CONCEPT NOTE

15TH V20 MINISTERIAL DIALOGUE

THE DEBT–GROWTH AGENDA: UNLOCKING FISCAL SPACE FOR CLIMATE PROSPERITY AND RESILIENCE

18 OCTOBER 2025 (SATURDAY) | 11:00 AM TO 1:00 PM (EDT)

Conference Hall 1, International Monetary Fund Headquarters 2 (IMF HQ2),
Washington D.C., United States of America

ABOUT THE MINISTERIAL DIALOGUE OF THE V20 FINANCE MINISTERS

The V20 Ministerial Dialogue is the principal forum of the V20 Finance Ministers[1] of the Climate Vulnerable Forum. It is co-hosted by the International Monetary Fund (IMF) on the margins of the Spring and Annual Meetings of the World Bank Group (WBG) and IMF. This high-level dialogue of V20 Finance Ministers, chaired by the current CVF-V20 Presidency (Barbados), brings together members of the V20, key partners, including international organisations, the G7, G20, and G24, to address the pressing climate crisis.

Discussions focus on challenges including the lack of fiscal space, high debt servicing costs, high cost of capital, and unprepared health systems, as well as opportunities in harnessing green growth, security, and the generation of new jobs across the convergence of climate, development, and nature, despite worsening climate shocks. The high-level dialogue will conclude with the adoption of a V20 Communiqué outlining key issues and a shared vision for advancing climate prosperity through equitable multilateral cooperation.

ABOUT THE CVF-V20

The CVF-V20, which is headquartered in Accra, Ghana, is an intergovernmental group of 74 countries across Africa, Asia, the Caribbean, Latin America, the Middle East, and the Pacific. Together, these countries represent 1.81 billion people, (22% of the world's population), and contribute US$4.1 trillion (3.8% of global GDP), to the global economy while holding less than 5% of voting power in the Bretton Woods Institutions. Despite producing only 7.3% of global emissions, these countries are on the frontlines of the climate crisis. For the CVF-V20, the challenge is not only about survival, but also about turning climate vulnerability into climate prosperity.

The CVF-V20 is calling for affordable, accessible, and long-term climate financing—such as 25-30 year low-interest loans, local currency financing, and debt solutions. Multilateral development banks (MDBs) play a key role, but they must fully implement balance sheet optimisation, increase lending capacity, and direct at least US$300 billion annually toward climate action and the Sustainable Development Goals (SDGs), as recommended by the G20's Independent Expert Group (IEG) report. MDBs also need new capital injections and should account for climate vulnerability in how they allocate concessional finance.

It's time to "make debt work for climate" by including real investment, natural capital, and climate spending needs in Debt Sustainability Analyses (DSAs). This will help identify the resources countries actually need to achieve growth while building resilience.

Climate-vulnerable countries face major challenges, including:

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

- **Economic Strain/ Resource Gap:** High cost of capital, unsustainable debt servicing costs, and limited fiscal space make it nearly impossible to invest in resilience or recovery. Notably, there is both ineligibility and differentiation for some larger developing countries with fiscal space to direct resources toward their own vulnerable populations. Instead, they prioritise discretionary ambitions, a particular context that

[1] *The V20 was founded two (2) months before the Paris Agreement, in October 2015 in Lima, Peru, by the Climate Vulnerable Forum with 20 member governments.*

demands emphasis as it highlights a governance and equity challenge, not a resource gap. For many small economies, including SIDS and LDCs, the lack of capacity to access climate finance is a significant equity challenge.

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

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

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

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

The absence of strong representation leaves climate-vulnerable countries sidelined in global financial decisions that shape their futures. The WBG and IMF Spring and Annual Meetings are critical platforms for V20 Finance Ministers to coalesce around and champion solutions that unlock resources, reduce risks, and enable climate prosperity.

TODAY'S GLOBAL CONTEXT

V20 members record net negative outflows, meaning more capital is flowing away from climate vulnerable developing countries than what is coming in, despite an increased need to invest in development priorities and climate solutions. In 2023, developing countries saw US$68 billion in net outflows due to interest payments and repayments to private creditors, while concessional finance remained at a meagre US$2 billion, despite facing persistent and urgent challenges such as droughts in Sub-Saharan Africa.

Official Development Assistance (ODA) in 2022 reached a global record of US$287 billion. Nonetheless, allocations to the world's most vulnerable remained alarmingly low. That year, ODA to Small Island Developing States (SIDS) fell precipitously by 13% to just US$5.9 billion, while allocations to Least Developed Countries (LDCs) declined by 4% to US$62 billion. This exposes a stark mismatch between rising global commitments and the acute needs of those on the frontlines of existential climate and development crises. The outlook is even more troubling. Projections show ODA contracting sharply from US$198.7 billion in 2024, to US$164.1 billion in 2025, and to just US$146.2 billion by 2026. Meanwhile, global temperatures continue to rise and critical ecosystems are at risk of collapse, which can only accelerate climate-related disasters and increase their frequency.

As highlighted in the World Bank's Debt Report, this escalating situation has placed MDBs in a situation of having to scale up finance.

Meanwhile, V20 countries need US$490 billion per year by 2030 to invest in climate action, development, and nature—an amount approximately five times greater than the current US$90 billion provided by developed countries. Despite the disparity, most climate finance fails to reach the very communities who need it most, leaving impoverished people stuck in a cycle of disaster, sustained vulnerability, and delayed recovery.

The challenge isn't just about survival—it's about the realisation of our countries' desire to thrive. The question now is how quickly capital can be mobilised and directed towards growth-generating programmes that build resilience and secure long-term futures. This requires a shift from managing crises to creating opportunities by making climate resilience a core part of budgets, procurement policies, financial strategies, macroeconomic stability, and equitable economic cooperation.

THE DEBT–GROWTH AGENDA: UNLOCKING FISCAL SPACE FOR CLIMATE PROSPERITY AND RESILIENCE

For too long, the global framework for managing debt sustainability in climate vulnerable developing countries has rested on a fallacy - that austerity delivers resilience. In reality, austerity locks countries into stagnation and leaves them dangerously exposed to different natural and human-made calamities such as, and in particular, to climate shocks. It is why the reality of the climate crisis today should compel leaders and institutions to undertake a fundamental rethink—one that avoids fiscal contraction at all costs, and instead moves ever closer to growth-enhancing investment and climate prosperity.

Climate vulnerable countries already pay the world's highest borrowing costs, not because they are inherently more risky, but because the system perceives that there is higher risk, despite empirical data showing the perception does not align with reality. When we layer on intensifying climate shocks—floods, droughts, cyclones, heat extremes—we will immediately realise the ability of the same countries to invest in resilience, jobs, and green growth is being severely constrained, if not strangled.

The IMF–World Bank Debt Sustainability Framework (DSF) still dominates today even if its inadequacies are well established. It prescribes fiscal consolidation that undermines growth. It ignores the long-term returns of development-positive climate investments and natural capital. It underestimates the scale of external shocks, specifically climate shocks. By overstating the benefits of austerity, the DSF has left countries weaker, with higher debt ratios and greater vulnerability. Its continuation is not merely wrong but cruel; in particular because the MDB system and approach continue to cling to it even with evidence that it has not worked and that it increases the pain felt by communities that have done so little to create the crisis confronting our countries.

Debt sustainability cannot be reduced to debt-to-GDP ratios. The real question should be whether today's borrowing can build tomorrow's fiscal space better. We submit that it does. That borrowing for adaptation, health system resilience, renewable energy, grid modernisation, and resilient infrastructure measures is not government consumption; it is good risk management against utter climate and financial collapse. It is also a ladder up which countries get to climb out of the deep pit of indebtedness and thus contribute to global economic development.

Advanced economies understand this. Germany and others have already breached debt ceilings to finance defence and green transition priorities. They recognise the difference between wasteful borrowing and strategic borrowing. Climate vulnerable countries deserve the same approach without being forced to follow strategies that produce contrary outcomes. When climate shocks derail their economies, instead of more flexible financing to decisively address their predicament, they face scarce concessional finance, timid countercyclical lending, and ad hoc restructuring.

IS THERE A WAY OUT OF THIS?

The challenge is not the lack of good programmes/projects, but a financial system that keeps capital out of reach for vulnerable nations. To enable a fundamental rethink, the CVF-V20's flagship Climate Prosperity Plans (CPPs) provide a multi-phase national green industrialisation strategy for investment, technology access and knowledge transfer to transform climate-vulnerable economies into future investment hubs. CPPs align the demographic opportunity, technology and climate action to shape a future that is both prosperous and resilient. CPPs highlight areas that can benefit from upstream project-development support, provide clear policy guidance and serve as credible venues for alignment between governments and investors, including for carbon market access and debt-for-climate swaps. New climate and development models must include the provision of flexible support that not only finances projects but also finances the process of unlocking capital - building pipelines, reducing transaction costs, strengthening and deepening local capital markets to diversify sources of capital and enabling more responsive financing solutions. Moreover, there is no substitute for national and local capacity, whether public institutions, private sector, universities or civil society. We must ensure that local agency is preserved and not constrained by external actors or centralized hubs.

LOOKING FORWARD

Major global players—BRICS, G7, G20, financial institutions, and development partners—must step up and take urgent action to redesign global financial and economic cooperation around climate prosperity and global security. The objective is not just new resources, but to make resources work.

The 15th V20 Ministerial Dialogue tables the following questions:

- What concrete steps are needed to deliver a debt–growth pathway that enables prosperity and improved risk management instead of austerity?

- What forms of national, regional, and global leadership are needed to move from debt dependency toward a debt–growth pathway that delivers climate-driven prosperity?

- What priorities from your Climate Prosperity Plans can be shared today to expand fiscal space and drive investment toward growth—whether through debt-for-climate swaps, guarantee facilities, or other innovative structures and/or financing instruments?

OBJECTIVES

The 15th V20 Ministerial Dialogue aims for:

- **Strategic Engagement with Global Partners.** V20 Finance Ministers engage in dialogue with Multilateral Development Banks (MDBs), International Financial Institutions (IFIs), philanthropies, and development partners—including the BRICS, G7, G20, and G24—focused on expanding fiscal space, reforming debt sustainability frameworks, and unlocking capital for climate prosperity. This includes advancing the Adaptation Package in COP30, including through the Baku-to-Belém Roadmap and the Belém Health Action Plan, ensuring that debt, growth, and resilience agendas converge to secure prosperity for climate-vulnerable economies.

- **Strengthened Global Representation and Voice.** Official recognition of the V20 as an intergovernmental group within the governance structures of the IMF and World Bank Group, ensuring that climate-vulnerable countries have equitable representation in global financial decision-making.

- **Adoption of the 15th V20 Ministerial Communiqué by V20 members.** A high-level V20 communiqué capturing shared priorities, challenges, and opportunities; outlining the V20's Debt–Growth Agenda; highlighting Climate Prosperity Plans (CPPs), strengthening frontline delivery; and issuing a collective call to action for systemic reform and scaled-up financing for resilience and green growth.

FORMAT AND SPEAKERS

A 75-minute, high-level, on record, ministerial roundtable event presided by the Prime Minister of Barbados and Chair of the CVF-V20, co-hosted by the V20 and the IMF, with the following format:

- High-level Opening
- Keynotes from the Bretton Woods Institutions
- Troika Session
- Reflections from the V20 and other groups
- Adoption of the Summary Report from the V20 Senior Officials Meeting (for V20 members only)
- Closing segment, including the adoption of the *15th V20 Communique* (for V20 members only)

OTHER LOGISTICAL DETAILS:

- Participation is for Ministers or Heads of Delegation plus two (2) guests and for Heads of Organization plus one (1) guest.
- Live interpretation of the entire event will be available in English, French, Spanish, and Arabic.
- Food and refreshments will be available for all participants.
- Online live streaming will be available via Zoom Teleconferencing.

PROVISIONAL PROGRAM

TIME	AGENDA
11:00 AM	**Registration**
11:15 AM	**Welcome Remarks** **H.E. Mia Amor Mottley** *Prime Minister of Barbados* *CVF-V20 Presidency Chair*
11:25 AM	**Key Notes from the Bretton Woods Institutions** **Dr. Kristalina Georgieva** *Managing Director* *International Monetary Fund* **Mr. Ajay Banga** *President* *World Bank* **Indermit Gill** *Chief Economist of the World Bank Group and Senior Vice President for Development Economics* **Lord Mark Malloch-Brown** *External Advisors to the Bretton Woods at 80 Initiative*
11:35 AM	**Group Photo** *The photographer will take photos with all delegates seated.*
11:40 AM	**Summary of the V20 Senior Officials Meeting** *Summary readout of the meeting and reflections from the Secretary-General* **H.E. Mohamed Nasheed** *Secretary-General, CVF-V20 Secretariat* *Former President of Maldives*
11:45 PM	**Ministerial Dialogue** **Moderated by: H.E. The Most Honorable Elizabeth Thompson** Ministers/ high-level delegates will have two (2) minutes to perspectives on any of the following questions:

- What concrete steps are needed to deliver a debt-growth pathway that enables prosperity and improved risk management instead of austerity?
- What forms of national, regional, and global leadership are needed to move from debt dependency toward a debt-growth pathway that delivers climate-driven prosperity?
- What priorities from your Climate Prosperity Plans can be shared today to expand fiscal space and drive investment toward growth—whether through debt-for-climate swaps, guarantee facilities, or other innovative structures and/or financing instruments?

For Hon. Finance Ministers of the V20 and high-level representatives of MDBs, private sector, philanthropy, BRICS, G-20, G-24, and partners of the V20, including special initiatives, such as the G7-V20 Global Shield against Climate Risks

Speakers List:

H.E. Dr. Cassiel Ato Forson
Minister for Finance, V20 Troika
Republic of Ghana

H.E. Dr. Salehuddin Ahmed
Finance Adviser, V20 Troika
The People's Republic of Bangladesh

H.E. Muhammad Aurangzeb
Minister of Finance
Islamic Republic of Pakistan

H.E. Mohamednour Abdeldaim
State Minister, Ministry of Finance and Economic Planning
Republic of the Sudan

Ms. Tariye Gbadegesin
Chief Executive Officer
Climate Investment Funds (CIF)

Mr. Ibrahima Cheikh Diong
Executive Director
Fund for responding to Loss and Damage (FRLD)

Dr. Paul Ryan
Head of the International Finance Division
Ministry of Finance, Ireland

Mr. 'Aholotu Palu
Chief Executive Officer
Pacific Catastrophe Risk Insurance Company (PCRIC)

Mr. Phil Stevens
Director of International Finance
Foreign, Commonwealth & Development Office, United Kingdom

Mr. Simon Stiell (recorded)
Executive Secretary
United Nations Framework Convention on Climate Change (UNFCCC)

Ms. Usha Rao-Monari
Chair
Voluntary Carbon Markets Integrity Initiative (VCMI)

12:25 PM **Adoption of *15th V20 Communique* and Closing**

H.E. The Most Honorable Elizabeth Thompson
Ambassador Extraordinary & Plenipotentiary Climate Change, Small Island States (SIDS) & Law of the Sea, Barbados and Sherpa to Prime Minister Mia Amor Mottley, S.C. M.P., Chair of the CVF-V20

12:30 PM END

REFERENCE DOCUMENTS

- CVF Leaders Declaration (September 2025) (link)
- 14th V20 Communiqué (link)
- Climate Prosperity Plans (link)
- V20 Debt Review, Third Edition (link)
- The Resilience Effect: 10 Super Levers to Catalyse Finance in Climate-Vulnerable Countries (link)
- Third Report of the Independent High-Level Expert Group on Climate Finance: Raising ambition and accelerating delivery of climate finance (link)
- IMF 2030: A Transformative Action Agenda for Achieving Climate and Development Goals (link)
- Accra-to-Marrakech Agenda (link)
- Bridgetown 3.0 (link)
- Climate Vulnerable Economies Loss Report (link)
- V20 Vision 2025 (link)

KEY CONTACTS

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CVF-V20 MEMBERSHIP

Africa: Benin, Burkina Faso, Cabo Verde, Chad, Comoros, Côte d'Ivoire, Democratic Republic of the Congo, Eswatini, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Kenya, Liberia, Madagascar, Malawi, Morocco, Mozambique, Namibia, Niger, Rwanda, Senegal, Sierra Leone, Somalia, South Sudan, Sudan, Tanzania, Togo, Tunisia, Uganda

Asia: Afghanistan, Bangladesh, Bhutan, Cambodia, Kyrgyzstan, Maldives, Mongolia, Nepal, Pakistan, Philippines, Sri Lanka, Timor-Leste, Vietnam

Caribbean: Barbados (Chair), Dominica, Dominican Republic, Grenada, Guyana, Haiti, Saint Lucia, Suriname, Trinidad and Tobago

Latin America: Colombia, Costa Rica, Guatemala, Honduras, Nicaragua, Paraguay

Middle East: Jordan, Lebanon, Palestine, Yemen

Pacific: Fiji, Kiribati, Marshall Islands, Nauru, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu