



## 15<sup>th</sup> 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*

Your Excellencies, colleagues, ladies and gentlemen, it is an honor to join you today on behalf of the Republic of Ghana, a proud member of the Climate Vulnerable Forum, CVF Troika. Let me begin by commending Barbados for her exemplary leadership of the CVF-V20 after taking over from Ghana in September 2024.

Our conversation today comes at a critical moment. The high cost of capital, unsustainable debt servicing cost, and limited fiscal space make it nearly impossible to invest in resilience and recovery. Multilateral development banks' (MDB) financing needs to become truly concessional. For climate adaptation and health resilience [inaudible] of up to 40 to 50 years are essential. MDBs must shift from their current role as creditors of last resort to becoming catalysts for transformation.

One of our primary challenges is the climate debt trap. We need instruments such as climate resilient debt clauses which allow countries to pause debt payments during climate disasters. Additionally, we must accelerate mechanisms like debt-for-climate swaps, which redirect debt servicing towards climate adaptation and resilience building projects. We urge the international financial institutions to incorporate real investment needs and climate vulnerability into debt sustainability analysis, ensuring that countries are not penalized for their inherent exposure to climate risk.

To quote President Nasheed, we take out loans to build infrastructure, but when storms come through and wipe away that infrastructure, we are left holding the debt and its interest payment without the certainty of expected revenues for which the loan was taken. This is our reality.

We also call for urgent action to break the vicious cycle where debt and climate change compound one another. There is the need to update the debt sustainability analysis at the IMF and World Bank. We must account for the macroeconomic benefits of resilient investment and the value of natural capital. There should be a commitment to reforming the G20's Common Framework. It remains too slow and too narrow. We call for an automatic two-year standstill on debt payment with no arrears, no accelerated restructuring, and ease immediate physical pressure. Extending maturity to 40 years would further reduce rollover risk and create stability.

As former chair of the CVF-V20 between the period 2022 and 2024, Ghana demonstrated strong leadership in climate diplomacy, championing the needs of vulnerable nations and advancing new financial solutions such as the Global Shield Initiative during the COP27. Under this program, we are among the first countries to benefit from a premium subsidy for drought insurance in the 2024-2025 agricultural season, protecting smallholder farmers from rainfall variabilities.

Ghana's CPP, developed with CVF support, serves as a strategic pathway to align development priorities with climate action, mobilizing finance for low-carbon resilient projects that advance Sustainability Development Goals. It highlights our commitment to transform climate ambition into economic opportunity through green industrialization, clean energy, and climate-smart agriculture. We recognize the value of country platforms as government-led paths that provide upstream project development support, clear policy guidance, and alignment between governments and investors.

Ghana must advance with carbon—Ghana is much advanced with carbon market access and will be exploring opportunities that exist in debt for resilience and climate swaps. This will enable the country to unlock new forms of capital and generate the evidence base required to transition towards sustainable private sector financing.

Climate prosperity is not a slogan. It is a vision for financing a resilient future. Ghana stands ready to work with all partners to unlock capital, drive green transformation, and ensure that every vulnerable nation has the right not only to survive, but to thrive.

**HON. SEIDU ISSIFU**

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