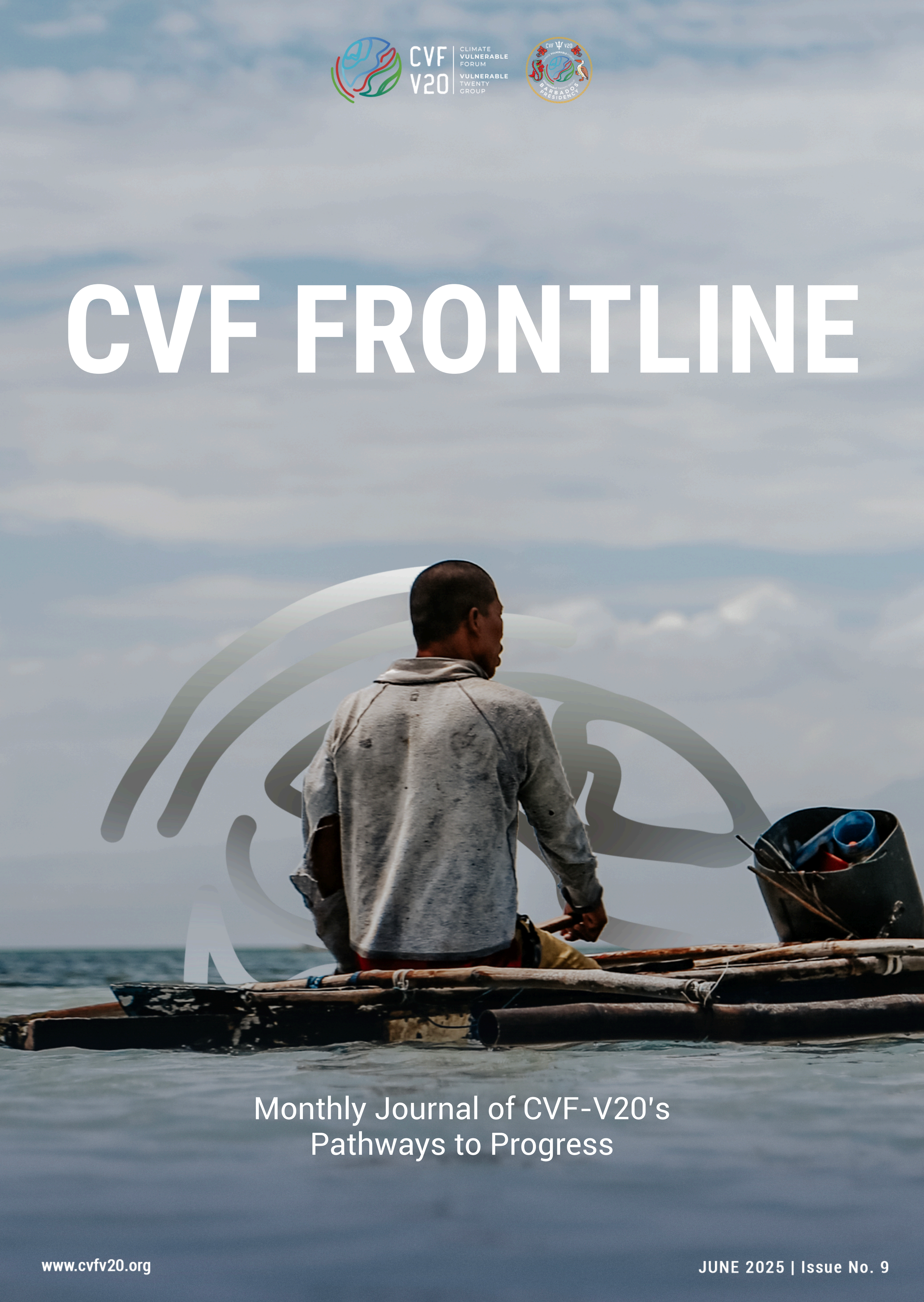
CLIMATE VULNERABLE FORUM
VULNERABLE TWENTY GROUP

CVF FRONTLINE



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Pathways to Progress

CVF FRONTLINE

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I. INSIGHTS

Breaking the Sovereign Debt Doom Loop: Rate Cuts and Reprofiling Could Unlock $454 Billion by 2031

Photo of a climate-affected region in Africa, where V20 member countries face extreme heat and water scarcity while contending with mounting debt distress and reduced fiscal space for climate action. The latest V20 analysis warns of rising external debt service costs outpacing climate investment.

The Third Edition of the V20 Debt Review reveals that V20 countries would have been 20% wealthier today in terms of GDP had it not been for climate change. Delaying investment in climate action risks shutting the door on future economic opportunities for climate-vulnerable countries to grow, transition toward climate resilience, and prosper.

According to the latest V20 Debt Review and the Bridgetown Initiative, V20 countries will require USD 490 billion in climate finance by 2030 to address the escalating consequences of climate shocks, challenges that are compounded by shrinking fiscal space. Worsening climate impacts, rising adaptation costs, and shifting political dynamics—such as the US withdrawal from the Paris Agreement—have made accessing affordable finance far more difficult.

Key challenges cover:

- 22 out of 45 V20 countries that have high risk ratings are rated by the World Bank and the International Monetary Fund (IMF) as being in debt distress or at a risk of debt distress. (Figure 1)
- V20 countries that are middle-income countries face high costs of borrowing.
- V20 countries are forced to mobilize finances in the context of dwindling Official Development Assistance (ODA).

Figure 1: Risk of external debt distress in V20 countries (PRGT eligible only), as of March 31, 2025

In Debt Distress	High Risk	Moderate Risk	Low Risk
Ethiopia	Afghanistan	Benin	Bangladesh
Grenada	Chad	Bhutan	Cambodia
Malawi	Comoros	Burkina Faso	Honduras
Sudan	Dominica	Congo, Dem. Rep.	Nepal
	Gambia	of the Côte d'Ivoire	
	Ghana	Guinea	
	Haiti	Kyrgyzstan	
	Kenya	Liberia	
	Kiribati	Madagascar	
	Maldives	Nicaragua	
	Marshall Islands	Niger	
	Mozambique	Rwanda	
	Papua New Guinea	Samoa	
	Sierra Leone	Senegal	
	South Sudan	Tanzania, United	
	Tonga	Republic of	
	Tuvalu	Timor-Leste	
	Vanuatu	Togo	
		Uganda	
		Yemen	

In 2023, the total sovereign debt stock of V20 countries reached USD 1.01 trillion, equivalent to 25% of members' Gross National Income (GNI). Eleven countries spend more than 25% of their government revenue on debt service alone. External debt service payments tripled over the past decade, rising from USD 47 billion in 2014 to USD 131 billion in 2024. V20 countries now spend four times more servicing debt compared to climate investments.

A breakdown of the composition of the external debt stock conducted in the report revealed that Multilateral Development Banks (MDBs) are the largest creditors class—at 40%—followed by private creditors at 32% and Paris Club bilateral creditors at 10%. Despite surging climate costs, ODA levels have declined relative to GNI, while debt vulnerabilities keep growing, further shrinking the fiscal space urgently needed for climate resilience and recovery.

To break this doom loop, the latest V20 Debt Review proposes extending repayment periods to 40 years at an interest rate of 1.35%, which is consistent with the International Development Association's (IDA) rate. This reprofiling could reduce debt obligations between 2025 and 2031 to USD 293 billion, saving V20 members USD 454 billion compared to current schedules—a vital step to free up resources for climate action and economic stability.

The recently concluded Fourth International Conference on Financing for Development (FfD4) in Seville, Spain, was a critical moment to advance needed reforms to the global debt architecture, ensure inclusive negotiations, and hold creditors—such as MDBs—accountable. Looking ahead, V20 countries will continue to push for timely, comprehensive debt relief and meaningful progress on commitments under the SDGs and the Paris Agreement. Equally important is the Baku to Belém Roadmap, which is a critical opportunity to bring debt solutions to the forefront of climate discussions.

Why We Should Protect High Seas From All Extraction, Forever

Photo of the Melanesian Ocean, where Solomon Islands and Vanuatu are leading the creation of an indigenous-led ocean reserve to protect marine biodiversity and ancestral waters.

As the UN Oceans Conference opened in Nice, France, in early June, a landmark paper published in the prestigious journal Nature, led by Professor Callum Roberts and co-authored by CVF-V20 science advisor Mark Lynas among others, issued a bold call for "full protection" of the high seas.

Covering 61% of the ocean and 43% of the Earth's surface, the high seas remain largely unprotected today, with only about 1% currently under any form of conservation. The high seas are facing growing threats from emerging industries like deep-sea mining and continued industrial fishing by a handful of countries. This exploitation jeopardizes the stability of the ocean's ecosystems, which together form the planet's largest and most secure carbon sink. The paper highlights that without the ocean's carbon cycle, sustained by fish, whales, and countless invertebrates throughout the water column, atmospheric CO_2 levels would be around 200 ppm higher, pushing global temperatures about 3°C above current levels.

Poorly regulated industrial fishing, much of it carried out by subsidised fleets from rich countries, has already driven species like sharks, turtles, and certain albatrosses towards critical endangerment. Now, pressure is mounting to fish deeper waters for fishmeal and oil to feed the growing aquaculture industry, adding further stress to fragile marine ecosystems.

This is one of the motivations behind the High Seas Treaty, formally known as the Biodiversity Beyond National Jurisdiction (BBNJ) Agreement. The treaty, which needs only ten more ratifications (as of early July) to enter into force, could become a historic legal framework to safeguard the high seas. Although an outright ban on high seas fishing is not directly included in the treaty, it would enable new mechanisms to protect up to 30% of the ocean, aligning with targets under the global Biodiversity Convention.

The authors of the Nature paper, however, go further, calling for the total closure of the high seas to all extractive activities. They point out that this would benefit coastal developing nations and island states, which would have more fish stocks due to spillover effects from the high seas into their Exclusive Economic Zones (EEZs).

For climate-vulnerable countries, many of which have yet to sign the treaty, this presents a powerful opportunity: by taking swift action to ratify the BBNJ, they can help push it across the finish line. In doing so, CVF-V20 countries can play a critical role in protecting the planet's largest shared ecosystem.

Follow the Treaty Tracker for the latest updates on the ratification process.

Major Reforms to IMF, Global Tax Rules Needed to Bridge Climate Investment Gap

A new policy brief authored by Daniel Titelman, Marilou Uy, and Amar Bhattacharya from the Task Force on Climate, Development, and the International Monetary Fund (IMF) calls for urgent reforms to the international financial and global tax architectures in order to support the mobilization of financing to achieve climate and development goals.

Emerging and developing economies are facing a critical challenge. They require an unprecedented increase in climate-aligned investments to address the negative impacts of climate shocks on growth and productivity. However, this comes at a time when these countries are experiencing slow growth prospects, declining productivity, and subdued levels of investment.

Making matters worse are the existing constraints in developing countries, such as rising debt burdens, limited fiscal space, low investment rates, and underdeveloped domestic financial systems. Private investments remain expensive, insufficient, and limited in reach, while the international tax architectures are ill-equipped to deliver the necessary resources at the required scale and speed.

Amid these challenges, the policy brief highlights the macroeconomic dimensions of mobilizing to achieve climate and development goals urgently in developing countries. In addition to the domestic resource mobilization efforts, it proposes a 5-pillar strategy that includes reforms of the international financial and global tax architectures:

1. Countries must improve domestic resource mobilization, promote progressive tax reforms—including personal income and wealth taxes—and enhance the effectiveness of public spending. Public spending and debt sustainability management should account for the long-term growth-enhancing impacts of climate investments.
2. At the international level, reforming the global tax architecture is vital for equity and resource mobilization. This includes global minimum taxation, carbon levies, digital taxes, measures to reduce base erosion and profit shifting by corporations, and the introduction of international mechanisms to tax the extreme wealth of individuals.
3. Access to external financing must be broadened and made more affordable. This requires recapitalizing multilateral development banks (MDBs), scaling concessional financing, deploying innovative instruments (e.g., thematic bonds, climate-linked debt), and leveraging private capital through de-risking strategies.
4. The global financial safety net must be reinforced and expanded. The IMF's evolving climate agenda, including the Resilience and Sustainability Facility (RSF), should be complemented by deeper cooperation with regional reserve arrangements and expanded Special Drawing Rights rechanneling. IMF surveillance and policy advice should take into account the impact of climate risks and the benefits of investments in climate actions.
5. Equity and institutional reform must be at the core of international financial and tax architecture. A just transition requires substantial investment in social protection, education, and labor markets, particularly for vulnerable communities. Equally, a stronger voice and representation for developing countries in the governance of international financial institutions and global tax governance is critical to ensuring their legitimacy and realigning international rules with sustainable development goals.

The policy brief stresses that it is not only economically necessary but ethically imperative to reform the international financial and tax architecture to support climate and development goals.

II. BILATERAL CLIMATE ACTION

Singapore and the Philippines Strengthen Climate Cooperation

Singapore President Tharman Shanmugaratnam and Philippine President Ferdinand Marcos Jr. witness the signing of a Memorandum of Understanding on climate cooperation between their countries, during President Tharman's state visit to the Philippines on 15 August 2024. Photo: Nur Ashikin Abdul Aziz / BERNAMA

The Philippines and Singapore strengthen climate cooperation as the two countries work toward finalizing a legally binding agreement on carbon credit collaboration aligned with Article 6 of the Paris Agreement. The announcement was made on June 4, during a joint statement delivered following a bilateral meeting between the Philippines' President Ferdinand Marcos Jr. and Singapore's Prime Minister Lawrence Wong.

A critical first step for this bilateral cooperation was taken in August 2024 with the signing of a memorandum of understanding to strengthen collaboration on carbon credits. Building on this, negotiations are now underway to finalize a legally binding agreement.

In this statement, President Marcos said: "It is hoped that the early completion of the negotiation will result in climate-friendly actions and increased investments in related sectors, thereby creating meaningful and sustainable livelihood and business opportunities for both Filipinos and Singaporeans alike, while producing good sustainability outcomes for our local communities."

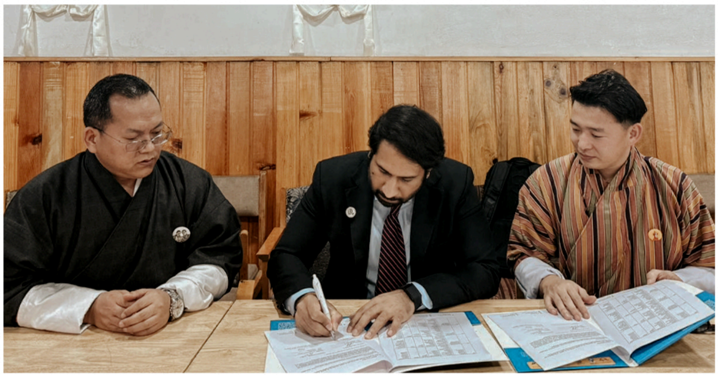
The two countries also plan to strengthen cooperation on expanding renewable energy, with President Wong stating that Singaporeans are interested in investing in wind and solar projects in the Philippines, inaugural chair of the V20 and which chaired the CVF from 2015-2016 .

"Our joint initiatives will support our climate goals, boost energy resilience, and unlock new opportunities in the green economy," said Prime Minister Wong.

Beyond bilateral efforts, the two countries have also agreed to accelerate efforts to connect the electricity grid of the ten ASEAN countries, which will enable cross-border power trading by 2045.

III. V20 CARBON ACCESS STRATEGY

Carbon Market Readiness Support Program Launched in Bhutan



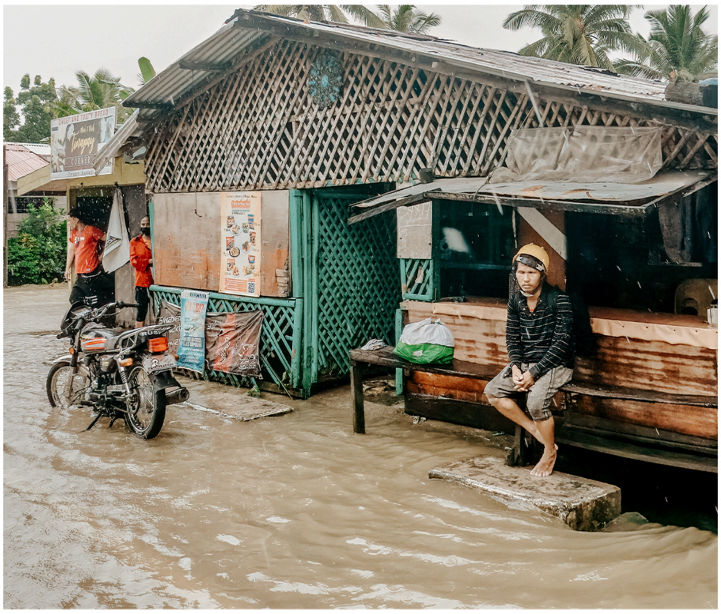
The Government of Bhutan and the CVF-V20 Secretariat have officially signed a pioneering initiative to accelerate Bhutan's access into both voluntary and compliance carbon markets, with the signing of a contract under the Access Strategies Program in CVF-V20 member countries of the CVF-V20 and Voluntary Carbon Market Integrity Initiative (VCMI) Carbon Finance Program. The initiative aims to provide Bhutan with strategic, technical, and policy support to strengthen its carbon market readiness.

The initiative is expected to serve as a catalytic model for other countries pursuing climate-aligned growth through market-based mechanisms. Key outputs will include a comprehensive assessment of Bhutan's mitigation potential, the identification of credible carbon crediting methodologies, private sector engagement strategies, capacity-acceleration, and a detailed implementation plan with operational manuals for carbon market participation.

The program underscores the CVF-V20's commitment to helping climate-vulnerable nations leverage carbon markets and private sector finance to achieve climate prosperity.

IV. DEBT

Roundtable on Climate Resilient Debt Pause Clauses



Life in a climate-vulnerable setting. As the impacts of climate change intensify, the need for financial tools that support resilience and recovery becomes increasingly urgent, especially for countries facing repeated shocks and limited fiscal space.

The CVF-V20 Secretariat participated in the Roundtable on Climate Resilient Debt Pause Clauses (CRDC), organised by Spain's Ministry of Economy, Trade and Business, Climate Emergency Collaboration Group (CECG), the Children's Investment Fund Foundation (CIFF) and Sustainable Sovereign Debt Hub (SSDH) on June 2.

Major crises such as pandemics and climate-related disasters heighten debt risks for vulnerable nations, highlighting the urgent need for debt pause clauses that provide fiscal breathing room during shocks. While some official and multilateral lenders have begun incorporating these provisions, private creditors remain hesitant due to legal and financial uncertainties. The roundtable focused on practical pathways to expand CRDCs across all creditor types and to enhance vulnerable countries' capacity to withstand future crises.

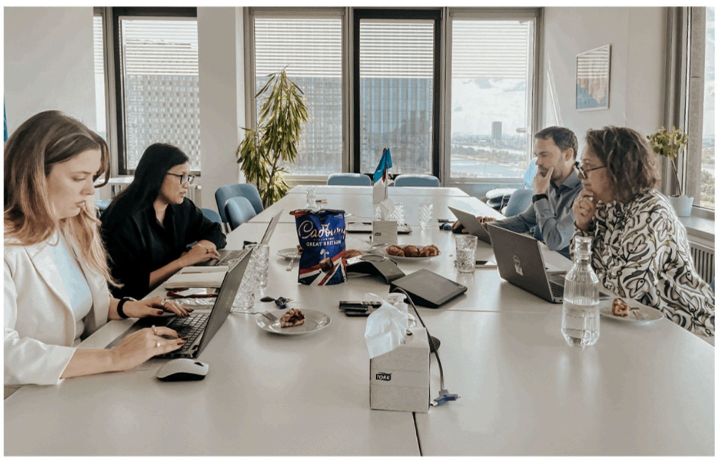
In his keynote address, Spain's Minister for Economy, Trade and Business, Carlos Cuervo Caballero, pointed to the decline in progress towards Sustainable Development Goals (SDGs), with only 43% currently on track to progress as planned. Meanwhile, 48 countries are forced to prioritize debt servicing over spending on health and education. Given these dire circumstances, the event stressed the need to create the necessary fiscal space for vulnerable economies to spend on necessities such as healthcare, education, infrastructure, and climate resilience.

The event featured six sessions, exploring the utilization of CRDCs in official bilateral loans, MDB financial agreements, credit ratings' approach to CRDCs, and how CRDCs can be scaled in sovereign bonds and loans. One panel also discussed case studies highlighting the use of CRCDs in Barbados, Grenada, and the Bahamas.

During the panel discussion assessing the path forward for climate-vulnerable nations, Geneva Oliverie, CVF-V20's Deputy Director for International Financial Reform and Trade, highlighted the critical need for financial mechanisms that allow countries to recover from climate disasters without jeopardizing their long-term development. "While the idea is gaining traction, the global system has yet to institutionalize CRDCs at the scale or speed that climate-vulnerable countries, especially the V20 urgently need," she said. "Debt pause clauses are not a silver bullet, but they are a vital lever of climate-responsive finance. With political will, technical clarity, and cross-creditor alignment, we can make them a new global norm," she added.

V. CVF-V20 JOINT MULTI-DONOR FUND

CVF-V20, UNOPS Mark Progress on JMDF Work Plan



Representatives from the CVF-V20 Secretariat and the United Nations Office for Project Services (UNOPS) convened in Vienna on June 17 to take stock of progress in implementing the 2025-2026 Work Plan of the CVF-V20 Joint Multi-Donor Fund (JMDF).

Guided by the priorities of the CVF-V20 member countries, the Work Plan focuses on delivering results across four interlinked areas:

- **Global advocacy and representation:** Strengthening the collective voice of CVF-V20 members in climate and financial governance forums.
- **Implementation of Climate Prosperity Plans:** Catalyzing investment in low-carbon, climate-resilient development.
- **Direct support for vulnerable communities:** Addressing climate-related loss and damage on the ground.
- **Secretariat support:** Enabling the CVF-V20 Secretariat's technical leadership and coordination for the Fund.

The meeting also provided a platform to discuss the advanced draft of the Resource Mobilization Strategy and the initial elements of a forthcoming Communication and Stakeholder Engagement Plan, both of which represent critical milestones in advancing the strategic goals of the Fund.

Launched in late 2020, the CVF-V20 Joint Multi-Donor Fund is a pooled mechanism designed to drive the collective climate agenda of the CVF-V20 and strengthen South–South cooperation. It supports member countries in implementing adaptation, mitigation, and loss-and-damage priorities, while building capacity to achieve national climate goals.

The Fund also helps members engage more effectively in global forums, such as the UNFCCC and international economic governance negotiations, to advance global cooperation on climate action. Strategic direction and funding decisions are made by a Fund Board, chaired by Barbados as the current CVF-V20 Chair, with representation from the CVF-V20 Troika and contributing donors.

The CVF-V20 Secretariat provides technical leadership and strategic advice, while UNOPS manages operations, fiduciary responsibilities, and implementation oversight.

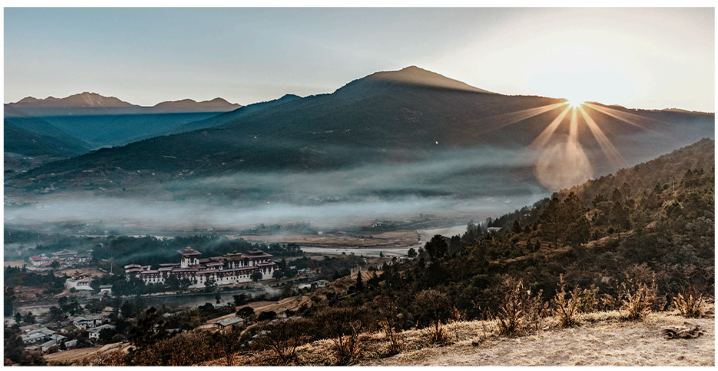
VI. CLIMATE PROSPERITY PLANS

Green Economic Model Training Held in Bhutan

The CVF-V20, in collaboration with Bhutan's Ministry of Finance, held a two-day training workshop on the Green Economic Model in Paro on June 14–15. The workshop convened senior government officials, technical experts, and representatives from nine ministries to deepen their understanding of the model and explore its practical applications for policy-making.

The sessions covered the principles and detailed insights on the Green Economic Model, introduction to software, pathways for carbon market participation, economic "what if" and "Causal loop" simulation exercises, and an overview of actionable strategies and insights embedded in Bhutan's Resource Mobilization Strategy framework.

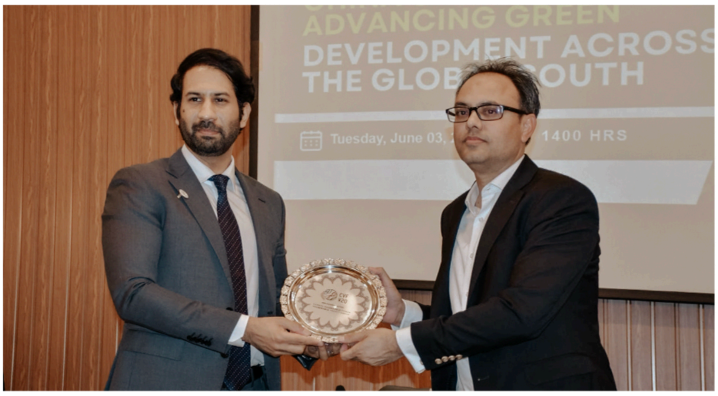
This initiative reinforces CVF-V20's commitment to enhancing member countries' capacity and finding ways to showcase Bhutan's global leadership as one of the world's few net-negative emission countries. It also builds foundational capacity for the rollout of implementation plans that integrate climate ambition with investment-ready project pipelines.



Sunrise over Punakha, Bhutan — a CVF–V20 country advancing climate-smart economic planning through the Green Economic Model. A new phase of climate policy capacity-building is underway.

VII. SOUTH-SOUTH CLIMATE COOPERATION

CVF-V20 and IRS Join Forces to Boost South-South Climate Cooperation



The CVF-V20 and the Institute of Regional Studies (IRS) announced this month a strategic partnership aimed at accelerating Pakistan's Climate Prosperity Plan and enhancing regional cooperation on sustainable development and climate resilience.

Following the announcement, a high-level forum titled "China's Role in Advancing Green Development Across the Global South" gathered government leaders, diplomats, and climate finance experts to explore collaboration opportunities with China, particularly through the Belt and Road Initiative (BRI).

Ambassador Jauhar Saleem, President of IRS, underscored the urgency of collective climate action, advocating integrated policies and clean technology investments to combat regional pollution and achieve sustainable development.

Sara Jane Ahmed, Managing Director of CVF-V20 and Finance Advisor to V20, highlighted green development as both an environmental necessity and economic opportunity for the Global South. "Deepening South-South cooperation can scale locally driven, financially sound, globally relevant solutions," she stated.

Keynote speaker Zulfiqar Younas, Additional Secretary of Pakistan's Ministry of Climate Change, noted Pakistan's significant progress, adding over 13,000 MW of renewable energy capacity and advancing carbon market policies. He emphasized Pakistan's strategic partnership with China for clean air technologies and disaster risk finance.

Political Counselor Wang Shengjie, from the Embassy of China, detailed China's leadership in clean energy, highlighting substantial investments and commitments towards achieving carbon neutrality. He praised Pakistan's proactive climate diplomacy and encouraged stronger bilateral collaboration.

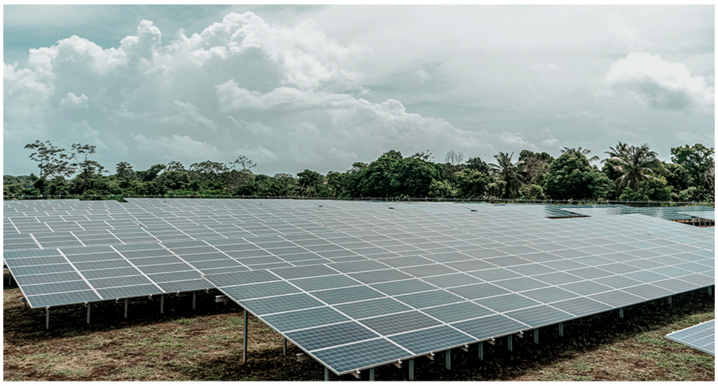
Erik Solheim, Vice-President of BRI-International Green Development Coalition, commended China's remarkable transformation into a global clean energy leader. He urged the Global South to leverage China's expertise and resources for sustainable, people-centric growth.

In a panel discussion moderated by Hamza Haroon, CVF-V20's Regional Director for South Asia, experts examined the progress and potential of Pakistan–China green cooperation. Dr. Khalid Waleed emphasized the need for inclusive solar solutions and clean hydrogen production. Mustafa Hyder Sayed highlighted the importance of focused green collaboration and targeted climate investment strategies with China. Red Constantino, Adviser to the CVF-V20 Secretary General, stressed the value of pragmatic South–South partnerships and the pivotal role China can play. Muhammad Faisal Sharif underscored the positive impact of China's BRI investments in expanding Pakistan's solar energy capacity.

In his closing statement, Haroon reaffirmed CVF-V20's commitment to continued dialogue, stakeholder engagement, and concrete action to realize Pakistan's and the region's Climate Prosperity Plans in collaboration with IRS and other key partners.

VIII. REGIONAL STORIES

Nicaragua Taps 70 MW Solar Project to Boost Water Access



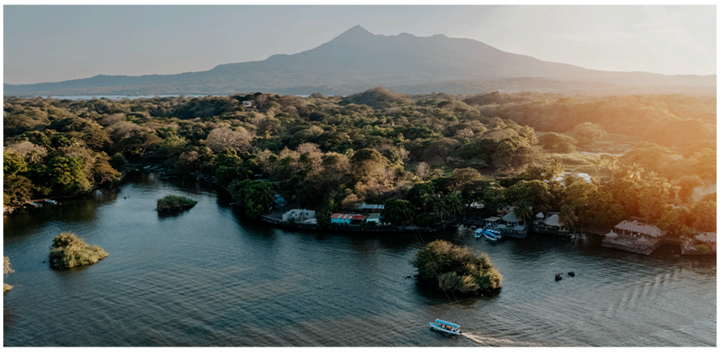
Work has begun on Nicaragua's largest solar energy project, the 70 MW Enesolar-3 plant in Nindirí, with an $83 million investment support from China. Far beyond a marker of energy transition, the solar plant is projected to provide year-round power to the national water utility, Empresa Nicaragüense de Acueductos y Alcantarillados Sanitario (ENACAL), enhancing water access and sanitation for more than four million people across the country.

The inauguration ceremony held last June 6 marked a decisive step toward tackling persistent issues on water and energy access, as well as fossil fuel dependency. Led by the China Communications Construction Company (CCCC), this project is slated to be completed in 18 months.

Nexus between water and energy in Nicaragua

Cradled between the vast oceans of the Caribbean Sea and the Pacific Ocean, Nicaragua has its water and waves at its doorsteps, yet access to clean and safe water remains elusive for its countless communities.

With a population of 6.5 million, Nicaragua faces a pressing water crisis where over a million people remain without clean water. A stark contrast also exists between urban and rural areas in terms of water and sanitation access—98% of urban residents have access to water supply and 63% to sanitation, compared to just 68% and 37% respectively in rural areas.



Lake Nicaragua, a vital freshwater source, stands at the center of efforts to improve water access as Nicaragua launches a 70MW solar project.

This highlights the critical role of ENACAL and the government in ensuring every citizen's right to clean and safe water is upheld.

At the inauguration ceremony, ENACAL's Executive President, Mr. Ervin Barreda, cited energy as a critical contributing component for the utility's optimal service delivery and daily operations. However, with business electricity rates reaching 141.90% of the world average price and 98.59% of the average in North America due to the fluctuating costs of fossil fuel resources, the financial burden is substantial. ENACAL pushes through its mission of delivering water for human consumption and expanding sanitation infrastructure across the country against this background.

Leveraging green solar energy to improve access to quality water

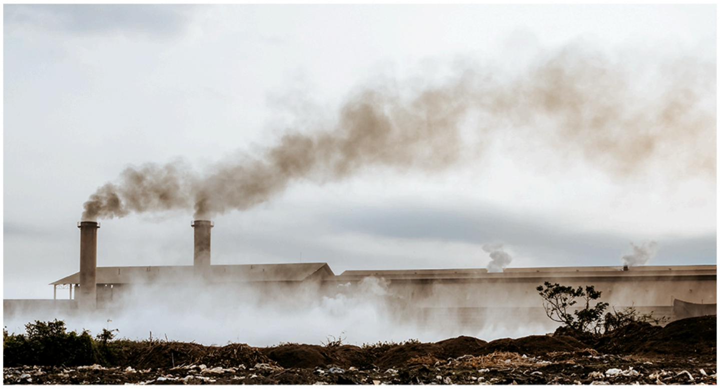
The anticipated 70 MW solar power plant in Nindirí is a potential game changer in the energy sector as it promises a more competitive, accessible, and reliable source of energy.

Equipped with advanced technology capable of generating 140,000 MW of electricity annually, the new solar plant is set to boost the efficiency of ENACAL's pumping systems and sanitation services. More importantly, harnessing solar power to cover 40% of the utility's consumption will generate more electricity cost savings and lower operational expenses.

This project is part of the broader initiative of Nicaragua and China to expand renewable energy and reduce fossil fuel dependence in pursuit of sustainable development. In addition to the 70 MW Enesolar-3 plant in Nindirí, Nicaragua has entered the final phase of construction for the N-Solar 1 solar project in San Isidro while completing the El Hato photovoltaic solar energy project in Ciudad Darío.

By securing affordable, sustainable power for essential services like water, Nicaragua is advancing its commitment to equitable, climate-resilient development, echoing the CVF-V20's vision for climate prosperity among vulnerable nations.

Nepal Reaffirms Commitment to Clean Air



The recently published World Bank report, "Towards Clean Air in Nepal," identifies air pollution as Nepal's leading health risk, responsible for around 26,000 premature deaths annually, reducing life expectancy by approximately 3.4years, and costing over 6% of GDP.

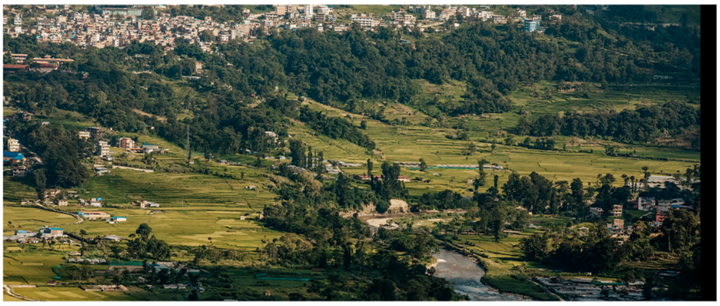
Highlighting the urgency of tackling this issue, Hon. Ain Bahadur Shahi Thakuri, Minister for Forests and Environment, emphasized, "Clean air and economic growth are not in conflict. In fact, the cost of inaction on pollution far exceeds the price of taking bold measures today."

The minister reaffirmed the government's commitment to improving air quality through initiatives such as stricter industrial emission standards and the promotion of electric transportation.

Understanding Nepal's air pollution crisis

PM2.5, particulate matter measuring 2.5 micrometers or less, is the primary cause of Nepal's widespread air pollution impacts. Small enough to bypass the body's natural filters and penetrate deep into the respiratory system, these particles contribute to severe respiratory and cardiovascular diseases.

The World Bank has characterized Nepal's air pollution as a complex, multisectoral, and multiregional issue, underscoring its pervasive influence on both environmental integrity and public health. It significantly erodes the country's human capital by impairing the productivity and labor capacity of its population due to health-related issues. According to the report, air pollution is responsible for 75% of chronic obstructive pulmonary disease cases, 46% of strokes, 44% of ischemic heart disease, 41% of lower respiratory infections, 38% of lung cancer, 30% of neonatal issues like low birth weight and preterm birth, and 20% of diabetes in Nepal—making air pollution the leading risk factor for death and disability in the country, surpassing malnutrition and tobacco-use.



The high-level pollutant concentrations in Nepal, especially in the Kathmandu Valley and Terai regions, are primarily attributed to widespread dependence on fossil fuels across key sectors.

The World Bank report also outlines specific areas where action is urgently needed to improve Nepal's air quality. Reducing vehicle emissions is a top priority, with recommendations to electrify fleets of buses, trucks, and two-wheelers. Alongside this, improving vehicle inspection systems and controlling road dust are vital to cutting pollution from transport.

Industrial emissions, particularly from brick kilns and cement factories, require attention through the adoption of cleaner technologies and fuels. In households, promoting a switch to cleaner cookstoves—especially electric ones—can significantly reduce both indoor and outdoor pollution.

Preventing forest fires is another key measure, with efforts needed to raise awareness and strengthen response systems to minimize fire risks. Lastly, tackling transboundary pollution through enhanced cooperation with neighboring countries is essential, especially in regions like the Indo-Gangetic Plain and Himalayan Foothills, where air pollution crosses borders.

Ongoing efforts from the Government of Nepal

Prior to the release of the report, the Government of Nepal unveiled its Sixteenth Plan (Fiscal Year 2024/2025 – 2028/2029), which lays out a comprehensive strategy to strengthen air quality regulations.

The plan emphasizes effective monitoring and regulation by establishing clear emission standards and assessing environmental impacts across all sectors. It also addresses industrial pollution management by focusing on controlling waste and emissions from industries, businesses, and health institutions, while encouraging the adoption of cleaner production technologies. Additionally, the plan targets indoor air pollution by promoting the transition from traditional cooking fuels to cleaner energy sources, aiming to improve public health outcomes.

A multifaceted issue like air pollution requires multi-sectoral intervention and tailored investments that could incur a wide range of co-benefits beyond just health impacts. The World Bank has revealed that reducing air pollution in Nepal can decelerate anthropogenic glacier melting in the mountains of the Hindu Kush Himalaya, preserving freshwater stored in glaciers that is crucial to water and energy security. Combating air pollution has also been identified as a significant source of green jobs, creating a ripple of employment opportunities across various sectors.

Addressing air pollution does more than empower the lives of Nepalis; it also boosts domestic economic growth for a sustainable, resilient, and prosperous Nepal.

Solomon Islands and Vanuatu Chart Vast Indigenous-Led Ocean Reserve in Pacific

The Solomon Islands and Vanuatu are stepping forward to create the Melanesian Ocean Reserve, a groundbreaking initiative to protect the waters of the Southwest Pacific Ocean through indigenous stewardship and ecological integrity.

At the U.N. Ocean Conference in France last June 2025, Solomon Islands and Vanuatu unveiled this vision to safeguard over six million square kilometers of ocean and island territory across Melanesia. With anticipated participation from Papua New Guinea and New Caledonia, this initiative aims to become the first indigenous-led and multiregional ocean reserve in the world.

The Honourable Trevor Mahaga, Solomon Islands' Minister for Environment, Climate Change, Disaster Management, and Meteorology, and The Honourable Ralph Regenvanu, Vanuatu's Minister for Climate Change Adaptation, Energy, Environment, Meteorology, Geo-Hazards, and Disaster Management, were the visionary leaders behind this Melanesian Ocean Reserve blueprint.

The richness of the Melanesian Ocean

At the Southwestern part of the Pacific Ocean lies the island territory of more than 13 million Melanesian people—the indigenous communities residing in the eastern part of Indonesia, Papua New Guinea, Solomon Islands, Vanuatu, New Caledonia, and Fiji.

The ocean is far more than a prime tourist destination of the world, but a living cultural seascape for these people. The island territory had stood witness to a century of indigenous identity, spiritual connection, and cultural heritage that thrives against the background of rapid industrialization and modernization. Children paddle through the waters to reach schools while creating a connection with the sea. Each wave carries with it lessons and values that define Melanesian life.

Beyond its deep cultural significance, the Melanesian Ocean is one of the most biodiverse marine ecosystems on Earth. It is home to 75% of the world's known coral species and more than 3,000 reef-associated fish species. Crucially, it includes the eastern half of the Coral Triangle, recognized globally as the epicenter of marine biodiversity.

The ecological richness and biodiversity of the Melanesian region have sustained a wide range of terrestrial species, avifauna, and marine life.

Threats to the Melanesian Ocean

The Melanesian region faces mounting threats from climate change and human activity. Coral bleaching, ocean acidification, and rising sea levels are some of the most severe challenges. The Intergovernmental Panel on Climate Change projects that sea levels in this region could rise more rapidly than the global average, potentially reaching half to one meter by 2100.

Ocean acidification is also expected to become rampant around the world's equatorial region, including the Pacific area, resulting in major disruptions in reef formation and shell formation. Corals, sea urchins, clams, and zooplankton are among the first to be affected by intense ocean acidification, posing a serious threat to the marine food web and aquatic respiration processes. If global warming surpasses 1.5 degrees Celsius, up to 90% of coral reefs across much of the Pacific Island region could degrade, triggering cascading impacts on marine species and coastal communities alike.

On top of climate change, local threats such as coastal development, illegal and unregulated fishing, and marine-based pollution continue to erode the region's fragile ecosystems. Faced with these existential threats, Melanesian communities are rising to protect their ancestral waters through the establishment of the Melanesian Ocean Reserve.

The ocean reserve will be equivalent to the vastness of the Amazon Forest, spanning more than 3.5 times the size of Alaska.

Threats to the Melanesian Ocean

Indigenous leadership, rooted in respect, survival, and shared stewardship, offers a powerful way to protect the Melanesian Ocean's rich cultural and ecological heritage.

The Melanesian Ocean Reserve will draw on this wisdom to strengthen marine governance across Solomon Islands, Vanuatu, Papua New Guinea, and New Caledonia's waters. Its vision rests on four pillars: education, regenerative economies, sustainable, renewable-powered infrastructure, and the revival of ancestral traditions.

The envisioned indigenous-led and multiregional ocean reserve is a beacon of hope for sustainability and prosperity, while demonstrating to the world what empowering and cooperative ocean stewardship can look like.

IX. KEY DATES IN 2025

- **30th June - 3rd July 2025** - Financing for Development Summit, Seville, Spain
- **26th - 27th August 2025** - V20 Senior Officials Meeting (virtual)
- **9th - 23rd September 2025** - CVF Leaders Meeting, during the 80th Session of the UN General Assembly (UNGA 80) in New York
- **October 2025** - 15th V20 Ministerial Dialogue (IMF and World Bank Annual Meetings) in Washington DC
- **10th - 21st November 2025** - 30th Session of the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) in Belem, Brazil