

# INTERNATIONAL CONFERENCE ON CLIMATE CHANGE

## PRESIDENT JIN'S SPEAKING NOTES

*July 11, 2021*

I would like to begin by thanking the Italian Presidency for organizing this conference, which is a timely opportunity to promote global dialogue and advance a common understanding of the pressing challenge of climate change.

The Asia Pacific is one of the regions most vulnerable to climate change. Before the COVID-19 pandemic, the 10 most devastating disasters that hit the region in 2019 were all climate and weather-related. According to the United Nations, climate-related risks could cost the region around USD160 billion a year by 2030.

Climate change is indeed a global crisis that calls for a global response, immediate and collective. This crisis inflicts damage disproportionately on low-income developing nations.

Narratives on climate change have focused on mitigation. Investing in more renewables, banning fossil fuels and curbing greenhouse gas emissions. Aggressive mitigation measures are absolutely critical.

At the same time, we should also pay attention to adaptation. This is especially relevant to a region like Asia and the Pacific. Global warming is still on the rise and, in the protracted transition period, investment in climate adaptation is acutely needed. The annual adaptation financing gap sits at around USD70 billion, according to the UN. Sufficient investment in adaptation is not just Asia's measure to address climate challenges, but also an urgent task for much of the developing world.

Today, developing countries in Asia find themselves faced with the dual challenge of recovering from the COVID-19 pandemic and addressing a climate emergency. Hard-won developmental gains are now at serious risk of being eroded. We should lose no time making the right decision and taking the right action, so that many vulnerable countries and their people are protected to the extent possible in the transition period.

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As a multilateral development bank established against the backdrop of the Paris Agreement, the Asian Infrastructure Investment Bank believes that the fight against climate change must go hand in hand with economic development. Indeed, climate change mitigation and growth are not mutually exclusive. On the contrary, they can be mutually reinforcing. Development can only be sustainable based on renewable energy. That is why the right approach is to reorient economies toward development pathways with low greenhouse gas emissions and high climate resilience.

Achieving climate-compatible growth requires that governments pursue growth-enhancing fiscal and structural reforms that support low-emission, climate-resilient investments. The private sector should be incentivized to make investments conducive to net-zero transition, including high-tech solutions to address climate change.

Our commitment to assisting our members reach their domestic and international climate goals is reflected in our Corporate Strategy. We aim to achieve a climate finance share of at least 50% of our total financing approvals by 2025. Despite a very challenging year for infrastructure finance in 2020, AIIB achieved a climate finance share of 41%.

As a cornerstone of our investment strategy, we are committed to aligning all of our financing with the Paris Agreement.

The private sector is crucial to filling the financing gap. A propitious eco-system of financial infrastructure is necessary for institutional investors to ramp up their efforts for climate financing. AIIB will continue to play an important role in mobilizing private capital into emerging market climate finance by helping to shore up such an eco-system. We are forging new partnerships and committing to projects that crowd in more private capital to sustainable infrastructure projects while applying a rigorous framework of best practices to our own projects.

Ladies and gentlemen, fostering international solidarity to combat climate change is a step in the right direction. Attaining the goal of net-zero by 2050- 2060 as pledged by OECD countries, China and other developing countries calls for strenuous efforts which should not be disrupted for the next three to four decades. There can be no other option.