

Environmental Finance

Course Outline

Academic Semester: 2025/26

1. General

School	School of Finance and Statistics		
Academic Unit	Department of Banking and Financial Management		
Level of Studies	Undergraduate		
Course Code	ΧΡΠΧΡ01		
Semester	6th or 8th		
Course Title	Environmental Finance		
Independent Teaching Activities	Weekly Teaching Hours		Credits
	Lectures	4	7,5
Course Type	Special background		
Prerequisite Courses			
Language of Instruction and Examinations	Greek		
Is the course offered to Erasmus Students?	No		
Url (Eclass)	https://eclass.unipi.gr/modules/auth/courses.php?fc=64		

2. Learning Outcomes

Learning Outcomes

This course is a thorough introduction to the fast-evolving and expanding subject of environmental finance. In particular, it

- introduces the environmental and social risks for firms and banks and highlights the difficulty of their measurement;
- describes the risks for banks and investors who do not take sufficiently into account the ESG (Environment, Social, Governance) performance of the entities they finance;
- analyzes the on-going effort for the development of accounting standards for ESG measurement;
- discusses the fast-changing institutional environment and the additional challenges it poses to all economic agents;
- analyzes the economics of 'green' banking, 'green' investments and pollution markets;
- explores how banks, and the financial system in general, can contribute towards addressing environmental and social problems.

After completing the course, the students are expected to understand

- 'green' financial products and their risk-return trade-offs;
- the role and the incentives of major players, such as, financial institutions, institutional investors, NGOs and governments;
- the risks (rewards) of banks that provide financial services to firms with weak (strong) ESG credentials;
- the difficulties of measuring ESG performance and the accounting standards under development;
- the *carbon footprint* of corporations and institutions, and ways to reduce it;
- carbon credits –creation and usage– and related investment opportunities in pollution markets.

General Competences

- Search for, analysis and synthesis of data and information
- Adapting to new situations
- Decision-making
- Working independently
- Working in an international environment
- Team work
- Working in an interdisciplinary environment
- Working in an international environment
- Production of new research ideas
- Respect for the natural environment
- Production of free, creative and inductive thinking

3. Syllabus

A. The big picture

- Introduction – ‘Business opportunities with social responsibility’
- Thinking about environmental and social risks – A simple framework

B. Accounting issues

- Corporate sustainability
- Accounting information and sustainability

C. ‘Green banking’

- Risks and opportunities
- Measuring banks’ ESG performance
- Environmental and social credit-risk assessment
- Proposed regulatory interventions – Unintended consequences of good intentions

D. Financial investments

- Selection criteria
- ESG performance and investment performance

E. Carbon markets

- Economic rationale
- Tradeable permit systems
- Financial investments

4. Teaching and Learning Methods - Evaluation

Delivery	Face-to-face	
Use of Information and Communications Technology	PowerPoint, e-class, zoom, internet	
	Activity	Semester Workload
Teaching Methods	Lectures, Case study discussions	52
	Independent Study	85,5
	Case studies & Project writing	50
	Course Total	187,5

	Written exam: 25%. Essays
	Case studies: 25%
Student Performance Evaluation	Class participation: 25%
	Term project 25%
	The evaluation criteria are spelled out in the syllabus.

5. Attached Bibliography

Suggested Bibliography

Related Academic Journals

Academic articles and policy papers from the ECB, the IMF, World Bank/IFC, the BIS...