



2016 - 2018 Ethiopian Presidency

MINISTERIAL DIALOGUE IV
VULNERABLE TWENTY (V20) GROUP

H.E. Abraham Tekeste, Ph.D.
**CVF/V20 Chair and Honorable Minister of Finance
and Economic Cooperation of Ethiopia**

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Opening Statement

Honorable Ministers of the V20, Excellencies, distinguished participants, ladies and gentlemen, it's my distinct pleasure to welcome you to this next activity in our work today and formally open the Fourth V20 Ministerial Dialogue.

I think there is no need to repeat the factors that unite as developing economies systematically vulnerable to climate change. Clearly, also, taking our road forward together at this is truly critical.

Our voice and impact is growing quickly, but the challenges we face are substantial. Persistent impediments to accessing funds in a timely manner from international climate instruments and then administer this amid great complexity; totally inadequate availability of resources for adaptation which is internationally acknowledged to acquire a high level of grant-based funding; billions of dollars of fossil fuel subsidies, especially among G20 nations that continue to hold back market progress towards more climate security development.

We do, however, have to acknowledge progress areas since the V20 was established in late 2015. The Paris Agreement has proved an unprecedented accord with already a near universality of ratification, it requires financial flows consistent with the goals of limiting warming to 1.5 degrees, to increase resilience, and to safeguard food production.

MDBs have also committed to increased targets for financial climate action, with climate now one of the fastest growth and more important sources of development assistance even if a greater effort is still needed. The cost of renewable energy, moreover, continues to fall even if vulnerable economies still struggle to take advantage because of high up-front capital requirements.

Equally, though, we also face new threats and challenges. Major economies are back-peddling or

freezing ambition in their climate action. The governing bodies of international financial institutions could also come under pressure to do the same, which would seriously penalize climate vulnerable economies.

At the same time, some positive new development also merit our careful attention. The work of the Financial Stability Board on climate-related financial disclosures, for instance, needs Paris Agreement consistency with a 1.5 degrees target benchmark. We also need to work with our development partners to make sure any market penalties for our disproportionate climate risks are effectively offset.

Ladies and gentlemen, Ethiopia was very pleased to take the responsibility of the presidency of the V20 in mid-October last year and we have been actively promoting progress on our collective agenda. In particular, we worked to convene the V20 Focus Group subcommittees, who we will hear from shortly, and to initiate the Regional Consultations, starting in the Asia-Pacific. We are also very pleased to have begun dialogue with the G20 this morning as a channel of discussion that can be sustained.

During Ethiopia's presidency, we see the V20 moving forward in four specific areas of, one, advocacy; two, innovative and capacity-enhancing financing initiatives; three, partnerships; and, four, internal organization.

We need to advocate more effectively as a group and make sure our voice is heard, increasing our chances of seeing the types of policy change we have been calling for actually realized. By this, we mean continuing to build up our advocacy during these spring and fall sessions with the G20 members, in the public space and in the governing boards of various international funds, including the Green Climate Fund. We need to push for better finance access, more balanced funding to support us to adapt as well as manage emissions. We also look for greater clarity, transparency, and certainty on the committed \$100 billion delivery, and for ambitious MDB climate finance targets.

Since foundation, our membership has more than doubled. We confirm another five new V20 members today: Colombia, The Gambia, Lebanon, Palestine, and Samoa. I am, therefore, pleased we are now considering initiating a task force to understand more precisely the actual financial requirements of the V20 economies to achieve 1.5 degrees-consistent, climate-resilient development in pursuit of our 2020 Action Plan.

Even as that work is underway, we are not sitting still. We are considering establishing a Technical Committee today to develop new V20 financing initiatives, building on what we have learned from our Regional Consultations, assessing quite extensive V20 national climate finance experience to-date.

With time running out and the survival of our nations and people on the line, we must think big. Learning from our successes and the challenges we have faced will also be our source of inspiration and innovation as we strive to

achieve more. Our bold vision will also help activate interest from our many development partners.

Indeed, for success we'll also need strong partnerships. We need to work effectively with our development partners and the private sector. We will need to make new and special efforts to consult and leverage the different partnerships and market forces available to us.

Finally, we can also work on the effectiveness of our own collaboration, fledgling as it is. We are, therefore, proposing all members to nominate focal offices within our ministries to facilitate our work and we'll agree today a clear work plan for the coming year.

We'll also shortly hear from my colleague, Ethiopia's Ambassador to the United Nations, who will report on the work of our sister initiative, the Climate Vulnerable Forum, positioning our movement of vulnerable nations center stage. Let us also strive to dovetail with that work and combine our forces for maximum effect.

On that note, I am pleased to declare this meeting formally open.

As we commence this ministerial dialogue, I would like to draw the attention to my colleagues that the Secretariat has been requested to place before the body a number of important documents for consideration, which led to the work of our deputies and senior officials meeting ahead of this body. The report for that activity will be presented during the course of our dialogue.

I'm pleased to now invite my most distinguished colleagues from Bangladesh, Costa Rica, and Barbados to present to the body on the very active work of the different V20 focus groups which have been the engines of progress towards our 2020 Action Plan.