Collaboration, Community and the Road to COP26

Thank you for having me into your academic home.

As Dr Ramchunder has said, I am the British High Commissioner to Singapore, which is a brilliant job and one which makes me responsible for our whole relationship. It's a very broad relationship, but it's also historic and deep. So it is a challenging job too!

But our two Governments have distilled that all down into something we launched two years ago called SG-UK Partnership for the Future. You can see on the screen behind me (or on your own screens at home), how it has five pillars of some fantastically impactful and interesting work. One of those is the one which I'm going to talk to you about today: Climate and Sustainability.

I wanted to show you, to illustrate, how this subject is one of the key planks of our work together.

It is also the top foreign policy priority for the UK following our Integrated Review of Security, Defence, Development, and Foreign Policy, which the Prime Minister announced just last week. It's important because it is our biggest review of cross-Government policy since the Cold War.

We looked across our whole complex web of global relationships and interests and said that, over the next five years, this is the most important global issue for the UK's prosperity, security, and sovereignty.

So it is a real privilege and pleasure to be able to talk to you about it. And I hope it gives you some useful material for your studies, and encourages your interest in this really important subject.

Shall we start with a discussion about our perception of these issues?

Changing the way we approach the climate challenge

I've been invited to speak as part of your module titled 'Environmental Challenges: Asian Case Studies 1'.

It's absolutely right that we categorise some of the biggest issues here as 'challenges'. But if I may, it's also a slightly pre-2020 way of looking at things. What I mean is, like most of the rest of our lives, how we look at this has fundamentally changed over the course of the coronavirus pandemic.

Around the world, thinking of climate change and environmental issues as a problem has given way to a slightly different view. Surviving the virus has changed how we think about the quality of the air that we breathe; about our relationship with nature; and about the need for us to prioritise wellbeing

and sustainable growth.

Best of all, we have all seen, with our own eyes, the effect on the planet of slowing down our carbon-intensive economies: Crystal clear waterways, resurgence of wildlife and so on.

It's a tantalising promise of what is within our reach with decisive action.

So it's no surprise that people want things to be different when we get to our equilibrium after COVID – our 'new normal'.

At the same time as this change in mood, there has been a quiet technological revolution in renewable power.

When grids were scaled down as demand fell during COVID-19 lockdowns, we saw how fossil-fuel energy was the first to be switched off. In the UK, we went nearly 3 months without using any coal at all. That hasn't happened since 1882!

So why has that happened?

Well, the International Energy Agency said in October that solar had fallen in price between 20 and 50% more than they had predicted it would 2 years ago. That made it, they said, the cheapest form of electricity in history. And that is true here in Southeast Asia too.

The International Renewable Energy Agency says that the cost of solar is now the cheapest form of new energy in all of the ten countries in ASEAN.

It would be easy to dismiss this as a temporary blip due to the Coronavirus slowdown. But that doesn't look correct.

In China, Fitch described the 178% annual rise in offshore wind installations between 2019 and 2020 as the most important factor in reducing the use of coal and a trend that will continue following the country's commitment to reaching Net Zero by 2060.

Private investors spotted and bet on the trend many years ago. In our immediate neighbourhood, Thailand, The Philippines, and Vietnam have seen multi-billion [US] dollar influxes of Foreign Direct Investment over the last 10 years through feed-in tariffs for wind and solar.

In the UK, we have seen first-hand since the early 90s how 'green' and 'growth' are not mutually exclusive but mutually supportive. We have cut carbon emissions faster than any other rich country since 1990 – down 44% while growing our economy by more than 70% over the same period. So UK perceptions of this issue are to see us passing a tipping point.

2020 was the year in which all of the promise of our technological progress towards a cleaner planet was brought together with public expectations.

In spite of the pandemic, the world kept moving forward on this agenda. The NGO, Carbon Tracker, said that new commitments made in 2020 brought our

projected temperature rise down from 3.8c at the start of the year, to 2.9c by December.

We know there is much more to be done. But we are edging closer to our Paris target of keeping temperature rises under 2c.

So if that was 2020, what is in store for us in 2021?

Well the first thing is that it is an important year. All that opportunity and urgency needs to be seized. And we aren't doing that yet.

The UN released a report earlier this month which showed that although that all the optimism created by long term commitments is right, our shorter term actions to reduce emissions are just not keeping pace. They said we need to go at least three times faster in cutting carbon out of our economies. Thankfully, we may be cresting this wave at just the right time.

Vaccinations are gathering pace, and countries around the world are starting to raise their eyes optimistically to the horizon, to think about a recovery from COVID.

In June, the leaders of the seven largest economies – the G7, will gather in Cornwall, England under the UK's Presidency, to discuss the recovery. Our Prime Minister is clear there can be only one kind of recovery: A green one.

In October China will host the 15th Conference of the Parties of the Convention on Biological Diversity. The same month, our partners for COP26, the Italians, will host the G20 in Rome, with one of its three pillars of action focussed on the planet.

And to round it off, in November, the UK will preside over COP26 in Glasgow, Scotland. It is a critically important global conference on climate change for all the reasons I've set out.

But it is also so important, because it is the fifth such conference to take place since the momentous Paris Agreement in 2015. The world is rightly watching all 197 signatories, to check on progress. And it is the UK's job as President to hold them to it.

A job we take very seriously.

The road to COP26

We won't all show up in Glasgow to roll up our sleeves. That series of moments I mentioned earlier, stretched out over the whole year are all crucial in achieving what we need to from COP26:

First, we want ambition from countries about committing to their fair share in reducing emissions, to mitigate climate change.

That means Nationally Determined Contributions (NDC) need to be updated, and

made stronger to ensure those short term actions I mentioned earlier start to really add up to the change we've promised by the middle of the century.

We need more countries to join the 70% of the global economy to already have a plan to reach net zero by about 2050, by producing their own Long Term Strategies (LTS).

In the UK, we were the first major economy to write it into law, committing to have a carbon neutral economy by 2050. We updated our NDC in December, pledging to reduce emissions by at least 68% by 2030.

Around the world, I see gathering pace in these long-term commitments. China, Japan, EU, Republic of Korea all announced strong targets last year, and it has been fantastic to see the US re-join the Paris Agreement so swiftly under President Biden. We expect them to also announce bold new commitments in April. By then, more than 70% of global GDP will be on a path to Net Zero.

But we need more action on shorter term reductions to back those up.

In this region, Singapore has gone the furthest in these steps, with a new NDC and LTS announced in March. I will talk more about that later.

Next, we need to do more to help climate-vulnerable countries to become more resilient, and adapt to climate change. The sad fact is that, even if we achieve our Paris targets, there will be changes to the climate and how we live.

Last month, the UK's Prime Minister chaired the first ever UN Security Council debate about the direct relationship between climate change and conflict. We must help populations that are vulnerable to that, including in this heavily affected region.

The Philippines, Vietnam and Myanmar experienced more extreme weather events in the last 10 years than all the other most climate-risk affected countries combined.

The UK launched an Adaptation Action Coalition in January to push donor countries to do more to support developing countries to raise the finance necessary for this work. And through our renowned Newton shared research programme, Southeast Asian countries are working with our Met Office to model weather patterns and sea level rises, to protect vulnerable areas.

Third, is finance. The UK is calling on developed countries and development banks to come forward with much more ambitious commitments to ensure we meet the $100 billion/year goal of international climate finance.

Finally, as you would expect, international cooperation is essential. We want to see countries begin the discussions necessary to ensure the negotiations in Glasgow are a success and we are able to resolve outstanding elements of Paris rulebook together.

A very important example of relevance to Singapore is something called Article 6, which is the part of the Paris Agreement concerned with the flows

of finance to properly incentivise action by developed and developing countries. I will return to that subject later.

So let me pause there for a moment to catch my breath, and let you absorb three things from that first section:

1) The uniqueness of the point in time we find ourselves in. We should be optimistic about that, but we must grab it.

2) The momentum of global multilateral action should be seen as a final sprint towards COP26 in November. And,

3) There is much work still to do!

I will let you watch a quick video to give you an insight into how COP will work.

The Southeast Asian context

In this next ten minutes or so, I want to talk to you more specifically about this fascinating region, before then zeroing-in on how the UK is working with Singapore. Let me start by restating some home truths.

I am sure many of you know much of this already. But I will put it at the front of your minds, for context here.

Southeast Asia is growing at quite a staggering pace. Both in people and economy terms. Over the last 10 years, the ten ASEAN countries have seen GDP growth of around 7% GDP each year.

COVID has only temporarily stunted that, with a regional drop in output of 0.7% in 2020 which the Asian Development Bank says will return to nearly 7% again this year.

Even the worst-hit economies of The Philippines and Thailand expected to return to strong growth this year as the recovery kicks in. By 2030 the region’s combined economy will be 4th largest in the world.

But that growth has been extremely carbon and resource intensive.

So the first thing I want to discuss is carbon and other greenhouse gas emissions, and reducing them.

By the start of last year the region, as a whole, was the 4th biggest source of Green House Gas emissions in the world. Commitments to cut down those emissions, and transition to clean forms of energy have been cautious, and tend to under promise and over-deliver. That is quite common across Asia, but it feels different to the UK experience.

UK experts, who have been around through our 1990 to 2020 journey, say that having a bold but achievable commitment to aim for means businesses adjust and plan, and you attract the investments and innovation you need to achieve and go beyond that target.

But across the region, there are pockets of promise.

In October, The Philippines announced a moratorium on new coal power. Vietnam is building Asia's largest offshore wind farm near the Binh Tuan Province. Malaysia's state energy utility Petronas has committed to be carbon neutral by 2050

The energy transition is happening here, but just not yet as fast as we'd want. There are many reasons for that.

For example, technology is not always accessible and adding renewables to the energy grid needs to be planned to manage peaks and troughs of demand, including through storage.

The business environment is often set up around state monopoly energy suppliers whose operations may be subsidised. While that is essential to increase accessibility to poorer people, it also means the competitiveness of renewables isn't as quickly turned into consumer choices.

Fossil fuel plants tend to be larger than renewables and by their nature need an ongoing flow of raw materials whose costs are variable. That makes them more attractive to corruption, and therefore more difficult to disentangle from those vested interests.

Of course an energy transition doesn't happen overnight, and the people employed in fossil fuel industry need to be moved to new jobs too. That is what we call a 'Just Transition'.

In the late 70s and early 80s, we in the UK learnt the hard way what happens when you move away from coal without taking full account of those social factors. My own region of Cumbria was one of those in the UK, which suffered some quite deep scars to our economy and employment.

So we have a real and genuine appreciation for getting it right. But we also know how much of an opportunity the recovery from COVID-19 represents to grow back faster and more sustainably, creating good well paid jobs as a result.

The international consultancy McKinsey analysed last year that, for every million dollars spent on renewable power, you can create nearly 4 times as many jobs than if you invested that same money in fossil fuels. This is really important to consider now, as we start to look beyond COVID-19, and governments are spending vast sums of money to rebuild.

And it is also really important for diversity, with the International Energy Agency telling us that women make up 32% of employees in the renewables sector, compared to just 22% in fossil fuel sectors.

We need to ensure that money goes the furthest possible in terms of jobs and growth. So that the recovery is a green one and we build back better.

I mentioned resource intensiveness too. In a region like this, some of the most abundant resources are natural forests and agriculture. Southeast Asia forests make up 15% of the global total. Across the region, agriculture is

also a big source of employment, giving more than 40% of people a source of income.

But consumption is not always sustainable, and the value of nature is not yet properly accounted for in that consumption. What do I mean by the value of nature?

Well, as you will probably have learnt elsewhere in your course, natural forest ecosystems hold carbon – from seagrasses to mangroves to tropical rainforest to peatlands.

The forests in this region hold about 9% of the whole carbon 'stocks', of the world. So if you cut them down you lose the ability to draw that out of the atmosphere, and we move even faster towards catastrophic climate change. This has led to the world developing the idea of Nature-based Solutions to address climate change. Because protecting nature can have such profound, and cost effective benefits in mitigating emissions.

The trouble here in Southeast Asia is that deforestation is accelerating. In the last 10 years, the region lost 8 million hectares of forest a year. In the ten years before that, it was just 1.8 million hectares a year.

The loss of all those natural habitats is entwined with many other important issues beyond purely losing that ability to meet our Paris targets.

We know for example that the illegal wildlife trade encroaches on these habitats, and extracts value into illicit networks that use those proceeds to fund organised crime.

We need to also consider the knock-on risk to our own health. The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services said last year that our increasing penetration of such habitats could be part of the reason for the rise in pandemics like COVID-19.

This region is home to a third of the world's coastal and marine habitats. It contains four of our 36 Biodiversity Hotspots. Those areas make up less than 2.5% of the Earth's area, while supporting more than half of its plant life and over 40% of its birds, mammals, reptiles, and amphibians. They are called hotspots because they are also terribly threatened. They have less than 30% of their original vegetation left.

The Dasgupta Review

Last month, a Professor of UK's University of Cambridge completed a momentous study on behalf of Her Majesty's Treasury, the UK's Finance Ministry. His name is Sir Partha Dasgupta, and the study is called 'The Economics of Biodiversity'. Professor Dasgupta calculated that we are consuming 1.6 Earth's worth of natural resources.

That illustrates to me, quite vividly, the unsustainable relationship that we have with nature. The reason why, he says, is that our economic accounting process does not take account of the real value of nature and biodiversity.

So it comes as no surprise that it incentivises economic choices that lead us down a path which, as he puts it, “could have catastrophic consequences for our economies and wellbeing”.

The UK Government is preparing a response to the Report, which will set out how we will use our Presidency of the G7 and of COP26 to make the changes the Professor argues are necessary. The Prime Minister has already committed to spending one third of UK international climate finance on nature – $5.6 billion [£3bn] between now and 2026.

I’ll let you watch another quick video which gives a tiny bit more detail, and I know you’ve had some pre-reading on that report too.

Working with Singapore to support sustainability transitions

So I have now given you the regional context. We are on a path of rising emissions that is out of step with the rest of the world. There are glimmers of hope that we may move away from coal, and the opportunities for consumers and businesses are enormous.

There is also an existential threat to the natural resources of this beautiful region. All of which requires a shift in economics and flows of money to address.

So let’s now talk a bit about this country. Singapore’s role in all this reflects its uniqueness amongst its neighbours. Its own emissions are about 0.1% of the global total. Its population of 5 million live in the most developed country in the region, in an area about 0.3% the size of the United Kingdom. The country is an important financial and technological hub.

The actions it takes politically, and through those prisms, ripple across Asia and the rest of the world. So the UK is working with Singapore with that in mind.

Last year we brought it all together in our first ever Climate Bilateral Dialogue, which is an annual discussion to build our shared work plan to drive change.

Living in Singapore as savvy, connected, and news-aware people, you will have noticed the increasing focus here on Singapore’s green growth.

February’s Green Plan is a five-ministry blueprint for what the country wants to achieve, backed up by some big-ticket money in the recent budget. The government rightly considers that ensuring Singapore becomes a green financial services hub is key to its economic future.

As one of the world’s top financial centres, it’s really well positioned to benefit from the $2 trillion of investment that will be needed each year to achieve Net Zero by about 2050.

What it chooses to do in its financial services sector will mean the

difference between money flowing to a coal plant or one that is powered by renewable energy. Or the development of innovative financial technologies that can increase access to insurance to areas in this region, which experience some of the greatest levels of climate disasters anywhere in the world, yet insurance coverage can sometimes be as low as 1%.

Singapore is also clear-eyed about the future, and where it is taking us. It sees the writing on the wall, which is why it is the leader in Southeast Asia on these issues. It is acting because it knows it must, for the sake of the planet and its citizens. But also because like other developed countries, it can see the huge economic opportunities to play for as the US, China, and others compete for a slice of the green growth pie.

So we are working with Singapore, with all that shared regional interest and potential collaborative impact in mind. I want to give three specific examples of what we're doing here which will help show what I mean.

I've chosen these to illustrate how this work touches so many areas of our relationship:

First, we are working with Singapore to ensure that the global financial system is rebalanced so that we can implement the Paris Agreement.

The reason we want to do that is because if you get the system fixed, it will mean capital will flow towards investments whose values reflect their climate impact. A really interesting area we're doing that with Singapore is to develop something called 'carbon markets'. What I mean by that is putting in place systems that allow us to see a financial cost of carbon, and for us to then incentivise the trade in that carbon in a way that encourages carbon emissions to be mitigated.

It's a vital part of unlocking private and public finance to flow into the region towards investments that can allow us to offset emissions, as part of a plan to reduce them to net zero. You might have seen something like this yourself the last time you booked a flight – what may seem like a lifetime ago!

Offsetting your emissions is part and parcel of that, and there are many different ways you can do that, all with different standards and means of verifying the offsetting activity. So the job for the international community is to standardise those offsets, and make sure they're credible, so we avoid so-called green-washing.

We're doing a few things with Singapore to achieve that.

First, we're working to complete agreement at the COP26 Summit, of something called Article 6 of the Paris Agreement. You might remember I mentioned this earlier. The importance of it, is that it could give us a rulebook for country-country trading, or open trading of such offsets.

This is hugely important for governments, but it is also something that has enormous engagement from the private sector. These kinds of offset schemes are growing already, reflecting the pressure from consumers and businesses

for action.

But we need to scale them up. We are working with 50 of the biggest potential players in future carbon markets to grow the size of the global voluntary carbon market to 15 times its current size by 2030. Those players include organisations here in Singapore like DBS, Standard Chartered, and Temasek.

The next big area I wanted to highlight is on technology and research.

Singapore has some pretty severe geographic constraints, which it needs to overcome to decarbonise. It is innovating to try to solve those challenges, for example by exploring floating solar farms at places like the Tengeh Reservoir.

It is investing heavily in future tech such as hydrogen and carbon capture, which will be part of the solution. But it will probably always need to look to its neighbours to supply enough renewable energy, in the same way it imports gas now.

Last October, at the Singapore International Energy Week, the Energy Markets Authority (EMA) announced a trial importing 100MW of renewable energy over two years from Malaysia. That is just 1.5% of Singapore's energy needs, but on the horizon is even bigger ambitions. A project called Suncable is in development to supply up to 20% of Singapore's energy from Australian solar power when it reaches here in 2027.

The reasons these are important are because they act as a 'pull' to the rest of the region, using innovation and market signals to encourage adoption of renewables, and a cross-regional energy grid from which everyone benefits.

The UK has a huge amount of experience in these things, from our own grid decarbonisation and ensuring the reliable import of renewable energy from Europe. Our energy regulator, OFGEM, signed an agreement with Singapore's EMA last year, to support it in decarbonising Singapore and the region's grid and sharing that experience.

The final area of cooperation with Singapore that I want to highlight is around our shared desire to uplift the region and build capacity.

For the last year in which figures are available, the UK's global development assistance budget was the third largest in the world. Despite the COVID-induced reduction in our aid budget, the Prime Minister has confirmed that we will spend $21.6 billion [£11.6 billion] over the next five years, in tackling climate change. That is double the last five years. Much of that will be in this region, for all the reasons I have mentioned already.

I am also really proud that even before taking on the Presidency of COP26, the UK was the only country to have a dedicated network of Climate Attaches in this region. These are experts based in our embassies whose full-time job it is to advise Ambassadors and High Commissioners like me what we need to do to achieve all of these things. And to work with our hosts, tirelessly, to make those things happen.

Singapore is eager to work in a similar way in the region to share its expertise and experience, and I am delighted to have seen that work so effectively last year to raise regional ambition.

Last September, Singapore's National Climate Change Secretariat and its Chief Climate Negotiator Mr Joseph Teo worked with us to deliver a capacity-building event to build new five year commitments from the region. Joseph gave an expert address on Singapore's experience, and an impassioned plea for action.

Before the event, only Singapore itself had submitted one of these NDC commitments. In the three months that followed, four other countries followed suit. A superb example of our cooperation leading to practical change.

I have talked for nearly forty minutes now and I think it's time for me to wrap up. I am excited to hear your thoughts and questions.

I hope I've left you with a good sense of what we're up to and why it matters, but I also hope you'll be inspired to find out more.

I started by telling you about the global context and what we must do this year.

I brought us into Southeast Asia, where I described the complexity of the challenges, and how important the region is to our chances as a planet.

And finally, I illustrated – amongst the constellation of our diverse climate work with Singapore- some of the ways in which we are working together to overcome some of the challenges we're faced with, while making full use of this Country's unique strengths.

Let me end with this.

Last week, I had the pleasure of welcoming Minister of Sustainability and Environment, Grace Fu, for our first ever COP26 Singapore Youth Dialogue. It was a superb, invigorating, and humbling afternoon reminding us that we in Government do not have a monopoly on the answers.

It also showed me quite clearly that talking to young people like you is not only a necessity to deliver an inclusive COP26, but will also make that a more successful and ambitious conference in Glasgow.

So I look forward not just to your questions and reflections, but to your advice. We can only succeed if you play your part too: Challenge us, innovate, participate, with all your diversity of thought.

As the UK's COP President-Designate Alok Sharma likes to say, we are all in this. Together for Our Planet.

Thank you very much for listening.