

U.S. DEPARTMENT OF THE TREASURY

Remarks by Secretary of the Treasury Janet L. Yellen at the Coalition of Finance Ministers for Climate Action

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As Prepared for Delivery

The most recent report from the IPCC underscored the urgency with which we need to act to avoid the worst impacts of the climate crisis. Unfortunately, Russia's war of choice in Ukraine has made it even more challenging to keep a global warming limit of 1.5 degrees within reach as we grapple with the fallout from a new major geopolitical and humanitarian catastrophe that imperils international economic cooperation.

Europe is currently focused on its plans to reduce dependence on Russian fossil fuels by diversifying supply chains and doubling down on clean energy investments. These efforts highlight the need for us all to take actions that safeguard our energy needs and build resilience to market volatility.

We know that a key path to energy security runs through renewable energy. Our priority – not only in the United States and Europe, but globally – should be on increasing deployment of energy efficiency measures while rapidly scaling up clean energy capacity. And of course, for many emerging markets this must be done while also expanding energy access.

This will require hard decisions and economic investments. Existing fossil fuel infrastructure is working against us, driving us instead towards reaching climate tipping points this decade.

Today we need to collectively choose the future we want through public policy design and expediting investments in sustainable infrastructure.

At the same time, we understand that every country's path to net-zero will look a bit different, and our policy decisions will reflect the unique circumstances in each jurisdiction.

This only underscores the need for us to enhance international coordination and carry forward work to better understand the relationship between the policy levers available to us and their cross-border distributional and macroeconomic effects.

That is why I am glad to see the Coalition, G20, and G7 undertake specific workstreams this year to address these challenges.

I also welcome the launch of the new report “Driving Climate Action through Economic and Fiscal Policy and Practice.” And I am also pleased that the United States is co-leading the effort with Denmark to mainstream climate into economic policy under Helsinki Principle 4.

The report highlights that while finance ministries collectively work to reduce our emissions today and into the future, we must also not lose sight of the global needs to adapt to the impacts of an already changing climate.

Adaption is a core priority for so many countries that are already facing the harsh impacts of climate change today. It is not a choice – it is matter of survival.

At COP26, the U.S. government launched PREPARE, the President’s Emergency Plan for Adaptation and Resilience, which outlines a coordinated approach that will put into action the largest U.S. commitment ever made to reduce climate impacts on those most vulnerable to climate change worldwide.

As the Coalition continues its 2022 work, I encourage us to seek out opportunities to work with Egypt heading towards its COP27 Presidency. We should build on the COP26 success and again demonstrate the importance of finance, and finance ministries, in addressing the climate crisis.

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