

Call for papers

Contact : Pierre-Alix BINET – pierre-alix.binet@labanquepostale.fr

1 Context

Presentation : La Banque Postale, a mission-led company

La Banque Postale became a mission-led company in February 2022.

This recent legal framework allows La Banque Postale to include its company purpose in its statutes, coupled with the environmental, social and governance objectives which it is committed to pursuing as part of its activity. To monitor La Banque Postale's commitment to ensure a just transition, a [steering committee](#) composed of 18 members, among which 12 experts from the economic and financial sphere, the academic world and civil society, is required to publish an [annual report](#).

Beyond its goal to ensure that actions introduced by La Banque Postale are in line with its social, environmental and territorial objectives, the steering committee is organized in working groups to give key insights on La Banque Postale's commitments.

One of these working groups consists of collaborating with an academic partner, to publish an academic paper on a topic related to the just transition. Such topic would indeed be decisive in La Banque Postale's capacity to effectively support the financing of the energy transition while managing related financial risks.

Guidelines for the academic paper

The ultimate objective of this project would be to publish this academic paper in a relevant scientific journal. This is why La Banque Postale is looking for an academic partner to write this paper. The ambition is to promote the paper internally, but also with a network of key economic and financial players active in developing and financing a just transition, such as international financial institutions and development banks (IMF, World Bank, Agence française de développement ...), financial regulators and supervisors, and private and public financial institutions.

Applicants may be individual researchers, or a team composed of researchers willing to collaborate on this project.

Ideally, this project would result in applicable material for La Banque Postale in the context of the monitoring of its climate-related financial risks.

Researcher(s) may have access to support from experts working in La Banque Postale, as well as its steering committee. If relevant for the project, access to La Banque Postale's proprietary data may also be enabled.

Theme

This theme is the result of the steering committee's series of interviews with experts in climate finance and climate risk analysis, including: Stéphane Dees – Banque de France; Irene Monasterolo – EDHEC Risk Institute ; Florent Jacquetin – ADEME ; Steve Keen – UCL ; Peter Tankov – Institut Louis Bachelier ; Jean Boissinot and his team – Network for Greening the Financial System ; Franck Lecocq and Celine Guivarch – CIRED ; Jezabel Couppey-Soubeyran – Paris I.

This project aims to provide an overview of stranded assets in the real estate sector in Europe. The emerging legal framework on ESG risk management in the European Union (e.g., ESG Pillar III, Taxonomy, CSRD...) incentivizes commercial banks to address their ESG risks. La Banque Postale's interest lies in both types of risk: transition and physical.

In this context, topics of interest for La Banque Postale include:

- Providing a definition for stranded assets, based on an exhaustive literature review ;
- Identifying the different categories of stranded assets in the real-estate sector ;
 - o Some elements of interest: typology of assets, time horizon, risk factors combinations, geographic variables
- Proposing a financial measurement methodology for stranded assets in the real-estate sector.

2 Practical details

- Applications will be open until June 30th 2023
- Project is expected to start in September 2023
- Budget: The project, all fees included, will be granted a yearly 75 000 euros budget (tax included)
- All dimensions of the received submissions will be considered to select the winning project. Selection criteria include the content and quality of submissions, their relevance and distinctiveness for La Banque Postale's topic of interest, as well as the applicant(s)' academic references.
- **To apply, send an email to Pierre-Alix BINET – pierre-alix.binet@labanquepostale.fr**

Expected documents to provide as part of the application:

- o An abstract of the research project

- A research project overview, with an expected timeline and clear steps on how the project is planned to be conducted
- The resulting academic paper should be published in English.
- The research project is expected to last up to two years (September 2023-September 2025) and will be monitored by a dedicated steering committee (composed of La Banque Postale’s research department (economic studies) and steering committee members). It will meet every trimester and discuss the methodology, potential challenges, and relevant findings.

3 References

This non-exhaustive list of references contributed to identifying “stranded assets in the real estate sector” as a relevant topic of interest for this project.

Literature on the following topics may also be relevant: challenges and stakes of climate risks analysis modeling and related scenarios; identification and assessment of physical risks in the real estate sector; etc.

Bressan, G. M., Duranovic, A., Monasterolo, I., & Battiston, S. (2022). Asset-Level Climate Physical Risk Assessment and Cascading Financial Losses. Social Science Research Network. <https://doi.org/10.2139/ssrn.4062275>

Dunz, N., Mazzocchetti, A., Monasterolo, I., Essenfelder, A. H., & Raberto, M. (2021). Compounding COVID-19 and climate risks : The interplay of banks’ lending and government’s policy in the shock recovery. Journal of Banking and Finance, 106306. <https://doi.org/10.1016/j.jbankfin.2021.106306>

Garbarino, N., & Guin, B. (2020). High Water, No Marks ? Biased Lending after Extreme Weather. Social Science Research Network. <https://doi.org/10.2139/ssrn.3564226>

Monasterolo, I., Nieto, M., & Schets, E. (2022). The good, the bad and the hot house world : conceptual underpinnings of the NGFS scenarios and suggestions for improvement. Social Science Research Network. <https://doi.org/10.2139/ssrn.4211384>

Nguyen, D. D., Ongena, S., Qi, S., & Sila, V. (2022). Climate Change Risk and the Cost of Mortgage Credit. Review of Finance, 26(6), 1509-1549. <https://doi.org/10.1093/rof/rfac013>

Ranger, N. A. (2022, 1 février). Assessing Financial Risks from Physical Climate Shocks. <http://hdl.handle.net/10986/37041>

IRENA (2017), Stranded assets and renewables: how the energy transition affects the value of energy reserves, buildings and capital stock, International Renewable Energy Agency (IRENA), Abu Dhabi, www.irena.org/remap

Caldecott, B., Clark, A. M., Koskelo, K., Mulholland, E., & Hickey, C. (2021). Stranded Assets: Environmental Drivers, Societal Challenges, and Supervisory Responses. Annual Review of Environment and Resources, 46(1), 417-447. <https://doi.org/10.1146/annurev-environ-012220-101430>