



ISLAMIC RELIEF

CLIMATE ACTION POLICY PAPER:
LOSS AND DAMAGE

In 2022 record-breaking rains in July and August, described as “a monsoon on steroids” by the United Nations (UN) Secretary-General, left a third of Pakistan under water and caused widespread devastation and destruction. The floods killed over 1,700 people, uprooted a further 7.9 million from their homes and caused \$30 billion worth of damage to infrastructure, livelihoods and the economy. Over 1.7 million hectares (4.4 million acres) of crops were wiped out, more than 2 million homes damaged or destroyed, and over 800,000 livestock perished.

Islamic Relief (2023) *Towards a resilient Pakistan: Moving from rhetoric to reality*

As in Pakistan, poor and vulnerable countries and communities least responsible for climate breakdown are already facing most of its negative impacts in the form of both extreme weather events like hurricanes and floods, and slow-onset processes such as desertification and rising sea levels. Scaling down emissions and building resilience against the impacts of climate change can only take us so far. Some negative impacts and damages are already unavoidable. The inevitable consequences of human-caused climate change have collectively come to be known as ‘Loss and Damage’.

Loss and Damage describes the impacts of climate change that have not been averted or minimised through adaptation and mitigation activities, and which are already a lived reality for people around the world. Loss and Damage includes permanent and irreversible losses, such as to lives and livelihoods, homes and territory, for which an economic value can be calculated; and non-economic impacts, such as the loss of culture, identity, ecosystem services and biodiversity, which cannot be quantified in monetary terms.

The cost of Loss and Damage in developing countries is projected to be \$290-\$580 billion by 2030. Substantially scaled-up finance is therefore essential for vulnerable countries and communities to recover from the climate impacts they are already facing and to rebuild their livelihoods and economies. While finance for averting and minimising Loss and Damage has been mobilised in the form of funding for mitigation and adaptation, finance for addressing Loss and Damage remains a matter of negotiation, apart from insufficient and unreliable humanitarian aid.

‘Because industrialised countries have been responsible for the majority of emissions into the atmosphere since the beginning of the industrial revolution, they must adopt and compensate less developed countries for the Loss and Damage they have caused’.

Islamic Relief Somalia



Balochistan Pakistan July 2022

Balochistan floods emergency response, Pakistan, 2022

Following nearly 30 years of advocacy, at the 2022 global climate summit in Sharm el-Sheikh in Egypt (COP27), delegates achieved a breakthrough and agreed to establish a fund for addressing Loss and Damage. This historic decision needs to be promptly and meaningfully implemented

Islamic Relief wants several principles and criteria to be met in establishing the new Loss and Damage Fund, to ensure it is fit for purpose:

- The fund needs to come under the auspices of the UN Framework Convention on Climate Change and the Paris Agreement, like in the Green Climate Fund. However, those affected need to be equitably represented on its Board, meaning a majority for recipients including marginalised groups and Indigenous Peoples, not 'shareholders' as in multilateral development banks. The fund should be an operating entity of the Financial Mechanism of the Convention and the Paris Agreement and guided by their principles and provisions.
- Finance should provide support for responding to rapid-onset events in the aftermath of climate disasters. It should also be available for continued recovery, rehabilitation, reconstruction, other forms of remedy, and alternative livelihoods for communities facing slow-onset events. It must cover both economic and non-economic losses and damages.
- There must be direct access to the fund for sub-national and local actors, in particular affected communities, women, youth, Indigenous Peoples, people living with disability, and civil society organisations working directly with them for both rapid response and addressing slow-onset impacts.
- Actions supported by the fund must respect, promote, and consider human rights. These include the right to health; the right to a clean, healthy, and sustainable environment; the right to development; the rights of Indigenous Peoples, local communities, migrants, women and girls, children, youth, people with disabilities, and people in vulnerable situations, as well as gender equality and intergenerational equity.
- Finance provided under the fund must be new and additional to other finance. It should be separate from existing development and humanitarian assistance and other types of climate finance, such as mitigation and adaptation funding.
- Poorer countries have heavy, unsustainable debt burdens – so loans will only lessen their capacity to respond adequately to repeated and compounding climate shocks. Support must be provided in the form of grants so that addressing Loss and Damage does not increase the debt and poverty levels of people, communities and countries already coping with multiple crises.



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