Countries most vulnerable to climate change are spending a growing share of public revenue servicing debt, leaving fewer resources for climate action as governments prepare for COP31, a new report by ActionAid International says.

The report, *Debt Fuels the Climate Crisis: How the Finance Flows*, found that 93.5% of the 65 countries it identified as most vulnerable to climate change were either in debt distress or at significant risk of it. Together, the countries spend about 65% of their government revenue on debt servicing, while allocating nearly 25 times more to debt repayments than to climate action.

The findings were discussed at a Climate Café organised by the Media for Environment, Science, Health and Agriculture (MESHA) and ActionAid International, where campaigners called for climate finance to be provided on terms that do not add to the debt burden of developing countries.

Teresa Anderson, ActionAid International's Global Lead on Climate Justice, said loans should not be treated as climate support when they increase the financial pressure on countries already struggling to respond to climate impacts.

"Loans should not be counted as climate support when they deepen debt distress and divert public resources," she said.

The debate comes as the United Nations Environment Programme (UNEP) warns that funding for adaptation remains far below what developing countries need. Its 2026 Adaptation Gap Report, released on November 4, estimates that these countries will need about $305 billion annually by 2035 to adapt to climate change. International public adaptation finance from developed to developing countries stood at between $28.2 billion and $31.7 billion in 2024.

Even if the commitment made at COP30 to at least triple adaptation finance by 2035 is achieved, UNEP estimates that it would cover only 20% to 29% of developing countries' needs.

Rwanda is among the countries preparing to press for more predictable and accessible climate finance at COP31, scheduled for November 9–20 in Antalya, Türkiye. The government says it will advocate for adequate funding, particularly grants and concessional finance for adaptation and resilience, as it seeks support to implement its national climate commitments.

African negotiators are also seeking formal space at COP31 to discuss the adaptation finance commitment, including how it will be delivered. Ghana, which chairs the African Group of Negotiators this year, has requested additional agenda items covering adaptation finance, trade and the financing arrangements of the Green Climate Fund.

Anderson said wealthy countries needed to explain how they intended to deliver on existing climate finance commitments, rather than leave developing countries uncertain about the support available.

“Wealthy countries must be clear on their delivery plans for the already insufficient finance commitments under the New Collective Quantified Goal,” she said.

The debate also concerns how climate finance is provided. ActionAid says around two-thirds of the climate finance reported by developed countries comes in the form of loans rather than grants. Anderson argued that more direct grant funding should reach local organisations, including groups led by women and farmers, to support approaches such as agroecology.

She said climate finance should increase support for local farmer- and women-led organisations and avoid adding to their debt burdens.

The ActionAid report estimates that cancelling the debts of the countries studied could free up enough resources to finance their unconditional national climate plans six times over.