Session 3 Tuesday

Science issues

- Communicating insights and assumptions of scenarios: how
- Use/selection of multiple IAM scenarios: practicality
- Mismatch is scale/granularity and timescale of scenarios: from firms to markets to UNFCCC
- Directly modelling finance requires specific modelling tools (ABM, Networks)
- Soft-link, shared narratives, handshakes?
- Characterizing risk and stress tests using scenarios: which scenarios are fit for purpose
- Ways scenarios are used for risk management or stress testing
- Adding both risks (physical and transition) to analysis
- Indicators for feasibility of transition

Opportunities

- Communication/interaction/coproduction with practitioners
  - How to do this effectively? Which practitioners (focus on UNFCCC?)? Consideration of scenarios/tools/data beyond IAM scenarios?
- Operationalizing scenario insights (standard versus stress tests)
  - Relevance in the context of different practitioners; role in risk management
- Mining existing/past IAM studies for insights suited for practitioner needs
  - Variety of policy assumptions (e.g. delayed and uneven policy); disruptive scenarios; revenues
- Advancing IAMs
  - Finance narrative in SSPs; imperfect financial systems; binary risks and stochastic optimization versus deterministic
  - Multiple agents (to get to inequality risks);
  - How to explore other key variables like inflation, housing prices, unemployment
- Advancing granularity of models, introducing finance in models OR using IAMs for boundary conditions for financial users and ex-post analysis on feasibility of scenarios
- Serious MIP requires time and funds.