

Secretary-General Ban Ki-moon addresses the 2014 World Economic Forum at a session on Climate, Growth and Development.

24 January 2014 – Secretary-General Ban Ki-moon kept up the drumbeat for business to play its full part in tackling climate change and promoting sustainable development for a second day today, telling the World Economic Forum in Davos that investments now will generate major savings for tomorrow.

“The finance community is a key player. We need trillions of dollars of investment to move from the brown to the green economy,” the United Nations chief told a session on Climate, Growth and Development, citing four areas for action.

“First, we need investors, banks and other financial service providers to increase finance flows into low carbon energy and climate-resilient infrastructure, including through setting portfolio targets and increasing the deployment of climate bonds. Second, we need to decrease the flow of finance to carbon intensive and obsolete technologies and business practices. Third, investors and banks should work to increase transparency regarding greenhouse gas emissions from the assets and businesses that they finance. Finally, investors and banks and regulators should work together to ensure that rules that govern financial markets are conducive to sustainable development.”

As he did yesterday at several events on the margins of the Forum, Mr. Ban stressed that the summit on climate change that he is convening at UN Headquarters in New York in September will be an opportunity for global leaders from Government, business, finance, and civil society to initiate ambitious joint actions on the ground to reduce emissions and strengthen climate resilience, mobilizing the political will for a meaningful global legal climate accord by 2015, when States parties to the UN Framework Convention on Climate Change (UNFCCC) will meet in Paris.

He highlighted the interdependence between sustainable development based on a low-carbon economy and climate change generated by high-carbon global warming emission. “Addressing climate change is also a great opportunity to support all our sustainable development goals. At the same time, the actions we take on sustainable development can help tackle climate change,” he stressed. “Investment now will result in major savings in the future, and can propel economic growth today. It can support universal energy access, sustainable cities and well-being for people and the planet.”

At a Forum session on Catalyzing Green Investment Mr. Ban told business leaders the September summit “is your opportunity to show what you can and will do, and to work with governments at the highest level to address climate change.” He underscored the essential role private investment has to play in meeting the growing demand for energy in the developing world. “We need in particular to win over institutional investors that collectively manage more than 70 trillion Euros of assets,” he said. “The bulk of these investments are high-carbon assets. These investors have the power – and I believe the responsibility to help transform the global economy.”

He also highlighted the importance of the Green Climate Fund, agreed on in 2010 by States Parties to the UNFCCC as a financial mechanism for promoting a shift towards low-emission and climate-resilient development pathways by providing support to developing countries. “The Fund cannot be the exclusive conduit for climate finance, but it will be an important part of a public-private framework that supports low-carbon investment and fair access to climate financing in developing countries,” he said. “We need to bring it into operation as soon as possible.

“We need more public finance, more private finance and better mechanisms for channeling investments to where they are most needed. I urge public and private actors to rise to the challenge in the coming months and rally around a key number of concrete action-oriented solutions for the climate summit.”