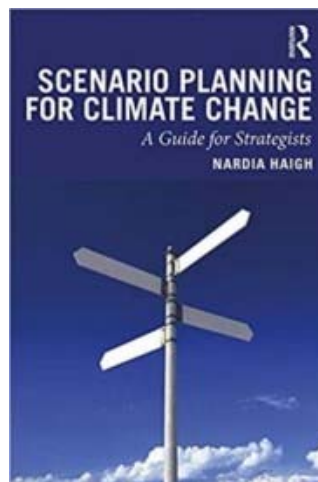


This sample scenario planning project proposal accompanies the book *Scenario Planning for Climate Change: A Guide for Strategists*, available online from [Amazon](#).



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Jo Banker
CEO, LocalBank
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Monday, June 17, 2019

Jo,

Climate Change Scenario Planning Project Proposal

I write to propose that we undertake a scenario planning project to evaluate the plausible impacts that climate change could have on our organization over the next twenty-five years. Below, I've outlined the purpose of the project, in addition to details about its proposed scope, people who would make good team members, an estimated budget and schedule, anticipated outcomes and evaluation criteria.

Project Purpose and Scope

A number of recent articles and speeches by experts in banking and monetary policy, including those in the U.S.,¹ Europe,² and Australia³ have highlighted the need for the banking industry to engage with the potential impacts of climate change. In a recent speech, the Deputy Governor of the Reserve Bank of Australia, Guy Debelle, stated that while makers of monetary policy were constantly examining a range of forces, that few forces have the scale, persistence and systemic risk of climate change. Risks include those related to the physical damage to properties and disrupted business caused by extreme weather and storm surge, and other risks, such as potential impacts of carbon policy on monetary policy, and even extend to the potential impacts of protests and boycotts seeking divestment from coal and other fossil fuel investments.

The above climate risks, and others like them could directly and indirectly affect LocalBank's operations, customers, and investment portfolio. Undertaking a scenario planning project for the whole company would allow us the opportunity to examine how various aspects of climate change could plausibly impact LocalBank over its short term and long term future. This project will enable us to evaluate LocalBank's current strategies vis-à-vis climate change, and develop the foundations for future strategies that will help LocalBank remain profitable in an increasingly competitive market.

Proposed Project Team

LocalBank's COO, Ms. White, is a champion of the project, and she believes that Mr. Black could serve as the Project Manager for the project, and act as its primary point of contact. Other members of the core team could include: Mr. Orange, Ms. Gold, Dr. Blue, and Mr. Red, and additional employees may be engaged as the project progresses. We also anticipate the need for an external facilitator with expertise in scenario planning, and this person would work closely with the Project Manager throughout the project, and as needed with the COO.

Anticipated Project Outcomes and Evaluation Criteria

Several outcomes could feasibly be expected from the project:

- Identify climate change risks that could plausibly affect LocalBank's business
- Develop strategic options to address climate risks
- Identifying warning signals that will enable LocalBank to track the pace and impact of various climate change issues
- Define LocalBank's current decision-making process as it relates to financing projects and assets that will potentially be affected by climate change;

¹ Rudebusch, G.D. March 25, 2019. Climate Change and the Federal Reserve. FRBSF Economic Letter. Federal Reserve Bank of San Francisco. <https://www.frbsf.org/economic-research/publications/economic-letter/2019/march/climate-change-and-federal-reserve/>, accessed 25 April, 2019.

² Randow, J. and Skolimowski, P. April 2, 2019. Central Banks are Thinking Greener as Climate Change Hits Policy. Bloomberg. <https://www.bloomberg.com/news/articles/2019-04-02/central-banks-are-thinking-greener-as-climate-change-hits-policy>, accessed 25 April 2019.

³ Reuters. 2019. Australian central bank points to climate change risks, says drought seen hurting GDP. The Straits Times. <https://www.straitstimes.com/asia/australianz/australian-central-bank-points-to-climate-change-risks-says-drought-seen-hurting>, accessed 25 April, 2019.

- Development of products and services that help LocalBank to build climate resilience.

We also anticipate the project will provide other insights about LocalBank’s current business that may be useful for various kinds of strategy planning.

Proposed Schedule and Budget

I anticipate the project could begin approximately four weeks after being authorized, and I expect it to be completed in 12 weeks. The project is anticipated to cost approximately \$[amount], consisting of estimate tabulated below.

Estimated Project Costs

Item	Approx. Cost	Description
Incidentals and Materials		Communication; Printing; Meeting Materials; Mailing and Delivery
Travel		Everyone is based in Boston. This amount represents contingent funds for expenses such as taxis or parking.
Offsite Facilities		Rental of offsite venue for 3 key workshops
Meals		8 Workshops/Meetings with approx. 10 people, 2-3 Meals/day at \$20 per meal = \$4,800
Employee Time		Based on a core team of 7 people devoting approximately 8 hours per week to the project over the course of 12 weeks, assuming an average hourly lost wage.
Facilitator Fees		Facilitation of Project kickoff, 5 workshops, and project evaluation, plus background analysis, other meetings and calls as required, and expenses.
Approximate Total		

Potential Benefits

The project may or may not result in new products to be developed, but I anticipate it will result in strategies for building climate change resilience that would otherwise not be developed if the project were not undertaken. It is feasible that any benefits are at least equal to the potential losses should be face climate change impacts and not be prepared.

Thank you for considering this proposal. I look forward to your reply and discussing it further.

Regards,

Carol