are asked to consider the “Current Policies” scenario:

Current Policies assumes that only currently implemented policies are preserved, leading to high physical risks. Emissions grow until 2080 leading to about 3 °C of warming and severe physical risks. This includes irreversible changes like higher sea level rise. (Network for Greening the Financial System NGFS, 2024)

The Current Policies Scenario leads to a ‘Hot House World’ characterized by significant global warming.

Useful information for assessing physical risk under the Current Policies Scenario is available on pages 26-32 of NGFS (2021), [Climate Scenarios for central banks and supervisors June 2021](#). Please consult this material. It contains useful information.

You might also find the following useful in thinking about the distribution and impact of physical risks in a hot house world (i.e., 3.0°C+ scenario): IPCC (2023), [Change Change 2023. Synthesis Report, Section 3: Long-Term Climate and Development Futures](#), pg.68-78.

Instructions for the assignment:

You are a team of advisory to the Mayor of the City of Vienna who have been tasked to:

- (i) identify the climate-related risks of the city under the given scenario;
- (ii) try to “qualify” the magnitude of these potential fiscal impacts, e.g. low, medium, or high; and
- (iii) formulate recommendations for a 5-10 year public investment program aimed at enhancing the climate resilience of the City of Vienna while also optimizing opportunities arising from climate change.

You will be asked to present your findings to the cohort of your peers.