



Issue #3

CVF-V20 NEWSLETTER



H.E Mia Amor Mottley

Prime Minister of Barbados and Chair
of the CVF Presidency

Belém – A Solutions Oriented Inclusive Finance COP

Those who work in the climate space will continue to debate the gains and losses of Cop 29. Equally, those who work in that space must now turn their attention to Belém.

In this brief note I want to share some thoughts on what is needed in Brazil at COP 30. The voices of climate sceptics in high places are getting louder. This is likely to create a more fractious and less compromising mood and environment in the lead-up to, and at COP 30. This dynamic will be compounded by the absence, in some cases and in others, the inadequacy, of affordable finance available for climate vulnerable countries. Note the underfunding of the FRLD and the GEF's SIDS Trust Fund. Against this background, the effort required for a successful COP will be harder.

Climate skepticism, shrinking capital, and what appears to be lip service, instead of a genuine interest in the wellbeing of the climate vulnerable, has resulted in diminishing public confidence and trust in the process and outcomes of climate negotiations that talk much and yield little. LDCs and SIDS indicated that their “walk-out” at COP 29 was triggered by these issues and a process that did not allow proper space for the expression and inclusion of their views. Exclusion and inadequacy are a dangerous combination as they fuel the growing deficit of trust in governments, institutions and multilateralism.

Brazil's must therefore be a solutions-oriented, finance-producing, opinion-inclusive COP. Within the multilateral space, especially on existential matters such as climate change, the majority must be given


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“due process,” which is the right to be heard, to have their views included and to feel that there is a space for them at the “table,” not to be dictated to, but to be negotiated with. Perhaps Brazil can look at new and innovative ways of increasing pre-COP engagement, especially among parties where the largest divergence of views exists. Brazil has the experience of pulling off global meetings with big agendas and large ‘asks’, the kind that push the world toward more beneficial development agendas. The Brazilian presidency will therefore have to draw heavily on their considerable experience if CVF-V20 countries are to come away with realistic solutions, new funding and access to capital. On Brazil’s success hangs the restoration of the trust and confidence of the global community in the process that the UNFCCC oversees.

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PRIME MINISTER MIA
AMOR MOTTLEY



H.E Elizabeth Thompson

Ambassador Extraordinary & Plenipotentiary Climate Change, Small Island States SIDS & Law of the Sea, Barbados, and Sherpa to the Prime Minister on matters related to the CVF-V20, Barbados Presidency

United For A Better 2025

Welcome to the first edition of the CVF-V20 Newsletter for 2025. It's mind boggling that we are already past the midway point of the year's first month. This will be a busy year for the CVF-V20 as we continue to serve our growing number of member-countries and making a difference in the lives of their 1.4 billion citizens.

Prime Minister Mottley's signature initiatives during her term as president will include engaging on areas across the multiple dimensions of climate change, as well as on the nexus of climate, health and debt. The CVF-V20 will continue its fight for the reform of the global architecture to ensure a better deal for the climate vulnerable and support our members on major conferences such as FfD and COP 30.

As the Prime Minister's Sherpa for the CVF V20, I am particularly pleased to be reaching out to you via this newsletter, which has been introduced as part of the Prime Minister's new initiatives. We regard the newsletter as important for CVF-V20's communications with our stakeholders, for increasing our advocacy at the global level, reaching citizens and new audiences outside the political, technical and NGO communities and familiarizing them with the CVF-V20 and its work, showcasing what member-states are doing as well as sharing challenges, successes and best practices experienced or adopted by members.

This newsletter will be responsive to needs expressed by members and friends of the CVF-V20 and by so doing, will evolve into a useful advocacy and communications tool. As climate vulnerable countries, we will face the challenges of 2025 together, united and resolved to build greater resilience and to make the year a good one for all our citizens. Happy New Year!

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H.E Elizabeth Thompson



Barbados Launches Groundbreaking Debt-for-Resilience Swap

Barbados has launched the world's first debt-for-climate resilience swap, a move that will finance the country's water and sewage projects, enhance resilience to climate change, while easing its fiscal constraints.

The operation involves a debt-for-climate swap, replacing costly debt with more affordable financing. This shift is projected to generate \$125 million in fiscal savings without increasing Barbados' public debt burden. The savings will be reinvested into climate resilience projects that address the country's pressing water security challenges.

Key projects under this operation include upgrading the South Coast sewage treatment plant into a modern water reclamation facility and investing in reducing water losses across the country. These improvements are expected to increase water availability for agriculture and reduce pollution in marine and groundwater systems. As a country that faces water scarcity, with four times less water availability than the global average, this initiative will increase water availability, improve public health and food security.

A major component of the initiative is the world's first Sustainability-Linked Sovereign Loan (SSLL), tied to a sovereign water security project. Barbados' government must achieve specific goals related to reclaimed water quality and quantity. Should these targets not be met, penalties will be redirected into further environmental investments.

The financing structure has been made possible through partnerships with the Inter-American Development Bank (IDB), European Investment Bank (EIB), and CIBC Caribbean, along with a \$40 million grant from the Green Climate Fund. Prime Minister Mia Mottley has hailed the initiative as a model for climate vulnerable states.

“As a country that faces water scarcity, with four times less water availability than the global average, this initiative will increase water availability, improve public health and food security”



Suriname's Story: A Nation on the Frontlines of Climate Change

Suriname, one of the most climate-vulnerable nations in the world, is taking action to combat the rising threats of sea-level rise, coastal erosion, storm surges and flooding through its partnership with the Global Climate Change Alliance Plus (GCCA+). Backed by the European Union (EU), the initiative aims to protect Suriname's low-lying coastal regions, where most of its population resides.

The partnership began with the first phase of the GCCA+ project from 2016 to 2019, focusing on improving the national meteorological service, hydrological modeling for sustainable water management, and climate adaptation research in agriculture. The second phase of the project aimed to build resilience in Suriname's vulnerable coastal areas, particularly in the Nickerie and Coronie districts. This phase focused on improving coastal ecosystems and supporting local communities through capacity building and gender-responsive climate actions. It also aimed to improve governance in Integrated Water Resource Management (IWRM) and Integrated Coastal Zone Management (ICZM), in order to better manage its water resources and protect its coastal zones against rising climate threats.

Key projects under the initiative included the National Mangrove Strategy (MAFOSUR), launched in 2019, aimed to restore and manage mangrove forests, which provide protection against storm surges and erosion. With many women in coastal communities dependent on natural resources for their livelihoods, the project also offered training programs in sustainable entrepreneurship as well as sustainable management and use of mangroves and coastal ecosystems.

The project's achievements were celebrated during a two-day closing event in April 2024, which celebrated the successful collaboration of government ministries, international partners, and local communities.



CVF Secretary General Visits Sri Lanka

Mohamed Nasheed, CVF Secretary-General, visited Sri Lanka in early December, holding discussions and check-ins on climate resilience projects in the island.

During meetings with the Environment Minister Dr. Dammika Patabendi, Deputy Minister Mr. Anton Jayakodi and Ministry Secretary Mr. K. R. Uduwawala, talks were held on renewing Sri Lanka's Climate Prosperity Plan with new projects focused on resilience and sustainability.

A key highlight of the visit was reviewing the progress made on the Dilmah-CVF project, which is being spearheaded from the newly established CVF Regional Office in Colombo. The discussions centered on accelerating project implementation and aligning its objectives with the CVF's agenda to support climate-vulnerable nations.

The CVF Secretary-General also met with local investors to develop a 100 MW solar farm project, a key initiative to support Sri Lanka's renewable energy targets.



Left to Right: Mr. Anton Jayakodi (Deputy Environment Minister), Dr. Dammika Patabendi (Environment Minister), Mohamed Nasheed (CVF SG)



Left to Right: Mr. Sanath Pilapitiya (Director, OML), Mr. Anil Kumar (Director, OML), Mohamed Nasheed (CVF SG), Sandith Samarasinghe (CVF-V20), Hashan Jayakody (CVF-V20)



Mr. K. R. Uduwawala (Min Secretary), Mr. Anton Jayakodi (Deputy Environment Minister), Dr. Dammika Patabendi (Environment Minister), Mohamed Nasheed (CVF SG) Sandith Samarasinghe (CVF-V20)

Ghana Unveils Green Finance Taxonomy to Drive Sustainable Development in Ghana

Ghana has introduced its first Green Finance Taxonomy, marking a significant step toward promoting environmentally sustainable investments and aligning the nation's financial system with global sustainability trends.

Speaking at the launch, Finance Minister Dr. Mohammed Amin Adam, the former Chair of the V20 Group of Finance Ministers, said the taxonomy aims to reduce debt levels while improving environmental management. He acknowledged that transitioning from carbon-intensive industries, such as oil, gas, and mining, to low-carbon alternatives requires “sacrifices” and “hard decisions”, but is essential to build resilience and achieve long-term sustainability.

The phased implementation of the framework includes the development of qualitative screening criteria in its first phase, followed by quantitative thresholds and tax incentives by 2025. A transitional taxonomy will also be introduced to help high-carbon sectors gradually shift to greener practices.

Aligned with the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement, the taxonomy targets key sectors such as energy, transportation, agriculture, forestry, waste management, and water management. It aims to reduce greenhouse gas emissions, improve climate resilience, and implement sustainable use of resources.

The taxonomy includes Technical Screening Criteria with five pillars: climate change mitigation, adaptation, environmental protection, resource efficiency, and pollution prevention. These pillars ensure that all activities meet national priorities and international standards while preventing adverse environmental or social impacts.

As West Africa's first green taxonomy, the framework seeks to attract green investments, strengthen investor confidence, reduce greenwashing risks, and position Ghana as a leader in sustainable finance in Africa.

“[Dr. Mohammed Amin Adam] acknowledged that transitioning from carbon-intensive industries, such as oil, gas, and mining, to low-carbon alternatives requires “sacrifices” and “hard decisions”, but is essential to build resilience and achieve long-term sustainability.”



Bangladesh Kicks off In-Country Process to Access Global Shield Support

Bangladesh formally initiated its Global Shield In-Country Process, marking an important step towards accessing support from the Global Shield against Climate Risks, a joint initiative of the V20 Finance Ministers and the G7. The Economic Relations Division of the Ministry of Finance hosted the first national multi-stakeholder workshop in Bangladesh in December. The Finance Advisor of the Government of Bangladesh, Hon. Dr. Salehuddin Ahmed addressed the high-level opening segment of the two-day national workshop.

The workshop brought together high-level representatives from the Government of Bangladesh, key national stakeholders, civil society organisations and international organizations working in Climate and Disaster Risk Financing and Insurance (CDRFI).

The workshop provided an introduction to the Global Shield and outlined Bangladesh's climate and disaster risk profile and management strategies. The workshop discussed the state of play on CDRFI including needs and gaps which included identifying sectors that are most vulnerable, as well as sectors with the greatest potential to strengthen existing financial protection mechanisms.

The Institute of Water Modelling as the in-country support partner will now take the process forward and develop the Request for Support for pre-arranged financing solutions for climate vulnerable people and communities.



Left to Right: Sara Jane Ahmed, Managing Director & V20 Finance Advisor, Nilesch Prakash, Director, Partnership & Cooperation, CVF-V20



Left to Right: Mr. Dr. Salehuddin Ahmed, Advisor, Ministry of Finance, AKM Sohel, Additional Secretary at Economic Relations Divisions, Ministry of Finance, Government of Bangladesh

Fiji Launches the Nations First Coral Reef Insurance Policy

Fiji has introduced its first Coral Reef Insurance Policy, aimed at protecting the Lau Islands' coral reef system from climate-related risks. The parametric insurance policy was launched by WTW in collaboration with local broker Insurance Holdings (Pacific) Pte Ltd., the Vatuvara Foundation, and the Pacific Catastrophe Risk Insurance Company (PCRIC). It will provide financial protection to support reef restoration efforts following extreme weather events.

The Lau Islands' coral reefs are vital to the Indigenous communities that rely on them for food, livelihoods, and coastal protection. However, the reefs face increasing threats from sea level rise, ocean warming, acidification, and the growing intensity of tropical cyclones. The insurance policy offers trigger-based payouts of up to USD 450,000 for reef restoration and community assistance if a cyclone impacts the region.

The initial coverage includes Vatuvara Island, a protected natural reserve; Yacata Island, where local communities reside; and Kaibu Island, home to the Vatuvara Private Islands Resort. After a competitive placement process, The Vatuvara Foundation worked closely with WTW and Insurance Holdings (Pacific) Pte Ltd and selected Pacific Catastrophe Risk Insurance Company (PCRIC) as the insurer for the policy.

“The reefs face increasing threats from sea level rise, ocean warming, acidification, and the growing intensity of tropical cyclones.”





Global Shield in Action

Launched at COP27 in 2022 by the Vulnerable Twenty (V20) Finance Ministers and G7, the Global Shield is a joint initiative aimed at addressing loss and damage caused by climate change. It provides pre-arranged and trigger-based financial solutions to help vulnerable countries manage disaster risks and reduce recovery times after extreme climate events.

The initiative works through a country-led model, where finance ministries take the lead in identifying gaps in climate and disaster risk financing. Financial solutions are then tailored towards filling these gaps.

There are three main financing vehicles under the Global Shield:

1. Global Shield Solutions Platform
2. Global Shield Financing Facility
3. CVF-V20 Joint Multi-Donor Fund

In 2024, Ghana became the first country to complete the Global Shield against Climate Risks in-country process and submit a Request for Support. Ghana took proactive steps to protect its agricultural sector from the risk of drought and secured a parametric insurance product.

In late 2024, the triggers for the policy were established that led to a payout of USD 960,000 from the Africa Risk Capacity (ARC) to support farmers affected by severe drought in its northern region.

This initiative is expected to improve agricultural productivity and contribute to food security in the affected areas. The payout from ARC will be used to support farmers in collaboration with the National Disaster Management Organization and the Ministry of Women, Children, and Social Protection, helping them cope with prolonged droughts and unpredictable rainfall patterns.

Ghana's success in utilizing parametric insurance through the Global Shield demonstrates the potential of pre-arranged financing to address climate and disaster risks proactively.

As more Global Shield countries complete their Request for Support, there is a need to expand financial tools, including catastrophe drawdown facilities to provide immediate liquidity in the face of climate disasters.

The Global Shield's evolving framework could play a key role in informing the work of the Fund for responding to Loss and Damage, but greater donor support will be essential to close gaping financial protection gaps.



V20 Loss and Damage Funding Program

One of the programs under the Global Shield includes the V20 Loss and Damage Funding Program, funded through philanthropic and the Government of Wallonia.

Rolled out before the multilateral fund on loss and damage was announced, the V20 Loss and Damage Funding Program seeks to provide grant resources to communities to rebuild and rehabilitate their lives and livelihoods after disasters.

Focus Areas of the V20 Loss and Damage Funding Program

04. Adaptation Component

Any funds should not add further risk and rather support adaptation and resilience

0.1 Community Infrastructure

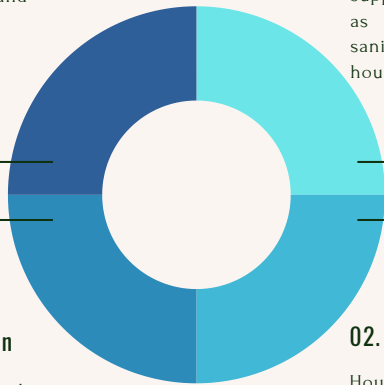
Repair and rebuilding of community buildings, water supplies, medical facilities such as clinics, schools, water sanitation facilities, public housing, etc.

03. Coral Regeneration

Regenerating corals in areas impacted by climate change (ocean warming, heat events and acidification) and enhancing reef resilience in response to coral loss/bleaching

02. Private Assets

House repairs, temporary housing costs, livelihood assets (e.g. livestock) and resources (tools and implementations), etc.



Governed by the Board of the JMDF, the V20 Loss and Damage Funding Program is now in its second implementation phase. The first phase of implementation was carried out in Kenya, Malawi and Bangladesh through a partnership agreement with CARE International.

The objectives of the first phase were twofold: 1. Restore lost and damaged income-generating livelihoods and houses with improved resilience. 2. Equip communities with the assets and capacity to sustain their livelihoods and housing in the face of climate change. See the table below for the results achieved.



Overall, thematic areas of the program aimed to deliver compensation of the following:

Country	Output Taxonomy	Implemented Activities
Bangladesh (Sarankhola Sub-District)	Livelihood Asset	<ul style="list-style-type: none"> Total 250 HHs (1,125 individuals) compensated directly from support to pursue adaptive income generating activities (IGAs) Total 250 HHs (1,125 individuals) directly compensated from repair/reconstruction of the private houses affected by L&D
	Adaptation Component	<ul style="list-style-type: none"> 8 HHs (36 individuals) directly compensated from model house construction 30 local trained carpenters trained and compensated from house repair/construction works
Kenya (Garissa County)	Livelihood Asset	<ul style="list-style-type: none"> 2,253 HHs of vulnerable pastoralists and agro pastoralists' communities compensated from restored livelihoods assets lost or damaged by drought conditions
	Adaptation Component	<ul style="list-style-type: none"> 3,094 HHs of vulnerable pastoralists and agro pastoralists have enhanced their climate change adaptive skills and technologies
Malawi (Chikwawa District)	Livelihood Asset	<ul style="list-style-type: none"> 200 HHs (1,000 individuals) compensated with improved house infrastructure 465 HHs compensated through investments in on-and-off-farm livelihood assets
	Adaptation Component	<ul style="list-style-type: none"> 200 HHs (1,000 individuals) compensated through investments to enhance water and sanitation infrastructure



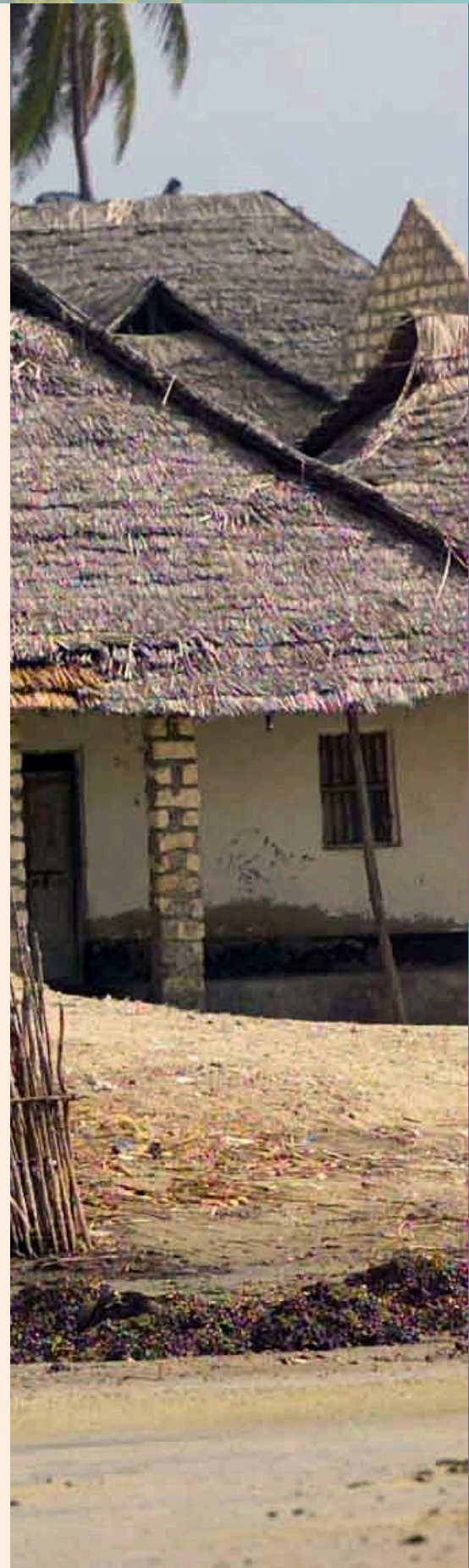
In the second phase, the V20 Loss and Damage Funding Program will focus on:

1. A loss and damage funding program in Ghana, as part of Ghana's Global Shield package
2. A loss and damage funding program for the Pacific region to include Fiji, the Marshall Islands, Samoa and Tonga
3. An adaptation program for the CVF-V20 countries of USD 5.3m that seeks to support the implementation of 50 adaptation projects in CVF-V20 countries over a 4-year period starting in 2025, funded by GEF.

The V20's Loss and Damage Funding Program is a nimble one, aimed at addressing the injustices of climate change. It complements the efforts of other stakeholders and national governments by providing grant resources to rebuild and rehabilitate lives and livelihoods in ways that are climate resilient and upholds the rights and dignities of people who bear the full brunt of the climate crisis even though they have contributed negligibly to the climate warming greenhouse gas emissions.

The program also has a disbursement modality that is direct, cutting administrative layers and fees to ensure maximum support is provided to people and communities.

As the CVF-V20 membership grows, the need for such a program is high. Our efforts in 2025 and beyond will focus on securing ramped up support from philanthropy and donor governments. Climate-induced loss and damage is inevitable, and we need to act on it with urgency.



Bangladesh's Early Warning Systems: A Global Success Story

Bangladesh, like many South Asian nations, faces countless climatic disasters. In 1970, Cyclone Bhola claimed 500,000 lives, exposing the urgent need for an effective disaster management system.

As a result and with lessons learned over the course of years, it has implemented a comprehensive Early Warning Systems (EWS). These measures include but are not limited to a network of weather stations, including coastal radars, ground-based stations, an army of thousands of volunteers, and balloon-borne instruments that monitors real-time air pressure, humidity, and storm developments.

As part of its EWS strategy, Bangladesh also uses TV and radio broadcasts, pushes messages via mobile networks, and SMS notifications to alert its citizens. There is a dedicated helpline for five hazard alerts: weather, rainfall, cyclones, floods, and landslides.

Over 76,000 volunteers ensure warnings reach every corner of the country, especially remote and vulnerable communities and the majority of them are women.

The current EWS can evacuate millions of people within 24 hours, saving countless lives during major cyclones.

Bangladesh has also implemented complementary adaptation projects to protect against flooding, including:

- 12,000+ multi-purpose shelters serve as refuges during storms and heatwaves.
- 6,000 km of embankments shield vulnerable coastal zones from storm surges and flooding.
- Over 1,200 sq. km of mangroves act as natural barriers, reducing storm impacts and protecting inland areas.

The government also collects real-time weather forecasts and advanced predictive tools enhance accuracy, ensuring timely public warnings about impending disasters. This is complemented by disaster drills, preparedness education, and grassroots outreach, which have fostered a culture of resilience and safety.

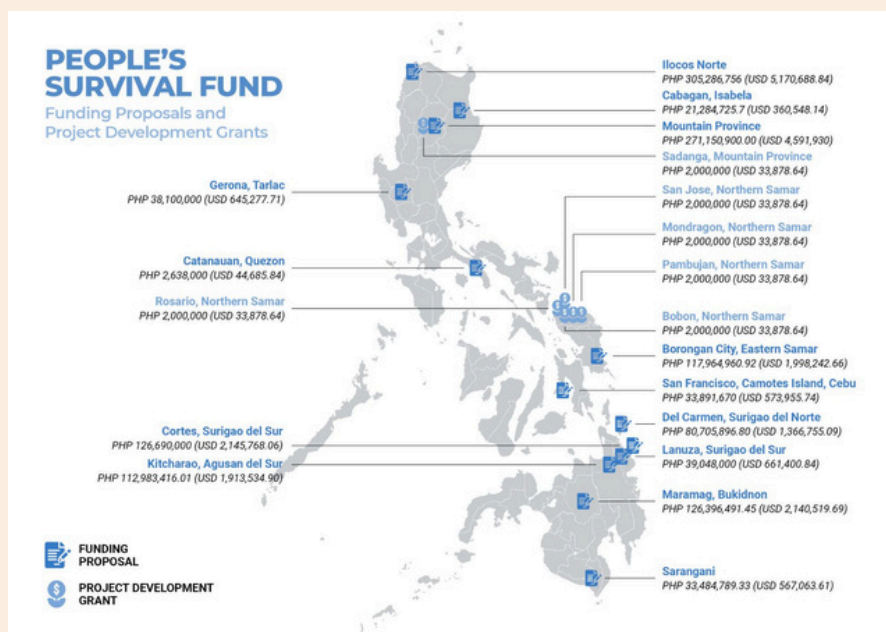
“Over 76,000 volunteers ensure warnings reach every corner of the country, especially remote and vulnerable communities and the majority of them are women.”



Philippines' People's Survival Fund

The Philippines' People's Survival Fund (PSF) is a dedicated climate adaptation fund that provides financial support to local governments and communities for projects that address climate change impacts. Established in 2012, the PSF is managed by the Department of Finance and aims to help vulnerable areas enhance disaster preparedness and resilience.

With an annual allocation of at least 1 billion Pesos (USD 17 million), the PSF finances climate adaptation programs such as flood protection measures, mangrove rehabilitation, and climate-smart agriculture initiatives. The fund may be increased through contributions from local governments, the private sector, and individuals who support adaptation efforts.



The PSF Board oversees the evaluation and approval of project proposals and ensures transparency through independent audits. As of August 2024, the Board has approved 13 climate adaptation projects across the country, amounting to over 1.3 billion Pesos (USD 22 million). These projects range from community-based ecological farming to river restoration efforts and solar-powered water systems.



The fund also offers a sub-financing window of 60 million Pesos (USD 1 million) or six percent of the annual fund for Project Development Grants to help municipalities prepare proposals by conducting technical assessments and climate rationale studies. To date, the PSF Board has approved six PDGs, totalling 12 million Pesos (USD 200,000), aimed at supporting green infrastructure projects and nature-based solutions.





Dates of Key Sessions in 2025

6th-7th February 2025

CVF-V20 and Financing for Development (FfD4) Strategy Session
New York

10th - 14th February 2025

Fourth Conference on Financing for Development Third Preparatory
Committee Meeting
New York at the UN Headquarters

26th - 27th March 2025

V20 Senior Officials Meeting
Virtual

25th - 27th April 2025

14th V20 Ministerial Dialogue (Spring Meetings)
Washington DC

1st - 3rd July 2025

Financing for Development Summit
Barcelona, Spain

26th - 27th August 2025

V20 Senior Officials Meeting
Virtual

9th - 23rd September 2025

CVF Leaders Meeting will be held during the 80th Session of the
UN General Assembly (UNGA 80)
New York

October 2025

15th V20 Ministerial Dialogue (Annual Meetings)
Washington DC

10th - 21st November 2025

COP30
Belém, Brazil