



Green Horizon Summit

The Pivotal Role of Finance

Antonio Guterres, UN Secretary General

Excellencies, ladies and gentlemen, I'm pleased to join you for this important meeting. Over the next 30 years global greenhouse gas emissions must fall sharply and permanently to net zero, otherwise we will not be able to limit temperature rise to 1.5 degrees Celsius. The science is clear. Failure to meet the goals of the Paris Agreement means irreparable catastrophe for people, communities, economies and nations. Recently, we have heard encouraging announcements. European Union, the United Kingdom, Japan and the Republic of Korea, together with more than 110 other countries have pledged carbon neutrality by 2050. China has announced it will do so before 2060. That means 50% of the world's GDP and half of global co2 emissions are covered by net zero commitments. These announcements sent unmistakable market signals to investors ready to fund a faster global transition to renewable energy. They will also spur a faster decline in investments in coal and other fossil fuels.

As my special envoy for climate finance, Mark Carney, has stressed decarbonisation is the greatest commercial opportunity of all time. Markets are moving, they're moving fast, and those who move first will benefit the most. But to make this transition permanent and transformative, everyone will need to play their part. So today I have a message for each of you.

First, governments; you need to align the long term objectives of net zero emissions with your short term COVID-19 recovery plans and your nationally determined contributions under the Paris agreements. And to get to net zero by 2050, co2 emissions must drop by 45% by 2030 compared to the 2010 levels. Your action will provide the framework the private sector needs to invest in a

net zero future, namely putting a price on carbon ending subsidies for fossil fuels, and making climate related financial disclosure mandatory.

Second, development finance institutions, multilateral development banks and climate funds; we need you to significantly scale up your role in improving the risk return profiles of investments, and to align your portfolios and pipelines with net zero goals. This will help to attract private capital for mitigation and adaptation, including in the developing world.

Third, asset owners and managers. We need you to act urgently to shift the trillions of dollars you invest towards the sustainable economy, pricing and disclose climate risks, and only pursue investments that have accounted for these risks. Ensure all your portfolio's align with net zero goals. Join a multi stakeholder initiative such as the UN convenes Net Zero Asset Owner Alliance that is taking concrete measures to promote portfolio wide net zero alignments and use your voting powers in companies to accelerate their decarbonisation by systematically supporting climate resolutions in shareholder meetings.

Fourth, and finally, I have a message for financial authorities and regulators. You need to embed net zero measures in fiscal and economic policies, public bank mandates and procurement standards. Support net zero through incentives and regulation to level the playing fields. In closing, let me emphasise that everyone has a crucial role. All governments, cities, financial institutions and private businesses must establish their transition plans for net zero emissions by 2050 and start with concrete policies now. Together, we can achieve carbon neutrality for a sustainable future. Thank you.