



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

Livelihoods

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Introduction

This publication is part of a [series of briefs](#) unpacking the pieces of a fit for purpose “mosaic of solutions” to respond to loss and damage from climate change. This series expands on our earlier work, which presented a [five-year vision for Loss and Damage under the United Nations Framework Convention on Climate Change \(UNFCCC\)](#) to look beyond the international climate regime at catalysing a wider mosaic of solutions.

In the [flagship paper](#) of the series, we unpack the pieces of the mosaic. In these thematic briefs, we dive deeper into existing solutions and how they can be strengthened. We also consider any reforms needed and explore emerging solutions.

This brief unpacks responses to loss and damage to livelihoods. It provides a short introduction to how climate change impacts are affecting livelihoods, highlights emerging and existing solutions and related challenges, and how these challenges can be addressed.

What is the problem?

Livelihoods are the means that allow human beings to construct a living and satisfy their basic needs such as food, water, shelter, and clothing. They extend beyond just income or a job, representing the entire way of life, strategies, and resilience a household employs to sustain itself.

Climate change is profoundly impacting livelihoods across the world. It does so by reducing agricultural yields, lowering labor productivity, damaging ecosystems that people depend on for livelihoods, destroying places of work, and forcing people to move.¹ In 2024, 640 billion potential labour hours were lost due to heat exposure alone—with productivity losses equivalent to 1.09 trillion USD.²

Loss and damage to livelihoods is also amplifying existing inequalities and undermining sustainable development,³ including by acting as a threat multiplier that can lead to further loss and damage and lost development gains. For example, a person migrating from their village to Dhaka, Bangladesh, to find work following a climate disaster often encounters increased risks, including severe heatwaves, poor sanitation in overcrowded slums, exploitation, and modern slavery.⁴

Progress on livelihood-related [Sustainable Development Goals \(SDGs\)](#), particularly SDG 1 ([No Poverty](#)) and SDG 8 ([Decent Work and Economic Growth](#)), are at a near standstill, with extreme poverty affecting about 9 percent of the global population.⁵ Without a significant acceleration in efforts, 8.9 percent of the global population will still be living in extreme poverty by 2030.⁶

What are the existing solutions?

Under the UNFCCC the Just Transition Work Program (JTWP), and its newly established Just Transition Mechanism (JTM),⁷ responds to loss and damage to livelihoods by promoting a just transition that will create decent work and [protect workers' rights](#), thereby making them less vulnerable. The UN's International Labour Organization (ILO) also supports this objective.⁸ The Global Goal on Adaptation (GGA) aims to substantially reduce loss and damage to livelihoods. The [Santiago Network](#) has already demonstrated how it can catalyse technical assistance for addressing loss and damage to livelihoods by responding to a request from Iraq on agriculture and water sectors.⁹ ¹⁰ The Fund for Responding to Loss and Damage (FRLD) also has a clear mandate to ensure access to small grants that support communities, Indigenous Peoples, and vulnerable groups in responding to loss and damage to livelihoods.¹¹

Beyond the UNFCCC, key actors include [UN agencies](#), such as the [United Nations Development Programme \(UNDP\)](#), which promotes sustainable livelihoods, and the [Food and Agriculture Organization \(FAO\)](#) and [World Food Programme \(WFP\)](#), which focus on issues related to food security and livelihoods. The [International Organization for Migration \(IOM\)](#) and [United Nations High Commissioner for Refugees](#)

(UNHCR) also provide support related to the livelihoods of people on the move (e.g. refugees, migrants and displaced persons).

Development partners include the [World Bank](#), the [International Monetary Fund \(IMF\)](#), and other international financial institutions and [multilateral development banks \(MDBs\)](#).

These actors support sustainable livelihoods by promoting economic inclusion, enhancing resilience, and fostering job creation. Key international non-governmental organisations working to protect and restore livelihoods in the aftermath of loss and damage events include the [International Federation of Red Cross and Red Crescent Societies's \(IFRC\)](#), [ActionAid](#), and [Self Help Africa](#).

Social protection also plays a key role in responding to loss and damage to livelihoods by providing safety nets for people who face additional needs related to livelihoods as a result of challenges such as unemployment, parental responsibilities, sickness, disability, and old age.^{12 13} Social protection also supports re-skilling, job searches, and training. When combined with early warning systems and anticipatory action, social protection can enhance the capacity of households to cope with loss and damage to livelihoods by providing support in advance.¹⁴ An example of this is the provision of cash transfers to workers to compensate for earning lost on days too hot to work.¹⁵

What do we need to see?

To achieve decent work for all and respond to loss and damage to livelihoods in developing countries, significantly scaled up finance and other forms of support is needed.¹⁶ This includes enabling developing country governments to: undertake a just transition, implement re-skilling programs, enhance social protection systems, strengthen labour rights enforcement, accelerate formalisation pathways for informal workers, and invest in sustainable and digital economy initiatives.¹⁷ Table 1 highlights existing solutions that respond to loss and damage to livelihoods and how they can be strengthened.

Table 1: Strengthening existing responses to loss and damage related to livelihoods.

CURRENT SOLUTIONS	HOW DOES IT WORK?	WHAT ARE THE ISSUES?	WHAT NEEDS TO CHANGE?
Just Transition Work Programme (JTWP)	The JTWP aims to facilitate countries' just transitions to a low-emissions and climate-resilient future through actions that also contribute to reducing inequalities both within and between countries. ¹⁸ A just transition is critical to eliminating existing inequalities, ¹⁹ maximising the benefits of climate action, and minimising the negative impacts for workers and their communities. ²⁰	The establishment of a JTM at COP 30 marked the first time the JTWP has been given a forward-looking institutional pathway, rather than a mandate centred primarily on dialogue and exchange. ²¹	The JTM needs to be designed and operationalised in 2026.²² A fit for purpose JTM should have three core functions:²³ 1. Enhancing coordination and coherence; 2. Strengthening knowledge sharing and generation; and 3. Increasing action and support. Support and finance will be critical to accelerating the just transition and therefore to preventing loss and damage to livelihoods.

CURRENT SOLUTIONS	HOW DOES IT WORK?	WHAT ARE THE ISSUES?	WHAT NEEDS TO CHANGE?
R4 Rural Resilience Initiative	The R4 Rural Resilience Initiative (R4) is implemented by the WFP. It equips smallholder farmers to manage climate risks. R4 combines improved natural resource management, microinsurance, savings, and credit —to enhance food and income security and build long-term resilience against loss and damage. ²⁴	R4 requires funding to scale up to reach more households. Certain crop types and loss and damage events (excess rain) were not covered in the past. ²⁵ Key lessons from the evaluation of R4 between 2017 and 2022 suggest ways to improve the initiative. ²⁶	Key lessons from evaluation of R4 should be taken forward. ²⁷ Developed countries must increase financial support for R4.
Food and Agriculture Organization (FAO) / World Food Programme (WFP)	The FAO protects, restores, and strengthens rural livelihoods by reducing vulnerability to disasters, strengthening resilience, and providing emergency support like agricultural inputs and cash assistance. The WFP's work on livelihoods includes creating sustainable income sources and economic stability. Key initiatives include Skills for Livelihood Opportunities (SLO).	Severe shortfalls in funding are crippling FAO and WFP's livelihood responses. ²⁸ FAO warns that funding shortages are also critically undermining efforts to protect agricultural livelihoods, which are essential for stabilising food production and preventing recurring crises. ²⁹	Developed countries must prioritise Official Development Assistance (ODA) over militarisation and leverage innovative sources to exceed the target of 0.7 percent of gross national income (GNI) target.
NGOs working to protect and restore livelihoods	NGOs such as IFRC, Action Aid, and Self Help Africa work to protect and restore the livelihoods of people affected by disasters and crises including loss and damage from climate change.	Major contributor countries have reduced ODA ³⁰ as spending priorities shift to militarisation ³¹ and the cost of living crisis exacerbated by the conflict in the Middle East. ³² This is having a significant impact on NGOs working to protect and restore livelihoods forcing widespread cuts in operations and staff. ³³ A Humanitarian Reset was launched in 2025. ³⁴ Highly criticised as a knee jerk reaction to funding cuts, the Reset aims to focus relief efforts on the most acute life saving needs.	Developed countries must prioritise ODA over militarisation and leverage innovative sources to meet the 0.7 percent of GNI target. The humanitarian system must be transformed by a radical restructuring that delivers a locally led and internationally supported humanitarian system. This is needed to ensure that humanitarian support builds the capacity of local actors to protect and restore livelihoods affected by loss and damage.

CURRENT SOLUTIONS	HOW DOES IT WORK?	WHAT ARE THE ISSUES?	WHAT NEEDS TO CHANGE?
Social Protection	Social protection programmes such as India's Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) , help to guarantee work, address challenges such as unemployment. Social protection programmes also support re-skilling, training and job searches.	The objective of achieving universal social protection is reflected under goal 1.3 (no poverty) of the SDGs. ³⁵ To achieve universal social protection, coverage in all developing countries will require their governments to increase spending by an estimated 1.4 trillion USD annually. ³⁶	Developed countries must mobilise finance as part of their commitments to support sustainable development in developing countries. Tools such as the Anticipatory Social Protection Index for Resilience can help developing countries identify gaps in existing social protections related to loss and damage to livelihoods. However, to ensure that these gaps can be closed, developed countries must also provide technical assistance and capacity building support to developing countries.
World Economic Forum (WEF) Reskilling Revolution	The World Economic Forum's (WEF) Reskilling Revolution aims to empower one billion people with better education, skills and economic opportunity by 2030. ³⁷	The Reskilling Revolution primarily focuses on digital skills such as AI, big data, and technological literacy. ³⁸	The WEF should expand the focus of the Reskilling Revolution to include environmental stewardship, promote sustainable practices, and contribute to the just transition toward a low-carbon, resource-efficient economy. ³⁹ To be effective, the Reskilling Revolution must be accompanied by capacity building and technology transfer to address the persistent "digital divide" between developed and developing countries and rural and urban populations. ⁴⁰

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Private sector commitments	A number of corporations are allocating funds for reskilling, such as Santander, which aims to invest €400 million in education and employability between 2023 and 2026. ⁴¹	The focus is on skills and positions that support corporate priorities rather than sustainable development. Existing private sector reskilling initiatives largely benefit workers in developed countries. ⁴²	Reskilling initiatives launched by private sector actors should focus on workers in developing countries, with the intention of providing skills aligned with climate and development goals, including the just transition. All funds allocated by the private sector for reskilling initiatives must be grant based to avoid burdening workers with debt repayments or wage reductions.

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