



## FOR IMMEDIATE RELEASE

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**Rebuild and not Repay: 'Cancel Debt for People of Pakistan' campaign calls on international financial institutions to cancel Pakistan's debt and put Pakistani people's rights and needs ahead of debt services.**

**220 million Pakistanis are already paying a high price for a climate crisis that they did not cause; civil society urges international partners to suspend Pakistan's debt and provide relief to the people of Pakistan.**

### **November 25, Islamabad:**

A consortium of civil society organizations (CSOs) led by Fair Finance Pakistan (FF Pakistan) have launched a new campaign 'Cancel the Debt for People of Pakistan,' which calls on international financial institutions to cancel Pakistan's debt after the devastating floods that washed away one-third of land and according to government of Pakistan's estimates have caused USD30 billion in economic losses, adding to the country's heavy debt burden, ballooning current account deficit, devaluing the currency, and skyrocketing food and energy inflation.

This campaign is being launched just as COP27 ends, where Prime Minister Shahbaz Sharif categorically stated that Pakistan was a victim of catastrophic climate-induced floods that it did not cause. This campaign stresses the urgency of suspending Pakistan's debt repayments and urging the international community to support Pakistan with additional funds, not debts, so that the country can focus on recovering from the floods, and become more resilient to the effects of climate change.

Pakistan's debt crisis means that the country continues to make debt repayments to foreign creditors, even though this diverts essential resources from building climate resilience and investing in essential public services, leaving the country at the mercy of climate disasters.

Due to its heavy debt burden, Pakistan is unable to fully address the impact of climate change on its citizens, public infrastructure, and environment. State of Global Air reports every year, 128,000 people die in Pakistan due to air-pollution related illnesses caused by climate change. Pakistan Post Disaster Needs Assessments (PDNA) reports the catastrophic floods have killed over 1,700 people and one million livestock, damaged four million rich agricultural land and crops and destroyed over 11,000 kms of roads and rail tracks in the country.

**Mr. Asim Jaffry, Country Programme Lead, FF Pakistan** in a Twitter message wrote, “International financial institutions (IFIs) must keep people of Pakistan’s rights ahead of debt service. Debt cancellation is critical for Pakistan to build climate-resilient infrastructure, provide clean air and social safety net for its people.”

Mr. Jaffry further noted that floods in Pakistan have severely impacted lives and bread and butter for millions of people. Over 50 percent of those affected by flooding are women and children forced to face the harsh winter season without access to food, water, and warm shelters. “Human suffering cannot be ignored. While debt cancellation may affect Pakistan’s credit rating and bring other economic challenges, the civil society stands with the 33 million voiceless people most impacted by floods and urge the creditors to waive off our debt.”

In its latest Climate Change Development Report, World bank has estimated climate disasters and air pollution are projected to shrink Pakistan’s GDP by 20% by 2050. The report says Pakistan needs \$348bn or 800% more than the current annual budget to stop climate-induced disasters. Just \$48bn is available through public and private financing and the projected gap of \$300bn in current annual budget is likely to plunge Pakistan deeper into debt crises to compensate the damage created by floods.

Speaking at the campaign launch, **Mr. Hussain Jarwar, CEO Indus Consortium**, said, “Pakistan’s unsustainable debt levels means less fiscal space and opportunities to address adaptation and mitigation and recovering from loss and damage after a climate disaster. Without debt cancellation, Pakistan will be forced to continue taking on more debt to meet the huge economic costs of damage created by floods. This must stop.”

“Besides the recurring economic loses, intense and frequent extreme weather events will continue to affect livelihoods, food and water security, and the health of millions of people in Pakistan. Price of common food items like onion, tomatoes and cotton increased fivefold following destruction of most of the crops in Sindh making life very difficult for poor and middle-class Pakistanis,” stated **Ms. Ume Leila, Executive Director, HomeNet Pakistan**.

“Worrying global inaction on climate finance puts countries like Pakistan at high risk of the vicious cycle of debt and climate chaos. Pakistan needs its debt repayments suspended with immediate effect to enable the government to put people’s needs before the profits of wealthy creditors,” said **Mr. Mukhtar Ahmad Ali, Executive Director, Centre for Peace and Development Initiatives**.

“Time is running out,” said Ms. Bernadette Victorio, Program Lead, Fair Finance Asia (FFA). “The devastating destruction caused by recent floods in Pakistan only confirms that, as climate change worsens, so will its disproportionate impacts on the poor and the vulnerable. IFIs and the international community must cancel Pakistan’s debt, and focus on urgently implementing just energy transition strategies that enhance the country’s climate resilience and adaptation.”

The campaign urges its partners and the global civil society to join voices demanding to cancel Pakistan’s debt and divert it to build climate resilience and invest in essential public services.

To learn more about the ‘**Cancel Debt for People of Pakistan**’ campaign, follow FF Pakistan’s [twitter @fair\\_pakistan](https://twitter.com/fair_pakistan) or click [www.twitter.com/fair\\_pakistan](https://www.twitter.com/fair_pakistan)

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**About Fair Finance Pakistan:** Fair Finance Pakistan (FFP) is committed to ensure that financial institutions in Pakistan respect the social and environmental well-being of local communities, and integrate ESG (environmental, social, and governance) criteria in their business strategies. FFP is member of Fair Finance Asia - a network of over 100 Asian civil society organizations working towards ensuring that financial institutions’ funding decisions in the region respect the social and environmental well-being of local communities. Fair Finance Asia is a part of the global network Fair Finance International.