

**2017 Forum of the Standing  
Committee on Finance**  
*“Mobilizing Finance for Climate  
Change and Resilient  
Infrastructure”*

**Dr. Paul Oquist Kelley**

Minister

Private Secretary for National Policies

Presidency of the Republic

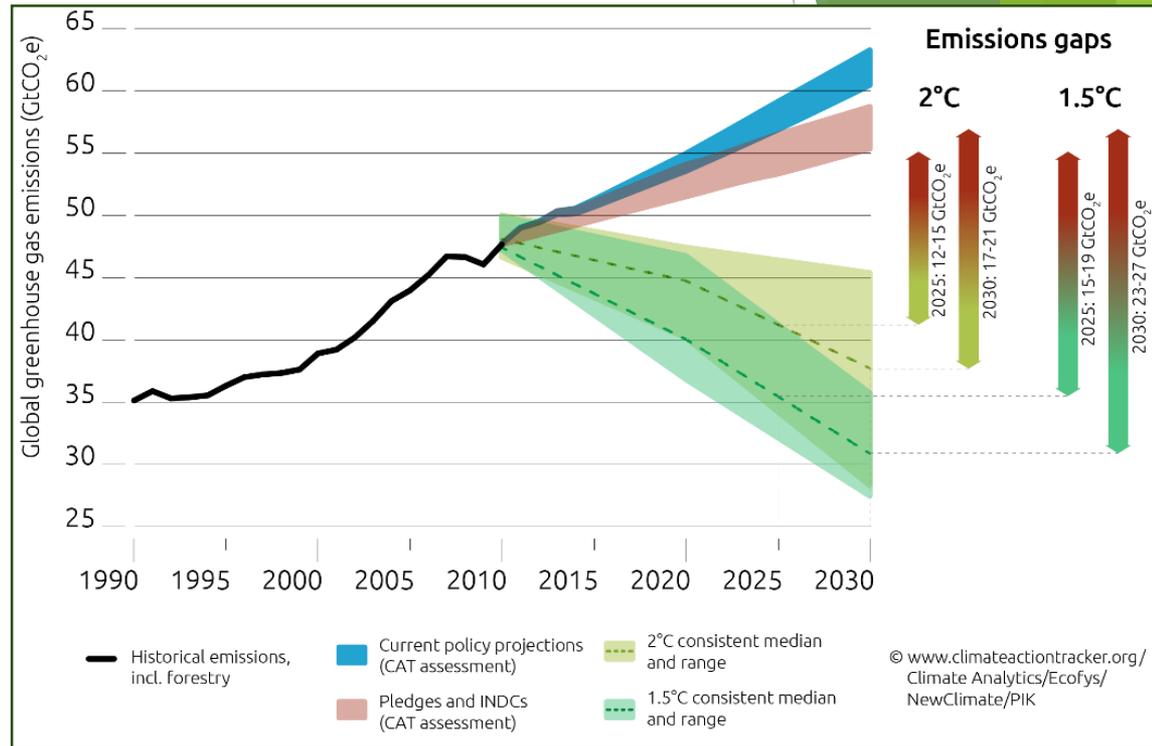
Nicaragua

Rabat, Morocco  
6-7 September 2017

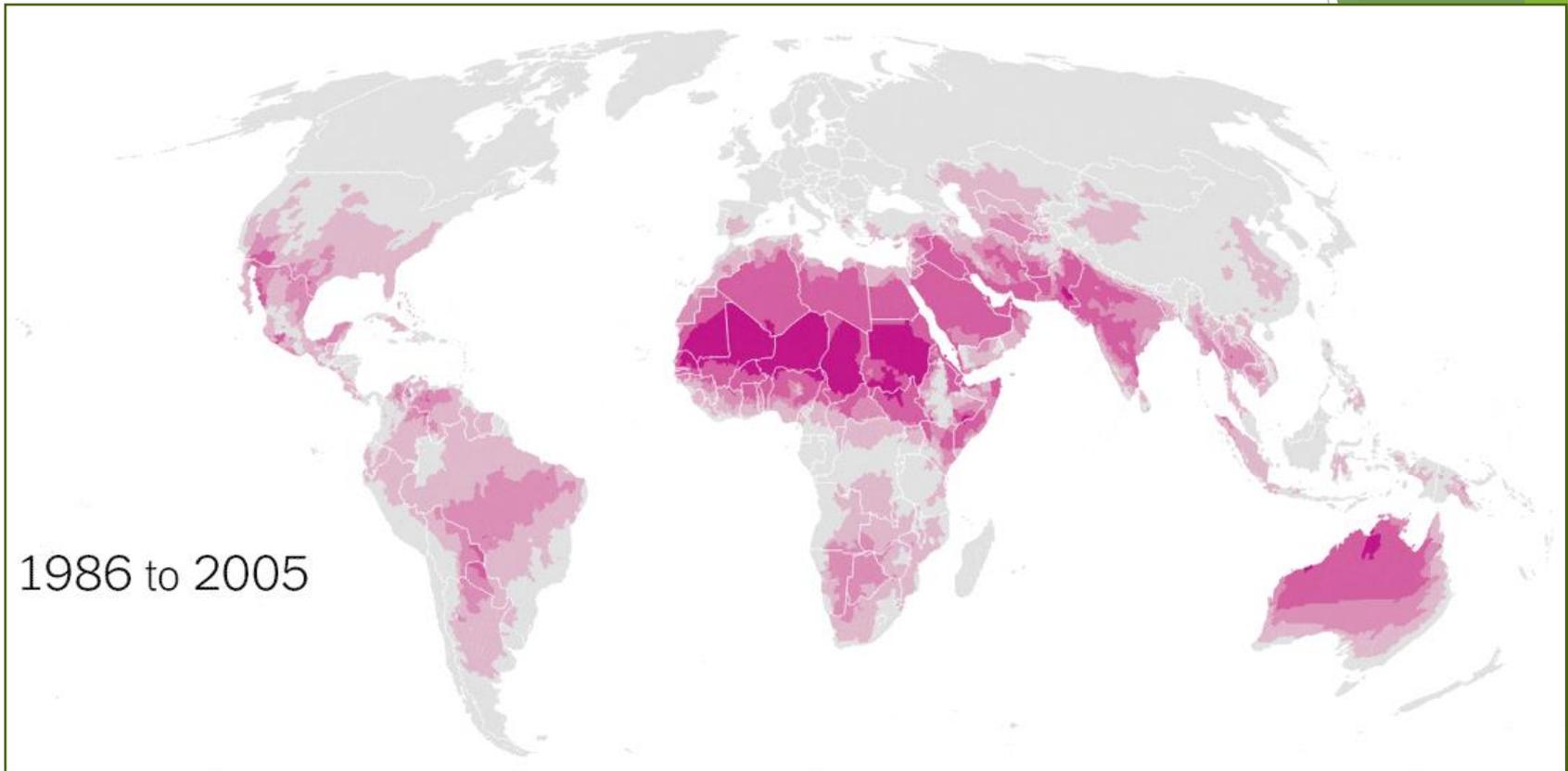
# Paris Agreement Objective

“To keep the world average temperature rise well below 2° C above pre - industrial levels, and to continue efforts to limit that temperature rise to 1.5° C from pre - industrial levels, recognizing that this would significantly reduce the risks and effects of climate change.”

(Article 2.1.a)



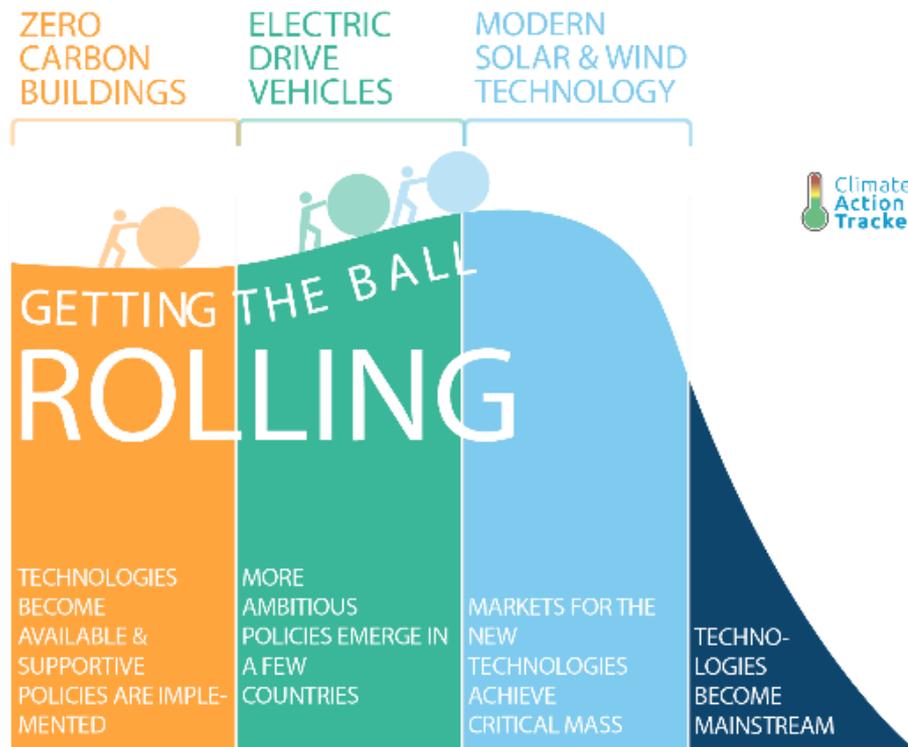
The 2015 INDC commitments take us to a 2.7° C to 3.5° C range worldwide. This represents increases of 4° C to 6° C in the tropics, deserts and arctic regions.



## Global warming with Paris Agreement.

Source: *The New York Times*, 2017, based on an analysis of [Climate Impact Lab](#).

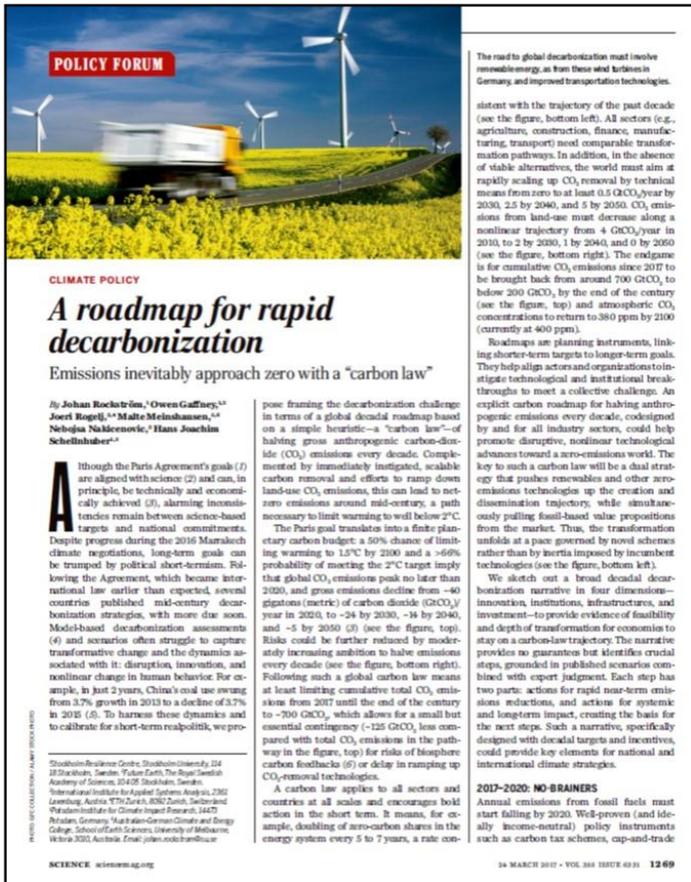
According to a report by Carbon Tracker (London), the Climate Action Tracker consortium, the Potsdam Institute for Climate Impact Research (Germany) and Yale University in New Haven (Connecticut)



- ▶ If emissions continue to rise beyond 2020, or even remain level, the temperature targets set in Paris become virtually unattainable.
- ▶ Significant climate action must be undertaken now, the coming decade will be too late.
- ▶ The United Nations Sustainable Development Goals agreed in 2015 would also be in grave danger.

# A roadmap for rapid decarbonization

Johan Rockström, Owen Gaffney, Joeri Rogelj, Malte Meinshausen, Nebojsa Nakicenovic, Hans Joachim Schellnhuber  
Science Magazine, March 2017



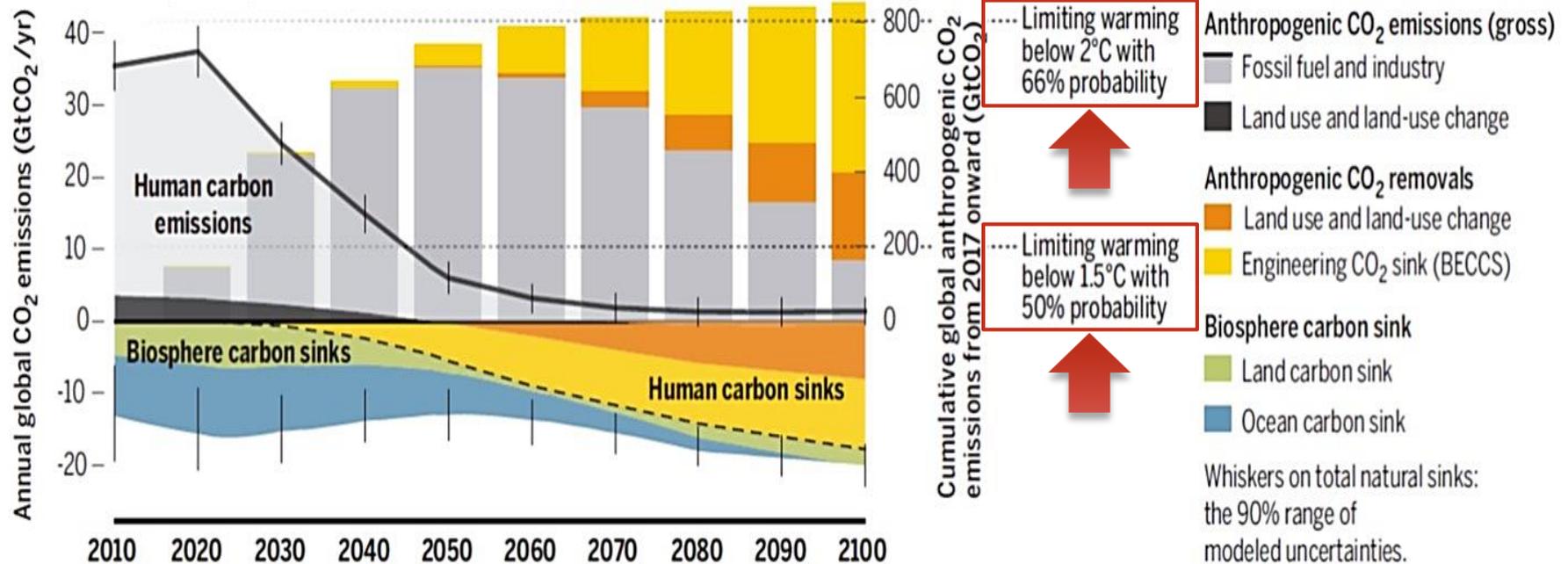
- ▶ Global emissions should be cut in half every 10 years from 2020, starting from the current 41 Gt, so that zero emissions are reached in 2050
- ▶ Transforming the global hydrocarbon-dependent infrastructure, for a new sustainable and environmentally friendly infrastructure
- ▶ Reducing emissions from land-use change, increasing carbon sinks through processes of massive reforestation on degraded lands, conservation of forests and reserves for natural regeneration, as well as bioengineering processes for carbon sequestration
- ▶ This alternative would give us a 50% chance of limiting warming to 1.5 °C by 2100 and a 66% chance of reaching the 2 °C target, as long as global CO<sub>2</sub> emissions reach the peak no more than 2020.

# A roadmap for rapid decarbonization

Johan Rockström, Owen Gaffney, Joeri Rogelj, Malte Meinshausen, Nebojsa Nakicenovic, Hans Joachim Schellnhuber

Science Magazine, March 2017

### Decarbonization pathway consistent with the Paris agreement



# Three years to safeguard our climate

Christiana Figueres, Hans Johan Schellnhuber, Gail Whiteman, Johan Rockström, Anthony Hobbey & Stefan Rahmstorf

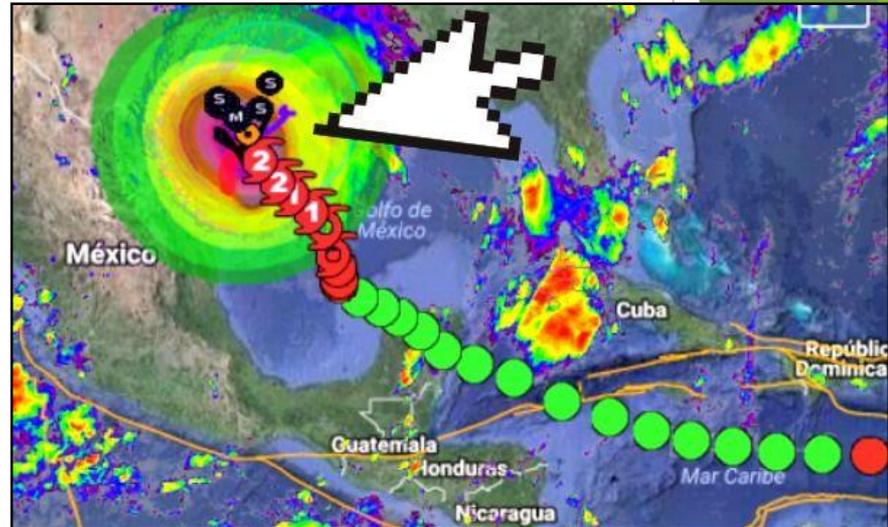
Nature Magazine, June 2017

- ▶ Endorsed by 68 other scientists and academic personalities
- ▶ When it comes to weather, time is everything
- ▶ 2020 is the limit.
- ▶ Our climate actions must be based on science and not political compromises to the lowest common carbon reduction denominator.

The image shows the cover of the June 2017 issue of Nature magazine. At the top, the word 'COMMENT' is written in large, bold, black letters. Below this, there are four small article teasers with icons: 'ASTRONOMY A profile of the indomitable woman at the helm of SETI p.100', 'HEALTH Documentary traces the roots and legacy of a pioneering aid agency p.108', 'ENERGY Call for caution following China's gas-hydrate extraction p.109', and 'TECHNOLOGY Rebuttals on bureaucracy, hypotheses, conservation and more p.100'. The main feature is a photograph of a solar farm in Nevada, with solar panels in the foreground and a sunset sky in shades of orange, pink, and blue. Below the photo, the text reads: 'Decarbonizing the world economy will require renewable energy generation from vast solar farms, such as this one in Nevada.' The main title of the article is 'Three years to safeguard our climate' in a large, bold font. Below the title, it says 'Christiana Figueres and colleagues set out a six-point plan for turning the tide of the world's carbon dioxide by 2020.' The article text begins with 'In the past three years, global emissions of carbon dioxide from the burning of fossil fuels have levelled after rising for decades. This is a sign that policies and investments in climate mitigation are starting to pay off. The United States, China and other nations are replacing coal with natural gas and boosting renewable energy sources. There is almost unanimous international agreement that the risks of abandoning the planet to climate change are too great to ignore. The technology-driven transition to low-carbon energy is well under way, a trend that made the 2015 Paris climate agreement possible. But there is still a long way to go to decarbonize the world economy. The political winds are blustery. President Donald Trump has announced that the United States will withdraw from the Paris agreement when it is legally able to do so, in November 2020. The year 2020 is crucially important for another reason, one that has more to do with physics than politics. When it comes to climate, timing is everything. According to an April report (prepared by Carbon Tracker in London, the Climate Action Tracker consortium, the Potsdam Institute for Climate Impact Research in Germany and Yale University in New Haven, Connecticut), should emissions continue to rise beyond 2020, or even remain level, the temperature goals set in Paris become almost unattainable. The UN Sustainable Development Goals that were agreed in 2015 would also be at grave risk. That's why we launched Mission 2020 — a collaborative campaign to raise ambition and action across key sectors to bend the greenhouse-gas emissions curve downwards by 2020 (www.mission2020.global). As 20 leaders of the world's largest economies gather on 7–8 July at the G20 summit in Hamburg, Germany, we call on them to highlight the importance of the 2020 climate taming point for greenhouse-gas emissions, and to demonstrate what they and others are doing to meet this challenge. Lowering emissions globally is a monumental task, but research tells us that it is necessary, desirable and achievable. After roughly 1°C of global warming driven by human activity, ice sheets in Greenland ▶' The cover also includes the date '29 JUNE 2017 | VOL 544 | NATURE | 583' and the copyright notice '© 2017 Macmillan Publishers Limited, part of Springer Nature. All rights reserved.'

# Natural events become extreme and more frequent

- ▶ “Unusual” behavior of Hurricane Harvey:
  - ▶ Arrived the Gulf of Mexico as a degraded tropical depression and when it touched waters of  $30^\circ$  rapidly strengthened and became category 4 Hurricane very close to land.
  - ▶ Degraded to a tropical storm, and remained stationary for a week, depositing billions of liters of water in Texas and Louisiana, causing 30 deaths and at least 32,000 people displaced.
- ▶ Simultaneously:
  - ▶ Monsoon rains have caused severe flooding and more than 1400 deaths and 43 million people affected in Asia.
  - ▶ Tropical storm Lidia has caused destruction, death and more than 2,500 climate refugees in Baja California, Mexico



# Nicaragua shares this proposal



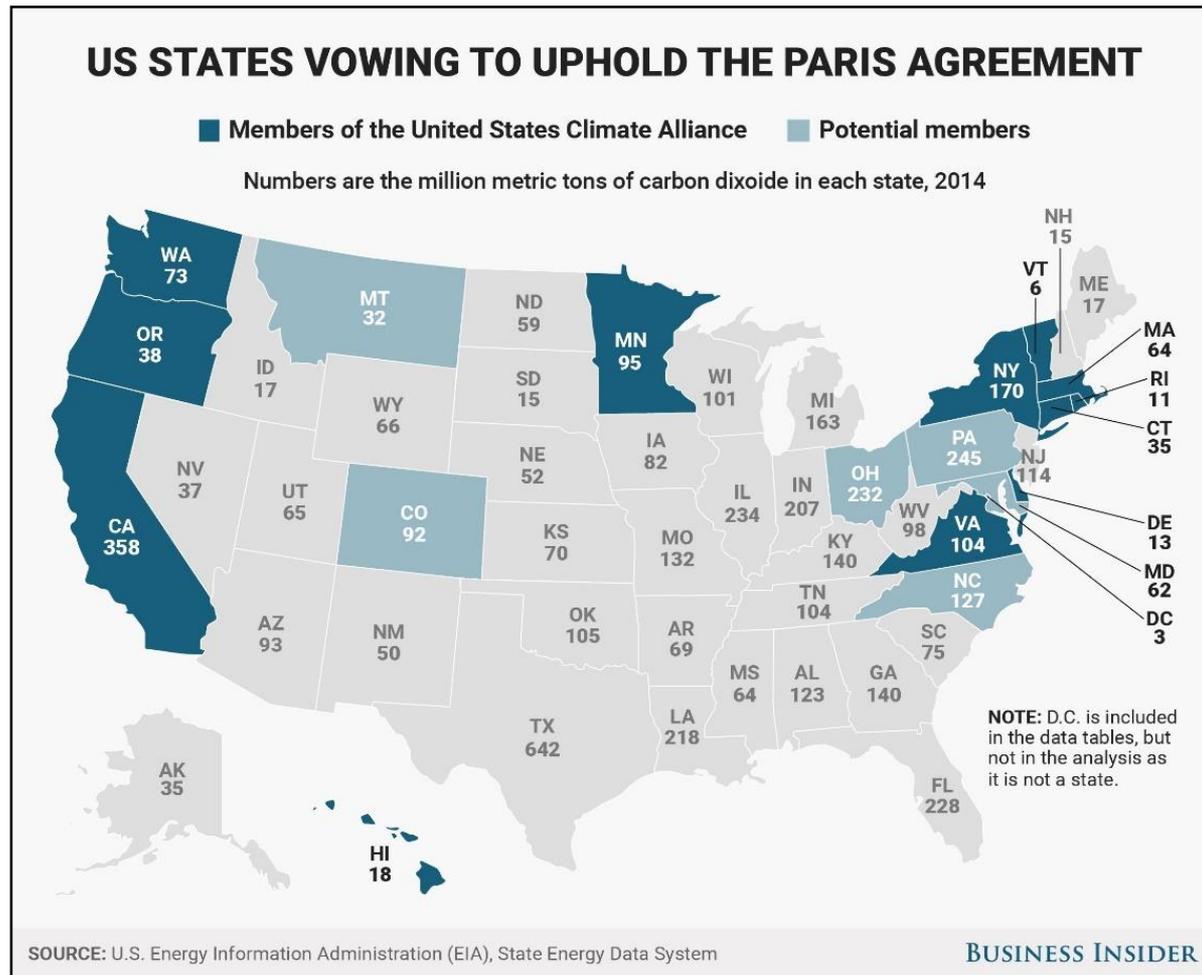
- ▶ The investments to cope with climate change that were to be made in the future, must urgently advance to the 2017-2020 window of opportunity.
- ▶ It must start from mobilization of funds for climate mitigation, adaptation, loss and damage and infrastructure projects.

# Nicaragua notes with concern that the public funds of developed countries have serious limitations



- ▶ US has announced its withdraw from the Paris Agreement.
- ▶ There is significant opposition to climate change action in the US Congress.
- ▶ Reduction of US contributions to UNFCCC, IPCC and to GCF capitalization by USD 2 billion.

# In the United States there are several states that have publicly committed to continuing to pursue their emissions reduction goals

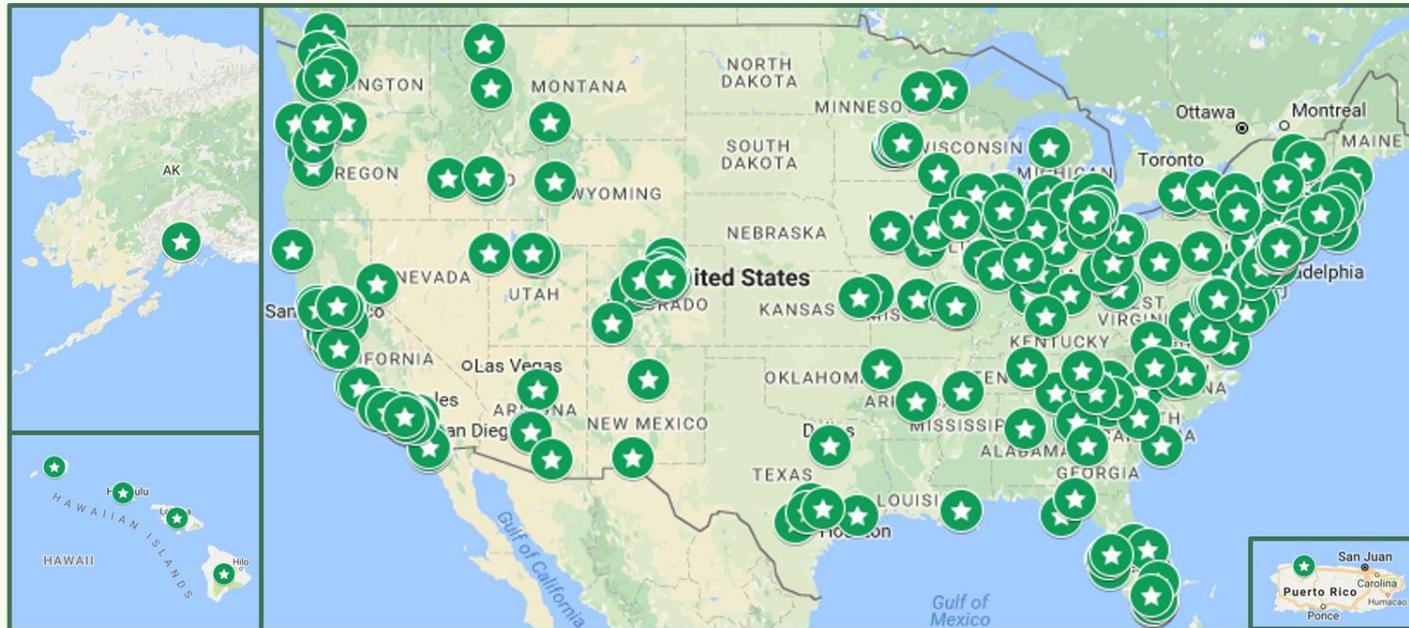


# A growing number of cities will maintain their objectives of boosting renewable energies and reducing emissions

**369 US #ClimateMayors, representing 67.5 million Americans, have committed to adopt, honor and uphold the climate goals of the Paris Agreement**



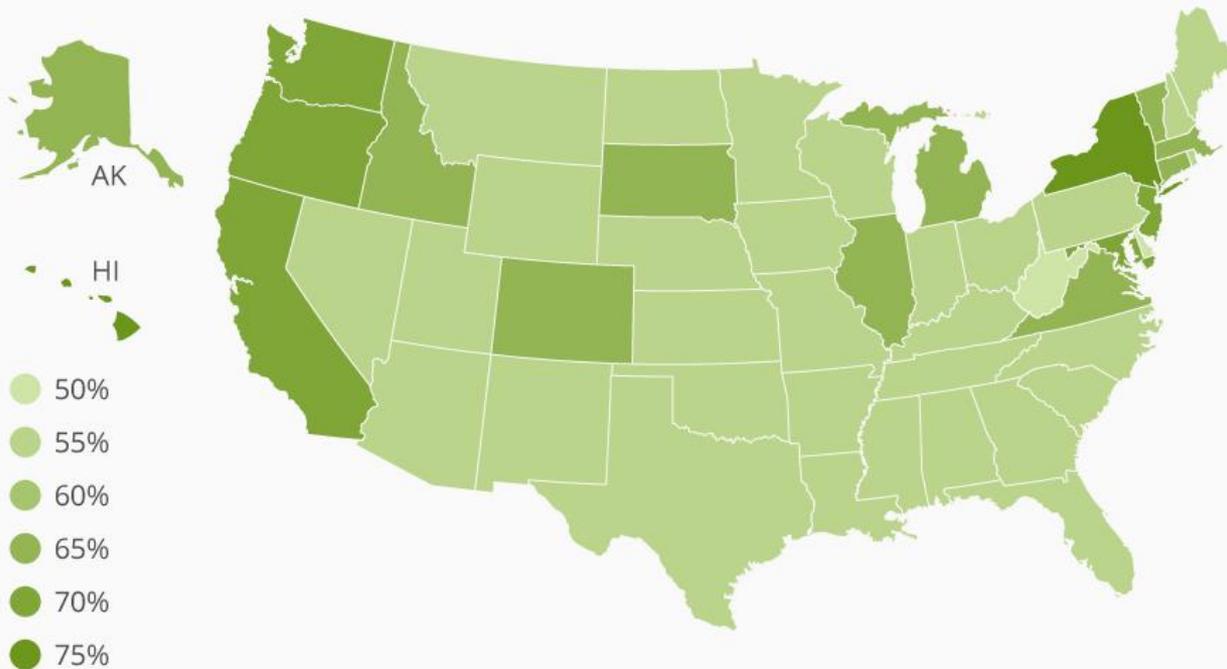
CLIMATEMAYORS.ORG



# The public opinion of the United States supports these actions

## Majorities In Every US State Support The Paris Agreement

% of Americans by state who supported participation in the Paris agreement in 2016



@StatistaCharts

Source: Yale Program On Climate Change Communication

statista

# Large transnational corporations and US private sector corporations support climate actions



**BUSINESS LEADERS ARE UNITED TO SUPPORT THE PARIS CLIMATE AGREEMENT**

**NRDC**

## Tackling climate change is one of America's greatest economic opportunities of the 21st century (and it's simply the right thing to do).



**BICEP**  
BUSINESS IN INNOVATIVE CLIMATE & ENERGY POLICY  
A PART OF TIME

[www.climatedeclaration.us](http://www.climatedeclaration.us)

# ALTERNATIVE SOURCE OF FINANCE

## CASH AVAILABILITY BY COMPANIES LISTED ON STOCK EXCHANGES (Data as of December/2015)

**TOTAL:  
US\$ 6.75  
Trillion**



### United States

- US\$2.5 Trillion (S&P 500)



### European Union

- US\$ 1.1 Trillion (FTSE, CAC, DAX, Others)



### Japan

- US\$ 2.4 Trillion (NIKKEI)



### Korea

- US\$ 0.75 Trillion (KOSPI)

# The tendency is for the idle cash to increase



# IDLE CASH COULD BE USED FOR:



Stimulate world economy



Reduce inequality



Invest in stopping climate change and achieving the SDG's

# Possible solutions to channel available funds to invest in environmentally friendly infrastructure

World Bank and Regional Banks Issue AAA Bonds



The funds go to existing windows that finance actions against climate change

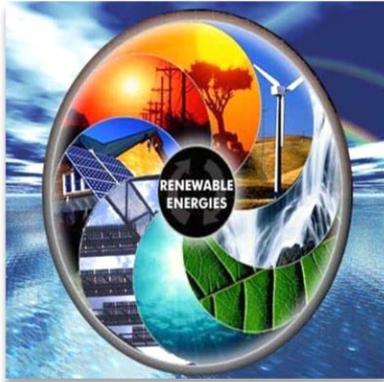


# Negotiations...



Investments must be done in projects and infrastructure with a clear content of climate change, such as:

Renewable Energies



Sustainable transportation



Energy efficiency



Reforestation



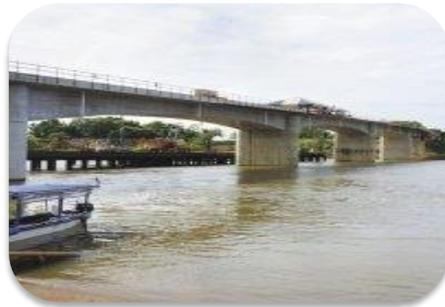
Potable Water



# In Nicaragua, a small developing country, we do invest in infrastructure to deal with climate change



New roads



New Bridges



Expansion of drainage systems

Directed to connect to the poorest, most vulnerable and isolated areas with the rest of the country



Hospitals

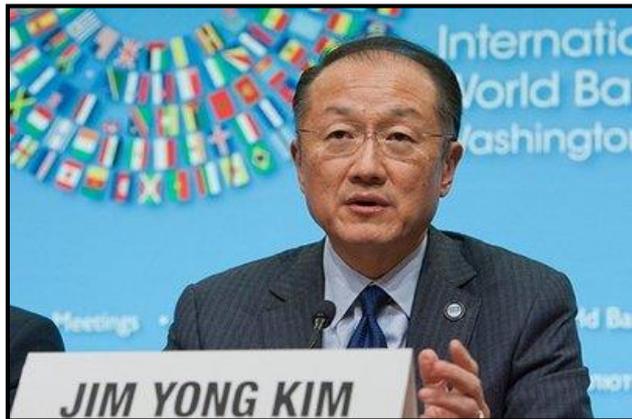


Early warning systems for natural disasters



Thank you

# The global economy is not being stimulated by these funds

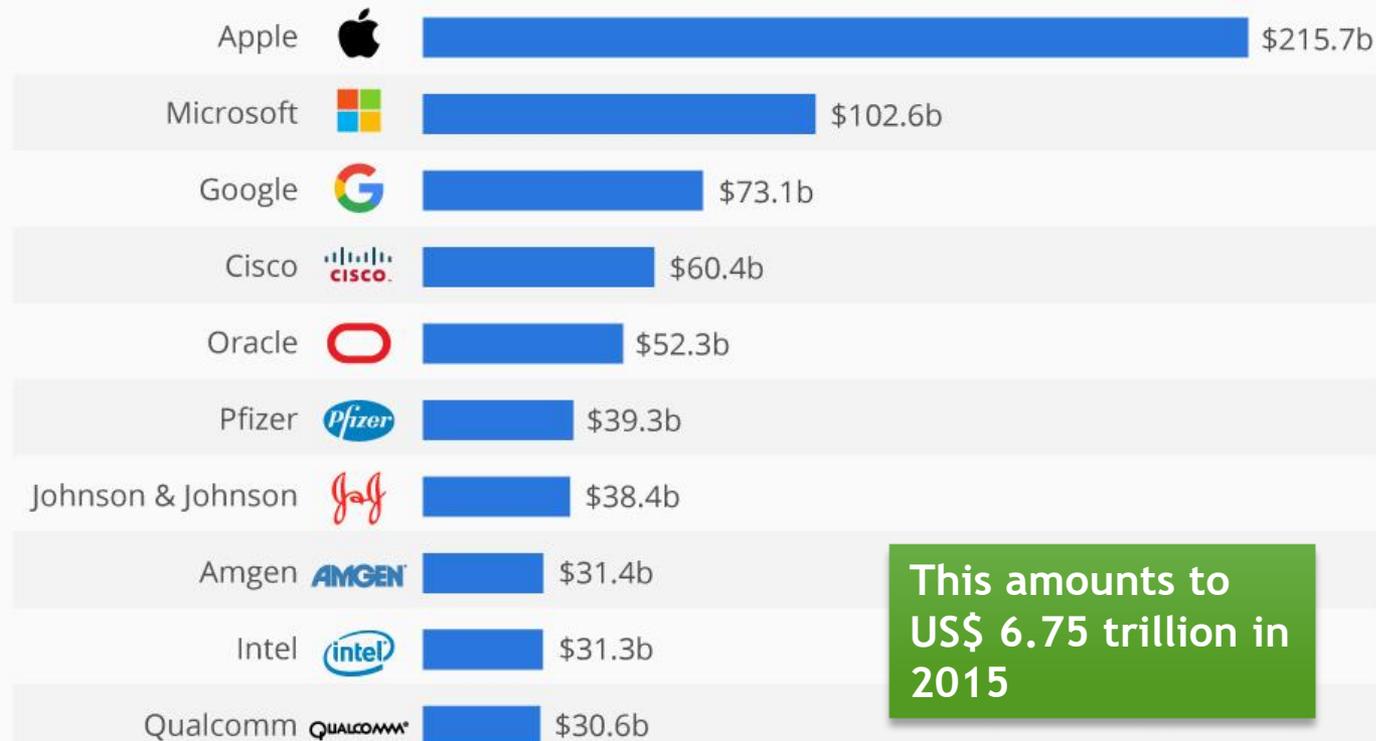


World Bank President Jim Yong Kim and IMF Director General Christine Lagarde have stated that Central Banks have done more or less all they can to stimulate the economy and that other sectors and stakeholders should be involved.

The idle corporate funds are a potential stimulus that would also reduce inequality a bit and finance climate projects and infrastructure.

# AVAILABILITY OF CASH 10 LARGEST UNITED STATES COMPANIES

## Top 10 U.S. Companies by Amount of Cash Held\*



This amounts to US\$ 6.75 trillion in 2015

# Other companies...

## Japan

Toyota Motor Corp.



Nissan Motor Co.



Honda Motor Co.



# Other companies...

## South Korea

Samsung Group



Hyundai Motor Group



SK Group



LG



POSCO



Lotte



KT



# Other companies...

## Europe



**Volkswagen**

Volkswagen



**edf**

Électricité de  
France



BP

**FCA**

FIAT CHRYSLER AUTOMOBILES

Fiat Chrysler



BMW

**DAIMLER**

Daimler

**Gruppo  
Posteitaliane**

Poste Italiane