

**A Critical Year for Climate Action: A Conversation between Kristalina Georgieva and John Kerry
April 7, 2021—1:00 p.m. to 2:00 p.m. (GMT-4)**

Moderator:

Becky Anderson, Anchor, CNN International

Speakers:

Kristalina Georgieva, Managing Director, IMF
John Kerry, Special Presidential Envoy for Climate

As the world emerges from COVID-19, there is renewed impetus to tackle climate change. Ahead of the COP26, Kristalina Georgieva and John Kerry discussed how to turn climate ambitions into action while creating vibrant and inclusive opportunities as part of the transition to the new green economy.

Key Points:

- **Risks and opportunities:** *Georgieva* noted that climate change poses growing macroeconomic and financial risks. She and *Kerry* agreed that climate action (e.g., investment in clean technologies and climate resilience) presents an opportunity to generate “green” growth and millions of new jobs (e.g., wind turbine technicians and solar panel installers).
- **Transition:** *Kerry* stressed that to successfully contain temperature rise, all countries must act collectively, at the same time, in the next 10 years. Emission reduction should focus on those areas where emissions are concentrated (transportation (27%), power production (27%), industry (20%), agriculture, and buildings). The market is already moving away from coal toward renewables and alternative, sustainable energy (e.g., green and blue hydrogen, battery storage). By 2035, the United States will produce all of its power carbon-free. Concessional and private finance will be instrumental. *Georgieva* underscored the importance of explicitly measuring risks (e.g., banks’ investments in high-carbon sectors) to help move capital in the right direction.
- **Fund’s role:** *Georgieva* explained that the Fund is looking at how its members can be more successful in mitigation and adaptation strategies, including having sufficient financial buffers to react to shocks and invest in resilience and adaptation (e.g., reforestation, mangrove restoration, dealing with land degradation). The Fund is also helping countries measure financial stability risks stemming from climate and enhancing climate data.
- **Challenges ahead:** To accelerate the transition to a low-carbon economy, *Georgieva* stressed three pillars: (i) substantially raising carbon prices (from \$2 per ton today to \$75 by 2030) and pricing more emissions (only 23% of carbon emissions are priced today), (ii) providing sufficient funding for public green investments, and (iii) buffering the impact on and re-skilling those currently working in high-carbon sectors.

Quotes:

“Climate change is a growing risk to macroeconomic stability and to financial stability” **Kristalina Georgieva**

“Climate is now in the DNA of our institution; at the heart of our work.” **Kristalina Georgieva**

“By 2035, the United States will produce all of its power carbon-free.” **John Kerry**

“This is gonna [sic] be the biggest economic transformation since the industrial revolution” **John Kerry**

Contributor: Rodolfo Dall’Orto