

An aerial photograph of a coastal wetland, likely a mangrove or salt marsh system. The image shows a dense network of winding waterways in shades of blue and green, interspersed with patches of brown and tan land. The water appears to be shallow, reflecting the sky and surrounding vegetation. The overall pattern is highly irregular and organic, characteristic of natural wetland formations.

# L&DCC

THE LOSS AND DAMAGE COLLABORATION

CONCEPT NOTE: *Project on Loss and Damage Finance*





## **The Loss and Damage Collaboration (L&DC) :**

### **Project on Loss and Damage Finance**

#### **Where Are We At The Moment?**

The outcome of COP 26 significantly raised the profile of the need for scaling up finance for addressing loss and damage in vulnerable developing countries, and we believe that we have contributed meaningfully to this somewhat successful outcome.

The L&DC was significantly active in the lead up to COP26, during which time it produced more than three briefs dedicated to loss and damage finance (for example see [here](#), [here](#), [here](#), or [here](#)), and saw strong synchronisation of work done by our members.

The L&DC partnered in developing a global strategy on Loss and Damage with CAN and LDYC in the lead up to COP 26 which focused on Loss and Damage finance (L&DF). This collective work contributed to significantly raising the profile of L&DF, both inside and outside the negotiations. In 2022, we will scale up our finance working group, thereby making it one of our flagship projects.

#### **What Do We Want To Achieve In 2022?**

There are two key issues for L&DF which we intend to address. The first is to be able to mobilise finance at the scale of the needs. [Research](#) has projected that the economic cost of loss and damage per year will be between 290 billion and 580 billion USD by 2030 alone, escalating thereafter. These projections do not account for the impacts of the COVID-19 pandemic. In vulnerable developing countries households on the frontlines of climate change are currently [bearing the brunt of the cost of loss and damage](#). The cost of addressing loss and damage is additional to the cost of adaptation, the estimated annual cost of which is now in the upper range of the projections for 2030: between [140 billion and 300 billion USD per year](#). We will therefore need to mobilise trillions of USD in climate finance to meet the needs on the ground.

The second issue we intend to address in our work on L&DF is providing thought leadership on how finance should be channelled to vulnerable developing countries and the vulnerable people and communities within them. This will include work on both a finance facility under the UNFCCC and a fund outside of the UNFCCC. Developing countries and many global thought leaders including Mary Robinson and Laurence Tubiana have articulated their expectation that a finance facility be established at COP 27. We will continue our work on L&DF to ensure that this expectation is realised.



## What Would We Do To Achieve These Goals?

Our **key intended outputs** as part of the loss and damage finance project include:

- The delivery of **three workshops and dialogues** to bring key actors and stakeholders together to discuss key issues related to Loss and Damage finance and develop strategies for ensuring that finance is mobilised at the scale of the needs. These workshops and dialogues, to be convened throughout the year in the lead-up to key events such as the UNFCCC intersessional, meeting of the G7, IMF and World Bank and COP 27, and would draw on the briefs below.
- The coordination of at least **three briefs and background papers** on L&DF including:
  - o What are the core operational principles, potential modalities and institutional arrangements for channelling financing establishing a facility on Loss and Damage?
    - For a L&DF facility under the UNFCCC
      - Separate focus on highlighting accessibility for directly affected communities
    - For a separate fund/funding channel(s) outside of the UNFCCC
      - Philanthropic modalities versus a public multilateral institution
      - Potential role of core multilateral institutional players
  - o How can we mobilise finance at the scale of the needs for addressing loss and damage?
- The **development of visualisation and communication/outreach efforts**, which include:
  - o Use of video clips/visuals, graphs. We also envision an “explainer video” for how a L&DF facility could function;
  - o Testimonials from communities, people and countries on the need for L&DF, and how they would use it.

## Who Would We Work With?

**Potential partners** include the Pratiki Resources Centre based in Nepal, the International Centre for Climate Change and Development in Bangladesh, ENDA Energie in Senegal, Power Shift Africa based in Kenya, Practical Action, the Climate Action Network, ActionAid, Stamp Out Poverty, Heinrich Boell Stiftung Washington DC, Germanwatch and the Stockholm Environment Institute.

## What Resources Do We Need for the Project on Loss and Damage Finance In 2022?

The indicative budget for this project is **£150,000**. It includes time for the individuals who would be engaged in the research and development of at least four briefs or background papers and organising and convening at least four workshops or dialogues. It also includes time for an African expert on L&DF to liaise with, raise awareness and strengthen the capacity of African CSOs to engage on L&DF in the lead up to COP 27.