

# Remarks by Secretary of the Treasury Janet L. Yellen addressing the threat of climate change to the Coalition of Finance Ministers for Climate Action

April 6, 2021

## *Remarks as prepared*

Thank you to Minister Vanhanen and Minister Cerda for inviting me to speak to you today.

Let me begin by saying how excited the Biden-Harris Administration is to bring the United States back into the fold to tackle the generational issue of climate change. Climate, by its very nature, requires strong global cooperation. We lost four important years, and we recognize that many of you around the room have been leading change in your own countries. The United States was pleased to join the Coalition last week, and my team and I look forward to engaging with you on this important agenda: Finance ministries have a vital role to play, and there is much that we can learn from each other about how to integrate climate into our financial planning and decision-making.

As one of his first acts upon taking office, President Biden signed an Executive Order for the United States to rejoin the Paris Agreement, which we have now done, and announced an ambitious, whole-of-government approach to tackle the climate challenge. Later this month, the President will host a Leaders' Summit to galvanize efforts to keep within reach the important goal of limiting warming to 1.5 degrees Celsius, and to highlight the tremendous economic benefits of climate action. The United States will also announce an ambitious 2030 emissions target in its new nationally determined contribution (NDC) under the Paris Agreement.

The United States Treasury will play a critical role in this effort. I would like to use my remarks to highlight some of the key activities that the Treasury is undertaking.

First, working through our leadership role in the U.S. Financial Stability Oversight Council and participation in international forums, we are working to understand and mitigate the risks that climate change poses to the stability of the financial system and macroeconomy in the United States and across jurisdictions. This agenda includes working domestically and

internationally to increase the availability of consistent, comparable, and reliable information on climate-related financial risks; to coordinate approaches among regulatory agencies to address climate risks; and to examine potential systemic consequences of climate change. We are also supporting international efforts to better identify climate-aligned investments and encourage financial institutions to credibly align their portfolios and strategies with the objectives of the Paris Agreement.

Second, Treasury is actively working with the White House, Congress, and others to ensure that our domestic economic programs and tax policies support our climate goals, including a transition to a decarbonized economy, building climate-resilient infrastructure, and designing the climate transition to support equity and well-paying jobs.

Third, we are working to increase the impact of our international climate finance tools. We are seeking to increase the scale of climate finance and use these tools to leverage additional private investment. At the multilateral development banks, we will support the alignment of their activities with the Paris Agreement and enhanced efforts to mobilize private finance for climate projects.

Fourth, the reestablished G20 sustainable finance group is an important venue to tackle these issues and promote finance that supports our international climate and other sustainability goals. We are pleased to be co-chairing the group.

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