

## **Caritas draws attention to \$1bn Pacific climate finance gap at COP29.**

A new report from Caritas Oceania, Caritas Australia and Jubilee Australia Research Centre, has revealed the total annual finance needs for Pacific nations facing climate mitigation, adaptation and loss and damage costs could conservatively sit at around USD\$1.5bn.

Meanwhile, estimates of climate financing delivered annually between 2015 and 2020 sit at \$0.2-0.6bn, pointing to an annual financing gap in the region of \$1bn.

The estimates appear in [Weathering the Storm](#) which examines tensions between debt and climate challenges in the Pacific, coinciding with COP29 which is currently underway in Baku, Azerbaijan.

Many Pacific countries have suffered worsening debt in recent years. For some this is owed to large borrowing due to pandemic-induced loss of economic activity. The report examines this debt in the context of an urgent requirement for these countries to invest in climate adaptation and mitigation, and to cover climate related loss and damage.

**Cardinal Soane Mafi, Bishop of Tonga and Niue and President of Caritas Oceania,** said “For those of us in the Pacific, the connections between debt and climate disasters are important ones to consider. In many developing countries, and countries that are vulnerable to climate change, governments are paying more in interest and other debt servicing obligations than they are on health, education, or climate adaptation. Action must be taken to forgive debt and prevent it in the future.”

The report also looks at where this debt comes from, as for many their entire debt stock is owed to overseas creditors. Fiji, Samoa and Tonga are three countries paying debt at a level that has been shown to impact a government’s ability to deliver basic services.

**Damian Spruce, Advocacy Associate Director at Caritas Australia** said, “There are strong signals that the international community is out of step with Pacific needs when it comes to covering the cost of adjusting to a warmer world. What’s more, many of these nations are paying huge amounts of interest to external creditors based in countries that have agreed, across numerous COPs especially since 2009, to take responsibility for a raft of climate costs in developing countries – this dynamic simply doesn’t make sense.”

The report has three clear recommendations:

1. An immediate increase of climate finance – additional to official aid - to the Pacific to ensure that mitigation, adaptation and loss and damage are adequately funded.
2. The delivery of finance as grants, not loans, via a UN vehicle rather than banks.
3. A response to the sovereign debt crises, allowing for the cancellation or restructuring of unsustainable and illegitimate debts, alongside better assessments, more transparency and greater protections for vulnerable countries.

“We cannot make debt entrenchment part of the cost for developing countries as they manage climate impacts they have not wrought. Given these Pacific countries are Australia’s closest neighbors, we hope Minister Bowen makes their needs clear in his role as Ministerial Pair for the UN’s New Collective Quantified Goal on Climate Finance at COP29” concluded Damian Spruce.

To support climate vulnerable communities via Caritas Australia’s programs, visit [www.caritas.org.au/climatecrisis](http://www.caritas.org.au/climatecrisis) or call 1800 024 413 toll free.

Read the report at: <https://www.caritas.org.au/media/casktxsf/14092-weathering-the->

[storm-web.pdf](#)

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**Media contact:** Tara Harvey 0484 002 021 [tara.harvey@caritas.org.au](mailto:tara.harvey@caritas.org.au) or  
[caritasmedia@caritas.org.au](mailto:caritasmedia@caritas.org.au)

**The Catholic agency for international aid and development**

**Address:** Suite 1, Level 2, Building 3, 189 O'Riordan Street, Mascot NSW 2020

**Phone:** 1800 024 413 **Fax:** +61 2 8306 3401

**Email:** [hello@caritas.org.au](mailto:hello@caritas.org.au) **ABN:** 90 970 605 069

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[www.caritas.org.au](http://www.caritas.org.au)



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