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IMPLEMENTING LOSS AND DAMAGE FUNDING

Insights from community-led projects



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FOREWORD

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Community-led loss and damage responses are sustainable, durable, and culturally appropriate. Loss and damage directly affects the lives, livelihoods, and homes of grassroots communities who have various and often intersecting roles within their families and communities. Loss and damage doesn't only impact one part of their lives – it has a cascading effect that impacts family and community members differently, with women and girls often bearing the brunt of loss and damage impacts as they are often managers of resources in the home. Loss and damage impacts don't only occur once and then stop – they are recurring and need sustainable and durable responses, which will require more responsive governance systems and flexible financial flows. Communities know firsthand which responses and solutions are most effective and which are not, and how much flexibility is needed. Community-led loss and damage also advances the agencies of those most affected, supporting their experience and wisdom – a necessary step towards transformative justice.

EXECUTIVE SUMMARY

The harshest effects of climate-induced loss and damage are faced by communities already living in poverty, who have faced historical injustices such as colonialism and marginalization, and who have contributed least to the climate crisis.

Since 2021, the Climate Justice Resilience Fund (CJRF) has taken a community-led approach to funding organizations in such communities to address loss and damage. This brief highlights examples and lessons learned from those efforts. Key lessons include:

- Loss and damage funding needs to be able to support a diverse range of activities. Funding mechanisms should be designed with this in mind.
- Funding community-led measures to address loss and damage is not only possible, it is practical. Community leadership grounds activities in contextual realities and enables them to be relevant to those who have experienced the loss and damage.
- Addressing loss and damage is not a “one and done” activity. Communities often continue to experience loss and damage on an ongoing basis, so funding needs to allow for an evolution of priorities over time.
- Communities should not have to bear the burden of distinguishing adaptation from loss and damage.

These initial lessons offer valuable insight for the global community following establishment of the Loss and Damage Fund at COP27. The learnings can help inform decisions about a community-led approach to addressing loss and damage, including the possibility of a community window for the fund.

INTRODUCTION

Climate-induced loss and damage is reshaping the reality of millions of people worldwide. 'Loss and damage' covers the negative impacts of climate breakdown on humans, societies, and the natural environment. Every country in the world will feel the effects of climate change. However, developed countries can shield themselves from some of the bigger impacts through their ability to finance efforts to adapt to climate change. Developing countries that have contributed least to the climate crisis will bear the burden of adaptation, and – once limits to adaptation have been reached because of limited finance or hazards that cannot be adapted to – loss and damage.

Since COP26 in 2021, finance to address loss and damage has become a reality, and COP27 in 2022 closed with a historic agreement to create a specific fund for loss and damage. Although the idea of fund was agreed to at COP27, decisions around where it will be housed, what it will fund, and how it will operate are still being made. In the meantime, communities on the frontlines of climate change continue to bear the brunt of climate impacts. To begin to address the loss and damage experienced in these communities, the Climate Justice Resilience Fund (CJRF) has funded locally-led interventions around the world. Funding from the Scottish Government, the first wealthy country to specifically fund loss and damage, has enabled CJRF to program £1m worth of grants to reach communities in areas including Bangladesh, Malawi and the Pacific.

CJRF's loss and damage portfolio includes a diverse set of interventions. The range of interventions identified by partners highlights that although loss and damage finance should be additional to finance for adaptation, adaptation and loss and damage are not mutually exclusive. For example, rebuilding homes with more resilient designs and materials in places less vulnerable to climate-induced flooding would address both adaptation and loss and damage. In other cases, loss and damage finance addresses impacts that are no longer connected to adaptation; for instance, by providing resources to ensure migration is as positive an experience as it can be, and memorializing village centers that have had to be abandoned.

Ensuring the people who are most impacted have the agency to determine and prioritize their own responses to the loss and damage they have experienced is not only just; it also enables more context-specific and appropriate interventions. CJRF's funding to date on loss and damage has tested a variety of methods to ensure that local organizations and community members determine what activities should be implemented.

Going ahead, CJRF will be programming an additional £5 million from the Scottish Government towards interventions focused on addressing non-economic loss and damage (NELD). Sometimes termed 'invaluable loss', this refers to less visible or quantifiable losses as a result of climate breakdown. This can include the loss of family, community, physical and mental health and well-being, sacred sites, and culture. This program of work will build on the lessons learned from the first phase of work, which are described briefly below. CJRF has also partnered with Stockholm Environment Institute (SEI) to release a more in-depth review of lessons from its first phase in November 2023.

WHAT HAVE WE LEARNED FROM ADDRESSING LOSS AND DAMAGE IN ACTION?

At COP26 in Glasgow, the Scottish Government committed £2 million to addressing irreversible climate-induced loss and damage. Over the course of 2022, the Climate Justice Resilience Fund (CJRF) programmed £1 million of these funds to support community-led work in areas including Bangladesh, Malawi and the Pacific. These first-of-their-kind projects are already yielding practical insights into how to address loss and damage. This brief highlights some of the experiences and lessons from this work that can inform the Loss and Damage Fund established at COP27.

The Loss and Damage fund established at COP27 has an opportunity to learn from CJRF's cutting-edge community-led examples of how to address loss and damage. The full set of initiatives informing this brief is described on CJRF's dedicated website page.

- The new fund must be ready to support a very diverse set of activities. Measures must be designed and funded for their specific local context because loss and damage evolves over time and is inevitably linked to long-standing injustice. The fund should sustain support over the long term and make it possible to adjust activities over time in response to changing circumstances.
- The new fund should support community leadership in loss and damage solutions to ensure measures are designed and funded for specific contexts. Community members are best placed to efficiently take into account a range of contextual factors and therefore avoid misallocation of funds. Their solutions are likely to ensure that the funding impacts are sustainable, meaningful, address real needs, and support people's right to self-determination.
- Communities and individuals continue to experience loss and damage, even after it has 'been addressed'. For instance, climate-forced displacement can lead to unsuccessful migration, or communities can identify additional funding needs after relocation. The fund should work in ways that allow loss and damage priorities and interventions to evolve over time as needed.
- The fund should set up systems to determine the additionality of finance at its source, not at the point of use, to ensure measures are designed and funded for specific contexts. Communities must have leeway to layer loss and damage funds with sources of finance not specific to loss and damage.

KEY INSIGHTS FROM CRJF-FUNDED LOSS AND DAMAGE PROJECTS

MIGRATION DUE TO LOSS AND DAMAGE CAN BE A CHOICE – OR NOT

22-year-olds Md Saimun and Md Helal can be found in the Pollimangol Bazar in the Bagerhat district of Bangladesh - about a five-hour drive from Dhaka - providing services as electricians and fixing cell phones. Over the past decade, their families were uprooted and displaced several times after Cyclone Sidr in 2007.

Having lost their homes, agricultural land, livestock, and sources of income, their fathers tried alternatives such as pulling rickshaws and daily unskilled labor. They also tried income-generating activities with loans that left them trapped in debt. Ultimately they had no choice but to migrate, leaving their families struggling in homes that continued to flood every full and new moon.

Saimun and Helal did not want to migrate as their fathers had. Instead, they received training in their skills of choice through a loss and damage project implemented by Helvetas Bangladesh, Shushilan and DORP. This coalition provides people who do not have the capability to migrate, or who prefer not to, with skills training through an apprenticeship model, linking them with mentors and employment opportunities after they complete their training.

For people who want to migrate, the project also supports them to do so successfully. For example, the coalition will offer skills training to better equip people to find employment in their new location, and connect them with people who can help.

KEY TAKEAWAY

Addressing loss and damage means ensuring people have the dignity of choice - and supporting their choices to be successful and sustainable over time.



Image: Helvetas

Having a choice of whether to migrate is only possible when the person has enough resources to choose to adapt and stay - if that is still a possibility. For people who are not so fortunate, they become trapped. 'Trapped people' may aspire to move, yet don't have the capacity to migrate - but they also have such limited resources that they cannot successfully adapt in their current location.

Another CJRF-funded loss and damage project implemented by Young Power in Social Action (YPSA) in Bangladesh highlights how trapped people often don't migrate after climate-forced displacement, due to poor kinship networks or a fear of moving to an urban area. Instead, they usually begin living in temporary settings on the sides of roads, embankments, or other unsafe public lands. In these spaces, they have no basic amenities, no access to sanitation or educational facilities, and face a tremendous crisis of social bonding and cohesion. They live without their basic needs or rights. About 70% of such households experience displacement more than twice. YPSA's loss and damage efforts help displaced people in Bangladeshi communities meet their basic needs, including shelter.

KEY TAKEAWAY

For trapped people, addressing loss and damage means addressing immediate, basic needs as well as ensuring they know their rights for longer-term support and assistance.



Image: YPSA



Image: CARD

EXPERIENCES OF LOSS AND DAMAGE EVOLVE OVER TIME

Loss and damage is the result of an extreme weather event, multiple consecutive extreme events, slow-onset climatic impacts, or both sudden and slow-onset events occurring simultaneously.

In Malawi, CJRF began funding Churches Action in Relief and Development (CARD) to address the loss and damage in Chikwawa district from consecutive tropical storms, Ana and Gombe, which hit in 2022. CARD found there were members of the community that did not want to relocate away from their homes in low-lying areas, despite the risks of staying. After Cyclone Freddy hit in 2023, these community members volunteered to relocate and needed additional support to do so.

KEY TAKEAWAY

This experience highlights the persistent nature of loss and damage that some communities will experience, and the evolving responses people have as a result of the ongoing loss and damage they face - which requires predictable and flexible funding.

Narikoso Village is one of the few communities in Fiji that has undertaken phased relocation inland due to rising seas. However, the relocated families' new homes are located at the top of a hill which makes access to the rest of the community and to communal facilities, including the school, challenging – particularly during wet seasons. The community identified the need to build a footpath that stretches from the top to the bottom of the hill to allow children to travel safely to school, and for people living with disabilities to have a safe path to go back and forth. The footpath will also support the community during disasters by providing a safe and reliable evacuation route.

KEY TAKEAWAY

Narikoso's experience shows how relocation is not the end of the loss and damage story; it is only the start. The ongoing process of addressing loss and damage needs to continually be informed by community needs and supported over time.

CLIMATE-INDUCED LOSS AND DAMAGE IS INEXTRICABLY LINKED WITH BOTH ONGOING ADAPTATION EFFORTS AND NON-CLIMATIC HISTORICAL INJUSTICES THAT UNDERPIN VULNERABILITY TO CLIMATE CHANGE

In Malawi, CARD has initiated production of soil-stabilized bricks for the construction of new, more resilient housing for families who lost their homes during tropical storms Ana and Gombe. Soil-stabilized bricks are more sustainable than traditional bricks, which are fired in firewood-based kilns that contribute to deforestation. The production of soil-stabilized bricks also provides employment for youth.

KEY TAKEAWAY

This example highlights the multiple benefits a loss and damage intervention can have – in this case more resilient housing, sustainable construction practices, and youth employment. Enabling communities to prioritize their own solutions will likely result in interventions with multiple benefits.

In the 1940s, Fiji's colonial rulers forcibly displaced the people of Banaban Island, which then underwent years of mineral exploitation that left the island uninhabitable. The Banaban People are now an autonomous People living on the Fijian island of Rabi, where they continue to fight for justice for their people while experiencing severe climate impacts. For example, the Banabans' Tabwewe Village depends on rainfall for its water supply, but for the past few years it has received very little. The CJRF-funded loss and damage project implemented by the Unitarian Universalist Service Committee (UUSC) supported Tabwewa to put in place community tanks for rainwater harvesting, which now allow community members – especially women – to access fresh water without a long walk. This was the first internationally funded project for Tabwewa, which is also using the funds to install solar powered streetlights and to create healing spaces for Banabans who are living with grief and trauma.

KEY TAKEAWAY

Communities experiencing loss and damage may have experienced historical injustice over decades, and climate change impacts – that have not been addressed by adaptation – represent yet another source of loss. Not all communities will be equally impacted by a given climate hazard; historical injustice and lack of adaptation funding are also determinants of loss.

OPPORTUNITIES FOR THE LOSS AND DAMAGE FUND

The new Loss and Damage Fund must allow for finance to flow in an agile and flexible enough manner to enable people to have a choice about how to address the loss and damage they experience.

Such choice results in more successful interventions because they account for local context and nuanced understanding of needs. More to the point, self-determination of solutions is the appropriate, just approach to addressing loss and damage.

The fund must be open to supporting a very wide range of activities. The activities that communities have chosen to implement with CJRF funding range from:

- Providing basic services immediately after an extreme weather event, to relocating homes before disaster strikes.
- Purchasing livestock to support traditional livelihoods, to skills training for entirely new livelihoods.
- Creating climate-resilient construction materials for more resilient homes, to creating healing spaces for people battling colonial and climate change-induced trauma.

Just as important, the fund must recognize that loss and damage tends to accumulate over time, with multiple extreme weather events one after another, or slow onset events like sea level rise exacerbated by sudden-onset events like a storm. To contend with this, communities require funding that supports agile re-adjustment of interventions.

In conclusion, CJRF's first year of supporting work under Scotland's loss and damage funding has shed light on several important characteristics of activities that address loss and damage:

A very large spectrum of different activities are all relevant. The right to choose among them should rest as much as possible with those experiencing the loss and damage.

Community-driven solutions often offer multiple benefits that overlap with adaptation and resilience efforts. This is a positive outcome to be celebrated and supported, not evidence that climate-induced loss and damage somehow isn't real or doesn't deserve a specific focus.

Activities will evolve over time in order to effectively address evolving problems. Funders must be nimble enough to support this evolution.

These learnings raise key considerations when it comes to additionality of climate finance. Loss and damage shares significant overlap with adaptation; recognizing and accommodating this overlap is necessary for implementation of loss and damage measures to succeed. However, loss and damage also addresses circumstances beyond the limits of adaptation, as when land or culture is permanently lost or people are forced to move. To balance these two realities – the overlap and the distinction between adaptation and loss and damage – it is important that distinct streams of clearly additional loss and damage finance be created, with additionality determined at the funding source, not at the level of funded activities. Not doing so risks adding to the burden of those already shouldering the heaviest consequences of the climate crisis.

CONCLUSION

The lessons in this brief show that channeling loss and damage finance to community-led projects is possible. There are diverse ways to address loss and damage but, when possible and appropriate, ensuring the approaches are community-led enables meaningful and effective interventions. As decisions around the Loss and Damage Fund are made at COP28 and beyond, these early lessons from grants already implemented can inform the increase in funding we expect to see channeled towards loss and damage. Ideally, the fund will include a window specifically for community access that will enable locally determined ways of addressing loss and damage.

Estimates for loss and damage costs in developing countries range from \$290-580 billion in 2030 and reach \$1-1.8 trillion in 2050. Negotiators, government funding agencies, and philanthropies need to take a stance for climate justice by channeling new and additional finance towards this challenge. Ahead of and at COP28, developed countries have the opportunity to step up and support those suffering most from the impacts of the climate crisis layered upon historical, non-climate-induced injustices.



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