CLIMATE VULNERABLE FORUM (CVF) LEADERS DECLARATION

Adopted during the "CVF Leaders Meeting on a New Era of Climate Accountability: An Adaptation Package, Debt Solutions, and Health Resilience for Vulnerable Nations"
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The human family is living through another year of records. Another year when global temperatures, melting of glaciers in the mountains and sea level rise have spiked, moving the world perilously close to an irreversible breach of the 1.5 degrees Celsius survival limit. This is a year when tropical cyclones and droughts sparked by warming temperatures have triggered horrific floods and landslides, including glacial lake outburst floods triggered by melting glaciers, fires and droughts, destroying even more lives, livelihoods and property around the world.

Climate change has now become the largest driver of displacement worldwide. As of 31 December 2023, at least 7.7 million people in 82 countries and territories were living in internal displacement due to climate disasters, including events from previous years. In 2023 alone, of the 46.9 million new internal displacements registered, 56% were triggered by disasters. In 2024, an estimated 45.8 million disaster displacements were recorded across 163 countries and territories, 54% of which were triggered by cyclones. This is nearly double the annual average of the past decade.[1]

It is again another year when extreme temperatures have fuelled food, water and health crises, including surges in vector-borne diseases, conflict and internal displacement, which creates even more refugees. Yet, the resultant damage and suffering have not been distributed equally. Climate change strikes unevenly, with pain falling disproportionately on those least responsible for the crisis and least able to deal with it; those who live on the very frontlines of this disparity.

This injustice compels us to reassess both the changes already upon us and the greater upheavals yet to come. We need to maximise citizen and economic security by using the ongoing clean energy transition to protect the 1.5°C Paris limit and minimise insecurity through adaptation. Together, we reaffirm the principles of equity and common but differentiated responsibilities and respective capabilities. Current challenges underscore, with undeniable urgency, the need to substantially scale up adaptation and adaptation finance, expand climate and disaster risk insurance, such as pre-arranged financing, risk transfer mechanisms and other tools to address loss and damage, strengthen health system resilience and secure the foundations of water and food security, ecosystem integrity and energy security.

The climate crisis is a driver of structural and systemic macroeconomic and financial instability. For many CVF members, balance of payments pressures from increasingly

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[1] IDMC (2025) Global Report On Internal Displacement 2025. Internal Displacement Monitoring Centre.

severe and frequent climate shocks, such as typhoons, cyclones, floods and droughts, can swiftly erode financial reserves, amplify currency volatility, delay recovery and hobble development objectives. The Global Financial Safety Net (GFSN) was created to insure against crises, provide financing when shocks hit and incentivise sound policies to prevent imbalances. Access remains deeply uneven. Low- and middle-income countries, including many in the CVF, have far less recourse.

This gap leaves climate-vulnerable economies exposed at precisely the moment when stability is most urgently needed. A more inclusive and climate-responsive GFSN is essential to match the scale of today's risks and to safeguard the resilience of our nations. Moreover, despite record global levels of Official Development Assistance (ODA) in 2022, reaching US$287 billion, allocations to the world's most vulnerable remain alarmingly low. For Small Island Developing States (SIDS) and Least Developed Countries (LDCs), ODA fell by 13% to just US$5.9 billion and by 4% to US$62 billion respectively, that year. This reveals a stark mismatch between falling global assistance and the acute needs of those on the frontlines of the climate and development crises. The outlook is even more concerning. Projections indicate that ODA will contract sharply in the years ahead: from US$198.7 billion in 2024, to US$164.1 billion in 2025 and only US$146.2 billion by 2026.

It is essential to maintain the distinction between development finance and climate finance and to ensure that they are not collapsed into a single, insufficient pool, especially at a time when ODA versus non-ODA transparency has yet to provide policy precision and scale. In this regard, we stress the importance of Biennial Transparency Reports (BTRs) in reinforcing clarity by requiring Parties to report on climate finance flows separately, thereby ensuring accountability and comparability.

Building on this, we call for an "ODA-plus" approach, one that ensures climate and biodiversity finance is mobilised in addition to, not in place of, development assistance, so that escalating physical and transition risks can be addressed while safeguarding and enabling development outcomes.

We further call on all actors to deliver on the New Collective Quantified Goal (NCQG) of scaled up additional climate financing for developing countries to at least US$1.3 trillion per year by 2035 from all public and private sources. Within this overall goal, a dedicated climate finance target of at least US$300 billion per year by 2035 in public and grant-based resources should be established, with developed countries taking the lead.

Slow political action when juxtaposed against the present realities confronting the world is difficult to fathom. The impacts of the climate crisis will only push the world towards greater instability by inflicting exponentially greater pain and burdens on those least responsible for global emissions, compounding climate injustices by deepening poverty and inequality. Despite this, adaptation and resilience continue to be misunderstood, undervalued and underfunded. Let us be clear: if we fail on adaptation, we will pay the price in lives lost in frontline communities and businesses, with impacts eventually and steadily rippling across the world. This is not an issue that can continue to be ignored or sidelined. And it requires even greater clarity on who we should be supporting to build resilience and which sectors should be prioritised for adaptation.

Climate vulnerability is not just defined geographically; it is also about capacity and capacity is a socio-economic issue. Our ability to absorb and recover from climate shocks is shaped by fiscal space, cost of capital, access to technology and institutional capability. Resilience comes with full delivery of means of implementation.

Climate vulnerability stems from the following:

- **Disproportionate Impacts:** Climate-vulnerable nations bear the brunt of climate change, with impacts far outweighing their miniscule contributions to cumulative global emissions.

- **Economic Strain/ Resource Gap:** High cost of capital, unsustainable debt servicing costs and limited fiscal space make it nearly impossible to invest in resilience or recovery. Notably, there is both ineligibility and differentiation for some larger developing countries with fiscal space to direct resources toward their own vulnerable populations. Instead they prioritise discretionary ambitions, a particular context that demands emphasis: it highlights a governance and equity challenge, not a resource gap. For many small economies, including SIDS and LDCs, the lack of capacity to access climate finance is a significant equity challenge.

- **Technology Access Gap:** Without equitable access to fit-for-purpose technologies, adaptation and economic transformation remain out of reach.

- **Interrupted Recovery:** Prolonged recovery times are a direct result of repeated climate disasters that, when combined with resource gaps/economic strain, create protracted cycles of crises that compound vulnerability.

- **Systemic Barriers:** The current state of access to and volume of financing perpetuates inequality, blocking pathways to resilience, economic transformation and climate prosperity.

- **Scientific Capacity:** Lack of scientific capacity and data gaps on hazards, exposures and vulnerability jeopardises the ability of climate vulnerable countries to develop and implement measures that address their vulnerability and increase resilience.

These issues are the lived experience of our people, families rebuilding homes torn apart by storms and floods, farmers facing barren fields, youth denied employment, livelihoods and businesses affected because recovery has been delayed again and again.

Solutions should consider the profound disconnect between the urgency of adaptation needs and the slow, uncertain and often inequitable finance mechanisms in place. We therefore call for a comprehensive packaged approach to adaptation as an outcome of COP30, which addresses gaps in the adaptation cycle. This includes the need to scale up adaptation finance and its predictability, with the aim of closing the adaptation finance gap, a global provision that ensures adaptation funding is delivered at scale, at speed and at costs our nations can afford.

Adaptation means strengthening coastal defences, climate-proofing infrastructure, diversifying crops, improving water systems, building flood controls and protecting ecosystems, amongst others including mountains, the world’s water towers, that sustain both nature and humanity. Adaptation minimises the scale of loss and damage we face, but to make adaptation work, we must have access to finance, opportunities for capacity building and the technologies that enable resilience.

Another key element is the prioritisation of National Adaptation Plans (NAPs), as mandated by the Global Stocktake and the Global Goal on Adaptation. Therefore, the package should establish grants and results-based funding of at least US$4 million for any developing country that has completed a National Adaptation Plan.[2] Vulnerable countries should be trusted to lead their own resilience pathways and direct access to flexible and quick resources to advance adaptation would close the gap between NAP submission and implementation. The package can also include space for bilateral financing institutions and multilateral development banks to set specific adaptation funding targets, renewed finance commitments from developed countries which include adaptation and for a global guarantee facility that is essential for debt-for-resilience/climate swaps and to crowd in private investment.

Moreover, concessional finance must be explicitly characterised as any cost of funds below a country's medium-term GDP growth rate. This definition would ensure that borrowing supports sustainable development and resilience-building rather than exacerbating financial stress. Without this clear threshold, the term "concessional" risks being applied too broadly, particularly in the context of middle-income, climate-vulnerable countries.

Equally vital are the complementary measures of preparedness by having emergency systems, evacuation plans, early warning systems and pre-positioned supplies so we can respond swiftly when hazards are imminent, as well as tools and programmes, such as an upscaled G7-V20 Global Shield against Climate Risks, to protect against the losses we cannot adequately prepare for, losses that we cannot sustain and losses that we currently cannot adapt to. *Lifeline*, an initiative by our V20 Central Bank Governors Working Group, aims to map climate shocks into the balance of payments needs and work towards a multi-regional financial arrangement for short-term finance to cushion the balance of payments impacts of climate shocks, such as tropical cyclones, floods and droughts, while also mobilising medium-term investment. At the same time, we recognise the need for greater operationalisation and progress of the Fund for responding to Loss and Damage (FRLD) by the Board including rapid disbursement of grants through the Barbados Implementation Modalities (BIM), matched with adequate resources to ensure the full operational model of the fund can deliver at scale. We call for the swift and increased capitalisation of the FRLD to protect our hard-won development gains that risk collapse under the weight of injustice, as we are forced to pay the highest price for a climate crisis we did not create.

We recognise the intrinsic interconnections from mountains to oceans. Melting glaciers, degraded watersheds and sea-level rise illustrate cascading impacts, where vulnerabilities in highland ecosystems directly affect lowland and coastal communities.

This is why holding the line of the 1.5°C climate threshold of the Paris Agreement remains our safety limit. It is our collective anchor to avoid drifting towards dangerous shoals that prevent a safe journey to sustainable national development and our citizens' dignity. The dreaded overshoot may occur, but a return remains possible and giving up is not an option.

The High Seas Treaty (BBNJ Agreement) offers a vital path to protect and govern marine ecosystems, which are also powerful carbon sinks. Marine carbon capture is an untapped

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[2] *The $4 million figure is a midpoint based on typical readiness funding, which ranges from $3-5 million and generally supports NDCs or NAPs. The challenge is that these funds often flow to third parties, creating indirect access and leaving resources stuck at the planning stage. This proposal takes a different path: a results-based approach where countries that complete NAPs to an agreed standard receive direct access up to US$4 million, flexible financing to establish a national adaptation fund, build a resilience facility for MSMEs, or pursue other priority adaptation and resilience measures.*

opportunity and ratifying the BBNJ Agreement is critical as we depend on healthy oceans for livelihoods, food and resilience. We welcome the entry into force of the BBNJ Agreement following its achievement of 60 ratifications, many of which have come from our member countries.

We warmly welcome the issuance of the historic Advisory Opinion (AO) on the obligations of states in respect of climate change from the International Court of Justice (ICJ).

We commit to advancing appropriate mitigation efforts, including by calling on all countries that have not done so to submit updated Nationally Determined Contributions (NDCs) as soon as possible, well ahead of COP30. We stress the central role of NDCs as the foundation of global climate ambition. For climate-vulnerable countries, enhanced NDCs embody mitigation, adaptation and loss and damage priorities. Yet, implementation remains underfunded, requiring scaled-up grants and concessional finance, technology development and transfer and capacity building.

The Global Emerging Markets (GEMs) risk database shows that for low-income countries, the real default rate is just 6.3%, yet sovereign ratings imply a rate of 14.2%. For lower-middle income countries, the real rate is 4.4% against an implied 14.6%. Such distortions inflate borrowing costs, deter private investment and unfairly penalise climate-vulnerable economies that have already contributed the least to global emissions. This is both inequitable and unjust and must stop!

We therefore call for urgent action to break the vicious cycle where debt and climate change compound one another. Specifically, we call for:

- **Extending debt repayment terms to 40 years.** This single measure could reduce payments by US$267 billion. Combined with lowering interest rates to 1.3%, the savings could reach US$454 billion, a 37% reduction that allows us to breathe and rebuild to reach the goal of prosperity rather than mere survival.

- **Updating Debt Sustainability Analyses (DSAs) at the IMF and World Bank.** Update growth methodologies to integrate the macroeconomic benefits of resilience investments, including better debt carrying capacity. As part of the review process, revise guidance for DSAs for market access countries at the IMF and World Bank to include the benefits of investments in climate and nature resilience. Enhanced DSAs should clearly reflect the financing terms that permit these investments to be macro-feasible, setting out the full financing mix required, including both private and public capital, strategic debt relief, credit enhancements and the volume of concessional capital needed for countries to meet the Paris Agreement and 2030 Agenda. At present, these insights are buried in technical annexes, when they should be lighthouses guiding global action.

- **Reforming the G20's Common Framework.** We call for an automatic two-year standstill on debt payments, with no arrears, to accelerate restructuring and ease immediate fiscal pressure. Extending maturities to 40 years would further reduce rollover risks and create stability even beyond our shores.

- **Building systemic solutions.** These include:

- Doubling down on developing local capital markets and with it, scaling the availability and affordability of local currency finance as a critical foundation for building financial resilience;
- Scaling climate risk insurance as a key enabler to accelerate resilience investments and disaster risk financing;
- Standardising debt pauses with targeted relief supported by insurance-like mechanisms and instruments that automatically adjust payments in response to shocks; and
- A global guarantee facility to crowd in private investment and underpin more effective, credit-enhanced debt restructurings and debt-for-resilience/climate swaps.

We affirm the urgency and centrality of Climate Prosperity Plans (CPPs) given their ability to mobilise resources and foster collective action that transforms climate risks into bankable opportunities. More than just a fully costed roadmap for low-carbon and climate-resilient development, a CPP is a multi-phase national strategy for investment, technology access and knowledge transfer. At its core, it emphasises the convergence of development, climate and nature. It establishes resilience and transformation now and thus pursues a future of sustainable development.

We also recognise the value that Climate Finance Country Platforms can provide, when countries are firmly in the driver's seat, ensuring that resources are mobilised on their own terms with country-led and regionally-led partnerships to achieve climate prosperity, not through externally imposed agendas. We must move beyond fragmented coordination to mission-driven, government-led platforms that crowd in capital, align with national ambitions and deliver real outcomes. It is in our interest to avoid default arrangements or glossy reports produced far from the frontlines of delivery, untethered to local realities and inadequate to the sense of opportunity inspiring teams on the ground. When done right, these platforms offer a running start for upstream project-development support, provide clear policy guidance and serve as credible venues for alignment between governments and investors, including for carbon market access and debt-for-climate swaps. They require flexible support that not only finances projects, but also finances the process of unlocking capital: building pipelines, reducing transaction costs, strengthening and deepening local capital markets to diversify sources of capital and enabling more responsive financing solutions.

We further underscore the role of these Country Platforms in generating the evidence base required to enable an eventual transition to private sector financing. To enable an eventual transition to increased private sector financing, we call for additional direct support to strengthen the private sectors in SIDS and LDCs where MSMEs lack the capital, face high transaction costs and limited labour markets. This requires fostering public-private partnerships and new forms of joint ventures to reduce transaction costs and advance human capital formation. There is no substitute for national and local capacity, whether public institutions, private sector, universities or civil society. We must avoid repeating past errors where external actors or hubs limited local agency.

We therefore call on programming for Country Platforms to ensure direct access of resources upon submission of a fully completed CPP to the UNFCCC portal as a long-term strategy, receiving immediate funds of US$8 million per country to rapidly begin implementation.

Moreover, there is opportunity in regional and multi-regional initiatives, including strengthening national and regional development banks and exploring a Multi-Sovereign Wealth Investment Fund to anchor and mobilise the scale of investment needed for climate prosperity, unlocking an abundance of profitable opportunities that have too often failed to get their due share as a result of overly punitive risk perceptions.

We affirm that climate-vulnerable countries must have a permanent and legitimate seat at the table where decisions on our future are being made. The Climate Vulnerable Forum represents 1.81 billion people whose lives and livelihoods are most affected by the climate crisis, yet our voice and representation remain structurally underrepresented in the global system. This must change.

We therefore call for the recognition of the CVF-V20 as an observer in the United Nations and for formal intergovernmental status at the IMF and World Bank, without prejudice to the right of each member country of the CVF-V20 to participate in its national capacity. The CVF-V20, with its membership of 74 climate-vulnerable countries working with world leaders; finance, environment and foreign affairs ministers; central bank governors; parliamentarians; scientists and embassy officials and carrying out climate prosperity initiatives and fellowship programmes for youth and ministry officials to build future climate leaders and negotiators, is a crucial platform in shaping the future in favour of the world's most vulnerable. We ask allies to support this call. It is not symbolic. It is essential to ensuring the perspectives and priorities of the world's most climate-exposed nations are integrated into decisions on finance, stability and development.

We affirm the principle of intergenerational equity. Future generations must not inherit a planet degraded by the compounded costs of delayed action. All policies and financial flows should be aligned with long-term resilience, ensuring the rights, wellbeing and prosperity of the youth and the unborn.

True resilience and prosperity demand inclusive governance. The CVF must be present, must be heard and must be empowered to help influence the rules of the global system that so profoundly shapes our destinies for generations to come. This is a dynamic global moment, a time of deep challenge but also one of great opportunity. We call on the global community to stand with us, to take action with us and to never forget: The fate of the vulnerable will be the fate of the world.