



CVF
V20
CLIMATE
VULNERABLE
FORUM
VULNERABLE
TWENTY
GROUP



16TH V20 MINISTERIAL DIALOGUE PROSPERITY, STABILITY, AND SECURITY IN AN ERA OF PLANETARY INSTABILITY

14 April 2026 (Tuesday) | 11:30 AM - 1:30 PM (ET)
MC 13-301, World Bank Headquarters, Washington, D.C.

Excellencies, Prime Minister Mottley, Ministers, partners, and colleagues, thank you. Prime Minister, your leadership has already made a case for the reform of the international financial architecture.

My task today is quite simple and very narrow: to update you on one concrete instrument that can help close a specific gap in that architecture. That instrument is the *Lifeline Fund*. As Chair of the V20 Central Bank Governors Working Group, I am pleased to report that we have made meaningful progress in shaping a proposal to address a problem our countries know too well.

When a climate shock hits, the damages do not stop at homes, roads, crops, or coastlines. It moves quickly through the balance-of-payments. Reserves come under pressure, export earnings fall, imports rise, financing conditions tighten, and sovereign spreads widen. The numbers are stark. Between 2025 and 2031, V20 members are projected to pay approximately US\$746 billion in debt service, roughly four times the amount required for climate resilience investments over the same period. Climate risk has already added US\$62 billion in additional interest costs to V20 economies over the past decade, with projections rising to US\$168 billion over the next 10 years.

The more vulnerable we are perceived to be, the higher our cost of capital. The higher our cost of capital, the less we invest in resilience. Yet the current global financial safety net does not contain a dedicated instrument for fast, predictable liquidity when climate shocks produce balance-of-payments stress. For over 50 V20 members, including Barbados, there is no access to currency swaps or regional financing arrangements. There is only the IMF. That is the gap Lifeline is designed to fill.

The logic is straightforward. Existing instruments play an important role, but none is built for this particular purpose. The IMF rapid instruments are limited in size and are not prearranged. Longer-term IMF facilities are not designed for immediate post-shock liquidity and come with broader program requirements. Regional arrangements are generally not climate-responsive. Bilateral swap lines remain available only to a small set of countries.

For most V20 members, there is still very little padding between a severe climate shock and a full-blown macro-financial squeeze. The *Lifeline Fund* will provide a climate-responsive liquidity layer within the global financial safety net, designed to complement existing instruments, not replace them. It focuses on speed, predictability, and financial stability, while other mechanisms continue to address reconstruction, insurance, or longer-term resilience.

The fund has two core lending facilities.

1. **Rapid Resilience Facility.** This is designed for immediate aftermath in the face of a climate shock. It will be activated through pre-agreed climate triggers, dispersed within 7 to 14 days, carry no conditionality, and have a maturity of one to three years. In simple terms, when a shock hits, countries will not have to start from zero or wait for a full negotiation before accessing liquidity.

2. Stabilization Credit Facility. This responds to a different reality. Climate shocks do not end in the first few weeks. They carry balance-of-payments effects that can be persistent. The Stabilization Credit Facility is, therefore, designed to support adjustment over three to five years, with light resilience-focused structural actions and no requirement for IMF link.

Now, one critical point on why this sort of pooling works. Twenty five years of data from 2000 to 2025 shows that climate shocks are weakly correlated across V20 countries. Countries are not all hit at the same time. And this heterogeneity across geographies, across countries, across economic size, and across shock profiles is a very financial foundation that makes mutual support viable. It also makes the *Lifeline Fund* an institutional first. It will be the first multi-regional financing arrangement within the global financial safety net, spanning the Caribbean, Africa, Asia, Latin America, and the Pacific at the same time.

So, where do we stand today? We are ready to launch the *Lifeline Fund* politically at these spring meetings. The capitalization ambition is US\$1 billion, with an initial operational phase of between US\$300 million to US\$400 million.

In July, we intend to convene participating governors to set up the modalities required for operationalization. And that brings me now to the immediate task before us:

1. We need countries in this room to step forward as founding participants. The fund must begin with a credible core of members willing to help shape and anchor it.
2. We need partners who have said they want a more responsive financial system to come forward and back that commitment with resources. *Lifeline's* financing model is layered. It begins with members' own reserves assets, but it is designed to be strengthened by partners' contributions and philanthropy, supported over time by bond issuance and investment income, and protected by swap arrangements with hard-currency holders.
3. We must complete the outstanding technical and governance work with urgency and discipline. We have advanced the design materially, but some work remains on pricing, on access methodology, and on the long-term operational arrangements needed to carry the fund from political launch to fully operational instrument.

The V20 has never been content to simply describe vulnerability. It has sought to shape solutions. *Lifeline* follows that tradition. It is a practical response to a practical problem, ensuring that when climate shock hits vulnerable economies, countries are not left to absorb immediate external stress with little or no liquidity, too much delay, and too few options. And that is why the *Lifeline Fund* matters.

Under the leadership of Prime Minister Mottley, Barbados continues to advance this work on behalf of the V20 and the Global South. I invite Ministers, Governors, and partners to join us in carrying their *Lifeline Fund* into its next phase.

DR., H.E. THE MOST HONORABLE KEVIN GREENIDGE, F.B.

Governor of the Central Bank of Barbados

Chair of the V20 Central Bank Governors Working Group