Addressing Loss and Damage: A step-by-step guide to meeting the needs of the most vulnerable countries, communities and people

By members of Loss and Damage Collaboration

The 26th Conference of the Parties (COP) is being held at the most challenging time the world has faced in recent history. There are serious concerns about the capacity of developing countries to represent themselves in person in Glasgow. In fact, we already know that some of the most vulnerable developing countries will not be represented at all. Given the backdrop to COP 26, many are pessimistic about its outcome. We do not share that view but rather believe that we must raise ambition more than ever before given the way in which the COVID-19 pandemic has diminished the capacity of vulnerable developing countries to reduce and respond to loss and damage from the impacts of climate change. At a minimum, we need to see the following outcome on Loss and Damage at COP 26:

- A decision under the COP and CMA operationalising the Santiago Network on Loss and Damage (SNLD) laying out the functions, modalities, structure and financial arrangements. This must include finance to enable a secretariat or coordinating entity to deliver on its mandate, and finance for the SNLD to carry out its activities. The decision must also set out a process for parties to continue to negotiate and review the ongoing development of the SNLD beyond COP 26. A more comprehensive overview of the demands for the SNLD at COP 26 can be found here.
- Ensuring that the needs for addressing Loss and Damage are integrated into discussions on the new finance goal to come into effect from 2025.
- A road map established for mobilising finance that meets the needs on mitigation, adaptation and Loss and Damage and begins to identify potential modalities to channel that support for Loss and Damage, which could include a Loss and Damage facility or fund.
- A standing agenda item on Loss and Damage under the Subsidiary Bodies of the UNFCCC to provide a space for Parties to discuss the SNLD and other aspects of the Warsaw International Mechanism (WIM) which are not covered in the annual report of the Executive Committee of the WIM.

The case for raising ambition on Loss and Damage to meet the needs of the most vulnerable

The Intergovernmental Panel on Climate Change (IPCC) recently released its contributions to the Sixth Assessment Report, the Physical Science Basis. The report outlined how human induced climate change has altered the global climate including increasing the magnitude and frequency of many extreme weather events and speeding up the intensity of slow onset climatic processes. The resulting losses and damages⁴ are increasingly overwhelming the adaptive capacity of households, communities and countries worldwide. Those within the global South who bear little to no responsibility for climate change are bearing its impacts disproportionately. The latest IPCC report comes as the COVID-19 pandemic continues to

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⁴ The IPCC defines “loss and damage” as the manifestation of climate change impacts not avoided by mitigation and adaptation and “Loss and Damage” as the policy agenda to reduce and address loss and damage.
impede efforts to achieve the Sustainable Development Goals (SDGs). The pandemic has pushed an estimated 119 to 124 million people back into extreme poverty and increased the number of people experiencing food insecurity by between 70 and 161 million. The pandemic has also made it even more challenging for the world’s most vulnerable countries and the vulnerable people and communities within them to build resilience, adapt and address loss and damage from the impacts of climate change. In an increasingly globalised world, the impacts of climate change within countries do not occur in a vacuum. A report recently released by the UN University’s Institute for Environment and Human Security demonstrates the interconnectivity of disaster risks, one of which is COVID-19 itself. We have never been more connected as a global population than we are today. This interconnectedness makes a case for increasing support for sustainable development and scaling up climate finance at this time when those on the frontlines of climate change need it most.

There are many lessons from the response to COVID-19 pandemic for how global solidarity could support efforts to address loss and damage at the scale of the needs. In April of 2020, less than three months after the World Health Organization declared a global public health emergency a COVID-19 response and recovery fund had been created by the UN Secretary General. In May of 2020 the prime ministers of Canada and Jamaica launched the Financing for Development in the Era of COVID-19 initiative together with the Secretary General. Under the initiative a report was prepared outlining a menu of options for financing the response to and recovery from the pandemic, including debt relief. Support was also mobilised through the World Bank and the International Monetary Fund. We need a similar response to mobilise support for the most vulnerable to address loss and damage, both in speed and in scale, but one which now crosses border to become a truly global effort.

A series of briefs on unpacking finance for Loss and Damage outlines some of the lessons from the COVID-19 pandemic for our collective work to address loss and damage from the impacts of climate change in vulnerable developing countries. This brief builds on that work, providing a step-by-step guide for centering our work around and meeting the needs of the most vulnerable.

**Step 1: Stop characterising Loss and Damage as a political issue**

Over the past few years, the climate community has allowed the proliferation of a narrative which frames Loss and Damage as a political issue in discussions on climate change under the United Nations Framework Convention on Climate Change (UNFCCC). This has allowed Loss and Damage to be referred to as an “untouchable subject” or a “toxic issue”. It is important to note that this was not always the case. In fact, early negotiations on Loss and Damage at COP 18 and 19 were very much focused on the needs of the most vulnerable which is reflected in the decisions arising from those discussions. When vulnerable developing countries began to demand finance to address loss and damage, things changed.

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2 The IPCC refers to “loss and damage” as the manifestation of the impacts of climate change not avoided by mitigation and adaptation and “Loss and Damage” as the policy agenda to respond to and address loss and damage.
The narrative of Loss and Damage of a political issue has allowed many developed countries to justify not engaging in Loss and Damage because it is deemed too difficult, too challenging. Those representing developed country interests have told those - be they from civil society or vulnerable developing countries - that bring up the needs of the most vulnerable that they are being “unhelpful”. As if bringing up the needs of those on the frontlines of climate change is inappropriate and distasteful. This has blocked progress on Loss and Damage when it is needed the most. In order to engage the needs of the most vulnerable countries, communities and people and ensure action on the ground, we must re-frame Loss and Damage from a divisive issue to one that brings countries and actors together to develop and implement solutions at the scale of the needs. In developing those solutions, we must focus on addressing loss and damage, the mandate of the WIM and the role of the Convention vis-a-vis Loss and Damage. The Paris Agreement recognises the importance of averting and minimising loss and damage. While scaling up these efforts through ambitious mitigation action and adaptation finance that meets the needs is critical, it does not change the mandate of the WIM. Vulnerable developing countries have long called for focus on addressing loss and damage because mitigation and adaptation efforts had been inadequate to avoid and reduce loss and damage. Unfortunately, no matter how ambitious we mitigate and adapt some residual impacts of loss and damage are already being felt worldwide.

We must ensure every citizen on the planet has the tools they need to thrive, not just survive, in the midst of climate change. Doing so will require developing and implementing a range of tools, including financial instruments, to address loss and damage. It will also require unprecedented levels of global solidarity and mobilising trillions to address climate change across the spectrum from mitigation to adaptation and finally, to Loss and Damage. This will only be accomplished if we stop framing Loss and Damage as a political issue. It will also require a mindset shift from seeing challenges to opportunities and from cannot to can, will and must.

**Step 2: Appoint a champion on Loss and Damage**

Addressing the full breadth and scope of the needs for addressing loss and damage in vulnerable developing countries will require unlocking the political will necessary to mobilise support at the levels of the needs. We joined others in asking for a champion on Loss and Damage to be appointed by the COP 26 presidency. Unfortunately, those calls were not heeded and there is no longer time to appoint a champion in advance of COP 26. However, we expect that the COP 27 presidency will appoint a champion on Loss and Damage early in 2022. This is critical for a COP on African soil, home to many of the world’s most vulnerable countries. This individual would convene discussions with political influencers and key stakeholders and thought leaders working on Loss and Damage. This champion would bring countries together and would help develop a vibrant and inclusive global solidarity on Loss and Damage that is centred upon the needs of the most vulnerable.

**Step 3: Addressing the root causes of global inequality**

The COVID-19 pandemic has both increased inequality both within and between countries. Developed countries mobilised trillions to support their own citizens. In contrast, climate action
and in particular, support to the most vulnerable, has been slow and inadequate. It has been argued that the delay in adequate climate action is due to the fact that some lives are valued more than others. Colonialism and racism have shaped both climate change and the response to climate change. Trillions of dollars, euros and pounds were indeed mobilised during the pandemic predominantly to protect the lives of those in the global North. During the pandemic climate change impacts intensified in magnitude and frequency throughout the world hitting the global South particularly hard.

As a global community we must right past inequalities by confronting the legacy of colonialism on the way in which our world operates today and then making the necessary changes to right the power imbalance between global North and South. All lives must be valued equally. In our work we must ensure that each person on the planet has the resources to reduce loss and damage to the extent possible and address those impacts that are not avoided through mitigation and adaptation. This will require some soul searching as individuals, as institutions and as countries. The outcome must be a renewed global solidarity to address Loss and Damage based on the fact that we are ultimately one humanity.

**Step 4: Know the needs**

Recent research has projected that the economic costs of loss and damage will be in the range of between 290 billion and 580 billion USD a year by 2030 in developing countries alone. This does not include the non-economic costs of loss and damage which include a range of consequences for mental and physical health and well-being and a loss of biodiversity, culture and territory. At the moment households on the frontlines of climate change are bearing the brunt of those costs, with the remainder primarily drawn from national budgets, all of which have opportunity costs. This is confirmed by recent research in Nepal.

Now that we have a sense of the global economic costs of Loss and Damage, we must ascertain the needs within vulnerable developing countries including to answer the question of who needs support and how. Then we must develop mechanisms to get the right type of support to exactly where it is needed. Critical to this is ensuring that vulnerable developing countries have the support they need to undertake Loss and Damage Needs Assessments. This is something that developing countries have long called for and must be part of the package of technical assistance that is provided through the Santiago Network on Loss and Damage (SNLD).

**Step 5: Develop and implement a collective strategy to address those needs**

With a revived global solidarity based on the principle that all lives are valued equally and a responsibility to support those most vulnerable to the impacts of climate change and an understanding of the needs, we can now develop a strategy and roadmap for addressing loss and damage. To develop this strategy, we must work backwards from the needs. To ensure that the needs remain relevant, we echo the calls of some vulnerable developing country groups and Parties for an assessment report on Loss and Damage to be produced every two to three years. This report would define the Loss and Damage implementation gap, outlining what has worked
and what remains to be done to address loss and damage. It would also serve as an input into the Global Stocktake to ascertain progress towards achieving the aims of the Paris Agreement.

Given that the economic costs in developing countries alone are projected to be between 290 billion and 580 billion USD in developing countries alone by 2030 we must anticipate that the real costs will be much greater than that. At a minimum we must mobilise 580 billion USD a year by 2030 and create a system which is adaptive to the evolving needs of vulnerable countries and the vulnerable people and communities within them. We propose that by 2023, at least 150 billion USD is mobilised and channeled to vulnerable developing countries through the Financial Mechanism of the United Nations Framework on Climate Change with fast start finance of 75 billion USD from 2021. We must also stop seeing support for Loss and Damage as a threat to support for adaptation. It is critical that adaptation be supported to the extent possible to avoid loss and damage. Ultimately, we must mobilise trillions to support ambitious mitigation action, scale up adaptation and support efforts to address those impacts that are not avoided and reduced by those efforts.

We would propose this be channeled through a dedicated Loss and Damage fund or facility but stress the importance of not getting bogged down in a debate about the modalities but rather thinking carefully about what is best fit for purpose both for the financial architecture of the UNFCCC and the needs of the most vulnerable. Significant research has already been undertaken on how such a finance facility would operate, including by the Stockholm Environment Institute. We propose building on this body of work and to immediately start to develop a roadmap for mobilizing support at levels of the needs and channeling it to where it is needed. At COP 26 we expect to see engagement with the needs for addressing loss and damage.

That still leaves a significant amount of finance to be mobilised to meet the full breadth and scope of the needs. We would propose that alongside a Loss and Damage fund or facility under the UNFCCC, a global solidarity fund be established outside the UNFCCC. This fund could be modelled on the Global Fund, established to eradicate HIV and AIDS, malaria and tuberculosis worldwide. This fund should mobilise and channel a minimum of 150 billion USD a year to address loss and damage in the most vulnerable developing countries. The remaining support must be provided through current channels such as the provision of emergency relief through UNOCHA or the implementation of the Sendai Framework on Disaster Risk Reduction through UNDRR.

To ensure that the full breadth and scope of the needs are addressed we would propose that the UN Secretary General appoint a Loss and Damage envoy and convene a working group on Loss and Damage which includes those leading all the relevant UN agencies. This work must be informed by both science and Indigenous and local knowledge. We would also propose that this group also include the leaders of relevant civil society organisations and global change makers and thought leaders. This must include Indigenous peoples and representatives of other marginalised and vulnerable groups on the frontlines of climate change. This working group would meet several times a year to assess progress towards meeting the needs of the most vulnerable. Where additional needs arise, additional support will need to be mobilised and
channeled. We must stress that this Loss and Damage envoy is in addition to the Loss and Damage champion described above to focus on mobilising action and support for Loss and Damage under the Convention. The ultimate objective of this working group and the Loss and Damage envoy at its helm would be to mobilise support at the scale of the needs to address loss and damage from all types of weather events and climatic process and in all parts of the world, with an emphasis on supporting the most vulnerable in the global South. This is even more critical in light of the COVID-19 pandemic which has exacerbated vulnerability.

**Next steps**

At COP 26 in just a few weeks’ time, we have an opportunity to transform the discussions on Loss and Damage to a politically entrenched quagmire to a global solidarity with a concrete action plan to meet the needs of the most vulnerable. Doing so will require a mindset shift from cannot to can, will and must. We must take the lessons of the COVID-19 pandemic and diffuse them across borders to support one another based on the fact that we are one humanity. Our collective goal is to ensure that every human on the planet has the resources that they need not just to address climate change, but to thrive in the midst of climate change and other global challenges. We hope you will join us.