

Policy Brief

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Addressing LDC-Graduation Paradox and Climate Risks in BBN: Urgency for a Vulnerability-based Adaptation Narrative under UNFCCC

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Executive Summary

Bangladesh, Bhutan and Nepal (BBN) face a common climate policy dilemma: their development achievements and progress towards, or beyond, least developed country (LDC) graduation have not produced a comparable transition towards climate resilience. Glacier retreat, erratic monsoons, floods, landslides, extreme heat and, downstream, sea-level rise and salinity intrusion are increasing risks to livelihoods, infrastructure and public finances. These risks are differentiated nationally but connected through a wider mountain-to-delta climate system. Shared hazards make isolated national risk assessments insufficient; effective cooperation must also involve neighboring countries across the wider river-basin systems.

International adaptation governance has advanced, yet implementation support remains inadequate. The Global Goal on Adaptation (GGA) framework lacks dedicated indicators for transboundary and cascading risks and climate-related mobility. Adptation finance also remains insufficient. As LDC-specific support changes with graduation, BBN countries face a risk of bearing greater climate costs with fewer concessional resources. The problem extends beyond headline finance: counting loans at face value can obscure their limited grant-equivalent benefit, while lengthy approvals and co-financing expectations delay implementation. These constraints are especially acute for public-benefit adaptation that generates little revenue to repay borrowing.

Central policy message: LDC graduation measures development progress, not the disappearance of climate vulnerability. Negotiation under UNFCCC should strengthen the link between adaptation priorities and finance; protect grant-based support according to forward-looking vulnerability and fiscal capacity. The test of a just transition is whether finance remains accessible after graduation and reaches costed national priorities on suitable terms. The BBN governments and CSOs must strengthen coordinated advocacy to uphold BBN's modular climate vulnerability and adaptation priorities at the UNFCCC process and practical cooperation across the mountain-to-delta corridor.

The BBN Climate Challenge: Shared Risks, Different Exposure

Bangladesh, Bhutan and Nepal (BBN) face intensifying climate risks arising from their distinctive geographical settings and interconnected ecosystems. BBN should be understood as a functional mountain-to-delta climate-development corridor within the wider Hindu Kush Himalayan and Ganges-Brahmaputra-Meghna systems, not as a single, self-contained river basin, This also involves other neighbours, particularly India and China (ICIMOD, 2023). Although, their exposure to climate hazards differs, the risks transcend national boundaries, threatening lives, livelihoods, infrastructure and economic stability. Their consequences are further amplified by dependence on climate-sensitive economic sectors, socioeconomic inequalities and limited resources for adaptation (ibid).

Bangladesh, situated downstream within the Ganges-Brahmaputra-Meghna delta, faces severe exposure to tropical cyclones, monsoon floods, riverbank erosion, sea-level rise and salinity intrusion. Emerging threats, including extreme heat, changing disease patterns and ecosystem degradation, are further complicating its climate vulnerability (World Bank Group, 2024a; DoE, 2023). Bangladesh was ranked 13th globally based on extreme weather impacts in 2024. Climate-related disasters cause substantial economic losses, while recurrent shocks undermine agricultural productivity, livelihoods, infrastructure and fiscal stability (Germanwatch, 2026).

Bhutan, despite its carbon-negative status (Climate Council, 2017) and approximately 70 percent forest coverage, remains highly vulnerable to climate-induced disasters because of its fragile mountain ecosystems and dependence on climate-sensitive sectors (NEC, 2020). Glacial lake outburst floods (GLOFs), landslides, extreme rainfall and changing hydrological conditions threaten settlements, agriculture, tourism and hydropower infrastructure. According to the World Bank Group (2025b), under a hotter and drier climate scenario, Bhutan's GDP could be approximately 3 percent lower by 2050 without additional adaptation or economic diversification. This highlights the economic implications of climate risks for a country heavily dependent on hydropower.

Located in the Hindu Kush Himalayan region, Nepal faces growing threats from glacier retreat, GLOFs, landslides, erratic monsoons and prolonged droughts. With 90 percent glacial water dependency and 47 potentially dangerous glacial lakes (42 in the high-risk Koshi basin), Nepal remains at the epicenter of GLOFs (The Straits Times, 2026). Substantially dependent on climate-sensitive agriculture and with fragile mountain infrastructure, the country faces recurrent disasters that threaten livelihoods, settlements and economic development. The Global Climate Risk Index ranks Nepal 6th most climate affected country worldwide in terms of the climate-induced economic loss and damages in 2024 (German Watch, 2026). The World Bank (2022) projects that inadequate climate action could leave Nepal's GDP at least 7 percent lower by 2050 relative to a scenario without projected climate impacts.

These differentiated vulnerabilities are interconnected through a wider mountain-to-delta climate system. Nepal is closely linked to the Ganges headwaters, Bhutan to the Brahmaputra system, and Bangladesh to the downstream delta and Bay of Bengal. Although BBN does not constitute a single, self-contained river basin, shared climate-risk pathways create a compelling case for

regional adaptation cooperation. Strengthening transboundary hydrometeorological monitoring, early warning systems, river-basin management and ecosystem restoration, alongside cooperation with neighbouring countries, is therefore essential for reducing cascading risks and safeguarding climate-resilient development (ICIMOD, 2023; 2025).

De-prioritization of Adaptation and Climate Finance in Global Negotiations: Undermining Climate-Resilient Development and Deepening Debt Risks

Although the Paris Agreement recognizes mitigation, adaptation and loss and damage as essential components of climate action, adaptation remains politically contested, particularly regarding the responsibilities of developed countries for financing implementation.

The Paris Agreement established a Global Goal on Adaptation (GGA) under its Article 7, which mandates the Parties to engage in national adaptation planning, execute concrete adaptation actions, and submit periodic adaptation communications. COP28 adopted the UAE Framework for Global Climate Resilience and COP30 finalized 59 Belém Adaptation Indicators, critical disagreements remain over their scope and implementation. However, the COP30 framework excluded dedicated indicators addressing transboundary and cascading climate risks and climate-induced human mobility.

The resulting indicators are facilitative, voluntary and non-punitive and do not create additional financing obligations. Consequently, institutional progress has not been matched by corresponding commitments to finance adaptation implementation (UNFCCC, 2024; 2026).

Alongside, financing adaptation actions has consistently been a major contested issue in climate negotiations. The financing challenge extends beyond inadequate funding volumes to the quality and additionality of resources. Under the Article 4.3 of the UNFCCC and Article 9 of the Paris Agreement, developed countries have obligations to provide financial resources to support developing countries (UN, 1992; UNFCCC, 2026). However, successive financing arrangements have increasingly emphasized mobilizing resources from public, private and alternative sources rather than explicitly committing additional public finance over the Official Development Assistance (ODA). Alongside, the negotiations for a quantitative figure were never based on actual needs, nor were they aligned with the qualitative features warranted for justice to developing countries.

For instance, the funds established under the 2001 UNFCCC framework—the Special Climate Change Fund (SCCF), the Least Developed Countries Fund (LDCF), and the Adaptation Fund— have consistently proven insignificant compared to the actual needs of developing countries. The shortcomings were also evident in the Fast-Start Finance commitment for 2010–2012. Although approximately USD 35 billion was reported against the USD 30 billion commitment, nearly 80 percent was associated with ODA, raising concerns about additionality. Moreover, 48 percent involved loans, guarantees, insurance and market-rate investments, while 71 percent supported mitigation compared with only 18 percent for adaptation (Fransen & Nakhooda, 2013).

Likewise, the commitment of developed nations under the Copenhagen Accord (UNFCCC, 2010, decision 2/CP.15) to jointly mobilize USD 100 billion per year by 2020 was never fulfilled when measured against both quantitative and qualitative benchmarks. While developed countries reported providing and mobilizing USD 115.9 billion in 2022, increasing to USD 136.7 billion in 2024, respectively 70 percent and 67 percent of public climate finance in 2022 and 2024 was provided as loans, illustrating the continued dominance of debt-creating instruments (OECD, 2026). Alarmingly, the substantive value (grant-equivalent value) of the climate-specific funded activities was USD 28-35 billion in 2022 and USD 33-45 billion in 2024 (Oxfam and Care, 2025; Oxfam, 2026) (**Table 1**).

Though Article 4.4 of the Paris Agreement provides that the provision of scaled-up financial resources should aim to achieve a balance between adaptation and mitigation, adaptation finance consistently remains a limited component of developed countries' climate finance commitments, accounting for USD 32.4 billion (28.0%) of reported climate finance in 2022, USD 33.6 billion (25.3%) in 2023, and USD 34.7 billion (25.4%) in 2024 (OECD, 2026). The quality of this financing also raises substantial concerns. According to UNEP (2025), loans constituted approximately USD 16.47 billion (59.0%) of international public adaptation finance in 2022 and USD 14.82 billion (57.2%) in 2023, with non-concessional adaptation loans exceeding concessional loans in 2023.

Decision 1/CP.21 mandated setting a new collective quantified goal (NCQG) based on the needs and economic realities of the developing countries rather than an arbitrary figure dictated by the developed countries. However, against the estimated trillions of dollars required for global NDC and NAP implementation, Parties at COP 29 in 2024 adopted a quantum of climate finance split across two different scales: at least USD 300 billion annually by 2035 and a broader ambition to scale up financing to USD 1.3 trillion annually, with developed countries taking the lead (UNFCCC, 2025a).

through qualifying applications, highlighting the considerable gap between financial commitments and demand (UNFCCC, 2025b; FRLD, n.d.).

Against the hope that the establishment of a UNFCCC-governed dedicated fund for addressing climate-induced loss and damage would significantly strengthen justice for and address needs of climate-vulnerable countries, the Fund has rather effectively bypassed the Convention's core principle of Common but Differentiated Responsibilities and Respective Capabilities (CBDR–RC) by simply replicating UNFCCC practice of arbitrary pledging and mobilizing funds from a so-called "variety of sources,".

Table 1: Climate finance flows in 2022 and 2024

Climate Finance Flows (USD)	Year	OECD-reported Value	substantive value (grant-equivalent value)
	2022	115.9	28-35
	2024	136.7	33-45

Source: OECD (2026); Oxfam and Care (2025); Oxfam (2026)

The inclusion of "mobilizing" public and private finance, grants and loans under the target, without a defined component for "providing" grant-based public finance, effectively weakens developed countries' obligations of providing grant-based public finance. This also raises concerns of deepening both the climate and development crises in climate-vulnerable countries by intensifying their climate and debt risks simultaneously rather than adequately address their adaptation needs.

Delivery barriers further weaken the effectiveness of available finance. Although dedicated mechanisms such as the Green Climate Fund (GCF) and Adaptation Fund are intended to support vulnerable countries, complex accreditation procedures, stringent fiduciary requirements, lengthy project approval processes and co-financing expectations constrain access. Such arrangements disadvantage countries with limited institutional and fiscal capacity, particularly where adaptation investments generate substantial public benefits but limited commercial returns.

Similar financing deficiencies affect the Fund for Responding to Loss and Damage (FRLD) established in COP28 in 2023. Against initial pledges of USD 768 million, only USD 365 million had been received by 2025. Moreover, the USD 250 million initially allocated under the Barbados Implementation Modalities is substantially below the approximately USD 2.8 billion requested

Inadequate and delayed grant-based support compels vulnerable countries, including Bangladesh, Bhutan and Nepal, to rely increasingly on domestic resources and debt-based financing for adaptation and disaster recovery. Rising debt-service obligations can subsequently reduce fiscal space for preventive adaptation, public services and long-term development investment. Consequently, countries already bearing disproportionate climate impacts face an additional financial burden for protecting their economies and populations.

The persistent prioritization of financing volumes over additionality, concessionality and effective delivery therefore risks transforming climate finance from an instrument of resilience into another source of fiscal vulnerability.

Adaptation Finance in BBN: Widening Needs-Financing Gap and Rising Fiscal Pressure

Bangladesh, Bhutan and Nepal (BBN) face substantial adaptation financing gaps despite identifying costed priorities in their National Adaptation Plans (NAPs) and Nationally Determined Contributions (NDCs). Inadequate international support, delayed disbursements and the dominance of loan-based financing are constraining adaptation implementation while increasing fiscal pressures on these climate-vulnerable economies.

Bangladesh requires approximately USD 230 billion to implement its NAP during 2023–2050, equivalent to USD 8.5 billion annually, including about USD 6 billion expected from external sources. Again, Bangladesh's NDC 3.0 projects that annual adaptation investment needs will reach USD 12–14 billion by 2035.

However, annual adaptation finance flows average only USD 4 billion, with approximately USD 0.4 billion received annually from international sources during 2021–2023. This leaves an annual financing gap of USD 4.5 billion, or 53 percent of estimated requirements when the NAP estimates are considered, and USD 7.5-9.5 billion or 62.5-67.9 percent of estimated needs when the NDC estimates are accounted (MoEFCC, 2022; 2025). Bhutan needs approximately USD 14 billion for adaptation during 2023–2038, while its government allocated only USD 244 million for adaptation and mitigation combined in FY2024/25 (Royal Government of Bhutan, 2025; UNDP, n.d.). Nepal's NAP estimates USD 47.4 billion in adaptation needs during 2021–2050, including USD 45.9 billion expected from external support. Its NDC 3.0 identifies additional planning-period requirements of USD 18–20 billion for 2025–2035, while the historical adaptation-related development finance averaged only approximately USD 250 million annually during 2011–2021 (Government of Nepal, 2021; 2025; Oxfam in Nepal, 2025).

Beyond these alarmingly inadequate financing volumes, the quality and delivery of climate finance remain critical concerns. In 2021, the three countries collectively received only USD 286 million against USD 1.46 billion committed in climate-related development finance. Approximately 96 percent of the reported financing was loan-based, compared with only 3 percent in grants (Yadav et al., 2026). These figures cover climate-related development finance, not adaptation exclusively. Nevertheless, such loan dependence is particularly problematic for adaptation investments that generate essential public benefits but limited direct financial returns.

The growing reliance on borrowing adds pressure to already constrained public finances. Bangladesh's per capita public debt reached approximately USD 1,059 in March 2026, while estimated per capita climate-related debt increased from just over USD 2 in 2009 to nearly USD 80 in 2022 (The Daily Star, 2026; Khan et al., 2024). Bhutan's public debt reached 100.5 percent of GDP in June 2025, with external borrowing accounting for 91.9 percent. Nepal's public debt reached 43.7 percent of GDP in FY2024/25, with 52.5 percent owed externally (MoF Bhutan, 2025; Nepal Rastra Bank, 2025).

Although these overall debt stocks are not attributable solely to climate finance, additional loan-financed adaptation can intensify debt-servicing obligations, reduce fiscal space and weaken debt sustainability, particularly when projects generate limited financial returns. Expanding grant-based and highly concessional adaptation finance is therefore essential to prevent climate resilience investments from further compromising economic stability and long-term development.

LDC Graduation Paradox in the BBN: Development Progress with Macroeconomic Fragility and Climate Insecurity

Graduation from Least Developed Country (LDC) status reflects progress in income and human development but does not necessarily indicate greater capacity to withstand escalating climate impacts. Bangladesh, Bhutan and Nepal (BBN) illustrate this contradiction. Bhutan has already graduated, while Bangladesh and Nepal have requested three-year extensions to their preparatory periods, from November 2026 to November 2029. LDC graduation is assessed against three criteria: Gross National Income (GNI) per capita, the Human Assets Index (HAI), and the Economic and Environmental Vulnerability Index (EVI). Although the EVI captures structural susceptibility to external shocks, graduation benchmarks do not adequately reflect future climate-related economic losses or adaptation financing requirements (UN, n.d.-c; CDP, 2025b).

The macroeconomic conditions of the BBN countries reveal distinct structural weaknesses despite their development achievements **(Table 3, Figure 1)**. Bangladesh, the largest BBN economy with a nominal GDP of US$456.32 billion and a per-capita GDP of US$2,597 in 2025, recorded 3.5 percent GDP growth and 8.8 percent inflation in 2025. While gross capital formation in 2024 was around 31% of GDP, foreign direct investment (FDI) remained approximately 0.3 percent of GDP and foreign-exchange reserves covered only about three months of imports. Banking-sector vulnerabilities and a tax-to-GDP ratio below 7 percent further constrain fiscal capacity (World Bank Group, 2026a). Bhutan recorded stronger GDP growth of 8 percent in 2025, largely driven by hydropower investments.

Table 2: Estimated financing needs for implementing planned adaptation in BBN and current finance availability

Country	Illustrative adaptation requirements in national plans	Financing constraint highlighted in the article
Bangladesh	NAP: approximately **USD 230 billion (2023–2050)**; NDC 3.0: **USD 12–14 billion annually by 2035**	Approximately **USD 4 billion** annually in adaptation finance during 2021–2023, including around **USD 0.4 billion** from international sources
Bhutan	Approximately **USD 14 billion (2023–2038)**	Government allocation for adaptation and mitigation combined: around **USD 244 million** in FY2024/25; GCF portfolio approximately **USD 61.9 million**
Nepal	NAP: **USD 47.4 billion (2021–2050)**; NDC 3.0: **USD 18–20 billion (2025–2035)**	Historical adaptation-related development finance of approximately **USD 0.25 billion annually** during 2011–2021; GCF portfolio approximately **USD 157 million**

Sources: MoEFCC (2022; 2025), GCF (n.d.-a, n.d.-b); Government of Nepal (2025); UNDP (n.d.); Oxfam in Nepal (2025); Government of Nepal (2021); Royal Government of Bhutan (2025).

Though gross capital formation in 2023 was about 45% of GDP. However, FDI remained as low as only 0.3% of GDP and import dependency remained high with a current-account deficit of over 16% of GDP while EVI scaled 32.0 meeting exactly the graduation reference threshold, which indicate persistent vulnerabilities. Bhutan is also suffering high youth unemployment, outward migration and climate-sensitive hydropower dependence making resilient diversification necessary after graduation. (World Bank Group, 2026b; CDP, 2025b). Nepal faces even weaker economic conditions, with 10.5 percent unemployment in 2025, FDI of approximately 0.1 percent of GDP in 2024 and substantial remittance dependence.

Despite having a gross capital formation of 30.4% of GDP and foreign-exchange reserves covering approximately 13 months of imports in 2024, its external trade deficit remained nearly 25 percent of GDP in 2025. Growth is projected at only 2.3% in FY2026, with frequent disasters and uninsured assets threatening production, investment and fiscal stability (World Bank Group, 2026c).

Apart from some positive growth, all of the three economies are characterized by low-to-moderate level of inequality and have been able to secure only medium level of human development gains.

Climate-induced economic losses further compound these macroeconomic vulnerabilities. Bangladesh incurs estimated annual losses of approximately USD 3 billion from climate-related hazards. The country faced direct economic losses worth BDT 292.77 billion from floods and BDT 119.23 billion from cyclones between 2021 and 2025, while heat-related health impacts alone were estimated to have cost USD 1.33–1.78 billion in 2024 (World Bank Group, 2024a; Mahmud et al., 2024). The country may face an annual GDP loss of 1.1 percent and 2 percent by the combined effects of climate change respectively in a Business-as-Usual scenario and extreme scenario average temperature rise by 2050 (GED, 2018).

In Nepal, disaster impacts are highly episodic and dominated by extreme events, with climate-induced loss of GDP largely driven by floods and landslides triggered by the glacial and snow melt combined with intense monsoon rainfall. September 2024 floods alone affected approximately 2.6 million people (EM-DAT, n.d.), accounting for an estimated losses of approximately USD 420 million, equivalent to nearly 1 percent of GDP (IMF, 2025). Without adequate climate action, its GDP could be at least 7 percent lower by 2050 relative to a scenario under business-as-usual trend (World Bank Group, 2022). Bhutan similarly faces substantial climate-related economic risks due to its high dependence on climate-sensitive hydropower, agriculture and tourism. Assets equivalent to approximately 2.3 percent of Bhutan's GDP are damaged annually by recurring onsets of floods, landslides and other natural hazards. Under a hotter and drier climate

Table 3: Latest macroeconomic indicators relevant to BBN's economic vulnerability

Indicator	Bangladesh	Bhutan	Nepal
GDP, current US$	US$456.32 bn (2025)	US$3.58 bn (2025)	US$45.49 bn (2025)
GDP per capita, current US$	US$2,597 (2025)	US$4,493 (2025)	US$1,536 (2025)
Real GDP growth	3.5% (2025)	8.0% (2025)	4.4% (2025)
Projected GDP growth for FY2026	3.9%	7.1%	2.3%
Gross capital formation (proxy for domestic investment)	31% of GDP (2024)	45.2% of GDP (2023)	30.4% of GDP (2024)
FDI, net inflows	0.3% of GDP (2024)	0.3% of GDP (2023)	0.1% of GDP (2024)
Unemployment, modeled ILO estimate	3.8% (2025)	3.2% (2025)	10.5% (2025)
Inflation	8.8% (2025)	3.6% (2025)	2.7% (2025)
Gini coefficient, consumption-based WDI measure	30.9 (2022)	28.5 (2022)	30.0 (2022)
External balance, exports minus imports	-5.7% of GDP (2025)	-16.4% of GDP (2024)	-24.9% of GDP (2025)
Foreign-exchange reserve cover	about 3.2 months of imports (2024)	about 6.6 months of imports (2024)	about 13 months of imports (2024)

Sources: (World Development Indicators and country data pages, World Bank Bangladesh Development Update 2026, Bhutan Development Update 2026 and Nepal Development Update 2026)

scenario, its GDP could be approximately 3 percent lower by 2050 without additional adaptation (World Bank Group, 2025b).

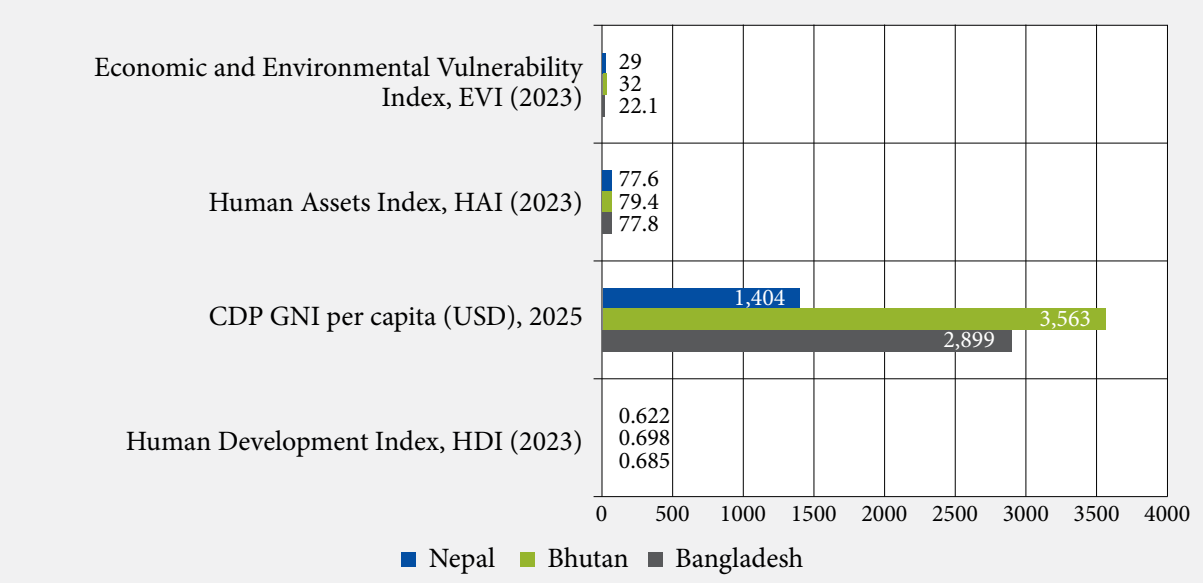
The compounded and cross-sectoral climate change impacts, paired with incremental GDP losses extend beyond immediate damage and recovery costs, particularly for countries navigating graduation from LDC status. Together, these findings reveal a fundamental policy contradiction: progress towards LDC graduation does not necessarily translate into climate or macroeconomic resilience. Recurrent disasters can erode economic gains, weaken public revenues and divert scarce resources from long-term adaptation towards recovery. Reduced access to LDC-specific support after graduation could further constrain financing capacity. Therefore, sustainable graduation requires integrating climate adaptation into macroeconomic planning, protecting fiscal space for resilience investments and securing continued international support based on persistent climate vulnerability rather than development classification alone.

Implications for Policy Change

The escalating climate crisis across Bangladesh, Bhutan and Nepal (BBN) exposes a critical contradiction in global climate governance. Despite mounting climate-induced losses, cascading transboundary risks and widening adaptation finance gaps, adaptation and related finance continue to receive inadequate priority in global climate negotiations. This imbalance is particularly concerning as BBN countries navigate graduation from LDC status, potentially losing preferential support while remaining highly climate-vulnerable. Without urgent policy and financing reforms, hard-won development gains risk being undermined by recurrent climate shocks, mounting debt burdens and declining fiscal capacity. Three critical priorities therefore demand urgent attention.

First, adaptation must not be subordinated to the negotiating priorities of developed countries. Mitigation and adaptation are complementary: mitigation limits future warming, while adaptation protects people, livelihoods and development

Figure 1: BBN's Status on Human development and LDC structural criteria



Sources: UNDP Human Development Report 2025, 2025 Monitoring Report Bangladesh, UN Committee for Development Policy, 2025b.

against present and emerging risks. Consistent with climate equity, human rights and the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC), adaptation must be upheld as a priority concern under the UNFCCC process.

The negotiation process must recognize BBN as a functional regional module for adaptation: three countries connected by linked climate-risk pathways, shared dependence on climate-sensitive economic sectors, and a common need for predictable, accessible and predominantly grant-based adaptation finance. At COP31 and in subsequent GGA work, BBN should seek explicit attention to cascading transboundary hazards and climate-related mobility, alongside financial and technical support for implementing National Adaptation Plans. The Belém Adaptation Indicators should guide learning and accountability, not become additional eligibility conditions for accessing finance.

Second, access to grant-based adaptation finance should continue for high-impact climate-vulnerable countries after their graduation from LDC status. Progress in income and human development do not eliminate climate risks, structural economic fragility or financing constraints. Reduced access to LDC-specific support after graduation, combined with rising climate losses and debt burdens, could undermine the fiscal capacity needed for adaptation. Climate finance allocation must therefore reflect distinction between graduation from LDC status and graduation from climate vulnerability, persistent and projected climate vulnerability, fiscal constraints and costed priorities in NAPs and NDCs, rather than LDC classification alone. The New Collective Quantified Goal (NCQG) and financing mechanisms, including the GCF, should safeguard predictable, accessible and predominantly grant-based adaptation finance for highly vulnerable countries like Bangladesh, Bhutan, and Nepal during and after graduation.

Third, BBN governments and CSOs should advance a coordinated, vulnerability-centered adaptation agenda in climate negotiations and national planning.

Amid weak advancement of global policy on adaptation, the BBN countries have always demonstrated sustained climate leadership despite acute vulnerability to climate impacts and constrained resources. BBN has the potential to push adaptation narrative forward to a needs- and justice-centric agenda, influencing other Parties and stakeholders, and demanding global accountability for adaptation finance and its delivery. Building on the BBN Alliance's advocacy at COP28, COP29 and COP30, the BBN governments and CSOs should strongly frame BBN as a functional mountain-to-delta adaptation region, acknowledging both shared climate-risk pathways and differentiated national vulnerabilities. Priorities include

transboundary risk monitoring and early warning, locally led adaptation, transparent finance delivery and accountability to vulnerable communities. These demands must be aligned with low-carbon development pathways in NDCs and long-term low-emission development strategies to strengthen the argument for equitable international support and sustained resilience beyond development classification.

Conclusion

BBN's policy challenge is not whether development progress should continue, but whether that progress can survive a climate future for which adaptation remains underfunded. A credible response requires a shift from adaptation targets without assured support to financed, accessible and accountable implementation. For COP31 and beyond, the central demand is a vulnerability-centered adaptation and finance framework that recognizes interconnected risks and preserves adequate concessional support during and after LDC graduation. Such a transition would protect development gains while enabling BBN countries to contribute to climate-resilient, low-carbon growth. Governments and CSOs should jointly compile comparable evidence on cross-border hazards, gaps between planned adaptation needs and actual disbursements, and community-identified adaptation priorities. A shared evidence and accountability platform would strengthen negotiating submissions, support cooperation with neighboring basin countries and allow communities to assess whether finance produces tangible resilience gains.

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From the Himalayan headwaters to the Bay of Bengal, climate risks transcend national boundaries, but the international response remains fragmented. Bangladesh, Bhutan and Nepal face mounting adaptation needs even as development advances and transitions from Least Developed Country (LDC) status reshape their access to international support. Economic graduation, however, does not signify graduation from climate vulnerability

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