Statement of Leonardo Martinez-Diaz
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on
Global Climate Finance
House Committee on Appropriations
Subcommittee on State, Foreign Operations, and Related Programs

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Good morning, Chairwoman Lee, Ranking Member Rogers, and members of the Subcommittee.

The climate crisis represents an existential threat to the security and prosperity of communities in the United States and around the world. At the same time, responding to the climate crisis offers one of the greatest opportunities in history for innovation, sustainable economic growth, and the creation of high-quality jobs.

This is why the Biden Administration has made tackling the climate crisis in the United States and abroad a top priority.

Enabling bold action to reduce emissions and build resilience against the impacts of climate change will require mobilizing and aligning finance on a large scale.

For our purposes here, "climate finance" refers to the provision or mobilization of financial resources to help developing countries reduce or avoid greenhouse gas emissions and build resilience to the impacts of climate change.

The concept of climate finance also encompasses the need to better align public and private financial flows consistent with what is needed to achieve the Paris Agreement's temperature and resilient-development goals. To meet the climate crisis will require the full engagement of the public sector and the mobilization of private sector finance. My testimony today will focus on the public sector.

The case for the United States to provide and mobilize international climate finance is compelling.

First, avoiding the worst impacts of climate change does not just depend on what the United States does. We can only be successful if other countries join our efforts. Climate finance can help unlock deep reductions in other countries' emissions by supporting the deployment of existing clean energy technologies abroad, protecting biodiversity, forests, wetlands, and other vulnerable ecosystems that capture and store carbon, and fostering new technologies to accelerate the transition to a net-zero emissions global economy.

Second, meeting U.S. international climate finance pledges is crucial for preserving trust in U.S. leadership and supporting countries in delivering on what they have said they will do to mitigate.

Third, international climate finance is also an investment in our own national and economic security. Climate finance supports the most climate-vulnerable people and countries in the world to better prepare for, adapt to, and recover from the impacts of climate change. This can reduce the risk of resource competition, conflict, and displacement of people, all of which can undermine national, regional, international and economic security.

Fourth, climate finance helps protect and advance longstanding international development goals, including reducing poverty, conserving nature, improving human health, safeguarding food security, and promoting sustainable economic growth. The United States has invested hundreds of billions of dollars over decades to advance these goals around the world. Because climate change will put at risk all of these dimensions of human well-being, financing resilience to climate impacts will be essential to protect past investments in human development.
In the context of a global pandemic, climate finance can contribute to helping countries restore growth and build back better through a low-carbon, climate-resilient recovery.

And finally, the United States recognizes that in achieving the goals of the Paris Agreement, we must work together toward economic revitalization and making investments that prioritize workers across industries and communities and develops the industries of the future.

There is a crucial link between clean energy deployment and investments in climate resilience on one hand, and expanding well-paying jobs in the United States, on the other. Exports of low-carbon and climate-resilience technologies and related services can be a catalyst for economic and job growth at home. By advancing global efforts to address climate change, climate finance will open up opportunities for the U.S. private sector to pioneer financial, technological, and natural pathways for decarbonization globally, while simultaneously strengthening existing export markets which rely on climate stability for economic vitality

In view of all this, President Biden made several key announcements on international climate finance at the Summit last month:

- The United States intends to *double* the climate finance it provides, relative to the Obama-Biden "peak" years of FY 2013-16, by FY 2024

- As part of this pledge, the United States intends to *triple* the adaptation finance it provides, relative to the same Obama-Biden peak baseline, by FY 2024. This will mean significant new funding for vulnerable countries, including Least Developed Countries (LDCs) and Small Island Developing States (SIDS).

- For the Green Climate Fund, the President's FY 2022 budget request includes $1.25 billion.

- Finally, in addition to *how much* we are providing in climate finance, the Summit also addressed *how* we are providing it. At the summit, we made public the first-ever *U.S. International Climate Finance Plan*. The Plan outlines a whole-of-government effort to increase the quantity and quality of international climate finance provided by the United States.

We look forward to working with the members of the Subcommittee to achieve this vision and fund these vital programs. America's future prosperity, security, and international influence will depend, in large part, on our ability to confront this crisis. This Subcommittee has a long history of working in a bipartisan fashion to confront global challenges and adequately fund key U.S. foreign assistance priorities. Smart, efficient deployment of U.S. financial resources to fight climate change will not only deliver substantial benefits for U.S. taxpayers, but can also help re-assert American leadership and counter efforts to dominate supply chains and critical resources.

Thank you for holding this timely and important hearing. We look forward to listening to your views and to answering any questions you may have.