

UNITED NATIONS



NATIONS UNIES

7/12

THE SECRETARY-GENERAL

--

REMARKS AT MEETING WITH PENSION FUNDS

Copenhagen, 22 October 2013

13:30

Afternoon (Gaddag)

Good morning, ladies and gentlemen,

I thank His Excellency Minister Bjarne Corydon for his introduction and for hosting this meeting.

And I thank you for devoting your time and energy to this important topic.

Our global economy and financial institutions are increasingly vulnerable to extreme weather events.

From hurricane damage to global food price volatility caused by drought and flood, insurers and investors are on the front lines.

Many of the companies you are invested in will see their financial performance shaped by the impacts of climate change and by public policy changes.

As pension funds weigh the long-term impacts of a warming planet, you can help to influence the profile of these companies and inspire other financial actors to follow your lead.

By looking after the health of your investments you will also be attending to the health of the planet.

Scaling up funding for climate action lies

① at the heart of solving the climate crisis,

② promoting sustainable development

③ and cushioning the economic shocks of climate change.

My key objective in the coming months

is to move the public-private conversation

on climate finance from general dialogue to tangible results.

Major investors such as pension funds

are an essential part of the conversation.

We need new tools for leveraging

private investment and, in particular, engaging

large asset holders.

- (1) We need to realize high-impact opportunities,
- (2) close the viability gap between green
- (3) and carbon-intensive projects and minimize risks associated with low-carbon investments.

That is why I am pleased I could meet you today to hear your recommendations about how to unlock the huge investments needed for mitigating and adapting to climate change.

We must speed up and scale up action at every level, including through a new, global, legal climate agreement that can help unlock climate finance from public and private sources.

In September next year, I will host a Summit on climate change in the margins of the General Assembly.

The Summit will bring together global leaders from government, business, finance, and civil society.

Your engagement is vital for three reasons.

First, the rapid development of low-carbon infrastructure needs large amounts of capital.

Ten days ago, I met with national development banks in Washington D.C.

Over the past six years, they have provided impressive green finance commitments, including \$79 billion in climate financing in the last year alone.

But a transition to a low-carbon economy needs the support of institutional investors.

Your industry is heavily invested in fossil and high-carbon assets.

Only a fraction of your investments are in sustainable and resilient assets, with less than one per cent in sustainable infrastructure.

I urge you to take a lead by shifting more of your financial holdings from high-carbon assets to clean energy investments.

I count on you to share your suggestions about the best climate finance strategies that can have the greatest impact.

Second, I urge you to support smart public financing.

You have the capacity to catalyze local and international private investment and meet the growing demand for energy and climate resilience, particularly in developing countries.

I realize you need suitable mechanisms for these investments and that you want to limit risk.

I welcome your thoughts on the barriers that exist to sustainable development-related investments at scale, and how we can overcome them.

Status quo is not an option.

Climate change is a fact of life.

A more balanced allocation between investments can make your portfolios more climate-resilient.

You can also support new and emerging markets by buying assets in secondary markets such as low-carbon bonds.

This brings me to my third point.

You have enormous potential to help to open new markets.

Achieving sustainable development means we must enable developing economies to leapfrog the carbon intensive model that has caused climate change.

You can facilitate new business models
and support entrepreneurs
in developing countries where the demand
for clean investment solutions is greatest.

Ladies and gentlemen,

In the coming decades, governments
and companies will be compelled to respond
to the challenges of climate change
and sustainable development.

Yet, too often, one important fact gets lost amid
the fear: addressing climate change
is one of our greatest opportunities.

With enlightened action, we can create jobs,
improve public health, protect the environment
and spur sustainable green growth.

Opportunities will expand in the fields of clean energy, sustainable production and consumption; environmentally sound transport and urban planning, clean water and sanitation, and improved public health.

I urge you to lead by example within your industry and networks, and help me to recruit a growing alliance of influence and concrete action.

Your partnership is critical to our goals of reducing emissions and securing sustainable development for all.

Thank you.