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Business, finance and cities: climate action for Paris

Keynote Address by Mrs Mary Robinson

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I want to thank ODI for hosting today's event and James Cameron for his work in driving forward the business case for sustainable, low carbon growth. I met with James in Lima last December during COP 20, where his ideas to energise broader engagement in climate action were a welcome contrast to a negotiation process which, at the time, seemed to be making slow progress.

Thankfully, at the first negotiation session of 2015 in Geneva last month there seemed to be a renewed sense of collaboration from the Parties. Hopefully this will continue when negotiations on a draft text begin in earnest in Bonn in June.

There is a lot at stake this year. 2015 could go down in history as the year that delivered an equitable, ambitious and legally binding climate agreement that will set in motion the action required to create a safer world for future generations. 2015 is also the year that the Post 2015 Development Agenda will be finalised, offering the opportunity to catalyse a shift towards sustainable development and bring about a more equitable world for the current generation. Both agendas need strong leadership to come to the fore, as we cannot miss the opportunity to chart a course to a safer, more equitable future.

As many of you may know, I am honoured to serve as the UN Secretary General's Special Envoy on Climate Change. But today I'm here as President of the Mary Robinson Foundation – Climate Justice. Climate justice links human rights and development to achieve a human-centred approach, safeguarding the rights of the most vulnerable and sharing the burdens and benefits of climate change and its resolution equitably and fairly.

The work of my Foundation is informed by seven core principles. One of these focuses on effective partnerships – recognition that openness to partnership is a vital aspect of any coherent approach to climate change. From a climate justice perspective, this must also involve partnership with those most affected by climate change and least able to adequately deal with it – the poor and those least responsible for climate change. It is clear that James, and his colleagues working on the Yale Climate Change Dialogue also recognise the central importance of effective partnerships in tackling climate change. Today, I want to challenge you to consider how these partnerships can be expanded to include those people in the most vulnerable situations – who typically do not have a voice in these fora.

Whenever I attend an event on the new climate agreement or the post 2015 development agenda, someone, at some point, is likely to say – *we must move away from business-as-usual*. This phrase has become the tag line for sustainable development. Sometimes I wonder do we know what we mean when we say it?

The challenge facing the global community in 2015 is clear – we must stabilise the global climate, we must end poverty and create a world where all people can live healthy, prosperous and sustainable lives underpinned by dignity.

But are we ready to take the ambitious, comprehensive and urgent action required? Can we leave business-as-usual behind?

To me, business-as-usual is not simply about fossil fuel based development. It is about a world marked by stark levels of inequality - a world where almost half the world's population, nearly three billion women, men and children, live without basic access to energy or clean cooking facilities.

In moving away from business-as-usual we have an opportunity to eradicate extreme poverty, ensure access to clean energy for all and achieve equitable access to sustainable development. To deliver this action on the scale and in the timeframe required to avoid dangerous climate change, all stake holders – including national and local governments, municipalities, business, civil society and local communities – must find new ways of working together. We must ensure that all people in all countries are able to take part in the transition to zero carbon and zero poverty.

Perhaps you're wondering whether I've missed the point of today's event - we are here to discuss business, finance and cities; to focus on climate action and the new climate agreement due in Paris later this year. So why do I bring up poverty and the development agenda?

To me it is obvious that sustainable development and climate action are so totally inter-dependent that they have to be progressed together. The Sustainable Development agenda, with its related Financing for Development process, aims to set out a universal development agenda that, if done right, should accelerate the departure from business-as-usual. The Sustainable Development Goals – or SDGs - currently include goals on combatting climate change; access to sustainable energy for all; sustainable industrialisation; safe and resilient cities; and sustainable consumption and production.

But a departure from business-as-usual is not just adding a bit of green investment to finance portfolios or ensuring businesses reduce their own carbon footprint. It is about finding innovative ways to ensure that the necessary finance and support flows to help developing countries achieve low carbon, climate resilient pathways to prosperity.

The reason for this is clear – without the necessary support, many developing countries will turn to fossil fuels as the only affordable option available to them. After all, the overriding priority for developing countries is development, and development requires energy. If investment and support does not flow, we risk creating a two tier world characterised by affordable, sustainable and clean energy on one side and expensive, carbon-based and dirty energy on the other. This will inevitably lead to greater inequality, deplete the remaining carbon budget and render the transition ineffective.

Just across the Thames from us today is the City of London, the home of financial services. In the coming months and years conversations like the one we will have today must fundamentally influence how business is conducted in financial hubs like the City of London, in order to bring about the deep, structural transformation called for in the New Climate Economy report. As the New Climate Economy points out, given that the infrastructure requirements under business-as-usual amount to \$90 trillion over the next fifteen years, the additional investment in infrastructure needed to make the transition to a low-carbon economy, roughly \$270 billion per year, is actually quite modest. But only a true departure

from business as usual will ensure that future investment enables a transition in all countries, not just developed countries.

I am very pleased to see the priority given to climate finance by the French Presidency of this year's COP in Paris. Those of you gathered here today have a valuable role to play in progressing the understanding of the significant role of the private sector in the climate finance landscape. Mobilising the investment required to stabilise the climate is beyond the capacity of public finance alone, private finance is essential. Effective and fair deployment of both public and private finance will bring affordable solutions into reach, and a transparent approach to climate finance can be a transformative breakthrough on the road to Paris.

The Financing for Development meeting in Addis Ababa in July will go a long way to determining the success of the post 2015 development agenda and the climate agreement. The Addis meeting offers the opportunity to lay the foundation for an international development financing landscape that can complement a transition from business-as-usual. This can begin with innovative, people centred, transparent and country-lead public-private partnerships that enable all countries to meet their development priorities without undermining progress towards a zero carbon future.

Of course, the impacts of climate change are already being felt. As global temperatures increase, so too does the need for adaptation. The UN Environmental Programme report estimates that the global cost for adaptation in developing countries will rise to as much as \$300 billion per year by 2050.

Cities are the engines of development and economic growth. However many cities throughout the world are also on the front lines of climate change, located in low-lying coastal areas that are vulnerable to rising sea levels and increasingly severe tropical storms. Climate impacts on cities therefore pose a double threat to cities – firstly there are the immediate risks to health and livelihoods in the aftermath of a storm or flood. Then there is a recovery process that can slow development and growth for a wider hinterland in the months and years after an event. Just last week we witnessed the sad truth of this in the utter devastation wrought by cyclone Pam on the Pacific island state of Vanuatu. The capital, Port Vila, has suffered extensive damage, with many buildings completely destroyed. Vanuatu

President, Baldwin Lonsdale, has said that the storm has wiped out all development progress of recent years and his country now must rebuild everything.

Here in London, the Environment Agency's flood risk mapping includes the Houses of Parliament, Westminster Abbey, the Tower of London, fifty one railway stations, eight power stations, four hundred schools and sixteen hospitals – not to mention the one and a half million people living in the flood threatened areas. Further adaptation will be required in the face of climate change to ensure that London can continue to function as normal.

However in many developing countries, and particularly in small island developing states, like Vanuatu, climate change is already posing an existential threat. This month I had the opportunity to meet with Anote Tong, the president of the Pacific island state of the Republic of Kiribati. President Tong told me of the harrowing realities of life on the front lines of climate change. Rising sea levels threaten to submerge the islands of Kiribati and his people are coming to terms with the increasing likelihood of displacement by climate change. A recent spring tide caused heavy flooding across the islands, inundating a hospital and causing panic and distress.

Climate justice refers to the fact the people least responsible for climate change are all too often those who are most affected by its impacts. Today we are in *Southwark* borough in London. Annual emissions from this borough alone are roughly five times greater than those from Kiribati. In order to survive, Kiribati requires an unprecedented adaptation strategy - one that can build up, or even float, the islands. The survival of Kiribati is not something that can be delivered by business-as-usual. But think of what can be learned to enhance the adaptive capacity of other low-lying cities and communities if the world rallies to assist Kiribati, and other small island developing states like it, in their fight for survival.

Before I conclude, let me say something about the importance of a people centred approach to a transition to zero carbon. Decisions on how best to address climate change have a human face too – and climate justice demands that we consider the impacts of climate change and responses to climate change on people, their rights and their livelihoods.

The wealth being created globally through largely fossil fuel based development is concentrated in the hands of a few, and those who are vulnerable, excluded and politically disempowered are getting poorer. Oxfam's most recent statistics on global inequality are shocking – by 2016, the richest 1% of the population will own more than all the rest. If measures are not taken to ensure that the transition to zero carbon is more equitable and more inclusive than business-as-usual, it will have failed before it begins. A human rights approach provides the framework necessary for success.

As opportunities arise in this transition to sustainable development, it is imperative that investors and businesses protect human rights in their investments, operations and supply. To ensure that the transition to zero carbon bolsters human rights, rather than undermine them, investors and businesses should abide by the *UN Guiding Principles on Business and Human Rights* and the *UN Principles of Responsible Investment*. These should be reflected in robustly implemented Environmental, Social and Governance criteria that include climate justice considerations. Transparent practices and meaningful engagement with civil society is necessary to ensure that the transition leaves no one behind.

This is particularly true for the inclusion of women in the responses to climate change. A departure from business-as-usual must empower women as actors in building resilience to climate impacts. These impacts are different for women and men – women are likely to bear a greater burden due to existing gender inequalities and in many countries, women are at the forefront of the injustices caused by climate change.

Perhaps more than any other problem humanity has faced, climate change confronts us with the reality of our interdependence. It is as morally unacceptable to allow uncontrolled climate change to happen as it is to tolerate the existence of extreme poverty in the twenty first century. No country alone can protect their citizens from the impacts of climate change and business-as-usual will lead us to a world of four degrees of warming – a world that we will not be able to adapt to. All actors – national and local governments, municipalities, business, investors, cities, civil society and local communities – must find new ways of working together, motivated by enlightened self-interest, for a better future. A zero-carbon, zero poverty future, defined by a social and international order in which the rights and freedoms set forth in the Universal Declaration of Human Rights are realised.

In order to achieve this we all know that the world must move away from business-as-usual – so I challenge each of you, individually and collectively, to foster a generation of business people that kick start a new way of doing business that is fair, upholds human rights, builds resilience in all societies and includes all people in the transition to low carbon development.

Thank you

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