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CVF FRONTLINE



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Pathways to Progress



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This edition of CVF Frontline highlights how climate-vulnerable nations are stepping up as the escalating climate shocks strain fiscal resources and geopolitical tensions disrupt international markets.

At the heart of this effort is the strengthening of country ownership and institutional capacity. In March, the CVF-V20 achieved observer status at the Green Climate Fund. This platform opens another door for member states to have greater power to shape their own transitions from vulnerability to climate prosperity.

The CVF-V20 is ready to present a unified strategy—expanding fiscal space, scaling concessional finance, mobilizing private capital, and advancing Climate Prosperity Plans, laying the groundwork for resilient, low-carbon growth capable of withstanding a rapidly changing world.

CVF-V20 AT WORK

A look back at the most significant CVF-V20 activities

Bhutan Launches Resource Mobilization Plan to Drive Sustainable Economic Growth and High-Resilience Development

The Bhutan Resource Mobilization Plan (BRMP) was launched on March 6 by the Ministry of Finance of the Royal Government of Bhutan, with support from the CVF-V20. The groundbreaking plan is meant to help establish Bhutan as a high-income Gross National Happiness (GNH) economy by 2034 and deliver tenfold economic growth by 2050.

H.E. Lyonpo Lekey Dorji, Finance Minister, said, *"Bhutan is currently guided by several ambitious national frameworks - the 13th Five-Year Plan, the 21st Century Economic Roadmap, our Nationally Determined Contributions (NDC), the Energy Roadmap, and other sectoral strategies. As these plans set clear aspirations, the Ministry of Finance must be equally proactive in consolidating and aligning the corresponding resource mobilization strategies. Ensuring adequate, predictable, and sustainable financing is essential to realizing the*

transformative ambitions set forth by our central and line ministries."

The BRMP serves as Bhutan's Climate Prosperity Plan (CPP), a broader global initiative championed by the CVF-V20 to support climate-vulnerable countries to turn climate risks into bankable opportunities. CPPs are multi-phase national strategies designed to secure and enhance access to investment and technology while aligned with the nation's development, climate, and nature objectives.

The event convened senior government officials, international development partners, financial institutions, civil society organizations, and private sector representatives on a platform of collaboration in support of Bhutan's climate-resilient development agenda.

"The plan includes a comprehensive energy export program, climate-resilient infrastructure initiatives, a Dzongkhag-based climate risk financing and agriculture insurance program, forest conservation and carbon market integration, and catalytic instruments such as green bonds and the operationalizing of the Bhutan Climate Fund. Together, they operationalize Bhutan's transition from aid dependence to self-financed, climate-smart growth following its graduation from Least



Mr. Hamza Haroon, CVF-V20 Secretariat Regional Director for South and West Asia, Ms. Sara Jane Ahmed, CVF-V20 Secretariat Managing Director and Finance Advisor, H.E. Lyonpo Lekey Dorji, Minister of Finance of the Kingdom of Bhutan, H.E. Dasho Leki Wagmo, Hon'ble Secretary at the Ministry of Finance of the Kingdom of Bhutan, and Mr. Tshering Dorji, Director General at the Department of Macro-Fiscal and Development Finance of the Kingdom of Bhutan, at the official launch of the Bhutan Resource Mobilization Plan. (Photo: CVF-V20 Secretariat)

Developed Country status," said Ms. Sara Jane Ahmed, Managing Director and Finance Advisor of the CVF-V20 Secretariat.

One of the three (3) pillars of the Bhutan Resource Mobilization Strategy is the forward-looking Green Economic Model, a macroeconomic model that projects growth, resilience, jobs, and emissions trajectories, as well as tests different policy and investment scenarios to facilitate decision-making. Under the 13th Five-Year Plan plus Climate Prosperity trajectory, Bhutan's GDP is projected to be 15 percent higher by 2050 compared to the business-as-usual scenario, with average annual growth at 7.4 percent. Under this pathway, the country is positioned to attain high-income status five years earlier than projected under the baseline.

As these frameworks outline ambitious national goals, the Ministry of Finance, through BRMP, aims to consolidate and align resource mobilization strategies to realize adequate, predictable, and sustainable financing for national development.

In the context of tightening fiscal space, an evolving development finance architecture, and Bhutan's graduation from least developed country (LDC) status, the BRMP will diversify and identify strategic financing approaches, grounded in the principles of GNH. It further shows that economic prosperity and environmental stewardship are mutually reinforcing, underscoring that Bhutan's sustainable development is strongest when growth and ecological responsibility progress together.

Shaping Legislative Climate Priorities for 2026: A Post-COP30 Virtual Parliamentary Dialogue



On March 19, the CVF-V20 Secretariat, in partnership with GLOBE Legislators, DanChurchAid, SADC Parliamentary Forum, and the Sustainable and Environmental Coalition (SEEC), brought together legislators from around the world in a virtual dialogue to assess progress on the commitments made at COP30 and examine the vital role of Members of Parliament in advancing global climate action.

Partners Rally in Banjul to Scale Climate Investments for The Gambia

The Government of The Gambia convened a high-level Climate Finance Roundtable in Banjul in collaboration with the International Monetary Fund (IMF) and the World Bank Group, bringing together senior government officials, development partners, and private sector leaders to shape a shared agenda for scaling climate-aligned investment and strengthening macroeconomic resilience.

The roundtable took place at a critical juncture for The Gambia, as the country advances reforms under the IMF's Resilience and Sustainability Facility (RSF) and an ongoing IMF-supported program aimed at safeguarding



Participants gather at The Gambia's first Climate Finance Roundtable, which brought together government officials, diplomats, international organizations, civil society, and private sector representatives, including the Deputy Managing Director of the International Monetary Fund.
(Photo: The Gambia Ministry of Finance and Economic Affairs)

debt sustainability while creating fiscal space for climate investments. These reforms are strengthening climate-informed public financial management systems, climate data infrastructure, and the development of a national transition taxonomy.

In his remarks, the Minister of Finance and Economic Affairs, Hon Seedy Keita, underscored that climate change is already a macro-critical challenge for The Gambia, affecting agriculture, threatening coastal infrastructure, and placing increasing pressure on livelihoods through recurrent flooding, coastal erosion, and saltwater intrusion. At the same time, he emphasized a clear strategic shift, positioning climate action not only as a response to vulnerability, but as a driver of economic transformation and long-term prosperity.

Against this backdrop, the Ministry of Economy and Finance presented the Gambia Climate Prosperity Investment and Financing Strategy, supported by the CVF-V20. This comprehensive national framework consolidates the country's sector plans and development strategies, NDCs, Long-Term Climate Strategy (2050), National Adaptation Plan, and other evolving development priorities into a single, coherent investment framework with clusters of keystone projects, reinforcing a shift toward programmatic, investment-ready pipelines. The strategy is explicitly designed to mobilize capital at scale by reducing fragmentation, deploying innovative financing structures that

not only mitigate risk but also enable capital to flow at the scale and cost required for transformation.

The Minister highlighted that climate-aligned investments are central to strengthening macroeconomic stability while unlocking new engines of growth, highlighting investments in:

- renewable energy and green industrial zones to reduce fossil fuel import dependence, enhance competitiveness, and ease foreign exchange pressures;
- climate-smart agriculture to boost productivity, food security, and export competitiveness;
- nature-based solutions to protect coastlines while generating new value chains in ecotourism and environmental services; and climate-resilient cities, water security, and circular economy systems.

Importantly, the strategy positions The Gambia within a broader regional investment landscape, highlighting opportunities for cross-border climate investments that leverage shared ecosystems, infrastructure, and trade corridors, particularly in alignment with the African Continental Free Trade Area (AfCFTA) and the Economic Community of West African States (ECOWAS) integration agenda.

Key discussions during the roundtable reinforced:

- The urgency of moving from fragmented, project-based approaches to programmatic investment pipelines;
- The central role of blended finance and de-risking instruments, including guarantees, first-loss capital, and viability gap financing, crowding in private investment;
- The importance of project preparation facilities and country platforms in accelerating execution; and
- The growing role of disaster risk financing and insurance in safeguarding macroeconomic stability.

The CVF-V20 Secretariat reaffirmed its commitment to supporting the implementation of this strategy through a country platform led by the Ministry of Finance and Economic Affairs, aimed at strengthening coordination, aligning partners, and delivering a unified pathway to climate-resilient growth.

Speaking at the roundtable, Yussuf Hussein, Regional Director for Africa of the CVF-V20 Secretariat, on the issue of risks, perceptions of risk, and cost of capital, highlighted that the core constraint is not risk itself, but mispriced and misunderstood risk. Drawing on evidence from the Global Emerging Markets Risk Database, which covers over three decades of MDB and DFI investments, he noted that default rates in emerging markets are significantly lower than widely perceived, with sovereign default rates below 1% and high recovery rates. This evidence reinforces the case for scaling private capital into climate-vulnerable economies.

The roundtable concluded with a commitment among partners to deepen collaboration, align

financing instruments, and accelerate the implementation of high-impact, climate-resilient investments in The Gambia.

CVF-V20 joins the Green Climate Fund as an Official Observer



The CVF-V20 has been granted observer status to the Green Climate Fund.

At a time when the system is tightening, every dollar must work harder, and every institution must work together, for resources to reach intended recipients. CVF-V20s observer status is now an opportunity to contribute to realism and innovation, focused on building mutually beneficial and enduring partnerships.

As the largest global climate fund and the only one where climate-vulnerable countries sit as equal partners in governance, the GCF is central to this effort.

In parallel, too much of the system has been intermediated away from CVF-V20 countries, by design. Value creation and decision-making have too often been outsourced, with international advisory ecosystems capturing process over outcomes, crowding out country ownership, and limiting learn-by-doing capacity strengthening. Reclaiming capacity, through country-led strategies such as Climate Prosperity Plans, CVF-V20 fellowships, direct access to the GCF and other vertical climate funds, and aligned capital, is thus a prerequisite to turning climate vulnerability into climate prosperity.

Bhutan Accelerates Climate Action with Transition from Carbon Market Readiness to Implementation

The Royal Government of Bhutan marked a significant milestone in its climate leadership journey on March 9 with the High-Level Validation Workshop and the official launch of the Bhutan Carbon Market Information Platform, organized by the Department of Environment and Climate Change (DECC) under the Ministry of Energy and Natural Resources (MoENR), in collaboration with the CVF-V20 Secretariat.

The launch is part of the expanded implementation of the Access Strategies Program under the Carbon Finance Program, spearheaded by CVF-V20 and Voluntary Carbon Markets Integrity Initiative (VCMI), which aims to strengthen Bhutan's institutional, technical, and market readiness to participate in international carbon markets.

The high-level event convened senior government officials, international development partners, financial institutions, civil society organizations, and private sector representatives to validate the outcomes of the carbon market readiness program and formally launch the national information platform.

Speaking at the event, H.E. Lyonpo Gem Tshering, Minister for Energy and Natural Resources, highlighted Bhutan's commitment to enabling carbon market access to utilize carbon credits as a tool to advance climate ambition and sustainable development.

"Finally, today, we say that we are getting into the job. It will be not only a happy moment for Bhutan alone, but for the globe, at least we will be in a position to do something. Over the past year, through structured consultations, technical assistance, and private sector engagement, we have strengthened the institutional, technical, and regulatory foundations for a high-integrity carbon market," he explained.

For Bhutan, launching the centralized carbon market information platform counts as a strategic initiative in building a high-integrity carbon market system, demonstrating a progressive shift from policy ambition to operational systems.

Ms. Sara Jane Ahmed, Managing Director and Finance Advisor of the CVF-V20 Secretariat, emphasized that Bhutan is creating a more enabling and credible environment for private sector engagement. *"The launch of a centralized*



Senior government officials, international development partners, financial institutions, civil society organizations, and private sector representatives gathered in Thimphu, Bhutan, to endorse the outcomes of the Carbon Market Readiness Program and launch the national carbon market information platform. The initiative is a strategic step toward building a high-integrity carbon market system, moving policy ambition to operational systems. (Photo: CVF-V20 Secretariat)

carbon market information platform will create a single hub for carbon market policies, procedures, and project development resources. This will improve efficiency, strengthen transparency, and enhance investor confidence in engaging with Bhutan's carbon market," she said.

As part of the readiness engagement, extensive consultations were conducted through national workshops. The process also brought together technical experts, government officials, and sector specialists to ensure that analytical outputs were aligned with Bhutan's national climate priorities and international regulatory requirements.

The program resulted in the preparation of several key analytical deliverables, including sectoral mitigation potential assessments, covering 40 mitigation activities with carbon revenue potential analysis, indicating a market potential of at least USD 100 million during the first Nationally Determined Contribution (NDC) period, and methodology screening exercises aligned with Bhutan's Positive List of carbon market activities. These analyses provided an evidence-based understanding of Bhutan's mitigation opportunities and the potential revenue that could be generated through high-integrity carbon markets.

The platform also includes a Private Sector Engagement Guide, designed to support domestic and international developers, investors, and financial institutions in identifying opportunities for carbon project development in Bhutan. By consolidating relevant policies, frameworks, and technical guidance in a single repository, the platform aims to enhance institutional clarity, improve investor confidence, and facilitate efficient engagement with the national carbon market framework. This platform includes process

flowcharts, manuals, engagement strategies, forms, forms, and documents, designed to improve awareness and streamline project submission procedures.

Additionally, the initiative contributed to strengthening Bhutan's readiness to participate in international carbon markets by supporting the design of national carbon market information systems and improving the transparency and accessibility of regulatory procedures. This output has strengthened the institutional capacity of government agencies while providing practical tools for project developers and investors. It has helped lay the foundation for a pipeline of high-quality mitigation activities.

With policy frameworks and institutional arrangements now largely in place, Bhutan is now focusing on advancing carbon project development and mobilizing private investment. Through strengthened bilateral cooperation under Article 6, including engagement with the Republic of Singapore, Bhutan aims to position itself as a credible and high-integrity participant in global carbon markets.

The High-Level Validation Workshop and launch of the Bhutan Carbon Market Information Platform represent an important step toward translating Bhutan's climate ambition into concrete mitigation activities, enabling the country to leverage carbon markets to support its national climate commitments and sustainable development objectives.

V20 Senior Officials Meet Ahead of the 16th Ministerial Dialogue



The V20 Senior Officials Meeting (SOM) serves as a dedicated platform for dialogue and discussion among senior officials from V20 Member Countries, ensuring they are well equipped to brief their finance ministers ahead of the V20 Ministerial Dialogues. For this year, the virtual SOM was held in two parts: Plenary Sessions (March 16) and Focus Group Sessions (March 17).

The Plenary Sessions, chaired by Ms. Antonino Inniss (Chief Debt Strategy Analyst at the Debt Management Unit, Ministry of Finance Barbados), provided updates on global geopolitical developments, the international financial architecture reform agenda, and key CVF-V20 initiatives, including Climate Prosperity Plans, the Global Shield against Climate Risks, and carbon financing.

The Focus Group Sessions centered on discussions within the three V20 Focus Groups formed to advance priority initiatives and significantly scale up climate investment in V20 countries. These sessions were led by Mr. AKM Sohel (Additional Secretary, Economic Relations Division, Ministry of Finance, Bangladesh), Advocacy and Partnerships Focus Group Co-Chair and Ms. Adidjatou Hassan (Deputy Chief of Staff, Ministry of Economy and Finance, Benin), Mobilizing Climate Finance Focus Group Co-Chair.

The SOM also gathered strategic and technical insights from member countries on priority reform proposals, political messaging, and initiative-level decisions. This input will help inform the drafting of the V20 Communiqué for adoption at the 16th V20 Ministerial Dialogue.

From Policy Ambition to Investment Readiness: Bhutan's Progress with the V20-VCMI Carbon Finance Program

Through the [Carbon Finance Program](#), Bhutan has accelerated the development of policy frameworks and strengthened the institutional foundations needed to advance the country's participation in carbon markets, including the launch of a centralized carbon information platform.

The [Bhutan Carbon Market Information Platform](#) consolidates the country's policies, procedures, and project development resources into a single hub, helping to improve efficiency, strengthen transparency, and enhance investor confidence in engaging with Bhutan's carbon market. This positions Bhutan not only as a country with high ambitions on carbon markets, but one that is ready for investment, anchored in high-integrity frameworks. With the relevant political frameworks and institutional mechanisms in place to boost a positive list of carbon market activities, Bhutan gears towards harnessing its market potential of at least USD 100 million.

"This is not simply an information portal—it is part of Bhutan's market access architecture, designed to enhance transparency, reduce transaction costs, and strengthen carbon credit integrity. It also reflects a core element of Bhutan's strategy: enabling strong private sector participation," Sara Jane Ahmed, Managing Director and V20 Finance Advisor of CVF-V20 Secretariat, explained during the launch on 06 March 2026.

The launch of the Platform, through the Ministry of Energy and Natural Resources, under the leadership of H.E. Lyonpo Gem Tshering, is part of the Carbon Finance Program, delivered in collaboration between the CVF-V20 Secretariat and the [Voluntary Carbon Markets Integrity](#)

H.E. Lyonpo Tshering considers the platform launch as a strategic initiative in building a high-integrity carbon market system, demonstrating a progressive shift from policy ambition to operational systems. (Photo: CVF-V20 Secretariat)



**High-Level
Validation Workshop
and Official Launch
of the Bhutan Carbon
Market Information
Platform**

Initiative (VCMI). The Carbon Finance Program supports climate-vulnerable member states in leveraging high-integrity carbon markets as a supplementary revenue stream to finance their Climate Prosperity Plans—multi-phase national strategies for investment and technology access designed to transform climate risks into bankable opportunities.

"Bhutan is one case study of how the Carbon Finance Program has enabled countries to build the framework needed to attract carbon credit finance. We will be supporting countries on the supply side of the project development, validation, verification, adapting finance, making sure the legal frameworks are fit for purpose, but also engaging with buyer countries," said Mark Kenber, Executive Director of VCMI, during the 16th V20 Senior Officials Meeting held on 16 March 2026.

Building Institutional Capacity to Harness Growing Carbon Markets

Carbon markets are increasingly becoming a key tool to mobilize additional finance, accelerate mitigation, advance sustainable development, and strengthen economic cooperation, including under Article 6 of the Paris Agreement.

In June 2025, the Government of Bhutan began receiving strategic, technical, and policy assistance from the CVF-V20 Secretariat and VCMI to enhance the country's readiness and capacity to effectively access and participate in high-integrity carbon markets.

Through this support, Bhutan has made significant strides in completing its Article 6 National Strategy, identifying Article 6.4 National Designated Authorities, establishing the institutional arrangement of Article 6.2, and selecting project pipelines. Engagement with the Carbon Finance Program has also unlocked opportunities for private sector participation and a cooperative bilateral agreement with Singapore. Bhutan's action shows climate-vulnerable countries preparing the institutional architecture needed to participate in carbon markets with transparency, credibility, and integrity, including governance, clear rules, and investable opportunities aligned with national priorities.

"On behalf of the Government, I want to express our gratitude to the CVF-V20 Secretariat and VCMI for helping us in this journey; and for helping us bring closure to the first part of the carbon market, basically [establishing] infrastructure and the policy framework," Sonam Tashi, the Director for Department of Environment and Climate Change at Bhutan's Ministry of Energy and Natural Resources, said during the 16th V20 Senior Officials Meeting.

From Carbon Market Readiness to Implementation

Bhutan has explored carbon trading opportunities across various sectors, ensuring that the carbon market mechanism reflects a whole-of-government approach. Key sectors include land use and forestry, energy, agriculture,

waste, transport, and industrial processes and product use. Projections cite the energy sector as generating the highest annual carbon revenue, at USD 77.01 million.

The CVF-V20 Secretariat and VCMI, through its upscaled partnership, will continue supporting Bhutan as a regional leader in implementing Article 6 of the Paris Agreement, ensuring the government is equipped with knowledge, tools, and training on high-integrity carbon market infrastructure.

New Partnerships Forged in Pakistan to Accelerate Climate Action

The CVF-V20 Secretariat has forged new partnerships with leading financial, academic, and media institutions in Pakistan in March, marking a significant step toward advancing climate finance, building national capacity, and strengthening implementation of the Pakistan Climate Prosperity Plan (CPP).

A Memorandum of Understanding (MOU) was signed with the Iqbal Executive Development Center (IEDC) at the National University of Sciences and Technology (NUST), and Nutshell Communications on March 13 to develop a structured, scalable approach to capacity

building, with a focus on carbon markets, digital literacy, and workforce readiness.

By combining CVF-V20's global platform and climate finance expertise with NUST's academic and training infrastructure and Nutshell's private-sector engagement, the collaboration aims to create a pipeline of skilled professionals to support Pakistan's transition toward a low-carbon, climate-resilient economy.

The MoU was signed by Mr. Hamza Ali Haroon, CVF-V20 Regional Director for South and West Asia, Dr. Faiz Hussain Shah, IEDC Director, and Ms. Fareena Mazhar, Nutshell Communications Chief Public Engagement Officer, in the presence of representatives from academia, policy institutions, and the private sector.

Complementing these efforts, CVF-V20 has also launched a partnership with Dawn Media Group on March 31 through its flagship initiative, Breathe Pakistan, to strengthen climate action, advocacy, and global engagement. The partnership leverages the platform to move beyond awareness toward implementation by convening investor sessions, high-level dialogues, and multi-stakeholder engagements that showcase bankable projects and promote climate investment.



Maj. Gen. Shahzad, Nutshell Communications Advisor, Mohammad Ali, NUST General Manager, Hamza Haroon, CVF-V20 Secretariat Regional Director for South and West Asia, Dr. Faiz Hussain Shah, IEDC Director, Ms. Fareena Mazhar, Nutshell Communications Chief Public Engagement Officer, Ms. Rabia Shoaib Nutshell Communications Chief Executive Officer, and Zulfiqar Yunus, CVF-V20 Secretariat Advisor, forged an agreement to strengthen Pakistan's capacity in carbon finance through professional training and emerging skills development. (Photo: CVF-V20 Secretariat)



Ms. Munazza Mansoor, Unit Head, Sustainable Finance, JS Bank; Mr. Noman Soomro, Chief of Staff, JS Bank; Mr. Zulfiqar Hussain Kazmi, Head of Investment Banking, JS Bank; Mr. Hamza Haroon, Regional Director for South and West Asia, CVF-V20 Secretariat; Ms. Anam Rathor, Program Lead, CVF-V20 Secretariat; and Mr. Zulfiqar Yunus, Advisor for West and South Asia, CVF-V20 Secretariat at the signing of an MOU that will support the Pakistan CPP by mobilizing financing for low-carbon and climate-resilient projects. (Photo: CVF-V20 Secretariat)

A central component of this collaboration is the upcoming Second International Climate Change Conference, to be held on April 22 to 23, which will serve as a platform to amplify the voices and priorities of climate-vulnerable countries and reinforce their role in global climate governance.

Lastly, the CVF-V20 Secretariat signed an MOU with JS Bank at the end of the month to unlock private sector investment and strengthen the role of financial institutions in climate action. The collaboration aims to develop and finance bankable projects across renewable energy, green transportation, sustainable infrastructure, and climate-resilient agriculture. It also supports the structuring of CPP-aligned projects and the establishment of a local resource mobilization group to channel domestic capital into climate investments.

This engagement reflects a broader effort to bridge the gap between climate ambition and financing by positioning Pakistan's financial sector as a driver of resilient and sustainable growth.

Across all three partnerships, a common theme emerges: the need to translate climate strategies into delivery. By linking finance, capacity-building, and advocacy platforms, CVF-V20 is helping to build a more coordinated ecosystem in which policy frameworks, investment pipelines, and stakeholder engagement reinforce one another.

These collaborations signal a shift from fragmented efforts toward a more integrated approach to climate action; one that mobilizes capital, builds institutional capacity, and strengthens national and global partnerships. Together, they lay the foundation for scaling climate solutions, accelerating implementation of the Pakistan CPP, and unlocking long-term economic opportunities rooted in resilience and sustainability.

Call for Expressions of Interest: CVF-V20 Presidency



The CVF-V20 Troika now invites Member States to submit formal expressions of interest (EOI) to assume the next Presidency of the CVF-V20.

As a coalition of 74 climate-vulnerable nations across Africa, Asia, the Caribbean, the Pacific, and the Middle East, the CVF-V20 operates on a rotating Presidency to ensure a strong, continuous global voice for climate resilience and financial equity. The CVF-V20 is currently presided over by Barbados, under the leadership of Her Excellency Prime Minister Mia Amor Mottley, with the support of the CVF-V20 Troika, which comprises Barbados as the incumbent Presidency and the Republic of Ghana and the People's Republic of Bangladesh as the two immediate past Presidencies.

Member states are invited to express their country's interest to serve as the Presidency, and, in addition, to officially circulate that interest through a Note Verbale to the CVF-V20 Presidency through the Permanent Mission of Barbados in New York.

The term of Barbados to serve in the presidency will continue until the new President is voted on and then formally announced at the end of the CVF Leaders Meeting in September 2026. The new presidency will assume its functions in January 2027.

FROM WHERE WE STAND

A reflection piece for CVF-V20 leaders, fellows, and partners.

From Policy to Practice: Institutionalizing Climate Resilience in Pakistan's Fiscal Framework

By Faisal Wali Jan

Section Officer, Pakistan Ministry of Finance,
CVF-V20 Climate Prosperity Fellow

In the corridors of the Ministry of Finance of Pakistan, the conversation around fiscal policy has shifted dramatically. A few years ago, "climate resilience" was often treated as an environmental concern, relegated to line ministries. Today, having managed the USD 1.4 billion Resilience and Sustainability Facility (RSF) over the last two years, I see it differently: climate risk is a macroeconomic risk, and our fiscal sustainability is intrinsically linked to how well we prepare for the climate reality.

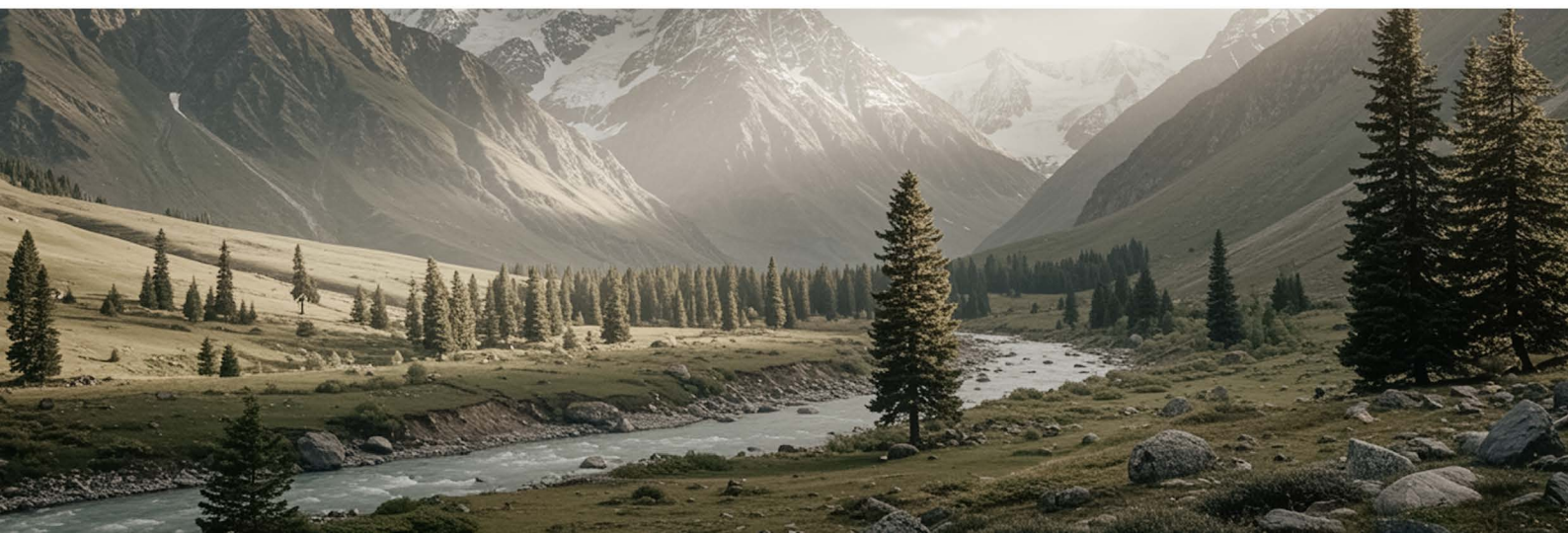
For Pakistan, the RSF isn't just about the liquidity it provides; it is a structural mechanism. It forces us to reconcile the immediate pressures of our balance of payments with the long-term necessity of structural reform. As we look at the program through to its conclusion in August 2027, the challenge for us, the technical

teams on the ground, is translating high-level conditionalities of the International Monetary Fund (IMF) into tangible, locally owned policy actions.

The Energy-Fiscal Nexus: Tackling the Subsidy Burden

The Government has undertaken the most lethargic task involving the energy sector of Pakistan. For many years, Pakistan's energy sector has been burdened by a subsidy system that did not work as intended. Although it was introduced to protect low-income households, a large share of the benefit ended up going to those who did not really need it. This put pressure on public finances and also encouraged inefficient use of energy.

Under the IMF's RSF, our approach is not just about increasing tariffs. It is about fixing the system in a gradual and thoughtful way, improving how subsidies are targeted, strengthening financial discipline in the power sector, and making the system sustainable without abandoning those who genuinely need support. By January 2027, we plan to move away from the old, across-the-board tariff differential subsidy and replace it with a more focused mechanism, using the Benazir Income Support Programme (BISP) database so that assistance reaches the right households.



The technical heavy lifting here, identifying consumers and finalizing eligibility criteria, is grueling, but it is the only path to ensuring the power sector's long-term viability and public ownership of reforms.

The Government of Pakistan has also recognized the significance of fiscal policy in driving behavioral change, and the completion of tasks under the RSF on carbon levy and electric vehicle (EV) adoption serves as an outline for this. Furthermore, to internalize the cost of carbon emissions within our federal budget, we have imposed a supplementary carbon levy of PKR 5 per liter on fuel products, and simultaneously rolling out a revenue-neutral scheme for EV adoption.

Mainstreaming Climate into Public Financial Management (PFM)

Finance ministries are infamously rigid. Integrating climate considerations into the Public Sector Development Programme (PSDP) has been an exercise in cultural change. It isn't just about "tagging" expenditures; it is about changing the appraisal process.

Under our current RSF mandates, all projects now undergo a mandatory climate screening. Hence, the departments that previously focused only on cost-benefit ratios have now started accounting for the climate risk exposure. We are currently institutionalizing this by creating a quarterly climate budget execution report. For the first time, we can clearly see the difference between what we set aside for climate-resilient infrastructure and what was actually spent. That visibility allows us to course-correct in real time instead of discovering gaps after the fact.

Mobilizing the Financial Sector

The government cannot shoulder the burden of climate adaptation on its own. Bringing in private capital is no longer optional; it is essential. This is where the work with the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP) becomes vital.

The government has operationalized the Pakistan Green Taxonomy. The intent is clear: we want to create a common language for "green" versus "brown" investments in Pakistan. The SECP is working on a phased disclosure requirement for listed companies, moving from voluntary compliance to mandatory reporting by 2029. We are currently working with our regulators to ensure these guidelines align with international best practices, such as the BCBS principles, without placing an undue compliance burden on our emerging corporate sector.

The Adaptation Frontier: e-Abiana and Water Security

While mitigation often gets the spotlight, adaptation is our survival. Water scarcity is the most significant threat to our agrarian economy. We are operationalizing the "e-Abiana" (water cess) system, a digital irrigation service charge collection mechanism, across all the provinces of Pakistan.

Digitizing revenue collection in irrigation is not just an IT project; it is a governance reform. By improving the collection of irrigation fees, the Government of Pakistan intends to create a mechanism for increased revenue and better maintenance of water infrastructure. This is

technical capacity at the Loss and Damage focal point level, leveraging the potential of these siloed interventions in anticipatory and post-disaster response.

It is likewise crucial to locate community voices at the epicenter of Loss and Damage programming, respecting disaster risk management plans set up through community structures. The four-year effort that began at COP26 in Scotland, to mobilize Loss and Damage monetary resources, which currently stand at USD 788 million in commitments and remittances, needs scaling up, leveraging the call for global multilateral financial institutional reforms in debt management and cancellation, reparations, grants, and historical causality of Loss and Damage.

African countries also need to hold themselves accountable for tracking and monitoring in-country resource allocation, and for articulating needs and evidence-based projects grounded in the local context and community empowerment to enhance sustainability.

Climate Shocks Are Rising, Our Financial Response Isn't

By Yussuf Hussein Yussuf

*Regional Director, Africa
CVF-V20 Secretariat*

In Mozambique today, children are paying the price for a crisis they did not create.

Recent floods and cyclones have displaced more than 720,000 people, destroyed schools and health facilities, and disrupted access to food and clean water, overwhelmingly affecting children and families already struggling with poverty and climate risk. These weather extremes are not isolated events: they reflect a relentless rise in climate-driven shocks.

Mozambique's experience is part of a broader pattern. Across Africa, the Pacific, the Caribbean, and parts of Asia, countries least responsible for climate change are facing the greatest impacts. According to the United Nations Refugee Agency, weather-related disasters have caused 220 million internal displacements over the last ten years,



equivalent to approximately 60,000 displacements per day.

This is a humanitarian imperative – but also a systemic finance problem.

Vulnerable countries face the highest costs of adaptation and recovery despite having the lowest share of cumulative global greenhouse gas emissions. The [2025 UNEP Adaptation Gap Report](#) revealed that developing nations will need around USD 310 billion to USD 365 billion per year by 2035 to prepare for the impacts of climate change. Yet actual adaptation finance delivered today is only a fraction of that figure.

This financing gap is not abstract. It directly shapes how countries respond to crises like Mozambique's. Without affordable, reliable access to financing tools that protect public budgets against climate risk, nations are forced into a cycle of emergency appeals, short-term borrowing, and diversion of scarce resources from health, education, and long-term resilience investments.

This is where coalitions such as the CVF-V20 are indispensable.

The CVF-V20 brings together more than 74 climate-vulnerable countries across Africa, Asia, Latin America, the Caribbean, and the Pacific. Its mission is to promote climate finance approaches that enhance resilience and reduce fiscal volatility. Central to this are [Climate Prosperity Plans](#), strategic, economy-wide frameworks for adaptation, mitigation, and economic transformation.

Importantly, the CVF-V20 promotes risk finance solutions, including sovereign risk pooling and insurance mechanisms. Regional risk pools, such as the [African Risk Capacity](#)

(ARC), [Caribbean Catastrophe Risk Insurance Facility \(CCRICF\)](#), [Pacific Catastrophe Risk Insurance Company \(PCRIC\)](#), and [Southeast Asia Disaster Risk Insurance Facility \(SEADRIF\)](#) collectively provide risk coverage for many vulnerable nations. But these instruments often lack sufficient capital and concessional backing, limiting their scale and affordability.

While these risk pools exist, they cannot yet reach the capital depth required to protect all vulnerable member states, a shortfall made clear in recent extreme weather events. That is why global partners must step forward with predictable, long-term funding that enables these instruments to function at scale.

Beyond national risk pools, organizations such as [Climate Resilience for All](#) are demonstrating how locally focused adaptation strategies—from cooling centers to heatwave preparedness and community-based resilience programs—can protect the most vulnerable populations, particularly women, who experience disproportionate climate impacts.

But structural change requires finance that is adequate, predictable, and timely.

Success will depend on embedding protective financial mechanisms into national planning rather than treating climate resilience as an annual afterthought. Development insurance, if capitalized appropriately with concessional layers, pooled risk, and multi-year commitments, can serve as core financial infrastructure, reducing the need for emergency borrowing and enabling faster, more stable responses to climate shocks.



What could this mean in practice?

- **Automatic liquidity** triggered by predefined thresholds, eliminating delays inherent in post-disaster appeals.
- **Multi-year capital buffers** that lower pricing volatility and make protection affordable.
- **Pooled risk structures** that diversify risk across countries and regions, stabilising costs.
- **Concessional layering** that brings private capital into global risk markets while ensuring vulnerable countries can pay for coverage.

This is not theoretical. Elements of this architecture are being explored through high-level expert consultations on risk financing frameworks that aim to elevate development insurance from the periphery of climate finance to its core.

Mozambique's children should not have to rebuild their lives every few years because financial systems remain reactive and under-resourced. Emergency response saves lives, but resilience finance saves futures.

If global investment matched the scale of adaptation needs outlined by the World Bank and UN, countries like Mozambique would have a fighting chance to protect their people from the worst impacts of climate change.

The crisis in Mozambique is a warning signal to the world; when climate risk is predictable, the global financial architecture must also be predictable, capitalized, and equitable.

The time to close the resilience gap is now, before the next storm becomes the defining story of another generation.

STORIES FROM THE FRONTLINE

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

Levant Region Leverages Subnational Governance to Access Climate Finance

Ten municipalities from Lebanon, Palestine, and Jordan engaged with development banks and bilateral and multilateral donors at the [Climate Finance Pathways Forum](#) to mobilize resources for their subnational climate project proposals spanning water security and flood-risk reduction, nature-based solutions, climate-resilient infrastructure, urban cooling, solid waste management, and climate-smart agriculture.

The forum was the culmination of the six-month structured program led by the Global Covenant of Mayors for Climate and Energy–City Climate Finance Gap Fund Partnership (GCoM-Gap Fund Partnership), the United Nations Economic and Social Commission for Western Asia (ESCWA), and UN-Habitat. It was designed to empower Arab municipalities in transforming locally-identified climate priorities into finance-ready and nationally-aligned project concepts. This sought to contribute to building the regional pipeline of bankable climate change adaptation projects in Levant.

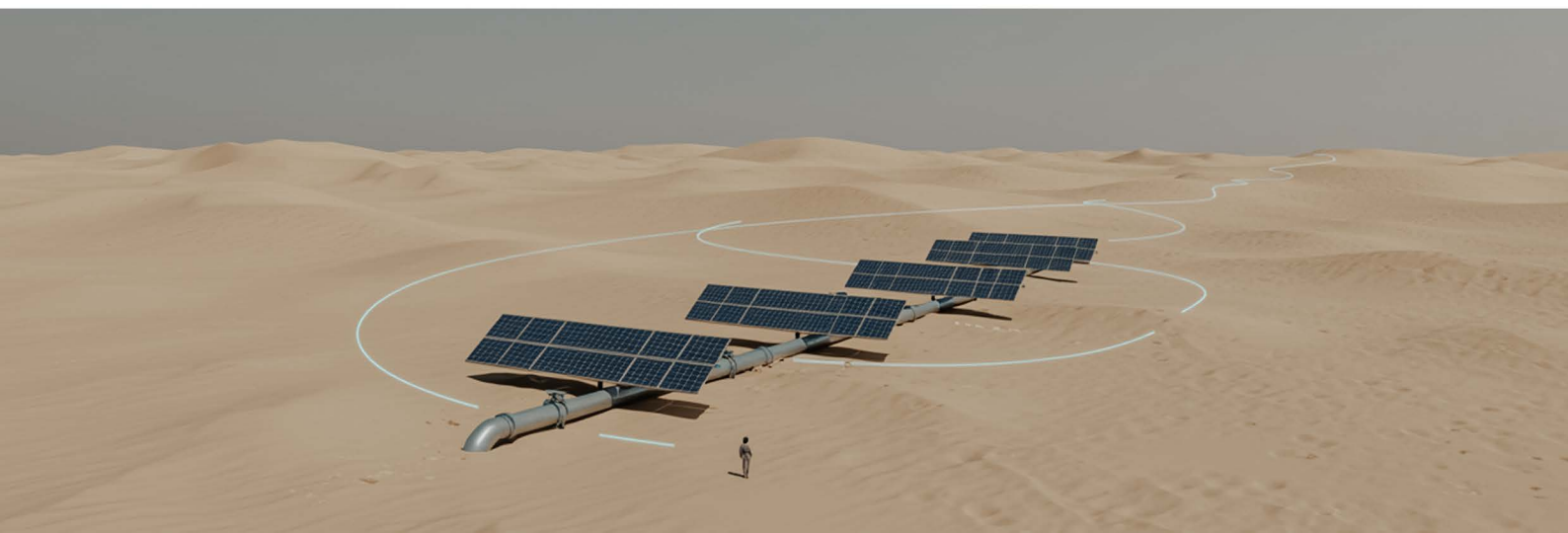
Initially, more than a hundred subnational governments expressed interest in joining the project, with only 13 municipalities advancing onto the next phase—10 of which were from CVF-V20 member states. Al-Naseem, Ghor Mazr'aa, Um-Basateen from Jordan; Aley, Leba'a, Majdal Anjar from Lebanon; and Ramallah–Al Bireh–Beitunia, Hebron, Illar and Attil, Abasan al-Kabira from Palestine were among the shortlisted.

Participating municipalities had rigorous training on concept inception, risk assessment, program management, pitching proposals, finance instrument formulation, and monitoring mechanisms. They also received capacity building on integrating

gender inclusiveness and environmental safeguards within project proposals. More importantly, the training covered discussions on grants, concessional loans, blended finance, guarantees, green sukuk (Shariah-compliant bonds), municipal green bonds, and project preparation facilities. Altogether, the six-month workshop was dedicated to ensure feasibility, effectiveness, and bankability of outputs.

The 13 shortlisted proposals, including those from Lebanon, Palestine, and Jordan, represented a total amount of USD 44.5 million. Municipalities from the CVF-V20 member states championed projects on adaptation, desalination, clean energy infrastructure, and green pathways to address problems such as water scarcity and food insecurity. Although implemented locally, municipalities see these proposals as catalysts for accelerating progress toward the Sustainable Development Goals across the region.

These proposals gained interest among several financing institutions, indicating opportunities for structured funding partnerships. Empowering subnational governments supports the region in unlocking the necessary climate finance and investments required to address the risks of climate change.





Nature-Based Solutions Drive Honduras' NDC 3.0

Ten years after its first climate commitments under the Paris Agreement, Honduras is turning to the strength of its coastlines. In its third Nationally Determined Contribution (NDC), the country is prioritizing mangrove and seagrass conservation as a cornerstone of its climate action.

Honduras has more than 600 miles of shoreline stretching along the Caribbean north coast and the Pacific south coast, encompassing over a million hectares of coastal and island ecosystems. These landscapes not only support rich biodiversity but also underpin the national economy, sustaining key sectors such as aquaculture, tourism, and maritime transport while shaping the livelihoods of coastal communities.

Given the country's reliance on these sectors, science-based coastal conservation has become increasingly critical. This approach aligns with the Barbados CVF-V20 Presidency's campaign to advance science-driven, evidence-based solutions that safeguard communities and promote long-term sustainability.

The Intergovernmental Panel on Climate Change recognized mangroves and seagrasses, along with salt marshes, as the only marine ecosystems found to generate significant emission reduction figures. With extensive mangrove forests and seagrass meadows, Honduras holds substantial blue carbon resources, strengthening its capacity to sequester

carbon at scale. At the same time, such ecosystems serve as natural buffers that protect coastlines from climate-related hazards such as storms and erosion. They also provide critical habitats for coastal fisheries, supporting biodiversity while sustaining the livelihoods of fishing communities.

Building on these advantages, the government has prioritized the sustainable and resilient management of marine and coastal ecosystems in its NDC 3.0, including a target to restore at least 10 percent of mangrove forests by 2035. Key initiatives focus on increasing national marine and coastal areas under official conservation schemes by five percent, establishing seagrass coverage baseline, and promoting ecological integrity in at least 65 percent of conservation areas. The country also commits to continue identifying vulnerable areas and risk zones within its coasts and wetlands.

To ensure these targets are translated into concrete actions, the government plans to reactivate the country's National Biological Monitoring Board and National Wetlands Technical Committee. These bodies have an essential role in mobilizing various agencies and multiple stakeholders in fostering institutional support for country-wide coastal protection.

A decade on, Honduras demonstrates its unwavering commitment to the Paris Agreement by leveraging domestic resources and nature-based solutions to advance emissions reduction while strengthening resilience and supporting sustainable economic growth.

Colombia Frees Its Amazon Region from Large-Scale Mining

The Republic of Colombia vows to protect its share in the Amazon by declaring its entire biome off-limits to new large-scale mining and hydrocarbon projects, ensuring the conservation of ecological systems and the preservation of engraved ethical identity across the jungle. The declaration was made at a ministerial meeting of the Amazon Cooperation Treaty Organization (ACTO) ministers during COP30 in November 2015.

Representing 42 percent of the country's territory that spans across 438,000 square kilometers, the tropical forest is home to 1.2 million and a diverse group of species. The majority of Colombia's indigenous groups from the Afro-descendant communities have seeded their roots at the heart of the jungle, denoting the richness of cultural identity and ethical practices nestled in the forest. For Colombia, preserving the Amazon transcends beyond biodiversity considerations, but also saves the indigenous origins of the country.

The declaration is expected to impede 43 planned hydrocarbon blocks and around 286 pending mining applications across Amazonas, Caquetá, Guaviare, Guainía, Putumayo, and Vaupés, closing the doors for large-scale and

industrial mining that pursues exploration and production of oil and gas.

Currently, the government seeks to conduct extensive consultations with different indigenous groups, ensuring that the declaration aligns with the values and practices of the people at the most remote areas of the forest. Officials are committed to closely monitoring and enforcing strict measures that restrict hydrocarbon activities and mining in the Amazon.

With the Colombian Amazon covering only seven percent of the entire rainforest, stronger regional cooperation is required to boost preservation and conservation in the territory. Apart from declaring a mining ban, Colombia urges neighboring countries to form the *Amazon Alliance for Life* in an effort to halt the rising deforestation cases within the world's largest tropical rainforest.

Colombia demonstrates that developing nations are not merely victims of climate change; they are active leaders as well in shaping global climate action. Acting as the *lungs of the Earth*, the future of the world and its people heavily depends on the future of the Amazon.



INDEPENDENCE OBSERVANCES

We extend our warmest wishes to esteemed member countries celebrating their founding and independence days in March



BANGLADESH
March 26, 1971



GHANA
March 6, 1957



MOROCCO
March 2, 1956



NAMIBIA
March 21, 1990



TUNISIA
March 20, 1956

LOOKING AHEAD

Key dates in April 2026

- **08 April 2026**, Special Briefing and Reception for Diplomatic Missions of CVF-V20 Member Countries (10F, CVF-V20 Office, 2000 Pennsylvania Ave., NW, Washington, D.C.)
- **13 April 2026**, V20-GCF Exchange on Climate Finance Delivery (7F, CVF-V20 Office, 2000 Pennsylvania Ave., NW, Washington, D.C.)
- **14 April 2026**, 16th V20 Ministerial Dialogue (MC 13-301, World Bank Headquarters, Washington, D.C.)
- **15 April 2026**, Fifth Meeting of the Central Bank Governors Working Group (HQ1 R584 (Level R), IMF Headquarters, Washington, D.C.)
- **15 April 2026**, Global Shield Partner Country Roundtable (7F, CVF-V20 Office, 2000 Pennsylvania Ave., NW, Washington, D.C.)
- **15 April 2026**, From Data to Decision: Unlocking Climate Risk Modelling Capacity in Climate Vulnerable Countries (7F, CVF-V20 Office, 2000 Pennsylvania Ave., NW, Washington, D.C.)
- **16 April 2026**, Scaling Financial Protection for Climate-Vulnerable Economies: Pathways for CVF-V20 and Public and Private Sector Collaboration (10F, CVF-V20 Office, 2000 Pennsylvania Ave., NW, Washington, D.C.)
- **17 April 2026**, CVF-V20 and VCMI Carbon Finance Workshop Series (7F, CVF-V20 Office, 2000 Pennsylvania Ave., NW, Washington, D.C.)