REPUBLIC OF KENYA

REMARKS BY HIS EXCELLENCY HON. WILLIAM RUTO, PHD, C.G.H., PRESIDENT AND COMMANDER-IN-CHIEF OF THE KENYA DEFENSE FORCES AT THE SHARED CLIMATE SOLUTIONS EVENT

MAY 23RD, 2024

BLOOMBERG CENTRE, WASHINGTON D.C.

Samantha Power, USAID Administrator,

John PODESTA, Special Presidential Envoy for Climate,

Scott Nathan, CEO of the U.S. International Development Finance Corporation (DFC),

Distinguished Ladies and Gentlemen,

1. It is a great pleasure to be here today to discuss a topic of immense importance to us all. Over the past two years, I have hosted and participated in numerous international events to highlight Africa's challenges and the tremendous opportunities we can offer, while calling for concerted national, regional and global action.

2. Often, this is an uphill battle, especially for audiences who see only the challenges posed by climate change, not the opportunities. Or for those who perceive Africa primarily as a continent of conflict, war, poverty, and suffering.

3. Today, I am encouraged to be among like-minded individuals who share our concerns and our conviction in the power of democracy, partnerships, and collaboration to address global issues.

4. I am delighted to discuss the potential that Kenya, and Africa as a whole, offer, along with our ambitious resolutions to accelerate progress.

5. The existential threat of climate change to humanity - and indeed to all life on Earth - is now well established. 2023 broke many records we do not wish to, nor can afford to, break again: the hottest year on record, the wettest in some regions, and the driest in others. The first four months of this year have also registered record warmth, with each month being the hottest on record.

6. In Africa, climate change is central to our development challenges. Kenya is currently experiencing one of the worst floods on record, following several years of devastating drought. Our hearts go out to Brazil, Afghanistan, and other parts of the world experiencing similar hardships. Extreme weather events affect the United States as well, and as these events become increasingly uninsurable, they undermine people's livelihoods and financial security.

7. Climate change impacts have affected the lives and livelihoods of hundreds of thousands of people, occasioning a loss of 5-15% of GDP growth annually in Africa. The rising costs of adaptation are diverting funds from essential services like healthcare and education, potentially destabilizing our continent and the world.

8. Against this backdrop of urgent interconnected issues of climate change, development, and stability, trust in international cooperation is diminishing. Democracy is under pressure. Complex global problems are often oversimplified by setting people against one other and by retreating into isolationism and de-globalisation.

9. However, this approach has zero chance of success. Climate change is a global problem that cannot be solved in isolation. As pioneers of efficient market solutions, you understand that compartmentalization leads to suboptimization. Failing to recognize and build on areas where partners can be more efficient and effective drives up costs and slows down the transition and innovation.

10. Our countries need transformational investments to build climate resilience, transform our economies, and respond to crises. The world urgently needs to mobilize larger amounts of resources to facilitate a green transition and tackle the climate crisis.

11. While I firmly believe in global collaboration, we must also recognize the necessity of long-term strategic partnerships. Supply chain disruptions during the COVID-19 pandemic have highlighted the importance of resilience. Growing global insecurity, demands that we recognize the power of meaningful collaboration and agency.

12. Africa has the potential to be a crucial part of the solutions for the world. With our massive untapped renewable energy potential, the world's youngest and fastest-growing workforce, and abundant natural assets, our continent has the fundamentals to be a major player in three critical areas needed to avert a climate catastrophe: protecting our natural carbon sinks, greening global production and consumption, and removing carbon from the air.

13. We know that the world's industrialized nations and fast-growing emerging economies will not achieve net-zero goals within the timelines scientists deem necessary.

14. This opens a potential opportunity for Africa not just to limit its own emissions but in helping accelerate reductions elsewhere.

15. Importantly, this will not only help the world decarbonize, but it will also enable Africa to thrive. Growth, development, and living within planetary boundaries do not need to be at odds. A large, young population that sees their livelihoods eroded and has no future prospects is a destabilizing factor at home and abroad, driving migration and instability. Conversely, that same population, when equipped, empowered, and enabled, can lead a green transformation.

16. Many people recognize the role Africa can play in protecting, expanding, and restoring natural carbon sinks and biodiversity. In Kenya, we remain committed to the belief that enduring economic prosperity is founded on environmental health and vibrant natural ecosystems.

17. Greening global production and consumption is not only key to avoiding a climate catastrophe, but it is also becoming economically rational. I have mentioned the bad records we keep breaking - those of extreme weather events and trends.

18. Simultaneously, renewable energy continues to break records positively. The economic case for renewable technologies strengthens daily. In 2023, more than 500 Gigawatts of renewable generation capacity was added - a new record and over a 50% increase compared to 2022. More than 1 billion USD per day is being invested in solar energy deployment.

19. Africa is uniquely positioned in this burgeoning market, as it holds 60% of the world's best solar resources and an untapped renewable energy potential that is 50 times the world's anticipated electricity demand by 2040. Not only does Africa possess immense renewable energy potential, but it also boasts a youthful labor force and crucial natural resources. With a median age of 19, approximately 4 million Africans enter the labor market each month, offering a vital workforce in contrast to the ageing populations of many industrialized countries. Additionally, Africa is rich in minerals essential for the green transition and holds two-thirds of the world's remaining unused arable land.

20. We have genuine ambition. In early September last year, the African Union adopted the Nairobi Declaration at the inaugural Africa Climate Summit. The Declaration emphatically states: "We emphasize that Africa possesses both the potential and the ambition to be a vital component of the global solution to climate change."

21. Kenya exemplifies this ambition. Our electricity generation is almost 95% renewable, from geothermal, hydro, wind, and solar energy.

22. We aspire for all our electricity generation to be renewable by 2030. More importantly, we aim to expand our grid and electricity generation to power green growth to 100 Gigawatts by 2040, to support a middle-income country with a green industrial and manufacturing backbone. When one is as 'green' as we are, the challenge transcends a mere green transition. Our potential and ambition reach much higher; we aim to realize climate-positive clean growth.

23. Opportunities abound - from primary processing and smelting of minerals to electric mobility, clean cooking transformations, green data centers, and regenerative agriculture.

24. And it's not just the climate benefits that are substantial: anchor industrial demand will make investments in renewable energy generation at scale financially viable. Without such demand, it is nearly impossible, which explains why Africa receives less than 2% of global investment in renewable energy despite the enormous potential I highlighted earlier.

25. This is why green industrialization is crucial to driving energy access, as it provides a path to financial sustainability for our national utilities. This will enable governments to invest in alleviating the energy poverty affecting 600 million Africans who lack electricity.

26. During my visit, we are launching the **US-Kenya Climate and Clean Energy Industrial Partnership,** which recognizes the interdependency of these issues and the need for a systemic approach. This partnership aligns with the vision of the **Africa Green Industrialization Initiative (AGII)** unveiled at COP28. It aims to foster a new framework for green growth across Africa and support sustainable economic growth and resilient supply chains in both our countries by leveraging Kenya and Africa's renewable energy potential and attracting energy-intensive industries to meet net-zero goals and enhance global trade opportunities.

27. Realising Africa's green industrial potential requires clear ambition, prioritisation, and collaboration. The Africa Green Industrialisation Initiative (AGII) exemplifies the proactive measures African leaders have taken to shape our future. In the Nairobi Declaration, we collectively made two historic commitments. First, we committed to "**focus our economic growth plans on climate-positive growth,**" putting climate action at the core of what we do. Second, we committed to **turning plans into action**.
28. Yet, Africa's role in addressing climate change is not guaranteed. It will not materialize if we are so crippled by debt that we cannot educate our youth, if investors deem us too risky to engage, or if green stimulus measures, which ignore the global potential, bar us from meeting the global demand for green products.

29. We therefore need partnerships to mobilize the necessary and appropriate capital across public, blended, and private resources, encompassing debt, taxation, MDBs, and private capital stimulus. Although our level of sovereign debt is relatively low compared to other countries, the recent sharp increases in interest rates have hit hard.

As long as we are paying five times as much for sovereign debt as we would if the World Bank were properly capitalized - and in many cases spending more on debt service than on healthcare - we will not be able to prepare our countries and people for this transition.

30. That's why adequate replenishment of the International Development Association (IDA) window of the World Bank, this year, is so critical. Despite its stellar track record of efficiency and effectiveness, the IDA faces an uphill battle in replenishment. Last month, I hosted an IDA Summit in Nairobi where over 19 Heads of State from Africa and many other senior officials from the continent, made a strong case for the need to ensure enhanced replenishment of IDA to at least US$120 billion. In my bilateral engagement with President Biden, I encouraged the US to double their contribution to IDA to US$8.0 billion.

31. Both market access and capital mobilization are shaped and supported by government innovation. Corridor- and cluster-based approaches within specific value chains that engage U.S. and Kenyan private sector entities can secure long-term off-take for new green industrial activities in Africa. This ensures a reliable green supply for U.S. buyers and provides a competitive edge in the global green economy race, thanks to the accelerated deployment of innovations in production locations that can adapt quickly. The inherent risks of such global partnerships are mitigated by interventions like export credit insurance, guarantees, and long-term affordable capital. These are areas where entities like the USDFC excel, attracting further private investment.

32. This is not merely about urging global investors to prioritize Africa. It's about emphasizing that Africa houses some of the world's most significant and valuable resources. This realization not only highlights the opportunities available but also provides options for American industrial actors to source sustainably and affordably, focusing on the most competitive parts of the value chain.

33. On this state visit, I am accompanied not only by senior government officials but also by prominent Kenyan and African innovators and investors. This group includes energy experts, electric mobility companies, green mineral processing and EV battery precursor manufacturers, sustainable aviation fuel producers, synthetic fuel companies, and pioneers in climate-smart agriculture such as green fertilizer and biochar production. Also joining us are clean cooking innovators, local experts in Direct Air Capture and carbon storage, creators of green industrial parks, and leaders in finance and investment, as well as innovators in nature conservation and restoration. I understand, in this room, there are also many from various sectors, including industrialists, investors, and philanthropies among others who understand and support the complex transformation we are undertaking.

34. Today's announcements, which confirm, renew, and expand the 60-year-old Kenya-U.S. partnership, mark significant progress in our journey toward a safe and livable planet. I hope these developments represent just a part of the outcomes of this trip and our partnership. There are numerous opportunities for fruitful collaboration that everyone present here can - and should - help shape.

35. I believe the discussions to be held here today in the rest of the program, will outline new ideas and recommendations to support our green industrialisation and resilient supply chains agenda. Kenya is committed to enabling, supporting, and driving Climate climate-positive growth. This path is not only crucial for humanity's survival and Africa's advancement to middle-income status and beyond, but it is also filled with challenges that require our complete focus, partnership, and collaboration. It is an incredibly exciting and inspiring journey. When we harness our collective ingenuity and work together to solve the world's greatest challenges, there is nothing we cannot achieve for our children and future generations.

Thank You.