



Two-thirds of climate funding for Global South is loans as rich countries profiteer from escalating climate crisis

October 6, 2025 – New research by Oxfam and CARE Climate Justice Centre, published today, finds developing countries are now paying more back to wealthy nations for climate finance loans than they receive - for every 5 dollars they receive they are paying 7 dollars back. 65% of funding is delivered in the form of loans.

This form of crisis profiteering by rich countries is worsening debt burdens and hindering climate action. Compounding this failure, deep cuts to foreign aid threaten to slash climate finance further, betraying the world's poorest communities who are facing the brunt of escalating climate disasters.

Some key findings of the report:

- Rich countries claim to have mobilized \$116 billion in climate finance 2022, but the true value is only around \$28-35 billion, less than a third of the pledged amount.
- Nearly two thirds of climate finance was made as loans, often at standard rates of interest without concessions. As a result, climate finance is adding more each year to developing countries' debt, which now stands at \$3.3 trillion. Countries like France, Japan, and Italy are among the worst culprits.
- Least Developed Countries got only 19.5% and Small Island Developing States 2.9% of total public climate finance over 2021-2022 and half of that was in the form of loans they have to repay.
- Developed nations are profiting from these loans, with repayments outstripping disbursements. In 2022, developing countries received \$62 billion in climate loans. We estimate these loans to lead to repayments of up to \$88 billion, resulting in a 42% "profit" for creditors.
- Only 3% of finance specifically aimed at enhancing gender equality, despite the climate crisis disproportionately impacting women and girls.

"Rich countries are treating the climate crisis as a business opportunity, not a moral obligation," said Oxfam's Climate Policy Lead, Nafkote Dabi. "They are lending money to the very people they have historically harmed, trapping vulnerable nations in a cycle of debt. This is a form of crisis profiteering."

This failure is occurring as rich countries are conducting the most vicious foreign aid cuts since the 1960s. Data by the OECD data shows a 9% drop in 2024, with 2025 projections signalling a further 9–17% cut.



As the impacts of fossil fuelled climate disasters intensify —displacing millions of people in the Horn of Africa, battering 13 million more in the Philippines, and flooding 600,000 people in Brazil in 2024 alone – communities in low-income countries are left with fewer resources to adapt to the rapidly changing climate.

“Rich countries are failing on climate finance and they have nothing like a plan to live up to their commitments to increase support. In fact, many wealthy countries are gutting aid, leaving the poorest to pay the price, sometimes with their lives” said John Norbo, Senior Climate Advisor at CARE Denmark. “COP30 must deliver justice, not another round of empty promises.”

Adaptation funding is also critically underfunded, receiving only 33% of climate finance as investors favour mitigation projects with more immediate financial returns.

Ahead of COP30, Oxfam and CARE are calling on rich countries to:

- Live up to climate finance commitments: Provide the full \$600 billion for 2020–2025 and clearly outline how they plan to scale-up to the agreed \$300 billion annually, and lead on the \$1.3 trillion Baku to Belém roadmap.
- Stop crisis profiteering: Drastically increase the share of grants and highly concessional finance to prevent further indebting the world’s most climate-vulnerable communities.
- Multiply adaptation finance: Commit to at least triple adaptation finance by 2030, using the COP26 goal to double adaptation financing by 2025 as a baseline.
- Provide finance for loss and damage: The global Fund for Responding to Loss and Damage must be adequately capitalized. Victims of climate change must not continue to be ignored.
- Mobilize new sources of finance: Raise funds by taxing the super-rich, which in OECD countries alone can raise 1.2 trillion a year, and the excess profit of fossil fuel companies globally, which could raise 400bn per year annually.

Notes to Editors

The CARE Climate Justice Center (CJC) leads and coordinates the integration of climate justice and resilience across CARE International’s development and humanitarian work. The CJC is an initiative powered by CARE Denmark, CARE France, CARE Germany, CARE Netherlands, and CARE International UK. To learn more, visit www.careclimatechange.org



Results of a global survey by Oxfam International and Greenpeace show 8 out of 10 people support paying for public services and climate action through taxing the super-rich. The research was conducted by first party data company Dynata in May-June 2025, in Brazil, Canada, France, Germany, Kenya, Italy, India, Mexico, the Philippines, South Africa, Spain, the UK and the US. The survey had approximately 1200 respondents per country, with a margin of error of +/-2.83%. Together, these countries represent close to half the world's population. [See the results here.](#)

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