

**MEDIA RELEASE – Storm brewing over Pacific as climate and debt crises collide****4 October 2022**

The Pacific region is facing a perfect storm of climate change induced disasters and skyrocketing debt burdens, according to a new report. This, combined with the shocks of COVID-19 and the international cost of living crisis, could lead to unprecedented economic instability in Australia’s neighbourhood without immediate intervention.

Caritas Oceania and Jubilee Australia Research Centre’s latest report, [“Twin clouds on the horizon: averting a combined climate and debt crisis in the Pacific through locally-delivered climate finance”](#), is the first report to look in detail at debt, climate change and their combined impacts on the Pacific region.

The report calls for international governments, including the Australian Government, to take the lead on climate debt in the Pacific and ensure that money gets into the hands of those who need it most, through restructuring debt, improving climate finance and funding the Pacific Resilience Facility.

“If we continue to sidestep our responsibility to finance climate solutions in our neighbourhood, then we’re looking at probable economic instability in our region and the very real suffering it brings,” said Kirsty Robertson, Caritas Australia’s CEO.

“We’ve seen the chaos of Sri Lanka’s debt crisis and countries in the Caribbean having to restructure their debts with the IMF to deal with climate change – the Pacific faces a wave of debt distress unless we act now to address these issues.”

The Pacific Islands region is at the frontline of global climate change, and our neighbours across the region are facing rising sea levels, extreme weather events like cyclones and king tides more frequently, and with greater severity and impact than ever before. It’s harder than ever for Pacific Island nations to recover and build back, as they are being hit by one disaster after another, often while still rebuilding from the last one.

“We are at a very critical time in our fight for climate resilience, especially in the Pacific which is facing existential threats from climate change. The world’s challenge is to listen and see with attentive ears and eyes the struggle of those on the frontlines of climate change, and to have the courage to take action in solidarity,” said Cardinal Soane Patita Paini Mafi, Caritas Oceania Regional President.

“Climate finance is, at its heart, the repayment of a debt owed by countries that caused climate change to those that experience its worst effects. High-income countries have been shirking that debt for years. It is essential that wealthy countries like Australia step up and meet their obligations to those on the front lines of climate change,” said Luke Fletcher, Executive Director at Jubilee Australia.

The report also calls out large infrastructure projects like wharfs and airports which have taken up over US \$300 million in funds intended to address climate change in the Pacific, yet contribute more to economic development than addressing the impacts of climate change for communities.

The report calls for international donors, including Australia, to:

- Ensure money gets to those who need it most by increasing transparency on how much funding is provided at local level and reforming the broken global climate finance system.
- Offer better options for debt relief – particularly after natural disasters.
- Ensure funding is provided as grants rather than loans to avoid increasing Pacific Island countries' debt.
- Ensure that climate finance commitments in the Pacific meet estimated adaptation costs of close to \$1 billion per year – right now they receive less than half this amount for adaptation.
- Commit to sending climate finance through options like the Pacific Resilience Facility which give Pacific governments and institutions control.

This report has been endorsed by Pacific leaders including His Eminence Soane Patita Paini Mafi, Caritas Oceania Regional President; Aloysius John, Caritas Internationalis Secretary General; and Mavis Tito, National Director of Caritas Papua New Guinea.

The report will be taken to Fiji for a Pacific Regional Talanoa from 17-19 October so its recommendations can be considered in developing the Kioa Climate Emergency Declaration that will be taken to COP27.

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