

COP26 Finance Day speech

Good morning – and welcome to Cop26 finance day.

It's easy to feel daunted by the scale of the challenge that we face.

By sea levels rising; droughts and wildfires spreading; people forced out of their homes.

But I look around this hall and I feel optimism.

Why?

Because this is the first COP to bring together so many of the world's finance ministers, businesses and investors with such a clear common purpose:

To deliver the promise, made in Paris six years ago, to direct the world's wealth to protect our planet.

The good news is that the will is there:

At least 80% of the global economy has committed to net zero or carbon neutrality targets.

Our challenge now is to deploy the investment we need to deliver those targets around the world.

To do so, we are accelerating three actions today.

First, we need increased public investment.

And I want to speak directly to the developing countries of the world:

We know you've been devastated by the double tragedies of coronavirus and climate change.

That's why the G20 is stepping up to provide debt treatments more swiftly.

It's why the IMF are providing a new, \$650bn allocation of special drawing rights – and Kristalina will say more on this later.

And its why we are going to meet the target to provide \$100bn of climate finance to developing countries.

And while we know we are not yet meeting it soon enough, we will work closely with developing countries to do more and reach the target sooner.

Over the next five years, we will deliver a total of \$500bn investment to the countries that need it most.

And we can do more today:

I can announce that the United Kingdom will commit £100m to the Taskforce on Access to Climate Finance, making it quicker and easier for developing countries to finance they need.

And we're supporting a new Capital Markets Mechanism, which will issue billions of new green bonds here in the UK, to fund renewable energy in developing countries.

Two tangible, practical examples of how we're delivering our promise of \$100bn.

But public investment alone isn't enough. Our second action is to mobilise private finance.

Let me pay an enormous tribute to Mark Carney for his leadership – leadership that is delivering results.

The Glasgow Financial Alliance for Net Zero has now brought together financial organisations with assets worth over \$130 trillion of capital to be deployed.

This is an historic wall of capital for the net zero transition around the world.

What matters now is action: to invest that capital in our low carbon future.

To do that, investors need to have as much clarity and confidence in the climate impact of their investments as they do in the traditional financial metrics of profit and loss.

So our third action is to rewire the entire global financial system for Net Zero.

Better and more consistent climate data.

Sovereign green bonds.

Mandatory sustainability disclosures.

Proper climate risk surveillance.

Stronger global reporting standards.

All things we need to deliver and I'm proud that the UK is playing its part.

We've already made it mandatory for businesses to disclose climate-related financial information.

With 35 other countries signing up to do the same.

Today I'm announcing that the UK will go further and become the first ever 'Net Zero Aligned Financial Centre'.

This means we are going to move towards making it mandatory for firms to

publish a clear, deliverable plan...

...setting out how they will decarbonise and transition to Net Zero – with an independent Taskforce to define what's required.

So: a renewed pledge to \$100bn a year of public funding;

Over \$130 trillion of private capital waiting to be deployed;

And a greener financial system, under way.

Six years ago, Paris set the ambition.

Today, in Glasgow, we're providing the investment we need to deliver that ambition.

Now I know that when people hear about global finance it can feel remote and abstract.

But we're not simply talking about numbers on a page.

We're talking about making a tangible difference to people's lives.

About cheap, reliable and clean electricity to power schools and hospitals in rural Africa.

About better coastal defences in the Philippines and the Pacific islands to protect people from storm surges.

About everyone, everywhere having fresher water to drink...

...cleaner air to breathe...

...better insulated homes in which to live.

That's the vision we're asking you to commit to.

That's the opportunity we're asking you to invest in.

And that's the work we're asking you to begin, today.

Thank you.