

Loss and damage: taking stock and identifying priority areas for support

An action agenda based on the outcomes of a two-day workshop

On 5-6 December 2022, a group of about two dozen experts, including scientists and practitioners, met in Copenhagen for a workshop to discuss priority areas for support regarding climate change-driven loss and damage. This document summarises the main conclusions to which they arrived. This event was very timely, considering the heightened attention on loss and damage since COP26 in Glasgow and the establishment of a dedicated loss and damage fund at COP27 in Sharm el-Sheikh.

The aim of this summary is to identify, and raise awareness about, priority areas for action in loss and damage. In this regard, the UNEP Copenhagen Climate Centre will facilitate networking among interested individuals, including those who did not attend the workshop, to promote action on the priorities identified.

The main workshop conclusions are presented below, by topic.¹ Annex 1 lists all workshop participants. Annex 2 lists the background documents that were used to kickstart discussion.

1. Defining loss and damage

Intergovernmental negotiations about loss and damage have progressed in the absence of a commonly agreed definition. Despite the challenges associated with it, ambiguity has made it possible to advance on several fronts. However, with the creation of the loss and damage fund, and the increasing number of topics that are put under the loss and damage folder, ambiguity no longer appears like a viable option.

⇒ Actions that the group may seek to promote include:

- Develop a consensus definition of loss and damage – one that is both scientifically sound and workable from the viewpoints of national policy making and intergovernmental negotiations, with the goal of supporting both national and intergovernmental processes.
- Develop a definition that considers different types of movements in the context of climate change, including migration, displacement and planned relocation. The definition should frame human mobility in the context of climate change within a broad mobility management approach that considers forms of human mobility linked to averting, minimizing and addressing loss and damage (including considering specific forms of human mobility as a signal and a (non-

¹ The topics considered are those raised during the discussions among workshop participants. These discussions were spurred by six background documents prepared specifically for the workshop. Inevitably, the mix of participants and set of background documents shaped the conclusions of the workshop.

economic) parameter of loss and damage incurred by people and communities, a damage or a loss in itself, a determinant of loss and damage, or a measure to avert, minimize and address loss and damage).

2. Governing loss and damage

There is an acute need to strengthen the institutions that govern loss and damage. At the international level, and in addition to supporting current efforts under the Warsaw International Mechanism, setting up a loss and damage fund is the unquestionable priority (see 3, below). At the national level, support to (i) assessing likely-future loss and damage, (ii) setting policy priorities for loss and damage, and (iii) designing and implementing response actions are key needs that cannot be adjourned any longer.²

⇒ Actions that the group may seek to promote include:

- Map out institutional arrangements across governance scales, possibly using case studies to illustrate barriers and trade-offs across scales, and the polycentric nature of climate change governance.
- In addition to the economic losses and damages, responses should also consider addressing non-economic losses and damages, through for example psychosocial support and ensure the protection and enjoyment of political, cultural, and religious rights of those affected, including individuals and communities moving in the context of climate change.
- Supporting the integration of right-based and protection approaches in the development of mechanisms intended to address loss and damage, particularly for communities and individuals moving in the context of climate change, in line with relevant international law and frameworks, in collaboration with the concerned UN Special Rapporteurs and other stakeholders.
- Explore ways to better assess and address loss and damage associated with human mobility, and more specifically in the context of slow-onset processes.

3. Financing responses to loss and damage

The establishment of a loss and damage fund is generally seen as a positive development. Nevertheless, in the absence of progress with mobilizing funding, notably international concessional public finance, the fund will likely fall short of delivering the scale of funding levels needed. Furthermore, increasing funding flows in the current financial architecture is not necessarily the most efficient route to long-term financing and reduction of risks of losses and damages from climate change: this would probably involve a reform of the Bretton Woods institutions.

A clear gap in funding of loss and damage concerns “addressing” loss and damage (as opposed to “averting” or “minimizing” loss and damage³). While averting and minimising loss and damage remains important, it has overlaps with, and must not be in detriment to, funding for adaptation and

² The framing of loss and damage assessments must reflect local perspectives, which will vary across world regions. Similarly, response actions should be demand-driven, and must accommodate the diverging values and views one finds, notably among younger versus older generations.

³ See Article 8.1 of the Paris Agreement.

mitigation action. It is generally assumed that the fund will take time to materialise, which begs the question of what can be done to speed up the process, possibly by learning lessons from similar efforts outside the climate change convention for funding loss and damage, particularly for addressing them.

In the immediate future, agreement will have to be reached about critical operational issues such as the fund's objective and scope, mode of operation, including eligibility criteria and access, and aspects of governance, including accountability lines and the level of stakeholder participation, among other issues. A workable definition of "particularly vulnerable", as per decision texts⁴, would be most useful.

Against this background, a mapping of information gaps on actions funded and funding for loss and damage can be helpful, set in the context of developing country needs and priorities (their demand for funds). Different actors – civil society, donors, national governments, and academia, for example – will have different needs based on this mapping, and coordinating the plethora of near-future consultations will be of the outmost importance to avoid duplication and inefficiencies.

⇒ Actions that the group may seek to promote include:

- Develop clear demand from most vulnerable developing countries as to their funding needs to address loss and damage in particular, but also relating to averting and minimising loss and damage.
- Identify the multiple stakeholders in the current ecosystem that fund these actions across geographies, and establish if there are gaps in funding (by activity, region) and/or best practice to be learnt from existing finance flows. This includes, but is not limited to, a review of the extent to which existing funds already support loss and damage, to complement work by the Frankfurt School in the context of the Green Climate Fund.
- Identify best practice in funding, including governance of funds and impact of funds, for example, as well as identifying innovative modalities and instruments that can channel funds to national priorities and needs.
- Convene and workshop the different but complementary role of international and domestic, public and private finance, across the suite of actions demanded by developing countries to avert, minimise and specifically address loss and damage.
- Map out the scattered finance architecture that involves different sectors and keeps evolving in multiple channels, including domestic funding, remittances, international climate finance for adaptation, mitigation, loss and damage, humanitarian funding, or multilateral development banks investments.
- Assess the implications of Loss and Damage funding scenarios for human mobility.

4. Acquiring and managing data

In a loss and damage context, efforts to acquire and manage data suffer from two main shortcomings: there is a limited understanding of the type of data that national governments need,

⁴ See paragraphs 1 and 2 in the COP27 decision on "Funding arrangements for responding to loss and damage associated with the adverse effects of climate change, including a focus on addressing loss and damage"

and there is lack of clarity on how to connect and make available existing datasets. Any initiatives to respond to these shortcomings should ensure that the “voices from the frontline” are reflected in the data generated and used.⁵

⇒ Actions that the group may seek to promote include:

- Review institutional set-ups in a selection of developing countries, to identify common challenges and possible solutions.
- Take stock of efforts to engage with the insurance industry and map out gaps that could be bridged at relatively low cost.
- Conduct consultations with relevant line ministries and stakeholders to address challenges identified, especially to ensure coherence and availability of reliable data.
- Work towards the development of comprehensive datasets on human mobility in the context of climate change, providing comparable quantitative, longitudinal, disaggregated and georeferenced data.
- Work jointly to provide more comprehensive data which would capture, *inter alia*, the duration of people’s displacement, their return home or relocation elsewhere, those not sheltered in camps or people caught in long-term displacement, cross-border movements after disasters.
- Direct more efforts to collect data on economic and non-economic loss and damage, particularly, psychological impacts, access to food and water, impacts on health and access to healthcare, reduced safety of women and girls, reduced access to education and political representation, disruption of community, loss of sense of place and/or identity (cf. PDD 2022)
- Collect and analyze data on the various aspects of immobility in the context of climate change to inform action and protection of those affected by climate change and environmental degradation and are unable to move – often referred to “trapped populations.

5. Establishing a research agenda

As stated elsewhere, including in the latest assessment report by the Intergovernmental Panel on Climate Change, additional research is needed in loss and damage. For example, at present research outputs provide relatively little granularity regarding the multiple dimensions of loss – that is, the differences between, for example, biodiversity loss and loss of cultural heritage – and the connection between losses and damages. Not least, a mapping of research gaps and priorities is needed.

⇒ Actions that the group may seek to promote include:

- Prepare an IPCC-like assessment of the scientific literature on loss and damage – not as a substitute of an IPCC special report, but as a stocktake of the state of knowledge on this area, to bring existing streams of literature to bear in the debate.
- Through broad and inclusive consultations, including co-production processes involving affected communities, develop a research agenda for the coming five years.

⁵ Workshop participants referred to the project jointly implemented by Koko Warner and Kees van der Geest about a decade ago, and recommended that similar work is conducted, to increase our understanding about what loss and damage means to those affected by it.

6. Prioritising adaptation

As much as increased attention to loss and damage is a positive development, in that it represents a recognition of the need to manage present-day and likely-future residual climate change impacts, adaptation (and mitigation) ought to remain the main strategic policy choice. Making it so involves both a change in some framings of loss and damage, which unduly neglect adaptation, and an integrative approach to planning and financing, possibly by considering climate risks more systematically.⁶

⇒ Actions that the group may seek to promote include:

- Separately for different types of adaptation limits, explore possible thresholds and policy-relevant metrics as per the guidance provided in the workshop's Background Document #1.
- Ensure that climate finance isn't considered separately from broader development priorities. Ensure that climate adaptation investments, for example through resilient development needs are prioritized and mainstreamed. Accordingly, relevant actors should ensure that resources intended for climate adaptation are not redirected towards loss and damage.

⁶ Participants referred to the "prosperity plans" adopted in several developing countries as a possible framework within which climate risk management can be articulated in a more holistic manner. The role that funding channeled through the Santiago Network may play to achieve this goal was also referred to.

Annex 1: Workshop participants

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Bachofen, Carina (Red Cross Red Crescent Climate Center)

Bakhtiari, Fatemeh (UNEP Copenhagen Climate Center)

Barnett, Jon (The University of Melbourne)

Benlarabi, Hamza (International Organization for Migration)

* Botei, Ruci (United Nations Environment Programme)

Boyd, Emily (Lund University)

* Chandra, Alvin (United Nations Environment Programme)

Christensen, John (UNEP Copenhagen Climate Center)

Fogt Rasmussen, Julie (Concito)

Harting, Leona (UNEP Copenhagen Climate Center)

Kato, Miwa (United Nations Framework Convention on Climate Change)

Kreft, Sönke (Munich Climate Insurance Initiative)

Kyoon Lee, Myung (UNEP Copenhagen Climate Center)

Lamhauge, Nicolina (Organisation for Economic Co-operation and Development)

* Mechler, Reinhard (International Institute for Applied System Analysis)

Neergaard, Frode (Danish Ministry of Foreign Affairs)

Neufeldt, Henry (UNEP Copenhagen Climate Center)

Nordbo, John (CARE Denmark)

Puig, Daniel (University of Bergen)

Ramos Jegillos, Sanny (United Nations Development Programme)

Rijks, Barbara (International Organization for Migration)

Roy, Arghya Sinha (Asian Development Bank)

Salloum Lindegaard, Lily (Danish Institute for International Studies)

Söderberg, Mattias (DanChurchAid)

Szilvasi, Marek (Open Society Foundations)

Vanhala, Lisa (University College London)

van der Geest, Kees (United Nations University)

* Watson, Charlene (Overseas Development Institute)

* Indicates online participation.

Annex 2: Background documents presented

- Background document #1: Operationalising 'adaptation limits' in a policy context (Neil Adger, University of Exeter).
- Background document #2: Avoiding 'hard' limits to adaptation (Jon Barnett, The University of Melbourne).
- Background document #3: Governance arrangements that are suitable for 'damages' (Carina Bachofen, Red Cross Red Crescent Centre).
- Background document #4: Governance arrangements that are suitable for 'losses' (Lisa Vanhala, University College London).
- Background document #5: Actions to respond to climate change-driven 'loss' (Daniel Puig, University of Bergen).
- Background document #6: Elements that should be considered in a discussion about funding for 'loss and damage' (Charlene Watson, Overseas Development Institute).