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

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Your Excellency, Prime Minister Mottley, Excellencies, distinguished delegates. We are 48 in the new government in Bangladesh. And the fact that I have made it here, because this is very close to our heart.

And Bangladesh is one of the most vulnerable nations, climatically, as you all know. We are among the most climate-vulnerable states. Therefore, our election manifesto clearly sets out a vision for creating an investment-driven, climate-resilient, sustainable, trillion-dollar economy by 2034. We have also prioritized innovative market-based, non-debt creating financing instruments to fund climate resilient development and green economic transitions. It is concerning that climate finance is consistently declining while the debt burden is increasing. As a result, fiscal space has continued to shrink, constraining our ability to fund basic development needs, and urgent climate actions.

The latest World Bank International Debt Statistics Report shows that external debt servicing cost for V20 members surged to US\$120 billion in 2024, more than doubling the 2018 level. Just to share our experience with you, our total debt-to-GDP ratio spiked considerably from 26.2 percent in 2017 to 36 percent in, financial year, 2023. And it is expected to increase significantly in the coming decades as repayments on external debt for some mega projects begin soon after grace periods.

Ladies and gentlemen, due to shrinking fiscal space in the fiscal year 2025-2026, the climate-focused social safety net program allocation dropped sharply to US\$592.8 million from US\$1,417 million, indicating a significant reduction in both the number of programs and the allocation. The good news is that our new government has already stepped in to stimulate a turnaround by introducing family cards and farmers cards to support our most vulnerable people, and boost their productivity, and resilience to climate change, and economic shocks. Yet, due to recurrent and intense climatic events, climate-vulnerable economies like Bangladesh are almost always in a rebuilding mode and caught in a vicious cycle of poor climate resilience.

Increasing planetary instability, geopolitical tension, and even armed conflicts threaten prosperity, and social stability, and security across the global economy. In particular, 1.7 billion people in the V20 economies, which represent 3.93 of the global gross domestic product are the worst affected. Just to cite recent data, the World Bank's Bangladesh Development Update, April 2026, reports that the Middle East conflict is expected to push in additional 1.2 million people below the poverty line, which will frustrate much of our development gains. Besides this, in the lateral trade measures, bypassing (inaudible) are further increasing our economic and social vulnerability.

Excellencies, the existing global financial and credit rating system do not sufficiently meet the requirements for adequate, consistent, and predictable climate finance. Therefore, we put forward a five-point proposal.

1. First, we propose that CVF-V20 countries step up concerted efforts to encourage MDBs and development finance institutions to use vulnerability metrics such as the

multidimensional vulnerability index, MVI, to assess concessionality rather than GNI per capita.

2. Second, innovative debt solutions, and debt relief instruments must be used at scale and speed to reduce the debt burden and free up fiscal space.
3. Third, it is essential that we work together to expand hedging tools to de-risk private investment in climate action.
4. Fourth, it is urgent that we establish pre-arranged liquidity mechanisms to provide ready financing in the event of a severe climatic event.
5. Finally, the Secretariat must continue and accelerate the advocacy to drive climate-responsive reform of global financial systems, including MDBs.

Finally, it is time to translate conference into practice and turn advocacy into action. In the spirit of solidarity and collective action, Bangladesh reiterates its commitment to collaborating with all partners to build a climate-resilient future in which both people and the planet can flourish.

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V20 Troika