



## *In Conversation with*

*Ms. Theodora Antonakaki*

*Climate and Sustainability Advisor, Bank of Greece*

*(April 2021)*

### **1. When and why did your institution join the NGFS?**

As the Central Bank of Greece, we recognized over a decade ago the significant climate and environmental risks that the financial system is facing. It is for this reason that we have been systematically working on issues of sustainability and climate change since 2009, when we set up an interdisciplinary committee of scientists, the [Climate Change Impacts Study Committee](#) (CCISC), a workgroup dedicated to the study of climate change in Greece. Ever since, climate and sustainability have been high on our agenda<sup>1</sup> and our Governor has been addressing those issues on every occasion. It is telling that in 2019, the Bank of Greece, alongside the European Central Bank and the Bank of England, was named one of the most vocal central banks worldwide<sup>2</sup> on climate change and sustainability.

From our experience, we have realized that joint action is important, both at national and international level, as we need collective action by governments, firms, investors, households and of course central banks, to create a strong framework to address the climate challenge and accelerate the transition towards a carbon-neutral economy. At the Bank of Greece, we have a broad national network of collaborations on climate issues, from academia to market actors, and are also working in close cooperation with ministries and policymakers. Likewise, on the global stage, the Bank of Greece has been the first central bank worldwide to endorse the UNEP FI Responsible Banking Principles.<sup>3</sup> In this

---

<sup>1</sup> Relevant material and a short summary note of the Bank of Greece's work on climate and sustainability can be found [here](#).

<sup>2</sup> OMFIF tweet following the Special Report: Central banks and climate change  
<https://twitter.com/OMFIF/status/1156559680120008704>

<sup>3</sup> The Responsible Banking Principles of the United Nations Environment Programme Finance Initiative  
<https://www.unepfi.org/banking/bankingprinciples/>

context, it was a natural next step for us to join “the coalition of the willing”, the NGFS. We joined the network in early 2019 and by now we are participating in all five workstreams of the network.

## **2. Can you share with us the key elements of the Bank of Greece’s climate strategy and how it fits into the broader national strategy in your jurisdiction?**

Over the past years, our studies at the Bank of Greece have highlighted the wealth of Greece’s natural resources, but also the risks posed to the country’s natural and human environment by climate change, which appears to be a major threat for almost all sectors of the Greek economy.<sup>4</sup> According to our vulnerability assessment,<sup>5</sup> agriculture, tourism, coastal systems and water reserves will be considerably affected. Current projections are even more dire, and we expect this trend to continue, as climate change remains unabated.

Apart from financing the transition to a carbon neutral economy, it is imperative to also finance climate change adaptation. This is especially true for a small country like Greece, since current failure to effectively implement climate change mitigation policies at a global level means that all nations will face the impact of the changing climate to a more or less degree. Adaptation policies, such as National Adaptation Plans (NAPs), and adaptation financing will help avoid or lessen the cost of associated damages and improve our resilience. We have estimated that, for Greece, efficient adaptation programmes, necessary as a damage control measure, can reduce the cost of climate change impact by almost 30%.<sup>6</sup> These measures could provide a promising opportunity for Greece to boost its growth performance and competitiveness, while implementing climate action policies.

Our contribution on climate-related issues has led us to sign a Memorandum of Cooperation (MoC) with the Hellenic Ministry of Environment and Energy and the Academy of Athens. Under this MoC we have drafted the National Adaptation Strategy for Greece and continue to work on its implementation, alongside key national actors, on the Life IP programme “AdaptInGR – Boosting the implementation of adaptation policy across Greece”<sup>7</sup> (2019-2026). The programme aims at advancing the implementation of the National Climate Change Adaptation Strategy of Greece by addressing specific objectives such as the systematisation and improvement of decision making for climate change adaptation, the promotion of adaptation policies and actions in all sectors, the establishment of monitoring mechanisms for the evaluation and review of adaptation policies and the strengthening of the adaptive capacity of the Greek society through awareness and dissemination actions.

Furthermore, since it is essential to support the green transition and sustainable finance in the public and private sectors, we have been working on awareness raising, capacity building, cooperation and

---

<sup>4</sup> Under an inaction (“business as usual”) scenario, the Greek GDP could, ceteris paribus, fall by 2% annually by 2050 and even further by 2100, while the total cost to the Greek economy could reach a cumulative €701 billion by 2100, CCISC (2011), *The environmental, economic and social impacts of climate change in Greece*, Bank of Greece, pp. 453-457, [https://www.bankofgreece.gr/BogEkdoseis/ClimateChange\\_FullReport\\_bm.pdf](https://www.bankofgreece.gr/BogEkdoseis/ClimateChange_FullReport_bm.pdf)

<sup>5</sup> The vulnerability analysis is included in CCISC (2015), *National Climate Change Adaptation Strategy (NCCAS)*, [https://www.bankofgreece.gr/BogDocumentEn/National\\_Adaptation\\_Strategy\\_Excerpts.pdf](https://www.bankofgreece.gr/BogDocumentEn/National_Adaptation_Strategy_Excerpts.pdf)

<sup>6</sup> CCISC (2011), *The environmental, economic and social impacts of climate change in Greece*, Bank of Greece, pp. 453-457, available at: [https://www.bankofgreece.gr/BogEkdoseis/ClimateChange\\_FullReport\\_bm.pdf](https://www.bankofgreece.gr/BogEkdoseis/ClimateChange_FullReport_bm.pdf)

<sup>7</sup> <https://www.adaptivegreece.gr/en-us/>

coordination between the various stakeholders of the financial system, in the context of risk management, mitigation and adaptation financing.

All the above highlight the fact that central banks have definitely a role to play, even if the main role belongs to governments through investments, energy, environmental, tax and other policies.

### **3. To which extent did the Bank of Greece leverage the work of the NGFS in its own domestic journey? Any concrete examples?**

The work of the NGFS has been key in our efforts at the Bank of Greece to further develop our approach towards climate and environmental risks.

First and foremost, joining the NGFS triggered the creation of an informal cross-departmental team, with experts from different divisions across the climate science, monetary and operational divisions as well as the supervisory and insurance functions. This has helped us in providing consistent and coordinated input to the different NGFS workstreams, but it has also facilitated the exchange of views and a better understanding of the multiple areas where climate-related and environmental risks are relevant to central banks.

In addition, the NGFS outputs and recommendations have been an invaluable partner in our own domestic journey. For example, when developing our supervisory strategy at the Bank of Greece for addressing climate and environmental risks in banks' supervision, the NGFS Guide for Supervisors<sup>8</sup> has been one of the key elements we considered alongside the regular exchange of information among the NGFS members around the supervisory approaches of the other National Competent Authorities. Moreover, we also took advantage of the work by the NGFS in our internal deliberations regarding the incorporation of ESG principles in the management of own funds and our contribution to the ongoing work of the Eurosystem related to the monetary policy strategy review. Furthermore, we are also very much looking forward to the work of the NGFS on biodiversity<sup>9</sup>, as we are now planning an update of our previous work on biodiversity, both in a CCIV context and the National Adaptation Strategy for Greece.

### **4. One last word?**

Addressing climate change and maintaining the temperature at the target of +1.5 degrees Celsius will require unprecedented mobilization, action and cooperation of all. Partnership for the Goals is after all the 17th, last and perhaps most fundamental, goal of the United Nations for sustainable development. And the NGFS is an excellent example of a truly global partnership.

---

<sup>8</sup> [https://www.ngfs.net/sites/default/files/medias/documents/ngfs\\_guide\\_for\\_supervisors.pdf](https://www.ngfs.net/sites/default/files/medias/documents/ngfs_guide_for_supervisors.pdf)

<sup>9</sup> <https://www.ngfs.net/en/communique-de-presse/ngfs-and-inspire-launch-joint-research-project-biodiversity-and-financial-stability>