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The Loss and Damage Collaboration (L&DC) is an informal network of practitioners, activists, researchers, artists and other creative and cultural practitioners as well as decision-makers from both the global South and North working to ensure that developing countries and the vulnerable people and communities within them have the support they need to address loss and damage. Find out more about our work here.

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WHY WORDS MATTER: HOW TO REFLECT THE URGENCY OF ADDRESSING LOSS AND DAMAGE

The profile of Loss and Damage, the policy agenda aimed at addressing loss and damage, the manifestation of climate change impacts not avoided by adaptation and mitigation, was raised significantly at last year's 26th Conference of the Parties (COP). The rise of Loss and Damage was bolstered by the Scottish government which not only committed finance for Loss and Damage but also called for other developed countries to pay the <u>climate debt</u> owed to developing countries for historical and current emissions. Since COP 26 many new actors have begun working on Loss and Damage. While this is welcome, the political and historical underpinnings behind terminologies and the broader Loss and Damage agenda are no longer as prominent. This brief, is an update to a <u>version previously published</u> in the lead up to COP 26; and is intended to provide clarity on the definition of Loss and Damage and to stress once again why it is critical to focus on addressing loss and damage.

It is essential to reflect Loss and Damage prominently as part of our broader portfolio of work on climate change under the United Nations Framework Convention on Climate Change (UNFCCC). Negotiators and members of the Executive Committee (ExCom) of the Warsaw International Mechanism on Loss and Damage (WIM) representing vulnerable developing countries have long been calling for Loss and Damage to be reflected more openly on the UNFCCC website². Currently, as it has been for several years, Loss and Damage is hidden amongst adaptation agendas under the overarching theme of Adaptation and Resilience. This burying of Loss and Damage amongst a sea of adaptation focused agendas continues despite the fact that Loss and Damage has been raised continuously by developing countries as a vital component of climate action. We would also encourage the High-Level Champions, to reflect Loss and Damage more prominently as part of their work to scale up climate action. While it is critical to build resilience to avoid and reduce loss and damage to the extent possible, some climate change impacts will overwhelm the adaptive capacity of households, communities and countries - and this must be recognized. This briefing describes why it is critical that Loss and Damage be reflected prominently, both as a theme for discussions and as a focus of action, in the lead up to, and beyond COP 27.



PROBLEMATIZING "RESILIENCE"

While building resilience certainly has a role in avoiding and reducing loss and damage (Roberts and Pelling, 2016), focusing too much on resilience diverts focus from the important work of addressing loss and damage which cannot or will not be avoided. Loss and damage from climate change has been recognized as being "beyond adaptation." The decision which established the Warsaw International Mechanism on Loss and Damage (WIM) acknowledges that, "loss and damage associated with the adverse effects of climate change, includes, and in some cases involves more than, that which can be reduced by adaptation" (UNFCCC, 2014:6). The limits to adaptation have also been long recognized by the Intergovernmental Panel on Climate Change (IPCC), most recently in its Sixth Assessment Report.

It is essential to recognize that there is no universal agreement of what resilience means. Like its predecessor sustainability, resilience can be and has been co- opted to mean different things to different actors (Anderson, 2015). Resilience as a concept in climate policy originated in the socio-ecological systems literature (Holling, 1973; Walker et al., 2004; Folke, 2006). In that literature, resilience is defined as, "the capacity of a system to absorb disturbance and reorganize while undergoing so as to still retain essentially the same function, structure, identity and feedbacks" (Folke, 2006:259). Resilience infers that a system maintains its structure and continues to function as it did before the arrival of a disturbance or shock. However, climatic-related loss and damage often makes it impossible for social systems like communities to maintain their structure and function. In fact, increasingly, households and communities are being displaced by loss and damage and losing their identities altogether and there is no going back to life before the onset of climate change.

Resilience as a term also obscures the politics of climate change and the fact that the capacity of households, communities and entire countries to maintain resilience in the midst of climate change are overwhelmed on a regular basis. Resilience obscures forces such as the historical responsibility that developed countries hold for climate change. It also sidelines issues such as compensation for the impacts of loss and damage, which continues to be a source of tension in the UNFCCC negotiations on Loss and Damage. However, recent research



(see: <u>Caliari et al., 2020</u>) on the politics of Loss and Damage found that there are varying interpretations of what compensation entails. For some representatives of vulnerable developing countries, compensation simply means supporting developing countries in their efforts to address loss and damage, including through mechanisms to facilitate capacity building and technology transfer (Ibid).

WHY WE MUST MAINTAIN FOCUS ON "ADDRESSING" LOSS AND DAMAGE?

The Paris Agreement recognizes the importance of averting, minimizing and addressing loss and damage (UNFCCC, 2016). It is important to note this recognition does not change the role of the UNFCCC in promoting the implementation of approaches to address loss and damage (see decision 3/CP.18) nor does it change the mandate of the WIM, which was established by the COP in decision 2/CP.19. While the Paris Agreement provides for the WIM to also be governed by the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement (CMA), it does not change the mandate of the WIM from the COP decision that established it. The attempt by developed countries to shift the governance of the WIM to exclusively under the CMA is also an attempt to dilute efforts to address loss and damage and further marginalize the Loss and Damage agenda. In addition, averting, minimizing and addressing loss and damage captures the entirety of efforts under the UNFCCC, from mitigation to avert loss and damage to adaptation to minimize loss and damage and finally, addressing loss and damage from the impacts of climate change that are not avoided by mitigation and adaptation. Increasing ambition on mitigation and scaling up support for adaptation are essential, but they will not be enough to entirely avoid the impacts of climate change which are already manifesting worldwide.

Given that global average warming has already surpassed 1°C (IPCC, 2022), the work on Loss and Damage, including under the WIM, must prioritize addressing loss and damage. The link between mitigation, adaptation and Loss and Damage has long been recognized by the academic and scientific community. The greater mitigation and adaptation efforts, the less loss and damage there will be (Eckstein et al., 2021; CSO Equity Review, 2019). However,



insisting that averting and minimizing be featured alongside addressing loss and damage - which developed countries have done since the Paris Agreement was established - diverts focus from the important work of equipping vulnerable developing countries to address the impacts of climate change that are not avoided by mitigation and adaptation.

Over the past few months, as new actors have entered the Loss and Damage space, we have seen an increase in the focus on "addressing the risks of loss and damage". Addressing the risk of loss and damage stresses preparing for future loss and damage. This puts an emphasis on avoiding Loss and Damage through risk reduction and management measures - which are essential. However, Loss and Damage is happening now and we must develop measures to address both current and future (and indeed also historical) loss and damage.

WHAT DOES "ADDRESSING LOSS AND DAMAGE" MEAN?

The role of the Convention as determined by Parties to the UNFCCC in <u>decision 3/CP.18</u> is to promote the implementation of approaches to address loss and damage (<u>UNFCCC</u>, <u>2013</u>). The mandate of the WIM in <u>decision 2/CP.19</u> is to, "address loss and damage associated with impacts of climate change, including extreme events and slow onset events, in developing countries that are particularly vulnerable to the adverse impacts of climate change" (<u>UNFCCC</u>, <u>2014</u>).

Just as there is no agreed upon definition of "loss and damage" under the UNFCCC, there is no agreed upon definition of what is meant by "addressing loss and damage". Over time a framework for differentiating types of approaches to address loss and damage has evolved but this is not the result of an agreement among Parties. In 2012, the UNFCCC prepared a literature review on approaches to address the risk of loss and damage (see: <u>UNFCCC</u>, <u>2012</u>) which acknowledges that loss damage will arise from a spectrum of climate impacts ranging from extreme weather events to slow onset climatic processes. It proposes that there are two aspects to addressing loss and damage: reducing the risk of loss and damage occurring in the future through mitigation, adaptation and risk management, and addressing loss and damage when it occurs. The literature review described four types of approaches to address loss and



damage: risk reduction, risk retention (such as contingency planning and social protection), risk transfer (including climate risk insurance) and approaches to address loss and damage from slow onset climatic processes.

These four typologies have been used to frame addressing loss and damage since 2012 with a significant focus on risk reduction and risk transfer (through climate risk insurance) in particular. In 2016, the Executive Committee which guides the WIM began developing a compendium on comprehensive climate risk management which was finalized in late 2019 (ExCom, 2019). The compendium includes four types of approaches to address loss and damage: risk reduction, risk retention, risk transfer and transformational approaches. It is important to note that just as there is no agreed upon definition of "addressing loss and damage" there is also no definition of "transformational approaches" though some work has been done to describe what transformation could mean in the context of Loss and Damage (see: Roberts and Pelling, 2019). In 2019, developing countries were invited to make submissions on the type and nature of actions to address loss and damage for which they require finance. A 2021 brief unpacked further what "addressing loss and damage" means based on the submissions of vulnerable developing countries and the needs at the sub-national and local level (Stamp Out Poverty et al., 2021). We agree that a more concrete definition of addressing loss and damage is needed that aligns with what vulnerable developing countries and the vulnerable people and communities require rather than what is palpable for funders and developed countries.

Ensuring that rising levels of loss and damage, both economic and <u>non-economic</u> in nature, do not further impede poverty eradication, impoverished and unhealthy childhoods, and energy access, will require a huge amount of high-quality finance to be mobilized. Projected financing needs to address loss and damage in developing countries, range between 290 billion and 580 billion USD by 2030 (<u>Markandya, and González-Eguino, 2018</u>). What is clear is that in the wake of extreme climatic events, loans will only further drive-up a country's debt levels (<u>Fresnillo, 2020</u>). As such, finance for addressing loss and damage must be provided in the form of grants. Doing so will ensure that the fiscal space for sustainable development does not further shrink. In addition, debt repayments must be cancelled or at the very least suspended, to relieve financial pressure and allow vulnerable developing countries to redirect



finance already in their budgets, to address extreme climatic events. We have that this issue is discussed during the upcoming <u>Glasgow Dialogue</u>, along with an engagement with the full breadth and scope of the needs of vulnerable developing countries for addressing loss and damage.

Addressing loss and damage is not a one-time commitment. Climate finance providers must work with vulnerable communities and countries and carry-out gender and equity analyses to identify evolving needs, which will change as more loss and damage is incurred. This is something we expect that the <u>Santiago Network on Loss and Damage</u> will support countries to carry out Loss and Damage Needs Assessments. To read more about this we would invite readers to have a look at the many excellent outputs of the Santiago Network project under the <u>Loss and Damage Collaboration</u>.

CONCLUSION

We must ensure that work on Loss and Damage under the UNFCCC focuses on addressing loss and damage, which is what Parties agreed is the role of the Convention and the mandate of the WIM. Doing so is essential to build the kind of global architecture we need to cultivate to ensure that vulnerable developing countries are supported and equipped to address loss and damage from the impacts of climate change. Addressing the <u>risks</u> of loss and damage puts the focus on future loss and damage, and ignores the current on the ground realities of loss and damage which is happening now. We call on all of those who are working on Loss and Damage to reflect the importance of addressing loss and damage in their work and in their framing of Loss and Damage.

In our original brief we stressed that Adaptation and Resilience as a theme marginalizes Loss and Damage and obscures the fact that the frequency and magnitude of loss and damage from climate change impacts is increasing. There is a real human toll to climate change which "adaptation and resilience" does not encompass. The COP 26 presidency responded positively to this call. However, the UNFCCC secretariat continues to refuse to reflect Loss and Damage prominently as a theme on its website, obscuring and sidelining an agenda that is critical for



over 130 developing countries. This reflects the power imbalance in the multilateral negotiations and must be called out and corrected. We therefore propose that the theme be called: Adaptation and Loss and Damage to reflect these two important policy agendas prominently.

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