Africa suffers the worst climate change impacts in the world despite contributing the least to the problem. Beyond mitigation and adaptation, the Loss and Damage Fund announced in 2022 at COP27 could help. At COP28, the Transitional Committee tasked with operationalising the Loss and Damage Fund must ensure the fund compensates for losses and damages incurred by African people displaced by climate change impacts.
Key findings

- Climate change is a growing driver of forced displacement – a record 7.4 million people in sub-Saharan Africa were displaced internally by climate disasters in 2022.
- African countries lose 3–5% of GDP annually responding to climate change vulnerabilities, with some countries as high as 15%.
- ‘Loss and damage’ were first introduced to the United Nations Framework Convention on Climate Change in 1991. Wealthy countries acknowledged the injustice of low polluters suffering the worst climate effects but resisted funding loss and damage for fears of liability. In 2022, 200 nations finally agreed to establish a Loss and Damage Fund to compensate vulnerable countries.

Until now, displacement has repeatedly been neglected as loss and damage linked to climate change that requires compensation.

Displacement can trigger cascading social and environmental losses of, for example, livelihoods, community ties, food, water, education and healthcare, future opportunities and safety. People incur significant economic and non-economic losses and damages when forced to flee their homes. If they cannot return, the costs rise exponentially.

Many questions remain about how the Loss and Damage Fund will address mobility, including migration, displacement, immobility and planned relocations.

Recommendations

The Loss and Damage Fund should:

- Acknowledge displacement as a key cause, result and feature of loss and damage incurred by vulnerable people. Decisions on arrangements, structure, governance and terms of reference and disbursement modalities should focus on averting, minimising and addressing forced displacement in the context of climate change.
- Prioritise vulnerable countries that are left behind by other climate funding streams and create innovative, flexible, accessible non-debt tools for communities suffering the most, despite the barriers.
- Apply gender-responsive funding and interventions that include mobility considerations and representation in decision making.
- Prioritise children and youth, who are at high risk for long-term outcomes due to displacement. Youth should participate in governance, design and decision making.
- Empower local governments and communities to lead local strategies and determine where and how to address loss and damage.
- Include considerations for specific vulnerable groups such as pastoral communities and previously displaced people.
- Prevent maladaptive practices by understanding the socio-economic and political landscape and identifying groups that will benefit or risk being excluded.
- Use evidence-based research and ensure measures account for the links between climate change, migration and displacement. A rigorous evidence base is needed on mobility in the context of loss and damage that informs policy and practice.
Introduction

Despite contributing only 3–4% of historical global carbon emissions, Africa suffers the worst climate change impacts in the world. According to the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report, Africa has already suffered extensive losses and damage, including biodiversity loss, water scarcity, reduced food production, loss of life and reduced economic growth. Climate change is a growing driver of forced displacement – a record 7.4 million people in sub-Saharan Africa were displaced internally by climate disasters in 2022. The previous record (2020) was 4.4 million.

All regions are projected to experience worsening climate change impacts. In 2022, every region of the continent experienced extreme weather events, including at least 29 flooding disasters across every region, tropical cyclones in Southern Africa, wildfires in Central and North Africa, and drought and famine across many countries in East Africa, and Chad and Niger in West Africa.

One of the cornerstones of the 2015 Paris Agreement was the ‘polluter pays’ principle. Wealthy countries with historic responsibility for causing the climate crisis recognise that fossil fuels and other emissions contribute significantly to their economic prosperity. Requests for developing countries to forego similar growth to mitigate carbon emissions are unjust and greatly diminish development for many people and countries. Wealthy countries must provide financial assistance to developing countries to reduce emissions and adapt to their impacts. Losses and damages have been estimated at US$447 billion to US$894 billion annually by 2030 in developing countries alone. Yet only US$6 billion out of the global total of US$30 billion of adaptation finance flows to Africa.

Inequity, conflict and development directly influence how vulnerable countries and communities are to climate change impacts. Human and ecosystem vulnerability are interconnected; lack of infrastructure, resources, and stability heightens sensitivities to climate impacts and constrains adaptation capabilities. According to the IPCC 2023 Sixth Report, mortality from droughts, storms and floods between 2010 and 2020 was 15 times greater in highly vulnerable countries. The 20 countries that accounted for 90% of humanitarian funding in 2018 produced only 5% of carbon emissions.

Communities across many parts of Africa are experiencing the cascading effects of climate change.

Chart 1: Internal displacement by disasters in sub-Saharan Africa, 2013–2022

Over 250 million people in Africa suffer from high water stress and are unlikely to have sustainably managed water sources by 2030.\(^9\) Rural and coastal populations relying on agriculture, fishing and pastoralism face diminishing returns and increased pressures of scarce resources. Urban populations, particularly those in informal settlements, face growing vulnerabilities from environmental threats and a lack of infrastructure and services. Communities are sustaining unrecoverable losses and damages due to climate change eroding development and human rights. These include displacement, disruption of public services, mortality, injury and disease, loss of community and physical and mental health.\(^{11}\)

Climate change can exacerbate security risks where poverty, violence, injustice and social instability are present.\(^{12}\) In areas with pre-existing tensions or conflicts, competition over diminishing resources poses a high risk of fuelling tensions and violence. Climate change acts as a threat multiplier in many African countries. Numerous African climate hotspots are in existing conflict zones. According to the International Committee of the Red Cross, 60% of countries considered the most vulnerable to climate change are affected by conflict.\(^{13}\)

Many African conflicts are rooted in competition over control of and access to land and other natural resources.\(^{14}\) Conflict regions are disproportionately vulnerable to climate change impacts because their adaptative capabilities are already limited by dealing with conflict, and they are more likely to concentrate their resources on security or economics.

Climate change is driving forced displacement through both sudden-onset disasters and slow-onset changes. As Africa’s population grows and climate change impacts intensify, human mobility is expected to increase. Today, climate mobility accounts for approximately 1.5% of the African population, projected to increase to 5% by 2050. Only a tiny fraction of this movement is expected to be across borders (500,000 to 1.2 million); most of the movement will be internal – up to 110 million internal migrants by 2050.\(^{15}\)

According to the UN Economic Commission for Africa (UNECA), climate change costs African countries 3–5% of gross domestic product (GDP) annually responding to climate change vulnerabilities, with some countries as high as 15%.\(^{16}\)

According to an analysis by the Heinrich Böll Foundation, the loss and damage costs incurred by developing countries due to significant climate disasters in 2022 alone were at least US$109 billion. This did not include smaller weather events or slow-onset impacts. The analysis concludes that the costs of economic and non-economic losses and damages will be between US$447 billion and US$894 billion annually by 2030 in developing countries and will probably increase further.\(^{17}\)

Climate mobility accounts for about 1.5% of the African population, projected to increase to 5% by 2050

A 2022 report by the Vulnerable Twenty (V20) Group of 58 (including 24 African) poor and vulnerable countries estimated that V20 countries had lost one-fifth of their wealth over the past two decades and would have been 20% wealthier today without climate change.\(^{18}\) This totals around US$525 billion. The most at-risk states have lost 51% of all GDP growth since 2000 due to climate change. They would be twice as wealthy today. It notes irreversible non-economic losses such as ecosystems, social structures, land, livelihood, lives and culture.

The report estimates that African countries lost between 5% and 15% of GDP per capita growth between 1980 and 2019. The most significant losses were suffered by South Sudan (-15.9%) and most moderate by Madagascar (-0.4%).

Economic losses in vulnerable countries will accelerate as temperatures rise. Funds are needed to compensate for loss and damage, and offset the rising costs of loss and damage. In 2022, the V20 and Climate Vulnerable Forum issued a report that called on COP27 to:

- Establish an international financing mechanism for climate change loss and damage in solidarity with victims least responsible for, and least equipped to withstand, the increasingly extreme shocks driven by climate change.\(^{19}\)

The report compares Tuvalu, a country where a surge in official development assistance (ODA) during a
What is loss and damage?

While ‘loss and damage’ is used regularly within the UNFCCC and among practitioners, there is no official definition. In climate negotiations, it refers to consequences of climate impacts that are beyond adaptation and mitigation measures.

The IPCC’s Sixth Assessment Report noted that as the magnitude of climate change continues to grow, so does the likelihood of climate change exceeding adaptation limits. These impacts are ‘beyond adaptation’, whether due to a lack of finances or feasible measures. Soft limits describe when adaptation measures exist but are financially out of reach. Hard limits represent when no reasonable measures exist to avoid intolerable risks.

‘Damage’ refers to something that can be recovered or repaired. Economic losses affect infrastructure, housing, goods and services, agricultural land and crops, livestock and other assets. ‘Loss’ refers to things that cannot be retrieved. This includes loss of life, damage to biodiversity, cultural ties, indigenous knowledge, biodiversity, disrupted education or forced displacement from ancestral homes.

Non-economic losses can be incalculable but can be equally or more devastating. Funding is required to help people and communities cope or recover from these losses and attention must be paid to the social infrastructures on which communities base their lives.

Sudden disasters such as storms, floods or extreme heat often cause immediate losses and damages, while slow-onset changes such as drought, desertification or sea level rise often cause slower losses and damages.

Road to the Loss and Damage Fund

One of the most celebrated outcomes of COP27 in Sharm el-Sheik in 2022 was the agreement to establish a Loss and Damage Fund. Through continued resistance from wealthy countries, it took over 30 years to achieve. The opposition was based primarily on concerns that agreements would open the door to legal liability and compensation.

The concept of loss and damage was first introduced by Vanuatu in 1991 on establishing the UNFCCC. Vanuatu demanded that the global community address loss and damage caused by climate change. A mechanism was...
proposed for social and economic justice for countries that had contributed the least to climate change while bearing the brunt of the crisis, but the UNFCCC was established without it.

In 2007, the Bali Action Plan at COP13 included references to loss and damage but did not commit to action or funding.24 At COP16 in Cancun in 2010, the UNFCCC recognised the need to strengthen international cooperation and expertise to understand better and reduce loss and damage, and develop an approach to address it in developing countries experiencing the worst climate change impacts. A work programme was established.

In 2013, at COP19 in Warsaw, parties established the Warsaw International Mechanism for Loss and Damage associated with climate change impacts (WIM) to avert, minimise and address loss and damage.25 The WIM promotes the comprehensive, integrated and coherent implementation of approaches to address loss and damage. It strives to achieve this by enhancing and sharing knowledge, strengthening dialogue, coordination, coherence and synergies among stakeholders, and enhancing action and support including finance, technology, and capacity building on loss and damage. The WIM has not secured or delivered funding.

In 2015, the Paris Agreement emphasised the importance of ‘averting, minimising and addressing’ loss and damage and catalysing sustainable development to reduce them. It recognised loss and damage as an independent pillar. Article 8 focused on loss and damage but did not include finance-related provisions. Instead, the accompanying decision explicitly stated that it ‘does not involve or provide a basis for any liability or compensation.’26

In 2019 at COP25 in Madrid, parties established the Santiago Network on Loss and Damage (SNLD). The SNLD was established to ‘catalyse the technical assistance of relevant organisations, bodies, networks and experts to implement relevant approaches.’ It seeks to connect vulnerable countries with technical assistance providers, knowledge and resources addressing loss and damage.27 Parties did not identify funding or funding instruments aligned with the SNLD.28

At COP26 in 2021 in Glasgow, a large coalition of climate-vulnerable countries argued for funding specifically for loss and damage that was again rejected. Instead, countries created the Glasgow Dialogue to discuss possible loss and damage funding arrangements. Some countries pledged to support the SNLD, including €30 million from EU countries, but rejected a proposal from the G77 to establish a new funding facility.29

Scotland made the first bilateral contribution of £2 million, becoming the first country to break the taboo and commit to loss and damage funding. It was a small but symbolic contribution. At COP27 in 2022, 200 nations agreed to establish a Loss and Damage Fund to compensate vulnerable countries and communities. Scotland made an additional pledge and was joined by funders such as Denmark, Belgium, Austria, Germany, and the European Union, making small but meaningful commitments to loss and damage.30 The Transitional Committee on the operationalisation of the funding arrangements and new fund for responding to loss and damage resulting from climate change has been tasked with launching the fund’s structure, purpose and operations at COP28 in Dubai in November 2023.

Scotland’s £2 million bilateral contribution made it the first country to commit to loss and damage funding.

In March 2023, Scotland became the first nation to make a loss and damage payment to Malawi’s vulnerable people affected by climate change. Of the £2 million the country pledged in 2021, £500 000 went as a grant to the Scottish Catholic International Aid Fund for projects in six Malawian villages impacted by tropical storms to rebuild and build new flood embankments and schools. £1 million went to a partnership with the Climate Justice Resilience Fund to address loss and damage across multiple continents. The final amount from the original pledge went to the International Centre for Climate Change and Development and the Stockholm Environment Institute to fund research on strategic loss and damage plans and principles.31

Mobility and loss and damage

The migration policy and practice community widely celebrated the COP27 decision to establish a Loss and
Damage Fund and see it as a way to address mobility directly within the UNFCCC. Until now, displacement has been neglected as loss or damage linked to climate change that requires compensation. Many migration practitioners have been working to engage climate change and development communities more meaningfully on climate-linked mobility. Many questions remain about how the fund will address mobility, including migration, displacement, immobility and planned relocations. However, it is widely agreed that forced displacement is a core loss or damage caused by climate change.

Displacement can trigger cascading social and environmental losses such as livelihoods, community ties, food, water, education and healthcare, future opportunities and safety. People incur significant economic and non-economic losses and damages when forced to flee their homes. If they cannot return, the costs rise exponentially. These losses can be challenging to quantify but have massive lasting effects on displaced people. According to the IDMC, displacement can be understood as:

- A signal of loss and damage incurred by people or communities
- A loss or damage in and of itself
- A determinant of loss and damage (a process through which loss and damage is produced or magnified)

Some of the losses and damages incurred through forced displacement can include:

- Trauma and psychological impacts
- Direct economic costs
- Poor access to food and water
- Loss of income and livelihoods
- Loss of future outlooks and opportunities
- Reduced health and access to healthcare
- Reduced safety of women and girls
- Reduced access to education
- Reduced access to political representation
- Disruption of community
- Loss of sense of place/identity

Mobility can produce a wide range of positive and negative complex outcomes. Accounting for the economic and non-economic displacement losses beyond life-saving evacuations is extremely important in the context of loss and damage.

**What to look for at COP28 and beyond**

In December 2023, the Transitional Committee is expected to deliver its outcomes related to its mandate to:

1. Establish institutional arrangements, modalities, structure, governance and terms of reference for the fund
2. Define the elements of the new funding arrangements
3. Identify and expand sources of funding
4. Ensure coordination and complementarity with existing funding arrangements

Sourcing adequate funding arrangements and amounts will, in large part, determine the fund’s effectiveness. At a September 2023 Transitional Committee meeting, the United Arab Emirates’ Special Envoy for Climate Change, HE Dr Sultan Ahmed Al Jaber, said:

> It is one thing to have a well-structured fund, but [it] will only be fully operational if it is actually funded (...) COP28 in Dubai at the end of the year is the place to deliver and operationalise the fund and funding arrangements for loss and damage.

The Transitional Committee should ensure the fund can receive financial inputs from public, private and innovative sources, including governments, regional organisations, corporations, philanthropic and non-governmental sources and innovative sources like carbon markets or pricing mechanisms. It is unlikely that funding will be mobilised or prepared for disbursement in 2023. Hopefully, donor countries are prepared to commit substantial funding at COP28, and by COP29, funding will be ready for rapid disbursement.

Protects should be in place to ensure loss and damage funds are newly sourced and funders are not reassigning or relabelling already-committed funds. Funds committed to loss and damage should be new and in addition to ODA and climate finance commitments.

Debt instruments that further indebt poor countries or create financial flows for wealthy countries or private
Prioritise vulnerable countries

Whereas there is consensus that loss and damage must prioritise the vulnerable countries, there needs to be consensus on determining which these are. Disbursement modalities grounded in climate justice that allow simple, rapid access to vulnerable communities are key. Climate finance to date is largely inaccessible to vulnerable communities because of stringent accreditation and conditionality requirements. Donors tend to fund countries where they already have a presence, and that have strong institutional capacities, and a perceived ability to implement projects and generate a return on investment.

The Loss and Damage Fund should be designated as a third branch of climate financing under the Financing Mechanism under Article 11 of the UNFCCC in a way that complements and works congruently, including stocktaking processes and collective goals. Loss and damage should occupy a permanent high-level agenda item moving forward. Existing UNFCCC funds should provide funding and institutional capacity, coordination and oversight to ensure funding reaches communities most affected by climate change. The Loss and Damage Fund should maximise the knowledge, expertise and technical support generated through the WIM and SNLD. Governance for the fund should be gender-balanced and include strong representation from vulnerable countries. African countries will focus on the make-up of governance and committees to ensure adequate representation and that decisions are not made by funding countries alone. Vulnerable countries incurring disproportionate shares of losses and damages should be given opportunities to determine how finance is allocated, which approaches are most effective, where they should occur and what technical and financial support is necessary to scale them up.

Enhancing support for displaced people

Mobility considerations

In the context of competing priorities over limited funds, the Loss and Damage Fund should acknowledge and address displacement as a key loss and damage incurred by vulnerable people in susceptible countries and communities. Its decisions on arrangements, structure, governance, terms of reference, and disbursement modalities should mobilise funding to avert, minimise and address forced displacement in the context of climate change. Funding should be rooted in equity and justice, and should be rapidly accessible to African communities.

Funding should be rooted in equity and justice, and should be rapidly accessible to African communities

Some of the most climate-vulnerable countries in Africa have diminished ability to build and maintain infrastructure, control the use of natural resources, protect ecosystems, implement long-term planning, mobilise international support or engage in diplomacy. Despite these barriers, direct-access, simple, flexible, non-debt tools without burdensome reporting requirements should be available to vulnerable communities.

Gender

Women’s empowerment and gender equality are fundamental for effective, efficient interventions. Due to persistent gender disparities, climate-related losses and damages disproportionately affect women and other marginalised gender groups. They have less access to financial and social assets needed to adapt to climate change, including land tenure, assets, paid livelihoods and mobility. Gender-responsive funding and interventions that include mobility considerations are imperative in designing loss and damage responses. Gender representation in loss and damage governance and decision making is equally necessary.

Children and youth

Around a billion (or half) of the world’s under-18s live in ‘extremely high-risk countries for climate change

enterprises cannot apply. As described in the Bridgetown Initiative, which argues for more equitable changes to international trade and financing, many climate-vulnerable countries already carry high debt burdens and allocate significant and growing budgets to loss and damage costs. Debt levels often increase following sudden climate events as countries need to rebuild. This constrains their ability to finance other mitigation, adaptation or development measures. The Loss and Damage Fund should be designated as a third branch of climate financing under the Financing Mechanism under Article 11 of the UNFCCC in a way that complements and works congruently, including stocktaking processes and collective goals. Loss and damage should occupy a permanent high-level agenda item moving forward. Existing UNFCCC funds should provide funding and institutional capacity, coordination and oversight to ensure funding reaches communities most affected by climate change. The Loss and Damage Fund should maximise the knowledge, expertise and technical support generated through the WIM and SNLD. Governance for the fund should be gender-balanced and include strong representation from vulnerable countries. African countries will focus on the make-up of governance and committees to ensure adequate representation and that decisions are not made by funding countries alone. Vulnerable countries incurring disproportionate shares of losses and damages should be given opportunities to determine how finance is allocated, which approaches are most effective, where they should occur and what technical and financial support is necessary to scale them up.

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impacts. The 33 countries labelled ‘extremely high-risk’ by the UN Children’s Fund (UNICEF) Children’s Climate Risk Index emit just 9% of global emissions. Climate change undermines children’s rights to safety, education, water, food, housing, and freedom. Most of the world’s displaced are under 25 and Africa hosts the highest proportion of child and youth migrants globally.

Displacement for long periods has serious and lasting effects on children that can continue into adulthood and undermine development, such as disrupted education, access to healthcare, livelihood and stability. They are at higher risk of violence, malnutrition, abuse, and exploitation. Loss and damage funding must include considerations specific to children and youth. Youth often express different perspectives and priorities to adults, yet they are rarely involved in designing and implementing responses. Youth should be heard and enabled to participate in governance, design and other decision-making processes.

Locally owned

Loss and damage are highly localised. Faced with the same climate impacts, community responses vary drastically. Despite this, responses are often driven internationally and nationally, excluding local governments, community leaders and community members from planning and designing interventions. Accountability tends to reflect the priorities of funders, not communities. Loss and damage support should be context-specific, flexible, and adaptable. Local perceptions on climate change and mobility must be included in research and evidence production. Failing to engage local leaders and community members can create suspicion and frustration and lower community ownership. Local leaders and stakeholders should determine where and how to address loss and damage.

Consider specific vulnerable groups

- Pastoralists: Climate change alters environments and disorders transhumance patterns in many African regions. Pastoralists must move differently or further than before to find suitable water or grazing for their stock, including across international borders. In some cases, pastoralists who previously moved in uncultivated areas are moving towards farmed lands. Some farmers have conversely taken over pastureland. These changing patterns sometimes drive competition for land, water, and forage. This destabilises community cohesion, and exacerbates tensions and even conflicts among herders or between herders and farmers. Considerations on how to effectively reach and support pastoral communities should be included in loss and damage.

- Previously displaced people: Many live in precarious conditions in temporary camp shelters or urban slums. Living conditions can be extremely difficult, including high poverty and unemployment rates, social marginalisation, poor sanitation and crime. The crisis that leads to displacement – whether disaster or conflict – often means that the state cannot help. Many of these locations are also vulnerable to environmental hazards and shocks and people experience secondary displacement. In these situations, vulnerability is exceptionally high, and the capacity to adapt or move can be extremely low. Others have returned home after displacement to find their homes had been damaged or destroyed. Loss and damage approaches should consider the vulnerabilities of already-displaced people and the costs of secondary displacement.

Prevent maladaptive practices

Many international climate interventions aimed at reducing vulnerability and helping communities adapt have had the opposite effect. Some have inadvertently reinforced, redistributed or created new vulnerabilities. Some interventions that have positively impacted groups have compounded vulnerabilities for marginalised people. Key factors driving unintended maladaptation include a shallow understanding of the context, inequitable participation in design and implementation, retrofitting programmes into existing development agendas, and inadequate engagement with how to define success. Interventions must grasp the current and past socio-economic and political landscape and be aware of which groups will benefit and which are at risk of being excluded. A narrow focus without considering these dynamics could worsen the situation.
Consider the evidence base

Loss and damage funding should be fully informed on the links between climate change, migration, and displacement. Many knowledge gaps remain about loss and damage in the context of climate-linked mobility and the domain will require shared definitions and approaches.

Efforts and funding should be made to build a rigorous evidence base on mobility in the context of loss and damage that helps to inform policy and practice.

Conclusion

Loss and damage funding could be a key development for African communities susceptible to climate change impacts. COP28 will be a pivotal moment in determining how, when, where and how much the Loss and Damage Fund can provide relief for the most vulnerable people. Decision makers involved at every level of loss and damage should be well informed about the evidence and many nuances of climate-linked mobility in Africa and ensure that the most vulnerable communities are prioritised.

Notes

1. African Development Bank Group, Africa loses up to 15% of its GDP per capita annually because of climate change – African Development Bank Acting Chief Economist Kevin Urama, 12 September 2022.
19. Ibid.
20. Ibid.
About the author

Aimée-Noël Mbiyozo is a Senior Research Consultant at the Institute for Security Studies. She is a migration expert whose research covers various intersecting issues, including climate change, gender, refugee rights, violent extremism and citizenship in Africa, the Middle East and Asia.

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