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# Vulnerable economies call rich nations to avert global climate-COVID economic threat

- 48 most vulnerable economies demand “2020-2024 delivery plan” for the missing \$100 billion annual Paris Agreement climate assistance
- The V20 group launch ambitious “Climate Prosperity” Program to drive resilient, green investments

**Dhaka, 8 July 2021**—Led by Bangladesh as chair of the V20, the world’s most climate vulnerable economies met virtually as heads of state and government, ministers of finance and economy, together with leaders of the United Nations, partner economies and the global financial system to address the compound, destabilizing effect of climate disasters and the COVID-19 pandemic on low- and middle-income economies. The ‘Vulnerable Twenty’ (V20) Group of Finance Ministers released a Communique that called for leadership by industrialized nations and cooperation to urgently transform and align the global economic system with the goals of the Paris Climate treaty for a more robust, greener, and equitable recovery.

The first ‘V20 Climate Vulnerable’s Finance Summit’ was opened by HE Sheikh Hasina, the honorable Prime Minister of Bangladesh, who also declared **“Mujib Climate Prosperity Plan – Decade 2030”** in honor of the birth centenary of the Father of the nation on that occasion. In her speech HE Sheikh Hasina said:

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“48 countries under CVF-V20 account for only five percent of the total global emission. But they are the worst victims of the man-made crisis. In addition, the ongoing COVID-19 pandemic has added new miseries claiming lives and affecting livelihoods of millions. At this critical juncture of human history, we must forge unity and extend cooperation to face the ongoing and future crises”.

The V20 Communiqué urged individual developed countries that have failed their contributions towards ensuring the collective \$100 billion per year in climate finance support to take urgent steps to fulfill their part of the agreed funding well prior to COP26, for the sake of international climate action and cooperation. Developed countries were specifically called upon to indicate how and when they will catch up with a concrete **‘Delivery Plan’** outlining the way in which the entirety of the agreed financing will be met during and over the years 2020-2024. The V20 also urged developed countries to align their contributions under UN agreements by allocating public international climate finance to ensure at least 50% of resources for urgent adaptation needs as the climate crisis continued to disproportionately plague economies most exposed to its risks amid the COVID pandemic’s shocks. The Communiqué indicated that annual levels of loss and damage caused by climate consequences in the V20 were already more costly than any amount of climate finance received or promised by the richest, most responsible nations.

The V20 also highlighted several joint initiatives with the G20, Asian Development Bank, World Bank, and UN agencies it is spearheading to respond to actual climate financing needs of economies systemically vulnerable to climate change, including:

- A new program of national ‘Climate Prosperity Plans’ to diffuse climate threats on economic progress and seize transition opportunities by prioritizing climate-resilient and low carbon development investments while maximizing socio-economic benefits for 1.2 billion people living in countries most vulnerable to climate change.
- A ‘Climate Prosperity Recovery Agenda’ towards fit-for-purpose initiative of the international financial institutions and multilateral Development Banks for climate frontline economies, which pointedly called upon the IMF to practice more systematic surveillance of climate risks of all kinds so as to hold accountable those that finance pollution rather than focus on further penalizing economies facing disproportionate climate risks, and to ensure better access to crisis assistance.
- The Accelerated Financing Mechanism (AFM) to bring down the cost of capital by unlocking at least USD 30 billion of private sector investments through optimized financial de-risking for resilient infrastructure and renewable energy, working through MDBs and national banks.
- The Sustainable Insurance Facility to provide climate-smart insurance for micro, small and medium-sized enterprises (MSMEs) and part of the InsuResilience Global Partnership to provide financial protection for 500 million people in vulnerable developing countries by 2025.

The V20 encouraged economic partners and multilateral financial institutions to cooperate for the success of these programs while also launching its ‘Vision 2025.’ This V20 Vision sent a clear signal on vulnerable economies’ intentions to leverage trillions in new green investments, overcome capital cost challenges, close the financial protection gap, boost job growth in a just transition for workers, and, to rapidly deploy renewable energy to power economic activities.

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In the 'Planetary Recovery and Prosperity' session of the V20 event, the honorable Minister of Environment, Forest and Climate Change of Bangladesh, HE Md. Shahab Uddin, presented the first V20 'Mujib' Climate Prosperity Plan – Decade 2030, which aims to secure its economic future threatened by climate risks while supporting robust delivery of the Sustainable Development Goals. A blueprint for future Climate Prosperity Plans to be implemented among V20 countries, the V20 jointly highlighted how implementation of prosperity plans would create important opportunities for green economic and resilient cooperation and investment partnerships.

Commenting on the Climate Prosperity Plan announcement at the V20 Summit, Prime Minister HE Sheikh Hasina said:

"We would like to call upon the developed countries to reduce their carbon emissions drastically. We also count on the delivery of the agreed \$100 billion per annum as climate finance. We also request a COP26-CVF joint program along with the Dhaka-Glasgow Declaration" while she further requested that every vulnerable country may actively consider adopting a 'Climate Prosperity Plan' like Bangladesh's '**Mujib Climate Prosperity Plan.**'

In her 'Five-point proposal', HE Sheikh Hasina, moreover, requested every country to work to keep the global temperature-rise below 1.5°C, and requested the rich nations to help CVF-V20 countries to ensure the flow of funds to facilitate green recovery and closing the financial gap.

Commenting on the agenda of the V20 Vision and work plan the Hon'ble Foreign Minister of Bangladesh, HE Dr. A.K. Abdul Momen, MP, said:

"Fact of the matter is, although we are making a lot of noise, the climate financing remains severely under resourced. Recognizing these challenges, the V20 was established in 2015, bringing together the Finance Ministers of the CVF countries. The Finance Ministers can play a key role in economic and financial aspects of tackling climate change" adding that the "V20 has developed a range of important tools, workstreams and engagements."

Presiding the V20 Ministerial Dialogue that put forward the Communiqué, Bangladesh Finance Minister and V20 Chair HE A.H.M. Mustafa Kamal stated:

"As members of V20 countries, it is our responsibility to work out a sustainable solution to combat the adverse impact of the climate change. In this regard, I request the representatives of the International Financial Institutions, Multilateral Development Banks, and Development Partners to stand beside our initiatives firmly, with the required technology and resources. Lives and livelihood of 1.2 billion people of V20 countries could be saved through this initiative".

The V20 Summit was opened by the Heads of State/Government of Bangladesh, Ethiopia, Colombia, Costa Rica and the Marshall Islands, together with some 30 finance and economy Ministers and senior representatives of the V20 and G20, the UN Secretary-General Antonio Guterres, U.S. Special Presidential Envoy for Climate John Kerry, 8<sup>th</sup> Secretary-General of the United Nations and Chair of the Board of the Global Center on Adaptation Ban Ki-moon, World Bank President, the heads of the Asian Development Bank, Asian Infrastructure Development Bank, European Investment Bank, Global Environment Facility, Green Climate Fund, as well as high level representatives of the International Monetary Fund and a range of UN and international partners of the V20.

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It was also indicated by Bangladesh during the V20 Summit that the CVF-V20 member states are working through a series of regional and global member dialogues to prepare with a view to ultimately launch at UNFCCC COP26 the '**Dhaka-Glasgow Declaration**' to further put forward the perspectives of the climate threatened nations for a successful outcome to the October-November 2021 Glasgow conference.

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### ABOUT

*Formed in 2015 with originally 20 members, the V20 Group of Finance Ministers of the member states of the Climate Vulnerable Forum (CVF) is a dedicated cooperation initiative of economies systematically vulnerable to climate change. It is currently chaired by the People's Republic of Bangladesh. The V20 membership stands at 48 economies including Afghanistan, Bangladesh, Barbados, Bhutan, Burkina Faso, Cambodia, Colombia, Comoros, Costa Rica, Democratic Republic of the Congo, Dominican Republic, Ethiopia, Fiji, The Gambia, Ghana, Grenada, Guatemala, Haiti, Honduras, Kenya, Kiribati, Lebanon, Madagascar, Malawi, Maldives, Marshall Islands, Mongolia, Morocco, Nepal, Niger, Palau, Palestine, Papua New Guinea, Philippines, Rwanda, Saint Lucia, Samoa, Senegal, South Sudan, Sri Lanka, Sudan, Tanzania, Timor-Leste, Tunisia, Tuvalu, Vanuatu, Viet Nam and Yemen.*

FOR INQUIRIES CONTACT:

S M Mahbub Alam, [alam.smmahbub@gmail.com](mailto:alam.smmahbub@gmail.com), +880 1712149798

Nabiha Shahab, [media@v-20.org](mailto:media@v-20.org) +62 813 1421 3432  
[www.V-20.org](http://www.V-20.org)