



### **Cancel the debt now to deliver climate justice**

54 countries in the global south are in debt crisis. Debt drains resources away from healthcare, education, social protection, a green just transition and addressing the impacts of the climate crisis, and transfers them to the pockets of foreign creditors. Global south countries are spending 5 times more on repaying debt than they are on addressing the climate crisis. Meanwhile, many countries are being forced to exploit their natural resources, including fossil fuels, to generate revenue for debt repayments.

Debt crises are no accident. From the era of colonialism to the present day, countries in Africa, Asia, Latin America and the Caribbean have been forced to rely on borrowing to make ends meet.

Now rising interest rates, high food and fuel prices, and the impacts of the climate crisis, are making the situation much worse.

Rich countries are not fulfilling their own commitments to give climate finance. They are promoting false solutions. And they are refusing to recognise their climate debt to global south countries. This is a debt they owe for the destruction they have caused to our planet from industrialisation to the present day, only made possible because of the colonial and neo-colonial plunder and exploitation of the global south. The recognition of the existence of a climate debt that the global north owes to the global south should lead to structural and financial reparations, which must be understood as a form of reparative justice rather than 'aid'.

Climate vulnerable countries are being forced to borrow to cover the costs of their adaptation and mitigation needs, and to cover the costs of addressing Loss and Damage. Much of the meager climate finance made available comes in the form of loans, a clear injustice to the people and communities of the global south who have long suffered the impacts of the climate crisis they did not create. Inevitably, as debts accumulate, debt service also soars, including repayments for many questionable and fraudulent debt-funded projects that have destroyed environments, worsened the climate crisis, displaced communities, and violated human rights.

Global south countries are stuck in a debt-climate trap, while wealthy banks, corporations and institutions profit from this unfair situation. This injustice has to end.

Global south debts must be cancelled to allow governments to tackle the climate crisis, address inequalities and invest in their peoples' wellbeing.

Rich countries must immediately agree to cancel debt across all creditors, for all countries in need, and without conditions. They have plenty of opportunities coming up to do so: UN General Assembly and SDG Summit (New York, September) , IMF and World Bank Annual Meetings (Marrakech, October) and COP28 (Dubai, December). Only through ambitious debt cancellation can global south governments provide adequate public finance to respond to their immediate and long-term development needs, including the climate crisis. Only with debt justice can we have climate justice.

This year we need to see:

- A comprehensive and rapid debt cancellation process covering private, governmental and multilateral creditors;
- The enforcement of private lender participation in debt relief through legislation in major jurisdictions, including New York and the UK;
- Rich countries delivering on their promises to provide adequate new and additional, grants-based climate finance.

Sign the statement here: <https://forms.gle/ADYxnLFSD6Ag6ftW6>