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Opening address*

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* English translation from the original in Spanish.

Good morning and thank you for your kind invitation to open the Second Conference on Sustainable Finance organised by El País and Acciona.

We live in an era in which, in certain circles, environmental issues have lost ground to other debates or priorities. This is why I believe this conference is very important, to keep the spotlight on the significance of climate-related issues and the economic transition towards more sustainable models. Today, the world in general and the financial system in particular face many challenges. These include the high geopolitical uncertainty that has led to a reconsideration of the socio-economic paradigms that have guided the economic and trade sector for decades. We also face the emergence of new technologies, including artificial intelligence, a genuine revolution whose impact has yet to be quantified.

Climate change and other environmental and sustainability considerations must also be taken into account as they constitute one of the largest global challenges we face due to their multiple dimensions.

First, above all, because climate change is backed by science and must therefore be impervious to politics.

Second, on account of its economic dimension. The physical risks linked to climate change are accelerating and becoming more intense. In 2024 global economic losses due to natural disasters amounted to $320 billion, exceeding the inflation-adjusted averages of the last 30 years.[1] According to the European Environment Agency, 22% of the economic losses accumulated since 1980 in the European Union were concentrated in the last three years. In addition, the United Nations has cautioned that, if the current trends continue, the annual number of disasters could rise by 40% by 2030 compared with 2015.[2] Likewise, during the last COP30 conference held in Belém,[3] the Network for Greening the Financial System (NGFS) noted that delaying climate change action by three years could double the cost of the transition from 0.5% to 1.3% of global GDP by 2030. Meanwhile, according to expert scenarios,[4] the cost of the disasters caused by extreme climate effects could give rise to losses of 6% of GDP in Asia or 12.5% in Africa compared with the baseline scenario, with greater impacts in the agriculture and energy sectors. But we cannot assume that these effects are confined to remote regions. Aside from the entire planet being affected, any regional event has global effects through trade and financial channels.

Third, there is a social dimension, with clear evidence that climate change is also significantly impacting people. According to the latest available data,[5] 77% of the more than 26 million internal displacements in the world in 2023 were caused by weather-related disasters. Although this is a primarily local phenomenon at present, in the future climate migrants may also cross

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[1] https://www.munichre.com/en/company/media-relations/media-information-and-corporate-news/media-information/2025/natural-disaster-figures-2024.html

[2] https://www.undrr.org/gar/gar2022-our-world-risk-gar#container-downloads

[3] https://www.ngfs.net/en/publications-and-statistics/publications/ngfs-declaration-economic-cost-climate-inaction

[4] https://www.ngfs.net/en/publications-and-statistics/publications/ngfs-short-term-climate-scenarios-central-banks-and-supervisors

[5] From the Global Migration Data Analysis Centre. https://www.migrationdataportal.org/themes/environmental-migration#:~:text=Climate%20migration%20is%20the%20movement,is%20due%20to%20climate%20change.

borders, with the economic and social consequences this would entail. Furthermore, a recent study published by Nature[6] notes that the impact of climate change on migration also depends on demographic factors, such as age and educational attainment level. For instance, warming from 30ºC to 39ºC for just one day in tropical areas increases migration rates of individuals with higher education levels by 0.4%-0.5% but does not affect those with lower education levels.

Fourth, due to its geopolitical dimension. Geopolitics has become the predominant risk at all levels, including for the financial sector, and climate change is also affecting global geopolitics. For instance, the melting of the Arctic in summer has opened up new maritime transport routes and has made previously hard-to-reach natural resources more accessible, affecting the geostrategic positioning of the main world powers in that area.

At the same time, the European Union needs to improve its firms' competitiveness. This requires an energy transition that ensures the region's economic sovereignty, which necessarily entails decarbonising the European economy.

These four aspects illustrate how important it is to continue to talk about climate and other environmental and social issues. They are not isolated issues but rather, as I noted earlier, they have a significant impact on both our economy and our society.

Trying to conceal or downplay their economic connections and impacts not only fails to solve the problem, but actually intensifies it, as indicated by NGFS experts in their long-term scenarios.[7] The cost of delayed or disorderly action or of inaction is much greater in terms of loss of global GDP than the cost of action with policies leading to a zero emissions scenario by 2050, limiting the temperature increase to 1.5ºC above pre-industrial levels. Therefore, it is evident that actions to adapt to climate and environmental changes and to mitigate adverse effects are directly related to the need for sustainable, fair and balanced world growth.

However, this transformation requires financing. As outlined in the Paris Agreement, combatting the adverse effects of climate change requires mobilising large amounts of capital towards sustainable investment projects.

According to the latest estimates, around $1.3 trillion per year will be needed by 2035[8] to finance the adaptation and the transition. As this is a global problem, a global (public and private sector) effort by developed and emerging market economies is required. In this setting, cooperation is essential, as no single agent can mobilise such resources alone. This is why projects are needed that involve public and private sector collaboration and that channel funds from wealthier developed countries to those with more limited financial resources.

In this connection, sustainable finance plays a key role and, according to the latest data, ESG-compliant financial instruments are not top of the issuance rankings right now.[9] It appears that

[6] "Global climate migration is a story of who and not just how many". Hélène Benveniste, Peter Huybers and Jonathan Proctor. https://www.nature.com/articles/s41467-025-62969-3

[7] https://www.ngfs.net/system/files/import/ngfs/media/2024/11/05/ngfs_scenarios_high-level_overview.pdf

[8] https://climate.ec.europa.eu/news-other-reads/news/what-did-cop30-achieve-2025-12-01_en

[9] https://ofiso.es/marcador-OFISO-2025/

the US Administration's change in stance on environmental matters is having global effects. Based on data provided by the Spanish Sustainable Finance Observatory (OFISO), global sustainable bond issuance totalled €408.5 billion in 2025 H1, 25% less than in 2024 H1, with the decline in bonds issued by the Japanese government standing out.

Issuance of green bonds also fell in the first half of the year, by nearly 25% compared with the same period a year earlier, while social bonds declined by 33% and sustainable bonds remained practically the same.

Bond issuance in Spain totalled €12,450 million at end-H1. Green bond issuance fell by almost 33%, while issuance of sustainable bonds increased by nearly 31%.

It is true that climate adaptation and transition is not financed through so-called "green" instruments alone, but they can be considered indicative of where trends are heading. The entry into force of the Regulation on European Green Bonds at end-2024 may also have influenced these data. This Regulation lays down uniform requirements for those that wish to use the designation "European green bond", seeking to improve transparency, prevent greenwashing and enhance investor confidence. This Regulation, broadly applied since December 2024, requires funds to be allocated to EU taxonomy-aligned projects and imposes a compulsory external review.

As I noted earlier, in order to meet the challenges related to green finance, clear and comparable reporting and disclosure frameworks are essential. In this connection, the European Council and the European Parliament have reached a provisional agreement[10] to simplify sustainability reporting by lowering certain thresholds and reporting requirements. However, in my opinion, this streamlining process, which is both commendable and necessary, must be properly implemented to ensure it does not undermine the goal sought by transparency and data collection, which is to facilitate investment decisions and improve climate risk management. Therefore, excessively reducing the number of firms that are required to report data will not help to achieve the goals we seek, especially when many of them had already made the effort to set up mechanisms for data collection and storage.
We need better data, analytical tools and collaboration between supervisors, central banks and financial institutions. As emphasised by the NGFS, only if we have granular and reliable information on hazards, exposure and vulnerability will we be able to conduct robust stress and scenario analyses.[11]

Fostering sustainable transformation via finance is key to building resilience to physical and transition risks. This requires strengthening the adaptation and ensuring the transition through stable and large-scale financial flows, mobilising public and private capital, designing innovative instruments and aligning investments with sustainability goals.

[10] https://www.consilium.europa.eu/en/press/press-releases/2025/12/09/council-and-parliament-strike-a-deal-to-simplify-sustainability-reporting-and-due-diligence-requirements-and-boost-eu-competitiveness/

[11] https://www.ngfs.net/system/files/2025-09/NGFS_information%20note_Leveraging%20physical%20climate%20risk%20data.pdf

COP30 made it clear: climate action will not progress without a profound transformation in the mobilisation of financial resources. The commitments to triple adaptation financing by 2035 show that aligning financial flows with climate goals is essential to fulfilling the Paris Agreement.

Consequently, integrating climate and sustainability criteria in financial decisions is not optional, but rather the only path available for resilient and prosperous economies. Those countries and firms that do so will lead in innovation, attract investment and reduce systemic risks.
Amid the current geopolitical uncertainty, we must strengthen materiality assessment and address challenges such as:

- The availability of quality data and the modelling of climate change-related risks, including physical, transition and nature degradation risks. These data are often provided by the firms themselves, but in other cases we will need to consider new sources, such as, for instance, satellite data.
- Designing credible transition strategies, with scheduled and assessable milestones.
- Scalability and access: channelling capital towards SMEs and emerging market economies.
- Setting up teams that understand the implications of climate change-related risks and are able to adapt to a changing environment.
- Avoiding greenwashing, carrying out a clear transition process and achieving the goals set.

The aim is to continue along the path that was established years ago. The transition towards a low-carbon economy is complex and requires long-term vision and sound decisions today to achieve the goals set for 2030 and 2050.

This is why the NGFS and we central banks and supervisors that are part of the network are committed to continue to work to ensure that the financial system enables the transition, by developing climate scenarios, analysing the implications of climate change and nature degradation and strengthening institutions' capabilities. As the NGFS itself highlighted at COP30, the cost of climate inaction is rising and entails significant economic and financial risks.

In conclusion, competitiveness and sustainability are not opposing concepts; rather, they go hand in hand. Only by acting today can we ensure a better tomorrow. Those who lead the transition will not only reduce risks, but will also seize opportunities in clean energies, low-carbon tech and nature-based solutions. Future competitiveness depends on the ability to adapt and drive the transition to a sustainable economy.
I would like to conclude with a recent quote from the European Commissioner for Climate: *"This is not about saving the planet. It's about recognising the harsh realities of climate change and its skyrocketing social, economic and ecological costs."*

Thank you very much.