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CLIMATE CHANGE

LOSS AND DAMAGE: AN EVOLVING CHALLENGE

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CITATION
United Nations Development Programme. 2023.
Climate Change | Loss and Damage: An Evolving Challenge.

COVER PHOTO
shutterstock/Nelson Antoine

DESIGN
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PUBLISHED
Small Grants Programme
Bureau for Policy and Programme Support
United Nations Development Programme
304 East 45th Street, 9th Floor,
New York, NY 10017

Loss and damage

The Earth is now 1.2° Celsius warmer than in pre-industrial times, according to the latest reports on average global surface temperature. This means the harmful impacts of climate change driven by human activities have already become a harsh reality for people around the world. But climate change does not affect everyone in the same way: rising sea levels are threatening to wipe out entire Small Island Developing States (SIDS) and displace their populations; intense droughts are turning some farmlands into deserts, while extreme rainfall is flooding others; and devastating storms keep hitting communities before they can recover from the last one.

These impacts undermine development efforts and most severely affect the poorest and most vulnerable, who often rely directly on natural resources for their livelihoods and subsistence. Besides threatening the environmental and physical aspects of the places where people live, climate change also endangers the cultural heritage and identity of entire communities, which are intrinsically connected to the territories they occupy. In addition to this, armed conflicts, geopolitical tensions, rising prices due to inflation, a global economic downturn and the lingering effects of the COVID-19 pandemic all contribute to increasing pressure faced by vulnerable populations. As those least responsible for causing climate change are the ones bearing the brunt of its impacts with the scarcest resources at hand, climate justice is central to any discussion about how to respond.

Currently, not enough is being done to protect those already suffering from climate change, nor to stop it from getting worse. The ground-breaking Paris Agreement adopted in 2015 requires countries to develop, submit and implement Nationally Determined Contributions (NDCs), which are national pledges to cut their greenhouse gas emissions and adapt to climate impacts. Although most of the 195 countries that have ratified the United Nations Framework Convention on Climate Change (UNFCCC) have submitted and updated their NDCs, they are still not ambitious enough to achieve a global net zero scenario by 2050, when emissions would be reduced as much as possible and balanced out by processes that remove carbon dioxide from the atmosphere. Instead, global greenhouse gas emissions keep growing and the window of opportunity to avoid a dangerous increase in average global surface temperature of more than 1.5° Celsius is rapidly diminishing.

This is why there is an urgent need to address the challenge of experienced loss and damage, which refers to the consequences of climate change that go beyond what people can adapt to or the resources communities have to recover from them. Estimates indicate that developing countries suffered economic loss and damage of US$425 billion in 2020 due to climate change, and that this cost will increase to $671 billion per year by 2030.[1]

[1] https://us.boell.org/sites/default/files/2023-05/the_loss_and_damage_finance_landscape_hbf_ldc_15052023.pdf

SGP Cabo Verde-David Gomes

Although there is no agreed definition for loss and damage, it is generally understood as a term used in international climate negotiations to refer to the consequences of climate change that go beyond what people can adapt to or the resources communities have to recover from them. This could include, for example, the loss of lives, homes and coastal heritage sites due to slow onset events like sea level rise, or rapid onset events like extreme floods and storms. There is a long history of negotiation around loss and damage under the UNFCCC process, led primarily by SIDS, which resulted in a series of decisions over the past decade.

2013
Warsaw International Mechanism on Loss and Damage set up to provide enhanced knowledge, cooperation, and technical support.

2015
Article 8 under the Paris Agreement specifically focuses on the need to avert, minimize, and address loss and damage.

2019
Santiago Network for Loss and Damage established to catalyze technical assistance of relevant organizations, bodies, networks and experts to address loss and damage in vulnerable developing countries.

2021
Countries agreed to the Glasgow Dialogue, a three-year process to discuss funding arrangements for activities to avert, minimize and address loss and damage.

2022
Establishment of new loss and damage funding arrangements, including a new fund for vulnerable countries and a Transitional Committee to develop recommendations on its operational elements.

At the upcoming 28th Conference of the Parties (COP) of the UNFCCC, which will be held in the United Arab Emirates in late 2023, the Transitional Committee (TC) for the new funding arrangements and fund is expected to present its final recommendations[2]. In its synthesis report[3], the TC has already pointed out that funding arrangements under the current international financial architecture do not always allow vulnerable countries to access the large-scale, low-cost financing they need. As a result, many have been calling on the loss and damage fund to include community-level support as part of its disbursement mechanism, which would allow local communities easy and direct access to its resources. The TC recommendations make several references to the importance of community-level support and engagement. For example, there is a specific mention of allowing all developing countries to directly access resources from the new fund, including through small grants funding for communities, and the need for consultative forums to engage and consult with various stakeholders, such as community-based organizations.

While major progress has been made on this topic recently, there are still varying views over the best definition and approach to loss and damage. The decisions that come out of COP28 will impact how the world collaborates on loss and damage moving forward, and this will determine if vulnerable countries and their local and Indigenous communities will receive the support they urgently need.

[2] https://unfccc.int/sites/default/files/resource/TC5_4_Cochairs%20draft%20text_Rev2_4Nov2100.pdf

[3] https://unfccc.int/sites/default/files/resource/TC2_SynthesisReport.pdf

Locally-led climate action

A corporate programme of the Global Environment Facility (GEF) implemented by the United Nations Development Programme (UNDP), the Small Grants Programme (SGP) has over three decades of experience in providing financial and technical support to civil society and community-based organizations at the local level to drive initiatives that address global environmental issues while improving livelihoods.

In its climate portfolio, SGP takes an integrated approach to help local communities and civil society organizations achieve multiple goals, including access to clean energy technologies, forest conservation, and climate-friendly land-use practices. It also supports them to adapt and build resilience to climate change impacts, particularly through its Community-Based Adaptation Programme, which has been implemented since 2009 in 41 countries, including 37 SIDS, in partnership with the Australian Government's Department of Foreign Affairs and Trade (DFAT).

SGP's success is proof that the best way to address loss and damage linked to climate change is to make funding available directly to local communities, Indigenous Peoples and civil society organizations, so that they can design, implement, and deliver their own innovative solutions that are culturally appropriate and context specific. Investing in local communities is also key to unlocking further investments and allowing successful initiatives to be shared, scaled up and replicated elsewhere.

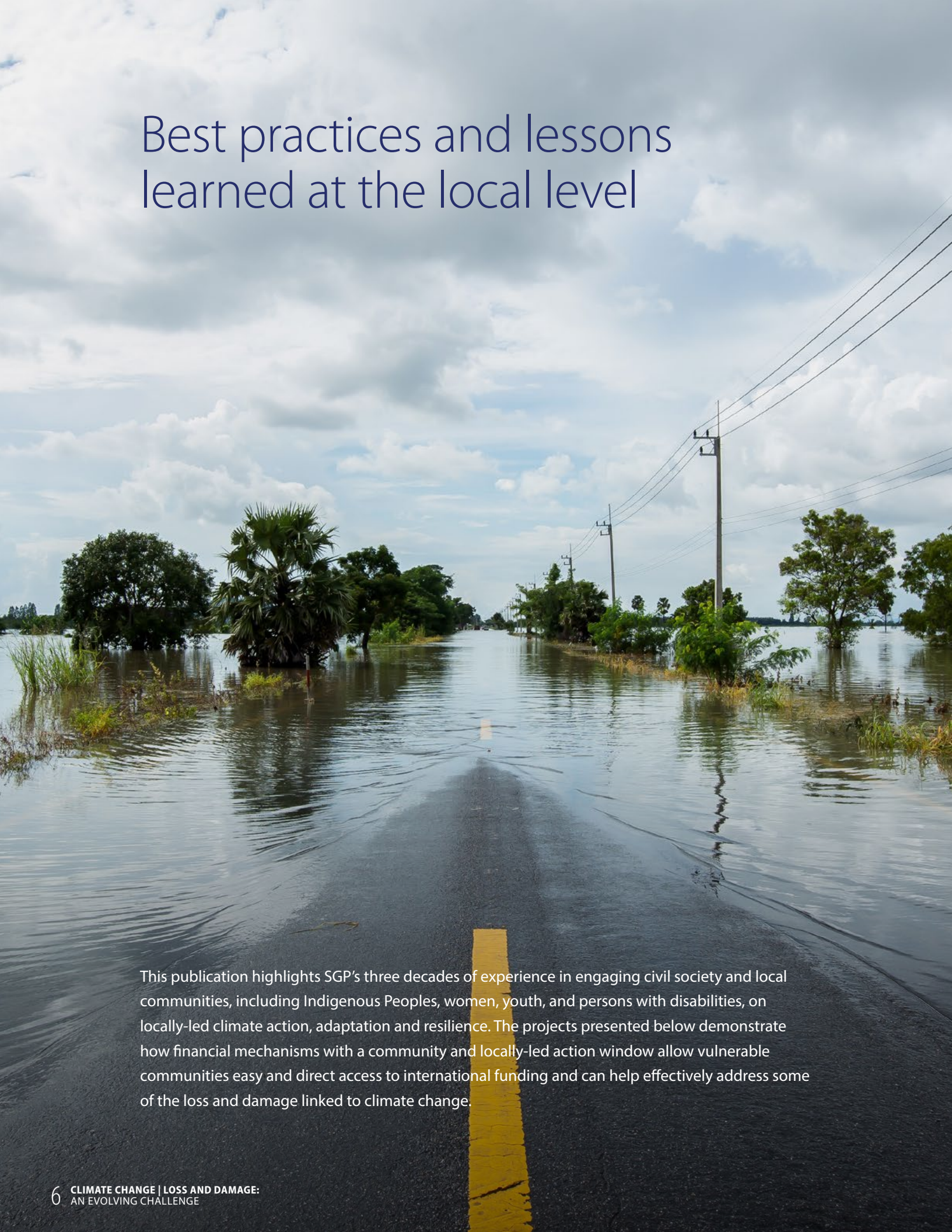
SGP's operational delivery mechanism and experience in helping local communities and Indigenous Peoples directly access international funds is an example of an effective community focused channel that can inform the design of such a mechanism within the loss and damage fund. As discussions continue at COP28, it is imperative to ensure that any new resources to address loss and damage due to climate change are made available to those who need them the most in a timely manner.

Since its establishment in 1992, SGP has delivered over $750 million in project funding,

supported >27,000 community-based projects on global environmental issues,

and historically covered a total of 136 countries, while currently active in 127 countries, including 37 Small Islands Developing States and 40 Least Developed Countries.

Best practices and lessons learned at the local level



This publication highlights SGP's three decades of experience in engaging civil society and local communities, including Indigenous Peoples, women, youth, and persons with disabilities, on locally-led climate action, adaptation and resilience. The projects presented below demonstrate how financial mechanisms with a community and locally-led action window allow vulnerable communities easy and direct access to international funding and can help effectively address some of the loss and damage linked to climate change.

Building resilient communities in Dominica

In **Dominica**, SGP supported training on disaster preparedness for community emergency response teams in 2015. This training proved to be instrumental after the country was struck by tropical storm Erika only two days later. These preparedness efforts were also essential to community responsiveness when the country was struck by its first ever category 5 hurricane on September 18, 2017. Hurricane Maria damaged or destroyed a staggering 95 percent of houses in Dominica, causing $1.3 billion in losses, which represents 226 percent of the nation's GDP.

After tropical storm Erika hit in 2015, SGP had also supported communities in other aspects of disaster preparedness, including the construction of storm drains. This disaster mitigation project was completed in Bagatelle, a village on the southern coast of Dominica, which is historically prone to landslides. The 3,000-foot-long drain improved drainage for almost half of the village in areas that were most prone to landslides. According to John Fontaine, a Bagatelle resident, the drain was instrumental in channeling water away from the village and preventing houses from being washed away: "If this drain was not here, it is very possible that this village would not have been here after Maria."

After Maria, SGP supported affected communities by providing them with materials for reconstruction, helping with fundraising and enabling the purchase of equipment. To reduce vulnerability and address losses, SGP focused on building community resilience by deploying renewable energy, improving drainage and increasing potable water storage.

Another important aspect of SGP's work in Dominica following Maria was building the capacity of communities to access and manage international funding coming into the country for reconstruction and resilience building. With SGP support, local community-based organizations were able to learn by doing, designing and implementing projects, while managing funding directly. After this experience, these organizations were able to access larger grants totalling over $500,000 dollars provided by the government through the Green Climate Fund. These additional funds allowed the affected communities to scale up their projects and catalyse recovery efforts, including renovating and upgrading community shelters, and expanding and retrofitting a fishing complex with solar panels to make it climate resilient.


SGP Dominica

Dominicans are still rebuilding today, but with SGP support they are developing their economy and building their resilience to climate change. However, the country's vulnerability to extreme climate events like Hurricane Maria still threatens their livelihoods. An example of this is the apiculture sector developed by Dominica's Indigenous community, the Kalinago, to protect biodiversity, increase incomes and improve food security in their territory. "Bees are very vulnerable. When you have a storm, you can't bring the hives into your house…", says Louisianna Burton, a member of the Kalinago community. "Storms will destroy everything. When you hear that you are going to have bad weather, you are always holding your breath because you don't know what is going to happen."

Since apiculture and many other livelihood activities are vulnerable to extreme climate events, civil society partners in Dominica are advocating for the establishment of a community recovery facility, which would support recovery and rebuilding after storms and natural disasters. "Having a special fund available for SGP grantees to access finance if their project becomes damaged or affected by disasters is necessary", highlights SGP National Coordinator in Dominica, Agnes Esprit.

Improving water access in Armenia

Armenia is a nation challenged with water insecurity. The country has high baseline water stress, with most of the freshwater available from rivers, streams, and shallow aquifers already being used for domestic, agricultural, and industrial purposes, leaving it even more vulnerable to water scarcity. To make it worse, climate change models indicate water availability in the country will decline by up to 39 percent by 2100. Additionally, with higher temperatures that increase evaporation and more intense and prolonged droughts, soil humidity is expected to decrease between 10 and 30 percent, leading to a drop in agricultural crop yields of up to 13 percent.

Meeting the demand for irrigation, which is by far the largest water use in Armenia, is becoming increasingly difficult. The country's agricultural sector relies heavily on irrigation, with more than 80 percent of gross crop production obtained from irrigated areas. Currently, most land in the country is divided into small plots, so large and expensive irrigation systems have become unsuitable, and, in some cases, are no longer operational. The mismanagement of scarce resources such as water, combined with climate change, are already having negative impacts on farming communities in Armenia.

In the Lori region, agriculture and livestock production are the main occupations and sources of income for the population of the Lernavan and Shenavan settlements. However, with scarce water resources and no irrigation infrastructure, the arable lands and backyard plots of over 160 hectares cannot be irrigated, making them unutilized or unproductive. This has led to a loss of at least $300,000 in agricultural produce every year over the past three decades. Many land users, mostly men and youth, migrate in search of jobs that can provide better income, leaving women behind with a double burden of domestic and farming work. Recently, the global pandemic and armed conflict have created new challenges and increased the vulnerability of this population.

To address the effects of climate change and improve agricultural productivity, SGP supported the introduction of efficient water management systems in Lernavan and Shenavan settlements. This was done through the construction of low-cost water reservoirs, with a total capacity of 16,000 m3 and fully equipped for collecting water from dispersed sources that were previously not used, such as mountain seeps and springs. The water reservoirs fit into the natural landscape and use innovative and low-cost technologies and approaches, including the application of a waterproof membrane as an alternative to the traditional use of reinforced concrete. Furthermore, an irrigation system was built in each settlement


SGP Armenia

to help rehabilitate degraded land, with the addition of an energy-efficient pumping station in Lernavan. This new system irrigates 160 hectares of lands that had been abandoned for over 30 years, preventing their further degradation and thus improving the livelihoods of 400 households in participating communities. The water reservoirs have improved water access and storage, supporting plant regeneration and regrowth, and promoting soil health and nutrient cycling. This has also contributed to strengthening the capacity of 970 local farmers in sustainable agriculture and water management.

The local communities are directly managing the new irrigation systems with support from SGP. In Lernavan, the Climate Revolving Investment Civil Fund is responsible for operating the system. This is a new approach introduced by SGP, in which community members have access to their own water resources, pay an affordable price for irrigated water, and decide how to invest the savings generated from the system operation.

The funding and technical assistance provided by SGP has also helped communities to gain important skills and learn how to manage complex projects. As a result, they have been able to attract additional, larger resources from the Government of Armenia, through its State Subvention Programme. Due to the successful cooperation between government and civil society facilitated by SGP, communities are now benefiting from this government programme that prioritizes small and medium-sized water reservoir construction as a strategic development path to address constraints in irrigation water supply.

Preserving cultural heritage in Belize

The case of Monkey River in south-eastern **Belize** highlights the loss and damage faced by local communities, but also the benefit of involving those communities in designing and implementing effective local solutions. Monkey River village is a small Creole fishing community located at the mouth of the river from which it gets its name. However, industrial sand mining and water diversion have been degrading the Monkey River watershed and increasing coastal erosion at an alarming rate in the past decades. Climate change impacts, such as sea level rise and stronger and more frequent storms, have further aggravated the problem. As a result, the local beach has now disappeared, and the ocean has started to wash away houses.

"Monkey River is in a very dangerous place right now. It is at the point where people are moving away because of this erosion", says local teacher Audra Castellanos. Climate change impacts like the ones experienced in Monkey River are likely to displace entire communities inherently connected to the ocean around the world. This is a threat not only to the physical places where these communities live, but to their livelihoods and cultural identities: "This is a home for us. This is where we were born, where we have grown up. There is no place like this for us. As a community, we are not ready to move," explains Mario Muschamp, President of the Monkey River Watershed Association. "What hurt me the most was the loss of our burial ground. My grandma and my grandfather are now washed out in the sea, their graves are gone. That really hurts."

Members of the local community, including Castellanos and Muschamp, formed the Monkey River Watershed Association in 2017 to address the situation. With support from SGP, they started a pilot project to stabilize the coastline with large synthetic sandbags known as geotubes, which form a physical barrier that absorbs wave energy, thus reducing coastal erosion and allowing the beach to naturally replenish itself. One year after the installation of five geotubes measuring 400 feet along a portion of the Monkey River shoreline in 2018, the beach had been naturally replenished, growing by over 30 feet in width.

The association also identified reduced sand delivery to the coast from upriver as the likely main cause of the coastal erosion, which allowed them to develop a road map of actions required to restore the functionality of the Monkey River, protect the village from further loss of properties


SGP Belize

and support healthy ecosystems in the nearby Port Honduras Marine Reserve, while balancing the needs of local stakeholders.

Following the completion of the project supported by SGP, the communities of Monkey River and Placencia villages got together to restore the Monkey River coastline, in a grassroots initiative that resulted in a Meritorious Service Award presented by the Government of Belize to their leader, Eworth Garbutt. SGP's National Coordinator in the country, Leonel Requena, highlights that the people of Monkey River are not responsible for the climate crisis affecting their community: "Yet they are the ones that are suffering the greatest loss and damage. What we need is climate justice."

Reducing flood risks in Fiji

In **Fiji**, SGP has supported the climate resilient conservation project Maroroi Dreketi, coordinated by the Navotu Youth Club from Vunisinu, one of five villages in Dreketi district located at the mouth of the country's largest river, the Rewa. This geographical location, combined with an average height above sea level of just 1 metre and heavy sedimentation that blocks flood channels, makes Vunisinu and neighbouring villages extremely vulnerable to flooding during high tides, a consequence of rising sea levels driven by climate change.

In addition to this, invasive aquatic plants and unmonitored infrastructure, such as culverts and floodgates brought by various projects, pose a serious threat to the surrounding mangrove ecosystem, as well as planting and agricultural areas, which are limited in Dreketi. Local communities are already experiencing loss and damage to their agricultural land and crops, as well the loss of land for burial sites, and additional pressures due to overpopulation and unplanned developments.

Vunisinu and another village in Dreketi district, Nalase, are among 40 communities in Fiji that have been earmarked for relocation due to climate change. However, that has not stopped residents from doing what they can now to protect their communities. The Maroroi Dreketi project has been developed and implemented by local communities focusing on four main components: flood mitigation, food security, afforestation and removal of invasive plants, and disaster risk reduction.

Unplanned development in the area makes flood mitigation a key concern for the Navotu Youth Club: "Our current strategy to mitigate floods is to connect waterways and clear blocked waterways of rubbish and broken culverts. We also manually dig up floodgates blocked by flood debris. This was what came out strongly through our community consultations and the people in the five villages are currently implementing it. So far, we've had very successful activities and flooding caused by high tides daily has been greatly reduced", explains project coordinator Salanieta Kitolelei.

On the food security component, the project focuses on raising awareness about the importance of preserving traditional food by involving women and youth in the production of several value-added products made with excess agricultural produce. Removing invasive species is important for the conservation and restoration of Dreketi's native mixed mangrove forest, which provides habitats for crabs, fish and plants that are key for the food security,


SGP Fiji

health and livelihoods of the local communities. The project has set up a greenhouse to store seedlings and each villager is encouraged to plant one native coastal tree, such as *tavola* (Tahitian chestnut), *vutu* (cut nut) and *vesi* (Pacific teak).

The fourth component involves mapping out hazard areas, such as flood-prone zones and waste dumping sites, to develop a plan for reducing disaster risks in Dreketi. One week ahead of National Disaster Awareness Week in October 2023, the project conducted consultations in the district's five villages to identify hazards and prepare the communities for what they should do before, during and after a disaster strikes. The next step is to compile these results into a disaster risk reduction plan for the entire district.

The Maroroi Dreketi project has an enormous potential to be replicated in other districts in the province of Rewa and delta areas that suffer from the same problems. It has already benefitted more than 1,000 Indigenous Peoples, roughly half of the district's population. This figure includes 516 women, 330 youth and 15 persons with disabilities.

Community-led disaster recovery in Mexico

In **Mexico**, SGP works to strengthen the climate resilience and accelerate the early post-disaster recovery of Indigenous and rural communities affected by extreme weather events in the Yucatán Peninsula. This fills a much-needed gap since resources for recovery following events such as hurricanes and severe droughts are scarce and usually focus only on infrastructure, with limited focus on supporting the re-establishment of livelihoods.

With support from SGP, the Mexican civil society organization *Misioneros A.C.* carried out a project to set up the delivery of financial support through community resilience mechanisms with strong local governance systems. The project supported the participatory design and implementation of five community-led local funds for climate change adaptation, focused on native seed banks, honey banks, and water banks. Managed though community-based governance systems, these funds can be accessed by communities in case of extreme weather events to help them recover faster, increase their resilience, and decrease their vulnerability to future disasters.

For example, seed banks such as *Casa de la Buena Semilla* (House of the Good Seed) can share native seeds through in-kind loans to help local farmers recover and better cope with long droughts or floods caused by storms and hurricanes. "This is a space for storing, exchanging, and protecting native and creole seeds," explains Margarita Noh, from *Misioneros A.C.* "At the same time, it helps conserve the biocultural heritage of local communities [and] functions as a mechanism for community resilience." Overall, the project directly benefited 1,170 people across 84 localities and 30 municipalities in the region.

SGP Mexico

Women-led climate action in Cabo Verde

A SIDS off the coast of West Africa, **Cabo Verde** is an example of a country that is already suffering from severe climate change impacts despite its insignificant contribution to global greenhouse gas emissions. The archipelago spans 10 volcanic islands prone to erratic rainfalls, droughts, flash floods and other extreme weather events, which threaten the well-being and livelihoods of its population of just over half a million people.

But beyond this climate justice issue, Cabo Verde is also an example of how local communities are already taking action on the ground to prevent further loss and address damage caused by climate change. The Cova, Paúl and Torre Natural Park is an important biodiversity hotspot on the island of Santo Antão, where civil society organization East Planalto Women's Association (*Associação das Mulheres do Planalto Leste*, or AMUPAL) launched a project with SGP support to respond to some of the climate change impacts affecting local women.

The project looked to diversify and increase food security options by increasing the resilience of agroecosystems, strengthening natural resources conservation, and promoting environmental education. AMUPAL engaged youth, students, women, and local farmers in various activities, including awareness-raising workshops, training on agricultural systems resilience, and the creation of an experimental agroforestry field. Farmers shared with the community their knowledge about endemic species and the proper times to collect endemic seeds. As a result, AMUPAL was able to set up a seed bank of local crops and endemic species. The project also built a nursery garden with 10 significant endemic species, which were used to restore 18.4 hectares of degraded park lands.

A significant aspect of this project was that it enabled women to decrease their vulnerability while engaging in leading conservation roles at the Cova, Paúl and Torre Natural Park area. This initiative directly benefited almost 1,000 people, most of them women, and its success allowed AMUPAL to secure additional funding from the Portuguese Government to scale up and replicate the project in Cabo Verde.

SGP Cabo Verde

Improving food security in Viet Nam

In **Viet Nam**, SGP has supported two initiatives to help farming communities in Binh Dinh province, in the South-Central Coast region, to address the impacts of climate change. Rice is one of the country's main cash crops. At the delta of the Kon River, saltwater intrusion and waterlogging driven by sea level rise is damaging rice fields in low-lying areas, threatening the livelihoods of local communities. Flooding is even more widespread during the rainy season, which degrades the soil and affects agricultural productivity and yield. With climate models indicating a sea level rise of up to one metre by the end of the century, entire rice cultivation areas in the province may be completely lost if nothing is done.

In response, SGP has been supporting the Binh Dinh's Union of Sciences and Technologies Associations since 2009 to address these damages, protect livelihoods and improve food security by promoting sustainable community-based agriculture. The project has developed and implemented several adaptive solutions, including the selection of rice varieties better adapted to climate change, use of cultivation techniques to increase these varieties' adaptability and ability to recover from damages, and changes to planting and harvesting times to reduce flooding and saltwater intrusion impacts on the sensitive rice growth stages.

It also prioritized activities to improve communities' technical capacity and understanding of climate change, with more than 2,000 farmers attending technical training and field workshops. Additionally, the project set up a disaster recovery support fund managed by a local women's union to help female farmers recover from severe flooding seasons, which allowed them to increase their productivity and profitability after flooding in the autumn crop of 2016.

The second initiative supported by SGP in Binh Dinh province focused on cassava, another of Viet Nam's main cash crops. Climate change is worsening droughts and water shortages in the dry season, forcing local farmers in Phu Cat and Tay Son districts to shift from water-intensive crops to others, such as cassava and peanuts, especially in areas with difficult irrigation. In the areas converted to cassava, soil degradation is high due to extensive monoculture.

In 2008, a SGP project successfully tested the introduction of intensive and intercropping cultivation methods that use both cassava and peanuts. The intercropping method significantly reduces pests that usually affect peanut


SGP Viet Nam

plantations, leading to a decrease in the use of pesticides and diseases. In addition, crop rotation means there is no need to increase the irrigation for cassava during the dry season, when there is not enough water to sustain it. That successful experience led the provincial government to issue a policy to support sustainable cassava development, but farmers are not yet able to fully benefit from this due to a lack of funding and training.

To address this, SGP supported the Binh Dinh Gardening Extension Association to implement a project that introduced culturally appropriate and climate-smart agriculture techniques, provided technical training, promoted knowledge exchange, and established a revolving fund to provide financial support to local farmers and boost their production. By 2017, the successful peanut-cassava intercropping model had reached 2,200 hectares in Phu Cat district, improving soil quality and increasing productivity by nearly 12 percent, which contributed to strengthening the livelihoods of local communities. The success of the technical solutions applied in the project have great potential to be replicated in other areas with similar conditions to support community-based adaptation to climate change, while addressing loss and damage and significantly contributing to the implementation of local action plans to respond to climate impacts.

Way forward

A COMMUNITY-CENTRED APPROACH TO LOSS AND DAMAGE

Despite significant investments and efforts made until now to adapt to and mitigate climate change, the world's current trajectory indicates that this global crisis will worsen and, as a result, so will the cumulative effects of loss and damage. Those most vulnerable are affected the most, and they often lack the resources and skills to cope with climate change impacts, which lead to significant economic, health and social hardships. The 2015 Paris Agreement recognized the importance of "averting, minimizing and addressing" loss and damage and many countries have already started to do so, although often with national resources diverted from other development objectives.

Loss and damage from climate change impacts is a cross-cutting issue that affects many other areas, such as Indigenous rights, gender, biodiversity, forest conservation and human rights, including the right to a clean, healthy, and sustainable environment, as recognized by the UN General Assembly. This opens possibilities to work in an integrated manner to address connected global challenges and maximize the support available, with the aim of increasing the resilience of communities facing climate-related crises while relieving their most urgent needs. By adopting a human rights-based approach to loss and damage from climate change impacts, including through the recognition of procedural and substantive rights, we can ensure the rights of marginalized and vulnerable groups are protected and promoted.

There is now a global consensus that local communities in developing countries are suffering rising costs caused by climate change and need help from the international community to pay for them. Loss and damage will continue to worsen unless there is a focus on building the resilience and reducing the vulnerability of communities at the local level, where negative impacts are felt the most. This requires a comprehensive approach that considers risk reduction, adaptation measures and long-term support to restore livelihoods and cultural ways of life. Building the resilience of local communities to climate change impacts can also contribute to various Sustainable Development Goals and reduce the risk from multiple other threats, such as pandemics, economic and social crises.

Any local action interventions should prioritize direct access to finance, incorporate traditional and Indigenous knowledge, and be led by local communities themselves, since they are in the best position to develop solutions that are locally appropriate and relevant to their context. Communities, including marginalized and vulnerable groups, have a right to participate in decision making that affects them in the context of assessing and responding to loss and damage impacts. Their homes, ways of living, and even their own lives are at stake.

UNDP Bangladesh Ab Rashid

However, resources are rarely available to fund local climate action. Recent analysis indicates that Indigenous Peoples receive significantly less than one percent of international climate finance.[4] New loss and damage funding mechanisms should address this by enabling civil society and community-based organisations, women's groups, Indigenous Peoples and others to directly access finance, in accordance with the locally-led adaptation principles[5] endorsed by over 100 governments, civil society and international organisations. A community window or mechanism focusing on loss and damage could provide funding directly to local organizations, enabling them to determine how to use it. Such an approach leads to more equitable and impactful projects, since loss and damage is personal and specific to the context of each community, making self-determination critical.[6]

The diverse examples from around the world featured in this publication represent different aspects of loss and damage and culturally appropriate, locally-led solutions. Their success has demonstrated that community ownership and access to finance are essential to effectively respond to local needs, while building skills and resilience. SGP's experience shows that channelling funding directly to communities, particularly through grants, is often a necessary first step that enables innovative and efficient solutions developed at the local level to be expanded, replicated and adapted elsewhere, with improved access to partnerships and larger financing at the national, regional and international levels.

As the international community continues to discuss the creation and operationalization of loss and damage funding arrangements and fund at COP28, it is critical to ensure adequate mechanisms to provide direct access to local communities in developing countries. SGP's track record over the past three decades demonstrates how this can be done effectively and in synergy with a broader set of efforts addressing climate change adaptation, resilience and sustainable economic development.

[4] www.regnskog.no/en/news/falling-short

[5] www.wri.org/initiatives/locally-led-adaptation/principles-locally-led-adaptation

[6] www.wri.org/technical-perspectives/loss-and-damage-fund-community-windows

The Small Grants Programme (SGP) is a corporate programme of the Global Environment Facility (GEF) implemented by the United Nations Development Programme (UNDP). Established in 1992, SGP is currently active in 127 countries and promotes community-based innovation, capacity development, and empowerment through sustainable development projects of local civil society organizations with special consideration for Indigenous Peoples, women, and youth. SGP has supported over 27,000 community-based projects on biodiversity conservation and sustainable use, climate change mitigation and adaptation, sustainable land management, conservation of international waters, and chemicals and waste management, while generating sustainable livelihoods.

The GEF is a family of funds dedicated to confronting biodiversity loss, climate change, pollution, and strains on land and ocean health. Its grants, blended financing, and policy support helps developing countries address their biggest environmental priorities and adhere to international environmental conventions. Over the past three decades, the GEF has provided more than $22 billion and mobilized $120 billion in co-financing for more than 5,000 national and regional projects.
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