CVF V20 | CLIMATE VULNERABLE FORUM | VULNERABLE TWENTY GROUP

CVF FRONTLINE

CVF FRONTLINE

July 2025 | Issue No. 10

The Fourth International Conference on Financing for Development (FfD4) revealed the sluggish pace of global efforts to reform a financial system that continues to disadvantage the most at-risk. Undeterred, nations of the Climate Vulnerable Forum and V20 Finance Ministers (CVF-V20) are moving forward, not because the conditions are right but because the stakes are too high to wait.

This edition of CVF Frontline showcases nations turning climate vulnerability into opportunity–through inclusive planning, strategic collaboration, parliamentary leadership, and the alignment of local and regional priorities with national climate frameworks. What's unfolding across the CVF-V20 is more than climate action. It is a fundamental reimagining of development itself, rooted in resilience, equity, shared leadership, and shared prosperity.

CVF AT WORK

A look back at the most significant CVF-V20 activities

Ambassador Elizabeth Thompson, representing the Barbados Presidency of the CVF-V20, and CVF-V20 Secretary-General Mohamed Nasheed, met with Philippine Senator Loren Legarda to strengthen legislative cooperation in transforming climate risks into sustainable economic opportunities through the Philippine Climate Prosperity Investment Memorandum.

CVF-V20 Gathers Philippine Lawmakers to Drive Climate Prosperity Agenda

Lawmakers from the Philippines and Climate Vulnerable Forum and V20 Finance Ministers (CVF-V20) nations were called to take center stage in the fight against climate change, as the CVF Global Parliamentary Group (GPG) demonstrated its role as the legislative engine driving climate investments into climate-vulnerable countries.

The GPG was established in 2021 with the aim of uniting lawmakers from CVF-V20 countries to work together in advancing green industrial policies and driving long-term institutional reforms that attract and sustain climate investments.

"We underscore the importance of strengthening parliamentary engagement across CVF-V20 Member States through, for instance, this modality, the Global Parliamentary Group (GPG). This platform can play a critical role, not only as a space for technical dialogue but as a mechanism for coordinated legislative advocacy in key multilateral forums," Atty. Johaira Wahab-Manantan, the Acting Director of the Office of United Nations and International Organizations (UNIO) of the Department of Foreign Affairs, explained.

To succeed in the long term while delivering early benefits, climate investments need to establish robust regulatory regimes and fiscal frameworks that embed the climate prosperity agenda into core development strategies via legislation. Such investments are crucial in the implementation of the Paris Agreement, Sustainable Development Goals, the Sendai Framework, and the Global Biodiversity 30×30 Target.

Shared realities of the world's most vulnerable

The GPG's efforts rise from the shared truth and realities of climate injustice, daily endured by vulnerable nations.

In the Philippines, where 70% of its population confronts the haunting devastation of climate-induced tragedies, climate change is no stranger. It has been a long-worn familiar face etched into every typhoons, flood, and droughts.

The World Bank reported that 565 disasters have historically cost the country US$23 billion damages and 70,000 lives since 1990. Senator Loren Legarda, during the high-level meeting, shared that the projected cost of productivity loss from extreme heat alone could reach PhP466 billion annually by 2030.

"Yet, even this staggering figure fails to capture the true potential loss of our invaluable cultural heritage. We must prioritize mitigating climate risks to our cultural sites, our time-honored traditions, and the wealth of knowledge passed down through generations," Senator Legarda added.

In a special meeting convened on July 14, in partnership with Senator Loren Legarda and the Philippine Climate Change Commission, leaders of the CVF-V20 underscored that while vulnerable nations face the harshest climate impacts, it is their parliaments that hold the keys to unlocking transformative solutions.

Her Excellency The Most Honorable Elizabeth Thompson, Ambassador Extraordinary & Plenipotentiary Climate Change, Small Island States SIDS & Law of the Sea, and Barbados CVF-V20 Presidency Sherpa, recognized the shared struggle of V20 nations in confronting the climate crisis, highlighting lost livelihoods, destroyed homes, displaced communities, failed crops, eroded coastlines, devastated coral reefs, the rise of vector-borne diseases, and increasingly unpredictable weather patterns. She shared how hurricanes have swept over the communities and coastlines of Barbados that hurled even the national economy. Furthermore, Hurricane Maria wiped out 225% of the Commonwealth of Dominica's Gross Domestic Product in five hours.

"But you have your own stories in this country and in this region. These are not just the stories that make the news. These are the stories of the lives of our people, the destruction of their dreams, and the challenges that we face as parliamentarians and as a people. Your responsibility, therefore, is to give vision and voice to the solutions to the climate crisis," Ambassador Thompson noted.

Supporting investment strategies with legislation

The high-level meeting last July 14 in Manila, Philippines was designed on the shared vision of proofing infrastructures and the economy from climate shocks.

The Philippine Climate Prosperity Investment Memorandum, currently being developed by the Department of Finance and supported by the CVF-V20 Secretariat, is envisioned as an economy-wide investment roadmap designed to transform risks into bankable opportunities—scaling up renewable energy, supporting green industries, protecting biodiversity, and building resilience down to the local level. With the People's Survival Fund (PSF) and other innovative financing mechanisms, the country is determined to translate plans into tangible community impact.

The GPG leverages the power and influence of lawmakers to institutionalize Climate Prosperity Plans (CPPs) across CVF-V20 nations. Legislators are key to confronting the climate crisis through policies that create green jobs, foster security, and deliver resilience across nations. With their mandate to represent the interests of the people, parliaments are vital in elevating the lived realities and opportunities in policy-making platforms. Every seat in the parliament comes with the solemn duty to be the bridge between people and government, and representatives of nations determined to advance global governance reform.

"The CVF-V20 works for the **vulnerable and the debt-burdened**, conscious that climate impacts limit access to financing and place a high cost on capital. Those who are the cause of the climate crisis are able to access capital at 3%, 4%, 5% while those of us who are the victims of the climate crisis can onlyaccess capital at 14%, 8% and considerably higher than those who are causing the crisis. It is a crisis which widens social inequities, heightens economic disparity, and diverts development spending. It is for these reasons that the Prime Minister of Barbados developed the Bridgetown Initiative, which converges with the work of the CVF-V20."

H.E. The Most Honorable Elizabeth Thompson
Ambassador Extraordinary & Plenipotentiary Climate Change, Small Island States SIDS & Law of the Sea, and Barbados CVF-V20 Presidency Sherpa

High-Level Dialogue of the CVF-V20 and Philippine Lawmakers
July 14, 2025

Senator Legarda Vows Support for Philippine CPP; Backs Hosting of CVF Regional Office

Philippine Senator Loren Legarda vowed to advance legislative measures in support of the country's Climate Prosperity Investment Memorandum. The move is meant to establish the policy and regulatory framework needed to crowd-in climate-smart investments and sustainable economic growth.

"The CVF's vision, articulated in the development of Climate Prosperity Plans, speaks to a deeper truth: true progress transcends narrow economic metrics. It's about preserving our cultural heritage, fostering resilient communities, and ensuring that the wisdom of our past guides us towards a more prosperous and sustainable future," Senator Legarda said.

Philippine Senator Loren Legarda was the CVF Ambassador for Parliaments from 2020 to 2023.

Senator Legarda made the commitment during a special session of the Climate Vulnerable Forum and V20 Group of Finance Ministers (CVF-V20) Global Parliamentary Group (GPG) on July 14 at the National Museum of Fine Arts in Manila, Philippines. The gathering brought together high-level representatives from the CVF-V20 leadership as well as Philippine lawmakers, policy leaders, the academe, businesses, and civil society organizations.

The CVF-V20 is working closely with member countries to develop respective Climate Prosperity Plans (CPPs), which are country-led, investment-driven plans that identify catalytic projects and clear financing pathways, ensuring that investments translate into tangible benefits for communities most exposed to climate risks. More than just a fully costed roadmap for low-carbon and climate-resilient development, CPPs are multi-phase national investments and technology access strategies that focus on the convergence of development, climate, and nature.

Her Excellency The Most Honorable Elizabeth Thompson, Ambassado Extraordinary & Plenipotentiary Climate Change, Small Island States SIDS & Law of the Sea, and Barbados CVF-V20 Presidency Sherpa, highlighted during the meeting that CPPs have already unlocked approximately USD2 billion in investments across CVF-V20 countries where they are in place.

"These plans work—particularly in strengthening sustainable agriculture and food security, expanding renewable energy for a just transition, and building resilience that drives sustainability and economic growth," Ambassador Thompson emphasized.

Building local resilience, unlocking climate finance

"Climate action has to be local," said Senator Legarda, highlighting the critical role of local governments in the fight against climate change. She urged fellow members of the Philippine Congress to "make the full implementation of our CPP our most enduring legacy."

Senator Legarda's forthcoming resolution or bill will lay the legislative foundation for local governments to systematically incorporate crucial elements of the CPP, such as climate risks, health outcomes, and the valuation of natural capital, into their local development and investment planning.

Taguig City Mayor Lani Cayetano echoed this, emphasizing the need for evidence-based governance: "No nation has ever been saved by instinct alone. No impulsive action has ever resolved the root of a crisis. We need science and data to underpin our policies—this is how we make sure our interventions truly advance sustainability goals, instead of undermining them."

The ongoing development of the Philippine Climate Prosperity Investment Memorandum is backed by a special macroeconomic model of the CVF-V20 Secretariat. "It is a "what-if" decision-support tool that helps governments explore how different development and climate scenarios impact key outcomes like GDP, jobs, emissions, poverty, and energy use," according to Sara Jane Ahmed, Managing Director and V20 Finance Advisor of the CVF-V20 Secretariat.

Representative Anna Veloso-Tuazon (Third District, Leyte), expressed support for the CVF's climate prosperity agenda. "I support the mission that brings the CVF-V20 to the Philippines. Resilient infrastructure, supply chains, and services is the bottom line. But we must also reach for the sky—modern local economies powered by investments and the ambition of prosperity," she said.

PH as a regional hub for the CVF

Beyond legislative action, Senator Legarda also signaled her support for positioning the Philippines as a regional hub for the CVF-V20.

"There are possibilities also of hosting [a regional office of the] CVF in the Philippines, just like we're hosting the Loss and Damage Fund. I know it's a long way to go," Legarda stated.

Currently, the CVF-V20 is headquartered in Accra, Ghana, with a regional office in Colombo, Sri Lanka. It also maintains offices in Washington D.C. to engage with the Bretton Woods Institutions, and in New York City to liaise with the United Nations.

With the proposed legislative support on Climate Prosperity Investment Memorandum and the potential for hosting a CVF regional office, the Philippines is poised to champion a development path that transforms vulnerability into opportunity, ensuring a future of prosperity and resilience for generations to come.

CVF Meets With Japanese Ambassador to Ghana

CVF-V20 Secretary-General Mohamed Nasheed met with H.E. Hiroshi Yoshimoto, Ambassador of Japan to Ghana, to discuss potential areas of collaboration, including capacity building initiatives, support for the Global Shield, and mobilizing investments for Climate Prosperity Plans.

CVF-V20 Champions Climate Prosperity at Pakistan's NDC 3.0 Dialogue

The Climate Vulnerable Forum and V20 Finance Ministers (CVF-V20) Secretariat participated in the High-Level National Dialogue on Pakistan's Nationally Determined Contribution (NDC) 3.0 on July 15.

CVF Regional Director for South Asia Hamza Haroon and Pakistan Climate Prosperity Plan (CPP) Lead Anam Rathor updated stakeholders on the progress of Pakistan CPP development, stressing the importance of connecting climate ambition with investment-readiness. They highlighted a range of crucial tools to achieve this, including green bonds and creditworthy project pipelines to investor pitch decks and carbon market mechanisms. They also emphasized the need for scenario-based planning in line with the upcoming COP30 Presidency and reaffirmed their collaboration with the Ministry of Climate Change & Environmental Coordination (MoCC&EC) and the Ministry of Finance.

Updated NDC targets

Chaired by Secretary Aisha Humera, the event focused on integrating scientific evidence, fiscal strategy, and institutional innovation into the climate policy framework.

Mr. Arif Goheer, Managing Director of the Global Climate Change Impact Studies Centre (GCISC), presented the technical outlook, citing a sobering statistic: 167 climate-related disasters over the past 25 years. He also detailed Pakistan's updated 2030 targets: a 50% emissions reduction (15% unconditional, 35% conditional), supported by transitions in the energy, transport, and agriculture sectors.

The high-level dialogue, hosted by the MoCC&EC and GCISC, brought together local stakeholders, development partners, and the academe to shape Pakistan's NDC 3.0.

Provincial projects and new initiatives

A robust pipeline of provincial projects was also shared, featuring GIS-based vulnerability mapping, smart metering systems, and adaptation efforts in agriculture and water management. Key instruments, including the RiSO platform and climate finance dashboards, were showcased to strengthen monitoring, reporting, and verification (MRV) systems.

In her remarks, Secretary Humera committed to advancing the NDC process through whole-of-society engagement, institutional capacity building, and increased transparency. She underscored Pakistan's urgent need for climate financing, referencing the World Bank's Country Climate and Development Report (CCDR) estimate of USD350 billion required by 2030. She highlighted recent progress, including a USD1.3 billion climate-tagged project portfolio and a forthcoming youth climate innovation challenge.

This dialogue marks a critical milestone in aligning Pakistan's climate ambition with pathways to resilience and prosperity. CVF-V20 remains committed to fostering investment-ready, action-oriented partnerships that deliver both national and global impact.

Bhutan Bolsters Capacity for International Carbon Market Participation

Over 40 participants from key national government agencies, ministries, financial institutions, civil society, the private sector, and academia convened at the Tashi Yid-Wong Grand in Thimphu, Bhutan, on July 16 and 17 for a Consultation, Data Validation, and Capacity Building Workshop on Carbon Market Readiness.

The workshop was organized by the Department of Environment and Climate Change (DECC) under the Ministry of Energy and Natural Resources (MoENR), in partnership with the Climate Vulnerable Forum and V20 Finance Ministers (CVF-V20) Secretariat. The event aimed to foster inclusive, multi-sectoral dialogue; validate essential data for carbon market readiness; and build the capacity of stakeholders across sectors—laying the foundation for a coordinated and strategic approach to Bhutan's engagement in carbon markets.

"Capacity building for carbon markets is not just timely-it is essential. With international negotiations on Article 6 of the Paris Agreement concluded in Baku last year and with growing interest from countries and investors, Bhutan must be ready. This workshop marks an important step in equipping our institutions with the knowledge and tools to develop robust policies, credible infrastructure, and high-integrity carbon credits that can contribute meaningfully to global climate goals while unlocking new climate finance opportunities for Bhutan," said DECC Director Sonam Tashi.

Bhutan is making steady progress toward establishing key institutional and technical infrastructure such as the Bhutan Climate Fund (BCF) and is finalizing its Carbon Market Rules 2023, National Carbon Registry, and the initiation of bilateral cooperation with Singapore. These efforts underscore the country's strong commitment to transforming its emission reduction assets into economic revenue streams that support sustainable development.

The workshop combined technical training, stakeholder consultation, and strategic planning to support Bhutan's participation in carbon markets, particularly under Article 6 of the Paris Agreement, as well as in compliance and voluntary carbon markets.

The event focused on enhancing Bhutan's preparedness to participate in international carbon markets, marking a key step forward in the country's broader push to unlock climate finance at scale

On the first day, discussions focused on global climate finance trends, national policy developments, and the mechanics of carbon markets, including Article 6 of the Paris Agreement. Interventions centered on the possible tools and financing instruments available for various sectors to access climate finance from different funding entities. A keynote intervention by Professor Lisa Sachs from Columbia University emphasized how Bhutan, as a carbon-negative country, can strategically engage with emerging opportunities to leverage climate finance for sustainable development.

The second day was hands-on, with sector-specific working groups (energy, transport, agriculture, waste) validated data and mapped mitigation opportunities. Participants estimated potential greenhouse gas reductions and carbon revenue, providing inputs into Bhutan's forthcoming NDC 3.0 and national carbon market roadmap.

Key discussions centered on the development of a practical "Carbon Market Playbook" to guide the private sector through project preparation, authorization, benefit-sharing, and access to finance.

In her remarks, CVF-V20 Managing Director Sara Jane Ahmed emphasized that the insights gathered in the workshop will shape Bhutan's roadmap carbon market development, including policy recommendations, capacity-building plans, and a pipeline of projects both in compliance and voluntary carbon markets. "The CVF-V20 is committed to working hand-in-hand with all stakeholders to advance Bhutan's carbon market strategy and ensure it leads to meaningful and equitable outcomes for the Bhutanese people," she said.

Pakistan CPP Consultations Expand to Gilgit-Baltistan

As part of its nationwide efforts to develop a robust Climate Prosperity Plan (CPP), Pakistan has expanded consultations to Gilgit-Baltistan, a region deeply affected by the impacts of climate change.

The Climate Vulnerable Forum and V20 Finance Ministers (CVF-V20) Secretariat visited Gilgit-Baltistan from July 22 to 23 to engage with local stakeholders, identify scalable climate investment opportunities, and ensure the region's inclusion in both national strategies and international climate finance frameworks. The Secretariat delegation included Hamza Haroon (Regional Director, South Asia), Anam Rathor (Program Lead, Pakistan CPP), and Zeshan Masood (Coordination Officer, South Asia). The visit was hosted by the Planning and Development Department (P&DD) of Gilgit-Baltistan.

The high-level consultation with the Gilgit-Baltistan Planning and Development Department, led by Minister Raja Nasir Ali Khan, brought together key departmental representatives to align regional climate priorities with Pakistan's CPP.

The consultations kicked off with a high-level roundtable at the P&DD, chaired by Raja Nasir Ali Khan, Gilgit-Baltistan's Minister of Planning and Development. The Minister facilitated in-depth discussions with senior officials from key departments, including forestry, environment, agriculture, livestock, fisheries, disaster management, local government, and rural support programs.

The discussion highlighted Gilgit-Baltistan's acute climate vulnerabilities, ranging from glacier retreat and extreme weather events to limited participation in global climate forums and restricted access to climate finance. Local officials shared a diverse portfolio of initiatives already underway in the region, including glacier protection programs, clean energy transition plans, women and youth skill-building centers, organic food branding, and zero-plastic initiatives. A central theme of the meeting was the need for stronger federal-provincial coordination to ensure Gilgit-Baltistan's climate priorities are fully embedded in Pakistan's national CPP.

At the Gilgit-Baltistan Environmental Protection Agency (GB-EPA), the delegation reviewed several innovative environmental programs, such as PET bottle return systems, Women's Green Business Centers, and real-time climate monitoring networks.

The team also visited Karakoram International University (KIU) to explore ways to integrate science-based research into climate policy and planning. Discussions covered the application of GIS mapping, glacier grafting, hazard vulnerability risk assessments (HVRAs) across 16 valleys, and gender-inclusive climate education. CVF-V20 and KIU are currently finalizing a Memorandum of Understanding (MoU) to strengthen collaboration on early warning systems, student-led research, and the alignment of university data outputs with national climate risk frameworks.

The CVF-V20 with representatives of the Karakoram International University (KIU) in Gilgit-Baltistan.

Focused consultations were also held with the Aga Khan Rural Support Programme (AKRSP), which is implementing projects on carbon offsetting, climate-resilient agriculture, and energy efficiency across the region. The team reviewed successful pilots on agroforestry, tree plantation, clean cooking technologies, and village-level awareness campaigns. In parallel, engagement with the Gilgit-Baltistan Rural Support Programme (GBRSP) centered on scaling up community-led adaptation solutions. These included indigenous seed banks, infrastructure for Glacial Lake Outburst Flood (GLOF) risk reduction, and inclusive microfinance models targeting women entrepreneurs.

Across all engagements, institutions in Gilgit-Baltistan demonstrated a strong commitment to climate innovation and resilience. The CVF-V20 Secretariat will continue working closely with local officials to ensure the region's climate ambitions are fully reflected in the national CPP.

FROM WHERE WE STAND

Thought pieces and reflections by CVF-V20 leaders, fellows, and partners

FfD4: A Moment of Reckoning for Climate-Vulnerable Economies

By Geneva Oliverie
Deputy Director for International Finance Reform and Trade, CVF-V20 Secretariat

Image courtesy of United Nations Photo / Eskinder Debebe.

The 4th International Conference on Financing for Development (FfD4), held in Seville, Spain from June 30 to July 3, aimed to re-energize global commitments to financing the Sustainable Development Goals (SDGs). Bringing together political leaders, international organizations, development banks, the private sector, and civil society, the conference unfolded at a critical juncture characterized by converging climate and development crises that disproportionately affect climate-vulnerable economies.

The outcome of the conference, the *Compromiso de Sevilla*, reflects a comprehensive ambition. However, its final form lands more as a "catch-all" than a catalyst. Many of the issues featured, namely debt sustainability, concessional finance, multilateral development bank (MDB) reform, and trade, have been on the agenda for more than a decade, echoing themes from the previous FfD conferences in Monterrey and Addis Ababa.

Reaffirmation has value, particularly in a multilateral setting. But for the Climate Vulnerable Forum and V20 Finance Ministers (CVF-V20), reaffirmation is not progress. Our countries can no longer afford another decade of déjà vu. There is an urgent need for specificity, accountability, and time-bound mechanisms for reform and delivery.

What did the CVF-V20 expect?

Coming into Seville, the CVF-V20 expected a more honest reckoning with structural failures in the global financial system. We sought explicit recognition of the needs of climate-vulnerable economies not just in generic terms, but through concrete reforms that reflect the realities of climate risk, resilience, and fiscal strain. We hoped the conference would highlight debt sustainability as a climate issue, support concessional finance tailored to vulnerability, and endorse new financial instruments like Climate Resilient Debt Clauses (CRDCs). We also expected stronger support for country-led platforms like Climate Prosperity Plans (CPPs), which integrate fiscal, development, and climate strategies to drive resilience and growth.

While the outcome document did not meet all these expectations, there were some notable bright spots. It includes stronger language around aligning public finance and national budgets with climate goals, signaling a growing understanding of the climate-development nexus. We were encouraged by the recognition that concessionality should be based not solely on income levels but also on vulnerability, an important shift toward a more equitable financial architecture. There was also an emerging consensus on the need for risk-informed financial instruments, which, although underdeveloped in the document, creates a foundation for future advocacy.

What did we get?

The conference also produced a Seville Platform of Action, which outlines a set of priority initiatives intended to translate commitments into practice. This platform emphasizes the need for systemic transformation in development finance, including measures to strengthen national capacities, improve access to long-term concessional finance, and enhance public–private cooperation. While largely aspirational, it offers a potential roadmap for follow-up efforts particularly around operationalizing country-led strategies, scaling sustainable finance innovations, and improving the quality (not just quantity) of development finance flows.

These positives were, however, overshadowed by the absence of concrete commitments and the prevalence of best-endeavour language across many sections of the *Compromiso de Sevilla*, falling short of the decisive and time-bound reforms climate-vulnerable countries urgently need.

Despite the years of advocacy, there were no binding announcements on MDB reform or timelines for scaling up concessional finance. CPPs, which are already being implemented in several CVF-V20 countries as integrated frameworks for resilience-building, require formal mention. Language around private capital mobilization remained vague, with little attention to the real barriers such as high cost of capital and currency risk that prevent investment in climate-vulnerable economies.

Most disappointing was the absence of any endorsement to scale successful innovations like CRDCs, which countries like Barbados, Grenada, and Saint Vincent and the Grenadines have already demonstrated to be viable. It is worth mentioning that a number of entities, such as the Government of Spain, have actively pushed for the increased uptake and enhancement of CRDCs.

One area of particular interest for the CVF-V20 is concessional finance. For our economies, concessionality is not about charity; rather, it represents justice. It is about aligning the international financial system with the reality that climate-vulnerable countries are paying a premium for a crisis they did not create. The *Compromiso de Sevilla* made welcome reference to the idea of tailoring concessional finance to vulnerability in 48 (e) which explicitly states that Parties agree to "increase access to concessional finance by integrating vulnerability in efforts to enhance debt sustainability and development support" but the next step must be to institutionalize this principle. 'Concessionality for climate resilience' must be embedded in MDB capital frameworks and in the design of IMF-supported programs. This is a defining issue of global equity.

The recognition of country-led platforms as models of cooperation was another small but significant win. While CPPs were not directly named, the idea of platforms that enhance coordination, unlock investment, and build local capacity was echoed throughout the conference. For the CVF-V20, CPPs are cost-free to governments, serve as fiscal and investment roadmaps, and provide clarity for public and private partners. They are a vital tool for integrating climate goals into national development strategies.

Additionally, a coalition of wealthy creditor nations and multilateral lenders—including Spain—launched the Debt Suspension Clause Alliance. The initiative advocates for the systematic inclusion of debt suspension clauses in public and commercial lending agreements. These clauses would enable temporary pauses in sovereign debt payments during climate shocks, humanitarian crises, or other extraordinary events like natural hazards, food shortages, health emergencies, and potentially armed conflict, as noted by Spain's Foreign Minister. Spanish Economy Minister Carlos Cuerpo emphasized the rationale as the creation of immediate fiscal space during crises, enabling affected countries to redirect resources toward emergency response and recovery without jeopardizing debt solvency or essential social spending.

This initiative reflects growing momentum for climate- and crisis-responsive financing tools as part of broader reforms in the global financial architecture. The initiative is co-led by the governments of Canada, France, and the United Kingdom, alongside key multilateral development banks, including the Inter-American Development Bank, European Investment Bank, African Development Bank, Development Bank of Latin America and the Caribbean (CAF), and the Asian Development Bank. Notably, Deutsche Bank has become the first private financial institution to join the alliance, signaling a potentially broader shift toward crisis-responsive lending norms across both public and private sectors.

On the flipside, FfD4 also underscored persistent challenges. There remains a troubling disconnect between political ambition and institutional delivery. Most governments seemingly came without the intention to make announcements on implementation. Civil society and vulnerable countries continue to face power imbalances in decision-making spaces. Additionally, trust in multilateralism is eroding.

There is also a deeper misperception among parts of the global public that basic development needs such as water access or transport infrastructure are already universally available. FfD4 made clear that this is far from the truth. Development finance is not abstract. Rather, it is about improving the lives of real people in real communities.

Despite these tensions, the conference left us with several opportunities. There is growing awareness that climate and development finance are not separate agendas. Climate action is development done differently. There is also increasing openness to country leadership, including through national development banks and public capital institutions. Articles 30(a) and 30(b) of the outcome document may serve as conduits to increase the roles of National Development Banks in mobilizing resources for sustainable development. MDBs and development partners are also encouraged "to enhance efforts to provide long-term, low-cost financing to invest in sustainable development." The *Compromiso de Sevilla*, for all its limitations, offers a a space to push for operational reform, not just more money, but better-aligned, better-structured finance.

What is next?

As we move forward, the CVF-V20 will continue to extend support to finance ministers, foster South–South cooperation, and advocate for practical solutions such as debt-for-climate swaps, enhanced investment strategies for resilience, and stronger fiscal capacity to reduce debt burdens. We will also push to evolve how we evaluate sustainable development not by outputs alone, but by the transformational impact on people's lives.

Compromiso de Sevilla is both a reflection of progress and a reminder of how far we still have to go. It shows that the spirit of multilateralism is alive, but flickering. The real test is whether consensus can be transformed into action, that is, action that delivers for the climate-vulnerable, strengthens trust in the international system, and builds a truly inclusive financial architecture.

As the CVF-V20 has consistently advocated, it is time for real transformation.

The Role of Parliaments in Establishing Community Green Zones

By Rachel Mundilo
Deputy Director: Parliaments and Courts, Membership and Partnership Coordination
CVF-V20 Secretariat

The CVF-V20 Secretariat took part in the Namibia Parliamentary Green Investment Dialogue in Walvis Bay, Namibia from July 12–13, advancing parliamentary leadership in building green economies. In photo [L to R]: Norman Moyo, GridAfrica Founder; Rachel Mundilo; Sergio Missana, Climate Parliament Secretary-General, during a panel discussion on The Role of Parliamentarians in Establishing Community Green Energy Zones

At the recent Namibia Parliamentary Green Investment Dialogue, the Climate Vulnerable Forum and V20 Finance Ministers (CVF-V20) put forward a powerful message: developing nations need not choose between economic growth and climate action.

The idea that countries must slow their development to address the climate crisis is a flawed and unjust premise. This narrative wrongly assumes that economic prosperity and climate action are mutually exclusive. It is inequitable to expect developing nations, which have contributed minimally to historical emissions, to sacrifice their right to a better quality of life and robust economies.

The CVF-V20 has firmly rejected this false dichotomy. Instead, we have pioneered Climate Prosperity Plans (CPPs) backed by an innovative framework that proves development and climate action are not only compatible, but mutually reinforcing.

Rethinking the "degrowth" narrative through CPPs

CPPs are long-term, country-led national investment strategies that build upon existing national plans, such as NDCs and Adaptation Plans. They emphasize investment-readiness, leveraging innovative financing mechanisms, such as debt-for-nature swaps and risk-sharing tools, to turn climate ambition into strategic investments.

Each CPP is grounded in rigorous macroeconomic modeling that integrates climate risks, development pathways, and economic projections to design viable, investable projects. This approach recognises that climate action, when embedded in national development priorities, can be a driver of prosperity rather than a barrier.

In practice, CPPs are already showing results. Bangladesh's Mujib Climate Prosperity Plan has secured USD 250 million from the World Bank, USD 1.4 billion through the IMF's Resilience and Sustainability Facility, and aims to attract $5 billion in private investment. Sri Lanka has mobilized USD 120 million to transform agricultural practices and received USD 1.3 billion in commitments for offshore wind infrastructure. Ghana has embedded CPP implementation into national budget planning and established a dedicated team to build a pipeline of bankable projects.

GEZs as engines of climate prosperity

Developing countries can raise living standards and build strong economies without compromising their climate goals. Green Economic Zones (GEZs) are a powerful example.

The real strength of GEZs lies in the way they attract investments. By offering incentives and simplifying regulations, developing countries can draw both domestic and international finance, which is crucial for meeting the resource mobilization targets outlined in the CPPs.

GEZs aren't just about economic growth. They can be thoughtfully designed to include climate-resilient infrastructure, disaster risk reduction measures, and low-carbon technologies. This means they play a direct role in supporting national adaptation strategies.

Why Parliaments matter

Building GEZs while implementing CPPs, however, is not a simple administrative exercise. It requires institutional strength, clear policies, and committed leadership. For that, parliaments play an essential role.

As lawmakers, budget allocators, oversight bodies, and representatives of the people, parliaments are at the center of successful climate prosperity strategies. They ensure that policies are backed by legal authority, resources are allocated effectively, and outcomes align with national development goals.

Parliaments also serve as accountability mechanisms. They are uniquely positioned to monitor the rollout of CPPs and GEZs, ensure transparency in climate finance, and verify that the benefits reach the most vulnerable communities. They can shape public discourse, advocate for investment in high-growth green sectors such as renewable energy, and integrate local voices into national plans.

To embed climate action into governance, parliaments can take concrete steps. By lowering regulatory risks and streamlining approval processes, such laws can help accelerate project timelines and encourage greater private-sector participation in renewables. The dialogue emphasized that while public finance remains important, the scale-up of renewable energy in Africa will increasingly depend on mobilizing private investment—and parliaments are key to de-risking these capital flows. Through stable policies, fiscal incentives, and oversight, parliaments can create the legal and political environment necessary to sustain investor confidence, ensure projects are scalable, and build public support for the green transition. Delegates noted that direct engagement between MPs and international investors during the event opened the door to exploring innovative de-risking instruments, underlining the value of ongoing dialogue between legislators and the investment community. This is how parliaments can anchor these strategies and ensure they are not just proposals but foundational parts of a nation's future.

Leaving parliaments on the sidelines is not just a missed opportunity, it's a risk. Without parliamentary involvement, we run the risk of technocratic policies that lack legitimacy, community resistance, or policies that benefit the few at the expense of the many.

If parliaments embrace their full role, as lawmakers, budget shapers, watchdogs, and representatives, they can help make the energy transition not only green but also fair, inclusive, and grounded in the realities of our people.

ICJ Climate Ruling Empowers Youth-Led Fight for Climate Justice

By CVF Youth Fellows

Image courtesy of ANP / Alamy

As young leaders from the world's most climate-vulnerable nations, we see the International Court of Justice's (ICJ) advisory opinion not only as a legal milestone but as a generational breakthrough. It confirms what youth advocates have long asserted: that states carry binding obligations under international law to protect the climate system for both current and future generations.

This ruling strengthens the legal foundation of our calls for accountability, equity, and urgent action. It is a tool for advocacy, a safeguard for our futures, and a challenge to the narrow interpretations that have too often stalled climate negotiations.

By clarifying the interlinkages between the UN Framework Convention on Climate Change (UNFCCC), the Kyoto Protocol, and the Paris Agreement, the ICJ makes it harder for states to evade responsibility or cherry-pick commitments. Moving forward, governments can no longer interpret these treaties in isolation or use ambiguity to delay climate action.

A new era for pursuing intergenerational equity and climate justice

The Advisory Opinion, sparked by a youth-led initiative from the Pacific Islands, marks a significant turning point in the global climate justice movement. It underscores the moral clarity and leadership of young people in shaping international climate conversations and advancing a vision for a more just and equitable future.

Far beyond the role of advocates, they are actively influencing legal and systemic approaches to climate action. For many young climate activists, the ruling's emphasis on intergenerational equity is especially significant as it reinforces the idea that today's inaction poses a real threat to the rights and futures of generations to come.

Crucially, the ICJ cites Nationally Determined Contributions (NDCs) as expressions of a country's legal obligations to meet the 1.5°C target, not merely as discretionary political commitments. For too long, the NDC process has enabled states to set targets without consequences for non-compliance. With the new ruling, failure to prevent foreseeable and serious climate harm could amount to a breach of international obligations; hence, opening space for stronger compliance mechanisms and legal advocacy by civil society.

The Advisory Opinion reaffirms the principle of common but differentiated responsibilities, reinforcing calls for scalable, fair, predictable, accessible, and transparent climate finance. It stands as a compelling legal and moral reference—one that strengthens calls for accountability, challenges delays, and supports policy-making that prioritizes long-term responsibility.

Stronger legal grounds for CVF-V20 nations

The ICJ's decision highlights the importance of scaling up adaptation finance for vulnerable states like Uganda and the Philippines.

In Uganda, which is in the process of developing its Third NDC under the Paris Agreement, the ICJ's opinion provides a compelling foundation to anchor and elevate its climate ambition. It offers legal weight to advocate for both domestic implementation and international support.

In the Philippines, the legal frameworks and scientific basis for climate action already exist. The challenge lies in enforcement. Bridging this gap requires resourcing climate-related efforts, from geohazard assessments to fossil fuel reduction, at the local level. With political will and alignment with the ICJ's guidance, implementation can catch up to the country's ambitious climate policies and targets.

In Ethiopia, which contributes less than 0.03% of global emissions, the advisory opinion lends legal force to the long-standing call for climate justice. It reinforces the credibility of global frameworks while giving more weight to national commitments such as Ethiopia's Climate Resilient Green Economy strategy and its NDC, which ambitiously targets a 68.8% reduction in emissions by 2030.

In Malawi, the ruling underscores the need for institutionalizing innovative approaches such as climate debt swaps, the Fossil Fuel Non-Proliferation Treaty, and cap-and-share mechanisms. These strategies, grounded in the polluter pays principle and aligned with the CVF-V20's Ten Super Levers of Climate Action, can help operationalize justice-centered climate solutions.

Road to COP30

This legal recognition is expected to reshape the negotiation dynamics at the 30th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP30), especially on mechanisms like the New Collective Quantified Goal, Fund for Responding to Loss and Damage Fund, and Adaptation Fund.

The Advisory Opinion reframes the long-standing pattern of unfulfilled pledges and delayed promises from past climate conventions as matters of injustice, lending powerful legal and moral weight to the growing calls for a more ambitious NCQG to be governed by legally grounded criteria. Perhaps no mechanism is more directly affected than the FRLD which has often been approached as a question of goodwill or moral responsibility. The ICJ opinion shifts that paradigm, recognizing loss and damage finance as a legal obligation, not just a discretionary act.

The ruling serves as negotiation leverage in COP30, giving the world's climate-vulnerable a quasi-legal reference point to cite when pushing back against high-emitting countries. By stating that states must adopt mitigation and adaptation measures consistent with the best available science and equity, the advisory opinion raises the normative stakes of inaction. While formal legal enforcement remains limited, the reputational consequences of non-compliance are now more significant and harder to ignore.

The ruling is expected to carry significant weight in guiding the formulation of national and local policies moving forward. It gives legal grounding to the youth-led push for stronger legislation, better implementation, and more ambitious climate goals.

More than a milestone in the climate space, the ICJ Advisory Opinion is another call-to-action urging the youth to persist and organize change on the ground. With international law now reinforcing the legitimacy of climate movements, young people have gained a renewed platform and a stronger mandate to lead the charge toward climate justice.

INDEPENDENCE OBSERVANCES IN JULY

We extend our warmest wishes to our member countries celebrating independence and founding days. We honor these historic milestones and the enduring values of sovereignty and self-determination they represent .

Colombia	July 20, 1810	Maldives	July 26, 1965
Comoros	July 6, 1975	Mongolia	July 11, 1921
Kiribati	July 12, 1979	Rwanda	July 1, 1962
Liberia	July 26, 1847	South Sundan	July 9, 2011
Malawi	July 6, 1964	Vanuatu	July 30, 1980

STORIES FROM THE FRONTLINE

Inspiring accounts of climate action and leadership from CVF-V20 countries

Barbados Takes the Lead in Regional Debt Swap Prototype

A multibillion-dollar regional "debt-for-resilience" facility, supported by the Inter-American Development Bank (IDB), the World Bank, The Development Bank of Latin America and the Caribbean, and the Caribbean Development Bank, will pilot in Barbados before its official inauguration at the 30th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP30) in Brazil.

The facility will enable countries to refinance expensive sovereign debt with lower-interest bonds, generating savings that can be reallocated to improve social infrastructure, advance environmental conservation, and foster climate resilience. Its framework marks a significant step toward streamlining the legal complexities of debt swap arrangements while preserving effectiveness, making the process more accessible to participating countries.

Barbados has committed to being the test case for a USD2–3 billion debt swap mechanism aimed at expanding fiscal flexibility and generating investment for climate, environmental, and social sectors. Building on its successful debt swaps in 2022 and 2024, the country has gained recognition from international development banks as a promising location for further debt restructuring initiatives.

In 2022, Barbados implemented the Marine Spatial Plan valued at US$ 150 million as part of its debt conversion agreement with The Nature Conservancy and IDB. This created long-term sustainable financing for marine conservation, protecting up to 30% of its exclusive economic zone and territorial sea.

The country also completed its debt-for-climate swap in 2024 through its New South Coast Water Reclamation and Re-use Facility, gaining the world's first debt restructuring focus on climate resilience measures. The program allocates USD165 million toward climate-resilient water infrastructure, sustainable agriculture, and environmental safeguards to support the island's adaptation to climate change.

"We have seen in the case of Barbados and a number of other countries, once you get an institution to do the guarantee and to take up some of the debt, you are in a good place to advance your developmental projects. So in Barbados, they took debt swaps, and they were able to fix the sewage infrastructure in the southern part of the island. They were able to do a coastal program, in terms of coastal regeneration." Geneva Oliveria, CVF-V20 Secretariat's Deputy Director for International Financial Reform and Trade, shared during one of the learning sessions of the CVF Youth Fellowship.

This year, Barbados steps forward once again, forging bolder global solutions to the debt burdens that limit climate action in the world's most vulnerable economies. IDB officials seek scheduled country visits to map out pipeline projects for the regional "debt-for-resilience" facility prototype.

Slated for launch at COP30, the regional "debt-for-resilience" initiative seeks to restructure a total of USD10 billion sovereign debt across 15 Caribbean countries, unlocking USD2 billion for adaptation and resilience-building investments.

Initiatives like debt-for-climate swaps expands access of the world's most vulnerable to equity, low-cost convertible loans, first-loss capital, and guarantees critical in investing for climate action and other development goals.

Kenya Unveils Draft Regulations for National Carbon Registry

The Republic of Kenya has unveiled its first draft of the Climate Change (Carbon Registry) Regulations, marking a significant milestone in its efforts to establish a high-integrity, transparent national carbon market.

The regulation introduces a digital National Carbon Registry designed to align with Article 6 of the Paris Agreement and position Kenya as a pioneering force in Africa's carbon trading landscape.

The envisioned international-standard trading system is capable of unlocking tens of billions of shillings in climate financing. All carbon credit-generating projects under a bilateral or multilateral agreement will be required to formally register in the proposed electronic platform, giving the government oversight of its carbon market trade landscape. This opens market participation even to small-scale stakeholders across the agriculture, energy, forestry and land use, industrial processes, transport, and waste sectors.

The volume of carbon credits Kenya can trade will be governed by its Nationally Determined Contribution (NDC) targets, ensuring only emissions beyond existing commitments are eligible in the market. Additional constitutional, social, and environmental compliance requirements and monitoring will be in place to promote transparency and resolve double-counting issues.

The registry will be jointly managed by the Climate Change Directorate and the National Environment Management Authority and will provide publicly accessible information on its relevant legislation, carbon market projects, and administrative templates.

Boosting global climate action with carbon markets

Kenya is also leading global efforts to promote carbon markets as vital instruments for climate and economic progress in developing nations. The country, led by its Special Climate Envoy Ali Mohamed, joined Singapore and the United Kingdom in launching the *Coalition to Grow Carbon Markets* at the 2025 London Climate Action Week.

The Coalition seeks to boost demand of industries for a high-integrity carbon market, establishing the credibility and significance of carbon credits in corporate decarbonization plans and business revenues. At the 30th United Nations Climate Change Conference of the Parties (COP30), the coalition will release a clear set of shared principles for carbon credit use among companies, outlining the policies and incentives needed to restore business confidence on market participation.

Kenya, Singapore, and the United Kingdom aim to expand global engagement in its bold ambition of unlocking USD250 billion by 2050, helping bridge the USD1.3 trillion climate finance gap. Scaling carbon markets with efforts such as Kenya's will create robust conditions to mobilize and deploy climate finance at the scale and speed required for climate-vulnerable countries.

42nd GCF Board Decisions Unlock Critical Support for 26 CVF-V20 Nations

Seventeen (17) new climate projects valued at USD1.225 billion are set to benefit low-income developing countries and small islands developing states, including 26 member countries of the Climate Vulnerable Forum and V20 Group (CVF-V20). These were deliberated and approved during the 42nd Green Climate Fund (GCF) Board Meeting held last June 30 to July 03 at Port Moresby, Papua New Guinea.

The meeting marked a significant milestone with a record-high project amount approval at a single boarding meeting, highlighting its commitment to scale up global response to climate change. With this new round of approvals, the GCF portfolio has grown to 314 projects, with USD 18 billion in GCF funding and USD67 billion in co-financing contributions.

The growing urgency of the climate crisis continues to highlight the disproportionate vulnerabilities faced by developing countries, particularly those within the CVF-V20. These nations have consistently called for climate justice, demanding fair, timely, and adequate access to climate finance. The outcomes of the recent GCF Board Meeting represent a significant step forward in meeting that demand.

Several impactful projects were approved under the GCF's Simplified Approval Process (SAP), including an early warning initiative in the Maldives, a nature-based aquaculture project in Saint Lucia, and hydropanel installations in Asia-Pacific countries, such as Papua New Guinea, the Marshall Islands, Tonga, and Vanuatu.

The Board also greenlit key agricultural projects in Ghana, Cambodia, and Paraguay. In Ghana, the GCF will co-finance 90% of a project designed to support climate-resilient and sustainable livelihoods for farmers in the country's northern region. In Cambodia, a climate-adaptive irrigation and sustainable agriculture initiative will receive USD80 million in GCF funding. Meanwhile, in Paraguay, the Board approved a USD50 million loan-based project to boost the development of the country's green fertilizer industry, supporting a shift toward lower-emission agricultural inputs.

In Nepal, GCF will co-finance 72% of the total project cost for implementing downstream ecosystem-based disaster risk reduction measures and early warning systems in the country. Additionally, the Board approved a USD 63.4 million results-based REDD+ grant for Papua New Guinea, aimed at delivering results-based payments for verified emission reductions achieved between 2014 and 2016 in the country.

Eight (8) CVF-V20 countries in the African region will also benefit from the GCF-approved co-financing projects titled *Scaling-Up Resilience in Africa's Great Green Wall (SURAGGWA) and DalMA – Dairy Interventions for Mitigation and Adaptation Initiative*. Receiving USD 150 million from GCF, SURAGGWA will enhance ecological and climate resilience across the recipient countries—including Niger, Chad, Burkina Faso, and Senegal—through landscape restoration and carbon sequestration. Moreover, GCF will cover 41.9% of the total funding cost of DalMa to reduce dairy value chain emissions across Kenya, Rwanda, Uganda, and Tanzania.

To accelerate a just energy transition in underserved regions, the GCF will co-finance 38.9% of the total project cost for deploying integrated utility services to expand clean energy access in the Caribbean, with Barbados among the key beneficiaries.

In an effort to scale up climate finance among low and middle-income countries, the Board granted an equity-based financing valued at USD233.64 million to support the development of local green bond markets across Africa, Asia-Pacific, Latin America, and the Caribbean. Recipients include Kenya, Bangladesh, Uganda, Namibia, Senegal, and Côte d'Ivoire.

Select CVF-V20 nations were also added as host countries in multi-country projects—Burkina Faso, Senegal, and Uganda in the Infrastructure Climate Resilient Fund while Liberia in Hardest-to-Reach. The decision entitles these countries to receive technical support and funding assistance from a pool of project activities.

Further strengthening regional financing capacity, new GCF accreditation approvals were granted to institutions in CVF-V20 countries, including Costa Rica's Banco Promerica, Côte d'Ivoire's Banque Nationale d'Investissement, Development Bank of Namibia Limited, and Saint Lucia Development Bank. These entities will be responsible for submitting, receiving, and managing funding proposals on behalf of project countries.

LOOKING AHEAD

Key dates and upcoming meetings

- **September 5-10, 2025** - Second Africa Climate Summit (Addis Ababa, Ethiopia)
- **September 13, 2025** - Shared Leadership for Climate Prosperity: A High-Level Dialogue on Climate Leadership between China and the Climate Vulnerable Forum (Beijing, China)
- **September 24, 2025** - CVF Leaders Meeting held during the 80th Session of the UN General Assembly (UNGA 80) in New York City
- **October 2025** - 15th V20 Ministerial Dialogue, in the margins of the Annual Meetings of the International Monetary Fund and World Bank Group (Washington DC, United States of America)
- **November 10-21, 2025** - 30th Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (Belém, Brazil)
- **December 8-12, 2025** - Seventh Session of the United Nations Environment Assembly (Nairobi, Kenya)