



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*

Excellencies, colleagues, and friends, it is a privilege to join this conversation and to do so under the leadership of Prime Minister Mottley and Ambassador Thompson. The V20 has long been a voice of clarity and courage. You remind the world that vulnerability is not ruthless.

In the decades since the Paris Agreement was signed, huge progress has been made. Clean energy powers homes, innovation is everywhere, the emission curve is bending, and markets are moving. But progress is not enough. We need transformation. We need more countries to benefit. To achieve that, the systemic barriers that keep finance out of reach for those who need it most must be broken down, barriers like debt distress, high cost of capital, complex access procedures, and fragmented climate finance landscape, and outdated assumptions.

Vulnerable countries face a catch-22: high climate risk raises the cost of borrowing, which limits investment in adaptation, which in turn increases risk and exposure. Each climate disaster deepens debt, further eroding capacity to invest in resilience or recovery. This is a vicious cycle that no country can escape without a fundamental rethink of how we define risk, debt, and sustainability. That rethink is being driven from within this room.

The Debt-Growth Agenda put forward by the V20 is not only about managing crises, but creating opportunities using new approaches to fiscal space and to make progress from survival to growth. The V20's Climate Prosperity Plans offer a credible path forward, aligning fiscal, industrial, and investment strategies with climate resilience and development priorities. They show that borrowing for renewable energy and resilience infrastructure is not government consumption. It is sound economic policy, good risk management against climate and fiscal threats. You can see this logic at work in new financial institutions.

Less than 10 days ago, the Board of the Fund for Responding to Loss and Damage took a historic decision to launch its first call for funding requests at COP30. The first grants will begin to flow to those at the forefront of the crisis, support that strengthens resilience without adding to debt. This is an important milestone in the history of international climate finance, but it must only be the start. The pace and scale of support must increase dramatically if we're to make a meaningful difference. So I'll continue to urge all partners to sustain and expand their support for the Fund so it can fully deliver on its mandate.

And as we look ahead to COP30 in Belém, we need to go far beyond words. We must show unequivocally that climate cooperation can deliver action and outcomes for real economies and real people everywhere.

The reports we're beginning to release on national climate and adaptation plans and on implementation show that the machinery of the Paris Agreement is now fully operational. They

show whether we are making progress and where the gaps still remain. Above all, they show that the frameworks are in place and the direction is right. What we now need is speed and scale backed by finance, predictable access, and affordable finance to translate plans into action and action into prosperity.

This is part of what the V20 has been saying for years. So let's work together across the U.N. system, multilateral development banks, the IMF, and the private sector to align our efforts and make every dollar count to make climate action the engine of a fairer, more secure, more sustainable economy for everyone everywhere.

MR. SIMON STIELL

Executive Secretary

United Nations Framework Convention on Climate Change (UNFCCC)