

Climate Resilience

Can I just say please welcome my distinguished colleagues and friends, their Excellencies the Environment Ministers from the Gambia and also from Uganda. Thank you both very, very much for coming and it was a pleasure to meet you yesterday in central Lobby and I look forward to hearing your speeches. Thank you very much for coming and indeed to many, many other distinguished guests and friends.

I see his Excellency the Israeli ambassador again and some other ambassadors I suspect and also Lord Stern somewhere, wherever he's gone and everyone, indeed many others. I apologise if I'm missing anyone else, I blame the spotlights for my blindness.

So I'm going to begin just to get this going and really I'm hoping this is much more of a discussion than my ranting on, but really hoping unapologetically, as a Secretary of State for International Development to talk about the environment, kind of, from the perspective of somebody engaged in development and from the particular perspective of somebody who is very aware of the way in which development is inherently political, by which I mean questions of power, distribution of resources, communities, are at the very centre of success and failure in the area of climate and the environment, as much as it is at the centre of any other area of development.

It would be very easy to start simply with a nice happy story and indeed there are some happy elements to the story. So to begin with the positive note before I get on the problems, I'm extremely proud that the Prime Minister has now announced that all our overseas development assistance will be Paris compliant. And we will be pushing very hard to get other people to the same place of course.

Very, very proud that Britain has now committed to going to net zero carbon by 2050. And, I as the International Development Secretary am determined to ensure that we double the amount that our department spends on climate and environment and above all that we double the effort that we put in. So today for example I'm announcing over £190 million for a new research series of initiatives related to climate and the environment and in particular, focus on our work on resilience in the developing world.

So these are all happy stories and indeed one of the reasons I'm not only blinded but also jet lagged and feel a bit light in the head is I was lucky enough to be in Abu Dhabi this Sunday, at the conference with the Secretary General of the United Nations and perhaps some of the people in this room, which is the preparation for what then happens at the UN in September and hopefully what will then happen with the COP summit and all of the work that you do I hope is going to help us to focus our minds.

It was a a splendid conference but in a way it felt a bit like being at one of those intergalactic seminars in Star Wars, where all the ministers sit around the table with simultaneous translation reading out what is supposed

to be two minute speeches that are inevitably never two minute speeches, all of us outcompeting ourselves to talk about how important climate was, but we still seem to be some way I fear, from really having a focused set of three or four issues that we really need to target in September. And as the United Kingdom Government, we will be trying to encourage one of those issues very much to be finance, another one of those to be early warning systems, and the third one is going to be ensuring that we integrate into the national development plans of everybody's country their resilience measures in relation to climate. The problem at the end of Abu Dhabi is that we came up with about 15 or 20 of those things, so if we can try almost using soft power influence to try to get the UN system to focus on three or four we may get somewhere in September.

I'm now however coming to the 'but', the big 'but', when it comes to development, climate and the environment. So the first big 'but' is understanding the gap between the scale of the problem and the resources that we actually have available. So in DFID it's very common, particularly at this time of conservative leadership battles, to talk as though we spend an eye-watering sum of money on international development. And indeed we do spend a great deal of money. We spend 0.7 per cent of our GNI. But remember that 0.7 per cent of Britain's GNI is still only £14.5 compared to- it's the compared to that's the important point- compared to a global funding gap annually on the SDGs of about \$2.5 trillion dollars. In other words, the amount of money that we're putting in is one 400th of the global need. And that really means that even if you put together major donors such as Britain, such as the United States, such as Germany and others we are still only scratching the surface.

We're still only able to scratch the surface of problems in developing countries. The problem gets even worse when you realize that the issues that we face around climate and the environment and development are not only issues in low income countries. I've just come back from Jordan, I was in Jordan yesterday. And Jordan is a very good example of the kind of problems we're going to face over the next 20-30 years. Because on the surface, Jordan is in a very good place compared of course to a country like Malawi. So in Jordan for example literacy rates are well into the 90 per cent, the income per capita is at about the well in thousands of dollars a year, not in hundreds of dollars a year. And of course there is an enormous amount of infrastructure in place: they have all their energy generation, in fact they have an excess of energy. They have a good road infrastructure in place and their housing stock and water stock is far better than will exist in a country like Malawi.

Nevertheless of course when you really get on the ground and start looking at things you realize that even a country like Jordan, that seems on the surface quite well off, is facing enormous problems. Youth unemployment rates at 40 per cent, growth currently is at about 2 per cent when in fact they need to generate nearly 6 per cent growth simply to keep up with their population growth. And when you begin looking at issues that relate to climate it gets even worse. So in Za'atari camp in Jordan for example where I was two days ago, a very large project by Unicef to dig boreholes for water they went 320

meters down to try to access water. Already, within a few months into the project it is beginning to run out of water. The water table is dropping so fast that it's very, very difficult to provide the basic needs of the refugees in Za'atari, before you even begin to think about how it could provide irrigation for the agriculture that surrounds the camp. Tomato irrigation for example which is collapsing.

Move on to tourism and you look at the wetlands around Azraq for example, a lot of energy has been put in since the early 1990s to restore this area this unique environmental area. But in fact what's happening there too is the water stress is beginning to wipe out those wetlands and the tourism potential of those areas. Move on to renewable energy. Jordan is a fantastic place – I'm using Jordan's example, but I obviously could apply this to about 100 countries in the world. Jordan is a country, and this is where you get politics into our questions about climate and environment, Jordan is the ideal country from which to generate solar energy. It has very, very unusually clear skies as it has very consistent sun energy and in fact over the last three-four years as you can imagine the cost of installation of these solar plants, of a 25 megawatt plant for example, has dropped threefold in just three and a half years. And in fact the feed-in tariffs have come down from 16 and a half cents a kilowatt-hour now down to two point six cents a kilowatt-hour. So it is now possible in Jordan to build a solar plant for a lower cost than a conventional fossil fuel pump. Of course it's much cheaper to run it.

But the problem in a country like Jordan of course is that they have already an enormous amount of existing installed capacity and that existing installed capacity for fossil fuel generation is tied into forward contracts going many, many years into the future, where they're having to pay a considerable amount of money every year whether they use that fossil fuel plant or not to generate that electricity.

And that problem which seems at the surface just a problem of contracts, from contract management and legal negotiation, of course relates to politics because the reason why all those contracts are in place goes back to the Arab Spring, goes back particularly to the fact the gas lines between Egypt and Jordan were attacked 12 times in the space of a year and the gas lines were blown up. Egypt decided to try to diversify its energy supply towards these other supplies which has now found itself in a situation that even when it has the gift of this extraordinary way of generating energy, it isn't really able to make those investments work. If it could make those investments the potential is extraordinary, because in fact one of the major reasons for unemployment in somewhere like Jordan or the problems that businesses face in Jordan is exactly about the high cost of energy. In fact you pay more for your electricity in Jordan at the moment, than you do in the United Kingdom or the United States. It's one of the reasons businesses can't get off the ground. So then you would have thought the answer is for Jordan to build solar panels and export. There's huge demand in Iraq, there's huge demand in Lebanon, there's huge demand in Turkey and indeed there are interconnectors running out of Jordan towards those places. But every one of those interconnectors I've mentioned runs through Syria. Which brings us back to

the issue of politics, conflict and crisis. They simply can't export to those countries because of politics, conflict and crisis. And I've used Jordan because Jordan is the easy place. You know Jordan is the place with literacy rates of over 90 percent. Jordan is the place with pretty high per capita GDP.

If you moved to the Lake Chad basin and start thinking about the challenges with the climate and environment, in Chad, Mali and Niger, in Northeast Nigeria you are looking at problems which are many, many multiples more complex than the kind of issues that I've looked at in a middle-income country like Jordan.

In the Chad basin you're looking at a situation where the average number of children in a family in countries in the Sahel is as high as 7.3 or 7.6 per family. This is an extraordinarily demographic explosion. Lake Chad itself has almost vanished. This is a situation where there is an active insurgency initially with Boko Haram and now with an offshoot of the Islamic State; a situation in which the French military have been very dedicated and focussed but are still struggling to restore basic security to Mali. Most of us in this room would not wish to travel to Timbuktu at the moment, where problems of governance and corruption, where problems with the militaries of those countries, means that it's almost impossible to access millions of people on those central border regions.

And therefore where slick conversations about energy generation, climate resilience become very very difficult because none of us in the room can actually get to the frontline to really work out what's happened. So it doesn't matter, and I just want to try to get to this, it doesn't matter that those places could theoretically be fantastic places to install solar panels. If you can't do it in Jordan for the reasons that I mentioned there are 15 times more profound and complex reasons why it's going to be very difficult to do it in those areas.

Now let me then go to the other extreme, so I've jumped from Jordan back to the Lake Chad basin let me now jump forward to Britain. Even in Britain, and Britain is one of the wealthiest countries on Earth, and it's one of the four or five richest economies on Earth. The depth of our institutions, the depth of our security, the peace, and notwithstanding all of the complexities about Brexit, the maturity of our democracy, the amount of data we have available, the civil servants we have available, our ability to access every area, would have made you think that it would be very, very easy for a country like Britain to take the kind of steps that we are talking about other countries taking.

But of course as the Environment Minister in DEFRA I was deeply aware when we got into the issues of flooding just how difficult and contentious those issues were, even in Britain. How even in Britain, with the Met Office, which is one of the great meteorological offices in the world, it was astonishingly difficult to come up with accurate predictions on flood risk. How even with an incredible amount of investments in I.T. and computing, it was impossible for us to actually formally model what happens in the Lake District if you have 14 inches of rainfall, because you actually find that your entire

catchment models change because the water jumps from one catchment to another. Trees come down, rivers move and all your calculations about depth and velocity of water flow change. You end up talking to communities who you've told are facing a 1 in 100 risk of flooding, but who've been flooded twice in six years.

Now of course the statisticians are very comfortable saying well the fact that you've been flooded twice in six years doesn't impact the fact that you're still only at a one in 100 risk of being flooded. And the point of view of the community, who has just seen a huge flood wall go up at enormous cost and then seen four years later the water come over the top of that flood wall, it doesn't feel like that. And even in Britain, with an incredibly developed insurance industry, it is still quite difficult to get insurance, in fact close to impossible often to get insurance for the most exposed properties.

Even with the Government putting in a £180-200 million, passing new types of primary legislation and people are angry, right? This is something to also bear in mind. They're angry, even in Britain. They don't have the other reasons necessarily that you might have to be angry if you were in the Chad basin, but they're angry here. Why is that person getting the money? Why am I not? Why are you investing in that community not in mine? How about the value of my house? What happened to the flood measures you took downstream which are now flooding me upstream?

So whether you were talking about Britain or Jordan or the Lake Chad basin, in the end many of the issues we're talking about in climate and environment are intensely political, intensely connected with issues of security, finance, communities, preferences, decisions about whether you go for the 120,000 people on Humber who are living below sea level or the 17,000 people in an area around Keswick in Cumbria. And how you make that kind of calculation above all. How you justify that decision even to quite an educated well-informed population. So to move towards some sort of policy prescriptions coming out of this analysis. I think in moving forward, what we must resist in general is any idea that there is a purely technocratic solution to these kinds of problems. We must absolutely resist the temptation that many economists in this room will feel, to come up with a single mathematical formula, which will be able to resolve the very, very complex trade-offs between different types of, for example impact investments right? I feel very strongly that if we get into the question of how we encourage the private sector to make sustainable investments, put money in projects around the world, it would be very misleading to believe that it would be possible to come up with a single mathematical formula that would allow that company to really balance the question of whether their investment is going to emit carbon or whether their investment is going to pollute a river or whether investment is going to reduce the amount of child labour use. These are incommensurable values right? Child labour and carbon emissions are not things that can be put on a single mathematical scale.

Again, we need to be very, very cautious and imagine that any of these problems really can be resolved simply through computer models of weather or even through the most eloquently written national development plans. Because

in the end the grinding reality comes down to power in a local area, politics in a local area. Why is the investment getting in here? Why is the investment not going in there? And the money. Money that is always much more limited than we think. Again, we like to tell ourselves fairy stories that all we need to do is unlock the private sector, the public sector also, all we need to do is unlock the private sector. Well having spent a lot of time as an Environment Minister in Britain trying to unlock the private sector even in a wealthy country like Britain, it's really tough. There are many reasons why companies do not want to make the investments that we believe as the government, makes enormous sense for them to invest in.

And indeed you will hear good stories. There are good stories. But there are also, and you must push people when they start giving you good, happy stories, to tell you the bad stories. The places where we wished we were going to be able to get co-investment and we didn't manage to get the co-investment in place.

I also think that when we think about this, the SDG framework is very helpful. The SDG framework is very helpful because what it provides is firstly a way of challenging the very, very narrow, materialistic, income-based calculations which development economists from the 1960s pursued. Very, very narrow models of growth. Which still actually exists in the Treasury and DFID itself. A real tendency to imagine that all you have to say in DFID is that we're pro-poor and that on the basis of that you can then confidently allocate money, because really a lot of those models were based on assumptions, which now look rather dubious.

Let me take one example. One of the things that international development is currently patting itself on the back for, is the idea that somehow the international development agencies were responsible for removing hundreds of millions of people out of poverty since the early 1980s, of whom the largest number were in China.

Now my suspicion is not withstanding the fact that we did do development programmes in China. I think the Chinese government would be somewhat reluctant to accept the analysis that it was the development agencies that were responsible for removing those people from poverty. In fact I might be more provocative, that it probably was not even within the gift of the development agencies to determine whether China will grow to 7.6 or 7.8 percent a year.

However had we had a sustainable development model in our minds, had we thought about growth in a different way, it might be possible – not perhaps in a country on the scale of China but perhaps in some of these smaller countries with which we partner – to have a conversation about what type of growth you're talking about. So we can't affect whether your economy grows at 6.8 per cent or 7.2 per cent, but it is possible over 40 years to imagine a world in which when that growth has happened perhaps it hasn't resulted in 1,000 gigawatts of coal fired power station. Perhaps it hasn't resulted in massive river pollution perhaps it hasn't resulted in the cutting down of all open forests. Perhaps it hasn't resulted in some of the worst air pollution in the world in your capital city. These might be ways in which development

agencies might think about the sustainable development and growth.

And the secret to this is not numbers. The secret to this is values.

In essence, this must be ultimately an ethical project. In the end the only purpose of DFID, the only purpose of many of the organisations we represent today, is a moral purpose. However much we try to dress it up as an exercise in economic self-interest or utilitarian calculation, it is fundamentally an issue of values and it's only as an issue of values that it can really intersect with other local development plans in other people's countries. And we have to take confidence from the idea that when we talk about sustainable development and the environment, this is not some post-colonial attempt by countries like Britain to lecture other people on how to treat their environment. Right? It is a shared conversation in which we acknowledge that people in those countries themselves, themselves have deep pride in their own environment, have deep pride in the ways in which they have avoided the mistakes that Britain has made – are capable of feeling. And I feel this very strongly, in Afghanistan people have enormous pride in their preservation of their own cultural heritage. In Jordan, people are taking enormous pride in their ability to generate clean solar energy.

In many parts of the world people are taking incredible pride in their ability to protect their own natural ecosystems and generate food out of those ecosystems without disrupting rainforest, peat land or any other of those spectacular landscapes which we've inherited.

We have to develop that sense of pride; that sense of values; that sense of a shared endeavour. And if we can get those things right then we can imagine international development, climate and the environment as a single thing. Not a series of weird trade-offs between pro-poor action on the one hand and carbon neutral action on the other, but an integrated approach in which I suspect what will link climate and development is often the notion of the environment itself, which is why I want to bring conversations about the natural landscape, conversations about biodiversity and ecosystems, conversations about species, conversations about landscape back into that linking narrative.

Let's take, to conclude, a real life example. I want to begin with real life examples. Let's take the kind of work that DFID for example might be able to do in Myanmar.

What we shouldn't be doing in somewhere like Myanmar is pretending that we can determine whether or not Myanmar grows at 5.8 or 6 percent a year. Ultimately poverty in Myanmar by and large will be eliminated by the growth of the economy of Myanmar in the same way as poverty in China was eliminated by the growth of the economy in China.

But what we can do is combine investments into a richer sense of partnership between Britain and Myanmar. A partnership that might on one hand involve working with community health workers to try to encourage people to take their anti-tuberculosis medicine to make sure at the end of six months they didn't have TB and indeed were not transmitting TB through the region but

might also, might also, involve investment in sustainable forestry, which is why I'm very much encouraging DFID to go back into the issue of forestry.

How do you preserve the teak forests in Burma? How do you manage them responsibly. How do you think about their impact on climate. It might involve cash transfers to encourage mothers to provide nutrition to their children but it might also involve thinking about the ways in which sustainable tourism and the preservation of Myanmar's cultural heritage might be a central part of helping Myanmar not only raise its economy but keep that sense of pride, that sense of values, the sense of the belief in their own landscape and environment which is going to be so central to progress.

It might involve a discussion about Chinese investment into Myanmar and the way in which the Belt and Road initiative is currently pushing for a great deal of fossil fuel generation in Myanmar. And looking at alternatives to fossil fuel generation in that country. It might involve thinking about the way the road networks and the ports for instance, but it might also involve thinking about the fact that the Irrawaddy river dolphin, this absolutely unique animal, if any have been unfortunate enough not to have seen the Irrawaddy river dolphin, the Irrawaddy river dolphin actively works with fishermen to identify where the deepest shoals of fish are. They pop up and actually point and furiously flap with their flippers to push the fishermen in each direction, but there are only about 27 of these dolphins currently doing this in the Irrawaddy River and they are on the verge of extinction.

So a grown up conversation with the Government of Myanmar from the Government of Britain could embrace all of those things and by embracing all those things find a way of expressing a world in which we do not pretend that we can on our own solve global poverty, because as I said our resources are barely one three hundredth of that issue. Where we don't pretend that we can escape the issues of politics and power but instead we lean into the issues of politics and power, so lean into the relationship between Myanmar and China; lean in to the relationship between members of the Cabinet and the particular economic interests around the Irrawaddy river; lean into the questions that livelihoods of fishermen, lean into insurgent groups who are cutting down teak forests and smuggling across the borders; lean into issues of money; in order to achieve what we want which is a vision, a vision of what Aristotle would have called eudaimonia. In other words an idea of us working as a partner with other countries. Not just in doing well but in being well in doing well. Thank you very much.