

## George A Provopoulos: The impact of climate change in Greece

Opening address by Mr George A Provopoulos, Governor of the Bank of Greece, at the presentation of the Report of the Climate Change Impacts Study Committee, Athens, 1 June 2011.

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First, I wish to welcome you and thank you for attending today's event, which will present the results of an ambitious initiative undertaken by the Bank of Greece, namely a study of the economic, social and environmental impact of climate change in the case of Greece.

As you all know, environmental issues are not usually a matter of concern to central banks, whose principal mission is to safeguard monetary stability. It has been my view, however, that environmental themes deserve more attention, especially in a country not accustomed to studying issues of a long-term nature.

When the Bank of Greece, nearly two years ago, announced its initiative to set up a Study Committee, the need for action to deal with the impact of climate change was urgent, though not as much as it is today. In the course of these two years, we have all witnessed the ongoing change in the climate and its significant impact at the global level, but also an economic crisis that prevents us from understanding the long-term benefits of investment aimed at adaptation to climate change.

With the release of this Report, the Bank of Greece, in line with its broader role and its tradition of studying the structural problems of the Greek economy, helps fill a gap as regards scientific analysis and information on climate change, on its impact and on ways of dealing with it.

This Report represents a first attempt at a comprehensive study of the impact of climate change for Greece – in particular of the cost of climate change that would be borne by the economy, the cost of implementing adaptation measures, as well as the cost of moving to a low-emissions economy, in the context of the global effort to mitigate climate change.

For the first time and for close to two years, this project brought together teams from different scientific disciplines; the teams included physicists of the atmosphere, climatologists and geophysicists, experts in agriculture, forestry and fisheries, as well as experts on water resources, tourism, the built environment and energy, not to mention economists and sociologists.

The findings of the study document the need for Greece to shield itself from the risks of climate change and to adopt an appropriate long-term strategy. The climate changes, as they unfold, affect and will continue to affect our economy and society. However, the cost of addressing these changes is but a fraction of the cost that we would have to pay, if we allow climate change to continue unabated, without taking any preventive action. At the same time, considering that the occurrence of extreme climate events in the future cannot be excluded, policies for mitigation and adaptation should be viewed as contingency measures against such an eventuality and, as such, are advisable irrespective of the results of the cost-benefit analysis.

At first glance, the current adverse economic conjuncture appears to constrain the financing of mitigation and adaptation policies. To the extent, however, that these policies can be exploited as an opportunity for new lines of economic activity and for growth, they can be part of the strategy for an exit from the crisis. In other words, the adoption of mitigation and adaptation policies, although appearing to be hampered by the grave economic problem faced by Greece today, can in fact contribute to its solution.

The study not only demonstrated the need for action to deal with climate change, it also underscored the need to pursue research further. In this light, we, at the Bank of Greece,

intend to continue with the effort of both disseminating information and contributing to research. The extremely useful study presented here today therefore marks only the starting point, the first step of an ongoing effort, which will be enriched and expanded as it proceeds. The time horizon set in this study extends well beyond the current adverse conjuncture and illustrates how firmly we believe in the future of our economy, as well as in the need to address its problems seriously.

I consider that a happy outcome of our initiative is that it has offered an opportunity for cooperation to experts from different scientific disciplines, who for the first time joined forces in the study of such a complex problem. This constitutes a very positive example for the Greek scientific community.

In closing, allow me one final word. Despite my opening remarks, some may still wonder why the Bank of Greece, at a time like this, should concern itself with climate change anyway. My answer to them is that the publication of a report analysing the impact of climate change on the Greek economy and outlining policy measures to deal with it over the next ninety years is also a clear-cut response to the outrageous and ridiculous scenarios recently going around. Let me point out that all of the estimates in the study's cost-benefit analysis are made in euro terms.

Before giving the floor to the other speakers, I would like to express my deepest gratitude to all of the distinguished scientists who took part actively in such an ambitious joint effort, without remuneration but out of sheer dedication to this important project which they were called upon to carry out.