

## 2021 CVF ASIA REGIONAL COMMUNIQUÉ

Climate Vulnerable Forum Regional Dialogue for Asia

29 September 2021

Version: Adopted

We, Ministers and Senior Representatives, members, and observer nations, of the Climate Vulnerable Forum (CVF) from Asia, representing a significant number, and a representative group, of those countries most vulnerable to the adverse impacts of climate change in our region, have adopted 16 recommendations for improving the response to the climate crisis at our Regional Dialogue of the CVF for Asia held on 27-29 September 2021.

The fourth in a series of regional to global cooperation activities of the CVF being held in 2021 in the lead up to the October-November 2021 United Nations Climate Change Conference (UNFCCC COP26) in Glasgow, the CVF Asia Regional Dialogue was co-hosted by Bangladesh, in its role as CVF Chair, and the Philippines, and organized in cooperation with the Global Center on Adaptation.

The 11 participating governments from Asia included: Bangladesh, Bhutan, Cambodia, Laos, Maldives, Mongolia, Nepal, The Philippines, Tajikistan, Timor-Leste and Sri Lanka.

The 16 recommendations aimed at stimulating national, regional and global advances stemmed from the Regional Dialogue's review of shared challenges, gaps and success stories in Asia and experiences in dealing with a mounting climate crisis, as follows:

### COP26 PRIORITIES

We need to see action on the climate emergency at COP26 with a clear pact for ambition and finance delivery in global solidarity. We acknowledge the formation of the CVF Climate Survival Leadership Group for COP26 and express our full support for the success of this initiative and the championing of the CVF Manifesto for COP26 and its call for a "Climate Emergency Pact."

We, moreover, look forward to the full substantiation and operationalization of the Paris Agreement Global Goal on Adaptation as a top priority for our most vulnerable nations, struggling on the frontline of fast worsening worldwide climate crisis.

We supported the CVF priorities for COP26, in the following areas:

- 1. Delivery Plan of the annual \$100 Billion:** Following the 1st Climate Vulnerable Finance Summit, we call for developed countries to come forward with a clear Delivery Plan for the promised \$500 billion of balanced climate finance for adaptation and mitigation for the 5-year period 2020 to 2024. Provision of the annual commitment of developed country parties to mobilize \$ 100 USD billion climate finance annually to developing countries is critical to

enabling action and sustaining trust in international cooperation. We are concerned that developed countries have not yet to meet their climate finance goal and call to those parties to scale-up climate finance both for adaptation and mitigation and enhance the quality and composition of it while providing at least 50% of public funds towards adaptation in order to correct the large-scale imbalance and gap of funding for adaptation and resilience as our countries suffer on the front-line. International climate finance should be additional to Official Development Assistance (ODA) flow commitments and at minimum be 50:50 adaptation-mitigation with priority for adaptation, given the humanitarian situation created by climate change. Such climate finance should significantly strengthen funding to the Adaptation Fund, Global Environment Facility (GEF) and Green Climate Fund (GCF). Improved transparency on how much is being provided and reaching developing countries, as well as better predictability, accessibility, and adequately provided of finance is also vital. In particular, pledged mitigation and adaptation funds must reach all developing countries and vulnerability criteria for resource allocation, moving beyond GDP per capita criteria, should be included in the formal decision making within the GEF, GCF and regional and international multilateral development banks. We recall the recent OECD figures indicate that we are still a significant way off from achieving this goal as the total amount provided and mobilized in 2018, 2017 and 2016 was USD 78.9 billion, USD 71.2 billion and 58.2 billion, respectively. OECD findings on climate finance, moreover, have also indicated that, between the years 2013-2018, the share of loans in public climate finance increased from 52 percent to 74 percent while the share of grants decreased from 27 percent to 20 percent. Given the debt crisis that vulnerable countries are faced with currently, it is especially crucial that long- term climate finance pledges are mainly on grant basis. We need help to lessen our debt burden including to free up the necessary fiscal space needed to support a green recovery from the COVID-19 pandemic and towards achieving sustainable development.

2. **Greater Ambition from Major Emitters:** The social, environmental and economic security of Asia requires safeguarding of the 1.5 degrees Celsius Paris Agreement goal to limiting warming. Even 1.5 degrees Celsius (1.5°C) of warming poses catastrophic risks for the region. Action is especially needed by major emitters given the most recently upgraded Nationally Determined Contributions (NDCs) concern only around half of all GHG emissions. Countries who have yet to upgrade NDCs in 2020-21 should do so prior to COP26. If a shortfall in ambition remains to safeguard 1.5°C, new ambition-raising timeframes and platforms prior to the next, already mandated NDC submission deadline of 2025 should be set by COP26. Improved transparency, especially of NDCs and their implementation, is needed with countries presenting information in a consistent, robust and clear way via the common tabular formats, to assist understanding of what has been committed and delivered. We, moreover, welcome the July 2021 G20 communique on Environment, Climate and Energy, which affirmed the commitment of all G20 members to come forward with ambitious new or updated Paris Agreement NDCs before COP26.
3. **Imperative of New Financing:** According to the Global Commission on Adaptation, financing needs for adaptation and resilience are \$1.8 trillion this decade. As least developed, small islands and vulnerable middle-income nations with limited fiscal space, facing high costs of capital and states of debt distress, even a fair share of the \$100 billion annual developed country climate finance support will be insufficient, with best national efforts, to mobilize the necessary finance for climate action. Furthermore, additional financing is needed to avert, minimize and address loss and damage in the context of the adverse impacts of climate change, including displacement. In addition, we call on all parties to the UNFCCC to start



formal negotiations at COP26 on the New Collective Quantified Goal on Climate Finance from a floor of \$100 USD billion from 2025 on with a view to effectively support climate action in developing countries in the transition to 1.5°C and align finance flows with a pathway towards low greenhouse gases emissions and climate-resilient development. These negotiations must also include innovative ways to provide improved quality and accessibility of climate finance, including by making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development and acknowledge all the opportunities therein to source more resources towards more effective climate action, as well as the need to move from billions to trillions of financial support to close the mitigation and adaptation gaps in developing countries.

- 4. Carbon Markets:** Furthermore, at COP26 we need to finalize robust carbon markets and a rulebook that ensures environmental integrity consistent with 1.5°C to unlock new finance streams while the carbon markets regime should raise at least 5% proceeds to support the adaptation actions of developing countries particularly vulnerable to climate change. We believe that an integral approach to long-lasting sustainable development should take climate change and climate-related risk into account in macroeconomic policy, fiscal planning, budgeting, public investment management, and procurement practices.

We also called for the following actions in relation to COP26:

- 5. Loss & Damage:** In addition to the need for financing of loss and damage, COP26 needs to place a higher level of prioritization on loss and damage and the work of the Warsaw International Mechanism (WIM). We support the call of the CVF Chair to ensure that loss and damage is devoted the necessary discussion space as part of the COP/CMA agenda as a standing item. All arrangements for the Santiago Network on Loss and Damage (SNLD) should be made operational at COP26 so as to commence catalyzing technical assistance for implementing approaches to avert, minimize and address loss and damage. The SNLD must first and foremost address the primary needs identified by developing countries, including a lack of capacity, and lack of finance and support, and particularly catalyse support for local, grassroots, and subnational-level initiatives. The process to operationalize the SNLD must be driven by Parties and centered upon the needs of vulnerable developing countries, and it must be inclusive and transparent. The presidency will facilitate the discussions to be inclusive and balanced to ensure an adequate outcome. Adequate resources must be dedicated in the WIM and the SNLD for capacity, action and support to avert, minimize and address displacement in the context of climate change, according to the needs of affected Parties.
- 6. Further Means of Implementation:** High priority was emphasized around the importance of capacity building and technology transfer and development for supporting the realization of ambition on the ground in actions to build climate resilience and advance climate action on all fronts. The international community and COP26 was called upon to advance ambitious enhancements not only in the domain of finance but also in capacity building and technology in order to support more effective implementation of the Paris Agreement.
- 7. Adaptation:** The recent IPCC report further reinforced the alarming reality facing our Small Island States with the real possibility of some vanishing from existence within this century and we therefore call for urgent adaptation actions now. We call for real action in the form of increased financing for adaptation, removal of barriers to technology transfers, and investment in capacity developments in-line with Article 7 of the Paris Agreement and setting



a Global Goal on Adaptation. Development partners should ensure that adaptation initiatives become part and parcel of resilience development both in terms of physical infrastructures, environmental protection, and integrity, ensuring resilient and adaptable economies that are in line with regional and national adaptation priorities, thus reducing the impacts of climate change on our societies.

## FURTHER PRIORITIES

We, moreover, highlighted a number of other headline priorities for the Asia region, as follows:

- 8. Maritime GHG Emissions:** We recognize the critical importance of shipping to our states and to prioritize and support all efforts to advocate for this sector to commit to an equitable transition to zero emission by at least 2050 that leaves none behind. We fully support the current submissions to the International Maritime Organization (IOM) MEPC77 calling for IMO to adopt this as an overarching sectoral target and endorse urgent and close consideration by IMO of the mandatory GHG levy on international shipping. We note that, in addition to being the only measure proposed that can drive a market transition to non-emitting fuels and technologies at the speed and scale needed for a 1.5°C agenda, the proposed entry price in 2025 of \$100/ton CO<sub>2</sub>e may raise revenues in the order of \$90 billion p.a.. We support the sponsor's argument that the majority of this should be used for the priority mitigation and adaptation needs of the climate vulnerable states. To ensure that the climate vulnerable are not left behind in this transition, we urge members to consider adopting the ambitious targets in domestic maritime emissions by 2030 and 100% by 2050
- 9. Maritime Zones:** Securing our maritime zones against the threat of climate change-related sea-level rise and preserving our existing rights and entitlements stemming from maritime zones, is the defining issue underpinning the full realization of our sovereign rights over the sea. Our past, present, and future development are based on rights and entitlements guaranteed under the 1982 UN Convention on the Law of the Sea (UNCLOS). We therefore strongly call on all States to support the principles outlined in the Pacific Islands Forum 2021 Declaration on Preserving Maritime Zones in the face of Climate Change-related Sea-level rise. The Declaration preserves maritime zones in the face of sea-level rise, while upholding the centrality of UNCLOS as the global legal framework within which all activities in the oceans and seas must be carried out. The Declaration is fully consistent with the letter and spirit of UNCLOS, including its underlying principles of stability, security, certainty, and predictability, and represents our formal collective view on how UNCLOS rules on maritime zones apply in the situation of climate change-related sea-level rise. Preserving maritime zones in the manner set out in the Declaration is fundamental to ensuring a just international response to climate change-related sea-level rise. It also demonstrates our understanding of the reality we are facing and reinforces our call to world leaders to urgently commit to decisive climate action that limits global warming to 1.5°C.
- 10. Oceans:** We reaffirm the importance of sustainable management, use and conservation of the WorldOcean within and beyond national jurisdictions to ensure its health, productivity, resilience, and safety, based on the best available scientific information and traditional knowledge. This includes taking into account ecological and cultural connectivity when designating and establishing conservation and management measures and areas-based management measures including marine protected areas. We call for urgent action to reduce and prevent the irreversible impacts of climate change on our Ocean. We urge all Parties to



the UNFCCC to ensure that COP26 advances the work on Oceans in the UNFCCC. Building on the Ocean Dialogue organized by the Subsidiary Body on Scientific and Technical Advice (SBSTA) in December 2020, we call upon COP26 to establish a mandated process to incorporate oceans into the UNFCCC agenda. We call for increased investment for the establishment of observation systems, to understand impacts of climate change on the Ocean, blue carbon protection and restoration initiatives for climate mitigation and adaptation, as well as monitoring and prediction to strengthen natural disaster response and risk reduction strategies for our islands. Moreover, financing for the climate and oceans nexus should be new and additional to the US \$100 billion financing target and must be included in the post-2025 Goal on Climate Finance. This is crucial to help vulnerable SIDS, in particular, to operationalize their blue economy ambitions as part of their post-COVID recovery. .

- 11. No New Coal:** We strongly support the call of the United Nations Secretary-General for an end to the international financing of coal plants and for a shift in finance and investment to renewable energy projects. Further development of coal as the most polluting conventional energy source is totally inconsistent with the Paris Agreement's goals and could render 1.5°C impossible. Donors and multilateral and regional financing institutions must therefore immediately act to abandon financing any further coal power development, there must also be no new coal mines, and it is imperative to redouble efforts to finance renewable energy, in particular by providing support to overcome cost of capital challenges that prevent many renewable energy projects from becoming commercially viable in vulnerable nations, such as through support for the V20's Accelerated Financing Mechanism and IRENA's work to support the CVF with its 100% renewable energy vision.
- 12. Worker Protection & Jobs:** We call upon partners to consider the need for urgent capacity, finance, technology and technical assistance to help protect workers in Asia exposed to dangerous effects due to climate change, including extreme heat, slow onset disasters and other impacts. We also call for a prioritization of support for re-skilling and up-skilling of workers and social safety net support to enable a just transition as we pursue low-carbon and carbon neutral development under the Paris Agreement.
- 13. Displacement & Migration:** We call for increased support for the Asia region to help most vulnerable communities to increase their resilience to sudden-onset disasters and slow-onset events due to climate change. We need to help communities to avoid disaster displacement, to support adaptation and to safeguard and promote local jobs and livelihoods. Where displacement and migration driven by climate change is unavoidable, we call on international support to assist and protect the growing number of climate displaced persons and migrants in our region.
- 14. Human Rights:** Following the resolution of the 47th Human Rights Council on climate change and human rights, we call upon all Council members to work actively and in full urgency towards the establishment of a dedicated Special Rapporteur mandate procedure of the Council on human rights and climate change. We call on the 48th Human Rights Council session to take the necessary action to establish this vital mandate. This is an urgent need for the most vulnerable given the importance of human rights in the climate crisis and the planetary emergency that is already and increasingly threatening and undermining the rights of all our people, and especially most vulnerable groups, including women, children, persons with disabilities and indigenous people. As we suffer ever more extreme climate disasters, we



are faced with the international community's most alarming human rights challenge, which requires stronger responses aimed at promoting climate justice.

**15. Parliaments:** We encourage the active engagement of parliamentarians of Asia in the CVF Parliamentary Forum to benefit from the exchange of legislative good practices for effective national and locally-led efforts on climate change and to enhance international engagement and cooperation with the legislative bodies of major economies on climate action. We call on those Asia Parliaments who have not yet done so, to ratify the Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean. In addition, the CVF is encouraged to also develop its work into the area of enforcement of policies and regulations, to effectively ensure the implementation of the work of parliaments in strengthening climate responses.

**16. Environment:** Member countries of the CVF have advocated for the creation of a Climate Crisis Commission to address the existential threat of climate change with the IUCN's global resources. The recent establishment of this commission at the World Conservation Congress in Marseille gives the IUCN a new and powerful structural response to help protect nature and leverage nature based solutions to prevent global warming of more than 1.5°C, and accelerate adaptation action. We encourage all relevant stakeholders to actively engage in the Commission to support its efforts to achieve maximum beneficial impact.

## CHALLENGES & CONCERNS

The CVF Asia Regional Dialogue also highlighted the devastating impacts that climate change has historically caused in regions, causing significant damages to vulnerable populations, impacting their populations and the economy. As part of the main impacts of climate change, the region recognized the following concerns: hurricanes and storms, flooding, severe drought, food insecurity, soil degradation, rising sea levels and coastal erosion, and wildfires. Climate change has also impacted the lives and livelihoods of those most vulnerable to climate change, especially marginalized groups such as women and girls which remain under-represented in the decision-making process in climate-vulnerable sectors, from the local to the national level, facing additional barriers to participation. As gender inequalities remain deeply entrenched in society, women continue to face barriers, leaving them voiceless in advocating for climate change solutions. Other highlighted concerns include workplace effects (worker heat stress, productivity losses, etc.), epidemics and climate-sensitive diseases, economic losses in key industries, ecosystem damage or stress, climate-related displacement of persons or communities, water scarcity or stress, and impacts on agriculture or forestry such as damages to crops and livestock.

Delegates expressed significant concern that the impacts of climate change have worsened and are compounded with the immense challenges of the global COVID-19 pandemic. In this regard, we recognize the efforts undertaken by the NDC Partnership's Economic Advisory Initiative supporting countries in the region for a green economic recovery, and call for a scale up of similar initiatives. In addition, developing countries face USD 70 billion in adaptation costs, likely to rise to USD 140 billion – 300 billion by 2030, according to the UN Environment Programme's (UNEP) Adaptation Gap Report. The Dialogue recognized that the developing nations particularly vulnerable to climate change remain increasingly exposed to significant, worsening and irreversible loss and damage, which undermine the human rights to a healthy environment, threatens livelihoods, human security and even the future of communities living in low-lying territories, states whose resources and infrastructures are damaged



and undermined through conflict, exacerbating the severity of the impacts of climate change, and regions particularly vulnerable to climatic extremes.

The Dialogue recognized the following main challenges faced by the region: lack of access or availability of financial resources, of technology, of policy-data (knowledge base and expertise), of public awareness and understanding, as well as of policy and regulatory frameworks and legislation. Some other challenges that were highlighted in the Dialogue were related to gender, indigenous groups and special interest groups (e.g., lobbyists, labour unions, commercial chambers) and the need for information gathering or transparent climate data, for regional and international support partnerships, and for special interest groups.

#### OUR REGIONAL INITIATIVES

Countries of the region have developed capacities and information systems for decision making, the inclusion of adaptation criteria in financing instruments and planning, as well as the adaptation of public services, productive systems and infrastructure, and the implementation on the basis of nature-based solutions transforming the region into a more resilient place to the effects of climate change.

#### CLIMATE PROSPERITY PLANS

Emphasizing the importance of mobilizing resources and investment, and of securing robust economic development, as well as safeguarding swift regional progress towards fulfillment of the 2030 Sustainable Development Goals, we welcome the new program of Climate Prosperity Plans launched by the Bangladesh CVF presidency. The following CVF members and observers from Asia expressed interest in developing a national Climate Prosperity Plan as a strategic investment pathway for delivering robust socio-economic development optimized with maximum ambition for climate adaptation and low- or carbon neutral- development: Bangladesh, Bhutan, Cambodia, Maldives, Nepal, and the Philippines.

#### V20 ACTIVITIES

We encouraged the ongoing work of the V20 Ministers of Finance to champion the cause of the vulnerable nations in the economic and multilateral finance domains, particularly the progress and initiatives undertaken in the context of the Joint Technical Committee with the Accelerated Financing Mechanism to help overcome cost of capital challenges facing vulnerable economies, the new CVF and V20 Joint Multi-Donor Fund to support CVF and V20 work, and the Sustainable Insurance Facility towards promoting the development of members' domestic industries to market climate and disaster risk financial protection products and solutions.

#### OBSERVERS

We welcomed the following observer countries that joined the CVF Asia Regional Dialogue: Laos and Tajikistan.

We expressly support the strengthening of Asia participation in the CVF and encouraged the following observer developing countries to further pursue their interest to petition joining the CVF in 2021: Laos and Tajikistan.

#### PARTNERSHIPS



We would like to especially recognize and express appreciation for the support provided to Asia countries by the following institutions and organizations with whom we look forward to continuing to strengthen our engagements:

- Asia-Pacific Economic Cooperation (APEC)
- Asian Development Bank (ADB)
- Conservation International
- Food and Agriculture Organization (FAO)
- German Corporation for International Cooperation (GIZ)
- International Center for Integrated
- Mountain Development (ICIMOD)
- International Energy Agency (IEA)
- International Renewable Energy Agency (IRENA)
- NDC Partnership
- South Asian Association for Regional Cooperation
- South East Asia Network Climate Change (SEAN-CC)
- The Asia Pacific Adaptation Network (APAN)
- United Nations Development Program (UNDP)
- United Nations Environment Program (UNEP)
- World Bank (WB)
- World Health Organization (WHO)
- World Wildlife Foundation (WWF)

Furthermore, we would also like to thank all the bilateral partners who have especially prioritized Asia countries.

The Regional Dialogue also included a range of observer partners and international organizations. Presentations and inputs to the Dialogue were given by: Climate Analytics, Global Center on Adaptation (GCA), Global Commission for Adaptation, Global Green Growth Adaptation, Global Renewable Congress (GRC), International Labor Organization (ILO), the International Organization for Migration (IOM), International Renewable Energy Agency (IRENA), Office of the United Nations High Commissioner for Human Rights (OHCHR), Platform on Disaster Displacement (PDD), and United Nations Office for Project Services News for (UNOPS).

#### PRESIDENCY & THEMATIC AMBASSADORS

We supported the proposal that Ghana assume the next presidency of the CVF, following the tenure of Bangladesh, which concludes during 2022, and invite all members of the CVF to endorse this proposal for the future leadership of the Forum.

We express sincere appreciation for the leadership of Bangladesh as president of the CVF and to HE Sheikh Hasina, Honorable Prime Minister of Bangladesh, the CVF chair. We also welcome and express thanks for all the work of the five CVF Thematic Ambassadors for Ambition (Mohamed Nasheed), Culture (Kathy Jetnil-Kijiner), Parliaments (Loren Legarda), Renewable Energy (Tosi Mpanu Mpanu), and Vulnerability (Saima Wazed) to advance the causes and initiatives of the CVF.





*Done the 29 September 2021*

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