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Opening remarks

NBRNM Conference on Climate Risks and Financial Stability: Navigating Today's Challenges and Tomorrow's Opportunities.

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Ladies and Gentlemen, esteemed colleagues, and distinguished guests, I am honoured to stand before you this morning and have the privilege of opening today's conference. I would first like to thank our hosts, the National Bank of the Republic of North Macedonia and Governor Trajko Slaveski for convening this timely event.

As most of you know I am originally from Bulgaria and have spent decades working as a banker across the region, including five formative years here in Skopje as the CEO of a local banking institution. I can say with confidence: 15 years ago, few of us would have imagined the importance of climate risk as the central topic at a central bank conference. And yet, here we are. The pace at which climate risk has moved from the margins to the mainstream of financial regulation is remarkable - and necessary.

And so, I applaud the initiative and leadership of the Governor and his team in tackling this challenge head-on. Yet even as we set forth on this journey, let us be clear that we are already behind in the race to avert the worst effects of climate change. COP 30 has all but confirmed that we will fail to achieve the target of 1.5 degrees warming. This should and cannot be met with resignation, but rather as call to action.

Allow me to be bold and state simply that climate risk is underestimated and underpriced. Its ultimate risk is that assets become stranded – they lose their value and even become worthless. An asset can be one's home, providing shelter and comfort for a family.

It can also be a supply chain or fixed asset fundamental to one's livelihood, without which your business may lose value.

This is not theoretical. 2024 was the hottest year on record, with global temperatures surpassing the symbolic 1.5 °C threshold. 2025 is projected to be only slightly cooler than 2024, despite the cooling influence of the La Niña weather phenomenon

Rising temperatures on land and at sea fuel instability, triggering natural disasters. We only need to say names to evoke recent events such as flooding in Valencia or fires in Los Angeles. Our region may not make the same headlines as Hollywood stars, but we too are no strangers to such disasters: with each summer the threat of heat and wildfires grow, while risks from flooding rise with ever more volatile and sudden rainfall patterns.

I raise these points not to dampen our mood, but rather to underscore how vitally important today's topic is for all of us. We are public servants, stewards, and leaders of the financial sector. We manage climate risk and financial stability not only because it is prudent, but because we care about the future of our communities, our economies, and our shared prosperity.

As Fund Director at Finace in Motion for the Green for Growth Fund, I am proud to have partnered with the National Bank of the Republic of North Macedonia since last year to support their efforts to embed sustainability and climate risk management into operations, staff capacity, and strategic planning.

It is critical that we all lead by example and so the National Bank's first-ever sustainability policy is a cornerstone of not only its commitment to sustainability but a clear signal to the entire financial sector. Alongside Governor Slaveski, I'd also like to thank his wonderful team, with whom we worked closely - such as Vice Governor Mitreska, Ms. Arnaudova-Stojanovska, Ms. Jakimova, Ms. Manova-Trajkovska, and Ms. Nikodinovska, to name just a few.

The Green for Growth Fund, or the GGF as we call it, is a blended finance climate fund, advised by Finance in Motion and initiated by the EU and German government, focused on climate mitigation and energy security in the EU neighbourhood regions. Much like myself, the Fund has its earliest roots in Southeastern Europe, and from here has grown into one of the largest and most successful funds of its kind in the world – now active in 19 markets, surpassing €1 billion in assets, and celebrating 15 years of impact.

We've financed over EUR 2bn in energy efficiency, resource efficiency and renewable energy investments. These investments support households, businesses, and infrastructure projects to cut emissions and build modern, resilient energy systems.

Today's conference is titled "Climate Risks and Financial Stability: Navigating Today's Challenges and Tomorrow's Opportunities". I've spoken of challenges, now let's talk opportunities.

North Macedonia is a cornerstone market for the GGF. Last year, we inaugurated North Macedonia's first-ever private wind farm in Bogoslovec, which was also our first equity investment. And we practice what we preach. We assessed the project's vulnerability to climate risk – the high-level findings? Drier conditions could weaken turbine foundations. And so we reinforced them, strengthening the foundations of the project and our investment.

More recently, we are playing a leading role in transforming the Oslomej coal mine complex into one of the largest solar power plants in the region. This project, like no other, is a powerful symbol North Macedonia's energy transition. I applaud not only the vision of the Government in leading this flagship redevelopment but also in enabling the private sector to play a leading role.

As you can see from today's conference, our commitment to North Macedonia does not end at financial close. We believe the Fund has a broader role: to help shape a greener, more resilient financial sector and accelerate the fight against climate change.

Our partnership today with the Governor and his team is part of this strategy, which has in the past included supporting the National Bank of Georgia to develop a robust, localized Taxonomy of sustainable activities, while in Armenia we have supported the Central Bank of Armenia to design and publish a sustainability roadmap for the country's financial sector. These are not academic exercises but rather influential policy decisions that have already begun to channel capital towards needed green finance.

Allow me to finish by noting that financial regulators are by definition not in the business of being exciting; however, today I am confident we will make an exception. These are exciting times, and I look forward to our discussions today as we are part of once-in-a-generation opportunity to reshape the way the financial sector manages risk and channels capital towards a Paris-aligned future.

We believe firmly in the power of the financial sector to be the engine of this transformation. Especially when it is guided by capable and forward-thinking leaders.

And with that, it is my honour to welcome Governor Trajko Slaveski to the stage.