

# CAUGHT IN THE VICIOUS CYCLE OF DEBT

## THE PLIGHT OF THE WORLD'S MOST CLIMATE-VULNERABLE

The CVF-V20 with 74 member countries from Africa, Asia, Caribbean, Latin America, Middle East, and Pacific bears the greatest costs of a climate crisis they are least responsible for. These nations grapple with economic debt that restricts their ability to invest in health infrastructure, social protection, development, and climate priorities.



**DEBT PAYMENTS TRIPLED**  
from ~\$47 billion (2014) to \$131 billion (2024)



**EXTERNAL DEBT SPIKED**  
Reaching \$1.01 trillion in 2023



**DEBT SERVICE WILL SURGE**  
US\$746 billion in 2031, four times the estimated climate needs.

IN DEBT DISTRESS (4)	Ethiopia Grenada Malawi Sudan	
HIGH RISK (18)	Afghanistan Chad Comoros Dominica The Gambia Ghana Haiti Kenya Kiribati	Maldives Marshall Islands Mozambique Papua New Guinea Sierra Leone South Sudan Tonga Tuvalu Vanuatu
MODERATE RISK (19)	Benin Bhutan Burkina Faso DR Congo Côte d'Ivoire Guinea Kyrgyzstan Liberia Madagascar Nicaragua	Niger Rwanda Samoa Senegal Tanzania Timor-Leste Togo Uganda Yemen
LOW RISK (4)	Bangladesh Cambodia Honduras Nepal	

**NEARLY HALF OF V20 COUNTRIES ARE ALREADY IN, OR AT HIGH RISK OF, DEBT DISTRESS.**

### WE NEED URGENT ACTION TO BREAK THE VICIOUS CYCLE WHERE DEBT AND CLIMATE CHANGE COMPOUND ONE ANOTHER:

- 01 Extend debt repayment terms to 40 years**  
This could reduce payments by US\$267 billion.
- 02 Update Debt Sustainability Analyses**  
Account for the macroeconomic benefits of resilience investments and natural capital.
- 03 Reform the G20's Common Framework**  
Call for an automatic two-year standstill on debt payments, with no arrears.
- 04 Build systemic solutions**  
Include debt pauses with targeted relief supported by debt-for-resilience swaps.
- 05 Bolster the Catastrophe Containment and Relief Trust**  
Create an endowment account that would generate its sustainable revenue stream.