

Climate Change Loss and Damage

1st July 2021
Online event

Event report

Climate Change Loss and Damage

1st Deliberative Dialogue Report

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Climate Change Loss and Damage:

1st Deliberative Dialogue Report

The Loss and Damage (L&D) discourse was initiated three decades ago, became institutionalised under the UNFCCC process through the Warsaw International Mechanism (WIM) in 2013 and was given formal recognition in the Paris Agreement in 2015. Since then, while L&D has been considered as an issue needing resolution in solidarity with the climate vulnerable and poorer countries under the international climate regime, there has been a significant gap in the understanding on the actions and support (technology, capacity and finance) needed to tackle L&D at national, local and community levels. This in turn is impeding constructive, concrete action on the ground in terms of appropriate policies, delivery mechanisms to provide finance and support.

Through a series of deliberative dialogues IIED and ICCCAD aim to support Least Developed Countries (LDCs), Small Island Development States (SIDS) and other actors from vulnerable developing countries address this issue by jointly exploring solutions to four critical questions: (i) Where and what type of action and support is needed?; (ii) What works and in which contexts?; (iii) How such action and support can be delivered?; and (iv) How it can be financed?. Through these deliberative dialogues, we hope collectively to:

- Create space for vulnerable developing countries and community members to tell their stories about L&D, communicate their priorities for action, share their solutions, and propose policy recommendations.
- Co-generate a shared narrative and collective vision for L&D action that is based on evidence and build a global coalition of allies committed to communicating that vision in formal and informal spaces.
- Establish a process that builds confidence between vulnerable developing countries (LDCs, SIDS), climate activists and developed countries on how to work differently together.

This process will culminate with the launch of a joint 'Political Roadmap' for action to avert, minimise and address L&D risks by 2030.



The first deliberative dialogue in this series was held on 30 June with a small Friends Group comprising of vulnerable country representatives to firm up the issues to be taken to the wider deliberative dialogue. The wider deliberative dialogue was organised on 1st July 2021 with 48 participants from a range of stakeholders **including** vulnerable developing countries, CSOs, NGOs, developed countries and multilateral agencies, focused on exploring the realities of Loss and Damage and the factors to consider in responding.

What are the realities of Climate Change Loss and Damage and what should we consider in responding?

To tackle Loss and Damage (L&D), it is important to develop a clear understanding of the actual and potential risks of L&D in different contexts, the factors that influence the likely scale of impacts and how and at what level they can be tackled most effectively. This can help policy makers and other stakeholders to adopt appropriate approaches when anticipating and planning responses to tackle L&D. The first deliberative dialogue explored these issues through the following questions:

Session 1. What is the nature of L&D risks?

Challenges

Climate change L&D is understood to occur when the limits of adaptation within a particular system have been reached, or where adaptation has not been optimally implemented, because they are unaffordable, socially difficult to implement or physically and technically not viable.

Understand different types of L&D risk. L&D impacts are caused by a wide range of hazards, ranging from extreme weather events such as flooding, droughts or cyclones, to long-range slow onset events such as sea-level rise, soil salination, desertification and glacier loss. They will also be highly varied, depending upon the socioeconomic and ecological context and the specific risk tolerance of a community, region or country. L&D impacts range from economic impacts that can be readily quantified, such as damage to infrastructure, loss of land value and reduced productivity, and others that cannot be expressed in monetary terms, such as loss of biodiversity, cultural heritage, identity or social cohesion, and while some damage may be reversible, many losses will be permanent. L&D impacts will also manifest differently for different people (e.g. women, children, disabled, indigenous, marginalised or poor people), regions (small islands, land-locked areas, coastal regions) and countries (different fiscal capacities, political structures, infrastructure, institutions). Finally, L&D risks may be consecutive and compounding, meaning that recovery from one impact may not be complete before the next shock hits, causing a cascade of loss and damage. It is therefore necessary to understand what forms L&D impacts are likely to take, who is likely to be impacted and how, so that responses can be designed to address the specific vulnerabilities of the countries, regions, communities and households that are most at risk.

Priority solutions co-identified by participants

Develop an operational framework for L&D. L&D issues cannot be adequately addressed unless we understand them clearly and use that interpretation to inform decision making and financing. There are multiple ways in which L&D risks may be framed. L&D could occur from a single unprecedented event or due to a number of consecutive risks creating compounding impact. Unprecedented events could be interpreted as: 1. new types of impacts that were not witnessed earlier; 2. impacts of similar types of climate events but of higher magnitude (intensity); 3. impacts of the same type and magnitude, but with greater frequency than prior; and/or 4. the frequency and intensity of events compounding to make recovery to the previous state impossible.

Integrate secondary and tertiary impacts in L&D framing and response. L&D does not just cause direct loss of lives, livelihoods, assets and infrastructure but often creates secondary and tertiary consequences. For instance, L&D in Caribbean countries has impacted the delivery of essential services with long-term impacts upon health and education for young people. In some countries L&D is having far reaching impacts on mental health and wellbeing and social structures, with women, girls and people living with disabilities becoming exposed to new forms of exploitation, slavery and trafficking once affected by climate shocks. For example, in Barbados people affected by climate impacts who have no means to protect themselves are suffering mental trauma and anxiety due to incessant rains and recurring shocks. In Senegal many young people are dying enroute in their efforts to migrate to Europe.

There can be no clear line between adaptation and L&D. The discourse on tackling L&D should not focus on trying to find a way to differentiate between the two. These issues operate on a continuum and there is no clear reference point where they can be distinguished from one another - even adaptation cannot be absolute. Even in situations where a community is able to cope with an extreme event there will always be some form of L&D experienced by the poorest, whether in the form of livestock or asset

loss, higher debt, distress migration etc. As climate shocks change or compound, previous adaptation strategies may fail. Treating them separately will not help L&D, rather there is a need for tools to operationalise L&D assessment and guide effective responses. And as with adaptation, there is a need to make L&D risk assessment a norm rather than the exception and start having the conversations about how to respond if or when adaptation interventions fail.

Rapid learning is needed on how L&D is currently experienced. Many countries are already experiencing new types, forms and intensity of climate impacts that they are not equipped to handle. In 2017 the Caribbean faced 3 category 5 hurricanes, which is unprecedented, causing damage in some countries that exceeded their GDP. In 2019 hurricane Dorian in the Bahamas did serious damage and there were so many storms that they ran out of the alphabet to name them and had to go to the Greek alphabets. While such unprecedented events are occurring with increasing frequency and intensity at the same time some Caribbean countries are experiencing droughts for the first time. Planning for, responding to and recovering from such unprecedented events are not just beyond the national budgets of affected countries, but also exceed the current knowledge, skills and capacity of governments, civil society and communities. To deal with this issue there is a need to develop estimates of the costs of managing different risks so that countries are prepared and can incorporate risk informed budgeting and planning. But in doing so, there has to be a recognition that economies of LDCs and small islands may not be able to support the types of solutions that are required – and in such cases external concessional funding should be put in place in advance to help countries deal with the impacts rapidly. There is also a need for focus on south-south capacity building and learning from experiences of other countries facing similar crisis.

“The number, frequency, and impacts of different climate events are becoming far more common compared to past and new forms of impacts are now showing up which we don’t know how to handle”

Climate impacts are dynamic and responses to them need to be dynamic too. The leaked IPCC report points to concerns that whilst we have tried to adapt to a certain set of impacts, we are not able to keep up with the rate of changing climate – and as the need for adaptation efforts are increasing, so does support for those facing the limits of adaptation. Many countries are not able to keep pace with the L&D from slow onset or extreme weather events, for e.g. in Grenada, hurricane Ivan completely wiped out the resources on which country’s GDP is dependent. In Trinidad & Tobago beaches and sandy cliffs have been lost permanently and the vulnerability profiles of local groups have changed because the livelihoods on which they relied upon cannot be pursued any longer. There is a need to identify the right set of tools to assess the nature of L&D risks in different contexts over different time frames, taking into account future uncertainties and fat tail risks, and to develop options to respond to them in those specific conditions.

Policy and finance options for L&D need to be understood in context of poor countries and communities. Smaller countries with economies reliant on limited sources of revenue (tourism, agriculture) are unable to respond to climate impacts in a timely fashion. It normally takes many years for such countries to recover from an extreme event and as the intensity and frequency of extreme events keep increasing, every year they are more exposed to compounding impacts. Thus, building back ‘better’ becomes practically unviable because they are in a state of perpetual recovery, makes it even harder to focus on long term solutions. Poorer and marginalised groups dependent on natural resources are most vulnerable and often those most impacted by L&D risks – for example, a fishing community dependent on marine resources are deeply affected by climate shocks that effect the viability of fish stocks because they lose their livelihood resource base and do not have fungible assets they can use to move into new livelihoods as conditions change around them. With no fish in the sea, their fishing boats and nets are worth little. Similarly, many pastoralist communities across Africa have lost their livestock due to increasingly frequent and more intense droughts. Without animals to tend their livelihoods have been lost and they have few assets to rely on or other livelihoods options that are viable in their ecological context.

“More attention should be paid to people and communities hit by compounding risks and hazards”

Early action is the key to protecting against loss of lives.

Anticipatory action to move people to, including plans to relocate and resettle displaced communities, or to provide people with cash or other forms of support before disasters strike can reduce loss of lives and livelihoods. But interventions such as relocation may come with significant economic, social and cultural costs. Even temporary relocation has consequences. In Bangladesh during the Amphan cyclone, early warning support helped move exposed communities to cyclone shelters, but while lives were saved their livelihood base was completely wiped out and will now need rehabilitation support to bring their lives back on track.

“with the threats of L&D clear and now growing, the real challenge is to find out how it can be dealt with without waiting around to only respond after the event”

There will be unforeseen consequences of L&D. Given the secondary and tertiary effects of a loss and damage event, not all consequences are likely to be foreseen and responses prepared. The dialogue discussion noted concerns around the potential relationship between climate change and violent conflict. Whilst a causal relationship between climate change and conflict has not been substantiated, there is a growing body of work highlighting the important role played by climate change as a multiplier of vulnerability in contexts affected by conflict in West Asia and North and West Africa. Similarly, the dialogue discussed the possible connections between climate impact, displacement and vulnerability to forms of modern slavery. Although again there is no firm link established from research, anecdotal evidence from major climatic events show that members of displaced communities - especially women and girls - become more vulnerable to trafficking, forced labour, forced marriage and sexual exploitation.

“Modern Slavery and Human Trafficking triggered by climate change are examples of loss and damage that have yet to be fully understood”

Session 2. What are the critical elements of a framework for managing L&D risks?

Challenges

Addressing L&D risks across the wide range of national and local contexts requires the use of a multiplicity of contextually specific approaches. The dialogue agreed we need to better understand which approaches and practices are likely to be most effective to address different forms of L&D, and to use that evidence to inform international and national policies and practices on L&D. In this context:

How are countries dealing with L&D risks now? It will be useful to understand what has worked or not worked and under what circumstances – and whether these actions focused on:

- (i) Preventing risks before events occur: experiences of forecast based finance or risk informed early action, e.g. Kyrgyzstan lists prevention of L&D as an adaptation target in their NDC.
- (ii) Minimising impacts during events: experiences of a rapid humanitarian response and livelihoods protection e.g. communities taken to cyclone shelters in Bangladesh during Amphan cyclone.
- (iii) Addressing reversible and irreversible impacts: recovery, rehabilitation and relocation e.g. Kiribati has already purchased land in other countries to facilitate migration.
- (iv) Transformative measures to address intolerable risks in the future: e.g. Trinidad & Tobago are integrating long term climate risks and building flexibility into national development pathways; Marshall Islands 2050 Climate Strategy identifies elevation of assets, consolidation of population to elevated islands and relocation as options under consideration.

Priority solutions co-identified by participants

Learn from existing approaches to L&D risk management. There are many existing initiatives that are already being tried out at country and regional level that have been effective in managing L&D risks in different contexts and with different degrees of success and failure that offer learning for other countries facing similar issues. A few of the examples mentioned during the dialogue included:

- **Pathways approach** in Trinidad and Tobago – because it is iterative and offers flexibility in national planning approach to respond to crisis, it can help prevent maladaptation, and offers the opportunity to adopt a multi-sectoral approach.
- **Social protection** – can reduce L&D risk for vulnerable households by providing a safety net that can protect assets and livelihoods from loss and damage and reduce the need for displacement if delivered in a timely fashion; can equip the most vulnerable with the opportunity to respond independently to L&D risks - for instance by providing a portable right to basic income families have the opportunity to move or change livelihoods and post-migration would help prevent exploitation. Whilst the Caribbean's reciprocal rights to social protection offers insights to this, the dialogue discussion noted the scheme would need to be supported by adequate funding.
- **Forecast based finance** – offers potential to protect vulnerable groups from shocks before they happen or to provide disaster response quickly and appropriately. It was noted however that FbF needs further exploration given differing evidence on the scale of benefit and impact because (i) currently it is only sparsely piloted and not much evidence is available on the benefits e.g. access to digitized forecasting of risk and (ii) in the humanitarian sector there has been work on anticipatory action and forecast based finance, which show that they yield positive, but potentially not transformative and possibly maladaptive impacts.
- **Improving forecasting and understanding of forecasts** at local level as a risk management tool e.g. through programmes like DARAJA, REAP, FOREWARN. Improving climate science for the forecasting of early warnings led to different outcomes of 2015 and 2016 El Niño events, where better uptake of knowledge and scientific advances were reported by participants to have benefited climate risk management.

“integrated approach that builds regional cooperation and focusses on the climate-induced migration, social safety nets, providing decent work”

Risk management tools can be customised to capture information to manage L&D. Existing tools for managing climate risks could be improved to offer more a effective framework to manage the complex and diverse aspects of L&D risks such as Non Economic Loss and Damage (NELD), slow-onset L&D or to investigate L&D under a range of future warming scenarios. In this, both local, traditional or indigenous knowledge as well as technical and scientific data should be collected, validated and used at national level for planning. For example in Fiji shifting communities to other locations is causing NELD, but this is not currently captured in the planning process. Also, the less visual elements of L&D need to be given attention in assessments such as (a) secondary and tertiary impacts, e.g. kids dropping out of school, domestic violence or (b) slow onset impacts like soil erosion, which is currently not adequately considered.

“L&D shouldn't just have technical focus on hazards but commensurate focus on structural underlying vulnerabilities”

Strengthen institutional capability for dealing with L&D. Support systems are already stressed by climate shocks as well as Covid-19 and the 'sticking plaster' approach that we have relied on in the past will not be adequate for long-term solutions. Even in Bangladesh and Nepal, where disaster response mechanisms are fairly well developed, the existing institutions, assessment protocols and response measures are a magnitude of order away from what is needed. International funding needs to be directed towards strengthening the institutional and governance delivery mechanisms that ensure finance, technology and capacity building support reaches the local level for a timely response. The focus of these support systems should be to move from response to proactive anticipatory support to households, communities and enterprises dealing with frequent disasters. Further, there is an urgent need to shift from working in silos to a whole of a society approach – for example, ensuring that humanitarian actors understand climate change L&D and speak to ministries dealing with climate impacts and that both actors are working with development interventions that work at local levels at real scale. L&D in its practical reality has to do with development, DRR, adaptation and humanitarian aid, but is currently getting lost in theoretical, academic debates in and out of the negotiations.

Integrating risk into national planning processes. L&D is addressed on an ad-hoc basis and countries and communities are often caught unaware. In Malawi there is now a joint secretary on disaster risk and climate change because they are realising the link. There is a need to put risk assessment into national planning processes so that countries are prepared to respond to the crisis when it strikes. National governments should integrate climate change L&D risks into all countries' development goals and strategic plans. This should consider the range of possible risks, potential impacts and contingency plans. Not all ministries and sub national governance may understand climate risks so it is important that governments strengthen their existing risk management approaches by integrating the full range of climate risks.

“Need to put L&D risk assessment into national planning processes.”

Consider gender and intersectionality in responding to different types of L&D impacts. When dealing with L&D it is important to consider the specific impacts climate change can have on women, children, disabled and other excluded groups, including secondary and tertiary impacts - and how these can erode the gains of SDGs. For example, a flood may not only impact women more seriously than men, but loss of livelihoods may cause an increase in domestic violence against women and children. Similarly, climate impacts may cause an increase in mental health issues as women and men, girls and boys deal differently with grief, anxiety and a lack of hope for the future. These issues require different types of support depending on the specific context, but need to be incorporated into planning and response mechanisms.

Session 3. How can citizens be engaged in defining the appropriate response to L&D risks?

Challenges

The starting point for addressing L&D in many countries have been formalised planning processes like National Adaptation Plans (NAPs) and Nationally Determined Contributions (NDCs). While these provide a useful means for systematically identifying short term adaptation needs, they do not provide a mechanism through which support needed to deal with longer term issues can be set out. Neither do they capture the hard and soft limits of adaptation in different contexts, nor reflect how support will need to differ across the range of local contexts in the country. Given the scale of the challenges being faced by communities, livelihoods groups or by whole nations, decisions on the appropriate response will not be straightforward. In this context it is important to consider how to engage citizens in considering what are appropriate responses, what the threshold of tolerable risk is and given the limits of what a government can do, what options remain.

Citizen's engagement for addressing L&D. Given the contextually nuanced challenges of L&D, a citizen driven approach to planning and decision making could help governments work through tricky issues where radical interventions such as planned relocation or changing the livelihoods base may need to be considered. Community engagement and endorsement is anyway necessary for success – but drawing on the range of local perspectives across a country would help reduce the likelihood of unintended consequences and perverse incentives. Examples of citizen engagement from Ireland in delivering public services show the value of different modes of engagement, from informing or consulting citizens to involving them in decision-making, collaborating with them and empowering them. The Pacific tradition of Talanoa Dialogues also shows the value of taking an inclusive, participatory and transparent approach with participants to build trust and advance knowledge through empathy and understanding.

Priority solutions co-identified by participants

Community involvement and inclusion in decision making process. The dialogue agreed policy approaches and responses on L&D should ensure community engagement at all levels. This can be achieved by engaging communities in bottom-up planning which allow people to participate in decision making processes and feed into government responses. It is critical that the most affected communities are deciding what unacceptable levels of risks

“Good governance is crucial - to establish the trust to have an open discussion with citizens.”

are for them and how to manage them. This will help in ensuring that the traditional knowledge of communities on dealing with those risks are considered, and that they are empowered to mobilise themselves in times of crisis and become effective first responders. But for this to work, certain challenges need to be considered: (i) reaching out to stakeholders effectively – whether a one off or annual process – needs to be properly resourced to be done well. Donors and governments need to ensure there is adequate time and funding allocated for the process to be properly inclusive; and (ii) mechanisms for communities to engage with governments may need to be strengthened or even developed from scratch, and dedicated support may need to be given to the more excluded groups - including women, children and young people, marginalised ethnic groups - to support their political capabilities and amplify their voice.

Consider dimensions of L&D in terms that matter to the poor and marginalised. A problem regarding citizen engagement on L&D is that economic assessments only consider what is easily costed – assets like infrastructure – and tend to exclude things that cannot be monetised. As the asset base of poor households is generally small, and given they may rent rather than own assets outright, they may not have many tangible economic losses. Their intangible losses may however be significant, but these do not feature adequately in formal planning and response measures. This has been seen in many large infrastructure projects where both formal and informal homes have to be demolished yet government policy for compensation is only provided to registered landowners and squatters or communal land holders are excluded. Organisations working on L&D should incorporate approaches that address all the needs of everyone who could be negatively impacted and consider the wellbeing losses of the poor and excluded alongside economic losses of the better off.

“empowering communities to mobilise themselves in times of crisis”

Ensuring meaningful participation. Citizen’s assemblies on L&D will need to have mechanisms for political accountability. This will require political will to hold meaningful consultations that are not just a tick box exercise, and to be willing to listen to citizens and allow communities to participate meaningfully in decision processes. There would be value in ensuring communication with communities is not only when government requires or wants it, but rather development partners could also support communities directly to bring forward ideas and have a platform to speak and be heard on issues that could be challenging to governments.

Create a space for mutual trust. Effective responses require mutual trust between governments, local leaders and communities. Governments and development partners will need to create the right processes for community engagement, where people can build trust and can share their issues, needs and priorities in a safe environment. In too many countries people do not trust the state to understand how difficult or risky the challenges they are facing are. However, much of the success or failure of a response mechanism depends on all parties listening and acting on information from other stakeholders. Experience shows that communities do not always listen to governments when asked to evacuate during a crisis either because they are too distant to trust them, or past experiences has undermined their faith in the government. In these cases, the government can partner with local leaders (local NGOs, women's groups, etc) to mobilise communities effectively for a rapid response like evacuation.

“thinking about trust between government and citizens and who are trusted messengers.”

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A series of deliberative dialogues have been initiated to co-generate a shared narrative and practical solutions for tackling climate change loss and damages (L&D) with vulnerable developing countries, CSOs, NGOs, developed countries and other key actors. The first event in this series explored the realities of Loss and Damage in different country contexts and what we should consider in responding to them.



Event
Materials

Climate change

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