

## U.S. DEPARTMENT OF THE TREASURY

# Remarks by Secretary of the Treasury Janet L. Yellen at COP26 in Glasgow, Scotland: "Delivering Finance for Emerging Markets and Developing Economies"

November 3, 2021

*As prepared for delivery:*

Thank you all for the chance to speak today.

I know some of you and have met many new colleagues since I have arrived. Because the reality is, it is not common for Finance Ministers to attend a COP. In fact, I am the first U.S. Treasury Secretary to do so. The reason I am here is because climate change is not just an environmental issue. It is not just an energy issue. It is an economic, development and market-destabilizing issue and I would not be doing my job if I did not treat it with the seriousness warranted.

While this is my first COP, it is not the first time that I jumped into a political discussion on climate change. When I served in the Clinton Administration and the team needed a White House official to testify before Congress on the merits of the Kyoto Protocol, I volunteered. I told Congress to think of Kyoto as a form of planetary insurance. *Wouldn't even a significant investment in transitioning our economies away from carbon be worth it if it saved entire species and priceless coastal cities? If it helped ensure that we kept the world livable?*

It's 23 years later, and I think there's more hope than ever before. More and more, we are seeing nations reach across borders, to work together toward the common task of keeping the limit of 1.5 degrees global warming within reach. And today, I'd like to spend a few minutes on how the United States is doing its part.

President Biden is committed to reasserting U.S. leadership to combat climate change. This Spring, he hosted a Leaders' Summit to ramp up global ambition. We also requested funds to restart our contributions to the Green Climate Fund and other climate funds.

In April, the United States announced plans to double our public international climate finance for developing countries by 2024, and then President Biden went to the UN General

Assembly and announced we were doubling that number again to \$11.4 billion per year. All told, this represents a six-fold increase of financing for adaptation over our previous pledge. But as I spoke about this morning, the amount of funding is only one piece. We also have to make sure it is being channeled as quickly and effectively as possible.

This includes the Green Climate Fund and the Global Environmental Facility, which play both the critical role of delivering and mobilizing climate finance as operating entities of the UNFCCC and the Paris Agreement. Both funds have been major climate finance providers over the past several years, and we want to see continued strong contributions, not only in volume but also in greater efficiency and impact, including exploring how they can better engage the private sector to catalyze more financing for climate efforts.

The United States is also calling on the multilateral development banks to increase their efforts. Bringing together the heads of several of these banks over the summer, and again last month, I urged each institution to develop concrete plans to raise their climate ambition and to identify specific ways they could mobilize more climate finance. While there is still more to be done, I am pleased with the progress made so far this year. Every government will face difficult choices as it seeks the best pathway to a zero-emissions and climate resilient future, and MDBs are well-positioned to provide advice and resources to smooth that transition.

As part of a smooth transition, it is critical to encourage coal decommissioning in a way that supports impacted communities, including through the Clean Technology Fund's new Accelerating Coal Transition program. Expediting the transition away from coal – by both ending public international funding for new coal projects and providing innovative financing instruments to hasten the closure of existing coal-fired plants – is perhaps the most immediately impactful policy decision we can make from a climate perspective.

This October, the United States reached a consensus at the OECD with our international partners to prohibit export credit financing for unabated coal power. This will effectively eliminate billions of dollars in future international government spending on some of the dirtiest energy sources, freeing up our limited public resources to focus on the investments in technologies that keep us on the path to net-zero.

No amount of public financing alone will be sufficient to meet the demands of the climate crisis. Private capital is essential to our success. As we work to mobilize this capital, we must

continue to focus on addressing the challenges that emerging markets and developing countries face in attracting private sector financing.

We are making progress on improving international coordination on aligning financial flows with our collective climate goals through the G20 Sustainable Finance Working Group. I was pleased to join my fellow Finance Ministers to endorse the G20 Sustainable Finance Roadmap, which highlights actions to scale up sustainable finance, including capacity building and technical support to emerging markets and developing countries.

Tackling the climate crisis is imperative – and at the same time, the greatest economic opportunity of our time. We can and will create good-paying jobs and new industries as we tackle climate change. This holds true not just for the United States, but for all countries. We know the impacts of climate change are being felt now and are falling heavily on the world's most vulnerable. COP26 must be the turning point – the moment when we commit to taking the necessary actions to reach net-zero emissions by 2050.

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