



# **A Real Mosaic of Solutions to Respond to Loss and Damage from Climate Change**

## Executive Summary

# Acknowledgements

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## What is the problem?

Earth's average temperature is approaching 1.5°C (2.7° Fahrenheit) above pre-industrial levels as a result of human activity (e.g. the burning of fossil fuels and unsustainable agriculture).<sup>1</sup> Current national climate plans put the world on track for a catastrophic 2.3-2.5°C of warming by 2100.<sup>2</sup> The [Intergovernmental Panel on Climate Change \(IPCC\) tells us](#) that loss and damage from climate change will escalate with every increment of warming.<sup>3</sup> Developing countries are disproportionately impacted, despite contributing least to the crisis.<sup>4</sup> Underdevelopment, sovereign debt,<sup>5</sup> and unfair trade<sup>6</sup> and tax<sup>7</sup> rules limit their ability to respond. Humanitarian,<sup>8</sup> development,<sup>9</sup> and climate finance flows are being slashed as geopolitical tensions escalate.<sup>10</sup>

## What is the solution?

To respond to loss and damage, while enabling developing countries to build long term resilience and achieve the [Sustainable Development Goals \(SDGs\)](#), a fit for purpose “[mosaic of solutions](#)” must be catalysed both inside and outside the [United Nations Framework Convention on Climate Change \(UNFCCC\)](#). One that:

- **Prevents loss and damage:** By enabling climate change mitigation and facilitating a just transition that limits global warming to 1.5°C, ensuring the protection of ecosystems and scaling up sustainable development to achieve the SDGs.
- **Reduces loss and damage:** By properly funding and implementing climate change adaptation, disaster risk reduction (DRR), preparedness, early warning systems, and anticipatory action while ensuring universal social protection.
- **Addresses loss and damage:** By scaling up and properly funding:
  - *Immediate response* (within hours, days, and weeks) by humanitarian actors that provide emergency health care, shelter, and food that saves lives.
  - *Mid term response* (within weeks and months) by the [Fund for Responding to Loss and Damage \(FRLD\)](#), United Nations (UN) agencies, and other partners, including philanthropy, to prevent and reduce further harm to livelihoods, food systems, health, culture, infrastructure, and more.
  - *Sustained long-term response* (over years and decades) to recover lost development, build back better, ensure long term risk reduction and management and resilience building, and guarantee remedy —and where required— reparations.
- **Ends disenablers of loss and damage response:** By facilitating debt cancellation, reforming trade rules to be fair and prioritise suitable development, reclaiming lost tax revenue, and making the international financial architecture accessible and equitable.

This mosaic must be held together by a “glue”. One that ensures loss and damage responses are delivered in an effective, coordinated way, informed by needs and the latest understanding, and underpinned by accountability and transparency. The key ingredients of the “glue” are:

- Coordination, coherence, and complementarity;
- Systematic observation, data, science, knowledge, and lived experience;

- Capacity building, readiness, technical assistance, knowledge and technology transfer; and
- Accountability, reporting, principles, norms, human rights, and international law.

Note, the technical assistance catalysed by the Santiago Network has a critical role to play in each phase of loss and damage response. The Network must be adequately resourced to ensure that developing countries, and the communities within them, can assess their Loss and Damage needs, and put in place plans to address them.

## What are the main findings of this paper?

The mosaic of solutions approach is itself a solution that can help:

- Address the complex, multifaceted nature of loss and damage and the unknowns of cascading impacts and tipping points<sup>11</sup> through a “policy mix”.
- Strengthen coherence, coordination, and complementarity across climate change, DRR, humanitarian, biodiversity, and development agendas and the three [Rio Conventions](#).
- Strengthen loss and damage responses from the global to the local level by translating global and regional policy frameworks into implementation and institutionalisation.
- Catalyse a menu of solutions that communities, countries, and regions can tailor to their needs, priorities, and circumstances.
- Ensure responsive governance based upon the needs and priorities of affected countries and communities, and the solutions they are spearheading.
- Bypass power bottlenecks to ensure that marginalised groups receive support when governments cannot, or will not, provide assistance (e.g. cash transfers and direct access).
- Mainstream human rights, equity, and justice, the centring of Indigenous and local knowledge, ensure both [Free, Prior and Informed Consent \(FPIC\)](#), and that communities are actively participating in decision making and driving responses to loss and damage.

There is a vast finance gap within the mosaic of solutions. Achieving the SDGs requires 4 trillion USD per year.<sup>12</sup> Ecosystem protection and restoration: 700 billion USD per year.<sup>13</sup> Climate change mitigation: 4.725 trillion USD per year.<sup>14</sup> Climate change adaptation: 365 billion USD per year.<sup>15</sup> Loss and Damage: 724.43 billion USD a year.<sup>16</sup> And 33 billion USD is needed for Humanitarian action in 2026 alone.<sup>17</sup> The money currently available is far too little, comes far too late, most often comes as loans that worsen existing debt burdens, and is too hard to access. Easily accessible, grant based, new and additional finance, is needed.

Past precedents including the [International Monetary Fund’s \(IMF\) allocation of Special Drawing Rights \(SDRs\)](#) worth approximately 650 billion USD<sup>18</sup> during COVID-19<sup>19</sup> demonstrate that resources can be mobilised quickly to address urgent needs. A fit for purpose [UN Tax Convention](#) can reclaim trillions of dollars in lost tax revenues each year.<sup>20</sup> Developed countries can mobilise at least 6.6 trillion USD from innovative sources each year to meet their finance obligations (e.g. through a [Climate Damages Tax](#)).<sup>21</sup> The IMF can allocate hundreds of billions of USD in SDRs each year.<sup>22</sup> The money is there to close the finance gap, only the political will to mobilise it is lacking.

A fit for purpose [UN Framework Convention on Sovereign Debt](#) can facilitate debt cancellation for developing countries and prevent them from facing future debt crises.<sup>23</sup> Trade reform can move developing countries up global value chains and enable them to place taxes and tariffs on digital services.<sup>24</sup> The abolition of the [Investor-State Dispute Settlement \(ISDS\)](#) mechanism can allow all countries to take climate action without the fear of being sued by planet wrecking corporations.<sup>25</sup>

Despite the FRLD convening an annual [High Level Dialogue](#) on coordination and complementarity, a coordination gap persists within the existing mosaic. A high level coordination mechanism for loss and damage response is needed under the UN.

### What are our key recommendations?

- The finance gap must be closed. Readiness, technical assistance, capacity building, and technology transfer must be provided at the scale, scope, and urgency of needs.
- The SDGs and the targets of the [Sendai Framework for Disaster Risk Reduction](#) must be achieved by 2030.
- Universal early warning and social protection coverage must be achieved by 2027 and 2030 respectively.
- A fit for purpose UN Tax Convention and a clear timeline for the delivery of a robust UN Framework Convention on Sovereign Debt must be agreed in 2027.
- The humanitarian system must be transformed into a locally led and internationally supported system that is resourced to the scale of the needs by developed countries.
- All solutions must:
  - Align with the principles of the polluter pays, do no harm, equity, and [common but differentiated responsibilities and respective capabilities \(CBDR-RC\)](#);
  - Uphold international law, including human rights, and the rights of Indigenous Peoples, while ensuring FPIC;
  - Respond to the needs of vulnerable and marginalised groups (e.g. women, Indigenous Peoples, older people, migrants, refugees and displaced persons, children, youth, and persons with disabilities) and employ intersectional and transformative approaches; and
  - Ensure that communities drive planning and implementation.

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