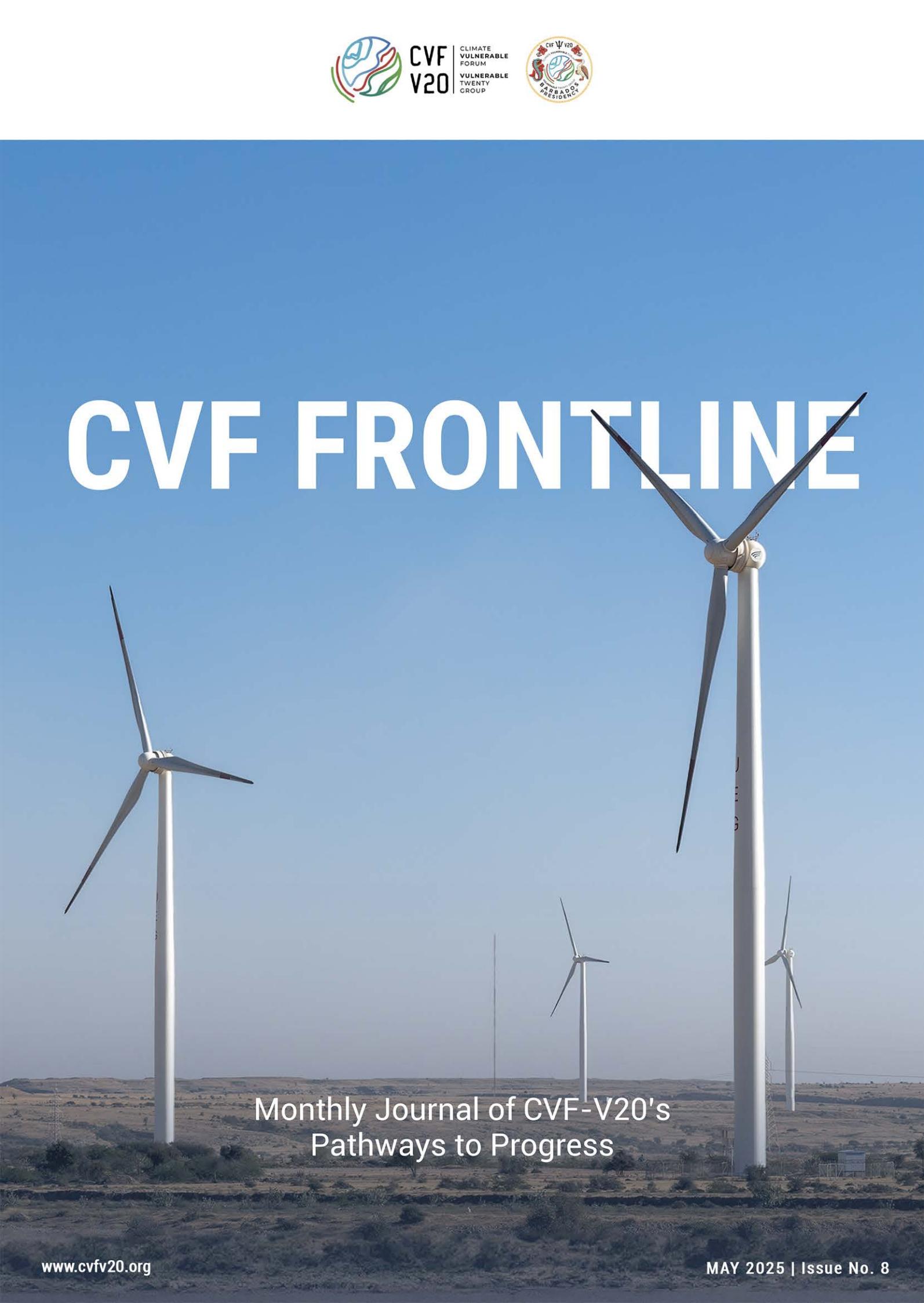


# CVF FRONTLINE



Monthly Journal of CVF-V20's  
Pathways to Progress

# CVF FRONTLINE

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## CLIMATE CHANGE AND THE HEALTH AGENDA

### WHO Approves Climate Change and Health Action Plan



On 27 May, the World Health Assembly (WHA) – the decision making body of the World Health Organization (WHO), attended by delegates from member states – approved the WHO Action Plan on Climate Change and Health, after hours of debate and resistance from oil-rich countries that sought to delay the plan's adoption. The 78th Session of the WHA was chaired by Philippines' Health Secretary Teodoro Herbosa, marking the country's first time presiding over the WHA.

The health of the planet is inextricably linked to the health of those living on it. However, there has been a strong disconnect between climate change policy and health, with less than 1% of climate finance directed towards health protection measures. Even as vulnerable countries bear the brunt of climate impacts, healthcare systems in these countries are ill equipped to cope with rising health concerns linked to climate change.

[The Draft Global Action Plan on Climate Change and](#)

Health provides a framework for the development of climate-resilient, low-carbon health systems, building upon the outcomes of COP29 and the WHO Executive Board Meeting held in February. The plan prioritises enhancing surveillance systems and early warning signs while integrating health into climate change policy and climate finance.

The plan faced opposition by a Saudi-led coalition, backed by Russia and other oil-rich countries, which sought to delay the adoption of the plan. African and European countries, however, successfully argued for the plan's immediate adoption, noting that health must be positioned as a driver for ambitious climate action by improving food security measures, building resilient healthcare systems, and increasing awareness on the health impacts of climate change.

"When we entered this Assembly, we were confronted with a myriad of uncertainties. However, this Assembly has reaffirmed the central role of the World Health Organization in overseeing global health, while highlighting the urgent need to reform, adapt, and finance a more inclusive, equitable, and resilient global health architecture. And today, we are ending with profound hope and renewed zeal," Secretary Teodoro Herbosa said in his closing statement.

The newly adopted plan outlines ways to align climate goals with improved healthcare:

- The first component of the plan outlines the need to elevate health within national and international climate agendas. It calls on the global health community to contribute to achieving climate mitigation and adaptation targets, which help drive improved long-term health outcomes.
- The plan calls for robust scientific research which focuses on identifying evidence gaps that are most

relevant to policy-making. It seeks to build capacity at the national level to monitor the progress on health and climate targets, helping track progress while adapting plans for the future.

- The plan calls for climate-resilient, low-carbon and sustainable healthcare facilities, and expanding access to finance. It encourages the periodic assessment of climate-induced health risks in order to strengthen the ability of healthcare systems to cope with the rising health risks.

Vulnerable countries are already facing climate-induced health risks that they are not adequately prepared for, such as the rise of vector-borne diseases, heat stress and food insecurity. Given that health outcomes are closely tied with climate impacts, the CVF-V20 welcomes the Action Plan, as this marks a step forward in cross-sectoral cooperation in climate policy discussions.

## OPINION

### Elevating Oceans to Stand Beside Forests in the COP30 Agenda

By His Excellency Dr. James Fletcher, Caribbean Community (CARICOM) Climate Envoy



Marine life at Tubbataha Reefs Natural Park, a UNESCO site in the Philippines, faces mounting threats from rising sea temperatures and coral bleaching. The reef's condition underscores growing climate pressures on critical ocean ecosystems ahead of COP30.

As the CARICOM Climate Envoy, I join colleagues in the wider community of Small Island Developing States (SIDS) in calling for ocean health to be elevated to a central theme at COP30 in Belém, Brazil. This emphasis is not only critical for SIDS but for the entire planet, holding equal weight to the forest conservation priorities of Brazil and other Amazonian nations.

The upcoming 2025 United Nations Ocean Conference (UNOC3) in Nice, France, under the theme "Accelerating

action and mobilizing all actors to conserve and sustainably use the ocean," provides an opportunity for the global climate community to recognize the inextricable link between ocean sustainability and climate stability. The goals of UNOC3, particularly its alignment with Sustainable Development Goal 14, underscore the importance of conserving and sustainably using oceans, seas, and marine resources.

For SIDS, the ocean is the cornerstone of our existence, economically, culturally, and environmentally. Marine ecosystems underpin our economies through fisheries, tourism, and transportation. Oceans also serve as vital climate regulators, absorbing nearly 30% of global CO<sub>2</sub> emissions and over 90% of the excess heat generated by greenhouse gases. Unfortunately, these life-sustaining systems are increasingly threatened by warming temperatures, acidification, and pollution.

The recent adoption of the High Seas Treaty, or BBNJ Agreement, marks a pivotal moment in global ocean governance. It enables greater protection of marine biodiversity beyond national jurisdictions, facilitates the creation of marine protected areas, and strengthens sustainable ocean stewardship. It will be critical for COP30 to complement the BBNJ Agreement by aligning climate action with the conservation and sustainable use of marine resources, recognizing the vital role that healthy ocean ecosystems play in climate mitigation, adaptation, and resilience.

However, to focus solely on forests or oceans in isolation would be to miss a critical issue: the climate crisis is also a crisis of marine and terrestrial biodiversity. Latin America and the Caribbean is home to over 40% of our planet's biological diversity. From the Amazon rainforest to the Caribbean's coral reef ecosystems, this region represents a biodiversity epicenter that is vital to sustaining planetary ecological balance and resilience. What happens in our forests directly affects our oceans - through sedimentation, nutrient runoff, and carbon cycling.

Therefore, COP30 in Belém must not be seen only as a "Brazil COP" or even solely a "South American COP," but as a "Latin America and Caribbean COP." This framing reflects our region's intertwined destinies and shared responsibilities in preserving land and sea ecosystems that are vital to both regional identity and global climate regulation. It is an opportunity to showcase leadership that embraces the continuum of land and sea, ridge and reef, and the biocultural richness we must safeguard.

By positioning oceans alongside forests as core pillars of COP30, we can advance a truly integrated, ecosystem-based approach to climate action. This alignment takes advantage of an important opportunity to forge a global compact that reflects the urgency and interconnectedness of our biodiversity and climate crises.

## NATURAL CAPITAL

### World's First Blue-Carbon Sovereign Carbon Securities Launched in The Bahamas



Seagrass beds in South Bimini, The Bahamas, form part of one of the world's largest seagrass ecosystems. The area is now included in a national initiative to generate carbon credits through seagrass-based carbon capture.

The Bahamas has undertaken a ground-breaking initiative to use "Sovereign Carbon Securities" to generate revenue from their seagrass beds.

Seagrass beds are underwater vegetation that can be found in shallow coastal waters. They are far more efficient than forests at absorbing carbon dioxide (CO<sub>2</sub>) from the atmosphere, also called "Blue carbon."

Seagrass beds naturally combat climate change because of their capacity to trap CO<sub>2</sub>. At roughly 150,000 square kilometers, The Bahamas boasts one of the world's largest seagrass ecosystems.

In a historic climate finance initiative, The Bahamas is partnering with Laconic Infrastructure Partners Inc. – a company headquartered in Chicago that helps governments to monetize their natural capital assets – to use a new product, called Sovereign Carbon Securities, that supports the country's Enhanced Conditional Ambition under Article 6.2 of the Paris Agreement.

Laconic will help The Bahamas to use its seagrass ecosystem to generate carbon credits. Based on the

project, Carbon Management Ltd. (CML), a Bahamian government-backed public-private partnership, will measure the carbon dioxide sequestered by the nation's 150,000 square kilometer seagrass ecosystem through scientific modelling and monitoring.

The partnership brings technology to measure the amount of CO<sub>2</sub> being absorbed by the seagrass using a cloud-based digital platform called SADAR Natural Capital Monetization (NCM). The data will then be converted into tradable carbon credits, which will be packaged into financial products or Sovereign Carbon Securities that can be sold in the global marketplace in a manner similar to other financial assets.

The partnership will also manage the environmental data streams to ensure regulatory compliance while simplifying the technical complexities of carbon asset management. As a result of this process being automated and requiring less management time from government officials, the Bahamian government is better equipped to focus on their climate ambitions and accelerate their transition to a low carbon economy.

Marking the world's first Blue-Carbon Sovereign Carbon Securities transaction, the project is set to support the nation in scaling up climate finance over the next five years while attracting long-term foreign investments. In other words, this is the first carbon-linked asset that is tradable as a fully recognized financial security. "The Commonwealth of The Bahamas is committed to becoming a full economy net-remover of atmospheric carbon by 2035", said Anthony Ferguson, Director of CML.

Many CVF-V20 nations have important natural ecosystems, such as seagrass beds, coral reefs, and mangroves, but they are not compensated for the climate services these ecosystems offer. This model demonstrates how nature can be converted to capital, supporting with 1) generating income in a sustainable manner, 2) attracting long-term investments, 3) encouraging economic expansion and debt management, and 4) providing funding for low-carbon development and climate adaptation. In short, The Bahamas is utilizing their natural seagrass as a source of income, which will help them combat climate change and strengthen their economy. It is an innovative and useful approach for nations at risk from climate change to fund their future without exploiting or harming their natural environment thereby preserving their natural resources.

# INTERNATIONAL FINANCIAL ARCHITECTURE

## Recap: The Fourth Financing for Development Conference



The Fourth Financing for Development Conference (FfD4), scheduled from 30 June to 3 July in Seville, Spain, is a crucial opportunity for CVF countries to address systemic barriers to building economic resilience and sustainable development in an increasingly polarized world. Four preparatory committee meetings have been held, which aimed to refine policy recommendations, assess progress since the [Addis Ababa Action Agenda](#), build consensus on key issues, and facilitate input from stakeholders.

The CVF-V20 has outlined key priority areas for the FfD4:

**1. Climate finance must be fully mainstreamed into the FfD Outcome Document:** This is not just a peripheral issue but as a central existential risk must be addressed in the framework. This will send a strong signal of political will ahead of COP30, and help bridge and bring convergence to the FfD and UNFCCC pathways.

**2. Official Development Assistance (ODA)-plus:** Avoiding the conflation of development and climate finance is fundamental to durable outcomes. Without clarity in the distinction, we risk collapsing both into a single, insufficient pool at a time when ODA versus non-ODA transparency has yet to deliver policy precision and required scale. We therefore call for an “ODA-plus” approach—one that ensures climate and biodiversity finance are sufficiently mobilized to address escalating physical and transition risks while protecting and enabling development outcomes.

**3. Leadership in Debt Solutions:** Debt relief and restructuring mechanisms that account for climate vulnerabilities and explicitly consider the needs of the most climate-vulnerable, recognizing that climate vulnerability is less about geography than it is about capacity. This is a socio-economic category above all else. Mounting debt servicing costs have reached historically high levels of 15% on average across the V20 membership, with 11 V20 member countries spending over 25% of government revenue servicing external debt. While debt stock may be going down, debt servicing expenditures are back to levels not seen since 2000.

The G20 Common Framework for Debt Treatments beyond the Debt Service Initiative must be amended to become more effective, time bound and transparent. Climate-Resilient Debt Clauses (CRDCs) should be included in all new debt borrowing and the framework of the IMF-World bank Debt Sustainability Analysis should be revisited to make it more solvency-focused rather than liquidity-focused, and include natural capital and climate investment needs. Equally important is the need for Guidelines for Responsible Sovereign Borrowing and Lending.

**4. Concessional Capital:** The high cost of capital remains a major barrier for many developing countries, limiting investments in climate action and development goals. FfD4 can open avenues to advance solutions that provide finance at concessional rates, grants, and non-debt-creating instruments. This can also include access to junior equity, low-cost convertible loans, first-loss capital, guarantees, and debt-for-climate swaps.

**5. Fair Cost of Capital:** More equitable access to capital markets and reducing borrowing costs for climate adaptation projects. This includes supporting the development of capital markets and addressing regulatory challenges associated with Basel III—the international standard for banks’ capital and liquidity requirements—to leverage bank financing to close the infrastructure gap in EMDEs.

**6. Supporting MDBs in the implementation of the “G20 Roadmap for MDB reform”:** The purpose is to make Multilateral Development Banks (MDBs) better, bigger, and more effective through, *inter alia*, (a) reforming financial institutions to better address the unique challenges

of climate-vulnerable economies, (b) scaling up MDB investment volume and capacity by leveraging guarantees and insurance, and by leveraging SDRs for climate vulnerable countries to provide unconditional debt-free support at no cost to SDR holders, and (c) boosting MDBs local currency financing.

**7. Domestic fiscal capacity must be strengthened:** In the face of declining ODA, global tax reforms are critical to addressing illicit financial flows, tax evasion and profit shifting.

### What has happened so far in the lead up to FfD4?

**1. First Preparatory Committee Session and the Elements Paper** - In an effort to renew the push for sustainable development financing, nine years after the development of the Addis Ababa Action Agenda, representatives from 103 countries, MDBs, civil society, the private sector and other stakeholders convened in Addis Ababa, Ethiopia in July 2024. The meeting took stock of financing gaps and steps needed to close these gaps.

On 22 November 2024, the [Elements Paper](#) was released, prepared on the basis of 300 inputs from member countries, UN entities, international financial institutes, civil society and other stakeholders. The 21-page document addressed a wide range of issues related to the global financing framework, private investments, trade and debt. The paper also focused on systemic reforms, science, technology and capacity building. The Elements Paper served as a guide for discussions during the Second Preparatory Session and informed the preparation of the Zero Draft of the FfD4 outcome document.

**2. Second Preparatory Committee Session and the Zero Draft of the FfD4 Outcome Document** - Held in New York in December 2024, the session reflected on the Elements Paper and shared priorities and expectations that would aid in the development of the [Zero Draft](#) of the FfD4 outcome document. Following the session, on 17 January 2025, the Zero Draft paper was released, with the document garnering mixed reactions. While the CVF-V20 believes that the document offered a starting point for negotiations on debt management, climate finance and inclusivity, it lacked actionable

specifics in areas critical to climate vulnerable countries such as the integration of climate risks into financial models and the establishment of accessible, climate-responsive funds.

**3. Third Preparatory Committee Session and the First Draft of the FfD4 Outcome Document** - In February 2025, the Third Preparatory Session featured a comprehensive presentation of the Zero Draft Paper. Some of the discussions and recommendations during the session revolved around issues that developing countries face in accessing concessional finance due to unsustainable debt, the need to scale up climate finance and the strategic allocation of funds to close gaps that prevent meaningful climate action.

Following this session, the most recent document to be published, the [First Draft](#) of the FfD4 Outcome Document, was released on 10 March 2025. The First Draft presented a renewed global financing framework and outlines commitments across action areas which includes:

- a. Domestic public resources**
- b. Domestic and international private business and finance**
- c. International development cooperation**
- d. International trade as an engine for development**
- e. Debt and debt sustainability**
- f. International financial architecture and systemic issues**
- g. Science technology, innovation and capacity building**
- h. Data, monitoring and follow up**

**4. Fourth Preparatory Committee Session (Part 1)** - Held from 30 April to 1 May, against the backdrop of news that ODA is set to decline, delegates discussed the First Draft of the FfD4 Outcome Document, as well as concerns regarding illicit financial flows, stolen assets and corruption. There have been stark divergences in negotiations, including the call from developing countries to incorporate climate finance under development finance. However, developed countries contend that issues surrounding climate finance must be addressed during the upcoming COP30.

While the needle is moving, it is not moving fast enough. Negotiations are progressing slower than expected, with several divergences among developed and developing countries. As further negotiations proceeded between 16 and 30 May, a new text will be developed on the basis of these negotiations.

However, there is a possible silver lining. A key feature of the FfD process is the [Sevilla Platform for Action \(SPA\)](#) which will be launched on the opening day of the Conference. The SPA is one of the central tools of the FfD4 to drive action on a reformed global financing framework for sustainable development. Building on the Sevilla outcome document, the “Sevilla Platform for Action” will mobilize alliances among countries and entities to implement specific actions of the document to address key development challenges. This will be achieved through the voluntary, coalition-style actions/initiatives on the part of nations and stakeholders to cumulate efforts in addressing common financing challenges through ambitious, measurable actions. These projects will take key elements of the FfD4 agenda e.g., mobilizing public and private finance, changing global financial structures, and building developing countries' fiscal capacity into action.

The SPA emphasizes visibility, accountability, and follow-up, therefore all projects must be measurable, and easily communicated with clear implementation timelines. Additionally, initiatives must be new or represent a significant scaling up of an existing successful effort, be forward-looking and advance progress in at least one financing for development (FfD) action area. Furthermore, they will be listed in an open digital platform based on the FfD4 website and formally recorded in the opening session of the conference. Additionally, implementation will be monitored by the Inter-agency Task Force on Financing for Development, and updates will be integrated into periodic FfD follow-up mechanisms, including the annual FfD Forum. In doing so, the Sevilla Platform seeks not only to muster political will but to ensure concrete, sustained outcomes in the interests of climate-resilient, inclusive development.

The FfD4 process must take bold steps to address the structural inequalities in global economic governance. With less than a month before the FfD4 starts, the CVF-V20 continues to advocate for fairer financial rules, systemic reforms and increased public financing that

systemic reforms and increased public financing that supports climate resilience and economic growth.

## COUNTRY PLATFORMS



*A wind farm in Jhimpir, Pakistan, reflects the country's growing interest in wind energy. With support from both the public and private sectors, wind power is gradually contributing to the national grid.*

### A “Running Start” Through Country Platforms

For nations on the frontlines of the climate crisis, vulnerabilities stem not just from exposure to climate impacts, but also the high debt burdens and limited fiscal space that hinder their ability to build resilience and achieve economic growth. Despite needing US\$ 490 billion to build resilience in these countries, current financial flows stand at just US\$ 90 billion – five times less than what is required. As such, a flagship initiative of the CVF-V20, Climate Prosperity Plans (CPPs), seeks to pave a transformative path for member countries by positioning our nations as investment hubs.

### Climate Prosperity Plans

CPPs serve as investment strategies that address specific vulnerable conditions in each member country. They seek to drive green economic transformation, unlock innovative climate finance, mobilize private capital and support the development of climate risk management and insurance solutions.

CPPs are not just stand-alone investment strategies. The CVF-V20 Secretariat works with finance ministries and government agencies to align CPPs with existing development plans, Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), Long-Term Strategies (LTS) and other sector plans. Looking beyond low-carbon and climate resilient development, CPPs are a multiphase national

investment and technology access strategy that aligns development priorities with climate goals and nature conservation.

## Country Platforms

However, ambitious goals require the right foundations in order to deliver results. This is where country platforms support the “running start” required to unlock new types of capital and reallocate capital for lower transaction costs and more responsive financing solutions.

Country platforms gained momentum in recent years, particularly following COP26 where South Africa’s Just Energy Transition Partnership was launched. It is an emerging tool that aids in addressing sustainable development challenges by convening a broad range of national stakeholders who can assist in identifying national priorities and developing strategies to achieve targeted goals. However, it is important not to create a parallel process, but rather embed in the government and strengthen national institutions.

The CPP process supports member countries in establishing and strengthening institutional arrangements such as country platforms. It is a government-led approach that emphasizes national institutional strengthening, mobilizes resources and fosters collective action by encouraging sharing of best practices and collaborative innovation alongside traditional funding channels.

Country platforms receive country-demanded assistance including support in macroeconomic modelling, investing in national skilled teams to lead project preparation, early stage capital mobilization, financial structuring and transaction advisory services and assistance with the preparation of requisite documentation to access vertical climate funds and other relevant trust funds.

Country platforms also serve to address the fragmented approach to funding by transitioning to programmatic approaches that are country-owned and responsive to national needs. In its implementation, Finance Ministries will act as the lead institution for such country platforms, working in close collaboration with other relevant institutions.

This set-up aids in facilitating coordination across sectors including the private sector, civil society,

academia and other relevant stakeholders to improve access to climate finance and strengthen the capacity of V20 countries to implement their CPPs.

## CVF-V20 AGENDA



### Recap on CVF-V20's Pathway to Prosperity

In April 2025, on the sidelines of the Spring Meetings of the World Bank and IMF, the V20 Finance Ministers adopted a communique outlining the key challenges that member countries face. As global temperatures rise and climate shocks worsen, official development assistance (ODA) and fiscal space continue to shrink. Historically high levels of debt servicing costs, loss of GDP growth potential, increasing exposure to acute food insecurity, and vulnerabilities to climate-induced health risks and displacement are some of the concerns of our membership.

The calls outlined in the [communique](#) are at the core of the CVF-V20's priorities. These include:

**1. Accessibility of Capital.** While IDA and ODA remain a lifeline for CVF-V20 economies, ODA is declining as a share of gross national income (GNI) in member countries. In order to support the implementation of growth-guided climate resilience projects and manage climate induced loss and damage, member countries require concessional finance. Therefore, the CVF-V20 urges MDBs to deliver on longstanding financial commitments, scale up concessional finance and reform financial mechanisms to align with climate science and the vulnerabilities faced by V20 economies.

The unfortunate reality is that MDB loans are not concessional, with loans priced at market rates.

In order for MDB loans to be concessional and accessible for vulnerable economies, particularly those in high debt distress, the MDB loans must be priced below the medium-term GDP growth rate.

In order to further expand accessibility to capital, the CVF-V20 also calls on MDBs to adopt capital recycling to refinance operating assets to invest in climate and development aligned assets.

**2. Empowering Country Platforms.** Among the concerns of the CVF-V20 are the current fragmented, short-term approach to projects that are not adequately aligned with national priorities. As such we advocate for country-led platforms that are country-owned and responsive to national priorities. Effective coordination across government entities, policy coherence and reform, and active private sector engagement are critical to unlock the green investments needed to deliver resilient infrastructure and services.

**3. Pre-Arranged and Trigger-Based Financing.** Those most in need of climate finance – particularly in the aftermath of climate disasters – do not receive sufficient support in a timely manner. Only 2% of the US\$ 76 billion spent on climate finance was pre-arranged finance. Of this, only 1.4% reached low-income countries. The CVF-V20 is therefore calling for a tenfold increase in pre-arranged finance to 20% by 2030, with this amount being doubled afterwards.

Given the 98% financial protection gap, the CVF-V20 also called on donors to deliver on funding pledges to the Fund for Responding to Loss and Damage as well as the expansion of the Global Shield Against Climate Risks to reach more countries and regions.

Furthermore, pre-arranged financing solutions also require better transparency in design, with increased flexibility through independent validation of a country's damage assessment as a simplified method to trigger pre-arranged financing.

**4. IMF Engagement and Program Reform.** While the IMF's Resilience and Sustainability Facility (RSF) is an essential source of support to address balance of payment crises, the RSF should be made more accessible, particularly for climate-vulnerable economies, by removing the requirement for a concurrent restructuring program.

**5. Debt.** Debt servicing levels have reached historically high levels of 15% on average across our membership, with 11 countries spending over 25% of government revenue on servicing external debt. The IMF and World Bank have also identified nineteen CVF-V20 countries as being in high-risk or already in debt distress. As a result, there is limited fiscal space for the urgent investments needed to build resilience in our member countries.

However, the IMF and World Bank's debt sustainability analyses (DSAs), despite being critical for accessing finance, do not account for climate risks, resilience investments and natural capital. Consequently, important needs such as concessional capital and debt relief are buried under the existing technical details. Therefore, DSAs that include climate and nature-related valuation and investment needs should form the basis of debt restructuring.

The FfD4 can support opening opportunities for reforming the G20 Common Framework and prioritize concessional capital and debt restructuring so that highly indebted, climate vulnerable countries can invest in essential priorities such as health, infrastructure and climate resilience. Such reform must be complemented with debt relief mechanisms.

With the FfD4 approaching, it offers a timely opportunity to bring the challenges of our member countries to the forefront of the global agenda. For the CVF-V20, the reform of the international financial architecture and the nature of the current capital flows is inseparable from surviving the climate crisis.

## EVENTS

### Regional Dialogue 2025 Calls for Cooperation to Tackle Climate Vulnerabilities in South Asia



Hamza Haroon, Regional Director for South Asia of the CVF-V20 speaking at the Regional Dialogue 2025

The Institute of Regional Studies (IRS) hosted the 4th Annual Regional Dialogue 2025, in Islamabad on 5 May. The dialogue, titled "Pathways to Peace and Prosperity in Turbulent Times" saw policymakers and experts calling for urgent regional cooperation in tackling the escalating climate vulnerabilities of South Asian countries.

Emphasizing that Pakistan is among the world's top ten most climate vulnerable countries, the President of IRS, Ambassador Jauhar Saleem, stressed the importance of Pakistan's efforts in climate action, building resilience and mobilizing climate finance.

The event featured panel discussions centered around how climate impacts are exacerbating vulnerabilities, particularly in countries like Pakistan. During these discussions, the event drew attention to the 2022 flooding in Pakistan which caused US\$ 30 billion in damages and called for equitable climate finance to implement resilience strategies.

Presentations during the event showcased frameworks and initiatives that are critical for climate prosperity. A presentation by Philip Gass, Director of the International Institute for Sustainable Development (IISD), stressed the need for a socially inclusive energy transition and introduced the 'Just Transition' framework that ensures equitable energy access.

Speaking at the event, CVF-V20's Regional Director for South Asia, Hamza Haroon, raised concerns that some of the greatest challenges facing climate vulnerable countries are heavy debt burdens and prohibitively high capital costs. As a tool for addressing these concerns, he introduced the CVF-V20's flagship initiative – Climate Prosperity Plans. He called for the establishment of country platforms that can support a programmatic, country-led approach to the implementation of Climate Prosperity Plans.

### Roundtable: Getting Ahead of Climate Disasters



Pankaj Singh, Deputy Director Financial Protection and Vertical Funds representing the CVF-V20 at the Roundtable

The Risk-Informed Early Action Partnership (REAP) convened a roundtable, entitled "Getting ahead of disasters: government and regional perspectives on the current state of finance for early action," in Nairobi in May. In attendance were government officials and representatives from regional bodies from African, Asian, Caribbean and Pacific countries.

Climate vulnerable countries are confronted with significant challenges in financing and preparing for disaster responses. Despite the existence of Climate and Disaster Risk Finance and Insurance (CDRFI) mechanisms, navigating these tools and ensuring its alignment with the specific needs of each country and region remain a challenge.

The roundtable reviewed experiences with existing fora, and discussions centered around emerging policy priorities, immediate Disaster Ready Fund (DRF) needs, and future opportunities for climate vulnerable countries.

The discussion saw a call to explore the risk transfer instruments in light of protection gaps in Low Income Countries. Furthermore, participants acknowledged the need for a whole-of-government approach in devising solutions for early action disaster response. The ecosystem of Global Shield is squarely focussed to bolster pre-arranged financial support to vulnerable nations and communities. To this end, gapping financing needs remains a core challenge and REAP could support this course given its convening powers.

In addition, governments face challenges in developing and updating early action instruments, such as limited exposure data and insufficient capacity in using disaster risk financing (DRF) tools. Addressing these issues requires a strong focus on leveraging modern technology and strengthening institutions.

The CVF-V20 was represented by Pankaj Singh, Deputy Director Financial Protection and Vertical Funds, who highlighted the variety of support that the CVF-V20 Secretariat and Global Shield could offer to member countries, including the development of Climate Prosperity Plans, advisory support on debt, public finance management and national budgetary planning.

## REGIONAL STORIES

### Bhutan's Green Leap: 5000 MW Hydropower Deal with Adani

Bhutan is poised to dramatically expand its renewable energy capacity and deepen regional energy ties, having recently sealed a [landmark partnership](#) with India's Adani Group for the development of 5000 MW in hydropower and pumped storage capacity.

The Memorandum of Agreement was signed on May 8 in Thimphu by Druk Green Power Corporation (DGPC) Managing Director Dasho Chhewang Rinjin and Adani Green Hydro Ltd Chief Operating Officer Naresh Telgu. The ceremony was witnessed by Bhutanese Prime Minister H.E. Dasho Tshering Tobgay and Energy Minister Lyonpo Gem Tshering.

This new deal builds upon the ongoing collaboration between DGPC and the Adani Group, including the [570/900 MW Wangchhu Hydropower Project](#), and underscores Bhutan's strategic commitment to scale up its renewable energy output.

### Bhutan's Energy Landscape



*Lying in the Eastern Himalayas of South Asia, Bhutan boasts a mountainous terrain crisscrossed by swift rivers and streams—a prime condition to harness hydroelectric power for public and sectoral energy consumption.*

Bhutan's energy comes primarily from hydropower, utilizing its abundant water and mountainous landscape. Six key hydroelectric plants—Tala, Mangdechhu, Chhukha, Dagachhu, Basochhu, and Kurichhu—are currently the main drivers of this sector. In 2022, hydropower accounted for a huge 95.9% of Bhutan's electricity, with an additional 3.9% from embedded hydro sources. Despite this, fossil fuel use persists in transport, buildings, and households.

Bhutan's ambition to export surplus clean energy has

also faced headwinds in recent years, including a drop in electricity exports and a doubling of energy imports in 2022, highlighting the need for systemic improvements.



*Seeing the vast potential for renewable energy pipelines in Bhutan has prompted the government to implement enabling policies and pose more ambitious national targets.*

### Forging energy security and regional integration

The new deal with Adani is a strategic move to support Bhutan's vision of installing 20,000 MW of renewable energy over the next 15 years. This target is framed in national policies such as the Renewable Energy Master Plan (2017–2032), the Sustainable Hydropower Development Policy (2021), the Renewable Natural Resources Strategy (2040), and the Long-Term Low Greenhouse Gas Emission and Climate Resilient Development Strategy.

By leveraging its vast hydropower potential, Bhutan seeks to strengthen domestic energy security, lower import dependence, and generate revenue from clean energy exports. The Adani Group's role in integrating Bhutanese hydropower into India's commercial power markets is expected to enhance regional energy trade and cooperation.

Bhutan, one of the V20 member states, is committed to advancing climate prosperity and green growth through their upcoming Climate Prosperity Plan—a long-term national investment and technology access strategy that focuses on the convergence of development, climate and nature.

## Malawi gears up to unlock access to Global Shield

The Republic of Malawi continues its groundwork to develop an evidence-based Climate and Disaster Risk Finance and Insurance (CDRFI) support request to the Global Shield with the completion of its Stocktake Report and Gap Analysis.



The V20 Finance Ministers of the Climate Vulnerable Forum (CVF) and the G7 launched the [Global Shield](#) at COP27 in Sharm El-Sheikh to boost pre-arranged financing solutions and financial resilience for climate-vulnerable countries.

With a funding stream of €350 million, Global Shield is [active in 16 countries](#) across Africa, Asia Pacific, and Latin America, ensuring an increased financial protection cooperation, strengthened coordination mechanism within the global CDRFI architecture, and scaled-up smart premium and capital support.

[In Malawi](#), a country-led effort of identifying financial protection gaps and targeted support packages was launched in July 2024, spearheaded by the Ministry of Finance and Economic Affairs and supported by the Global Shield Secretariat and the University of Malawi.

### [Stocktake findings in Malawi](#)

A comprehensive review of Malawi's existing pre-arranged financing mechanisms revealed key challenges in its disaster risk financing landscape, including weak institutional coordination, limited local government capacity, and insufficient insurance coverage. To address these gaps, the report suggests strengthening public-private partnerships, streamlining coordination frameworks, and enhancing local government capacity.

It also highlighted various initiatives at the macro, meso, and micro levels. At the macro level, programs like the [Malawi Social Support for Resilient Livelihood Social Protection Programme](#), [Mthangati](#), and [World Food Programme's R4 Rural Resilience Initiative](#).

The report findings guided Malawi's Gap Analysis and will later outline its CDRFI outlook.

### [Malawi's gap analysis and advocacy considerations](#)

In April 2025, Malawi conducted a two-day workshop to analyze risk modelling and analytics, climate risk financing, just transition priorities, civic oversight, and national frameworks.



Key stakeholders such as the Embassy of Ireland, GIZ, Trocaire, UNICEF, WFP, World Bank, FAO, Insurance Association of Malawi, Civil Society Network on Climate Change, Malawian Universities, Government Ministries, and the Global Shield Secretariat, joined the gap analysis deep dive sessions in Lilongwe, Malawi.

The discussion explored how risk modelling can be grounded through locally sourced data, ensuring that risk financing mechanisms are co-designed and implemented with grassroots consultations and community-based structures.

It also advocates for grant-based, predictable financing, pro-poor, and inclusive targeting that could truly address the needs and realities of marginalized groups. This includes gender-responsive and socially inclusive funding allocations, ensuring direct support to local resilience-building efforts and cooperatives.

The gap analysis anchors on the existing national frameworks such as Malawi's Long-Term Vision 2063 and Just Transition Strategy, National Climate Change Policy, National Adaptation Plan, and Nationally Determined Contributions. Emerging from the discussion is the need to support clean energy solutions, and promote agroecological practices, community-based natural resource management, green job creation, and low-carbon livelihoods.

Malawi is approaching the final stage of the in-country process, marked by the official submission of its Request for Support to the Global Shield, based on the financial protection needs identified in the earlier

Stocktake Report and Gap Analysis. All of this is in pursuit of the vision of increasing protection for poor and vulnerable people through better pre-arranged finance against disasters.

#### *About the Author*

*Tarcizio Kalaundi, a CVF-V20 Youth Fellow, is a climate change and geospatial science professional. He works with Trocaire Malawi as a Programme Officer for resilience and livelihoods, fostering nature-based solution systems and disaster resilience programming for communities vulnerable to climate change impacts.*

## KEY DATES IN 2025

- **9th - 12th June 2025** - 55th Annual Meeting of the Board of Governors of the Caribbean Development Bank, Brasília, Brazil
- **16th - 26th June 2025** - 62nd Sessions of the Subsidiary Bodies (SB62) of the UNFCCC, World Conference Centre, Bonn, Germany
- **24th - 26th June 2025** - 2025 AIIB Annual Meeting, Beijing, China
- **30th June - 3rd July 2025** - Financing for Development Summit, Seville, Spain
- **30th June - 3rd July 2025** - 42nd Meeting of the Green Climate Fund Board
- **26th - 27th August 2025** - V20 Senior Officials Meeting (virtual)
- **9th - 23rd September 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 (IMF and World Bank Annual Meetings) in Washington DC
- **10th - 21st November 2025** - COP30 in Belém



On behalf of the CVF-V20, we extend our heartfelt congratulations to Dr. Sidi Ould Tah of Mauritania for his election as the President of the African Development Bank!