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Addressing loss and damage: Insights from the humanitarian sector

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ADAPT

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Cover photo: Haitham Ibrahim / IFRC

August 2020: a Red Crescent Society volunteer carries a girl to safety after floods hit the village of Almizela, Sudan.

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Executive summary

This report aims to inform the vital work of the Transitional Committee established by COP27 to operationalise new funding arrangements and a fund to address loss and damage. It draws on decades of experience of the international humanitarian sector in funding and responding to the human consequences of extreme weather events. While there are significant differences between humanitarian action and activities to address loss and damage, as well as differences in the underlying rationale for humanitarian and climate funding, there are some important areas of overlap.

This paper does not aim to answer all questions before the Transitional Committee, but rather presents evidenced lessons from international humanitarian action, and makes the following recommendations to the Committee:

1. Humanitarian funding is insufficient to address rising loss and damage; new and additional funding is required.

While there are existing funding arrangements for the humanitarian sector, there are major gaps in international humanitarian funding: UN-coordinated appeals are, on average, only 60% funded. Humanitarian funding cannot be relied upon to address losses and damages. Rather, new and additional sources of funding are required to meet existing shortfalls in response funding; to address important gaps in areas such as preparedness, resilience, and reconstruction; and to address the significant areas under loss and damage where humanitarians do not work, including slow-onset events and cultural and environmental loss and damage. Simple relabelling of humanitarian funding as loss and damage funding by donors/contributors cannot be the solution – new sources of funding must be found.

2. New and additional funding must be predictable, adequate, and prioritised.

Humanitarian funding is discretionary with only a few donors providing most of the funding, leading to limitations in its ability to be sustainable, predictable, widely accessible, and adequate. New **loss and damage funding must have a different basis than humanitarian funding**, otherwise it will face the same funding challenges. Loss and damage finance should be based on UNFCCC principles of common but differentiated responsibilities and respective capacities, and one option would be to base it on obligatory assessed contributions. Further, there is no agreed-upon process to prioritise where humanitarian funding is channelled so funding is uneven; the loss and damage fund should take a **coherent and transparent approach and be designed around clear criteria to allow the prioritisation of scarce resources**, allowing tracking of the finance provided to ensure transparency and accountability under the UNFCCC and Paris Agreement.

3. Loss and damage funding should be designed for speed.

Getting funding swiftly to those in need is critical to reducing suffering and long-term impacts, but it is not straightforward. The **international humanitarian sector has developed a range of practices over many years to support a swift response** that the Transitional Committee should consider. These include: specific funding mechanisms (such as existing pooled funds); systems and processes (such as surge personnel and the humanitarian clusters); and approaches (such as cash and anticipatory action) to ensure funding is delivered to those in need in as timely a way as possible.

4. There is a need to address delivery challenges associated with highly fragile and conflict-affected states.

Highly fragile and conflict-affected states have limited capacity to address loss and damage without external assistance, and struggle to access existing climate funding mechanisms. These states – and the affected communities within them – are effectively marginalised because they are ‘too difficult’ to support. **Mechanisms should be developed to ensure that loss and damage funding can be operationalised in highly fragile and conflict-affected states.** Humanitarian experience in financing activities in these states points to the importance of designing funding approaches that are, *inter alia*, tolerant of risk, open to a variety of actors beyond a single government ministry or body, and aware of the dangers of increasing conflict. Given the complexity of these issues, the Transitional Committee may wish to institute a specific taskforce or workstream to consider how funds can best be accessed in particularly fragile and conflict-affected contexts.

5. A locally-led approach is essential for ensuring action and support benefits last-mile communities.

Humanitarian experience underlines the **importance of making funding accessible to local actors** – both civil society organisations and local government – if it is to be based on real needs and reach last-mile communities. The fund should be designed to be accessible to these organisations, potentially through adopting the Principles for Locally Led Adaptation. **In fragile and conflict-affected contexts, this needs to be done carefully, in ways that genuinely support local organisations, and do not just transfer risk.** The fund should also consider how to legally facilitate financial transfers to areas affected by counter-terror legislation.

6. Loss and damage funding should be available where climate, fragility, migration, conflict, and other shocks interact.

In many parts of the world, there is a complex interplay between climate change, conflict, fragility, economic shocks, and displacement. Thus, funding should not be restricted to situations where climate change is the only factor driving loss and damage, but **funding should be possible in situations where climate change has made a significant contribution to loss and damage.** The recognition that the Transitional Committee is mandated to consider funding for loss and damage ‘associated’ with climate change seems particularly important in this respect.

7. Flexible funding with limited restrictions responds best to broad and interconnected needs.

Humanitarian experience demonstrates that tightly restricting funding to certain types of action or to specific time frames can be counter-productive. The loss and damage fund should be designed to focus on specific agreed outcomes, rather than on particular types of programmes. This suggests that specific aspects of loss and damage – such as slow-onset events, non-economic loss and damage, or migration – should not be funded in isolation because they are intricately connected to other aspects. **Creating narrow funding windows for different types of loss and damage action will reduce efficiency and will mean that the needs of disaster-affected communities will not be fully met.** Instead, a flexible, long-term approach to funding should be developed.

8. A coherent, coordinated, cross-cutting approach is needed at all levels.

Loss and damage funding, like humanitarian funding, does not exist in a vacuum. **An effective approach to loss and damage will require the fund and funding arrangements to coordinate effectively with other areas of international cooperation** such as disaster risk management, climate mitigation and adaptation, development, humanitarian, and peace. Humanitarian experience suggests that coordination, coherence, and synergy require attention

and resources and should be ‘designed in’ to loss and damage funding arrangements from the outset. The design of the fund’s structure and processes should seek to ensure complementary action at all levels – contributor, fund, and recipient. It should also ensure that actions are well-coordinated with other activities at the country level (particularly in developing common outcomes and conducting common assessments); and that coordination activities extend beyond the capital to ensure that operational actors are involved.

1. Introduction

The [decision at COP27](#) to establish new funding arrangements and a fund to address loss and damage is the beginning of a vital process to address a critical gap in climate finance.

The Transitional Committee, tasked with making recommendations on how to operationalise the new fund and funding arrangements, will have to address a number of complex and challenging questions. How, for example, can funding be accessed as rapidly as possible in the wake of sudden onset events? Who should have access to funding and how can this be delivered? How can the fund most effectively coordinate with and complement existing international funding arrangements?

In addressing these questions, the decision text invites the Transitional Committee to be informed by the ‘current landscape of institutions... that are funding activities related to loss and damage’ and consider ‘ways in which coherence, coordination, and synergies among them can be enhanced’.

This paper is a contribution to that discussion, outlining the experience and lessons learned by one part of this landscape of institutions: the international humanitarian sector. Humanitarian actors have decades of practice in funding and responding to the human consequences of extreme weather events. Over this time, they have had the opportunity to evaluate mechanisms and activities and to learn from both failure and success.

This paper outlines key elements of this learning that can usefully inform the work of the Transitional Committee. It addresses the question: ‘What can we learn from the concept, practice, experience, and funding of international humanitarian action in order to set up effective funding to address loss and damage?’

The paper does not aim to answer all questions before the Committee, nor advocate for any specific relationship between existing humanitarian structures and loss and damage funding. Rather, it aims to contribute to the design of the fund and funding mechanisms by presenting evidenced lessons and recommendations related to the questions of speed, eligibility, adequacy, access to finance, and coordination that are currently before the Committee.

The paper first provides a brief overview of international humanitarian action and how it relates to activities that might fall within the scope of loss and damage, and then addresses eight key areas where humanitarian experience can inform the work of the Transitional Committee.

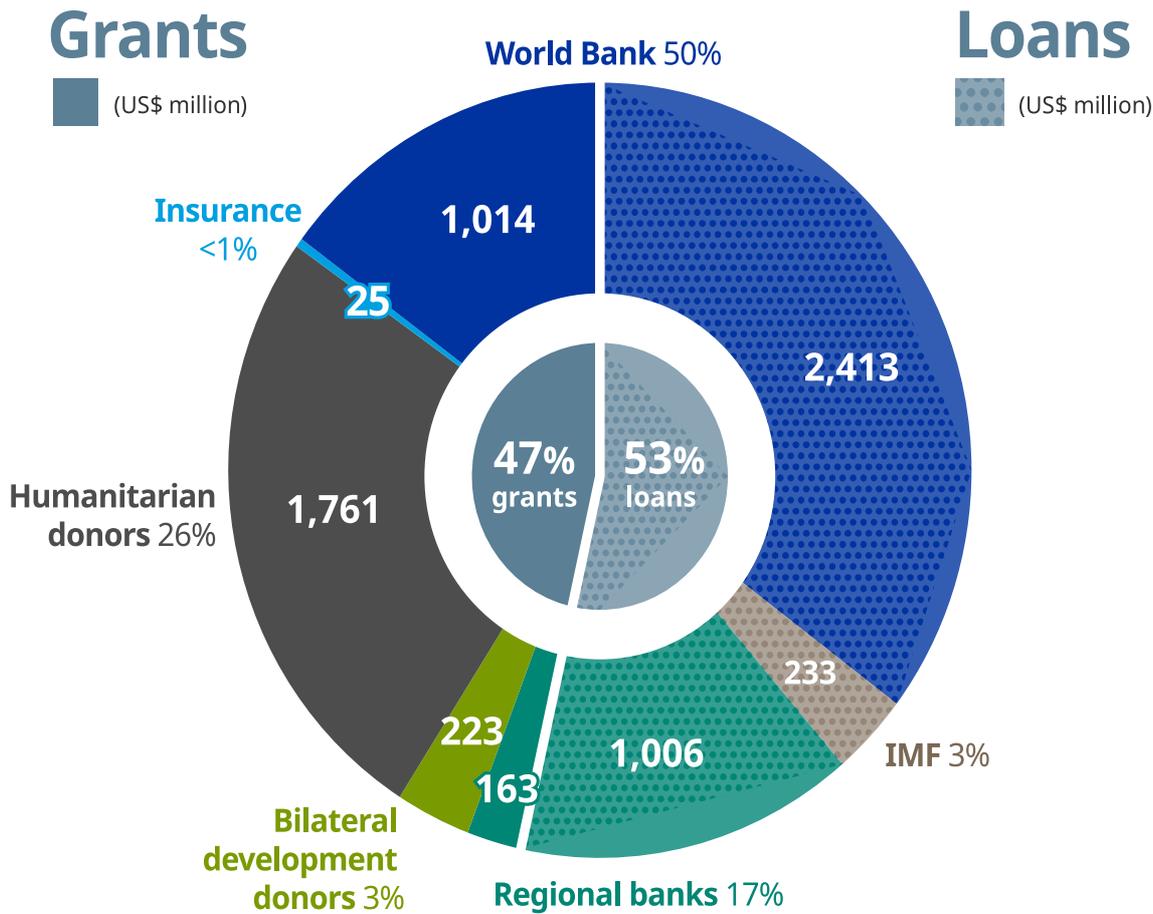
NOTE ON SCOPE FOR THIS PAPER

This paper focuses on internationally-funded humanitarian action but recognises that this forms only a limited part of the support and assistance that people receive after emergencies.

People in crises receive significant assistance from neighbours (who are generally the ‘first responders’), community organisations, local businesses, and of course their government; this support can be very substantial,¹ and is based on many other sources of finance, including taxation, charitable donations, savings, and remittances.² Debt – both personal and sovereign – is a key method of funding recovery and reconstruction, and this can have serious long-term impacts.

Further, the paper recognises that international humanitarian funding is often only a limited proportion of the total funding received from international sources. One study, for example, showed that across nine responses to natural hazards, only 26% of the funding received in the first 18 months after the crisis was from humanitarian sources.³ Figure 1 below shows the key institutions providing international funding; it also demonstrates how much of the funding was loans, thus contributing to an increase in sovereign debt.

Figure 1: Key sources of international crisis funding for nine disasters from natural hazards



Source: Crossley et al. (2018). This data comes from nine specific natural hazards, considering funding committed in the first 18 months after the crisis.

2. Fundamentals of humanitarian action

The scope of humanitarian action covers a spectrum of disaster management activities, from programmes to reduce risk and build resilience in anticipation of disasters, through the provision of relief assistance during and after disasters, to immediate reconstruction work in the aftermath of the disaster.⁴ In practice, however, **the great majority of international activities and funding relate to the provision of goods and services in the aftermath of crises and disasters.**⁵ Despite consistent advocacy efforts towards donors, only a small proportion of humanitarian funding goes to pre-crisis activities such as disaster risk reduction, resilience-building, and preparedness, which remain an important gap.⁶

These predominantly ‘short term’ forms of post-disaster assistance are often provided for many years,⁷ particularly where people have been displaced.⁸ This is partly a result of a lack of development actors in many humanitarian contexts who can ‘take over’ once the immediate crisis has passed. It is also a result of the restrictions on humanitarian funding mentioned above, which prevent funds being used for longer-term reconstruction.

There are **strong principles that guide humanitarian action** – principles of humanity, neutrality, impartiality, and independence.⁹ These principles dictate that assistance is provided on the basis of need alone, giving priority to the most urgent cases of distress, irrespective of cause. In this respect humanitarian action differs from action related to loss and damage, which is also defined by the cause of the need (climate change).

Under UN General Assembly Resolution 46/182, **international support to humanitarian action is complementary to the activities of the state.** States have both the responsibility for, and the primary role in, initiating, coordinating, and implementing humanitarian assistance to victims of disasters from weather-related hazards and other emergencies. International humanitarian actors, working with the consent of the state, become involved where the ‘magnitude and duration’ of the emergency is ‘beyond the response capacity’ of the state to address without support.

International humanitarian assistance provided in response to weather-related hazards constitutes a significant portion of humanitarian action. On average, around two-thirds of UN humanitarian appeals in any given year since 2000 have been related to extreme weather events (typically drought, flooding, or tropical storms). International humanitarian assistance is provided to a wide range of states that are particularly vulnerable to weather-related hazards and on the frontline of climate change, including SIDS, LDCs and others.

Most international humanitarian activity occurs in conflict-affected states, or in states hosting refugee populations. Around 80% of international funding goes to these contexts.¹⁰ In these contexts, humanitarian action addresses the consequences of both conflict and climate. As noted above, international humanitarian activity also occurs in non-conflict affected states, and here it is largely directed towards the consequences of extreme weather events.

Funding for international humanitarian assistance is discretionary. It takes the form of grants, predominantly from public donors who are members of the OECD Development Assistance Committee (DAC).¹¹ In 2021, the three largest donors provided 59% of public international humanitarian assistance.¹² Most humanitarian funding is decentralised, with no single global mechanism for prioritising need between different emergencies. Donors generally apply their own criteria to allocate funding to specific emergencies (on the basis of appeals by the UN, the Red Cross, or other operational actors), or to provide core funding to humanitarian agencies. Donors can also fund centralised facilities (such as the UN’s Central Emergency Response Fund, the International Federation of Red Cross Red Crescent Societies (IFRC)

Disaster Response Emergency Fund (DREF), or the NGO Start Fund) which provide rapid funding at the onset of emergencies or make up shortfalls in situations which fail to attract sufficient donor assistance. However, the funding allocated through these mechanisms is a relatively small part of overall humanitarian funding.¹³

The majority of international humanitarian funding goes to UN agencies (60%) and international NGOs (nearly 20%).¹⁴ Much less goes to the governments of affected states or to NGOs, National Red Cross or Red Crescent Societies, or other civil society organisations headquartered in disaster-affected states.¹⁵ Commitments to increase the amount of funding going to 'local' actors made as part of the 2016 humanitarian 'Grand Bargain' between donors and operational actors have not yet been realised.¹⁶

3. How does international humanitarian action relate to loss and damage?

In terms of funding, **the basis for humanitarian funding is fundamentally different from climate finance.** International humanitarian funding is discretionary and is based on principles of solidarity, rather than on the principles of common but differentiated responsibilities and respective capabilities.

In terms of areas of action, **there are important areas of overlap between international humanitarian assistance and activities aimed at addressing loss and damage resulting from climate change.** Where international humanitarian activities relate to disasters triggered by weather events associated with climate change (climate change-related droughts or flooding, for example) they can be seen as one element of *addressing* loss and damage. Similarly, where humanitarians engage in prevention or preparedness activities related to hazards that are more likely to occur as a result of climate change (by supporting cyclone early warning systems or community-based preparedness activities, for example), these activities can be understood as activities that aim to *minimize* loss and damage.

Nevertheless, **international humanitarian assistance activities only cover a small part of what would be required to provide a 'balanced and comprehensive approach to loss and damage'**.¹⁷

With respect to the **types of losses and damages addressed**, international humanitarian actors tend only to work on a limited and specific set of activities:

- For **economic loss and damage**, international humanitarian activities generally focus on the losses of the most marginalised or vulnerable people (those whose economic losses will lead to extreme poverty or destitution) at the household or community level,¹⁸ rather than the macro-economic impact of the disaster, or economic losses sustained by larger agricultural producers, or manufacturers, for example. As such, humanitarian action covers only a small proportion of economic losses.
- For **non-economic loss and damage**, international humanitarian activities focus predominantly on preventing individual losses of life; short term impacts on health (including mental health); displacement; and the repair or construction of communal assets for sanitation, healthcare, and education. Humanitarian attention to cultural or environmental losses and damages tends to be minimal, although some activities, such as support to education, community groups (and particularly women's groups), and the provision of psychosocial support may assist people to address cultural losses and damages.

With respect to the **drivers of loss and damage**, international humanitarian activities are generally in response to **rapid-onset events** (including droughts).¹⁹ Humanitarian action does not directly address slow-onset losses and damages such as those caused by sea level rise and salinisation (although it may make an indirect contribution to addressing these elements in highly fragile and conflict-affected states, where slow-onset loss and damage has contributed to displacement or made people more vulnerable to humanitarian need).

With respect to **operational contexts**, international humanitarian actors tend to respond – and are most experienced in responding – in **highly fragile and conflict-affected states**, where they address both conflict- and natural hazard-related crises. Where international humanitarian actors respond to crises related to natural hazards in other contexts, their responses tend to be only for the largest disasters. Because of the limited nature of humanitarian response, these responses only meet a very small proportion of overall needs in relation to loss and damage.²⁰

With respect to the **types of activity undertaken**, the scope of humanitarian action can cover a spectrum of disaster management activities, from programmes to reduce risk and build resilience in anticipation of disasters, through the provision of relief assistance during and after disasters, to immediate reconstruction work in the aftermath of the disaster.²¹ In practice, however, **the great majority of international activities and funding – perhaps as much as 90% – relate to the provision of goods and services in the aftermath of crises and disasters.**²² Only a small proportion of humanitarian funding goes to pre-crisis activities such as disaster risk reduction, resilience-building, and preparedness, which remain an important gap.²³ Similarly, humanitarians only make limited contributions to reconstruction after disaster and to relocation activities. Humanitarians do not play a role in the provision of compensation, processes of memorial or remembrance, or other activities associated with loss and damage.²⁴

Humanitarian actors have advocated consistently for an increased focus on disaster risk reduction, preparedness, and resilience-building. While there have been many successful programmes in these areas, overall progress has been hampered by a disinclination on the part of many donors to prioritise these activities and – in some contexts – by a lack of government or other development partners with whom humanitarians can work.²⁵ With respect to post-disaster recovery and reconstruction, humanitarians have also been constrained by a lack of donor funding and by the fact that humanitarian funding is typically delivered in annual cycles, which do not allow for longer-term recovery programming. As a result, surveys of affected people show that their recovery needs very often go unmet.²⁶

In summary, international humanitarian actors have particular experience and expertise in addressing some specific elements of loss and damage – see Figure 2.

Figure 2: Current focus areas of international humanitarian action as they relate to the dimensions of loss and damage

Dimensions of loss and damage	Focus of current international humanitarian action	Existing gaps for international humanitarian action
Economic loss and damage	Household and community level	Macro level Large economic enterprises
Non-economic loss and damage	<i>Individual:</i> Life; short term health; short term displacement	<i>Individual:</i> Long term health; human mobility <i>Society:</i> Territory; cultural heritage; indigenous knowledge; identity <i>Environment:</i> Biodiversity; ecosystem services
Drivers of loss and damage	Large-scale rapid onset	Smaller-scale rapid onset Slow onset
Types of loss and damage activity	Mostly (up to 90%) response Also some risk reduction, preparedness, and early recovery	Major areas of risk reduction, preparedness, and early recovery All areas of longer term recovery (including reconstruction, resettlement, and ecosystem rehabilitation)
Operational contexts	Mostly (up to 80%) highly fragile, conflict affected and refugee hosting states	Many other states

It is important to note, also, **that much humanitarian assistance is for activities that do not address the loss and damage associated with climate change.** Humanitarian financing is also spent on responding to natural hazards that are unrelated to climate change (such as earthquakes) and on responding to the consequences of conflict.

4. Lessons from international humanitarian action for the development of a loss and damage fund and funding arrangements

The previous section briefly outlined how humanitarian action does – and does not – intersect with actions related to loss and damage. In this section, we consider eight areas where humanitarian experience may be particularly relevant to the task of the Transitional Committee.

4.1 Addressing the existing humanitarian funding gap

Key issue for loss and damage: The COP27 decision recognises the ‘urgent and immediate need for new, additional, predictable, and adequate financial resources’. Communities least responsible for climate change cannot be expected to shoulder the burden of costs but must be provided with the resources needed. While there is no agreement yet on the amount of money required to address loss and damage, the need is already considerable and is rising because of a lack of sufficient progress on climate change mitigation and adaptation.²⁷

Lessons from humanitarian action: Humanitarian action is already seeing an increase in the proportion of humanitarian action related to extreme weather: between 2000–2010, the proportion of UN-coordinated appeals in which extreme weather was a major factor averaged 26% in any given year. In the period 2011–2021, this figure had increased to 37%.²⁸ Similarly, the IFRC’s DREF is providing more funding to extreme weather events – an increase of 15% from the period 2009–2015 to the period 2016–2021.²⁹

In addition to the immediate disaster-related impacts of climate change that will drive these needs, the increasingly precarious livelihoods and decreased health status associated with climate change can be expected to make people more vulnerable to crises when they do occur,³⁰ and so to increase the levels of assistance required. Further, the increasing frequency and severity of impacts means that people are not able to recover from the impact of the last disaster before they are facing the next. In the absence of full recovery of everything that has been lost, a vicious cycle is created, which is unfairly falling on those least responsible for causing climate change.

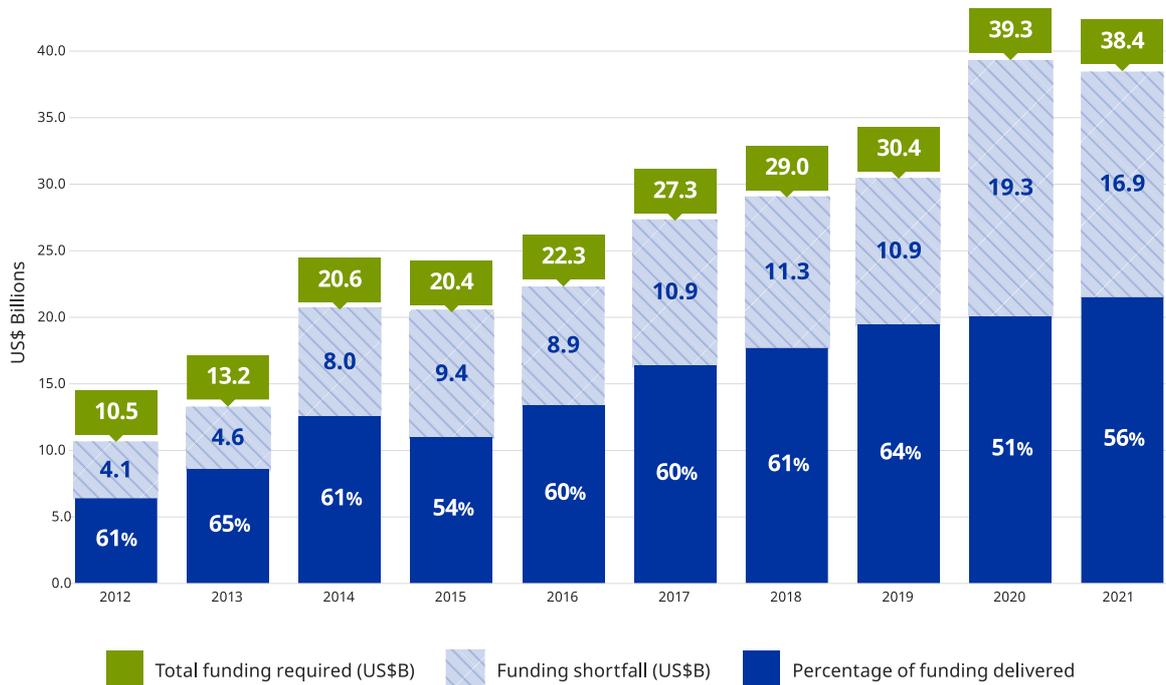
International humanitarian assistance is generally effective at saving lives in the acute phase of emergencies,³¹ and in most cases the assistance provided is seen as being relevant by people affected by the emergency, particularly in the earliest, acute phase of the response³². However, humanitarian appeals are significantly and consistently under-funded so international humanitarian action has never met all the needs.³³ For the past decade, funding across all crises met on average only 60% of assessed priorities (see Figure 3).³⁴

It is thus absolutely clear that humanitarian action is not providing all the support that people need to survive disasters, let alone recover and rebuild in a more resilient way, and these gaps must be met by new and additional funding for loss and damage.

Further, funding for pre-existing humanitarian needs decreased significantly in 2020 as funds were diverted to meet the new burden of COVID-19.³⁵ This approach – diverting and re-labelling existing humanitarian budgets – should not be used to meet the costs associated with loss and damage.

Key takeaways for the Transitional Committee: While there are existing funding arrangements for the humanitarian sector, there remain major gaps: the system is underfunded and overstretched and is not able to provide reliable finance that meets current humanitarian needs, far less address the increased needs that can be expected as a result of loss and damage associated with the adverse effects of climate change. Simple relabelling of humanitarian funding as loss and damage funding by donors/contributors cannot be the solution – new sources of funding must be found.

Figure 3: Funding received and unmet requirements of UN-coordinated humanitarian appeals



Source: This figure is adapted from Figure 2.2 in Development Initiatives' Global Humanitarian Assistance Report 2022.³⁶

4.2 Ensuring new and additional funding that is predictable, adequate, and prioritised

Key issue for loss and damage: Loss and damage funding must be sustainable, predictable, accessible and adequate, based on agreed UNFCCC principles of common but differentiated responsibility and respective capabilities, and allocated according to need.

Lessons from humanitarian action: International humanitarian funding is entirely discretionary and is provided according to the wishes of the donor.³⁷ It differs from climate finance in not being based on principles of responsibility. This means that:

- **Funding sources are limited**, as not all developed countries choose to provide significant humanitarian funding. In 2021, 59% of public contributions for humanitarian action were made by just three countries.³⁸
- Humanitarian donors retain a **very high level of control over how funds are spent**. There is no single global mechanism for prioritising need and allocating funding between different emergencies. Instead, donors apply their own criteria to allocate funding to specific humanitarian agencies and/or to specific emergencies (on the basis of appeals by the UN, the Red Cross or other operational actors). This approach leads to disparities in funding from one disaster to another that are not necessarily related to the scale or intensity of needs.³⁹

A largely decentralised and uncoordinated approach to funding also leads to **competition** between agencies and **high process costs** for humanitarian agencies,⁴⁰ who will often report to multiple donors in the same country. There have recently been attempts to create a common

donor reporting format for the humanitarian sector to decrease these process costs. However, while a common format exists, donors have been slow to take it up.

Donors can also fund centralised facilities (such as the UN's CERF, the IFRC DREF, or the NGO Start Fund) which provide rapid funding at the onset of emergencies or make up shortfalls in situations which fail to attract sufficient donor assistance. However, the funding allocated through these mechanisms is a relatively small part of overall humanitarian funding.⁴¹

Key takeaways for the Transitional Committee: The fact that humanitarian funding is discretionary and largely donor-driven creates problems that the Transitional Committee should avoid. One option would be to base loss and damage finance on obligatory assessed contributions, incorporating UNFCCC principles of common but differentiated responsibilities and respective capacities. Further, the fund and mechanisms should be designed in such a way as to allow for a coherent and transparent approach to deciding where funds are spent and adjudicating between competing and changing priorities. The design of the fund should also ensure that reporting on expenditures is aligned to the degree possible around a common or interchangeable format across the spectrum of wider funding arrangements related to loss and damage, to reduce costs and facilitate effective reporting.

4.3 Designing for speed

Key issue for loss and damage: Any support to people suffering loss and damage in rapid-onset emergencies needs to be fast if it is to be effective.⁴² Delays in the provision of effective support can lead to escalating and compounding needs.

Lessons from humanitarian action: Humanitarian financing tends to be much faster than other forms of funding in response to crises – for example, from 2010–2019, it took the World Bank's Crisis Response Window around one year between the beginning of the crisis and the very first dollar to flow;⁴³ for the GCF, the median time from project review to first disbursement in 2021 was 12 months.⁴⁴ In contrast, one study of humanitarian funding across a number of weather-related disasters found that 60% of humanitarian funding was committed within two months, with most of the rest coming in the following four months.⁴⁵

Nonetheless, humanitarians have struggled with ensuring that funding is rapid enough,⁴⁶ knowing that delays in humanitarian response have an unequivocal human cost. If responders do not have sufficient funds in the emergency phase, they have to reduce the assistance provided to below international standards (for example, cutting food rations) and reduce the number of people who receive assistance, leaving many others in need. These are the hard choices that humanitarian organisations frequently have to make. Such delays increase suffering and lead to negative coping strategies, often with critical impacts on women and girls, and also push people into debt.⁴⁷

The majority of international humanitarian funding relies on institutional donors who make decisions once an emergency situation has occurred – very little is agreed in advance – which inevitably leads to delays. To counteract this, the sector has developed a number of approaches that have proved successful in speeding up the delivery of life-saving activities. These include:

- **Pooled funds.** Pooled funds operating at the international and national levels have proved an extremely effective mechanism for the rapid disbursement of funding. For example, for UN OCHA's Central Emergency Response Fund, the average length between submitting a funding application and disbursement is 12.1 working days⁴⁸ and action often begins within a few days. Other pooled funding mechanisms – such as the IFRC DREF, NGO Start Fund and

country-based pooled funds – also respond quickly. Although the amounts are small, DREF funds are available within 12–24 hours from receipt of request.

- **Systems and processes.** Responding swiftly in complex situations and to evolving and compound needs is a significant challenge. A range of different systems have been developed to support an effective and rapid response. These include: surge personnel on standby; emergency leadership and governance (including the cluster system, which clarifies the division of labour among aid organisations and provides clear leadership and accountability in the 11 main areas of humanitarian response⁴⁹); preparedness and contingency planning approaches (such as Inter-Agency Emergency Response Preparedness); and early warning (such as FEWSNET and the El Niño alert system). This experience and expertise, built up over many years, can support an effective, timely response.
- **Anticipatory action.** While early warning systems (particularly for drought-related food insecurity) have been available to humanitarian actors for many years, they have an inconsistent record in leading to timely action.⁵⁰ Recent work on ‘anticipatory action’, which links pre-agreed funding to pre-agreed activities (often initiated by triggers from early warning systems), has the potential to greatly increase the speed of response in many situations. This is a work in progress: methods are still under development, ensuring government ownership of these approaches remains important, and approaches have not yet been taken to scale.⁵¹
- **The use of cash,** rather than commodity, assistance. Cash has generally been faster to supply than commodities and the increased use of cash as a humanitarian response modality (in situations where markets are functioning and the use of cash is appropriate) has increased the speed of response and the agency of recipients.⁵²

It is also important to note that swift funding is most effective where investments have been made into preparedness and capacities to act and absorb such funding.

Key takeaways for the Transitional Committee: Getting funding swiftly to those in need is not straightforward. Specific funding mechanisms (such as existing pooled funds), systems and processes (such as surge personnel and the cluster system), and particular approaches (such as cash where appropriate and anticipatory action) may offer avenues to ensure that funding is as timely as possible.

4.4 Addressing delivery challenges associated with highly fragile and conflict-affected states

Key issue for loss and damage: Highly fragile and conflict-affected states face disproportionate levels of risk with relation to loss and damage⁵³ and thus need to be able to access loss and damage funding. This requires mechanisms which are adapted to the specific circumstances of these states.

Lessons from humanitarian action: Many of the citizens of states that are highly fragile or conflict-affected are particularly vulnerable to climate impacts as a result of decreased access to services and the difficulties of earning a living or building up reserves, even in ‘good’ years.⁵⁴ Moreover, the governments of these states often lack the tax base to fund adaptation (leading to loss and damage that might otherwise have been avoided) and in conflict-affected states, the government may not have physical access to areas that are exposed to loss and damage.⁵⁵

Despite these specific and heightened vulnerabilities, fragile and conflict-affected states receive very little climate finance.⁵⁶ Indeed, over the last decade, analysis has found that the more fragile a country was, the less climate finance it received from bilateral funders and multilateral climate funds: extremely fragile states averaged US\$2.10 per person in adaptation financing

compared to US\$161.70 per person for not-fragile states.⁵⁷ This is a result of the design of existing climate financing mechanisms. In particular, requirements for highly elaborated programme designs that can be initiated as soon as financing is made available are beyond the capacities of many highly fragile and conflict-affected states,⁵⁸ while approaches to assessing the risk (and in some cases return) of finance developed for stable contexts effectively exclude countries experiencing insecurity and conflict.⁵⁹

Humanitarian actors are experienced in working in and with highly fragile and conflict-affected states: this is where the majority (around 80%⁶⁰) of international humanitarian activity takes place. As such, experience points to the importance of funding approaches that are designed with the realities of these states in mind. This requires, at a minimum:

- a careful consideration of acceptable risk;⁶¹
- measures to mitigate the potential of funding to aggravate existing tensions and conflict;
- accommodation in processes for proposal design to allow for the provision of funding and technical expertise to support the development of proposals;
- the ability of a variety of government structures, including local government, to access funding;⁶² and
- enhanced access to funding for local civil society organisations or international actors in situations where the state is unable or unwilling to apply for or disburse funding.

Key takeaways for the Transitional Committee: Given the vulnerability of highly fragile and conflict-affected states to loss and damage, their limited capacity to address this loss and damage without external assistance, and the limited success of existing climate finance mechanisms in reaching them to date, these states – and the affected communities in them – cannot be an afterthought, or considered ‘too difficult’ in any design process. Humanitarian experience in financing activities in these states points to the importance of designing funding approaches that are, *inter alia*, tolerant of risk, open to a variety of actors beyond a single government ministry or body, and aware of the dangers of increasing conflict. Given the complexity of these issues, the Transitional Committee may wish to institute a specific taskforce or workstream to consider how funds can best be accessed in conflict-affected contexts.

4.5 Ensuring a locally-led approach

Key issue for loss and damage: Empowering local stakeholders to lead in addressing loss and damage – including programme design, funding decisions, and implementation – gives communities on the frontline of climate impacts a voice in decisions that directly affect their lives and livelihoods and has been identified as an important element of the design of any loss and damage fund.⁶³

Lessons from humanitarian action: The majority of international humanitarian funding goes to UN agencies (60%) and international NGOs (nearly 20%).⁶⁴ Much less goes to the governments of affected states or to NGOs, National Red Cross or Red Crescent Societies, or other civil society organisations headquartered in disaster-affected states.⁶⁵

At the same time, local organisations – including local government authorities, national and local NGOs, National Red Cross and Red Crescent Societies, community based and faith-based organisations – play a vital role in humanitarian response. These organisations are there before, during, and after a crisis, and may be the only ones present when international actors – and sometimes central government actors – struggle to gain access.⁶⁶ Critically, local organisations are often made up of people from the local community and may be better placed

to understand what communities want and need so that assistance meets their needs. This has been a challenge for both humanitarian action and climate adaptation work.⁶⁷

Civil society organisations such as national and local NGOs and community organisations can be particularly important in fragile and conflict-affected states, as they often provide essential services in sectors where the state does not have capacity, or in areas which the state is unable to reach.⁶⁸

In terms of ensuring an effective local response, experience shows that where there has been investment in the institutional and operational capacities of local actors, these organisations have also been able to deliver more quickly and effectively.⁶⁹

The international humanitarian sector has been working for some time to strengthen the role that civil society plays in humanitarian response through the ‘localisation agenda’⁷⁰ and to provide finances ‘as directly as possible’ from donors to local actors and civil society in crisis-affected areas. However, there has been very little progress on the direct provision of funding by public donors to national or sub-national organisations.⁷¹ This lack of movement demonstrates important constraints to direct funding, including:

- the degree to which donors are prepared to make direct funding available to local organisations;⁷²
- the process costs to donors inherent in making relatively small grants;⁷³ and
- the challenges that local organisations face in meeting due diligence requirements.⁷⁴

While there has been some success in approaches such as making local NGOs the ‘prime’ organisation in consortium funding bids⁷⁵ – a mechanism that the fund could encourage – major donors suggest that ‘it will take some years to find a feasible alternative to large bulk contributions to international agencies.’⁷⁶ Another successful approach to direct finance to local actors in a wide variety of contexts has been through country-based pooled funds (CBPFs); in 2021, 35% of funding through the UN’s CBPFs was allocated to national and local organisations.^{77,78}

In humanitarian contexts, most international funding to civil society organisations takes the form of ‘pass-through’ funding via international intermediaries.⁷⁹ To ensure that this represents real partnership – rather than the transference of risk – such international intermediaries should adhere to best practice in terms of financial partnership (by, for example, including core costs and capacity-building costs of local organisations in project budgets)⁸⁰ and beyond (for example, including partners in media stories, ensuring that they do not compete with local partners for staff,⁸¹ and communicating in an effective and timely manner.)⁸²

Further, a key consideration in the provision of financial support – direct or indirect – to civil society actors in many conflict-affected states is the challenge of negotiating sanctions and counter-terror legislation.⁸³ As intermediaries, international humanitarian agencies spend increasing amounts of time navigating and negotiating this legislation.

Key takeaways for the Transitional Committee:

Assistance should be effective at meeting the actual needs of communities. Therefore, investing in understanding what communities want and need should be an integral component of any funding provided.

The Principles of Locally Led Adaptation could be explicitly applied to loss and damage. They offer a clear commitment to develop decentralised, local, and community-based mechanisms to identify and prioritise needs, as well as plan and implement action; they also provide a significant role for national and local entities to identify needs and coordinate local activities in addition to directly accessing finance.

Adapting the Principles for emergency contexts will be necessary. The loss and damage fund should have a clear and prioritised mechanism to transfer funds directly to local organisations and to invest in their capacities for action. The fund might also support – where necessary, and particularly in fragile and conflict affected contexts – indirect financing via intermediary organisations. This needs to be done carefully, in ways that genuinely support local organisations, and do not just transfer risk. Where intermediary organisations are selected to receive funding, they should be accountable for:

- budgeting for and passing on the core costs of local organisations;
- investing in building the capacities and sustainability of the organisations they work with;
- using agreed, common, and transparent accounting and reporting standards; and
- supporting partners in non-financial ways, according to the 2007 Principles of Partnership.⁸⁴

The fund should also consider, with the advice of humanitarian donors and organisations, how to legally facilitate financial transfers to areas affected by counter-terror legislation.

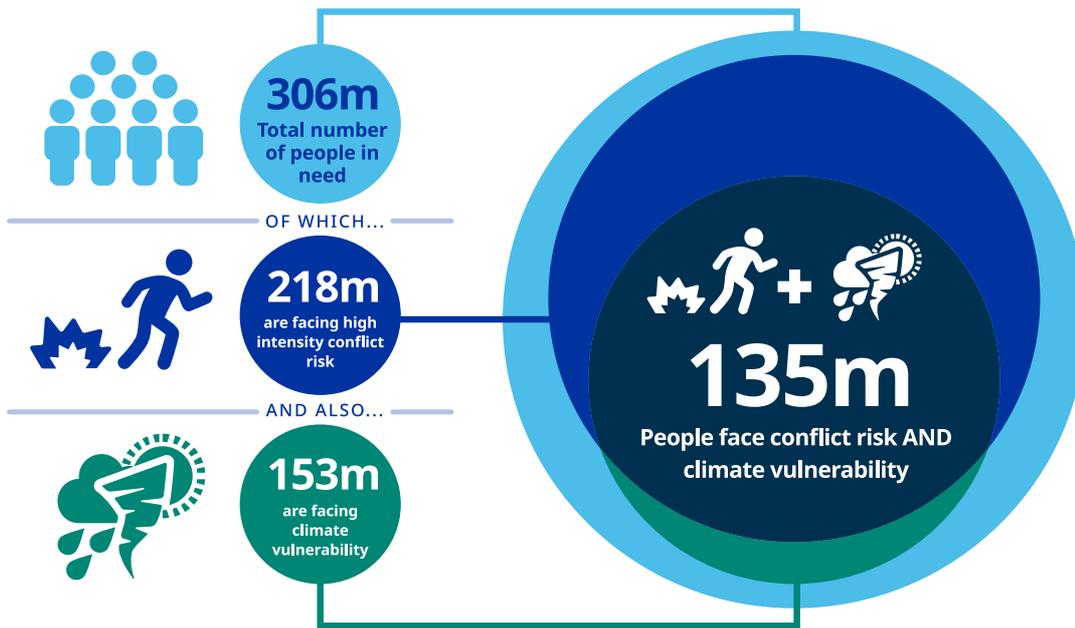
4.6 Addressing situations where climate, conflict, migration, and other shocks interact

Key issue for loss and damage: There are many contexts where the impacts of conflict and fragility are interwoven with those of climate change. The links with climate change may not always be direct or clear, but where climate change has contributed to loss and damage, those affected in these contexts should be eligible for loss and damage funding.

Lessons from humanitarian action: Many of the people supported by humanitarian action face intersecting risks of climate vulnerability, conflict, displacement, and other shocks (see Figure 4). These various drivers of crisis often combine to make the situation much worse: increasing impacts, lowering resilience, and frustrating efforts to provide the longer-term support needed for recovery.

In these circumstances, it is often challenging to identify the specific role of climate change in causing loss and damage. There will be some situations where it is relatively straightforward to identify loss and damage associated with the adverse effects of climate change – this might be, for example, where rapid-onset events⁸⁵ such as cyclones have caused loss of life, damage to livelihoods, displacement, etc. But humanitarian experience is that in situations of conflict or fragility, it is often impossible to draw a line between conflict and climate-related impacts – to say that these particular people are affected by and need assistance due to climate change and these others due to conflict. These shocks, and others, are not experienced as distinct but work together to increase vulnerability.

Figure 4: Intersecting dimensions of risk, showing the overlap between conflict and climate



Source: This figure is adapted from Figure 1.2 in Development Initiatives’ Global Humanitarian Assistance Report 2022.⁸⁶

For example, many displaced people are making decisions to move on the basis of multiple stresses, such as climate–related erosion of their livelihoods combined with insecurity and violence; climate change has undoubtedly contributed to loss and damage, even if it has not fully caused it.⁸⁷ Even more complex is the situation where the pressures of climate change contribute to new episodes of insecurity and conflict, which in turn lead to further losses and damages to individuals, communities, and societies involved.⁸⁸ Here the contribution of climate change to loss and damage is powerful, but indirect.

Key takeaways for the Transitional Committee: Given the reality of the complex interplay between climate change, conflict, fragility, economic shocks, and displacement in many parts of the world, humanitarian experience suggests that funding should not be restricted to situations which can be attributed exclusively to climate change, but should be open to situations where climate change has made a significant contribution to loss and damage. The recognition that the Transitional Committee is mandated to consider funding for loss and damage ‘associated’ with climate change seems particularly important in this respect.

4.7 Developing flexible funding with limited restrictions that responds best to the breadth of needs

Key issue for loss and damage: There is a wide range of loss and damage impacts, and a continuum of action to address those impacts. There is not always clarity on the definitions of these actions (for example, when does ‘response’ become ‘early recovery’?; is anticipatory action part of minimising or addressing loss and damage?). This ambiguity, and the practical overlap between these activities, suggests the need for flexible funding that can meet needs by supporting a variety of activity ‘types’ over the longer term.

Lessons from humanitarian action: The humanitarian experience has been that overly tight restrictions on how funds can be used are counter-productive. For example:

- Limiting funding to short cycles (often around one year) prevents effective investment in resilience activities or reconstruction, leaving people more vulnerable to cyclic hazards.⁸⁹
- Releasing funding only once an event has happened leads to higher death tolls, increased vulnerabilities and higher overall costs.
- Donor allocation of funds to specific sectors (such as provision of food rather than cash assistance) works against community engagement in response and meeting priority needs as expressed by communities.⁹⁰

Many of the most important – and difficult – changes in the humanitarian sector over the last decade have aimed at loosening the limits on humanitarian funding to allow for more flexible responses that better meet the complex and evolving needs of areas and communities affected by disasters. The OECD DAC has recommended that donors open humanitarian funding to address a broader range of activities.⁹¹ The push for multi-year funding as opposed to annual funding⁹² has opened possibilities for programming to meet longer term needs in contexts of repeating natural hazards. UN emergency appeals now typically include elements to build the resilience of populations to future disasters, as well as to save lives in current disasters.

All of these changes represent a long and often difficult process to make overly rigid funding conditions more flexible in order to better address needs on the ground. In designing the loss and damage fund, it will be worth considering how to build the necessary flexibility in from the outset.

Key takeaways for the Transitional Committee: These lessons from the humanitarian system suggest that:

- It is important that funding is designed to focus on objectives (such as saving lives, protecting livelihoods, decreasing disease morbidity, etc.) rather than to rigidly define the specific types of activity, or duration of activity, that are allowed under these objectives.
- It may be best to address loss and damage at the early stages of a hazard event, rather than waiting for a full accounting of the damage done.
- It will be important to ensure that people and communities can address the losses and damages that matter most to them.
- It may be necessary to establish flexible time frames for funding, which can encompass both short- and longer-term activities.

All of this suggests that a broad perspective should be taken to the consideration of loss and damage actions and funding. Specific aspects – such as slow-onset events, non-economic loss and damage, or migration – should not be funded in isolation because they are intricately connected to other aspects. Creating narrow funding windows between different types of loss and damage action will reduce efficiency and will mean that the needs of disaster-affected communities will not be fully met. Instead, a flexible, long-term approach to funding should be developed.

4.8 Coordinating effectively with broader sources of funding to fill gaps and prevent duplication

Key issue for loss and damage: Funding to address loss and damage should not act in isolation from funding for other aspects of loss and damage, nor from broader funding arrangements and approaches, as experience shows that this results in gaps of support to affected people.

Lessons from humanitarian action: Humanitarian work in addressing natural hazards has, for decades, been frustrated by the poor alignment between humanitarian and development funding. This has led to significant gaps in areas such as resilience, disaster preparedness, early warning, and reconstruction, which are not properly funded by either development or humanitarian finance,⁹³ and to a lack of clarity on how response activities can best support preparedness and longer-term development. This division between funding ‘silos’ and their related activities is by no means unique to the humanitarian–development continuum, occurring also between development and climate financing. Nor is it exclusively a problem for humanitarian organisations – it also occurs in governmental and many intergovernmental structures.⁹⁴

Having rigidly separated the silos of humanitarian, development, and peace activity, international actors have in the last decade been working hard to bring them back together. These attempts, known as the ‘nexus’, provide important lessons which can hopefully be designed into a new fund, rather than having to be retrofitted later.

Key lessons from the nexus which might inform the design of the loss and damage fund and funding mechanisms are:

- The structures of organisations at all levels – donor, state, and international organisations – play an important role in either fragmenting or harmonising different funding streams and activities. **Cross-functional teams** who consider the related elements of climate, humanitarian response, peace, and development have been important in overcoming fragmented and siloed approaches.⁹⁵
- **Country-level pooled funding** has encouraged effective cross-sectoral working, based on the local context and priorities.⁹⁶
- Effective **joined-up planning** can be supported by **common analyses** involving the various actors.⁹⁷ It is also useful for interdisciplinary teams to develop **common outcomes** for interventions, towards which all funding streams and activities are contributing.⁹⁸
- **Coordination** across departments and actors is critical. Donor funding of coordination staff and bodies has been an important element in the success of nexus approaches.⁹⁹ Where government coordination structures are not available or require significant support, UN structures (UN Country Teams/Humanitarian Country Teams) have been relatively effective in coordinating nexus-related activities.¹⁰⁰ Using these existing structures prevents the creation of new (potentially duplicative) coordination fora and decreases ‘coordination fatigue.’¹⁰¹ However, if UN structures are used, it is important that they reach beyond the UN, particularly in terms of engaging with governments, civil society, and multilateral finance institutions.¹⁰²
- **Local- as well as national-level engagement** in planning and coordination is important. In a number of cases, ambitious plans designed in the capital have not been implemented on the ground, because there was insufficient engagement with the actors who were expected to carry them out.¹⁰³

Key takeaways for the Transitional Committee: Effective coordination, coherence and synergy with other areas of international cooperation – disaster risk management, climate mitigation and adaptation, development, humanitarian, and peace – is necessary to avoid gaps in support to those impacted by climate change; it requires attention and resources and should be ‘designed in’ to loss and damage funding arrangements from the outset. This should include cross-functional teams, joint analyses, planning and outcomes, effective coordination (which may need to be funded), and local- as well as national-level engagement.

5. Conclusion and recommendations

While there are significant differences between humanitarian action and activities to address loss and damage, there are areas of overlap. As the promise of loss and damage financing is fulfilled, humanitarian actors and those with expertise in other aspects of loss and damage can expect to work together at multiple levels – in communities, governments, and international organisations. This will require, and hopefully encourage, new types of activity and new ways of working, which seek to transcend institutional and disciplinary silos. The humanitarian sector will need to contribute constructively and be prepared to make changes to its own structures and processes.

As the Transitional Committee members take on the formidable task of deciding how to operationalise the loss and damage funds and funding arrangements, this paper attempts to make an initial constructive contribution, outlining how experiences from international humanitarian action leads to a number of recommendations for their consideration.

1. Humanitarian funding is insufficient to address rising loss and damage; new and additional funding is required.

While there are existing funding arrangements for the humanitarian sector, there are major gaps in international humanitarian funding: UN-coordinated appeals are, on average, only 60% funded. Humanitarian funding cannot be relied upon to address losses and damages. Rather, new and additional sources of funding are required to meet existing shortfalls in response funding; to address important gaps in areas such as preparedness, resilience, and reconstruction; and to address the significant areas under loss and damage where humanitarians do not work, including slow-onset events and cultural and environmental loss and damage. Simple relabelling of humanitarian funding as loss and damage funding by donors/contributors cannot be the solution – new sources of funding must be found.

2. New and additional funding must be predictable, adequate, and prioritised.

Humanitarian funding is discretionary with only a few donors providing most of the funding, leading to limitations in its ability to be sustainable, predictable, widely accessible, and adequate. New **loss and damage funding must have a different basis than humanitarian funding**, otherwise it will face the same funding challenges. Loss and damage finance should be based on UNFCCC principles of common but differentiated responsibilities and respective capacities, and one option would be to base it on obligatory assessed contributions. Further, there is no agreed-upon process to prioritise where humanitarian funding is channelled so funding is uneven; the loss and damage fund should take a **coherent and transparent approach and be designed around clear criteria to allow the prioritisation of scarce resources**, allowing tracking of the finance provided to ensure transparency and accountability under the UNFCCC and Paris Agreement.

3. Loss and damage funding should be designed for speed.

Getting funding swiftly to those in need is critical to reducing suffering and long-term impacts, but it is not straightforward. The **international humanitarian sector has developed a range of practices over many years to support a swift response** that the Transitional Committee should consider. These include: specific funding mechanisms (such as existing pooled funds); systems and processes (such as surge personnel and the humanitarian clusters); and approaches (such as cash and anticipatory action) to ensure funding is delivered to those in need in as timely a way as possible.

4. There is a need to address delivery challenges associated with highly fragile and conflict-affected states.

Highly fragile and conflict-affected states have limited capacity to address loss and damage without external assistance, and struggle to access existing climate funding mechanisms. These states – and the affected communities within them – are effectively marginalised because they are ‘too difficult’ to support. **Mechanisms should be developed to ensure that loss and damage funding can be operationalised in highly fragile and conflict-affected states.** Humanitarian experience in financing activities in these states points to the importance of designing funding approaches that are, *inter alia*, tolerant of risk, open to a variety of actors beyond a single government ministry or body, and aware of the dangers of increasing conflict. Given the complexity of these issues, the Transitional Committee may wish to institute a specific taskforce or workstream to consider how funds can best be accessed in particularly fragile and conflict-affected contexts.

5. A locally-led approach is essential for ensuring action and support benefits last-mile communities.

Humanitarian experience underlines the **importance of making funding accessible to local actors** – both civil society organisations and local government – if it is to be based on real needs and reach last-mile communities. The fund should be designed to be accessible to these organisations, potentially through adopting the Principles for Locally Led Adaptation. **In fragile and conflict-affected contexts, this needs to be done carefully, in ways that genuinely support local organisations, and do not just transfer risk.** The fund should also consider how to legally facilitate financial transfers to areas affected by counter-terror legislation.

6. Loss and damage funding should be available where climate, fragility, migration, conflict, and other shocks interact.

In many parts of the world, there is a complex interplay between climate change, conflict, fragility, economic shocks, and displacement. Thus, funding should not be restricted to situations where climate change is the only factor driving loss and damage, but **funding should be possible in situations where climate change has made a significant contribution to loss and damage.** The recognition that the Transitional Committee is mandated to consider funding for loss and damage ‘associated’ with climate change seems particularly important in this respect.

7. Flexible funding with limited restrictions responds best to broad and interconnected needs.

Humanitarian experience demonstrates that tightly restricting funding to certain types of action or to specific time frames can be counter-productive. The loss and damage fund should be designed to focus on specific agreed outcomes, rather than on particular types of programmes. This suggests that specific aspects of loss and damage – such as slow-onset events, non-economic loss and damage, or migration – should not be funded in isolation because they are intricately connected to other aspects. **Creating narrow funding windows for different types of loss and damage action will reduce efficiency and will mean that the needs of disaster-affected communities will not be fully met.** Instead, a flexible, long-term approach to funding should be developed.

8. A coherent, coordinated, cross-cutting approach is needed at all levels.

Loss and damage funding, like humanitarian funding, does not exist in a vacuum. **An effective approach to loss and damage will require the fund and funding arrangements to coordinate effectively with other areas of international cooperation** such as disaster risk management, climate mitigation and adaptation, development, humanitarian, and peace. Humanitarian experience suggests that coordination, coherence, and synergy require attention and resources and should be ‘designed in’ to loss and damage funding arrangements from the outset. The design of the fund’s structure and processes should seek to ensure complementary action at all levels – contributor, fund, and recipient. It should also ensure that actions are well-

coordinated with other activities at the country level (particularly in developing common outcomes and conducting common assessments); and that coordination activities extend beyond the capital to ensure that operational actors are involved.

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¹ As one example, the government of Indonesia spends US\$300 m to US\$500 m each year on disaster recovery (Economic Group, 2022).

² For example, in Bangladesh, households spend almost \$2 bn a year on climate change adaptation and disaster recovery – more than double government spending and 12 times international spending (Mechler et al., 2023. See also ALNAP, 2018).

³ Crossley et al., 2021. Another study shows that in countries experiencing protracted humanitarian crisis, only between 20% and 30% of official development aid is received as humanitarian funding (Development Initiatives, 2022).

⁴ There is no universally agreed definition of humanitarian action, but the OECD codes for funding that can be classified as ‘humanitarian’ can be found at: <https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/humanitarian-assistance.htm>.

⁵ Between 2018 and 2020, only 4.2% of international humanitarian aid was spent on disaster risk reduction and preparedness (ALNAP, 2022), while only 3% went to immediate post-disaster reconstruction (Lazer, 2022).

⁶ Although operational actors have made a case for investing in ex-ante measures to decrease risk and vulnerability, donor funding to these areas is limited.

⁷ ALNAP, 2022.

⁸ OCHA, 2022.

⁹ The requirement to follow these principles is incorporated into the two UNGA resolutions 46/182 and 58/114. The principles themselves are derived from the fundamental principles of the Red Cross/Red Crescent movement. Definitions: **Humanity** – Human suffering must be addressed wherever it is found. The purpose of humanitarian action is to protect life and health and ensure respect for human beings. **Neutrality** – Humanitarian actors must not take sides in hostilities or engage in controversies of a political, racial, religious, or ideological nature. **Impartiality** – Humanitarian action must be carried out on the basis of need alone, giving priority to the most urgent cases of distress and making no distinctions on the basis of nationality, race, gender, religious belief, class, or political opinions. **Independence** – Humanitarian action must be autonomous from the political, economic, military, or other objectives that any actor may hold with regard to areas where humanitarian action is being implemented. See https://www.unocha.org/sites/unocha/files/OOM_Humanitarian%20Principles_Eng.pdf.

¹⁰ ALNAP, 2018. Although this figure is from 2017, consideration of patterns of the main country recipients of aid in 2021 suggests that there has been very little change over the past five years.

¹¹ Development Initiatives, 2021.

¹² Development Initiatives, 2021.

¹³ For example, funding to UN pooled funds has grown fairly steadily over the past decade but was only 6% of total humanitarian funding in 2021 (Development Initiatives, 2022).

¹⁴ Over the last decade, 60% has gone to UN agencies and 20% to NGOs – with the vast majority of this going to international NGOs (ALNAP, 2022).

¹⁵ Over the decade 2012–2021, around 4.5% went directly to governments (ALNAP, 2022). In 2021, only 1% of international humanitarian funding went directly to civil society organisations headquartered in affected countries (Development Initiatives, 2022).

¹⁶ Metcalfe–Hough, 2021; ALNAP, 2022; Development Initiatives, 2022.

¹⁷ Sharma–Khushal et al., 2022 at p. 19.

¹⁸ Much humanitarian activity focuses on the provision of support to individuals or households (such as food aid, shelter materials, or cash grants). Humanitarian funding is also used to provide community level assets, such as water and sanitation infrastructure, or the rehabilitation or construction of health and education facilities.

¹⁹ It is worth noting here a difference in terminology between humanitarian and climate actors. Humanitarian actors tend to define drought as ‘slow onset’ in opposition to flooding or cyclones, which are ‘rapid onset’.

²⁰ Sharma–Khushal et al., 2022. In one example, that of Hurricane Maria in Dominica, humanitarian funding is estimated to have covered around 3% of total loss and damage related needs.

²¹ There is no universally agreed definition of humanitarian action, but the OECD criteria for recording development assistance as ‘humanitarian’ identify these areas as humanitarian assistance. The codes for funding that can be classified as ‘humanitarian’, which are summarised here, can be found at: <https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/humanitarian-assistance.htm>.

²² Between 2018 and 2020, only 4.2% of international humanitarian aid was spent on disaster risk reduction and preparedness (ALNAP, 2022) while only 3% went to immediate post-disaster reconstruction (Lazer, 2022).

²³ Although operational actors have made a case for investing in ex-ante measures to decrease risk and vulnerability, donor funding to these areas is limited.

²⁴ Bakhtaoui and Shawoo, 2022.

²⁵ ALNAP, 2018; Knox Clarke, 2021; ALNAP, 2022.

²⁶ ALNAP, 2018; ALNAP, 2022; Ground Truth Solutions, 2022.

²⁷ According to a recent paper by Oxfam, estimates of future costs associated with loss and damage range from \$290 bn to \$580 bn (Carty and Walsh, 2022).

²⁸ Carty and Walsh, 2022.

²⁹ IFRC GO Platform, <https://go.ifrc.org/>. Data as at 1 May 2023.

³⁰ Pörtner, Roberts, Tignor, et al., 2022.

³¹ ALNAP, 2018; ALNAP, 2022.

³² ALNAP, 2018; ALNAP, 2022.

³³ For a variety of reasons, including conflict, logistical constraints, and exclusion by the state from specific areas (Stoddard et al., 2016; Jackson and Zyck, 2017; ALNAP, 2018; ALNAP, 2021).

³⁴ Development Initiatives, 2022.

³⁵ Development Initiatives, 2021; Development Initiatives, 2022.

³⁶ Available at: <https://devinit.org/resources/global-humanitarian-assistance-report-2022/>. Data is based on UN Office for the Coordination of Humanitarian Affairs (OCHA) Financial Tracking Service, Syria Regional Refugee and Resilience Plan dashboards and UN High Commissioner for Refugees (UNHCR) data.

³⁷ Unlike, say, funding for UN peacekeeping, which is an obligatory assessed contribution under the UN Charter.

³⁸ These are the US, Germany, and the UK (Development Initiatives, 2022).

³⁹ In 2021, 23% of UN coordinated appeals received more than 75% of their requirements, while 13% were funded at less than 25% of requirements (Development Initiatives, 2022).

⁴⁰ Barnett and Weiss, 2008; Cooley and Ron, 2002; Cottle and Nolan, 2007; Pallas and Guidero, 2016; Ramalingam and Barnett, 2010.

⁴¹ For example, funding to UN pooled funds has grown fairly steadily over the past decade, but was only 6% of total humanitarian funding in 2021 (Development Initiatives, 2022).

⁴² Bakhtaoui and Shawoo, 2022; Carty and Walsh, 2022.

⁴³ From the crisis to first disbursement, the average number of days was 398 and the median was 360 (Spearing, 2019). Note that the situation may have improved: in the six months since the declaration of flooding disaster in Pakistan, less than 10% of the committed World Bank funding has been spent (See this blog post from the Centre for Disaster Protection: Better is possible: How the World Bank can rise to meet climate and crisis risk).

⁴⁴ GCF, 2022.

⁴⁵ Crossley et al., 2021,

⁴⁶ ALNAP, 2018; ALNAP, 2022.

⁴⁷ Crossley et al., 2021.

⁴⁸ Crossley et al., 2021.

⁴⁹ These are the current clusters and global leads: Camp Coordination and Camp Management/UNHCR and IOM; Early Recovery/UNDP; Education/UNICEF and Save the Children; Food Security/WFP and FAO; Shelter/UNHCR and IFRC; Emergency Telecommunications/WFP; Health/WHO; Logistics/WFP; Nutrition/UNICEF; Protection/UNHCR; Water Sanitation and Hygiene/UNICEF

⁵⁰ Majid, 2011; Hillier et al., 2012; Farr et al., 2022.

⁵¹ Wagner, 2023.

⁵² ALNAP, 2022.

⁵³ Of the 17 countries listed as conflict-affected in the World Bank list of Fragile and Conflict-Affected Situations (2023), over half are in the bottom 10% for vulnerability to the effects of climate change (a combination of exposure, sensitivity to this exposure, and ability to adapt) in the Notre Dame Global Adaptation Initiative (ND-GAIN) Index and two-thirds are in the bottom 20%.

⁵⁴ ICRC, 2020; IPCC, 2014; UNDRR, 2019; Wagner and Jamie, 2020.

⁵⁵ ICRC, 2020; IPCC, 2014; Poole et al., 2020.

⁵⁶ Of the 32 very highly vulnerable or highly vulnerable countries that received less than \$1 of either climate change adaptation or disaster risk reduction funding per person, 27 were fragile or extremely fragile (IFRC, 2022 at p. 6). Looking more narrowly at climate funding, only 12% (\$1.3 bn) of disbursed funding from multilateral climate funds (\$10.7 bn) goes to fragile and conflict-affected states. (Development Initiatives, 2022). For the lack of climate finance directed at fragile and conflict-affected states, see also Bakhtaoui and Shawoo, 2022; IFRC, 2020; and Alcayna and Cao, 2022.

⁵⁷ Alcayna and Cao, 2022.

⁵⁸ IFRC, 2020; Swithern, 2022; ICRC et al., 2022.

⁵⁹ Swithern, 2022; ICRC et al., 2022. These design issues also effectively exclude many fragile and conflict-affected states from accessing development funding (ALNAP, 2018).

⁶⁰ ALNAP, 2018. Although this figure is from 2017, consideration of patterns of the main country recipients of aid in 2021 suggests that there has been very little change over the past five years.

⁶¹ Some national development agencies already use differentiated due diligence and risk approaches for projects below a certain scale in their conflict and fragility programming (IFRC et al., 2022).

⁶² Humanitarian experience suggests that even where elements of central government are unable or unwilling to provide emergency support to affected populations, there are often government institutions – line ministries or local government structures – that are able to provide services to crisis affected communities, if provided with some level of support (Knox Clarke and Obrecht, 2016; Harvey, 2009).

⁶³ Bakhtaoui and Shawoo 2022; Sharma-Khushal et al., 2022; Carty and Walsh, 2022.

⁶⁴ Over the last decade, 60% has gone to UN agencies and 20% to NGOs, with the vast majority of this going to International NGOs (ALNAP, 2022).

⁶⁵ Over the decade 2012–2021, around 4.5% went directly to governments (ALNAP, 2022). In 2021, only 1% of international humanitarian funding went directly to civil society organisations headquartered in affected countries (Development Initiatives, 2022).

⁶⁶ See, for example, IFRC 2018, chapter 3 on hard to reach locations.

⁶⁷ See, for example, Ground Truth Solutions 2023.

⁶⁸ One survey of humanitarian aid showed that national civil society organisations were the primary source of aid for almost a quarter of respondents. 5% said that the main source of aid was private sector organisations, and 9% that it was family abroad. This compares with 34% who said that international organisations were the main source of aid, and 22% who said the government was the main source of aid (ALNAP 2018).

⁶⁹ See Inter-Agency Humanitarian Evaluation 2022 and IFRC 2023.

⁷⁰ The 'localisation agenda' is composed of numerous activities and initiatives across donors and response organisations. Many of these were brought together under the localisation workstream of the 2016 'Grand Bargain' humanitarian improvement initiative launched at the 2016 World Humanitarian Summit. The workstream is still active. It should be noted that the workstream also addresses local and national government engagement, as well as that of civil society. Other localisation initiatives that address civil society exclusively include the Charter for Change: <https://charter4change.org/>.

⁷¹ Metcalfe-Hough 2021; ALNAP 2022. In fact, amounts going directly from donors to 'local' organisations have actually decreased from 2.8% of total humanitarian assistance in 2017 to 1.2% in 2021 (Development Initiatives, 2022).

⁷² Bakhtaoui and Shawoo, 2022.

⁷³ ALNAP, 2018; ALNAP, 2022.

⁷⁴ ALNAP, 2018; ALNAP, 2022.

⁷⁵ Callaghan, 2022.

⁷⁶ ALNAP 2022 at p.235. See also Metcalfe–Hough, 2021.

⁷⁷ Development Initiatives, 2022.

⁷⁸ The CBPFs – which are advised by boards containing representatives of both national and international organisations – are not the sole funds available at country level. The IFRC–managed DREF, NGO Start Funds and nationally managed funds such as SAFER in the Philippines have all increased funding to local and national actors and helped to increase ‘local’ representation in governance and decision–making at the country level. The DREF, for example, provides 100% of funding to national Red Cross/Crescent societies (Barbelet, 2019; Howe and Stites, 2019; Metcalfe–Hough et al., 2019; UNHCR and UNDP, 2019; Bamforth et al., 2020; Featherstone and Mowjee, 2020; Metcalfe–Hough et al., 2020).

⁷⁹ Although it is not possible to accurately quantify the proportion of funding that is ‘passed through’ (Development Initiatives, 2022).

⁸⁰ Kraft and Smith, 2018; Metcalfe–Hough et al., 2020; Wall and Hedlund, 2016.

⁸¹ Signatories of the Charter for Change have committed to not approach the staff of other humanitarian organisations within the first six months of an emergency operation, and this has been broadly successful, although the Charter for Change report outlines challenges – particularly in relation to complying with national legislation on recruitment (Callaghan, 2022).

⁸² These are all elements of the Charter for Change, available at: <https://charter4change.files.wordpress.com/2019/06/charter4change–2019.pdf>.

⁸³ Roepstorff, 2020; Gillard, 2017; Bouchet–Saulnier, 2021.

⁸⁴ Global Humanitarian Platform, 2007.

⁸⁵ Including drought. See note above for the different uses of ‘rapid onset’ in humanitarian and climate circles.

⁸⁶ Available at: <https://devinit.org/resources/global-humanitarian-assistance-report-2022/>.

Data is based on UN OCHA Humanitarian Programme Cycle, ACAPS, ND–GAIN, and Heidelberg Institute for International Conflict Research (HIIK). Conflict risk is based on the presence of high conflict intensity (HIIK); high climate risk is based on the top 20% of ND–GAIN score (ND–GAIN). Country dimensions missing data are classified as low vulnerability/hazard.

⁸⁷ ICRC 2020. This phenomenon has also been widely reported in focus groups run by the ADAPT initiative with a number of Humanitarian NGO staff working in Somalia, Yemen, and Afghanistan.

⁸⁸ Although the IPCC 6th Assessment Report concludes that ‘compared to other socioeconomic factors the influence of climate on conflict is assessed as relatively weak’ (p. 15) the relationship nevertheless exists, and has been described by people in conflict. See Bodhi Global Analysis Ltd., 2021; ICRC, 2020; IPCC, 2014; Peters, 2020.

⁸⁹ UNEG, 2018; Zahmore, 2019.

⁹⁰ Donino and Brown, 2014; ALNAP 2018; ALNAP 2021.

⁹¹ Hovelmann, 2020.

⁹² Development Initiatives (2021) showed that for 2020 across the 15 donors for whom information was available, 42% of humanitarian funding was ‘multiyear’ – which suggests a large increase in multi–year funding. However, these donors may not be representative – ‘the vast majority of funding remains short term’ (Poole and Culbert, n.d. at p.6). The issue remains on the humanitarian agenda, as is an important part of the ‘Grand Bargain 2.0’ process.

⁹³ See for example: Development Initiatives, 2021; Dicker, 2021; High–Level Panel on Humanitarian Financing, 2016. Note, however, that the tracking of funding for disaster risk reduction is poor, and so any figures for how much is spent on disaster risk reduction will be very approximate.

⁹⁴ Dalrymple and Hanssen, 2020; Eriksen et al., 2017; IFRC, 2020; IPCC, 2014; Klausen et al., 2019; UNEG, 2018; Zahmore, 2019; Swithern, 2022; ICRC et al., 2022; Poole and Culbert, n.d..

⁹⁵ Development Initiatives 2019; ICRC et al., 2020; OECD, 2022; Poole and Culbert, n.d..

⁹⁶ Nguya and Siddiqui, 2020.

⁹⁷ Willits–King, 2018; Zamore, 2019; Nguya and Siddiqui, 2020; Oxfam, 2019; Poole and Culbert, n.d.; OECD, 2022.

⁹⁸ Zamore, 2019; Development Initiatives, 2019; Oxfam, 2019; Nguya and Siddiqui, 2020; Swithern, 2022.

⁹⁹ OECD, 2022; IASC, 2021; Poole and Culbert, n.d..

¹⁰⁰ IASC, 2021; OECD, 2022.

¹⁰¹ Poole and Culbert, n.d..

¹⁰² OECD, 2022; Poole and Culbert, n.d..

¹⁰³ IASC, 2021; Poole and Culbert, n.d.; FAO et al., 2021.



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