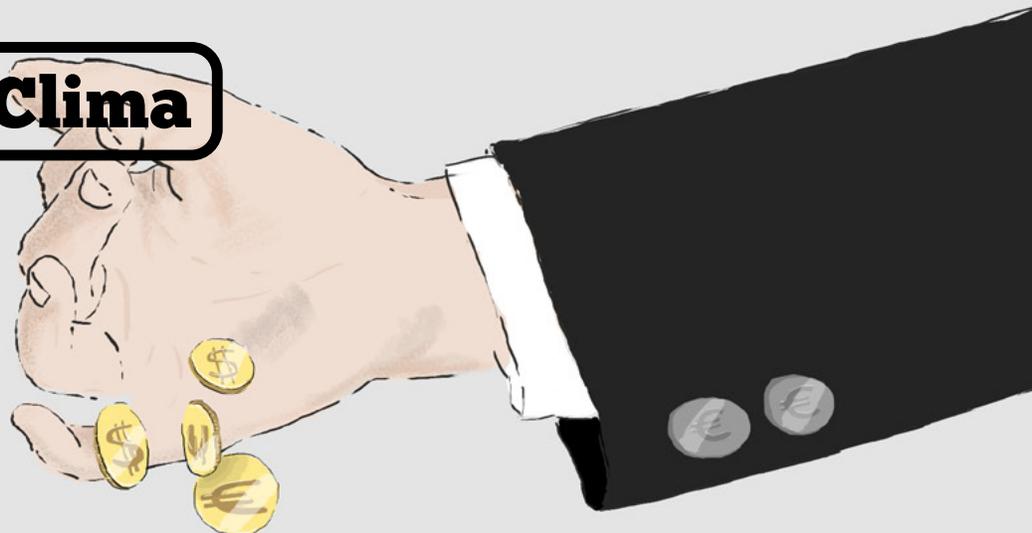


**LaRutadelClima**



# BEYOND HUMANITARIAN AID:

The Need for a Robust Loss and Damage Finance Facility

N.º 12 Climate Justice in Latin America Series

[www.LaRutadelClima.org](http://www.LaRutadelClima.org)

Credits

Editorial ©La Ruta del Clima -

Beyond Humanitarian Aid: The Need for a Robust Loss and Damage Finance Facility; by the Asociación Ruta del Clima with technical and financial support from Heinrich-Böll-Stiftung.



ISBN: 978-9930-9772-4-8

ISBN: 978-9930-9772-4-8



Authors: Sam Goodman, Adrián Martínez.

Editorial: Caroline Zane.

Editorial, Graphic Design, and Cover: Stuart Roldán.

Published in San José, Costa Rica 1st Edition, 2022.

This report results from a research process by La Ruta del Clima.

This work is available under Creative Commons Attribution- NonCommercial-No Derivatives 4.0 International" license.

The license text is available at: <https://creativecommons.org/>



To request a copy of the report or download the article, please go to: [www.larutadelclima.org](http://www.larutadelclima.org)

Asociación La Ruta del Clima. San José, Costa Rica.

## Beyond Humanitarian Aid: The Need for a Robust Loss and Damage Finance Facility

Last year's climate conference in Glasgow was the closest advocates have come to establishing a UNFCCC finance facility for loss and damage, although it was ultimately blocked in the final hours of the negotiations. The issue will likely take center stage once again this November at COP27 in Sharm el Sheikh, Egypt. Negotiators must push for a robust and sustainable facility that embodies a human rights-based approach.

Finance for loss and damage must be distinguished from the voluntary, unpredictable, and transitory nature of humanitarian aid. The deployment of humanitarian aid to deal with losses and damages from extreme weather events is woefully insufficient to address the scale of the problem.

A loss and damage finance facility must be built on principles of climate justice and address rich nations' "fair share" of payments based on historical emissions rather than a simple moral obligation.<sup>1</sup> Moreover, loss and damage finance must be a clean break from the neocolonial framework that has dominated the development world for decades.<sup>2</sup>

### Loss and damage finance

Loss and damage refers to irreparable damages or irreversible losses from the adverse impacts of climate change. It goes beyond the limits of climate adaptation, and it is the legacy of historical emissions, primarily from the Global North.<sup>3</sup> While loss and damage should be considered a third pillar of international climate policy, in addition to mitigation and adaptation, it has not been given equal weight in previous negotiations.

There are both economic and non-economic costs associated with loss and damage. Economic costs can include infrastructure damage from extreme weather events or a decline in agricultural production from extended periods of drought. Non-economic impacts include loss of culture, traditions, and language. These have a significant impact on the human rights of people and can permanently alter the trajectory of their respective communities.<sup>4</sup>

---

<sup>1</sup> Raju Pandit Chhetri, Laura Schäfer, and Charlene Watson, "Exploring Loss and Damage Finance and Its Place in the Global Stocktake" (Independent Global Stocktake, March 2021), <https://www.climateworks.org/wp-content/uploads/2022/04/Loss-and-Damage-Finance-iGST.pdf>, 27.

<sup>2</sup> Shannon Paige, "Time to Decolonise Aid: Insights and Lessons from a Global Consultation" (Peace Direct, 2021), <https://www.peacedirect.org/wp-content/uploads/2021/05/PD-Decolonising-Aid-Report.pdf>, 4.

<sup>3</sup> Sam Goodman and Adrián Martínez Blanco, "Loss and Damage at COP26: A Central American Perspective" (La Ruta del Clima, October 2021), [https://larutadelclima.org/wp-content/uploads/2019/10/LostDamage\\_LRC.pdf](https://larutadelclima.org/wp-content/uploads/2019/10/LostDamage_LRC.pdf), 5.

<sup>4</sup> Adrian Martinez, "Daños y Pérdidas: Una Pequeña Introducción Al Párrafo 51 y La Compensación," La Ruta del Clima (2021); Olivia Serdeczny, "Non-Economic Loss and Damage and the Warsaw International Mechanism," *Loss and Damage from Climate Change* (2018): 206, accessed at [https://doi.org/10.1007/978-3-319-72026-5\\_8](https://doi.org/10.1007/978-3-319-72026-5_8); Adriana Vásquez Rodríguez et al., "Narrativas Comunitarias Sobre Pérdidas y Daños: Centroamérica," n.d., accessed July 29, 2022.

The issue of loss and damage in the UNFCCC context can be traced to a 1991 submission by Vanuatu on behalf of the Alliance of Small Island States. It called for an insurance pool funded by developed nations to compensate the most vulnerable small island and low-lying developing countries for loss and damage from sea level rise.<sup>5</sup>

Securing finance for loss and damage has long been one of the most “politically sensitive” areas of the negotiations.<sup>6</sup> While an entire article of the Paris Agreement is devoted to the issue of loss and damage, Paragraph 51 of the decision accompanying the Agreement was added to ensure that it “does not involve or provide a basis for any liability or compensation.”<sup>7</sup>

Efforts to establish a finance facility for loss and damage picked up steam last year at COP26, but a proposal by the Group of 77 (G77) nations and China was blocked by the United States, European Union, and other rich nations.<sup>8</sup> Talks on loss and damage showed little promise during this year’s intersessional meeting in Bonn, setting the stage for a contentious round of negotiations in Egypt this November.<sup>9</sup>

## Humanitarian Aid

Humanitarian aid is fundamentally different from loss and damage finance. The European Civil Protection and Humanitarian Aid Operations defines humanitarian aid as “delivering life-saving assistance to those in need, without any adverse distinction.”<sup>10</sup> It is designed to provide material and logistical support in the wake of emergencies and disasters, such as an extreme weather event, war, and famine.<sup>11</sup>

Since humanitarian aid is deployed as a response to a direct event, it is largely ephemeral in nature.

---

<sup>5</sup> AOSIS, Submission on Behalf of AOSIS: Draft Annex Relating to Article 23 (Insurance) for Inclusion in the Revised Single Text on Elements Relating to Mechanisms. In Intergovernmental Negotiating Committee for a Framework Convention on Climate Change: Working Group II, Vanuatu, (A/AC.237/WG.II/Misc.13), Submitted by the Co-Chairmen of Working Group II, 4th session, Agenda Item 2(b), (1991) UN Doc A/AC.237/WG.II/CRP.8.

<sup>6</sup> “The Three Stages of Loss and Damage,” International Centre for Climate Change and Development (ICCCAD), February 23, 2022, <https://www.icccad.net/publications/infographic/the-three-stages-of-loss-and-damage/>.

<sup>7</sup> UNFCCC, “Decision 1/CP.21, Adoption of the Paris Agreement. In Report of the Conference of the Parties on Its Twenty-First Session, Held in Paris from 30 November to 13 December 2015 Addendum Part Two: Action Taken by the Conference of the Parties at Its Twenty-First Session, (2015) UN Doc FCCC/CP/2015/10/Add.1, accessed at: <https://unfccc.int/resource/docs/2015/cop21/eng/10a01.pdf>.

<sup>8</sup> Zia Weise and Karl Mathiesen, “EU, US Block Effort for Climate Disaster Funding at COP26,” Politico, November 13, 2021, <https://www.politico.eu/article/eu-us-block-financial-support-climate-change-cop26/>.

<sup>9</sup> Rachel Kyte, “Comment: Kerry’s Shuttle Climate Diplomacy Caught between a Rock and a Very Hard Place,” Reuters, July 27, 2022, <https://www.reuters.com/business/sustainable-business/comment-kerrys-shuttle-climate-diplomacy-caught-between-rock-very-hard-place-2022-07-27/>.

<sup>10</sup> European Civil Protection and Humanitarian Aid Operations (ECHO), “Humanitarian Principles,” European Commission, accessed August 2, 2022, [https://civil-protection-humanitarian-aid.ec.europa.eu/who/humanitarian-principles\\_en](https://civil-protection-humanitarian-aid.ec.europa.eu/who/humanitarian-principles_en).

<sup>11</sup> Chhetri, Schäfer and Watson, “Exploring Loss and Damage Finance and Its Place in the Global Stocktake,” 27.

*"When a disaster hits, usually humanitarian aid only comprises food and temporary shelter," said Camila Isabel Zepeda Lizama, General Director of Global Issues for Mexico's Ministry of Foreign Affairs. "What happens after those few weeks when it is no longer a headline in the news and communities need to rebuild, when humanitarian aid is long gone?"*

She continued, *"It is not only about the immediate economic losses, but it is about a whole community losing its cultural heritage and way of subsistence that has to build back from zero."*

What's more, as Chhetri, Schäfer and Watson note, humanitarian aid is built on a moral obligation rather than a contractual one.<sup>12</sup> Assistance is voluntary and there is little talk of a nation's "fair share" of aid. Humanitarian aid has tended to take a reactive approach rather than a proactive one that addresses its root cause.<sup>13</sup>

*"You can talk yourself out of the obligation by just pointing to humanitarian finance,"* said Liane Schalatek, Associate Director at the Heinrich Boell Stiftung's Washington office. *"In terms of the differentiation, I think it's a very big deal in terms of whether you provide finance under the UNFCCC framework, with the related obligation and some related accountability, which we really don't have for humanitarian finance."*

While the idea of providing support in the face of a disaster is not inherently problematic, there is a long history of aid mirroring and reinforcing colonialist structures. Aid often flows from former colonial powers to their former colonies, reinforcing a "white savior" complex and leaving these former colonies in worse predicaments than before.<sup>14</sup> Humanitarian assistance is increasingly distributed in the form of loans,<sup>15</sup> putting developing nations in a cycle of never-ending debt.

Most international aid organizations receive the majority of their funding from the Global North, and aid operations have often led to a "postcolonial projection of power."<sup>16</sup> The University of York's Janaka Jayawickrama identified the humanitarian system's backing of regime change and structural racism, as well as an overall lack of accountability, as key to destabilizing countries such as Haiti and Nepal in the wake of a natural disaster.<sup>17</sup>

<sup>12</sup> Chhetri, Schäfer and Watson, "Exploring Loss and Damage Finance and Its Place in the Global Stocktake," 27.

<sup>13</sup> "Saving More Lives Requires Abandoning Broken, Reactive Approach to Aid," UN News (United Nations, March 31, 2014), <https://news.un.org/en/story/2014/03/465082-saving-more-lives-requires-abandoning-broken-reactive-approach-aid-un>.

<sup>14</sup> Paige, "Time to Decolonise Aid: Insights and Lessons from a Global Consultation," 21.

<sup>15</sup> "Global Humanitarian Assistance Report 2021" (Development Initiatives, June 21, 2021), <https://devinit.org/documents/1008/Global-Humanitarian-Assistance-Report-2021.pdf>, 38.

<sup>16</sup> Nicolas de Torrenté, "The Relevance and Effectiveness of Humanitarian Aid: Reflections about the Relationship between Providers and Recipients," *Social Research: An International Quarterly* 80, no. 2 (2013): pp. 607-634, <https://doi.org/10.1353/sor.2013.0023.610>.

<sup>17</sup> Janaka Jayawickrama, "Humanitarian Aid System Is a Continuation of the Colonial Project," *Al Jazeera*, February 24, 2018, <https://www.aljazeera.com/opinions/2018/2/24/humanitarian-aid-system-is-a-continuation-of-the-colonial-project>.

## Not a Standalone Solution

While humanitarian aid could play a role in addressing climate-induced loss and damage from extreme weather events, as a standalone strategy, it is woefully inadequate.

*"I believe that humanitarian aid can be part of a broader strategy. However, there is still a big gap,"* said Alejandro Aleman, coordinator of the Climate Action Network's Latin America node. *"There are many risks not covered by humanitarian aid."*

This was a critical talking point at the talks in Bonn this year. Developing nations, arguing that the humanitarian aid system could not alone deal with loss and damage, pushed once again for a finance facility as a more comprehensive response only to meet a strong resistance led by the European Union.<sup>18</sup> Rich nations, on the other hand, seemed to hone in on linking loss and damage with such aid.

*"Most of us were struck that, from the developed countries' side, there seemed to be undue reference to humanitarian assistance already happening as a way to provide finance for addressing loss and damage,"* said Schalatek.

Moreover, loss and damage finance must go beyond the reactive nature of humanitarian aid. Roberts and Pelling argue that the humanitarian imperative *"must move from simply supporting those at risk and suffering loss to a more proactive position where humanitarian action can contribute to moving development pathways towards less risky futures."*<sup>19</sup>

The lack of accountability associated with humanitarian aid has been a recurring problem that reveals a greater weakness within the system. Climate negotiators from developing nations, and particularly small island states, have frequently expressed frustration with how humanitarian aid has been deployed. One negotiator pointed out that humanitarian aid fails to build technical capacity within recipient countries and cited the fact that it is difficult to measure the support that has been received on the ground.<sup>20</sup>

## A Human Rights-Based Approach

Historically, there has been a lack of consistency between the values of human rights and humanitarian assistance. The traditional model of humanitarian assistance has been criticized for not developing a broader human rights solution

<sup>18</sup> Joe Lo, "Ukraine and Covid Leave Aid Agencies Struggling to Respond to Bangladesh Floods," Climate Home, June 22, 2022, <https://www.climatechangenews.com/2022/06/22/ukraine-and-covid-leave-aid-agencies-struggling-to-respond-to-bangladesh-floods/>; Joe Lo and Chloé Farand, "EU Blocks Bespoke Fund for Climate Victims as Rich Nations Moot Alternatives," Climate Home, June 17, 2022, <https://www.climatechangenews.com/2022/06/17/eu-blocks-bespoke-fund-for-climate-victims-as-rich-nations-moot-alternatives/>.

<sup>19</sup> Erin Roberts and Mark Pelling, "Climate Change-Related Loss and Damage: Translating the Global Policy Agenda for National Policy Processes," *Climate and Development* 10, no. 1 (2016): pp. 4-17, <https://doi.org/10.1080/17565529.2016.1184608>, 7.

<sup>20</sup> E. Calliari, O. Serdeczny, and L. Vanhala, "Making Sense of the Politics in the Climate Change Loss & Damage Debate," *Global Environmental Change* 64 (2020): p. 102133, <https://doi.org/10.1016/j.gloenvcha.2020.102133>, 6.

that goes beyond meeting immediate need.<sup>21</sup> In general, humanitarian organizations have had an “*ambivalent attitude*” to the justice agenda that is critical to a human rights approach.<sup>22</sup>

The inconsistency between the traditional humanitarian aid model and the principles that govern human rights is another reason why this aid is insufficient to address loss and damage.

Toussaint and Martínez Blanco argue for a human rights-based approach to address loss and damage as a means to strengthen the international response.<sup>23</sup> A robust response to the issue of loss and damage must move beyond the voluntary nature that is a foundation of the humanitarian aid system.

The issue of loss and damage is fundamentally rooted in the issues of climate justice and human rights and requires a just response. The principles behind humanitarian aid make it inadequate to deal with losses and damages from extreme weather events.

The Global North is largely responsible for climate-induced loss and damage that their carbon-intensive economies have imposed on vulnerable communities across the world. The current proposal by Global North countries to center humanitarian aid as the vessel to address loss and damage is fundamentally immoral.

No victim of environmental harm, if considered a subject with equal rights, could be said to require aid instead of redress from those liable. The harm to the lives and infringement of human rights that loss and damage imposes on our community deserves justice and rule of law.

The narratives put forward by Global North countries this year in Bonn are demeaning and only find footing in this discussion due to the current power imbalance and colonial attitudes of Global North countries.

As advocates for the Global South, we believe everyone is deserving of rights and equal access to justice. We cannot accept aid in exchange for the dignity of the most vulnerable. We cannot wait for justice and now we must claim our own. Addressing loss and damage must be framed within a human rights-approach under common but differentiated responsibilities.

---

<sup>21</sup> David G Chandler, “The Road to Military Humanitarianism: How the Human Rights NGOs Shaped a New Humanitarian Agenda,” *Human Rights Quarterly* 23, no. 3 (2001): pp. 678-700, <https://doi.org/10.1353/hrq.2001.0031.14>.

<sup>22</sup> James Darcy, “Human Rights and Humanitarian Action: A Review of the Issues” (Overseas Development Institute, 2004), <https://cdn.odi.org/media/documents/2311.pdf>, 7.

<sup>23</sup> Patrick Toussaint and Adrian Martínez Blanco, “A Human Rights-Based Approach to Loss and Damage under the Climate Change Regime,” *The Third Pillar of International Climate Change Policy* (June 2019): 11, accessed at <https://doi.org/10.1080/14693062.2019.1630354>.