



Issue #4
January 2025

CVF-V20 NEWSLETTER

CVF's Monthly Roundup

The Soneva Dialogue on Coral Reef Regeneration & Resilience

9th - 12th January 2025, Maldives

The meeting, which was held in Soneva Fushi, Maldives, convened scientists, finance experts, and policymakers to develop solutions for coral reef regeneration. Over half the CVF membership have coral ecosystems. The meeting centered around combining scientific and financial solutions that can facilitate a shift from reef restoration to reef generation. Reef regeneration focuses on developing heat tolerant coral species, resilient to the rapidly warming climate.



Photo credits: Soneva Sustainability

FfD4 Retreat

25th - 28th January 2025, Zambia

CVF-V20 members and the Secretariat participated in the Global South Retreat on FfD4 in Lusaka, Zambia, hosted by Zambia's Permanent Mission to the UN and its government. The retreat brought together 60 representatives from UN missions, multilateral banks, and government officials to strategize ahead of the Third Preparatory Committee Session, where the CVF-V20 representatives contributed to discussions on International Development Assistance and other key areas.



Image Source: Zambian Observer

NORAD Conference

28th - 31st January 2025, Norway

The NORAD Conference in Norway focused on mobilizing money for global development and climate action. Speaking at the event, the CVF Secretary-General warned that sustainable development ambitions are slipping further out of reach, noting the rising debt burdens, high capital costs, and crumbling infrastructure in climate-vulnerable nations. The V20 and Bridgetown Initiative co-launched a report on Ten 'Super Levers' to Mobilize Climate Finance for Vulnerable Nations.



SG Mohamed Nasheed speaking at the conference

Financing the Future: Key Areas of Potential Interest for CVF-V20 Members at the Fourth Financing for Development Conference

The year 2025 ushered in a pivotal moment for global economic governance, with reform of the international financial architecture a top agenda item. Among the high-level events this year, the Fourth International Conference on Financing for Development (FfD4) in Seville, Spain, at the end of June stands out as a key event for advancing sustainable development goals. This includes:

- (1) An increase in the quantity of financing through SDR rechanneling, support for further capital increases in MDBs where needed, and global solidarity levies.
- (2) Improvement in the quality of financing, including: standardizing climate resilient debt clauses; the G20 expanding eligible countries to access the Common Framework; and improvements in the debt sustainability analysis.

Climate shocks don't hit in isolation—they collide with existing vulnerabilities in economies and financial systems, amplifying risks and threatening financial stability. We need a system that puts nature and climate action at the heart of our economies to drive development for our people, recognizing them as the ultimate global public goods.

And so, for the CVF-V20, this conference is not just another multilateral gathering—it is an opportunity to set the record straight on practical, actionable solutions that, with the right partnerships and political will, deliver the scale, urgency, and quality of finance needed to turn climate ambition into reality. The investment opportunity is too valuable to ignore; the political will to make it happen is, as is often the case, the only missing piece.

Key Areas of Interest for CVF-V20 Members

Several core themes in the FfD4 agenda most relevant to CVF-V20 are:

- 1) Reforming the Global Financial Architecture: Advocating for changes in international financial institutions to lower capital costs for vulnerable nations and ensure better climate finance accessibility, such

Wishing a Happy Independence Day this January 2025 to:

Sudan



Haiti



Nauru





as the removal of the requirement for a concurrent IMF program when accessing the Resilience and Sustainability Trust (RST). This includes the use of metrics that go beyond gross domestic product (GDP) per capita for allocating concessional finance.

2) Climate-Responsive Financing: We need to advocate for frameworks that integrate climate resilience and disaster recovery into financial assessments, ensuring that CVF countries can access the resources they need. At the heart of the CVF-V20 program are Climate Prosperity Plans – strategies for resilience and emissions reductions through economic transformation. These plans are about unlocking opportunity through smart, targeted investments in clean energy, sustainable industries, and climate resilience. CPPs focus on three key areas: macroeconomic modelling to guide investment decisions; carbon and biodiversity financing to create new revenue streams; and green industrial policies to drive job creation and sustainable manufacturing. The World Bank Group, recognizing the importance of and showing intention to adopt a similar approach, recently released its draft country engagement approach for consultations as they seek to capture potential public and private financing and solutions to development challenges

[Rethinking the Approach to WBG Country Engagement Report](#)

3) Debt restructuring to create fiscal space for climate action: Many V20 members are grappling with unsustainable debt burdens, worsened by the high cost of borrowing. Advocating for innovative debt restructuring mechanisms through debt restructuring and concessional financing, including debt-for-climate swaps for long-term liabilities management and medium-term fiscal space will be a top priority.

4) Equitable Participation in Decision-Making: Defending the UN's one-country, one-vote principle to ensure smaller economies have a voice in financial governance, including for the CVF to be recognized as an intergovernmental organization in the United Nations and for the V20 to be recognized in the Bretton Woods Institutions (IMF and World Bank)

[The Importance of the Zero Draft Paper](#)

The recently released Zero Draft of the FfD4 outcome provides an initial framework for discussion, but its content has drawn mixed reactions. While it addresses critical issues such as sustainable debt management, climate finance, and inclusivity, it lacks actionable specifics in areas vital to vulnerable countries, such as the integration of climate risks into financial models and the establishment of accessible, climate-responsive funds.





[Zero Draft Paper](#)

For the CVF-V20, the Zero Draft represents a starting point, but significant advocacy and inputs will be required to ensure that the final document reflects our priorities.

[A Test of Multilateralism](#)

The upcoming conference is unfolding against the backdrop of the United States' recent withdrawal from the Paris Agreement and the OECD Global Tax Deal. If leadership falters, a vacuum forms, and someone else will likely fill the gap. The CVF-V20 can collectively use FfD4 to set the record straight. Our success depends on the foundations of fair and inclusive global governance, strong domestic institutions, and coherent economic policies, which together can address existing inequalities in climate finance and build trust.

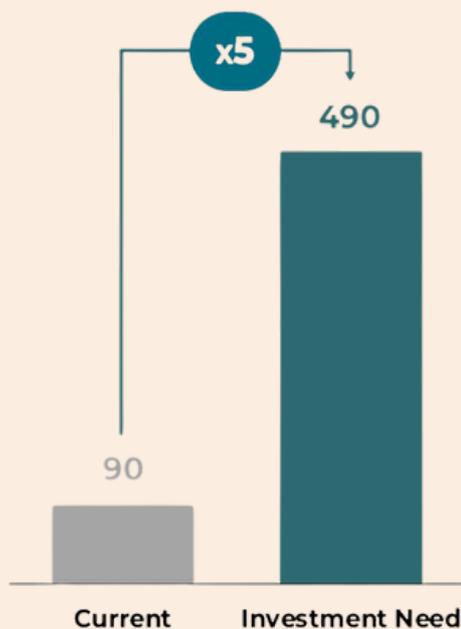
“Our success depends on the foundations of fair and inclusive global governance, strong domestic institutions, and coherent economic policies, which together can address existing inequalities in climate finance and build trust.”

Landmark Report Unveils Ten 'Super Levers' to Mobilize Climate Finance for Vulnerable Nations

On January 29, the V20 Group and the Bridgetown Initiative unveiled a landmark report, "The Resilience Effect: 10 Super Levers to Catalyse Finance in Climate-Vulnerable Countries." The report outlines key financial interventions designed to unlock \$210 billion annually for climate vulnerable nations.

CVF-V20 countries require \$490 billion per year by 2030 to build resilience and achieve sustainable development. However, many face significant barriers, including high debt burdens, limited fiscal space, prohibitively expensive capital, and rising disaster recovery cost. Over 25% of CVF-V20 nations are already at high risk of debt distress, restricting their ability to invest in climate adaptation and mitigation at a critical time.

Figure 1: Estimated 2022 finance flows to the V20 versus estimated investment need by 2030 (\$bn)



10 Super Levers:

Country-led implementation:

Ensuring demand-driven, inclusive, and high-quality deployment of climate finance.

(1) Strengthening country platforms, like “Climate Prosperity Plans”, can create the foundation for action and must include funding support for country-led implementation mechanisms, helping V20 countries define and deliver clear national strategies and unlock different types of capital with lower transaction costs and more responsive outcomes.

(2) Scaling carbon markets through high-integrity project development and standardisation could expand nature and climate investment pipelines. This would also provide governments with increased revenue, particularly for nature-based solutions, mitigation and resilience, whilst aligning emissions reductions with national priorities.

These first two levers establish the frameworks and mechanisms for V20 countries to create the conditions to mobilise and deploy climate finance at the scale and speed required — ensuring more equitable benefit-sharing with lower transaction costs.

New sources of capital:

Harnessing underutilised channels for climate finance.

(3) Rechannelling Special Drawing Rights (SDRs) will unlock underutilised international reserves, redirecting them into concessional finance streams to support the most vulnerable economies.

(4) Implementing solidarity levies from high-polluting sectors such as shipping and aviation, generating substantial and predictable resources for climate finance.

These two levers focus on pools of potential capital that are currently underutilised to deliver more concessional, equitable, and impactful funding for climate mitigation, adaptation, and sustainable development.

Shifting incentives:

Transforming economic signals to remove barriers to investment.

(5) Repurposing harmful subsidies, such as for fossil fuels, toward climate- and nature-positive investments could fundamentally reset market incentives.

(6) Reforming capital adequacy rules in banking regulations (like Basel III) could lower the cost of capital for infrastructure projects in emerging markets, reducing a major barrier to investment and unlocking large volumes of finance for green projects.

These levers realign financial incentives, encouraging climate- and nature-positive investments while reducing reliance on harmful, extractive activities.



Effective risk-sharing:

Optimising de-risking mechanisms to catalyse new investment.

(7) Setting ambitious private capital mobilisation for multilateral development banks (with appropriate safeguards) would systematically ensure financing is catalytic, scaling the role of MDBs as drivers for private investment.

(8) Expanding local currency solutions would help deepen local financial markets and lower sovereign currency risk exposure. Scaling tools such as foreign exchange (FX) hedging and local currency guarantees and bonds can help mobilise domestic capital and reduce FX risk, reducing a major barrier to investment.

(9) Increasing affordability of sovereign disaster risk insurance by subsidising insurance premiums, scaling risk pools and ensuring products are fit-for-purpose would improve resilience by incentivising investment in adaptation, minimising disaster recovery times and ultimately reducing losses.

These levers focus on enhancing the effectiveness and accessibility of existing de-risking mechanisms to unlock high-quality climate and nature finance.

Country-led implementation:

Strengthening incentives to invest in climate and nature.

(10) Integrating climate & nature into macroeconomic frameworks could incentivise investments that protect natural capital and increase resilience.

The final lever closes the circle, strengthening national strategies and creating a financial system that rewards and supports sustainable investments. Together, the ten levers form a cohesive roadmap, driving systemic change and helping to unlock the scale, quality, and pace of climate and nature finance needed for V20 countries.

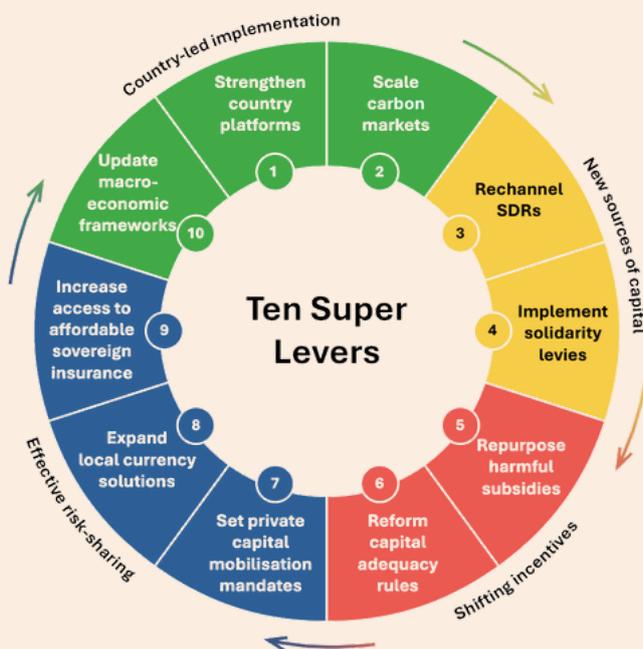


  **Bridgetown Initiative**

The Resilience Effect: 10 Super Levers to Catalyse Finance in Climate-Vulnerable Countries

with thanks to the Government of Norway

Figure 2: Ten super levers

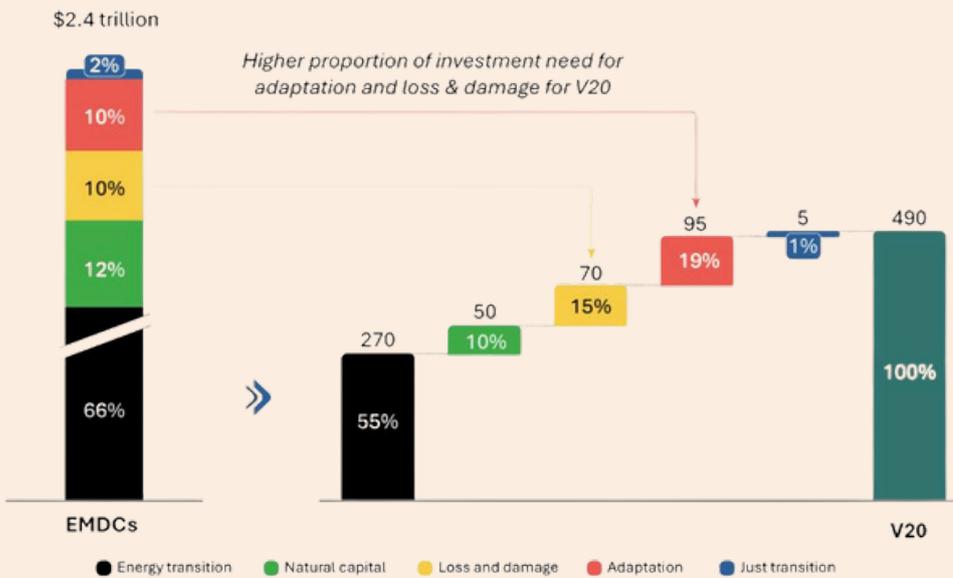


[Click here to read the full report](#)



The \$490 billion that V20 countries require annually for climate mitigation, adaptation, and loss and damage, forms part of the \$2.4 trillion needed by Emerging Markets and Developing Countries (EMDCs). Due to their unique climate vulnerabilities, V20 countries have higher relative capital needs for adaptation and resilience as well as loss and damage, than other EMDCs. The UNEP estimates that countries will need to invest about 1% of GDP in adaptation. However, for Small Island Developing States (SIDS) and Least Developed Countries (LDCs), which make up 70% of V20 nations, this rises to 2-3% of GDP. Additionally, loss and damage costs per capita in V20 countries are expected to be significantly higher than in other EMDCs.

Figure 3: Estimated annual climate finance for EMDCs (excluding China) and the V20 by 2030 (\$bn)



To put into context of the climate negotiations, the New Collective Quantified Goal (NCQG) of \$300 billion per year, agreed at COP29 in Baku, remains drastically short of the \$2.4 trillion developing countries will need annually by 2030. Climate-vulnerable economies cannot afford business as usual—and so we must mobilize capital at scale through systemic, high-impact interventions outlined. By focusing on multiplier effects, we can unlock an additional \$210 billion in affordable climate finance annually for V20 countries, including for their growth-engines such as MSMEs, while preventing up to \$100 billion in economic losses each year.

“Over 25% of CVF-V20 nations are already at high risk of debt distress, restricting their ability to invest in climate adaptation and mitigation at a critical time.”



Explainer: Climate Prosperity Plans

The Climate Prosperity Plan (CPP) framework is a CVF-V20 initiative designed to support climate-vulnerable nations transform climate risks into bankable opportunities. More than just a fully costed roadmap for low-carbon and climate-resilient development, a CPP is a long-term national investment and technology access strategy that focuses on the convergence of development, climate and nature. The CPPs can serve as the guidance document to set up country platforms that unlock different types of capital with lower transaction costs and more responsive outcomes, including ensuring policy coherence, and leveraging carbon credit access.

What Do CPPs Aim to Achieve?

CPPs serve as an investment strategy that enables climate-vulnerable nations to:

1. Focus on growth-guided climate and development investments and technology transfer
2. Strengthen climate adaptation and resilience by enabling access to pre-arranged and trigger-based financing, enhancing preparedness, ecosystem protection, and enabling indigenous methods
3. Structure projects with the aim to reduce capital costs and improve access to affordable climate finance
4. Support private investment in projects, especially in micro, small and medium sized enterprises (MSMEs).
5. Co-development and implementation of innovative financing solutions including carbon markets, debt-for-climate swaps, the Resilience and Sustainability Trust, and leveraging capital markets for local currency financing.

How Are CPPs Developed?

Finance ministries and government agencies are supported by the CVF-V20 Secretariat to support the development of the CPPs, building on development plans, Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), Long-Term Strategies (LTS) and other sector plans. CPPs have three key sections: (1) Development of a Green Economic and Climate Prosperity Macroeconomic model, which is a system dynamic model with scenarios and socio-economic outcomes with “what ifs” to support with decision making; (2) Positioning in green industrial policy and costed projects and programs; (3) Detailed composition of financing and investment strategy.





Stakeholder consultations are held to engage government leaders, MSMEs, private sector, communities, and civil society in identifying key priorities and projects for green growth. The Secretariat will then provide transaction advisory support to structure investment-ready projects support in three ways:

1. Supporting Investor-Ready Projects: Project preparation, structuring finance, and bringing projects to financial close with the right capital and carbon credit revenues through strategic investor networks and roadshows. The aim is to unlock different types of capital with lower transaction costs and more responsive outcomes, including ensuring policy coherence, and leveraging carbon credit access.
2. Delivering New Partnerships on Climate Finance: The G7-V20 Global Shield is scaling up financial and social protection, while the V20 Loss & Damage Fund delivers small grants where they matter most—directly to communities.
3. Enhancing South-South Cooperation: Across CVF-V20 membership for cross-country investment & China’s Green Investment and Finance Partnership (GIFP) with equity and guarantees to fast-track renewable energy, grid modernization, and technology for green industrialization.

Why Are CPPs Important?

Despite facing some of the worst climate impacts, CVF-V20 nations struggle with lack of fiscal space stemming from high borrowing costs and limited access to concessional finance. Current international financial structures fail to account for the disproportionate climate vulnerabilities these countries face, making it harder to secure funding. CPPs change this by clearly outlining investment opportunities for green growth, making it easier for climate-vulnerable countries to attract private and international funding. Instead of relying on aid or emergency relief, CPPs position these nations as leaders in climate resilience and green growth.

The CPP Pipeline

Several nations have already launched their Climate Prosperity Plans, including: Sri Lanka, Bangladesh, Barbados, and Ghana.

CPPs are in development: Pakistan, Madagascar, Bhutan, the Philippines, Haiti, The Gambia, and Gabon.

“More than just a fully costed roadmap for low-carbon and climate-resilient development, a CPP is a long-term national investment and technology access strategy that focuses on the convergence of development, climate and nature.”

CPPs at the Sub-National Level: Exploring Sustainable and Climate-Smart Initiatives for Noonu Atoll, Maldives

The president of Noonu Atoll local council and his team recently visited the CVF-V20 Pacific and Indian Ocean Regional Office in Sri Lanka to finalize the draft of Noonu Atoll's Climate Prosperity Plan (CPP), the first-ever sub-national CPP.

During the visit, the delegation identified and began developing key projects that will be included in the Noonu Atoll CPP. As part of their research, the team explored the reduction of fossil fuel imports by shifting to renewable energy and innovative, eco-friendly industries, including a paper factory that repurposes paper offcuts. The visit provided inspiration for circular economy solutions, encouraging the use of agricultural waste and natural resources to develop sustainable products. The delegation also visited a coconut oil production facility, learning about sustainable coconut processing methods.

Contact Us:

e-mail:
media@cvfv20.org

x:
[@thecvf](https://twitter.com/thecvf)
[@V20Group](https://twitter.com/V20Group)

Instagram:
[@thecvf](https://www.instagram.com/thecvf)

website:
www.cvvf20.org



Left to Right: Sandith Samarasinghe (CVF-V20), Mohamed Basheeru (Atoll Council Mayor), Hashan Jayakody (CVF-V20), Abdul Hameedh (Admin of Atoll Council) Mohamed Adnan (Maafaru Mayor & Member of Atoll Council)



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

30th April - 1st May 2025

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

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

