



Mass Lobby on 9th July

Supporter briefing on climate and debt

Background

In the Jubilee Year of 2000, many Christians came together to call for the cancellation of debt owed by the world's poorest countries, with great success; Uganda, for example was granted £715m worth of debt relief and used it to double primary school enrolment¹.

The Jubilee Year of 2025 is coming at a time when many lower-income countries are once again facing a debt crisis of huge proportions. About 3.3 billion people, or half the global population, now live in countries where debt-related payments are greater than expenditure on health or education². This time, the debt is exacerbated by the climate crisis, which has worsened significantly over these past 25 years.

The Mass Lobby 2025 is a unique opportunity for Catholics across the country to ask their MPs to urgently take action to tackle the intertwined crises of unjust debt and climate change.

This brief will provide some information about this issue and some suggested asks for your MP. If you have any questions, please get in touch with us at campaigns@cafod.org.uk.

1 Debt and Climate: two intertwined crises

Today, 1 in 4 countries globally are in debt crisis. This number has more than doubled since 2015³. At the same time, we are witnessing the devastating impacts of the climate crisis through an escalating number of natural disasters such as droughts, floods and hurricanes in different parts of the world.

The worst impacts of these climate-related disasters are being felt in low-income countries, which have done the least in contributing to the climate crisis. 93% of the most climate vulnerable countries are also facing a debt crisis⁴. This crisis is forcing them deeper into debt.

When a natural disaster hits a low-income country, they are often forced to borrow money to rebuild.

This increases their debt and raises future interest rates on loans. In practical terms this means that climate vulnerable countries are forced to reduce spending on climate mitigation. This all makes a future natural disaster more likely and worse, beginning the cycle again.

Reducing the debt burden owed by low-income countries to rich-world institutions through debt cancellation is a keyway to release money that could be used to tackle the climate crisis.



Campaign asks for your MP

To support the call for debt relief for low-income climate vulnerable countries.

Suggested question

"The climate and debt crisis are deeply interconnected with 93% of the most climate vulnerable countries also facing a debt crisis, meaning that funds they could be spending on tackling this climate change are instead going to big banks or rich countries. Will you support the call to the UK government for debt relief for low-income climate vulnerable countries?"

2 Grants not loans

Low-income countries are now spending at least five times as much on debt servicing payments than on tackling the climate crisis⁵. The UN Framework Convention on Climate Change calls on rich nations to provide financial resources (climate finance) to help low-income countries tackle the climate crisis. But under current debt rules, money is flowing out of climate vulnerable countries in the form of huge debt servicing costs, rather than into them. Over 70% of global climate finance consists of loans and not grants, pushing vulnerable countries into a vicious debt cycle⁶.

The New Collective Quantified Goal on Climate Finance (NCQG) is a financial target agreed at last year's climate talks (COP29) to support low-income countries to tackle the climate crisis. However, the NCQG target is just \$300 billion a year by 2035 (when at least \$1.3 trillion is needed⁷). Furthermore, it offers no guarantees of grants – meaning that potentially, this climate finance mechanism could become a source of increasing the external debts of those countries which it is supposed to be helping.

It is vital that the international community offer real support to climate-vulnerable countries by providing them with the money they need to adapt to a crisis they have done the least to cause.



Campaign asks for your MP

To call for the UK government to contribute its fair share of grant-based climate finance to the New Collective Quantified Goal on Climate Finance (NCQG).

Suggested question

“Over 70% of global climate finance consists of loans and not grants. This pushes climate vulnerable countries which, in most cases, have done the least to create the climate crisis, into a vicious debt cycle that can be impossible to escape without structural changes to the international debt architecture. Will you call on the government to commit to contributing its fair share of grant-based, new and additional money to the New Collective Quantified Goal on Climate Finance – particularly following its aid cuts?”

3 Debt intensifies fossil fuel exploitation

Despite facing significant poverty burdens, low-income countries are having to make huge repayments on high-interest loans to profitable international banks.

As they are forced to pay back loans in foreign currencies – usually the dollar - some countries are locked into fossil fuel extraction or are pushed into exploring destructive environmental practices such as fracking in order to service their debts.

For instance, the International Monetary Fund (IMF) has been pushing the development of fracking in an oil and gas field in Argentina as one possible route to solving the country's debt crisis and other economic issues. They propose that foreign currency could be saved by supplying oil and gas domestically while additional foreign currency can be generated through oil and gas exports.

Without meaningful debt relief and a fair global debt system in which debtor countries are properly represented, many of those countries have no choice but to make use of their natural resources, harming the environment in the process.

Campaign asks for your MP



To call on the UK government to support the creation of a fair global debt system in which debtor countries are properly represented and in which human and environmental rights are prioritised.

Suggested question

“Low-income countries are now spending five times as much on debt servicing payments than on tackling the climate crisis. Will you support the Global Jubilee debt campaign and call on the government to support the creation of a fair global debt system in which debtor countries are properly represented and in which human and environmental rights are prioritised?”

¹ Candle lit for debt relief's unfinished business | Larry Elliott | The Guardian

² A World of Debt 2025 | UN Trade and Development (UNCTAD)

³ Countries in crisis - Debt Justice

⁴ The_vicious_cycle.pdf

⁵ Lower income countries spend five times more on debt than dealing with climate change - Debt Justice

⁶ Debt-and-the-Climate-Crisis-Briefing-October-2022.pdf

⁷ Raising-ambition-and-accelerating-delivery-of-climate-finance_Third-IHLEG-report.pdf