

COP President Alok Sharma outlines Presidency aims for the coming year

Thank you Professor Benton for that kind introduction, and thank you to Chatham House for hosting me today.

Around the world, 2021 saw troops mobilise, violence erupt, and relations between old friends and allies strained.

Wars, dragged mercilessly on, and tensions mounted between some of the world's great powers.

All around us we saw a fractured and fractious world, as the pandemic continued to cause devastation across the globe.

Yet, in a temporary structure on the banks of the River Clyde, 197 countries came together, at COP26.

They committed to take action on climate.

And they forged the Glasgow Climate Pact.

They did this because they broadly recognised three truths.

Truths which impact every country on earth.

Truths which should be uncontroversial, though some still seek to undermine them.

First, that this planet is our only home and we are in danger of destroying it.

The science is clear, human activity is responsible for our changing climate.

Second, that inaction or delayed action on climate will create immense risks and costs, and populations across the world demand leaders to respond – and to respond now.

And third, alongside the invaluable environmental dividend, there is an economic dividend to be reaped from tackling climate change, a fact recognised by global business and finance.

In short, climate is a space where national and global interests align.

And as a result, leaders recognised that despite other differences, cooperation at COP26 was in our collective self-interest.

Twelve weeks on from the start of that summit, those same leaders who came to Glasgow have a choice to make.

And it is one made in full knowledge of its consequences.

Do they match the powerful rhetoric we heard, with concrete action?

Do they honour the promises made in Glasgow?

Or do they allow our success to wither on the vine?

I believe the collective self-interest that helped COP26 to succeed must now drive us to nurture the spirit of global cooperation forged in Glasgow, and honour the Glasgow Climate Pact.

That is the essence of the argument I want to make today.

And I want to set out how the UK will work over our COP26 Presidency year to keep the world on course.

First however, I want to unpack that central idea, that collective self-interest led to success at Glasgow.

In 2015, countries came together and formed the Paris Agreement.

And in it they agreed to limit global heating to well below 2 degrees above pre-industrial levels by the end of this century, pursuing efforts to limit this rise to 1.5 degrees.

Yet in August last year, the IPCC published its sixth Assessment Report on the physical science of climate change, the findings of which are based on the distillation of 14,000 scientific papers and agreed by 195 countries.

That report concluded that we have already reached average global warming of 1.1 degrees, that human activity is unequivocally to blame, and that we were on track to breach the 1.5 degrees limit within two decades.

So when we arrived in Glasgow, it was clear that COP26 was our last best hope of keeping that 1.5 degree limit within reach.

Leaders understood that.

And they could see the effects of our warming world around them.

Last year we saw devastating floods across Asia and Europe.

Wildfires rage in the USA and Australia.

And reports of storms, cyclones and record-breaking temperatures were everywhere.

And the science is very clear, the higher temperatures rise the worse the situation will become, and every country will suffer the consequences.

Climate change does not recognise borders.

At 1.5 degrees warming 700 million people across the world will experience extreme heat.

At 2 degrees, it will be 2 billion.

We also know that there are what our hosts, Chatham House, call the “systemic cascading risks” of global heating.

These are the knock-on-effects resulting from climate impacts, such as food and water insecurity, pests and diseases, and the loss of lives, livelihoods and infrastructure.

Indeed in one of its recent reports, Chatham House makes the case that such factors could, ultimately, displace people, disrupt markets, undermine political stability, and exacerbate conflict.

Where people’s ability to feed their families becomes precarious and extreme weather and diseases wipe out livelihoods, people may be forced from their homes, and civil unrest may ferment, events that can undermine fragile government, and reverberate around the globe.

It is because climate is central to geopolitics, that the UK’s Integrated Review established tackling climate change and biodiversity loss as the UK’s top international priority.

But this is as much a question of economics as security.

Climate change also threatens catastrophic economic damage, just as we are repairing the harm inflicted by the pandemic.

Lord Stern and others have described how climate change will damage the productive capacity of the world economy, harming natural, human, and physical capital.

And ultimately it will disrupt the trade that criss-crosses the planet and restrain the global economy’s ability to grow.

Back in 2006, the Stern Review estimated that unmitigated climate change could incur costs equivalent to wiping as much as 20 percent off global GDP every year.

And here in the UK, last year, the Office for Budget Responsibility projected that unchecked climate change could lead to public debt reaching a staggering 289 percent of GDP by the end of the century.

This is a result of coping with extreme weather at home and the knock-on effects of even greater damage in hotter countries.

Anyone who believes in fiscal responsibility should balk at the idea that we would laden future generations with such unsustainable levels of avoidable debt.

By contrast the OBR estimates that if we act now, the transition to net zero could add around 21% of GDP to government debt by mid-century.

Though policy choices could reduce this figure, and I would add that it

includes investments with long term benefits.

Given the impacts of global heating, it is not surprising that people around the world are demanding action, as I have heard first-hand from civil society and young people across the globe.

Last year, a survey of over a million people in 50 countries found that almost two-thirds described climate change as an “emergency”.

Research published last September found that almost 60% of young people globally felt that governments were, and I quote, “betraying me and future generations.”

And I am certain that the unrelenting calls from civil society for leaders to act, helped to focus minds in Glasgow.

Just as the science has become starker, the risks have become clearer, and the calls to action have grown louder, the opportunities presented by tackling climate change are increasingly evident.

Net zero is one of the clearest economic trends there has ever been.

It is vast in scope, encompassing every country and every sector.

And it represents an enormous economic opportunity.

One that is being seized by companies, by countries and by financial institutions around the world.

I have travelled on a prototype hydrogen bus in India.

I have witnessed agricultural innovation, to reduce emissions and boost productivity, in Brazil.

I have met communities in Kenya connected to reliable power for the first time, thanks to solar.

And around the world, markets are on the move.

The amount of power generated by solar and wind has increased close to seven-fold in a decade.

Internationally, the coal power pipeline has reduced over 75 percent since 2015.

And, domestically the answer to cutting emissions, keeping bills under control and ensuring security of supply, is to continue to build out our world-leading offshore wind sector and invest in nuclear and hydrogen, as the government is doing.

Major car manufacturers such as General Motors, Volvo and JLR have committed all of their new car sales being zero-emissions by 2035 or earlier.

Financial institutions with over \$130 trillion dollars of assets on their

balance sheets have committed to stringent net zero targets through the Glasgow Financial Alliance for Net Zero.

And over 60% of the UK FTSE100 companies have done the same through the Race to Zero campaign.

As the CEO of a major multi-national said to me recently: a few years ago a corporate was considered an outlier if it was setting out plans to go to net zero, now they are an outlier if they're not.

An explanation for this was set out clearly in a letter last week from Larry Fink, to the Chief Executives of companies in which Blackrock invests.

He wrote, and I quote:

"It's been two years since I wrote that climate risk is investment risk.

And in that short period, we have seen a tectonic shift of capital.

Sustainable investments have now reached 4 trillion dollars.

Actions and ambitions towards de-carbonization have also increased.

This is just the beginning – the tectonic shift towards sustainable investing is still accelerating.

Every company and every industry will be transformed by the transition to a net zero world.

The question is, will you lead, or will you be led?"

I agree – that is indeed the question for business.

Clean is competitive.

And the global race to supply the technologies and solutions a net-zero world needs is on.

The train is pulling out of the station and countries and companies that want to remain competitive need to leap on now.

We know too that the move to green economies creates good green jobs.

The International Energy Agency has estimated that about 30 million new workers are needed by 2030 to meet increased demand in the clean economy.

The International Labour Organisation has projected that, in the transition to a low-carbon economy, some sectors could see four times more jobs created than there are lost.

And there is a clear economic case to adapt to climate change, to protect people and nature from its effects.

The UN Environment Programme, for example, estimates that investing in

measures like early warning systems and flood defences, could yield over four times the return in avoided costs and social and environmental benefits.

What I came to understand from the numerous conversations I held with leaders and ministers over the past two years, is that countries recognise all of this.

They can see domestically what is happening to their climate and its consequences.

The science has hit home.

The risks have resonated.

And the opportunities are increasingly clear.

And as a result, a collective self-interest emerged.

All countries saw that it was in their interests to come to Glasgow, to cooperate and to keep the 1.5 limit alive.

And we did keep 1.5 alive, thanks to what we achieved both in and outside the negotiating rooms.

Ahead of the summit a number of countries, though not enough, came forward with enhanced emissions reduction commitments, or NDCs, showing the Paris Agreement is working.

And at COP26 itself almost 200 countries came together and agreed the historic Glasgow Climate Pact.

In doing so they demonstrated that climate can create a space for co-operation amidst a splintered global politics, that the world can work together to improve our common future, to address major global challenges and to seize opportunities.

The Glasgow Climate Pact recognises the science.

It calls on countries to phase-down unabated coal power and phase-out inefficient fossil fuel subsidies.

It requests countries to revisit and strengthen their 2030 emissions reduction targets, as necessary, to align with the Paris temperature goal by the end of this year.

And it contains ambitious text on loss and damage.

It commits us to rapidly scale up climate finance and to double finance for adaptation by 2025.

And of course, we finalised the Paris Rulebook, the rules governing the Paris Agreement, the thorniest issues of which had remained unresolved since 2015.

Outside the negotiations, we heard commitments from countries, business and

finance to clean up sectors like power and road transport, to put an end to deforestation, to accelerate the pace of new technologies, and to support developing countries.

For example, 34 countries and five public finance institutions committed to stop international support for the fossil fuel energy sector by the end of 2022.

I thank all the CEOs and business owners, from the FTSE 100 to the SMEs, whose firms came forward with commitments, as well as our COP partners, some of whom are here with us today.

What we achieved together in Glasgow was significant.

When my team and I established priorities in 2020, with the support of our Friends of COP group, we questioned whether we were setting ourselves up to fail.

And indeed, some thought we were.

I have to tell you, I was advised that the chances of completing the Paris Rulebook were pretty slim; after all, completion had eluded the world for a full six years.

When my team and I were deliberating on whether we should aim to consign coal power to history, I was warned we would never get the word "coal" in a COP text.

Yet every country at COP has agreed to phase-down coal power.

And we can confidently say that 2021 was the year that killed-off international public financing of coal power.

Under the UK and Italy's G7 and G20, respective presidencies, we committed to end new international coal power financing by the end of 2021.

And a transformation is now afoot around the world.

Last week I spoke with a Minister from a country that wasn't even talking about coal a year ago.

Now they are saying no to new coal power.

Many doubted we would see a shift of this sort.

Yet we delivered on our Glasgow goals.

And we were able to do so because of the trust between countries that we had worked so hard to build, as a presidency.

I spent much of last year building relationships.

We held meetings in person ahead of COP, despite the pandemic.

And to ensure this was a truly shared endeavour, we asked individual Ministers from governments around the world to lead on critical negotiating issues.

The Glasgow Climate Pact is a product of international cooperation and a practical demonstration of Global Britain in action.

And the climate attaches in the UK diplomatic network played a vital role, just as they will throughout this year.

All in all, there is no doubt that the commitments we secured at COP26 were historic.

Yet, at the moment they are just words on a page.

And unless we honour the promises made, to turn the commitments in the Glasgow Climate Pact into action, they will wither on the vine.

We will have mitigated no risks.

We will have seized no opportunities.

Instead, we will have fractured the trust built between nations.

And 1.5 degrees will slip from our grasp.

So my absolute focus for the UK Presidency year is delivery.

I am under no illusions as to the scale of the task we face, the difficult choices which countries must make, and the challenge we have as a presidency, now that the lights have faded on the global stage in Glasgow.

Working with Egypt, we must maintain the urgency and the energy as we approach COP27 in Sharm-el-Sheikh.

Just as leaders understood that it was in our collective self-interests to come together and forge the Glasgow Climate Pact, so that same collective interest should spur us to deliver at COP27.

That will become increasingly clear over 2022 and beyond, as renewable prices fall further, the risks and opportunities become more apparent, and the science grows starker.

And new reports from the IPCC this year will show the monumental risk that we face.

So action must begin now.

It is precisely 12 weeks since world leaders held their summit in Glasgow.

Where they listened as Prime Minister Mia Mottley of Barbados told us that a 2 degrees world is "a death sentence".

Where leaders sat in compassionate silence at the request of youth activist

Elizabeth Wathuti, who asked them to think of those whose stories are not heard and whose suffering is not felt.

Where Sir David Attenborough inspired the world with his message that “our motivation should not be fear, but hope.”

It is now time to honour our promises.

To build on the trust and consensus generated in Glasgow and deliver, with integrity.

That requires action on both a domestic and international level.

We need every country to play its part, and honour the promises they have made.

But we must also work together.

By aligning efforts internationally countries can accelerate the pace of technological change, increase incentives for investment, and innovate faster.

Working in partnership, we can support a truly global transition.

At COP26, for instance, we launched the South Africa Just Energy Transition Partnership, through which countries have come together to mobilise an initial \$8.5 billion dollars.

And through international fora, we can set direction and spur action, as we did ahead of Glasgow, at the G7 and the G20.

So the UK presidency will both urge countries to act individually, and encourage cooperation.

And we will do so around four key priorities.

First, to ensure that countries reduce emissions, as promised, and go further, to keep 1.5 alive.

That means encouraging countries with a net zero target to make a plan to get there if they haven't already done so.

It means urging all governments to honour the Glasgow Climate Pact and revisit and strengthen their 2030 emissions reductions targets as necessary.

The G20 is my personal priority here given that they are responsible for 80 percent of global emissions.

And it means asking all countries to turn their NDCs into policies and plans to deliver.

Second, we aim to progress work on adaptation and loss and damage.

We will work with donor countries towards the commitment to double adaptation

finance, and with all parties to make progress towards the Global Goal on Adaptation.

We aim to progress the Glasgow Dialogue on loss and damage, and will further operationalise the Santiago Network, including its funding, by COP27.

Third, we want to deliver finance to support these efforts.

We will urge developed countries to implement the delivery plan on the \$100 billion a year in international climate finance for developing countries.

By COP27 we must be able to show that we are on a trajectory to meet that \$100 billion goal.

And we will work with all parties to make progress on the post-2025 climate finance goal.

We will also encourage the financial firms and development finance institutions that have made commitments, to deliver with integrity.

And, with others, we will build on our work with South Africa, to unleash private and public money to fund the transition from fossil fuels to clean energy in other high-emitting countries, supporting their national plans.

Our fourth and final goal is to push for further action across critical sectors, such as coal, cars and ending deforestation.

We will urge countries to act.

And we will work with partners to turn promises into clear delivery plans: through the Energy Transition Council, the Zero Emissions Vehicle Transition Council, the FACT Dialogue and the Breakthrough Agenda.

In all of this we will work hand-in-hand with our COP27 Partner, Egypt and support the holder of COP28, the UAE, both of which I visited earlier in the month.

And we will learn from the success of Glasgow, continuing to build trust and relationships, working through international fora, and continuing to engage with civil society and young people.

These are ambitious plans for our presidency year. And rightly so.

Because as Margaret Thatcher, one of the first major international leaders to sound the alarm on climate change, argued in 1989:

“The environmental challenge which confronts the whole world demands an equivalent response from the whole world. Every country will be affected and no one can opt out.”

Her words are as true today as they were then, more than thirty years ago.

What has changed in that time, is the extent of our knowledge and the urgency of our task.

Such awareness has given rise to a collective self-interest, powerful enough to deliver international consensus in a fractured world.

The question now is whether, in full knowledge of the consequences, we chose to squander or realise that gain.

The answer should be obvious.

After what was, frankly an exhausting year, I settled down to catch-up on some popular culture over Christmas.

Like many others, I watched 'Don't Look Up'.

The final line has stayed with me:

"We really did have everything, didn't we?"

We do have everything.

And we must not throw it away.

There is no more time to: 'sit tight and assess'.

We must deliver.

Together.

Now.

Thank you.