

Jorgovanka Tabakovi: Strong commitment and flexibility in engagement on the climate and nature agenda

Address by Dr Jorgovanka Tabakovi, Governor of the National Bank of Serbia, at the Network for Greening the Financial System (NGFS) annual outreach meeting with plenary members and observers from Europe, Belgrade, 3 September 2025.

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Dear colleagues,

First of all, I want to say that I am Jorgovanka Tabakovi, Governor of the National Bank of Serbia in the third term, and it is my 13th year in the NBS. I want to stress how important this NGFS forum is for us. My presence and that of Vice-Governor Ana Ivkovi are a proof of how important you are for us.

We at the NBS welcome the proposed strategic objectives of the NGFS as they are capacity building oriented.

First, I want to thank all of you, especially the NGFS Secretariat and Dr Sabine Mauderer, for all the work that you are doing with such professional passion. Without passion there are no results.

We took nature and resources for granted for centuries, but now we have reached the time of consequences of many devastating actions and the lack of actions.

During the next several minutes I will share with you the guiding principles of the National Bank of Serbia on the climate and nature agenda and our views on the establishment of the NGFS European regional group.

- I will start with a general conclusion that during almost ten years since the first UN conference on climate change in Paris we have moved from the starting point, but not as fast as we wanted. But down this road, we learned that we need flexibility in setting the path toward the goal that is unchanged – to reach net zero by 2050. And this is my first general point – we need strong commitment but also FLEXIBILITY in engagement on the climate and nature agenda in Europe also.
- Another point is that, as much as we need ambitious goals, it is even more important to have REALISTIC and ACHIEVABLE GOALS. To have goals adjusted to real circumstances in order not to stay just some number on the paper that we will adjust upon discretion. Proposed changes to EU climate regulations and directives are going in this direction and this is the approach that we should follow.
- We also need institutions to have INDEPENDENCE – de facto and de jure. We don't want goals such as climate to be withdrawn from the agenda by a vocal but influential minority, especially those that gained the most from the industries that have highly negative environmental impacts, often associated with pollution. Those that will lose the most from green transition.

- This is why Europe can lead this transition. We are behind some regions in innovation, but Europe is by far more advanced in orderly green transition. Continuation of strategic support from the highest level will be the most important to push the climate and nature agenda forward.
- An important precondition for sustainable results is also active engagement of ALL INSTITUTIONS AND ALL PARTICIPANTS. Governments are obliged to act, but companies and households too. Companies should learn to look beyond the short-term horizon when assessing green and clean projects that usually call for higher investments in the initial phase - generating lower profits first, and higher after that. As Adam Smith said: « The baker does not bake bread because he wants to feed us, but because he wants to make a profit ». Companies need to put their money, or better to say - to invest in their future, but we must be vocal in explaining profitability "of making that bread" in the medium and long run.
- Equally important in today's fast-changing world is to have expert but simple communication about climate risk impact on GDP. We all know that central banks are highly equipped for this job. We have developed excellent analytical instruments, and now we must share the results of our analyses and communicate them publicly – like you said: transparent, transparent, transparent - more frequently. Each of us, on each occasion.
- NGFS long term climate scenario with the new damage function that shows an even greater impact of climate change on GDP than previously estimated is an excellent tool for this. Short-term climate scenarios for central banks and supervisors also. But we must act together by putting it into a context of devastating effects on jobs, salaries, house prices, overall inflation, purchasing power- so that it can be understood by each individual.

To sum up. The fact is that we are late and we cannot turn the clock back. That privilege we don't have. But we must collaborate, with all institutions included. We don't need some GREAT and complex climate plans and bills, but simplified, realistic and sustainable frameworks. We also need flexibility in designing future instruments and measures. We do have the European framework to guide us, and we also have our national plans to follow.

As for the European regional group – I believe that NGFS statistics confirms that European countries are the most engaged in this format of networking. The fact that almost 45% of membership refers to European countries is a clear sign that we already have strong engagement by the European membership. For the EU candidate countries – like my Serbia - European regional group can be a very good platform today to hear about plans and implementation of the EU climate agenda, so that we can be better prepared once we become members.

Dear colleagues,

Many times in life, everything seemed almost hopeless, like in COVID – but life has always inevitably returned to normal. Never the same, but still normal. What is destroyed is rebuilt, what is broken is fixed, but the cost could have been much smaller. We have the obligation to clearly communicate the huge loss arising from climate inaction. We have to go beyond our tasks prescribed by the law – and bring together all institutions to work on this joint task, rather than lose energy on uncoordinated actions.

We do have our personal opinions diverging on different areas, but the need for huge actions on climate issues is unquestionable. So, we have a good starting point and let's continue to use it, but louder.

Sabine, I believe in you and your leadership in this job. Thank you for your patience.

Thank you!