**[*PAPER/Poster* *TITLE*]**

The effects of natural disasters on renewable energy finance

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## Overview

Many countries have policies in place to promote renewable energy at least partly to meet their commitments to the Paris Agreement, which aims to limit climate change. There is a consensus on the importance of a transition to renewable energy in order to fight climate change, but also that this transition will require high volumes of finance, in which the private sector will play an important role. As the impacts of climate change start to become more evident (including increased impacts and occurrence of natural disasters linked to extreme weather events) this is very likely going to affect international financial flows including finance directed to achieve the transition to renewable energy. In other words, there is a danger that the presence of negative feedback effects will limit the ability to transition to renewable energy as this transition takes longer to implement. This study is aiming to identify and quantify such negative feedback effects.

In other words, the focus of this study is to study the effects of natural disasters on private renewable energy financial flows. A clear understanding on the impact of climate change on renewable energy finance is required as it helps us understand better the costs of delaying the clean energy transition. In addition, studying the potential heterogenous impacts in terms of environmental policies in place and structures of financial deals can have important policy implications on how to mitigate the potential negative impacts.

A number of studies have looked at the effects of natural disasters, on financial flows. The majority of these studies focus on developing countries and study the impact of important flows such as remittances and foreign aid. Overall, these studies find that such inflows tend to increase modestly after natural disasters occur. However, the evidence regarding the impact on foreign direct investment and other private capital flows is less studied and results are mixed. In addition, no study yet has tried to identify the impacts particularly on renewable energy finance.

## Methods

This study will use two datasets one that tracks in detail financial flows directed to renewable energy projects, globally over time, and another one that tracks natural disasters that occur globally over time. This will be a quantitative study using a fixed effects panel estimator. A number of covariates will also be included in the estimation to study the possible presence of heterogeneous effects. These include: the quality of institutions and level of financial sector development, policy risk and environmental policies in place. In addition, the possible heterogeneous effects of the structure of different financial products will also be explored (e.g. project finance vs corporate finance).

## Results

No results yet

## Conclusions

No conclusions yet