



# Humanitarian insights for Loss and Damage

Debbie Hillier, Mercy Corps – 7 July 2023

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# First steps to agree loss and damage funding







# Addressing loss and damage: Insights from the humanitarian sector

Authors: Paul Knox Clarke, Debbie Hillier

# Context: how humanitarian action and LD intersect

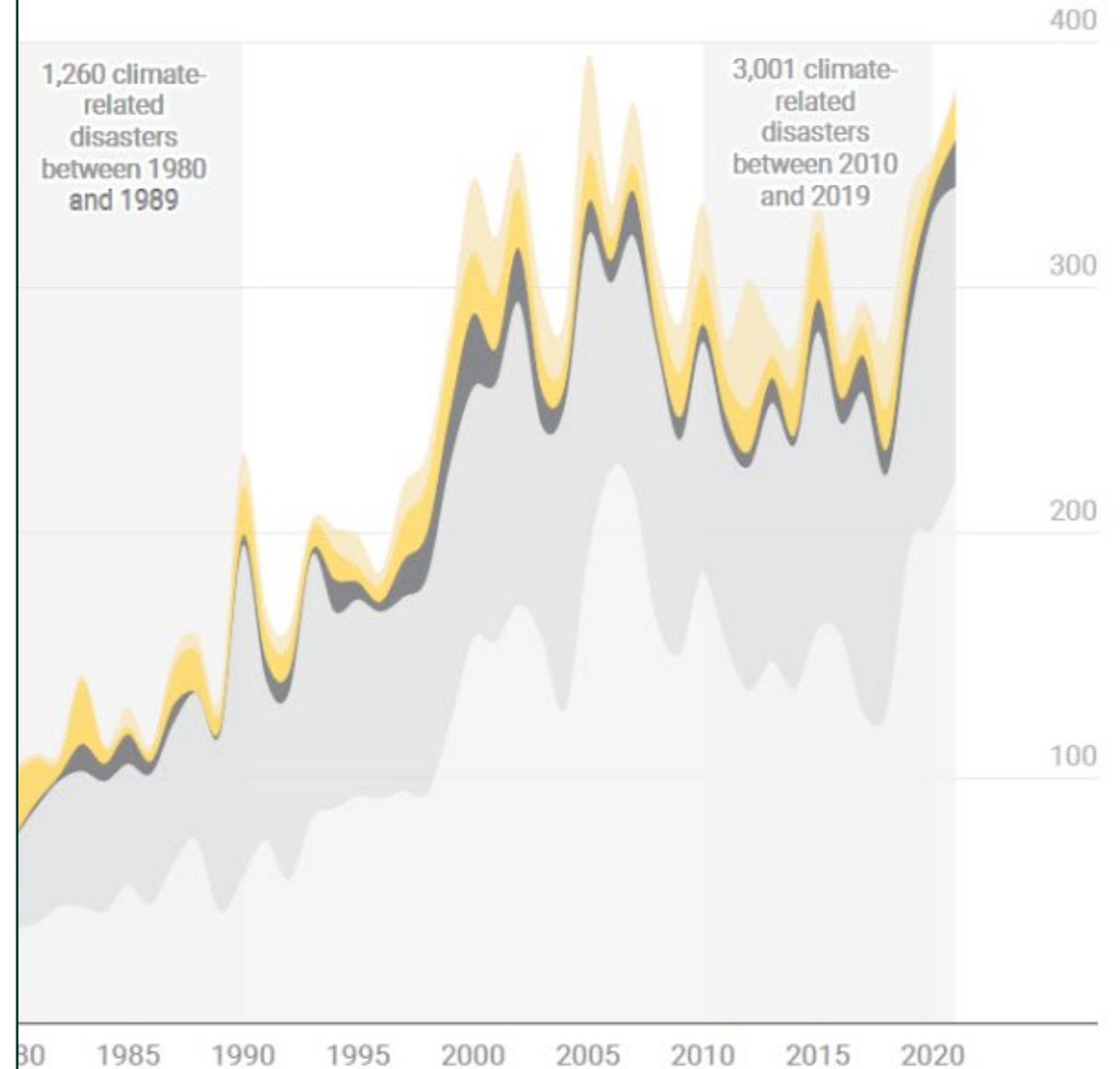


# Climate-related disasters almost tripled in current decade compared to 1980s

Flood occurrences tripled, while the number of extreme-temperature was six times more during the same period.

Flood Storm Drought Extreme temperature Wildfire

**Growing number of extreme events leading to loss and damage**



Avert

Minimize

Address



#### AVERT RISK

The more greenhouse gas emissions are reduced, the less climate risk will be faced.



Less action taken = bigger  
**MITIGATION GAP**



#### MANAGE RISK

The more livelihoods and wellbeing are adapted to the changing climate, the better the risk will be managed.



Less action taken = bigger  
**ADAPTATION GAP**



#### TRANSFER RESIDUAL RISK

The stronger the social and financial protection provided, the more risk will be transferred.



Less action taken = bigger  
**PROTECTION GAP**



#### RETAIN RESIDUAL RISK

The better relief, rehabilitation and relocation support is, the fewer negative impacts will be experienced.



Less action taken = bigger  
**RESPONSE GAP**

# A global climate policy framework on Loss and Damage

Source: Zurich Flood Resilience Alliance



Failure to act on Mitigation, Adaptation, and Loss and Damage leads to:

**Catastrophic impacts borne by vulnerable women, men, children, communities, and ecosystems**

Dimensions of loss and damage	Focus of current international humanitarian action	Existing gaps for international humanitarian action
<b>Economic loss and damage</b>	Household and community level	Macro level Large economic enterprises
<b>Non-economic loss and damage</b>	<i>Individual:</i> Life; short term health; short term displacement	<i>Individual:</i> Long term health; human mobility <i>Society:</i> Territory; cultural heritage; indigenous knowledge; identity <i>Environment:</i> Biodiversity; ecosystem services
<b>Drivers of loss and damage</b>	Large-scale rapid onset	Smaller-scale rapid onset Slow onset
<b>Types of loss and damage activity</b>	Mostly (up to 90%) response Also some risk reduction, preparedness, and early recovery	Major areas of risk reduction, preparedness, and early recovery  All areas of longer term recovery (including reconstruction, resettlement, and ecosystem rehabilitation)
<b>Operational contexts</b>	Mostly (up to 80%) highly fragile, conflict affected and refugee hosting states	Many other states

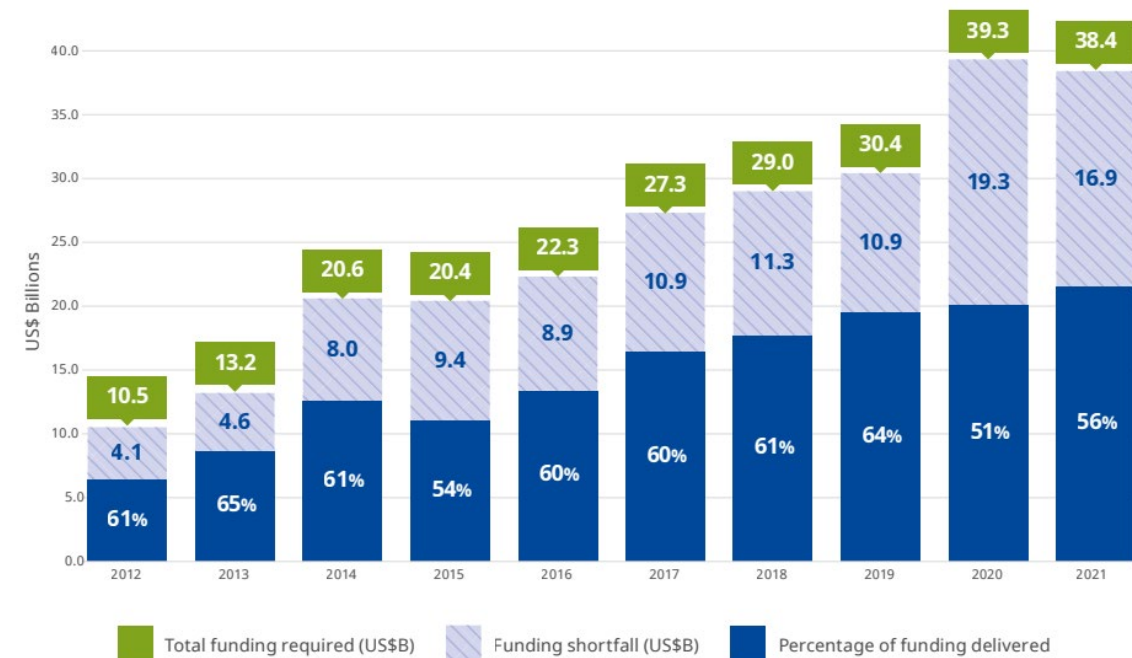


# A few key lessons



# New and additional funding is needed

- UN coordinated appeals are, on average, only 60% funded.
- Simple relabelling of humanitarian funding as loss and damage funding by donors/contributors cannot be the solution
- Humanitarian funding is discretionary and somewhat donor driven - LD funding should be based on UNFCCC principles of CBDR-RC and could be based on obligatory assessed contributions.
- LD funding needs a coherent and transparent approach to deciding where funds are spent and adjudicating between competing and changing priorities.



# Loss and damage funding should be designed for speed

Delays in the provision of effective support can lead to escalating and compounding needs.

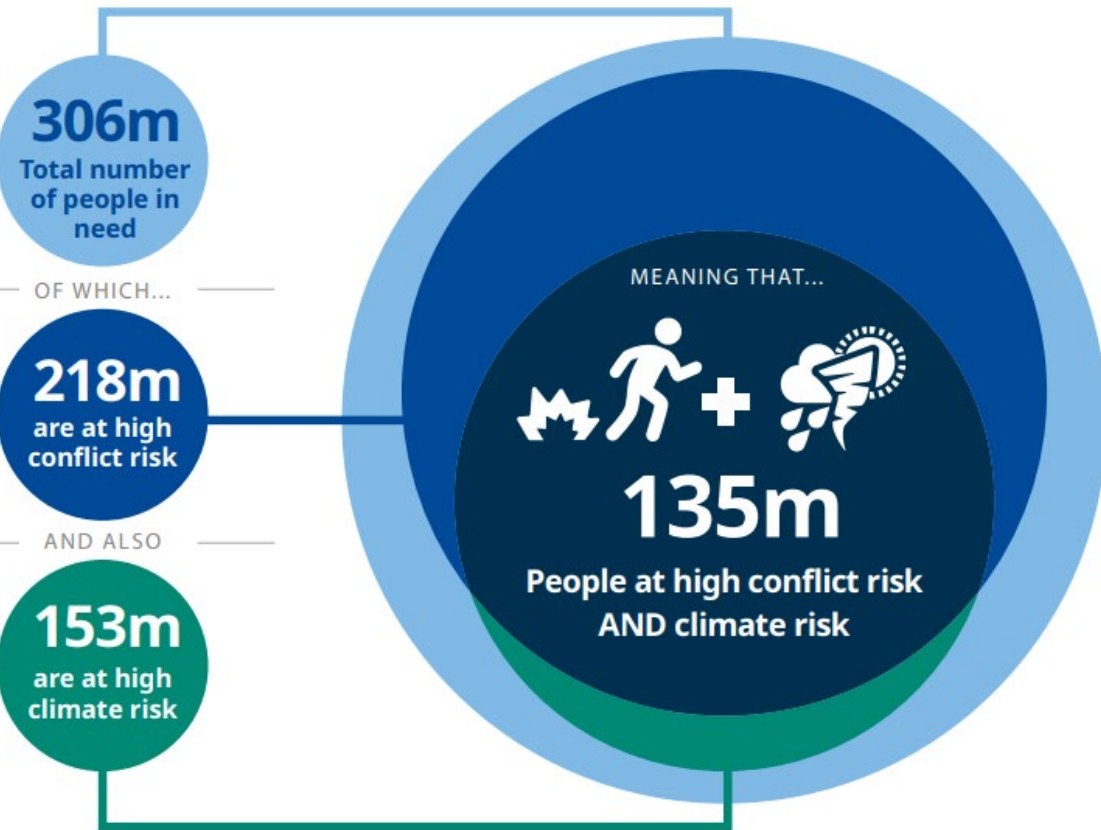
Practices developed by the humanitarian sector to support a swift response:

- **Pooled funds** – It takes on average 12 days from proposal to disbursement for the CERF, and in practice, response begins earlier than this. Similarly IFRC DREF, Start Fund, and CBPF.
- **Systems and processes** - surge personnel on standby, cluster system, Inter-Agency Emergency Response Preparedness, FEWSNET and the El Niño alert system
- **Approaches** – cash and Anticipatory Action

Clearly the LD fund should not set up duplicatory processes and systems for rapid onset crises.



# Dire need to look at communities affected by climate and fragility



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Highly climate vulnerable countries received **less than US\$1** per person in climate adaptation or disaster risk reduction funding

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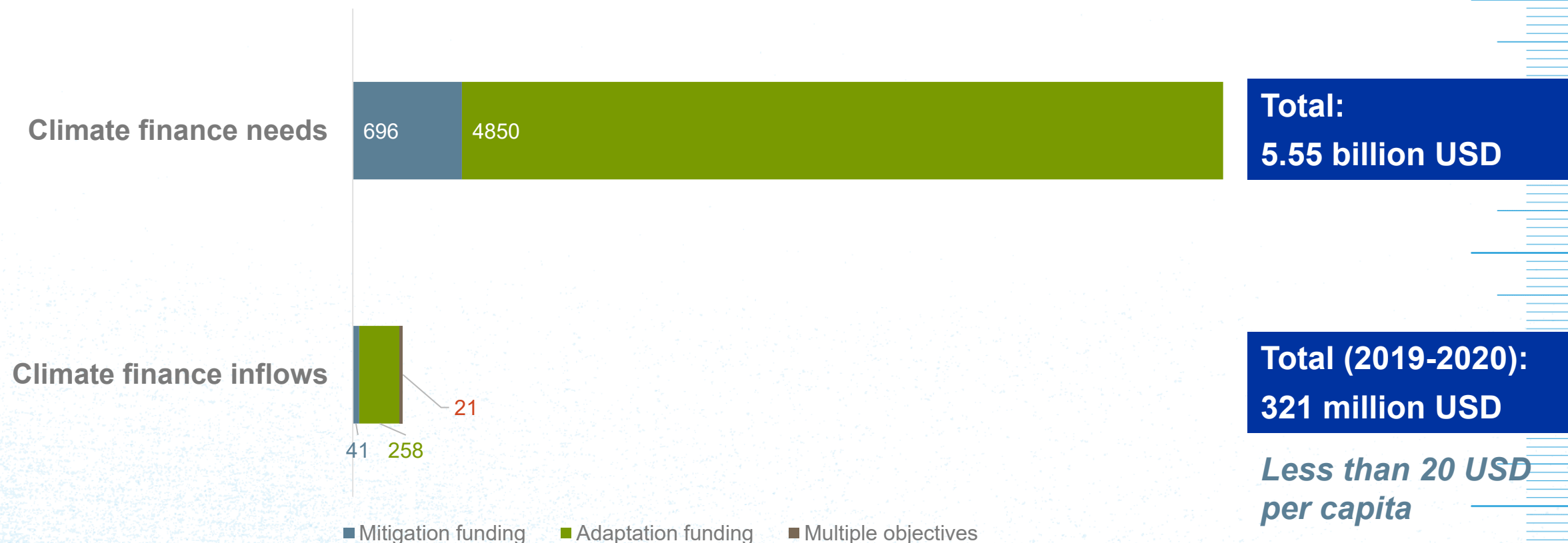
of these countries were fragile or extremely fragile

17

of these countries were facing protracted crises

Extremely fragile states averaged \$2.1 per person in adaptation financing compared to \$161.7 per person for not-fragile states.

# Zooming in: Somalia's annual climate finance needs and inflows





# How can climate finance manage this risk?



Improve risk appetite and tolerance - need a more sophisticated analysis of risk to better understand **perceived** risk verses the **real** risks of operating in different places



Do no harm - adopt conflict-sensitive guidelines or measures so interventions do not exacerbate drivers of conflict



Work through a diversity of actors, channels, local organisations



Operational flexibility – use tools like crisis modifiers, adaptive programming principles, anticipatory risk reduction approaches



Use locally-disbursed funding pots to enable funding to be spent in line with community needs and perspectives



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# Thank you!

# Any Questions?

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