

Alok Sharma addresses African Development Bank meeting June 2021

Greetings to you all. And thank you for inviting me to join you today.

Friends, I am absolutely determined that COP26 will be a COP that delivers for the nations of Africa.

That it will support the countries of this continent to respond to the climate crisis, seize the opportunities presented by our green global future, and build back better from Covid-19, growing clean, resilient and prosperous economies.

I have witnessed first-hand the serious challenges faced by African countries.

Already this year, I have travelled to Egypt, Nigeria, Kenya, Ethiopia and Gabon, and there are plans for further trips as well in the coming weeks.

And what I do recognise very clearly is that the current health, the economic and climate crisis, are hitting Africa particularly hard.

And with the COVID pandemic ongoing, economic activity of course has been contracting, the debt challenges have been increasing, and the impact of climate change is being felt all over.

But what I have also witnessed is the huge amount of energy, and the innovation and the vision that I have seen from the communities that I have visited across the continent and the work that is being done to also tackle the climate crisis.

I completely recognise – and I have said this on many occasions – that finance is absolutely vital to supporting the efforts that are ongoing.

And a key priority for the COP Presidency – indeed a key priority for me – is to get finance flowing to climate action, particularly to vulnerable regions that have contributed quite frankly the least to the crisis that we all face.

And that's why we want, through that work, to ensure that every country has the opportunity to build a clean recovery from Covid-19.

I've said it before and I'm saying it again and I will keep saying this right up to COP: without finance the task ahead is near impossible.

And to deliver frankly on all the other priorities for COP26, we are going to have to deliver on finance.

And whether that is protecting people and nature from the effects of our changing climate,

or putting the world on a path to driving down emissions, until they reach net zero by the middle of this century,

or indeed that basic principle of keeping that 1.5 degree limit within reach, which is what we committed to of course as part of the Paris Agreement, all of that is going to rely on finance.

So, I have been absolutely clear with donor countries that we must deliver the \$100 billion a year we have promised to support developing countries through to 2025.

And of course this does mean action on urgently making up that \$20 billion shortfall from 2018.

As I have repeatedly said, this is a matter of trust.

And it is a priority for the UK's COP26 Presidency obviously but also for our Presidency of the G7.

What I am positive and pleased about is that at the G7 this year, and the communique that came out, each and every country, each and every leader, has committed to increase finance, including increasing funds for adaptation, which I think is so vitally important.

That mix between mitigation and adaptation. We cannot have adaptation being continually seen as the poor cousin of mitigation.

What we saw at G7 is Canada, Japan and Germany putting new money on the table.

Canada has committed to increase its climate finance to 5.3 billion Canadian Dollars by 2025. Japan has committed 6.5 trillion Yen by 2025, and Germany 6 billion Euros per year by 2025.

This of course is all very welcome.

But we all know there is further to go,

And we do need increased commitments.

And what we need is for the developed countries to set out a clear plan for how that \$100 billion will be delivered to 2025.

I am absolutely committed to continuing to work with all countries and stakeholders to ensure that we get there.

Now we also know that we must deal with other critical issues, such as the whole issue of the access to finance – it is one thing to have money made available but the other issue is how do you get access.

The issues on concessional financing, on fiscal space, and of course as I have said already, finance for adaptation.

A new allocation of Special Drawing Rights will help Africa, in terms of

boosting fiscal space.

And therefore I'm really pleased that Kristalina Georgieva – who is leading the IMF – for the commentary that they have made but also the G7's recent commitment to explore options for richer countries to channel their own SDRs towards more vulnerable countries to support healthy, green and resilient recoveries.

And as COP26 President, I want to see a much higher level of SDR recycling than we saw following the 2009 crisis.

We must also get more finance flowing directly to adaptation and we must encourage and support countries to deliver locally led adaptation as well.

Colleagues will know, some of you may have participated in March, I convened a meeting of ministers and international institutions, and we brought together around 50 governments, to address this critical issue of finance and of course development aligned to that.

And I do think we saw some real progress?

For instance, we have now our friends in Fiji, other partners and the UK leading a taskforce on access to finance.

And earlier this year, with partners, which included Egypt and Malawi, the UK launched the Adaptation Action Coalition, where countries can share and scale solutions as well, focusing on enabling locally-led action on adaptation.

Finance ministers have a vital role in making sure that decisions in every corner of government take climate action and climate risk into account.

And it is absolutely clear that investing in areas like clean energy is not only good for the planet, but ultimately it is sound economics as well.

We know because we are seeing it in our own economies

Solar and wind are cheaper than coal and gas in the majority of the world.

And investment in renewables infrastructure creates more than twice as many jobs for the equivalent in fossil fuels, and you will have seen that from a recent study that was put out by the University of Oxford.

So what I think is that every country must have the chance to seize these opportunities as we repair the economic damage caused by Covid-19.

So that we can all collectively build clean, resilient economies, creating those green jobs of the future that we all want to see, and that green growth which is going to be absolutely vital going forward.

And, of course, the Multilateral Development Banks are essential to providing the finance that is needed.

Here in Africa of course the African Development Bank is playing an

absolutely vital role.

And I really do applaud the Bank's commitment to direct at least half of its climate finance to adaptation.

And I also recognise the Bank's leadership with its Africa Adaptation Acceleration Programme.

And I very much welcome the work the Bank is doing with the private sector through the African Financial Alliance on Climate Change, and the African Disaster Risk Finance Programme.

And the UK COP26 Presidency is calling on all MDBs, including of course the AfDB, to share a very clear action plan by COP26 on mobilising more finance from the private sector. I think this is going to be absolute vital: that leverage effect to get the private sector alongside public finance.

I am of course very pleased that the AfDB is considering announcing a date by which it will fully align with the Paris Agreement.

And I would urge you, request you, to please do this before COP26 itself, in line with the ambition set by other MDBs.

I also applaud the support AfDB is providing to help countries to develop and deliver Nationally Determined Contributions.

And I really would ask the Bank to look to see what more it can do to support countries to develop even more ambitious NDCs, those Long Term Strategies which are absolutely vital, and of course the National Adaptation Plans, which we want to see come in ahead of COP26.

The reality is that if we are serious about keeping the goals of the Paris Agreement within reach, and limiting global temperature rises to 1.5 degrees, we must consign coal power to history.

So, I am very grateful for the AfDB's key role in the COP26 Energy Transition Council that we are running, and of course your support for the Rapid Response Facility, supporting the clean energy transition in Africa.

And I'd encourage you to please update your energy policy in line with President Adesina's commitment at the UN Climate Action Summit to formally end financing for coal,

and to stop financing oil and of course limit investments in gas to situations where this is part of a planned move to cleaner energy systems.

I would also like to see the Bank increase its support for nature,

and sign a joint statement on nature at COP26 with other MDBs, committing to consider the impact on nature across all your operations.

And I urge you to support countries to build back better from Covid-19, including by complementing very good regional initiatives like the African

Union's Green Recovery Action Plan, and by prioritising investments that help countries to build clean, resilient economies.

Because friends, the green, prosperous future I do believe is within our grasp.

But only if we take this chance, to build back better and build back greener.

And if we do, I believe we can protect people and nature, we can preserve our precious planet.

And we can help to drive African resilience, African growth and African development,

Thank you.

ENDS.