CVF V20 | CLIMATE VULNERABLE FORUM | VULNERABLE TWENTY GROUP

CVF FRONTLINE

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Pathways to Progress

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Photo Credit: OPEC Fund for International Development

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This edition of the CVF Frontline is devoted to the Vulnerability to Viability (V2V) Compact, potentially the most consequential financing partnership the CVF-V20 has forged to date.

Endorsed by V20 Finance Ministers in Washington, D.C. in April and formally launched in Vienna on 23 June, as part of the OPEC Fund for International Development's Golden Jubilee, the V2V Compact brings together 78* climate-vulnerable economies and 16 development finance institutions around a shared premise: CVF-V20 countries face higher costs, mispriced risk, fragmented funding, and limited fiscal space. In the pages that follow, we examine how the Compact emerged, why it became necessary, who shaped it, and what it now asks of governments and development partners alike.

** 74 current CVF-V20 members plus four incoming members: the Central African Republic, the Republic of Zambia, the Democratic Republic of São Tomé and Príncipe, and the Republic of the Congo*

Photo Credit: OPEC Fund for International Development

WHAT IS THE V2V COMPACT?

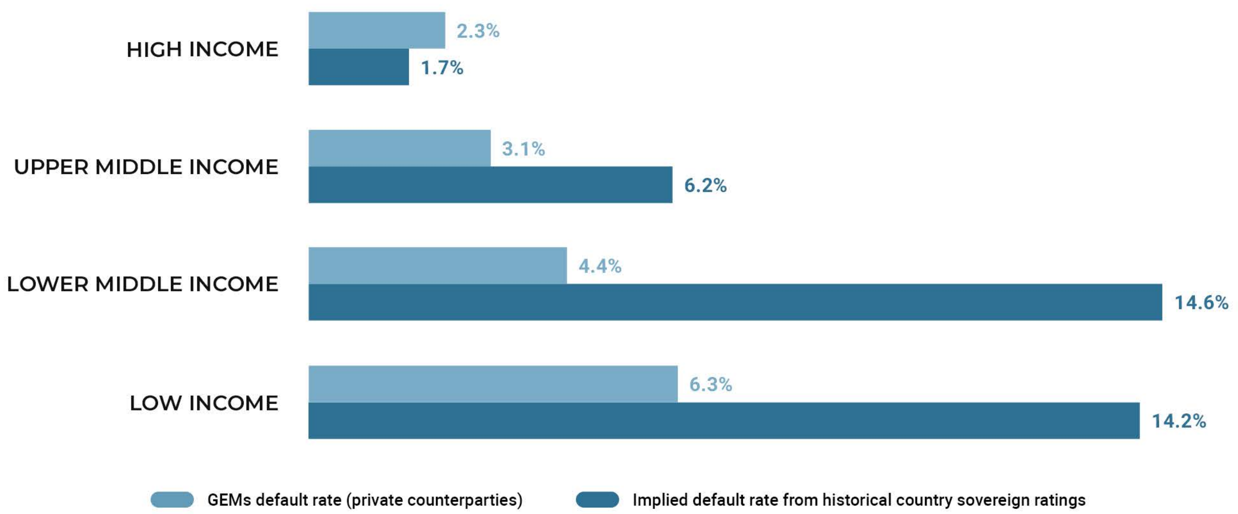
The Vulnerability to Viability (V2V) Compact is a landmark partnership between CVF-V20 member countries and DFIs, led by the OPEC Fund for International Development and Barbados in its capacity as Chair of the CVF-V20. Its purpose is direct: to change how finance is structured, priced, and delivered to climate-vulnerable economies, so that the terms of borrowing finally match the realities these countries face.

The need for this shift is urgent. CVF-V20 countries face higher borrowing costs, mispriced risk, fragmented funding, and constrained fiscal space, not because of higher actual default rates, but because the international financial system has never been recalibrated to reflect the real risk these countries carry. The result is a compounding financing gap that constrains investment precisely where resilience and growth converge: **water, health, and education**, and value addition.

How much finance flows is vital, but the terms on which it flows are equally fundamental. Debt for water systems, schools, and hospitals is too often structured with maturities too short for the assets being built, and at a cost too high for the communities that depend on them. CVF-V20 countries are typically forced to finance them with ten- to twenty-year debt. The result is elevated debt service costs, and too frequently, investments that are never undertaken at all. The Compact will address the volume and grant element of concessional resources; the tenor and grace periods that align with the long-term nature of social and resilience infrastructure; the transparency of terms; the alignment of co-financing across DFIs; and project preparation support. It will also examine concessionality benchmarks calibrated to country debt-carrying capacity, and the innovative mechanisms needed to close this gap in the international financial architecture.

GLOBAL EMERGING MARKETS (GEMS) RISK DATABASE AVERAGE DEFAULT RATE AND COUNTRY RATINGS

By Country and Income Group



Beyond the terms of finance, how that finance is delivered matters just as much. Country ownership includes strengthening the roles of national development banks, local commercial intermediaries, delivery units, direct-access modalities, pooled project preparation, and institutional strengthening. The objective is to reduce fragmentation, thereby increasing financial delivery efficiency, and to retain value creation and institutional knowledge within CVF-V20 economies rather than continuing to route them through external intermediaries.

The Compact organizes its work around four pillars, which are intended to replace fragmented and overpriced financing with coordinated investment aligned with country priorities in the Compact's target areas of water, education, and health.

FOUR PILLARS OF STRUCTURAL CHANGE

Pillar 1
SCALING CONCESSIONALITY

Strengthening the affordability, accessibility, predictability, and suitability of finance for V20 priorities.

Pillar 2
MOBILIZING PRIVATE CAPITAL

Developing robust project pipelines using risk-sharing instruments, blended finance approaches, and other catalytic mechanisms to bring private and philanthropic funding.

Pillar 3
STRENGTHENING COUNTRY OWNERSHIP

Aligning finance and delivery with country-led priorities and national strategies, through Country Partnership Frameworks and Climate Prosperity Plans.

Pillar 4
ADVANCING SHOCK-RESPONSIVE INSTRUMENTS

Strengthening early-warning systems, use of debt suspension clauses in debt instruments, contingency planning, debt swaps, and operational safeguards to maintain the continuity of essential services before, during, and after fiscal shocks.

HOW DID THE COMPACT COME TO LIFE?

At the Vienna launch, Prime Minister Mia Amor Mottley of Barbados, Chair of the CVF-V20, told the room the story behind the Compact in her own words.

The story starts in October 2025, when the Inter-American Development Bank invited the Prime Minister to meet with members of the Arab Coordination Group, including the OPEC Fund for International Development, and a number of Gulf sovereign wealth funds. As Chair of the CVF-V20, Prime Minister Mottley put a direct question to the room: "Are we prepared to make a serious course correction in international development finance?"

Her argument was grounded not in sentiment but in history. The Bretton Woods institutions and the multilateral development banks that followed were established more than eighty years ago in a world that understood development required patience. Countries now regarded as advanced economies were themselves afforded financing terms that recognized long investment horizons and periods of recovery. Britain continued to repay bonds issued to finance the First World War well into the twenty-first century, while post-war Germany was allowed to cap its debt service at a fixed share of its export earnings to safeguard its economic recovery.

Climate-vulnerable countries inherited no comparable development framework. Many entered independence burdened by structural vulnerabilities that today's financial system still fails to recognize. Yet they are expected to finance the transition to climate resilience through loans that often mature within ten to fifteen years, forcing governments into impossible choices between servicing debt and investing in priorities such as climate change adaptation, public services, and infrastructure.

The proposal was straightforward: development finance should once again reflect the long-term nature of development itself. In those discussions with the OPEC Fund, Prime Minister Mottley proposed beginning with the areas where the moral and economic case is strongest: water, education, and health. Water is fundamental to life and livelihoods. Education expands opportunity and builds the human capital needed for long-term growth. Health underpins productivity, resilience, and economic security. Investing in these three sectors is not simply a development imperative but the foundation of resilience and prosperity.

From that conversation emerged the V2V Compact—a partnership built on a simple premise: if climate-vulnerable countries are expected to build resilience and shared prosperity, the international financial system must provide financing on terms that make that transition possible


Photo Credit: OPEC Fund for International Development

IN NUMBERS: THE V2V PRIORITY SECTORS

WATER

Drought, salinisation, and sargassum degrade water systems, undermining development. Water systems are chronically underfunded. Barbados debt swap model demonstrates public-private mobilisation for water infrastructure.

EDUCATION

Education budgets are at risk under fiscal stress. Financing terms rarely match the long horizon of human capital returns. Education is the bedrock of development. A 2026 report quantifying climate-related loss and damage in education across Eastern and Southern Africa found that every dollar invested in climate-resilient school infrastructure yields 2 to 13 dollars in avoided future loss and damage.[1]

HEALTH

Health systems in V20 countries are buckling under persistent shocks, such as pandemics, heatwaves, disasters, on budgets already squeezed by debt service.

US$131 - 141bn
annual spending shortfall to achieve universal access to safe water and sanitation under the SDGs[2]

16%
share of developing countries' reported adaptation actions addressing water and sanitation[3]

242m
students had schooling disrupted by weather-related events in 2024; 74% in low and lower-middle-income countries[4]

1.5%
share of global climate finance going to education[5]

250,000
additional deaths projected per year by 2030 from weather-related events and resultant changes[6]

0.5%
share of multilateral climate finance going toward protecting or improving human health[7]

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1 Protecting Children's Learning Futures: Quantifying Climate-Related Loss and Damage in Eastern and Southern Africa (United Nations Children's Fund, 2026)
2 Funding a Water-Secure Future : An Assessment of Global Public Spending (World Bank, 2024)
3 Adaptation Gap Report 2025 (United Nations Environment Programme, 2025)
4 Learning interrupted Global snapshot of climate-related school disruptions in 2024 (United Nations Children Fund, 2025)
5 Choosing Our Future: Education for Climate Action (World Bank, 2024)
6 Climate change and health (World Health Organization, 2025)
7 Bridging the climate-health gap (Green Climate Fund, 2024)

THE PEOPLE BEHIND THE COMPACT

The V2V Compact is the product of sustained work by leaders and technical experts across the CVF-V20 and the OPEC Fund. Below, we put the spotlight on the people who helped bring it to life.

H.E. Mia Amor Mottley
Prime Minister of Barbados
Chair of the CVF-V20

Prime Minister Mottley is one of the world's most prominent voices on reforming international finance. She launched the Bridgetown Initiative in 2022 and its expanded 2.0 iteration in 2023, co-convened the Summit for a New Global Financing Pact in Paris.

Dr. Abdulhamid Alkhalifa
President
OPEC Fund for International Development

Dr. Alkhalifa has led the OPEC Fund for International Development since November 2018, first as Director-General and, since 2024, as President, having been unanimously re-elected to a second term in 2023. Under his leadership, the OPEC Fund has more than doubled its climate financing ambitions.

H.E. The Most Honourable H. Elizabeth Thompson F.B.
Ambassador for Climate Change, SIDS and Law of the Sea, Barbados
& Sherpa to Prime Minister Mia Amor Mottley on CVF-V20 matters

A Barbadian lawyer, politician, and diplomat, Ambassador Thompson served as an elected Member of Parliament and Minister of Government from 1994 to 2008. She joined the United Nations in 2010 as Assistant Secretary-General and was the UN's Executive Coordinator for Rio+20. She has also served as Barbados' Ambassador to the UN.

Shaimaa Al-Sheiby
Vice President for Public Sector Operations
OPEC Fund for International Development

Ms. Al-Sheiby joined the OPEC Fund for International Development in 2004 as an Operations Officer in Public Sector Operations. She has risen through the institution over two decades to lead that department today. She has represented the OPEC Fund at the Arab Coordination Group's Heads of Operations meetings.

Photo Credit: CVF-V20

Sara Ahmed
Managing Director and Finance Advisor
CVF-V20 Secretariat

Ms. Ahmed is the first Filipino and Bangladeshi recipient of the prestigious Climate Breakthrough Project Award in 2021, through which she supported the Climate Prosperity agenda of the CVF-V20 countries, mapping investment pathways for green industrialization that link resilience-building to job creation, competitive industries, and energy security.

Dr. Arnold McIntyre
Principal Technical Advisor
Barbados

Dr. McIntyre serves as Barbados' Sherpa to the International Tax Task Force, a role in which he has helped design new avenues of climate-related taxation intended to complement traditional development finance. His technical work underpins much of the analytical case behind the Bridgetown Initiative.

Hana Alhashimi
Senior Country Manager
OPEC Fund for International Development

Ms. Alhashimi served as the UAE's Chief Climate Negotiator for COP27 and COP28 and led the Office of the UAE Special Envoy for Climate Change, HE Dr. Sultan Al Jaber. She previously led the International Organizations Section of the UAE Prime Minister's Office. She now serves as Senior Country Manager at the OPEC Fund for International Development, covering partner countries across the Middle East, North Africa, Eastern Europe, and Central Asia.

Crystal Drakes
Advisor
Barbados

Dr. Crystal Drakes is an economist, sustainability strategist, and trained foresight practitioner advocating for holistic public policy toward a more equitable future. She co-founded BlueGreen Initiative Inc., a research-driven nonprofit that executes sustainability projects across the Caribbean.

THE GROWING VALUE PROPOSITION FOR CVF-V20 MEMBERS

The V2V Compact lands at a moment in the evolution of the CVF-V20, when the value proposition of its membership is expanding more rapidly than at any point in the institution's history.

What began in November 2009, when 11 founding countries met in Malé to sign the founding declaration, has grown into a 74-country coalition. Four additional countries (São Tomé and Príncipe, Panama, the Democratic Republic of the Congo, and the Central African Republic) have recently signaled their intent to join, bringing the coalition closer to representing two billion people.

Alongside this expanding membership, the portfolio of services, instruments, and platforms available to members has grown in both scale and sophistication. Climate Prosperity Plans (CPPs) now span 24 countries across three stages: seven completed and being implemented (Bangladesh, Barbados, Bhutan, Ghana, Pakistan, Sri Lanka, and The Gambia), five moving toward launch (Madagascar, the Philippines, Haiti, Benin, and Maldives' Noonu Atoll), and thirteen more in strategy development.

The Lifeline Fund, envisioned as the world's first multi-regional liquidity facility built specifically for climate shocks, was politically launched at the 16th V20 Ministerial Dialogue last April, with Barbados, Ghana, Honduras, Liberia, Nicaragua, and The Gambia signaling their intent to join as founding members. The Global Shield against Climate Risks is now active in 13 CVF-V20 countries, eight of which have already submitted formal Requests for Support. The Carbon Finance Program has drawn 13 countries to its Pilot Access Strategy window, which helps governments determine why, how, and when to engage with voluntary carbon markets based on their own national circumstances, sectoral priorities, and existing policy frameworks.

Photo Credit: OPEC Fund for International Development

Photo Credit: OPEC Fund for International Development

This momentum is increasingly translating into tangible outcomes for both institutions and citizens. The V20 Sustainable Insurance Facility, which develops climate finance solutions for MSMEs without relying on public guarantees, has achieved strong traction with financial institutions across V20 markets: more than 100 have expressed specific interest, 8 are now contracting to start the process, 6 have ongoing modeling projects underway, and 3 are starting product development. The V20 Loss and Damage Funding Program has already delivered direct support to more than 40,000 individuals through its pilot phase in Kenya, Bangladesh, and Malawi, and has since expanded to the Pacific, where the new Pacific Loss and Damage Program is channeling USD 2 million to Fiji, Tonga, and the Marshall Islands. Across the three fellowship tracks, more than 50 Fellows and 32 alumni from over 20 countries are now building the next generation of CVF-V20 negotiators, finance officials, and diplomats.

The CVF-V20's reach is also widening beyond its formal membership. The recent Caribbean workshop in Bridgetown extended engagement to 13 countries in the wider region, while a revitalized Global Parliamentary Group has been bridging lawmakers across borders for peer learning and knowledge exchange, most recently sending a Gambian delegation to benchmark Kenya's climate governance model.

The V2V Compact adds a further, structural layer to this growth: a standing, expandable coalition of development finance institutions organized specifically around CVF-V20 priorities. In doing so, it transforms what has often been a series of bilateral, one-off partnerships into a structured mechanism that can mobilize coordinated finance, expertise, and implementation support at scale, further strengthening the value of CVF-V20 membership for both current and future members.

INSIDE THE V2V ROUNDTABLE

After the launch of the V2V Compact at the opening plenary of the OPEC Fund Development Forum, Prime Minister Mottley and Dr. Alkhalifa convened CVF-V20 leaders and partner development finance institutions for a roundtable discussion to chart the path toward implementing the Compact.

"We have managed in Vienna to bring willing partners, lenders—who understand that development needs a proper adrenaline, especially in the world in which we live today—and countries who recognize that their first responsibility is not to the government, but to ordinary people who put them there and who are dependent on them to make a difference in access to water, in the kind of education the children can receive, in the kind of healthcare that we provide for them."

H.E. Mia Amor Mottley
Prime Minister of Barbados
Chair, CVF-V20 Presidency

"We now have to deliver. This Compact is intended to make a difference. It is a landmark initiative of South-South cooperation that says we have the capacity to define and deliver on our future and chart a path from the present, create a bridge over which the next generation must cross."

H.E. Elizabeth Thompson
Ambassador Extraordinary & Plenipotentiary for Climate Change,
Small Island Developing States (SIDS) & Law of the Sea, Barbados
Sherpa to Prime Minister Mia Amor Mottley

"Ghana fully endorses the Compact and its four action pillars. We welcome efforts to align concessional finance with countries' debt-carrying capacities, mobilize private capital through risk sharing instruments, strengthen country-led platforms, and expand shock-responsive financing mechanisms."

H.E. Issifu Seidu
Minister of Climate Change and Sustainability
Republic of Ghana (Troika)

Photo Credit: OPEC Fund for International Development

"We seek the Compact's minimum 25% concessional flow with longer tenors and grace periods aligned to the life of social and resilience infrastructure and concessionary backgrounds based on debt-carrying capacity and vulnerability, not income classification alone."

H.E. Lyonpo Lekey Dorji
Minister of Finance
Kingdom of Bhutan

"Private sector financing remains important. Scaling up derisking tools remains very critical to be able to help countries deliver. And again, country ownership, on top of that, is critical to meet the priorities with the different partners."

H.E. Zeina Toukan
Minister of Planning and International Cooperation
Hashemite Kingdom of Jordan

"The greatest injustice is not that vulnerable countries face shocks, it is that they are often asked to recover from them with financial instruments designed for a different world. The vulnerability to viability concept offers us an opportunity to convert the imbalance and build a financial architecture that invests not merely in recovery but in resilience, in dignity, and prosperity."

H.E. Ismaël Nabe
Minister of Planning, International Cooperation, and Development
Republic of Guinea

"We have plans, priorities, and investment opportunities. What we need now is a financial architecture to match that ambition. The success of the Compact not only measures what we will announce in Vienna, but by whether we can mobilize investments, change resilience, and improve the lives of our citizens."

H.E. Neal H. Rijkenberg
Minister of Finance
Kingdom of Eswatini

Photo Credit: OPEC Fund for International Development

“We must broaden the range of shock-responsive instruments available to vulnerable countries. We must ensure timely and accessible resources when disaster strikes, and we must increase concessionality, so that investment in regions can be affordable and consistent with long-term debt sustainability.”

H.E Denis Cornwall
Minister of Finance
Grenada

“It is not the lack of programs [that is the problem], it is the lack of appropriate financing and also support to make those projects bankable. We look forward to supporting this initiative. We want to work with our colleagues in this initiative, and to move the agenda forward.”

H.E Dr. Kandeh Yumkella
Chairman of the Presidential Initiative on Climate Change,
Renewable Energy, and Food Security, Executive Office of the President
Republic of Sierra Leone

“I will stand ready and willing to work with all the members of the V2V Compact in working together to make sure that we build each other, we lift each other up, and we continue to develop ourselves.”

H.E. Davendranath Tancoo
Minister of Finance
Republic of Trinidad and Tobago

“Climate shocks are becoming a recurring feature of climate management. We, therefore, support climate-resilient debt clauses, rapid liquidity facilities, and other shock-responsive instruments that help countries protect fiscal space while maintaining investment in business and services.”

H.E. Seedy K.M. Keita
Minister of Finance and Economic Affairs
Republic of The Gambia

Photo Credit: OPEC Fund for International Development

"The Compact potential structures are built for small states. We ask complex blended finance platforms to aggregate high-scale investment, carry foreign exchange risk, and crowd-in private capital in water, education, and health."

H.E. Hassan Miras
Minister of State for Finance and Public Enterprises
Republic of Maldives

"The current development pathways are not delivering at the required pace of scale, with only 18% of SDGs on track. Countries need portfolio-level solutions that connect resilience, physical infrastructure, jobs, nature, and well-being."

H.E. Wayne Girard
Minister of State in the Ministry of Finance,
Economic Development and Youth Economy
Saint Lucia

"Pakistan welcomes the Vulnerability to Viability Compact. [It does] not only speak directly to the financing realities of climate-vulnerable countries [but] it also recognizes that vulnerability is not only a climate condition; it is also a financing condition."

Ms. Sabina Qureshi
Additional Secretary at the Ministry of Economic Affairs
Islamic Republic of Pakistan

"For the Kyrgyz Republic, the Compact must deliver better plans for long-term public goods, resilient water systems, hydropower modernization, climate-resilient schools and hospitals, rural infrastructure, and system protection for mountain communities."

H.E Ms. Nurzhan Shaildabekova
Ambassador of Kyrgyz Republic to the Republic of Austria

Photo Credit: OPEC Fund for International Development

"Infrastructure, water sustainable facilities, energy systems, and education systems generate benefits over many decades that should therefore be financed in terms that match the economic and social value. Affordability, predictability, and accessibility of finance will be critical."

H.E. Naimi S. Aziz
Ambassador and Permanent Representative to the United Nations in Vienna
United Republic of Tanzania

"The V2V Compact, therefore, established a direct connection between country ownership and DFIs, helping to deliver impact at scale. Country ownership gives the V20 countries a clear basis to develop national plans that can grow on a full DFI toolbox: from concessional finance and risk sharing facilities to private capital mobilization."

H.E. Dr. Abdulhamid Alkhalifa
President
OPEC Fund for International Development

"The African Development Bank joins this partnership without any reservation. This Compact is what coordination should look like–moving us from fragmentation to coherence, from isolated transactions to systemic implementation."

Dr. Sidi Ould Tah
President
African Development Bank

"Public resources alone are not sufficient, but small markets and perceived risk deter investment. The focus, therefore, is de-risking using instruments such as guarantees, swaps, and contingent recoverable grants to crowd-in private capital, while aligning repayment with results."

Mr. Daniel M. Best
President
Caribbean Development Bank

Photo Credit: OPEC Fund for International Development

"We believe that transforming vulnerability into viability requires a fundamental shift in both the volume and the terms of development plans. We are fully aligned with the Compact's four pillars and offer operational models that demonstrate how it can work."

Mr. Syed Husain Quadri
Director, Partnerships, Global Advocacy, and Resource Mobilization
Islamic Development Bank

"We have seen what becomes possible when finance reaches communities on the right terms: resilient food systems, sustainable livelihoods, and opportunities across generations. This is the experience IFAD brings, and we stand ready to contribute our expertise, our reach, and our partnerships with this coalition."

Ms. Dina Saleh
Chief of Staff
International Fund for Agricultural Development

"Now that we've joined the V2V Compact, [it] is really to work over the next few months to bring some of those solutions from Asia Pacific and really help develop the White Paper to have good mechanisms in there, which will be too powerful and helpful to achieving the goals of the V2V."

Mr. Anouj Mehta
Director
Asian Development Bank

"What's promising also in this initiative is because of our spirit in the ACG, this is our day-to-day job. If we tweak our financial instruments to make our goals set together to have V20 countries, we will cross out milestones. Together, with our persistence and consistency, we'll create goals together, and we will submit better projects."

Mr. Ghazi AlMutawa
Superintendent for International Organizations
Kuwait Fund for Arab Economic Development

Photo Credit: OPEC Fund for International Development

"We need to increase and accelerate financing now, but also build regional coordination tools that include anticipatory action systems for early response to climate shocks and regional mechanisms to address the growing incremental loss and damage that most in the country can't absorb alone."

H.E. Alicia Montano Santa Roya
Vice President
Development Bank of Latin America and Caribbean

"Countries need breathing space when shocks occur, and that's why we have expanded climate resilience, [and] debt clauses in our countries, creating fiscal space precisely when countries need it the most. By 2026, the IDB would provide US$4.2 billion in disaster risk coverage throughout these instruments."

Victoria Florez
Interim Chief, Resource Mobilization Division
Inter-American Development Bank

"The World Bank fully supports the ambition of the [V2V] Compact. We're committed to delivering results through more affordable finance, private capital mobilization, stronger preparedness, and faster response when shocks occur."

Ms. Anna Bjerde
Managing Director of Operations
World Bank Group

Photo Credit: OPEC Fund for International Development

COMPACT PARTNERS

CVF V20 — Climate Vulnerable Forum / Vulnerable Twenty Group

OPEC FUND for International Development

ADFD — Abu Dhabi Fund for Development

BADEA — Arab Bank for Economic Development in Africa

Arab Fund

AGFUND — Arab Gulf Programme for Development

Kuwait Fund For Arab Economic Development

Qatar Fund for Development

SFD — Saudi Fund for Development

African Development Bank — Banque Africaine de Développement

ADB — Asian Development Bank

Caribbean Development Bank

CAF — Development Bank of Latin America and the Caribbean

IDB

IFAD — Investing in rural people

IsDB — Islamic Development Bank

World Bank Group

OBSERVERS

São Tomé and Príncipe

Central African Republic

Republic of the Congo

AIIB — Asian Infrastructure Investment Bank

Arab Monetary Fund

Africa Trade House,
Ambassadorial Enclave,
Liberia Road,
Accra, Ghana

www.cvfv20.org
secretariat@cvfv20.org
climatevulnerableforum&v20

ClimateVulnerableForum
@TheCVF and @V20Group
thecvf