

# Loss and Damage: Experiences from the ground



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# An assessment of DanChurchAid projects addressing loss and damage

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## Introduction

DanChurchAid (DCA) is a Danish humanitarian, faith-based NGO operating across the humanitarian-development-peace nexus with a strong commitment towards climate justice in our advocacy and programming. DCA has roots in the Danish Evangelical-Lutheran Church and is a part of the ACT Alliance, a global faith-based coalition with more than 140 members and operations in more than 120 countries.

Since 2019, DCA has assessed the climate focus of its project portfolio using the OECD Rio Markers on climate change adaptation and mitigation. However, as responses to climate related losses and damages are not captured in the current set of Rio Markers, DCA has applied an additional loss and damage marker to monitor the share of finance channelled to interventions that address loss and damage.

The monitoring of loss and damage related projects has been important, both to gather learnings and improve the ability to develop projects with an aim to address loss and damage, as well as to inform advocacy work and messages in the political debate.

The Rio Marker for adaptation includes some activities which could be labelled losses and damages. Thus, DCA has adjusted the application of the adaptation marker to enable a separate marker focused on loss and damage. With the DCA markers, adaptation is defined as activities which are focused on adapting to climate related risks and to avert and minimize future loss and damage. The loss and damage marker applied by DCA instead captures the response and recovery from a climate related disaster, reconstruction, relocation, and actions to address irreversible losses and non-economic effects.

The direct attribution or link to climate change is sometimes difficult to establish. The assessment of each climate change related disaster or hazard, to which the projects responded, has been based on science.

## Overview of loss and damage dimensions in DCA projects

The assessment of DCA's project portfolio from 2019 up to 2021 shows a rise in the share of DCA projects addressing climate related loss and damage. Whether this is related to an increased need to address loss and damage in the communities where DCA and partners are present, or if it is linked to the introduction of a

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new reporting practice and a greater focus on this theme in programming is difficult to say.

Looking at the latest analysis of DCA projects implemented in 2021, the projects mainly addressed drought as well as extreme rainfall induced floodings – and often a mix of these were addressed simultaneously. As such, our projects are to a large extent reacting to sudden onset disasters triggered by extreme weather events, such as tropical cyclones, extreme rainfall events and drought – and this response often links to slow onset events, such as trends towards desertification and increasing temperatures.

### % of total DCA projects with a dimension of response to climate change related loss and damage

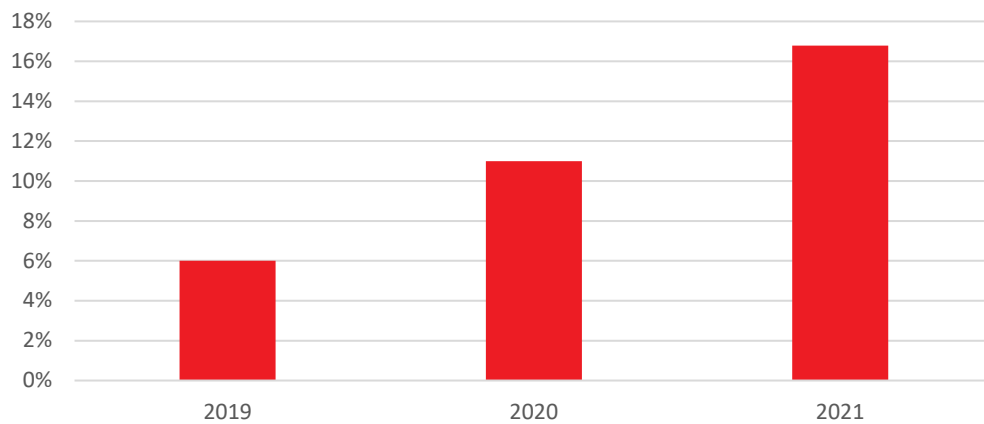


Figure 1 Percentage of DCA projects related to loss and damage (2019-2021)

Share of loss and damage related projects in 2021 with a economic or non-economic response to loss and damage or a mix of both.

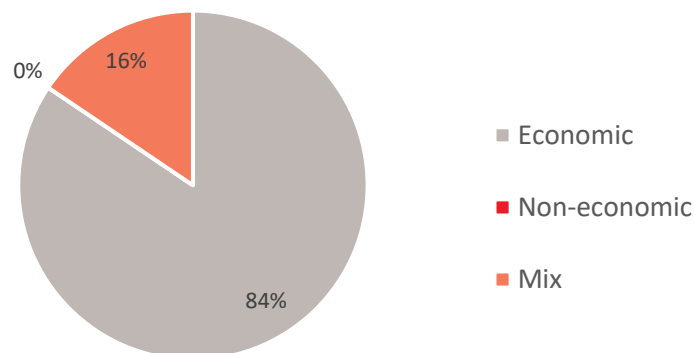


Figure 2 Share of economic, non-economic and mixed responses to loss and damage in 2021

### Share of loss and damage related project portfolio - per type of climate hazard

- Tropical Cyclone
- Extreme rainfall induced flooding and landslides
- Drought, mid season dry spells, erratic rainfall, linked to desertification
- Mix of drought and extreme rainfall
- Other

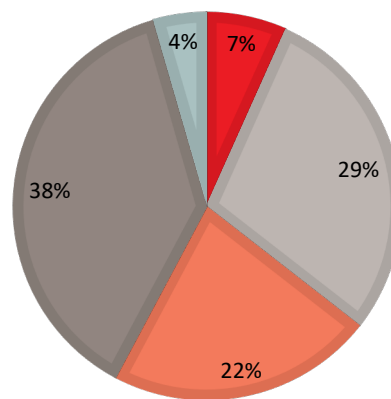


Figure 3 Types of climate-hazards triggering losses and damages addressed in 2021

While extreme weather events may inflict both economic and non-economic losses and damages, DCA responses in 2021 were mostly focused on addressing the economic dimensions of disasters, e.g., by providing rapid humanitarian response following a disaster in the form of emergency cash assistance, distribution of items or support to rehabilitation and reconstruction of important infrastructure. In some cases, however, DCA and partners have addressed both economic and non-economic losses. For instance, pastoralists in the Turkana region in Kenya, who have lost livelihoods, abandoned their culture, and been forced to relocate due to recurrent and increasingly severe droughts have been supported in taking up new livelihoods and shaping a new identity in urban centres and areas around refugee camps.<sup>1</sup>

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*DCA responses in 2021 were mostly focused on addressing the economic dimensions of disasters*

<sup>1</sup> Loss and damage case studies from the frontline: a resource to support practice and policy | Publications Library (iied.org)

The table below shows the distribution of types of responses to loss and damage in DCA projects.

Share of projects addressing one or more dimensions of loss and damage, 2021	Share of total projects
Addressing reversible impacts (damage) after a climate event (e.g., rapid humanitarian response after events to support recovery through cash, food, NFIs, and/or rehabilitation/reconstruction, addressing insufficient adaptation in livelihood systems, economic losses and damages)	96%
Addressing irreversible impact after a climate event (e.g., addressing relocation, identity loss, social cohesion and relationships, non-economic losses)	18%

Around 82% of the DCA projects addressing loss and damage in 2021 had addressed loss and damage in combination with climate adaptation and/or mitigation elements (Figure 4).

The analysis shows that most projects addressing losses and damages do so not in isolation but as more comprehensive approaches considering activities pre and post climate change events. For example, 40% of the projects also include activities to reduce risks before climate events (e.g., multi-hazard mapping, community level contingency planning and preparedness for response, early warning systems, setting up forecast based finance and risk informed early action systems), 69% aim at enhancing adaptive capacities post disaster, including building back better for alternative, diversified and more resilient livelihoods, and 44% go further in implementing transformative measures such as the establishment of and capacity building of community structures, capacity building of institutions, and advocacy for increased climate action and financing.

In the contexts which DCA and partners work in, climate change compounds existing vulnerabilities, entrenches inequalities and multiplies threats. A DCA research from Mali and Somalia indicates that climate change drives scarcity of natural resources and contributes to conflicts in the local communities.<sup>2</sup> The research also showed that adaptation measures could have a positive effect in decreasing the risk for loss and damage and escalation of conflicts, pointing to the value of an integrated response to address loss and damage and minimize future risks through adaptive measures.

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<sup>2</sup> Winning the Peace: Peacebuilding and Climate Change in Mali and Somalia (2020) DanChurchAid, Norwegian Church Aid, Act Alliance. [Link](#)

## Climate Markers - focus of projects (%)

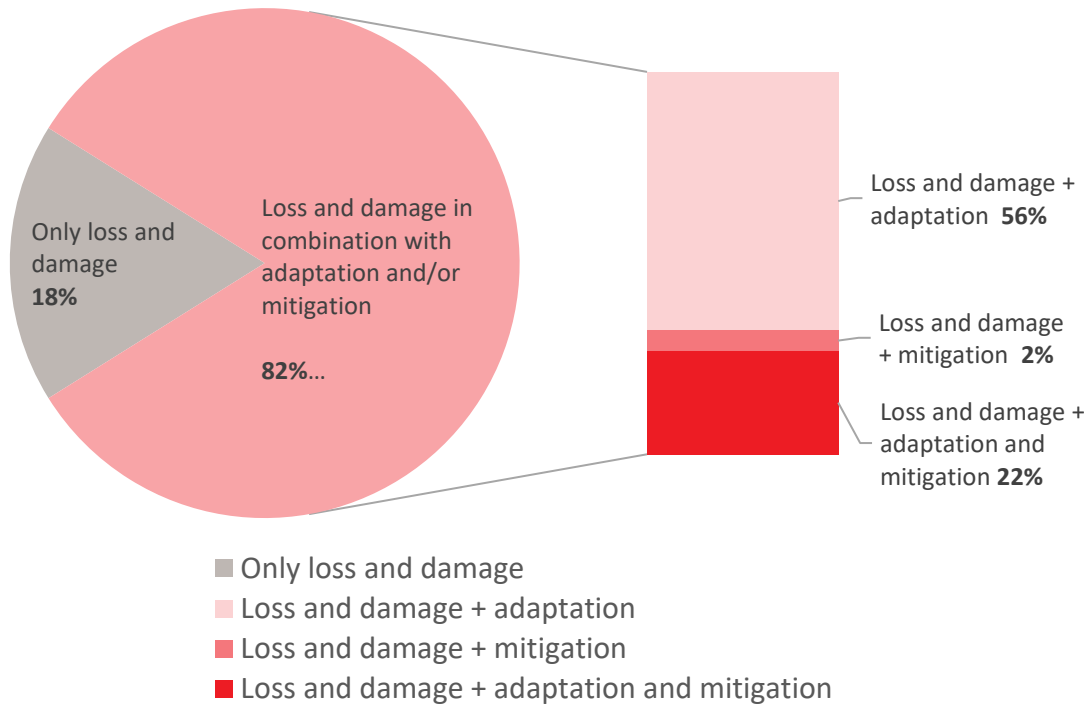


Figure 4 Focus of projects showing combination of loss and damage with adaptation and mitigation elements.

## Funding

Within the DCA 2021 project portfolio, a total of DKK 96.327.586 (approximately 12,9 million Euro) was channelled to 45 projects that integrated a loss and damage response dimension.

As shown in figures 5 and 6, different back donors have been relevant for different types of projects. In general humanitarian funds have been used for sudden onset events, while long term development aid has allowed to further link the responses to also address slow onset events. In our experience, a great degree of donor flexibility is useful for addressing loss and damage quickly. For instance, DCA is in a Strategic Partnership with Danida, Denmark's development cooperation, and manages a frame grant, which allows for flexibility to respond fast in the case of climate related disasters. This is an example of some donors being open to and interested in programming flexibly, e.g., by including a budget reserve for early actions to address an expected crisis. Even with flexibility from the donors, we find that funding often does not correspond with needs on the ground only underlining the need for more flexible funding.

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Share of finance for loss and damage related projects in 2021 - per hazard type and per donor

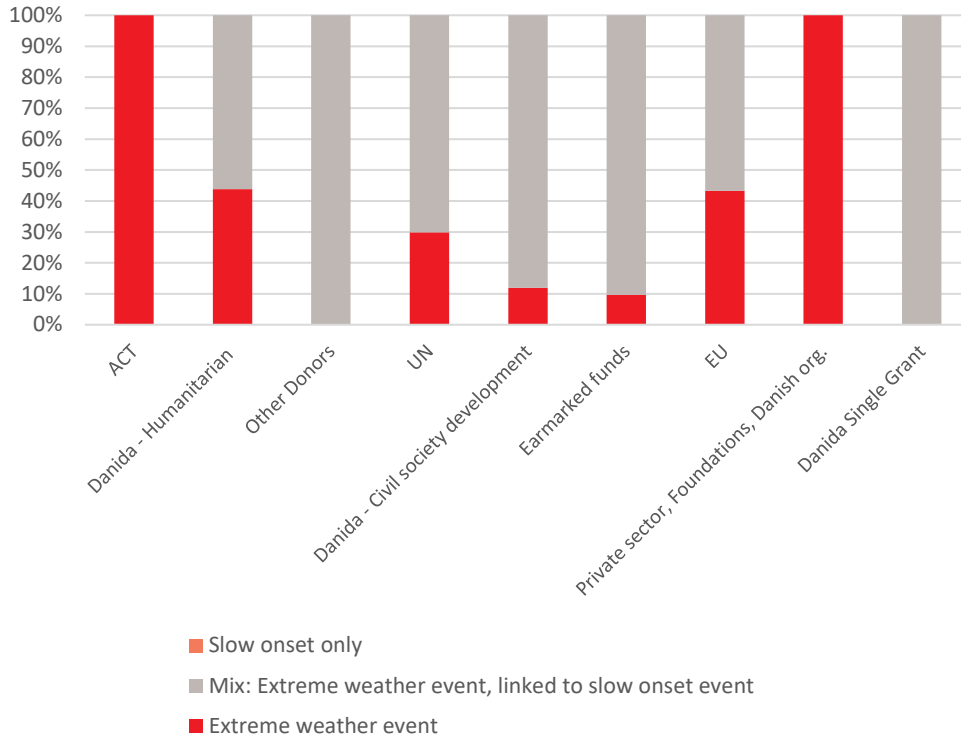


Figure 5 Share of finance per hazard and per donor for loss and damage related projects in 2021

Share of finance dedicated to each response type - per donor

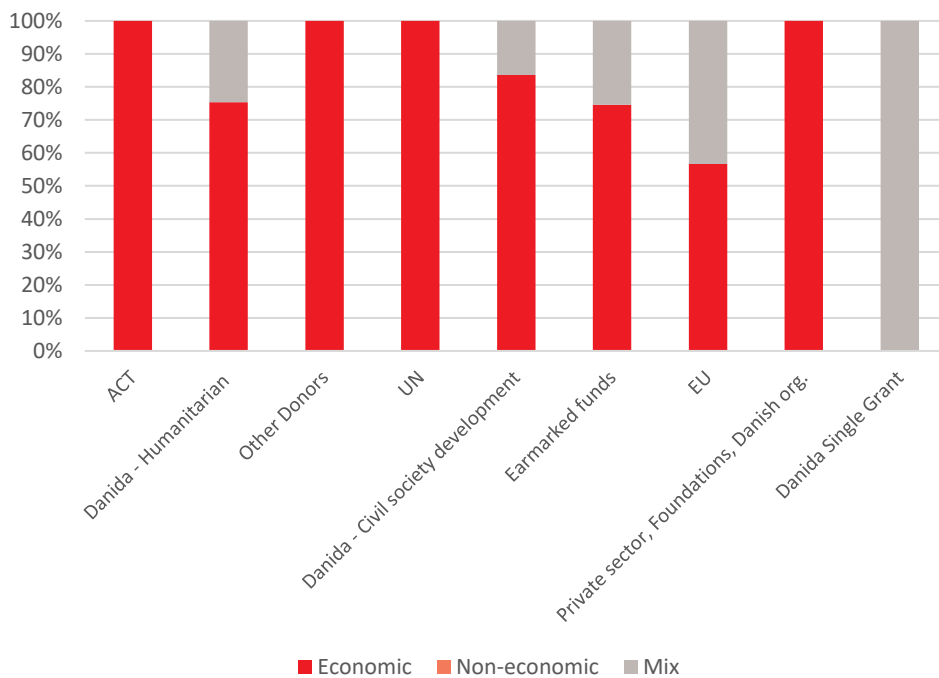


Figure 6 Share of finance dedicated to economic, non-economic and mixed responses per donor

## Limitations of funding

Recent DCA research on loss and damage incurred from floodings and landslides in Nepal identified financial and institutional gaps in terms of recovery actions as well as preventive measures.<sup>3</sup> The study found that less than 10% of respondents had been able to recover quickly from the disasters, many had relocated permanently and had taken loans to enable recovery and reconstruction. None of the families had received international aid, and the study highlighted the importance of ensuring additional finance for loss and damage as well as adequate technical and financial support channelled to local government and communities, who are first responders and central to reconstruction and rehabilitation actions as well as longer term resilience building.

This case study illustrates the chronic underfunding in terms of addressing loss and damage and underscores the need for additional finance, effective funding modalities and effective responses.

## Conclusions

### Programming modalities

- Many DCA projects are both addressing loss and damage and promoting adaptation simultaneously, bridging across the humanitarian-development-peace nexus. The cross-cutting approach ensures that communities have a chance to both recover and to prepare for expected future climate related hazards.

### Finance to address loss and damage

- As shown in the studies from Nepal, Mali and Somalia, it is also clear that there is a financing gap – both in terms of ensuring sufficient finance to address the loss and damage faced by communities and adaptation to minimize the risk for communities to face loss and damage.
- The funds which have been used to address loss and damage within DCA projects were part of the general ODA. In principle, these funds could have been used on a broad range of development needs for instance the work to advance democracy and the rule of law, gender equality and education. In other words, the funding was not additional. Losses and damages from climate related disasters are not satisfactorily addressed through existing funding, and with growing risks of human and natural system reaching adaptation limits there is an urgent need for new and additional funding to address loss and damage. It will be important that funding modalities are designed with the necessary flexibility to address loss and damage

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<sup>3</sup> DCA (2021) When Climate becomes a Threat, Evidence of Climate Change Induced Loss and Damage in Nepal.



rapidly, considering both economic and non-economic dimensions of loss and damage as well as the full spectrum of extreme and slow-onset events.

- It is not always easy to attribute the loss and damage that communities face to climate change. In some situations, the link may be indirect (e.g., conflict) and in other situations it may be difficult to assess if a weather event is linked to climate change, or part of a natural weather pattern. The DCA assessment is based on available science and research. Attribution criteria must be assessed further, to ensure that people facing loss and damage are not left behind, due to unclear funding criteria.
- The results show that DCA responses to loss and damage has been triggered by sudden-onset events, furthermore responses have mainly focused on addressing economic losses. Thus, additional focus is needed to address losses and damages from slow onset events as well as to increase attention to non-economic losses and damages, this might require the development of alternative approaches.

#### **Monitoring of climate finance to address loss and damage**

- Some of the projects which are counted as loss and damage, with the DCA loss and damage marker, would be marked with an adaptation marker when using the OECD Rio marker methodology. This indicates that if a loss and damage marker would be introduced to the Rio Marker system, this would require adjustments in the adaptation marker to avoid double counting.