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Action on loss and damage:
insights from ACT Alliance

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COVER PHOTO: A Honduran woman cleans up in the aftermath of a tropical hurricane.
Such events are more common and more intense due to the changing climate. PHOTO: Sean Hawkey/ACT

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0 | Executive summary

This report, commissioned by ACT Alliance and developed by Metroeconomica, provides an empirically nuanced understanding of ACT's potential to enhance its programmatic work on loss and damage caused by climate change. The study is based on experiences of ongoing or previously implemented projects identified as avoiding, minimizing, and addressing loss and damage. The report also explores multiple avenues for ACT members to advocate for policy and institutional gaps to be bridged at the national level for improved loss and damage responses.

Methodology

The report reviewed existing literature to understand key concepts and activities related to loss and damage. After constructing a functional definition of loss and damage, it evaluated a sample of 74 climate humanitarian and development projects shared by ACT members (DanChurchAid, Finn Church Aid, Finnish Evangelical Lutheran Mission, Act Church of Sweden, and Lutheran World Federation). This evaluation employed a method specifically tailored to identifying actions related to loss and damage from development and humanitarian projects with an emphasis on climate action. The sample of projects was classified based on focus areas, risk management approaches, and their contributions to addressing loss and damage. Six projects were selected for in-depth qualitative analysis to uncover potential avenues for effective loss and damage action. These findings - both the quantitative sorting of projects and the qualitative understanding of programmatic issues related to loss and damage - were then reflected in an organizational assessment of the participating ACT members and ACT's existing structures.

Key findings

The results indicate that ACT members' strength lies in their cross-disciplinary approach and capacity to integrate climate action, development, and humanitarian aid, offering a holistic approach to loss and damage. ACT Alliance itself has structures and mechanisms that can be leveraged to strengthen its work on loss and damage. This includes Reference Groups, Communities of Practice (CoPs), and ACT Forums. Additionally, ACT members possess several tools to channel resources toward these initiatives, including:

- A rapid response fund
- ACT appeals
- Specific funds among ACT members

ACT Alliance champions a community-centred approach to tackling loss and damage, evident in the prioritization of locally led, needs-based projects with strong community engagement. They emphasize nature-based practices and adaptable project designs that address evolving needs. These practices, while not always explicitly called such, align with a Human Rights-Based Approach (HRBA) to loss and damage reduction, empowering local communities as agents of change. The community ownership and participation fostered by ACT reflect this core principle.

The report also suggests that flexible approaches need to be developed. In addition to preparatory action, there is a need to provide support and ensure the active participation of those in need during climate induced extreme weather. Furthermore, it is of paramount importance to mobilize resources to address the impacts of loss and damage and allow speedy recovery of livelihoods or safe living environments for those who are displaced. In short, loss and damage would benefit from a comprehensive programmatic approach that allows fluid transitions from one type of action to another in response to evolving conditions.

Analysis of activities

The report highlighted a wide range of activities related to loss and damage. Of the 74 projects evaluated and categorized by participating organizations, 33 projects were primarily dedicated to addressing loss and damage. Within this sample, the following observations relate to risk management:

- 74 percent of activities focus on risk reduction
- 25 percent focus on risk retention
- Only one percent focus on risk transfer

Simultaneously, the classification of activities showed:

- 53 percent fall under capacity development
- 18 percent fall under action on the ground
- 15 percent all under funding
- Eight percent fall under advocacy
- Four percent fall under research

Avenues to improving efficiency

The qualitative analysis of the case studies identified multiple avenues through which ACT can alleviate external barriers that delayed the achievement of objectives or limited their anticipated level of success. Complex and convoluted government structures indicated a need to engage in advocacy to advance administrative structures. In particular, the analysis highlighted the need for a broader approach to addressing loss and damage beyond local contexts. Doing so benefits from more effective coordination of diverse financial resources to better ensure human rights and meet the needs of vulnerable communities and localities.

A participatory planning process and improved data quality might be an efficient way to manage conflicts of interest related to the governance of natural resources. Local socio-cultural contexts, gender injustice and geographical barriers also contributed to the challenges faced when working with communities on the frontlines of the climate crisis.

Recommendations

RECOMMENDATION	RATIONALE
1. Develop a working definition of L&D	Developing a clear definition of loss and damage, covering economic and non-economic losses, intersectional gendered aspects and including both ex-ante and ex-post measures and sharing this definition will close knowledge gaps.
2. Integrate loss and damage horizontally across areas of work	Doing so fosters collaboration and the development of synergistic solutions and prevents siloed thinking and interventions within ACT.
3. Improve communication between ACT members	Shared experiences and knowledge maximize the alliance's immense potential for collective impact.
4. Increase work on non-economic loss and damage and slow-onset events	Leveraging ACT's strengths - existing capacities, local networks, and strong community trust - would enhance its engagement with and impact in the areas of non-economic losses and slow-onset events
5. Develop an inter-institutional mechanism to fund ex-ante and additional ex-post activities	A specific loss and damage funding mechanism is needed to fund ex-ante (before the event) and additional ex-post (after the event) activities such as those to foster recovery, rehabilitation and reconstruction.
6. Advocate for participatory approaches	ACT's experience provides a solid basis to contribute to the debate and advocate for the implementation of participatory approaches in the emerging governance of L&D
7. Explore engagement and collaboration opportunities with prominent actors	Improving ACT members' communication and the sharing of experiences and knowledge maximizes the potential for collective impact.

1 | Introduction

Climate change, driven by the increasing concentration of greenhouse gasses in the atmosphere, is already having harmful effects on people and ecosystems. These impacts are growing in both scope and intensity, often exceeding the limits to which societies and communities can adapt. As a result, the climate crisis has led to unavoidable loss and damage from events like droughts, floods, mudslides, and rising sea levels. The failure to provide adequate action and support for vulnerable countries in building adaptive capacities and resilience, along with delays in addressing loss and damage, is worsening these impacts. Beyond the human and more-than-human suffering, the direct costs of these disasters, combined with the indirect losses in livelihoods, ecosystem services, and economic growth, amount to hundreds of billions of USD annually.

Loss and damage caused by climate change was introduced as a topic to the United Nations Framework Convention on Climate Change (UNFCCC) and the Conference of Parties (COP) negotiations over thirty years ago. After persistent advocacy by vulnerable countries, the scientific community, and civil society to acknowledge the gravity of loss and damage in climate policy and finance, progress has finally been made at the international level. A decision to establish a new fund dedicated to loss and damage was made at COP27 with its requisite operationalization agreed in COP28 in Dubai in 2023.

Having well-funded and operational systems and networks to avert, minimize, and address loss and damage in practice among the frontline communities facing the climate crisis remains an aspiration rather than reality. Some civil society organizations, faith-based organizations, funds and other institutions are proactively developing and innovating approaches to addressing loss and damage. These include implementing disaster risk reduction plans, providing humanitarian assistance during extreme weather events, and supporting communities to rebuild with more resilience after disasters, as well as increasingly supporting locally owned climate actions. Among these proactive actors is ACT Alliance and its members. This research was initiated to better understand:

1. How extensively loss and damage issues are considered in climate-related project portfolios
2. In what ways various ACT Alliance members can more strongly integrate loss and damage action into their programmatic work.

By developing a solid working definition of loss and damage and utilizing the methodology developed by DanChurchAid (DCA), it was possible to identify humanitarian and development projects relevant to loss and damage. A sample was selected from climate interventions supported by DCA, Finnish Evangelical Lutheran Mission (Felm), Finn Church Aid (FCA), Act Church of Sweden, (Act CoS) and Lutheran World Federation (LWF).

From the climate interventions that have significant relevance to loss and damage, six case studies were selected to gain a more nuanced understanding of the key mechanisms for planning, implementing, and reporting loss and damage actions. These projects approach loss and damage from unique angles across different regions of the developing world, providing heterogeneous insights into what makes an effective loss and damage intervention, and the barriers encountered. Furthermore, the research maps ACT structures, policies, and funding streams that can be geared up to meet the loss and damage needs

Although the research is oriented towards programmatic work, it allows for the creation of empirically grounded advocacy messages tailored to various political processes where ACT is active. In particular,

the report reinforces the positions outlined in ACT's climate justice advocacy framework by urging that loss and damage action be grounded in gender inclusive human rights-based approaches and ensuring participation by promoting localized leadership and knowledge. It provides a rigorous argument on how faith-based actors meet those principles and underscores their capacity to provide support in ex-ante work in avoiding loss and damage, to provide timely support during loss and damage events, and importantly, to guide and resource the ex-post recovery. These empirical insights of the analysis can have substantial potential to influence existing policies as well as the frameworks for the governing structures for loss and damage finance and responses.

The paper is structured as follows: The next section outlines the methodology of categorizing the projects and analysing the potential avenues for ACT Alliance to tackle loss and damage through its existing structures. The third section presents the findings of the literature review and introduces a working definition of loss and damage used in the analysis. This section also provides a detailed account of the specific role of faith-based actors. The fourth section presents the findings of the analysis, highlighting the structures of ACT relevant to loss and damage. It also introduces six case studies and offers a more in-depth look how loss and damage actions have been operationalized in practice. The fifth section introduces eight barriers that hinder more effective engagement in loss and damage action, both internal and external. Before presenting recommendations based on the analysis, the sixth (6) section examines the positive aspects and opportunities that can be seized by and through ACT members.

2 | Methodology

The project undertook several activities to assess the status of loss and damage programming among ACT Alliance members. The methodologies, and methodological considerations, used in the various tasks are presented below.

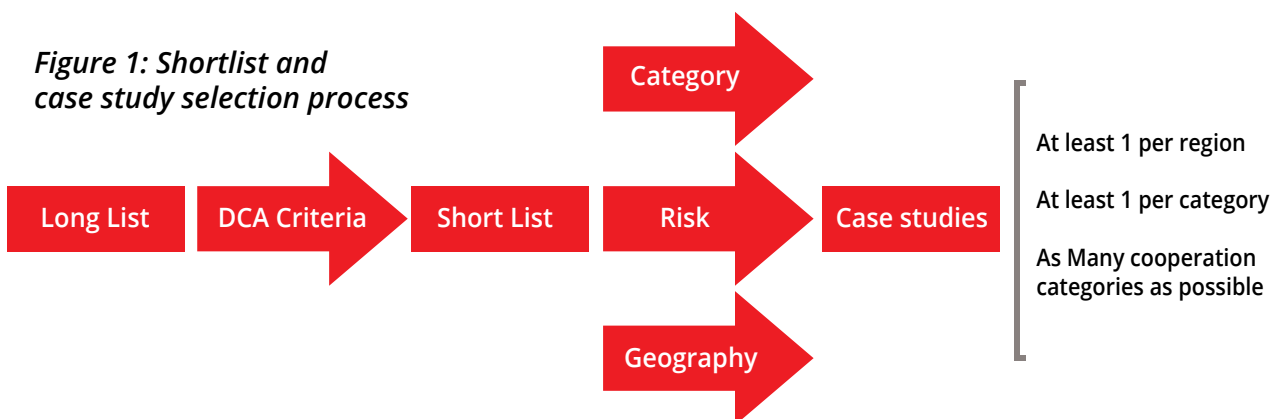
A literature review was conducted of several academic and grey literature sources in English that reported or analysed topics related to loss and damage globally, with specific focus being placed on literature regarding Africa, Asia Pacific, and Latin America. This includes a review of the different conceptualizations of loss and damage, and activities associated with it, as well as other topics such as the roles of actors. Literature on the role and potential of faith-based actors has been reviewed in detail. Most of the literature sources come from established research institutes and think tanks (e.g., IIED, etc.), from peer-reviewed scientific journals (e.g., Science, Nature Climate Change, Climate Policy, etc.), reports published by international organizations (e.g., UNFCCC, OECD, UNDRR, WFP, etc.) and from reports published by NGOs (IFRC, Islamic Relief, etc.) as well as from the IPCC. The literature review has been used to provide the conceptual framework of loss and damage.

After establishing the conceptual framework and understanding of the topic, the study team identified and classified 74 projects shared by ACT Alliance and its member (i.e., the long list of projects). It is important to note that although referred to interchangeably as actions, activities, initiatives, or projects, the list has focused on climate action and loss and damage related projects. These projects have then been classified using the DCA criteria (see Annex 2), their area of focus (see Annex 3), and their risk management approach (see Annex 4).

The next step was to prepare a list of priority projects (i.e., the short list of projects). The transition from the long list to the short list of loss and damage projects is based on the DanChurchAid loss and damage identification criteria (see Annex 2 for details). This gave projects scores based on their loss and damage focus: 0 (not considered), 1 (significant or indirect contribution), and 2 (principal aim). Only projects receiving a score of 2¹, have been considered for the in-depth case studies.

Finally, six case studies were selected for an in-depth analysis. The case study selection process was multifaceted, considering three pivotal factors: activity category, activity geographical area, and risk management. The figure below summarizes the activity and case study selection process.

Figure 1: Shortlist and case study selection process



The information and data for the six case studies was identified by analysing relevant project documents for the various projects, such as project planning and project monitoring reports.

¹ On internal reassessment DCA changed Innovation – “B-Ready”’s score to “1”. However, this was done after activities had been classified and case studies selected and analysed. As such, and since it has relevance for loss and damage, it was maintained as a case study.

The general understanding and information gained through these sources was then nuanced through six interviews, one for each project, with the relevant individuals or organizations implementing the projects.

In addition to the analysis of projects, an organisational assessment of ACT Alliance members involved in this project was undertaken². Information and data for the organisational assessment was identified through interviews with funders (DCA, FCA, FELM and LWF). Providing insights regarding internal structures, and frameworks relevant for loss and damage. Moreover, these interviews provided insights into the funding mechanisms that donors have and how these funds are distributed. This information has been complemented by a desk review to further identify key institutional features.

Furthermore, knowledge used in this assessment has been gathered throughout the development of previous tasks. For example, from the long and short-listing, the team was able to gain an understanding and identify the areas, both geographical and thematic, in which DCA, FCA, FELM and LWF currently work. The mapping of exercises using different criterion, such as where the project is implemented and what activities are undertaken, has contributed to informing the Gaps and Opportunities for ACT Alliance members to scale up their loss and damage related programming. From the case studies and the interviews conducted with implementing agencies, information regarding approaches used to develop loss and damage related projects, barriers experienced during project development and implementation, and opportunities to further scale up operations were also identified.

² ACT Alliance members involved in the project are: DanChurchAid (DCA), Finn Church Aid (FCA), Finish Evangelical Lutheran Mission (FELM), and Lutheran World Federation (LWF).

3 | Conceptual understanding of loss and damage

3.1 The loss and damage dialogue

The concept of loss and damage has emerged as a key theme in international climate negotiations. Pioneered by the Alliance of Small Island States (AOSIS) in the early 1990s, the issue initially focused on financing mechanisms for sea-level rise. While this proposal was not adopted, the UNFCCC established the Warsaw International Mechanism (WIM) in 2013 to address loss and damage concerns. The 2015 Paris Agreement marked a turning point, formally recognizing loss and damage in Article 8. However, progress on financing remained elusive until COP 26 in 2021. Subsequent meetings (COP 27 & 28) saw a breakthrough with the establishment and launch of a dedicated loss and damage fund. Notwithstanding, while there is broad consensus on what loss and damage is (Jensen & Jabczyńska, 2022), there is no officially agreed upon definition of loss and damage within the UNFCCC (UN, 2022; WRI, 2022).

The loss and damage dialogue has highlighted three issues: (i) Burden sharing for the costs of managing climate impacts and risks (losses and damages) including compensation arrangements, developed countries have consistently resisted a definition that could be construed as an admission of guilt or liability; (ii) Awareness regarding the sensitivity and limitations of human and natural systems to climate change, and the need to respond with stringent climate mitigation policies aimed at limiting warming to 1.5oC or 2oC; (iii) Support for further risk reduction and risk management interventions for enhancing climate change adaptation and building climate resilience.

The debate also surrounds the type of loss and damage being experienced. There are two types of losses and damages: economic and non-economic loss and damage. The difference between the two is that economic losses refer to loss of resources, goods, services that can be traded in markets, while non-economic losses refer to life, health, mobility, territory, biodiversity, ecosystems, indigenous knowledge, and cultural heritage. Most academic works focus on economic losses and most actions taken to avert, minimize, and address loss and damage also focus on economic losses over non-economic losses (McNamara & Jackson, 2018). Despite this situation, evermore calls to action and initiatives are being developed to prevent further non-economic losses.

Focusing on the activities being implemented to avert, minimize, and address loss and damage, there is diverse research on both institutional and grassroots loss and damage initiatives and activities. Institutional initiatives in this context refers to activities being funded or implemented through international, regional, or national organizations while grassroots activities are those responses enacted solely by individuals and their communities, without any further institutional assistance.

Although not all organizations and initiatives list the specific activities undertaken, several reports from the UNFCCC highlight the loss and damage activities implemented globally. Other reports from other international sources provide further activities being used to avert, minimize, and address loss and damage. What the activities show is that there are a variety of ways through which to act on loss and damage, for example, through ex-ante (e.g. dikes, early warning systems) or ex-post (e.g. humanitarian relief or rebuilding) interventions, or via structural (e.g. dikes, levees, etc.), non-structural (e.g. disaster planning, insurance, etc.), or nature-based solutions (e.g. mangrove restoration, permeable pavements, etc). Different hazards and impacts require different responses, as such, it is important to highlight the implementation of different interventions should not be independent, rather as a part of a broader layered approach.

With the intention of identifying the most relevant instruments to provide increased financial resources to vulnerable countries to avert, minimize and address loss and damage, there has been also significant research into mechanisms able to increase loss and damage funding. Financial instruments identified as potentially impactful for financing the aversion, minimisation and addressing of loss and damage include the establishment of an air passenger levy, a carbon or fossil fuel tax, a tax on financial transactions, a global wealth tax, and subsidy reforms to eliminate environmentally harmful subsidies (Addison, et al., 2022; Lai, Robinson, Salas, Thao, & Shorb, 2022). The implementation of such instruments in addition to increasing the funding available to vulnerable countries would also be compatible with climate justice perspectives (Lai, Robinson, Salas, Thao, & Shorb, 2022). Furthermore, the implementation of such instruments would not increase the debt burden of developing nations aligning it with calls to reform the international development finance, such as the Bridgetown Initiative (BI), which calls for a reform of the global financial architecture and development finance to respond to three intersecting global crises: inflation and the cost of living, developing country debts, and climate (Government of Barbados, 2022).

Looking at development and climate action institutions and organizations shows that despite few of them highlighting their work on loss and damage or including the concept in their mission statement, most international funding arrangements funded or implemented projects related to loss and damage. These institutions include the Green Climate Fund, the Least Developed Countries Fund, the Adaptation Fund, the Global Environmental Facility, and the Special Climate Change Fund, among several others. This situation is seen as a further example of the diffuse and cross-cutting nature of loss and damage (European Commission, 2024).

In addition to the work done by global actors, case studies in Bangladesh show that local communities and individuals are also enacting several activities to avert, minimize and address loss and damage. These activities ranging from those related to physical and mental wellbeing, changes to cultural practices and indigenous knowledge dissemination, to changes to their agricultural practices, all to minimize the impacts of climate change (van Schie, Khan Ranon, Mirza, & Anderson, 2022).

Along with the identification of activities, there is considerable research into the best practices to be followed in the development of loss and damage initiatives globally. These practices include the recognition that loss and damage encompasses multidimensional risks and as such initiatives need to follow a comprehensive approach, additionally to effectively address loss and damage measures need to be layered and implemented pre-emptively where possible, loss and damage is impacting communities differently and so resources and initiatives need to be prioritized to those most vulnerable, and finally, initiatives although financed through global initiatives cannot be top-down, they must follow a locally lead approach, one which prioritizes local knowledge and needs. A further important practice which has gained strength in recent years is the importance of non-economic losses and the assertion that these cannot be disregarded or subordinated to economic losses (Addison, et al., 2022; IIED, 2022; WFP, 2022). Boyd et al., (2017) categorize the diverse perspectives into 4 broad groups: adaptation and mitigation, risk management, limits to adaptation and existential.

The adaptation and mitigation typology is linked to the idea that all climate change impacts are potentially loss and damage, and that the UNFCCC's mandate is to avoid dangerous anthropogenic interference, or loss and damage from climate change. The UNFCCC already has mechanisms for mitigation and adaptation, and, according to this typology, these existing mechanisms are sufficient to address, or prevent, loss and damage. Adherents to this typology express confusion at the call for loss and damage mechanisms which are separate from adaptation and suggest that distinctions between adaptation and loss and damage are politically motivated.

The risk management typology holds that loss and damage mechanisms represent an opportunity to promote comprehensive risk management, alongside existing efforts under disaster risk reduction (DRR), climate change adaptation, and humanitarian work. Moreover, they may allow for climate change risk to be more comprehensively integrated into disaster risk reduction. This could include approaches to risk reduction, risk retention, and risk transfer which go beyond the national level, and address high level risks. The typology focuses on a techno-pragmatic problem approach.

The limits to adaptation typology centres loss and damage around the limits to adaptation, and how to address residual loss and damage beyond mitigation and adaptation. It highlights that even with additional adaptation and risk management there are limits and side effects, which will negatively affect vulnerable communities in developing countries. Under this perspective, loss and damage encompass the impacts of any climate-related event, not just those definitively linked to climate change. This broader definition prioritizes addressing vulnerabilities faced by communities on the ground. However, it's important to acknowledge that while attribution science, the field that determines how much climate change influences extreme weather events, has advanced rapidly, current assessments are often limited. They tend to be geographically patchy, developed on a case-by-case basis, and reflect the resources and interests of individual research groups (Stott, et al., 2016).

Finally, the existential typology highlights the importance of addressing the inevitable harm which climate change will impose on vulnerable countries, populations, cultures, and ecosystems. This perspective is "existential" in the sense that climate change represents unavoidable transformation for some communities and systems. There is an emphasis on irreversible loss, non-economic loss and damage (NELD), justice and responsibility. There is a sense of urgency to provide options for those who are most vulnerable, and there is also discussion of compensation, whether monetary or non-monetary (Boyd, James, & Jones).

3.2 Loss and damage definition used in this project

Within the context of this report, loss and damage is understood following the DanChurchAid (DCA) perspective. DCA, an ACT Alliance member working across the humanitarian-development and peace-nexus, defines loss and damage as *the negative, unprecedented, and compounding impacts of climate change that go beyond the limits of adaptation* (DanChurchAid, 2023). Mapping this perspective on the (Boyd et al., 2017) typologies places DCA within the existential typology. This perspective aligns with those held by vulnerable countries and communities and other climate justice campaigners.

3.3 Role of faith-based organisations in loss and damage action

While traditionally overlooked, faith-based organizations (FBO) are emerging as key players in climate action. Even so, the literature highlights the yet untapped potential of FBOs to advance sustainability efforts and fight climate change (WRI, n.d.).

In recent years, several faith leaders have called for climate action, in particular highlighting the impacts it is having on the most vulnerable communities. Examples include The Church of Sweeden which has published a letter from its bishop in which questions surrounding climate issues are presented and discussed from a scientific and theological perspectives, moreover the letter discusses the topics of climate justice and how it could be achieved (The Church of Sweden, 2020), the US Conference of Catholic Bishops which in preparation for COP 28 called developed countries to increase their support to vulnerable countries and communities in their efforts to limit the negative impacts of climate change (US

Conference of Catholic Bishops, 2023), or others who, also at COP 28, argued for the moral case of loss and damage action (SCIAF, 2023).

FBOs are also participating and implementing climate projects in developing countries. Relevant for loss and damage is their work both rhetorically and in action on climate justice and their work on increasing resilience and recovery of infrastructure and their implementation of nature-based solutions in disaster recovery (UNEP, n.d.). In addition to their psychosocial support.

Recent participations of FBOs at global climate forums have reflected these actions, with FBO highlighting the importance of climate justice and loss and damage and increased action on both at COP 26, 27 and 28 (World Council of Churches, 2021; World Council of Churches, 2022; Caritas Australia, 2023). These discourses also highlighted the importance of prioritizing the most vulnerable communities and harnessing not disregarding their needs and local wisdoms and knowledge. Furthermore, at COP 28 interfaith leaders called for the new loss and damage fund to be run in a way that is fair, just, and that targets the global inequality of climate impacts (Caritas Australia, 2023), in addition, to covering both historic and new losses and damages, including economic and non-economic losses, and ensuring that funding is new, additional grant-based (Interfaith Liaison Committee to the UNFCCC, 2023). Such a perspective not only further emphasizes their call for climate justice but also aligns them with developing countries who are concerned with how the funds money will be distributed to them.

In addition to the lobbying for and promoting further action on loss and damage, faith-based actors are often better positioned than their secular counterparts to promote change and development among vulnerable communities. This is due to their long-term embeddedness in local communities. Furthermore, FBO's already have trusted communication and distribution channels and community leaders through which to engage local communities. This proximity and community integration allows FBO to generate trust, legitimacy, and commitment, increasing a community's sense of ownership over climate action (Petersen, 2019; Pollet, Steegen, & Goddeeris, 2020).

Their values, resources, networks and trust and legitimacy placed on them by local communities makes faith-based organizations and integral, and yet untapped, stakeholder in the process of averting, minimizing, and addressing loss and damage caused by climate change impacts.

4 | Organizational assessment

4.1 Objectives and areas of work

The ACT Alliance is a global coalition of 140 faith-based organizations, working in over 120 countries aiming to achieve positive and sustainable change for those affected by poverty and injustice, and providing all with dignity, justice, peace, and full respect for human rights and the environment (ACT Alliance, n.d.).

To achieve these goals the organization outlines seven key thematic areas of work: humanitarian, climate justice, gender justice, migration displacement, peace human security, advocacy, and quality and accountability. The organization highlights the issue of loss and damage within its climate justice work (ACT Alliance, n.d.). However, given the scope of the issue other areas such as humanitarian aid, migration and displacement, peace human security, and advocacy are also relevant.

Of the coalition's 140 members this report focuses on 4 member organizations: DanChurchAid (DCA), Finn Church Aid (FCA), Finnish Evangelical Lutheran Mission (FELM), and Lutheran World Federation (LWF). Despite participating within and implementing through ACT, these organizations are independent from one another with specific objectives and calls to action.

DCA is a Danish faith-based organizations aiming to empower the world's poorest and people in need in their struggle for a dignified life, helping those whose lives are threatened and working on ensuring that all people are treated equally. These aims are achieved through the integrated delivery of humanitarian aid, development assistance, peace building and advocacy efforts. In addition to these high-level aims, the organization also has more concrete goals of saving lives, building resilient communities, fighting extreme poverty, and creating engagement. Furthermore, DCA has three cross-cutting commitments to gender equality, youth engagement and climate and environmental sustainability. Regarding its goals, all of them are related to loss and damage, although the most directly linked aspect are the goals of saving lives and building resilient communities. 17% of all the organization's projects in 2021 and 18% in 2022 relate to loss and damage (DanChurchAid, n.d.; DanChurchAid, 2023; DanChurchAid, 2022).

FCA is a Finnish faith-based organization working to ensure dignity, resilience, and justice for all, and guaranteeing everyone's right to peace, education, and a sustainable livelihood. It is Finland's largest international aid organization. FCA's work revolves around the livelihood, peace, and quality education nexus, with all three core topics complementing each other for a holistic approach to the achievement of the organization's goals. None of the three areas of work explicitly mention work on loss and damage despite all three having relevant elements. The most directly linked of the three work areas is the right to livelihood which aims to promote the development of secure, sustainable, and resilient livelihoods. FCA achieves these goals through various modalities including development cooperation, humanitarian assistance, advocacy, and investment, and integrates crosscutting issues such as gender, disability, or climate action across its portfolio (FCA, 2022; FCA, 2023; FCA, n.d.).

FELM is, also, a Finnish faith-based organization working to ensure human dignity and justice around the world. It is an agency of the Evangelical Lutheran Church of Finland. The organization's work is separated into five areas: church cooperation, development cooperation, peacebuilding, advocacy, and emergency relief (FELM, n.d.). Although not stated explicitly in any of the five areas of work, the development cooperation, advocacy, and emergency relief areas are the most relevant regarding loss and damage. Within its development cooperation portfolio, the organization promotes climate resilience and disaster preparedness both of which are key to avert, minimize, and address loss and damage.

LWF is a global faith-based organization working to ensure human dignity, justice, and peace across the world. The organization's commitments to human rights and justice means that its work focuses on eradicating the underlying causes of poverty, exclusion, and the promotion of a more equitable distribution of power, resources, and opportunities. The organization supports those in need through advocacy, humanitarian, and development work. Of the organization's various thematic areas of work, two are of most relevance here, humanitarian work and justice and peace. Within the Justice and Peace grouping are all the organization's climate justice initiatives (LWF, n.d.; LWF, n.d.). Furthermore, the organization has developed a Strategic Direction for Climate Justice in which it highlights the need for loss and damage action. As with the others, despite the work aligning with the issue of loss and damage, the organization's activities are not labelled as such.

Looking at the objectives and areas of work shows several key synergies between various organizations. For example, there is an emphasis on the development of community resilience and achieving livelihood resilience for the most vulnerable, as well as on the climate justice perspective, critical within the loss and damage debate. Finally, the focus of several organizations on peace and peace building, is relevant for the climate-conflict nexus. The relationship between climate change and violent conflict is multifaceted. Where there is weak governance, lack of resources, and lack of legitimate and peaceful decision-making mechanisms, climate change will contribute to further violence. Furthermore, violent conflicts, especially if protracted, can in turn increase a society's vulnerability by weakening its institutions, displacing people, and undermining capacities to respond to disasters, and hinder adaptation to climate change, this may result in greater loss and damage from climate change (DCA, NCA & ACT Alliance, 2020).

Analysis of the objectives and the areas of work of the four organizations highlights that one of their key strengths in relation to loss and damage is their cross-disciplinarity. Working on Loss and damage involves the aversion, minimization and addressing of climate impacts through multiple means including climate action, development assistance and humanitarian aid. In contrast to many other organizations working on the issue, the four institutions encapsulate various key areas and modalities of work critical for loss and damage action, allowing them to provide a more all-encompassing and holistic approach to loss and damage action both ex-ante and ex-post.

4.2 Key structures of ACT Alliance

Undoubtedly various organizations have multiple mechanisms and frameworks that are relevant for loss and damage. In this report we have focused on the three key structures and mechanisms at the alliance level for green collaborations and locally led interventions and their relevance for loss and damage work. This includes the Reference Groups, ACT Committee of Practice, and the Forums.

Reference Groups

ACT Alliance Reference Groups function as advisory bodies to the Secretariat. Their primary purpose is to provide strategic direction and operational support for the implementation of the alliance's Global Strategy across its thematic and programmatic areas. Furthermore, they promote linkages and a cohesive approach across ACT Alliance's humanitarian, development, and advocacy efforts (ACT Alliance, n.d.).

There are six such groups, covering all the alliance's main thematic areas, except for gender justice (ACT Alliance, n.d.). The issue of loss and damage is covered by various of the Reference Groups. Consequently, clearly designating the scope of loss and damage is critical to prevent overlaps and foster cooperation among groups. This can be achieved through various means including internal capacity building on the concept of loss and damage, or through workshops to exchange experiences among ACT alliance members on loss and damage financing, programming, and implementation.

It is through the Reference Groups that a better understanding of the issue of loss and damage should be developed and disseminated across the alliance.

Furthermore, there is a need for FBOs, including ACT Alliance members, to be better recognized by the development community as capable and credible partners for loss and damage action. As such, the relevant Reference Groups and the ACT Secretariat need to advocate for and highlight the added value of FBOs and push for their recognition as key partners in the loss and damage space.

ACT Communities of Practice (CoPs)

The CoPs serve as a key mechanism within the Alliance to promote collaboration amongst its members. They provide designated spaces for members to engage in joint efforts on issues of shared interest and concern. These are: climate justice, disaster risk reduction and climate change adaptation, gender equality and justice, religion and development, safeguarding, PSS, UN tax convention, and safety and security (ACT Alliance, n.d.).

These have been established by a set of core principles including their alignment with the alliance's strategic goals, their relevance to the alliances core activities, the importance of collaboration in these areas, and the willingness of members to allocate resources to them (ACT Alliance, n.d.).

Regarding loss and damage, the climate justice and disaster risk reduction and climate change adaptation CoPs provide established mechanisms through which collaboration on loss and damage could be catalysed. This is detailed further in the recommendations section.

ACT Forums

ACT's national, sub-regional, and regional forums are unique features of the organization. They serve as platforms for collaboration between ACT members operating within specific geographical areas. They foster collaborative efforts on humanitarian response, sustainable development initiatives, and advocacy programs. Local churches and organizations are also actively integrated as key partners. Beyond being a meeting point, ACT forums are a fundamental structural element of ACT Alliance. They actively promote joint planning, implementation, and monitoring of initiatives, enhancing effectiveness and impact (ACT Alliance, n.d.).

The alliance has shifted from a member-driven to a forum-driven approach. This fosters collaboration between international and local actors, leveraging their strengths for effective action. While empowering local actors remains a priority, the forum recognizes the need for shared responsibility in humanitarian aid (ACT Alliance, 2021).

By combining the strengths of international and local actors, ACT forums create a powerful framework for collaborative action. This not only enhances the effectiveness of interventions but also ensures long-term solutions that empower communities.

In 2020 there were 61 forums, covering some of the most vulnerable and at-risk countries in the world. In Africa, there are 22 national forums and 2 sub-regional forums. In Asia, there are 11 national, 1 regional and 1 sub-regional forums. In Latin America and the Caribbean, there are 14 national forums and 3 sub-regional forums. And, in the Middle East and North Africa, there are 5 national and 1 regional forum (ACT Alliance, 2020).

Although these forums do not have specific thematic objectives or areas of work, given that they cover all regions most vulnerable to the impacts of climate change the forums could be an effective channel for

strengthening action on loss and damage. Their relevance is in the collaboration they can foster on loss and damage between local and international partners both ex-ante and ex-post.

For example, forums could be used by ACT Alliance members to raise the issue of loss and damage for interorganizational discussions. Furthermore, they could be used as mechanisms for knowledge and experience exchange among organizations, with organizations having developed loss and damage programming sharing their approach, and their learnings.

4.3 Loss and damage funding

The issue of funding for loss and damage has been one of the in-vogue topics at recent COPs. Currently, the largest fundings gaps exist in countries that are the most vulnerable to the impacts of climate change, such as small island developing states (SIDS) or least developed countries (LDC). Although significant strides and commitments have been made, in addition to, scaling up of financial resources to adequately avert, minimize, and address loss and damage, the most vulnerable countries need to be prioritized in the distribution of these funds.

ACT Alliance members possess several mechanisms through which they can fund loss and damage projects globally. The main existing mechanism through which resources can be channelled are outlined below. The aim of this section is not to highlight the amount of funding designated for loss and damage, but rather to highlight the tools that ACT Alliance members have to fund loss and damage projects.

At the ACT level, the coalition has two specific mechanisms through which it can provide ex-post loss and damage funding. Individual organizations also possess their own specific funds through which they can fund both ex-ante and ex-post interventions.

Rapid Response Fund

The ACT Alliance Rapid Response Fund (RRF) is an innovative funding mechanism within the humanitarian sector. It is specifically designed to empower local communities by placing them at the centre of decision-making processes. By prioritizing funding for local actors and their community networks, the RRF ensures that humanitarian interventions are directly informed by the needs and priorities of affected communities. The instrument showcases the unique strengths of faith-based actors in humanitarian response, their established presence and deep understanding of local contexts allow for more culturally sensitive and effective interventions (ACT Alliance, n.d.).

In the context of loss and damage, the RRF could be an effective mechanism for the alliance to channel post-disaster relief funds to affected communities. Given the RRF structure, the funding would be able to respond to the needs and priorities of the communities giving them greater control over the allocation and use of funds in the relief and reconstruction process. Also, in 2024, the RRF will be piloting anticipatory actions (ACT Alliance , n.d.).

ACT Appeals

ACT Appeals is another key mechanism through which post-disaster humanitarian aid is channelled to affected communities. These appeals are used to coordinate large-scale emergency responses and are based on the issuance of funding appeals to member organizations. The appeals are launched by local members and regional forums requesting financial aid and assistance from the broader alliance (ACT Alliance, n.d.). For some organizations such as the LWF, this is the main way to mobilize humanitarian aid and assistance.

As with the RRF, the ACT Appeals can be used by members to raise and distribute post-disaster relief and assistance to affected communities by loss and damage from climate change.

Organization specific funds

In addition to the funding, they can distribute through the alliance, the four organizations assessed in the report each have their own independent funding schemes which they are able to mobilize to support loss and damage related activities.

Apart from LWF, the three other organizations have similar project funding structures and have pools of resources which they can mobilize in the event of an emergency or as development finance. By contrast, LWF uses ACT Appeals to mobilize its humanitarian aid, and ad hoc agreements with other organizations to mobilize resources to implement development projects globally.

The main funding differences which exist across DCA, FCA and FELM are to do with the origin of their funds rather than with how they are distributed. DCA's funding comes mainly from institutional donors such as the Danish International Development Agency, European and American institutions, and UN agencies, while other income sources include private donors, second-hand shops, and private foundations. FELM is mainly funded through the Finnish government, through parishes and fund-raising from private individuals. By contrast, FCA is funded through international funding, donations, and parish contributions, with comparatively less funding from governmental sources.

The various funding pools contribute to the funding of both humanitarian response and development cooperation projects, meaning that they can be leveraged to respond to both ex-ante and ex-post loss and damage needs.

Such an approach would allow ACT Alliance members to leverage resources across the existing funding channels at the alliance level, at the level of single institutions and to tap into new external resources. Cross-cutting nature of loss and damage interventions and of their co-benefits make such interventions compatible with multiple developmental objectives, for example, the Her Resilience Enabled project supports the needs of women and girls with disabilities for equality while also addressing resilience and loss and damage. Recognising these synergies and clearly articulating them in designing loss and damage programmes and projects would offer new opportunities for the alliance members in accessing financial resources.

However, although there are opportunities to leverage both humanitarian and development funding, and to use flexible funding from some donors, in practice siloed funding streams are still a barrier for more holistic programming.

4.4 Approaches to develop loss and damage related projects

Part of the topics covered during the case study development and the interviews conducted with implementing agencies and donors centred on the approaches used to develop loss and damage related projects and identifying key best practice examples.

A key message highlighted by all implementing agencies interviewed was the importance of ensuring that loss and damage initiatives are locally led, needs-based and developed through community engagements and participatory processes to ensure the interventions are effective and target the areas of greatest need.

Selection of loss and damage projects to fund

The four institutions considered have different processes for selecting specific projects to fund, yet in all cases the selection is based on the contribution from the actors engaged on the ground in the affected communities, either through the local partners, country offices or through ACT appeals.

For FELM, in most cases, it is local implementing agencies that request resources and expertise to develop and implement projects in vulnerable communities. These local organizations prepare the project proposal and outline their capabilities and capacities to implement it. FELM then verifies these capacities and provides feedback on the proposal. This feedback is an ongoing process and is undertaken throughout the project. Selected projects not only receive funding, FELM also provides thematic advisors to assist in project development and implementation.

DCA and FCA have more decentralized decision-making structures, guided by the organizations' overall global strategies and country programs, with project selection being country office led rather than centrally led. This means that although offices broadly follow similar selection criteria, they each have their own office specific priorities and partners. In both these cases, the organizations can act as both funders and as implementors.

LWF uses differentiated approaches depending on whether the project relates to humanitarian aid or development cooperation. For humanitarian aid LWF uses ACT appeals to identify initiatives to fund. These appeals, as explained in the previous section, are used by the alliance to mobilize urgent humanitarian aid. For development cooperation projects LWF follows a procedure more akin to those used by the others, establishing collaborative agreements with other funding partners, or implementing agencies to fund projects which respond to the needs of the community.

A further key point to stress is that although climate action is inherently green, donors and implementers need to integrate green and sustainable approaches into projects. These considerations can relate to prioritizing green and sustainable procurement practices, the design of green and sustainable interventions, for example by prioritizing nature-based solutions. Such an approach and considerations ensure that in addition to helping vulnerable communities avert, minimize and address loss and damage, projects and organizations minimize further emissions, pollution, biodiversity loss, or any other environmental and climate impact related to the design and implementation of a project. Such frameworks are already being implemented by ACT Alliance members.

Development and implementation of loss and damage projects

Five of the six case studies of projects analysed for this report followed a participatory approach, with community needs identified through participatory activities and community engagements driving the conceptualization and development of projects, their objectives, and their activities. Such an approach was not possible in one of the projects given internal policies on confidentiality of the partner bank that was responsible for the issuance of the parametric micro-climate insurance product. In this project the implementing institution had to find indirect ways to get feedback from the relevant stakeholders, which presented significant challenges for the project.

The opinion expressed by the interviewees on the benefits of participatory approach is consistent with the views from the academic literature, NGOs, and civil society more broadly. Within the context of climate justice, the use of participatory approaches is seen a condition sine qua non to implement a project. This is because a project or initiative which is imposed on a community lacks legitimacy and justice, while as stated above compliance will be perfunctory at best and non-existent at worst (Restrepo-Mieth, Perry, Garnick, & Weisberg, 2023).

Such benefits include the assurance that the project is needs-based and community-led, and properly integrates subaltern forms of knowledge (i.e., which is typically labelled as local, traditional, or indigenous knowledge, as well as lived experience of the stakeholders). A further benefit is the empowerment of local communities, integrating them into the decision-making process and making them better prepared for the fight against climate change. This, according to several interviewees, improved decision making regarding the project and increases empowerment and community ownership of the project, ensuring better implementation and long-term results.

To further increase the robustness of the participatory approaches and expand the spectrum of needs and capabilities identified through community engagement processes, some organizations have called for the implementation of a multistakeholder participatory approach. Such an approach prioritises engagement with local communities but broadens the range of actors included in these engagements to include civil society, national and local governments, academia, the private sector, international development agencies, and other relevant actors. This broadened participation fosters a more holistic understanding of the challenges and opportunities at hand, ultimately leading to more effective and equitable solutions.

Several interviews from different projects have also highlighted the important role that participatory processes played in shaping the final focus of the project, where community-identified priority needs differed to some extent from the original project idea. This required some flexibility in the project design and helped ensure that projects focused on the most urgent needs. Such approach also strengthens positive reception and collaboration from the local stakeholders during the implementation. Examples from the projects also demonstrate how participatory approaches applied to addressing a common policy challenge can have potential to strengthen community and inter-personal ties in the situations of conflict (e.g. between the communities or across country boundaries). This was particularly true for the emergency response project in West Pokot (Kenya), and the transboundary flood resilience project in Bangladesh and Nepal.

The interviews underscored the importance of participatory approaches and confirmed these processes have been used in many of the projects assessed. Based on the reviewed case studies, there seems to be alignment between ACT Alliance members on the need for the projects to be locally led and needs based, and the recognition of the importance for the loss and damage interventions to be based on climate justice.

Although the needs-based participatory approach was most mentioned during interviews with implementing agencies, ACT Alliance members also promote and advocate for human rights for all. A human rights-based approach (HRBA) to climate action ensures the fulfilment of human rights and systematically highlights the root-causes of problems and enables local communities to bring about change. A HRBA is based on the premise that the rights-holders are experts on their own situation. Based on their experience they can identify problems, and they must be given the right to influence, and participate in, decisions that affect their lives. Thus, a HRBA enables rights-holders to increase their empowerment, and in so doing, to shift the power over the processes of change to themselves. Furthermore, non-discrimination and equal participation are cornerstones of HRBA (ACT Church of Sweden, 2016).

As a result, although in many of the interviews the concept of a HRBA was not mentioned, the focus on participatory, locally led and needs-based activities and engagements throughout the development of the studied projects and the themes these cover, indicates that the approach used by many of the projects implemented by ACT Alliance members go beyond a needs-based participatory approach, and follow a human rights based approach to loss and damage action.

4.5 Loss and damage activities

Loss and damage encompasses a wide variety of activities (see Table 1), and annex 1 page 48. Some examples of loss and damage related activities, separated into ex-ante and ex-post activities, are provided in the table below. Ex-ante measures aim to build resilience before disasters strike. These include early warning systems and other anticipatory actions. Ex-post activities focus on post-disaster response and recovery, including reconstruction, and psychosocial support. Furthermore, actors should recognize the importance of long-term interventions that bridge pre- and post-disaster phases and provide durable and sustainable community resilience.

Annex 1 highlights all the projects related to loss and damage shared by ACT Alliance members during the activity identification process. In total, 74 projects were shared and classified using the three classification methods (area of focus, risk management, and DCA loss and damage criteria). Two projects (3%) were found to have no relation to loss and damage, as such. In total 72 loss and damage related projects across DCA, FCA and LWF were identified and classified.

Table 1: Non-exhaustive list of loss and damage activities

Ex-ante activities	Ex-post activities	Mix of both
Hazard and vulnerability mappings	Reconstruction of transport, WASH, services, settlement, productive infrastructure to baseline scenario	Promote alternative, diversified, climate resilient livelihoods
Disaster planning	Shelter for displaced people	Return and sustainable re-integration at home post disaster displacement, building back better reconstruction and support to restore and adapt lives and livelihoods
Contingency planning	Emergency food aid, Non-food items	
Early Warning Systems	Social protection scheme payouts	
Implementation of shock responsive protection schemes and mechanisms	Cash and voucher assistance assistance	Planned relocation
	Psychosocial support	
	Restocking of animals / supply of productive assets following a climate related event	
	Insurance payout for loss of harvest due to climate related event	
	Ecosystem restoration	

In total 33 out of the 74 projects shared by the ACT Alliance members received a DCA score of 2 (see Annex 1) as such these 33 projects have been shortlisted as potential case studies. Six of these have been selected for an in-depth analysis. The case studies aim to provide a representative and broad-spectrum view of loss and damage activities carried out by ACT Alliance members.

4.5.1 Case studies

Six projects have been selected for an in-depth analysis. The case studies aim to provide a representative and broad-spectrum view of loss and damage activities carried out by ACT Alliance members. Table 2 summarises the six projects selected as case studies.

2019-2023 Transboundary Flood Resilience Project in Bangladesh and Nepal

Bangladesh and Nepal are highly susceptible to the devastating effects of flooding. The consequences of these floods extend beyond property damage to include infrastructure, agriculture, livestock, and human lives. Communities are ill-equipped to cope with these disasters. Consequently, annual flooding stands as a primary impediment to their development.

Response

This project, funded by the Evangelical Lutheran Church of America (ELCA) and implemented by LWF, targeting two flood-prone districts, Kurigram (Bangladesh) and Chitawan (Nepal), aiming to bolster the capacity of local communities to withstand these devastating events.

The project has three key objectives. First, it seeks to enhance disaster risk management capacities and real-time flood information for both communities and governments. Second, it focuses on building community preparedness and mitigation plans alongside diversified livelihood options. Finally, the project fosters knowledge exchange and best practices across borders to strengthen transboundary flood resilience.

This project implements various capacity-building initiatives tailored to each district's context. It employs a participatory approach, ensuring local communities actively participate in all project phases.

Outcome

While the project has demonstrably increased local understanding and capacity, it has also encountered challenges. Initially focused solely on floods, the project adapted to community needs, incorporating a multi-hazard resilience approach. This flexibility highlights the project's commitment to a community-based needs assessment.

However, significant high-level challenges emerged. Political complexities surrounding water resources hindered transboundary cooperation. Additionally, local government structures, particularly in Nepal, despite holding resources for resilience efforts, presented a complex working environment. The project actively mitigated these challenges, ultimately leading to increased community resilience.

Loss and damage response implications

Although the concept of loss and damage was not used in the initial phases of the projects, community engagements indicated that they were facing losses and damages due to climate change and that therefore they had been forced to change their agricultural practices. Now, both the concepts of climate justice and loss and damage have been integrated into the project. However, despite the community being able to define their losses, they find it difficult to understand the concept of loss and damage.

As mentioned above, climate change is exacerbating the risks and impacts faced by vulnerable communities in both Bangladesh and Nepal from flooding. The increased frequency and intensity of these events will have significant economic and human consequences for the affected communities. As a result, projects such as the one covered here are critical to provide these communities with the necessary tools and resources to be able to prepare for and reduce the risks posed by these climate impacts.

Assessing the project risk management perspective, the project's activities are mainly related to risk reduction. Notwithstanding, the project also includes elements and actions related to risk retention and risk transfer. Risk retention is shown in the establishment of an emergency fund to be used in the case of natural disasters, and risk transfer is seen in the crop and livestock insurance provided by the project. Despite these activities, the bulk of the work undertaken by the project relates to risk reduction.

Looking at the project and its activities through the lens of the (IIED, 2023) activities, the project would fit under the Capacity Development category, all be it with Advocacy elements also included. The capacity development side of the project is shown in the information, resources, and training it provides to these communities allowing them to have the knowledge and capacity to better prepare and cope with floods. However, its calls for transboundary cooperation and the establishment of forums to share experiences and knowledge in addition to its activities aimed at raising awareness of the impacts of floods and the importance of preparedness and emergency warning mechanisms highlight the advocacy elements of the project.

Classifying the project using the categories established by the ACT Alliance (see Annex 6), is more complex as it does not necessarily fit any of the six categories. The category most apt into which to classify the project is Social Protection Programs with its community-led resilience building having similarities and overlaps with other activities under this category. Specific activities carried out under the project such as the provision of crop and livestock insurance would be classified under the Climate insurance category. Finally, relating it to the 8 areas of cooperation and facilitation established by Article 8.4 of the Paris Agreement shows that the project's activities align with area (a) early warning systems, (b) emergency preparedness, (e) Comprehensive risk assessment and management, (f) Risk insurance facilities, climate risk pooling and other insurance solutions, (g) non-economic losses and (h) Resilience of communities livelihoods and ecosystems.

Emergency Response project for 2019 flood Affected Schools Children and communities in Kenya – West Pokot

October to December 2019, saw intense rainfall in West Pokot (Kenya). The heavy rains caused several disasters such as flash floods and landslides. Although closed at the time, over 15 of the county's schools reported damaged due to these events.

Response

Following the disaster, an FCA-funded project provided an integrated needs-based response focused on education. Firstly, it aimed to improve access to quality education by rebuilding a damaged dormitory. Secondly, it addressed WASH (Water, Sanitation, and Hygiene) needs by rehabilitating pit latrines and water systems in schools, while promoting hygiene practices among students.

This rehabilitation effort addressed multiple health risks. Rebuilt latrines prevented unsafe defecation practices and reduced the risk of waterborne diseases from contaminated water sources. Improved WASH infrastructure is also known to improve school attendance, particularly among girls. Notably, these schools fostered regional peacebuilding by bringing children from rival tribes together, complementing FCA's broader peacebuilding efforts in the region.

Outcome

The project achieved its goals by 2020, constructing a dormitory for 80 students and rebuilding WASH facilities in five schools. This benefitted 1,668 children. Success stemmed from a participatory approach, ensuring community buy-in and needs were met. A structured procurement strategy further optimized operation.

However, implementing the project in a remote area presented logistical hurdles. COVID-19 restrictions and frequent regional conflict hampered movement of people and materials. Despite these challenges, the project's success ensured continued access to education for children in the region.

Loss and damage response implications

The project integrated ideas of risk management, although it did not include the concept of loss and damage in its development and implementation. Still the project has clear loss and damage links.

The unprecedented heavy rainfall experienced by the region from October to December 2019 is expected to become more frequent as the impacts of climate change increase. Projections indicate that climate change will increase the amount of rainfall experienced in Kenya and its intensity. This means that the likelihood of such heavy and intense rainfall as in 2019 is set to increase over the coming years. By extension, this also increases the risk of floods and landslides.

The community rebuilding and reconstruction projects and the implementation of an emergency fund to assist the affected communities constitute risk retention measures (Development Asia, 2017; UNFCCC, 2012). This classification does not mean that the project disregarded other risk areas, with the rebuilt infrastructure also intended to reduce the risk from future extreme events.

The nature of the interventions undertaken during the implementation of the project allow it to be further classified under the (IIED, 2023) activities as Action on the Ground. Moreover, relating it to the 8 areas of cooperation established by Article 8.4 of the Paris Agreement shows that the project's activities align with area (e) Comprehensive risk assessment and management, (g) Non-economic losses, and (h) Resilience of communities livelihoods and ecosystems.

Her Resilience Enabled in Burundi, Rwanda and Tanzania

Although the physical impacts caused by climate change are equal for all, vulnerability to these impacts differs across communities depending on socio-economic and cultural factors. The layering of oppression and discrimination and its intersectionality results in women and girls with disabilities being among the most vulnerable and marginalized groups. This is because their vulnerability is compounded by being both a woman and an individual with disabilities.

Response

The funded project tackles climate change vulnerability of women and girls with disabilities in Burundi and Rwanda. Led by women with disabilities themselves, the project focuses on research, awareness raising, and advocacy skill development. This empowers them to defend their rights and hold institutions accountable.

Additionally, the project aims to integrate the Convention on the Rights of People with Disabilities (CRPD) into national policies in Burundi and Rwanda, specifically regarding climate change obligations. This ensures their needs are considered in climate change strategies.

Outcome

Launched in 2022, the project's successes include mapping key climate policies, equipping 50 women with advocacy skills, and facilitating tree-planting events to promote inclusion. The project also influenced improved stoves for displaced families in Burundi, demonstrating early progress in policy and community engagement.

Challenges arose from Burundi's complex political landscape and fragmented disability movement. The project fostered dialogue with various government bodies and disability organizations to address these. Despite these hurdles, "Her Resilience Enabled" is making strides towards climate resilience for women and girls with disabilities.

Loss and damage response implications

The concept of loss and damage was present within the project in so far as the concept of resilience and resilience building is understood to contribute to averting, minimizing and addressing loss and damage.

As stated above, climate change increases the likelihood of floods, landslides, droughts, and other climate disasters from occurring in Rwanda and Burundi. This increased exposure results in increased risk for the countries' population especially poor and marginalized communities such as women and girls with disabilities. Consequently, the implementation of projects such as the Her Resilience Enabled project are critical in ensuring that all members of society are covered by climate and risk reduction activities.

The activities developed under the project are clear risk reduction measures, aimed at increasing the resilience of women and girls with disabilities through increased awareness and consciousness around their plight. Furthermore, one of the project's main objectives is to empower women and girls with disabilities and ensure that they are included in local and national social protection programmes, thus decreasing their risk to climate disasters, and promoting equity and justice within climate action.

The nature and objectives of the interventions undertaken during the implementation of the project allow it to be further classified using the (IIED, 2023) activities under three categories, these being advocacy, research, and capacity building. Out of the three categories the main one is advocacy, however, the advocacy actions and objectives set out in the project are achieved through the implementation of research and capacity development activities.

Finally, relating it to the 8 areas of cooperation and facilitation established by Article 8.4 of the Paris Agreement shows that the project's activities align with area (b) emergency preparedness (e) Comprehensive risk assessment and management, (g) Non-economic losses, and (h) Resilience of communities livelihoods and ecosystems.

Innovation - "B-Ready" in Nepal

Flooding in Nepal is a recurring and devastating occurrence. One of the most severely affected areas is the lower Mahakali River basin, notably the Dodhara-Chandani municipality. The socio-economic and infrastructural impacts of flooding are profound, with lives lost, homes destroyed, and people forcibly displaced. Livelihoods are also devastated, and critical infrastructure like bridges are damaged or destroyed.

Response

DCA's B-Ready projects address flood vulnerability in vulnerable communities. Developed with local partners, the project emphasizes early warning and anticipatory action.

Through a participatory approach, the project aims to, first, improve forecasting and early action, second, enhance community resilience, third, provide cash-based assistance, and fourth, increase policy integration.

Initial activities focus on strengthening existing early warning systems and anticipatory action mechanisms. These include piloting a multi-hazard forecasting model and designing a customizable data collection tool to conduct household vulnerability and risk assessments.

Outcome

The B-Ready project has improved flood preparedness in targeted communities. A more precise flood forecasting model provides extended lead times for proactive measures. Over 2,000 households participated in vulnerability assessments, empowering them to respond effectively to warnings. Training sessions further equipped community leaders and local authorities.

Challenges emerged due to the transboundary nature of water resources, requiring complex cooperation with both Nepal and India. Additionally, the government's focus on post-disaster response limited funding for anticipatory actions.

Despite these hurdles, the project's success was evidenced in October 2022. When floodwaters reached critical levels, communities successfully implemented early action plans, minimizing damages. The project's long-term goal is to expand its reach to encompass multiple hazards, requiring further funding, robust data collection, and continued community-led planning.

Loss and damage response implications

The concept of loss and damage was considered during the development and the implementation of the project. Furthermore, DCA originally classified the projects as a "2" meaning that its principal objectives relate to loss and damage, however, on reassessment it changed this to "1". This change was made after the case study analysis had been undertaken, and given the project was still relevant for loss and damage it was maintained as a case study in this report.

Climate change increases the likelihood of floods in the Mahakali River Basin. This increased exposure results in increased risk for the population living on the rivers shores and within its flood plains. Consequently, the promotion of forecasting and anticipatory action measures such as those developed by the B-Innovation project are critical in ensuring that the individuals, households, and communities which live along the banks of the river, particularly in the lower basin, can pre-emptively act and respond quickly to floods.

The activities developed under the project are clear risk reduction measures, aimed at increasing the resilience of households and communities living in flood prone areas of Dodhara-Chandani municipality. This increased resilience is achieved through the promotion of anticipatory action and early warning mechanisms, consequently it does not completely fit the loss and damage categories developed by the ACT Alliance. However, part of the project does focus on, although it is not the main focus, cash-based assistance, as such this specific area of the project would be consistent with the cash transfer category of the ACT Alliance classification.

The nature and objectives of the interventions undertaken during the implementation of the project mean that it is further classified as Research under the (IIED, 2023) activities. This is because the main aim of the project is to develop a better understanding on the community's risks, impacts and vulnerabilities and the further development of a flood forecasting model.

Finally, relating it to the 8 areas of cooperation and facilitation established by Article 8.4 of the Paris Agreement, the project's activities align with area (a) early warning systems (b) emergency preparedness (e) Comprehensive risk assessment and management, and (h) Resilience of communities livelihoods and ecosystems.

Microinsurance and Climate Resilience. Building Climate Resilience in the Dry Corridor in El Salvador

El Salvador face increasingly significant climatic changes, such as excessive rainfall, prolonged droughts, heatwaves, and floods. These physical impacts have significant socio-economic consequences for the people of El Salvador, especially rural farming communities where yields are expected to drop significantly.

Response

The Lutheran World Federation (LWF) partnered with Banco de Fomento Agropecuario (BFA) to offer micro-climate insurance to smallholder farmers. These parametric policies protect against financial losses from extreme weather events like droughts and heavy rainfall. Unlike traditional insurance, payouts are based on objective metrics like rainfall levels, reducing disputes and moral hazard.

The pilot project initially focused on vulnerable farmers at risk of loan defaults. A 50% subsidy and training in resilient farming practices incentivized participation. While the next phase envisioned reduced subsidies and an efficacy study, this wasn't implemented. A collaboration with the University of Toronto is evaluating the impact of subsidy removal and integrating insurance with agricultural credit.

Beyond insurance, the project emphasized training farmers in practices like green manure preparation, reduced pesticide reliance, and optimized water usage. This two-pronged approach strengthens farmer resilience to climate shocks.

Outcome

In 2021-2022, over 1,000 farmers across three departments received insurance and training in resilient agriculture. Additionally, nearly 300 households gained knowledge about micro-climate insurance, and 483 BFA staff were trained.

Despite these successes, challenges emerged. Political shifts and short-term funding hindered the project's second phase. Internal BFA policies hampered data collection and farmer outreach. Limited farmer awareness and the infrequency of extreme weather events make impact assessment difficult. While the project's true effectiveness awaits a major climate event, it has equipped farmers with a safety net to mitigate climate impacts.

Loss and damage response implications

Both the concepts of loss and damage and climate justice were incorporated throughout the project, especially regarding justice for small producers.

Climate change is increasing the likelihood of extreme climatic and weather events such as droughts or intense precipitation. Within the agricultural sector, such occurrences have significant impacts on crop and livestock production and by extension the livelihoods farmers can extract from their work. Consequently, as the risk of climate impacts increases, their vulnerability and their livelihoods vulnerability to these impacts also increases.

An innovative way of dealing with the crop losses and failures and minimizing the socio-economic impacts this has on farming communities is through climate insurance instruments, such as micro-climate insurance policies. These allow farmers to transfer the risk to a financial institution and allows them to

safeguard their livelihood even in the event of crop failures or losses. Consequently, such projects and activities are classified as Risk Transfer activities in the loss and damage field (Development Asia, 2017; UNFCCC, 2012).

The nature of the project and the fact that it provides household with financing in the event of loss and damage and that it safeguards their livelihoods, means that under the (IIED, 2023) activities the project is considered Funding. Furthermore, looking at the loss and damage categories developed by the ACT Alliance, the project fits neatly into the Climate insurance category. This is also true when looking at the 8 areas of cooperation and facilitation of Article 8.4 of the Paris agreement, with the project clearly aligning with area (f) Risk insurance facilities, climate risk pooling and other insurance solutions. In addition, the project also relates to area (b) Emergency preparedness, (c) Slow-onset events and (h) Resilience of communities livelihoods and ecosystems.

Scaling Up Livelihoods and Resilience Program in Zimbabwe

Zimbabwe faces a multitude of challenges, including climatic shocks such as droughts and floods. Climate change has significantly reduced agricultural yields across the country, with the southern districts of Masvingo, Midlands, and Matebeleland South have been particularly hard hit.

Response

This project, funded by FELM, adopts a “nexus approach” to build resilience in vulnerable communities across Zimbabwe. It integrates livelihood and disaster risk reduction activities with education and rights advocacy for people with disabilities.

Disaster preparedness is addressed through training local leaders and committees, community risk mapping, and the creation of Disaster Risk Mitigation Plans. The project also promotes environmentally sustainable practices like conservation farming, livestock management, and environmental restoration. Livelihoods are strengthened through training in agriculture, small businesses, and market access, alongside the establishment of savings groups.

These activities were identified in collaboration with the government and local communities, ensuring they address specific needs and gaps.

Outcome

Initial progress includes training local leaders and community members on disaster preparedness. Additionally, 900 households have received agricultural resources and training, leading to observed yield increases. Gender sensitivity training has also been provided to community members and leaders.

Challenges include climate shocks impacting farmers and social factors hindering gender inclusion. Despite these hurdles, the project demonstrates promise in strengthening community resilience across Zimbabwe.

Loss and damage response implications

The project focused on adaptation, with concepts related to loss and damage included through the identification of losses sustained by the communities and how these are addressed.

The uncertainty around the country's economic future coupled with increasing impacts from climate change increases the potential risks to livelihoods and food security in Zimbabwe. This increases the risk posed by extreme weather and climate events on the population whose coping capacity is decreased with the increased livelihood and food security risks.

The promotion of resilience championed in the project does not fit into any of the six loss and damage categories identified by the ACT Alliance. The closest categories would be social protection programmes, as the activities promote resilience and poverty reduction through increasing the resilience of livelihoods thus enhancing their coping capacity to face climate hazards, and cash transfers, as although the project does not provide financial resources to farmers it does provide non-financial resources to households to help them increase their resilience to the impacts of climate change.

The broad remit of activities developed under the project constitute clear **risk retention measures**, this is also evidenced by the disaster risk reduction and management trainings provided by the project to both decision-makers and the community.

The nature of most actions developed in during the implementation of the project centre around training and capacity building, consequently under the (IIED, 2023) activities the project falls under the Capacity Development category. Notwithstanding, both the Action on the Ground and the Advocacy categories are also present within the project, in the distribution of resources and the awareness raising of gender and social issues, respectively. However, the main area of activity relates to capacity building and development of farmers and decision-makers.

Finally, relating the project to the 8 areas of cooperation and facilitation established by Article 8.4 of the Paris Agreement shows that the project's activities align with area (e) Comprehensive risk assessment and management, and (h) Resilience of communities livelihoods and ecosystems.

Summary

Table 2 summarizes the key findings from the case studies. The analysis shows that ACT Alliance members are implementing a variety of projects related to loss and damage. All though these case studies make up a small sample size, they show that projects being implemented by the organizations cover both ex-ante and ex-post activities and focus on vulnerable communities who are often isolated, both socially and geographically. Furthermore, the implementation of these projects has resulted in significant learning outcomes for the various organizations. Notable learnings include the importance of local participation and partnerships, achieved by integrating local stakeholders throughout the project development and implementation process. Such integration increases community ownership of projects.

The realization that these projects have significant co-benefits for other climate and development actions was another significant learning outcome. The cross sectoral nature of loss and damage and its overlaps with other climate action and development initiatives resulted in projects not only contributing to reducing community risk or increased resilience but also contributing to several other climate action, development, and social cohesion co-benefits.

From a programming perspective, recognizing these co-benefits and coordinating between the various actions is critical. Moreover, it is important to understand these actions as part of a mosaic of activities each contributing to a multifaceted increase in community resilience, as such adequately coordinating between actions is crucial for building resilience in communities vulnerable to climate change impacts. Programs must prioritize a comprehensive approach that considers both ex ante measures to reduce risks and ex post responses to address residual loss and damage. Harmonizing efforts enables more effective allocation of resources and fosters holistic resilience-building initiatives that encompass risk reduction, retention, and transfer strategies. By bridging these components, programming can enhance the adaptive capacity of communities and facilitate sustainable development in the face of climate uncertainty.

Table 2: Summary of case studies

Name of Project	Objective	World Region	Country	Org.	Activity Category	Risk Relation	Relation to Art. 8.4	Ex-ante or ex-post	Sector	Addressed impacts	Co-benefits
2019-2023 Transboundary Flood Resilience Project	Enhance flood resilience by sharing cross-border experiences and best practices, targeting highly affected districts to mitigate detrimental effects.	Asia	Bangladesh & Nepal	LWF	Advocacy & Capacity development	Risk Reduction	A, B, E, F, G & H	Ex-ante	Cross-sector	Rapid onset: Floods	Increased agricultural resilience and food security
Emergency Response project for 2019 flood Affected Schools Children and communities in Kenya – (West Pokot)	Rebuild damaged educational infrastructure and improve sanitation facilities and practices, while also addressing gaps in disaster response.	Africa	Kenya	FCA	Action on the ground	Risk Retention	E, G, & H	Ex-post	Education & WASH	Rapid onset: Floods and Landslides	Risk reduction, Awareness of WASH principles, peace building
Her Resilience Enabled	Enhance the resilience of women and girls with disabilities in Burundi and Rwanda through advocacy, research, and capacity development.	Africa	Burundi, Rwanda & Tanzania	FELM	Advocacy, Capacity development & Research	Risk Reduction	B, E, G, & H	Ex-ante	Cross-sector	Rapid onset: Floods, Landslides, Drought, Biodiversity loss	Equity and justice
Innovation “B-Ready”	Enhance community resilience through improved forecasting and early action. Through, for example, multi-hazard flood forecasting, early warning systems and anticipatory actions.	Asia	Nepal	DCA	Research	Risk Reduction	A, B, E, G, & H	Ex-ante	Cross-sector	Rapid onset: Floods	Improve community resilience, increase access to cash transfers, & increased policy integration
Micro-Climate Insurance Pilot Project	Increase access to micro-climate insurance for at-risk smallholder farmers.	Latin America	El Salvador	LWF	Funding	Risk Transfer	B, C, F, & H	Ex-ante	Agriculture	Rapid onset: Drought, Extreme precipitation	Disaster Risk Reduction
Scaling Up Livelihoods and Resilience Program	Promote environmentally friendly practices and enhance food security and livelihoods in Masvingo, Midlands, and Matebeleland South provinces.	Africa	Zimbabwe	FELM	Capacity Development	Risk Reduction	E & H	Ex-ante	Agriculture	Rapid onset: Floods, Drought,	Livelihood diversification & Increased agricultural productivity

Source: Own elaboration with correspondence with DCA, FCA, Felm, and LWF personnel

4.5.2 Programming gaps

The various analyses and interviews undertaken in the development of the study have suggested several key gaps in the ACT Alliances loss and damage programming.

The identified gaps in activity types, and conceptualization within the framework of loss and damage programming highlight significant challenges in addressing the multifaceted impacts of climate change effectively. Moreover, they underscore the need for a more comprehensive and coordinated approach to averting, minimizing, and addressing loss and damage for ACT Alliance members to enhance their resilience-building initiatives and better support vulnerable communities in coping with the impacts of climate change.

Gap 1: Uneven distribution of activity types

ACT Alliance members participating in this study are not implementing the different types of loss and damage and risk management activities evenly. Regarding risk management, 74% of activities focus on risk reduction, while 25% focus on risk retention, and only 1% on risk transfer. While, simultaneously, 53% of activities have been classified under capacity development, 18% as action on the ground, 15% as funding, 8% as advocacy, and 4% as research. Both these classifications show an uneven distribution of projects centred on risk reduction and on capacity development. Although these are vital to be able to effectively avert, minimize, and address the impacts of loss and damage, given the broad and multifaceted nature of loss and damage impacts it is important to ensure that all programs and mechanisms are in place to safeguard vulnerable communities from the impacts of climate change while also assisting them to improve their socio-economic situation and escape the poverty cycle.

Despite the importance of risk transfer in climate change financing, there remains a significant gap in the activities towards this aspect. This imbalance underscores a critical gap in addressing the financial implications of climate-related risks. Although detailed further in the Opportunities section, risk transfer projects are an innovative way of financing sustainable development, while safeguarding the livelihoods of vulnerable communities.

Also, interactions with organizations highlighted key programming gaps in relation to projects relating to non-economic losses and slow-onset events. This mirrors situations highlighted across the loss and damage space, where these aspects are often neglected in comparison to the more easily quantifiable economic losses.

Gap 2: Lack of a clear conceptualization and lack of focus on ex-ante activities

The lack of an agreed upon definition of loss and damage impacts the development of knowledge, understanding, programming, and tracking of results and impacts of the issue. At the ACT Alliance level, only DCA has a clear definition for loss and damage. The rest of the organizations and the ACT Secretariat itself do not have a clear and agreed idea of what loss and damage is and how to avert, minimize and address loss and damage. Although this is something which is known, its programming impacts are still profound as the absence of a clear definition impedes the identification of relevant projects, funds, and initiatives.

The current understanding within the ACT Alliance appears to prioritize relief efforts over proactive preparedness measures. This is evident in the identification categories employed by some members, which lack a focus on emergency preparedness and anticipatory actions, even though some of the six projects analysed for this study did include anticipatory actions that were seen as resilience building rather than necessarily being related to loss and damage. This bias towards ex-post interventions, overlooks the importance of ex-ante measures like emergency preparedness and anticipatory actions. Furthermore, such a perspective contributes to the alliance sometimes having inadequate funding streams that do not always allow for holistic programming across the adaptation-loss and damage-build back better/adaptation spectrum.

5 | Barriers and challenges

During the programming and implementation phase, projects have faced several barriers and challenges (external to ACT Alliance, internal to ACT Alliance or crosscutting/both) which have delayed the achievement of the objectives or limited their anticipated level of success. Despite these challenges and barriers, the projects implemented have contributed to increasing the resilience and reduced the vulnerability of local communities to the impacts of climate induced loss and damage. ACT Alliance members have differing levels of influence over the overcoming of these barriers. They have direct influence to overcome the internal barriers, and the internal elements of the cross-cutting barriers, while their level of influence to overcome the external barriers is far less. They can advocate for changes to overcome these challenges, but they have no direct control over if these changes are implemented.

External barriers

Barrier 1: Complex and convoluted government structures

The political structures of countries have impacted the effectiveness of loss and damage related projects in Africa and Asia. For example, political factors, such as authority over climate action being spread across various government ministries, have challenged political engagement and communication around one of the projects in Africa making achievement of strategic outcomes in relation to inclusion and improving resilience of a particular vulnerable group of population in the country more difficult. This was overcome by establishing round-table discussions and steering groups comprised of all relevant governmental and non-governmental actors. In another project in Asia, adverse political relationship between some of the neighbouring countries challenged effective cooperation on resilience and disaster response.

Barrier 2: National priorities regarding natural resources

The politics surrounding natural resources and transboundary issues have complicated the design and implementation of projects. For example, competing water governance and water security priorities in several countries, impact the design and the outcomes of projects intended to reduce the risks of flooding, through initiatives such as early warning systems and increased flood modelling. Competing interests and actors seeing natural resource management as a zero-sum game can make it difficult to engage national and sub-national governments on the different sides of the border and for them to collaborate to improve the resilience of transboundary communities. It can also lead to the reluctance of governments to share information and data, further impacting the achievement of the projects set goals. Yet progress can be made around collaboration on technical issues and through strengthening networks among non-governmental actors, such as academia and civil society.

Barrier 3: Data deficiencies

Internal policies of partner organizations, such as privacy policies, can limit access to data and to the relevant stakeholders in the local communities making participatory design more challenging. For example, due to such policies an ACT member had no access to households and their data. This means that design of the project is driven by the partner organization and there is little opportunity for the alliance member to independently verify whether the design of the project reflects the needs and inputs of the community. This further hampers monitoring and evaluation processes and impacts learnings to be taken from the project.

Barrier 4: Logistical difficulties accessing local communities

Accessing local communities and working with them was further complicated by the remote nature of much of the projects' implementation area. This situation forced significant logistical planning to be included in the project development. Furthermore, steps needed to be taken to ensure that the correct procurement procedures were followed to avoid corruption and misuse of funds.

Barrier 5: Local socio-cultural context

Local social structures and cultural practices impacted the equity and inclusion aspects of the projects. Prevailing social structures and cultural norms, such as for example women traditionally not being part of decision-making process in some communities, forced programmers to include extensive awareness raising activities to ensure that all members of the community were accessed and included in the decision-making process around the project, regardless of status, gender, or disability.

Internal barriers

Barrier 6: Funding

Funding related issues have also been highlighted as impacting the successful achievement of loss and damage projects in both Africa and Latin America. Short-term, non-consecutive, and siloed funding arrangements prevented the continuation of certain projects and prevent long-term, and coherent efforts capable of bridging across the preparedness, anticipatory actions, response, and building back better spectrum to promote a more comprehensive and holistic response to loss and damage. While delays in funding have impacted the distribution of resources and the celebration of gender awareness raising campaigns in Africa. Some interviewees also noted a systemic issue with little funding being made available to deal with climate disasters upfront before the disaster hits, a barrier where the contribution from the faith-based funders is particularly important.

Cross-cutting barriers

Barrier 7: Different conceptualizations of loss and damage

The conceptualization of loss and damage and the priority areas identified by national and regional governments has impacted loss and damage programming undertaken by ACT Alliance members. In some countries, the national disaster risk management framework focuses on the ex-post response to disasters rather than on ex-ante initiatives to reduce risk and increase preparedness, while in others, the government prioritizes adaptation to climate change. This contrasts with work done by ACT Alliance members which focus on anticipatory action, such as the use of early warning systems. This difference in approach makes it difficult to fully align program activities with national aims and priorities.

Barrier 8: Lack of capacity both internal and external

Lack of knowledge and understanding regarding loss and damage at both the international level and among implementing agencies has impacted programming and implementation of projects. Interviews with organizations highlighted that both internal and external capacity deficiencies regarding loss and damage have impacted the development and implementation of loss and damage

projects. This has manifested in several ways, most notably with staff or teams referring to aspects of loss and damage through other climate action lenses. Such misidentifications can have significant impacts on project design, coordination, and resource allocation, negatively impacting the alliance's loss and damage programming. Key areas that were specifically mentioned where further capacity needs to be built are the understanding of non-financial and irreversible losses around climate change and how they can be addressed; and on financial instruments for addressing loss and damage.

6 | Opportunities

The analysis has identified several potential opportunities ACT Alliance and its members to scale-up and expand their loss and damage related activities to help most vulnerable communities globally. These opportunities have been identified during the activities analysis and during the interviews held with implementing and donor agencies.

Broadening the scope of activities and having better understanding of how they fit in the overall response to climate crisis (including resilience, adaptation, and mitigation) is crucial for addressing the multifaceted challenges of loss and damage effectively. Developing a clear conceptualization of loss and damage, integrating it into internal operations, and leveraging the trust and influence that faith-based organizations have within communities can further enhance the effectiveness and longer-term continuity of resilience-building efforts. By capitalizing on these opportunities, ACT Alliance and its members can strengthen their role in averting, minimizing, and addressing the impacts of climate change, while also advancing application of principles of climate justice and equity and fostering sustainable development for vulnerable populations globally.

Opportunity 1: Ensure coverage for all vulnerable communities

The expansion of loss and damage activities across all vulnerable countries is critical to increase the reach and impact of the alliance's loss and damage and resilience activities.

The physical impacts of climate change keep increasing, so do the social and economic impacts on vulnerable local communities across the globe. ACT Alliance is undertaking vital work in several of the most at-risk countries in the world such as South Sudan, Somalia, Nepal, or those in the Dry Corridor of Central America. However, further work and outreach is required to support vulnerable countries and communities globally. Increasing the alliance's reach can be achieved indirectly through advocacy work and directly through collaboration across the coalition.

Through global advocacy work, ACT Alliance members can promote and catalyse international actors to increase their work and funding towards loss and damage activities globally. This global call to action would result in increased funding and priority being designated to the fight against climate change impacts. Such an international mobilization would increase the number of actors aiding and supporting vulnerable communities across the world.

By capitalizing on the increased relevance of loss and damage, the more than 150 ACT Alliance members can leverage their strengths and collaborate with these international organizations to channel funding and resources into their local communities. Furthermore, the promotion of inter-alliance collaboration would allow larger members to support smaller members and ensure that all communities covered by the alliance are able to implement actions aimed at averting, minimizing, and addressing loss and damage.

To ensure that as many communities as possible are covered by the alliance's activities, it would be important to establish a mechanism through which vulnerable communities could be identified, mapped and the response tracked. Such a mechanism would allow the alliance to better monitor and evaluate its loss and damage activities and provide learning to improve loss and damage programming across ACT Alliance.

Opportunity 2: Broaden scope of activities

Development of projects related to the activities and risks not sufficiently covered by the current programmes constitutes an opportunity for the alliance to learn and expand the toolbox of interventions to address loss and damage related to climate change. The bulk of the organizations' activities are currently centred around risk reduction and capacity development interventions. Other important activity types, such as Advocacy, Research and Risk management strategies, such as risk transfer, have significantly less coverage.

Broadening the scope of projects will improve the understanding of loss and damage, while also contributing to the debate on innovative ways of financing loss and damage activities that are currently high on the agenda given the recently announced loss and damage fund and the shortage of financial resources to support loss and damage activities globally.

The interviews highlighted a clear need for more research and advocacy efforts at both national and international levels to better understand and address loss and damage. ACT Alliance and its members are in a strong position to expand their research and advocacy activities. By doing so, they can enhance understanding of loss and damage, influence policy and finance agendas, and shape public perceptions. Additionally, they can provide a platform for vulnerable communities to voice their needs, thus enabling locally driven initiatives to prevent, minimize, and address loss and damage. Opportunity 5 will provide further details on how ACT Alliance and its members can leverage their relationship with local communities to address their needs and perspectives effectively.

Furthermore, expanding programming in relation to non-economic losses and slow onset events provides a further opportunity to broaden the scope of the alliance's loss and damage programming. These are often neglected aspects of loss and damage, overshadowed by more easily quantifiable economic losses. As such, it is an opportunity area of the alliance to expand its programming to provide a more well-rounded and comprehensive framework to avert, minimize and address loss and damage impacts. Also, the alliance and its members' capacity in areas like psychosocial support means that they are well-equipped to take leadership and contribute to the debate on these issues internationally.

Expanding its activities in relation to risk transfer activities such as the Micro-climate insurance project developed in El Salvador, will allow the alliance to, first, provide local communities with mechanism through which to safeguard and increase the resilience of their livelihoods and, second, increase loss and damage financing through these products. The use of risk transfer instruments such as micro-climate insurance policies or risk pooling initiatives has been widely identified as an innovative way of financing loss and damage initiatives and climate action more broadly. Furthermore, these mechanisms promote social equity and justice in that they transfer risk away from vulnerable communities, ensuring that the financial impacts of climate change are not borne solely by the most vulnerable and often least at fault.

The idea of expanding risk transfer activities was also expressed during the interviews highlighting the need for greater collaboration but also for building internal capacities. Greater focus on risk transfer instruments such as climate insurance products requires both research and advocacy activities to be expanded. Furthermore, ACT Alliance members' community links and participatory approaches give them a platform through which to express their positions and preferences, thus allowing these instruments to be tailored to local needs. However, the financial resources needed to implement such instruments require collaborations to be established with relevant private

sector organizations and public institutions. In such a partnership, ACT Alliance members would provide local communities with capacity and knowledge development activities in addition to subsidizing insurance premiums. Providing a subsidy would make the instrument more affordable to local communities promoting its uptake. Partner organizations would provide the insurance product itself. Such a structure, which has already been used in El Salvador, takes advantage of ACT Alliance members' strengths, while combining it with the financial might of public and private sector institutions.

The expansion of activities related to slow-onset events, irreversible events, and non-economic losses, and the accompanying recognition of the limits to climate action and the need to minimize and address the socioeconomic impacts of inevitable climate change impacts such as sea-level rise or droughts, will further position the alliance within the existential perspective of loss and damage. A perspective which in addition to emphasising these losses and impacts, calls for justice and compensation.

Opportunity 3: Conceptualization of loss and damage

A clear and agreed definition of loss and damage is critical to increase awareness and scale up activities around the issue. Participating in the conceptualization debate allows ACT Alliance to influence the global debate on the issue. Further developing their own understanding of the issue of loss and damage provides programming and funding benefits to the alliance.

As the impacts of climate change intensify, it becomes imperative for the international community as well as for organizations like ACT Alliance and its members to not only scale up their activities but also to have a coherent understanding of what constitutes loss and damage, the scope of its implications and relationship to other types of climate actions. Loss and damage may manifest in diverse forms such as loss of lives, livelihoods, biodiversity, infrastructure damage, and cultural heritage erosion, among others. Consequently, defining the scope of loss and damage entails considering various dimensions, including both economic, and non-economic/ financial losses and damages.

A clear and agreed definition of loss and damage is essential for several reasons. Firstly, it provides a common understanding among stakeholders, enabling more effective communication and collaboration. Secondly, it helps in delineating the boundaries of loss and damage, allowing actors to identify and prioritize areas where intervention is most urgently needed, for example in relation to slow and rapid onset events or economic and non-economic losses. Thirdly, it facilitates the development of targeted strategies and projects aimed at addressing specific aspects of loss and damage. Finally, it provides access to a broader range of funding sources.

At a global level, the current relevance and discussions regarding loss and damage, its scope, limits, and financing provides ACT Alliance and its members with the opportunity to influence the definition of the concept and its key features at the international level. For instance, the Loss and damage Fund and Funding arrangements agreed upon in COP28 presents a clear scope relating to addressing loss and damage. Addressing loss and damage inter constitutes inter alia tackling economic and non-economic loss and damage associated with the adverse effects of climate change, including extreme weather events and slow onset events in the context of ongoing and ex post, including rehabilitation, recovery and reconstruction. Such new arrangements present a unique opportunity to onboard their experience and reach regarding participatory approaches, which is often an area of struggle for the development community and positions the organisations as potential leading voices in the conceptualization and operationalization debate.

At an organizational level, by comprehensively defining the scope of loss and damage, ACT Alliance and its members can better tailor their interventions to meet the multifaceted challenges posed by climate change. Moreover, a clear definition and scope of loss and damage will be instrumental in accessing funds dedicated to loss and damage under the new loss and damage fund. With a precise definition and scope, organizations will be able to articulate their needs and objectives more effectively, thereby enhancing their chances of securing financial support for loss and damage-related initiatives.

Better recognition and understanding of the multiple co-benefits of the loss and damage interventions, some examples of which were identified in this project, would also enable a more holistic programming approach contributing to fulfilment of multiple core objectives of the alliance through loss and damage interventions.

Opportunity 4: Leverage relationship with other faith-based institutions

Enabling partnerships between faith-based institutions that have deep community understanding with those that have resources and reach, ACT Alliance can develop targeted loss and damage interventions and amplify impact.

The alliance has direct links to local faith-based institutions that have vital knowledge and understanding of their communities and members that might not be available via government sources. For example, local churches are aware of households with members with disabilities, which are not necessarily known to the government. However, the churches may not know how to properly respond to loss and damage impacts faced by the community.

This presents a key collaboration opportunity between ACT Alliance members and the local faith-based institutions, where the latter can provide local insights into community needs and capabilities while the alliance can provide resources and expertise allowing for an effective response to be developed. This would ensure needs-based and locally informed and led response to loss and damage.

Furthermore, large faith-based institutions often have significant influence and power. Working with these institutions will allow the alliance to capitalize on both their reach and influence at the international, regional, or national level. This collaboration is mutually beneficial in numerous aspects, for example, the financial resources of large faith-based actors provide a funding opportunity for ACT Alliance members, while integrating the concept of loss and damage into their priorities and messaging allows the alliance to increase the reach and scope of its interventions. Finally, such collaboration provides local communities with a platform through which to highlight their needs empowering them to identify problems and find solutions and strengthening their engagement capacity.

Opportunity 5: Leverage community trust

Faith-based organizations, such as ACT Alliance and its members, hold a unique position in the landscape of development efforts, particularly in addressing loss and damage associated with climate change. Their proximity and community integration allows FBO to generate trust, legitimacy, and commitment, increasing a community's sense of ownership and empowerment over climate action. Central to the value added by faith-based organizations is their inherent connection to communities

through the church. This connection serves as a vital conduit for engagement, allowing faith-based actors to readily access and interact with vulnerable populations. Leveraging this existing rapport, they are adept at integrating the needs and perspectives of communities into their projects, ensuring a more nuanced and effective approach to addressing loss and damage.

Moreover, the trust that communities place in faith-based organizations is a pivotal factor that distinguishes them in loss and damage programming. Interviewees underscored this trust as a primary feature that positions these organizations at the forefront of such initiatives. This trust is not merely symbolic but translates into tangible benefits for programming efforts. Communities are more receptive to the interventions proposed by faith-based organizations, confident in their sincerity and commitment to addressing their needs. This trust serves as a catalyst for community participation and ownership, essential elements in the success of any resilience-building and climate justice endeavour.

The influence and trust placed on faith-based organizations serve as a powerful asset in loss and damage programming. With a deep-rooted connection to communities, faith-based organizations are uniquely positioned to lead efforts in averting, minimizing, and addressing loss and damage, in addition to building resilient and sustainable futures for vulnerable communities.

7 | Recommendations

This section aims to provide recommendations for ACT Alliance and its members for capitalizing on the identified opportunities while minimizing and overcoming the barriers.

Recommendation 1: Develop a clear definition of loss and damage and its scope and ensure that all ACT members and staff are familiar with the concept

Discuss the concept of loss and damage within the Alliance and establish a clear definition of loss and damage, identify its scope, including both economic and non-economic losses, that can be applied by the alliance members in their programming and, monitoring and evaluation of loss and damage related projects. The alliance must ensure that this understanding is transferred to all its members and staff to fill the current knowledge gaps that hinder the organization's ability to fully integrate loss and damage principles into its activities.

An effective definition must encompass both economic and non-economic losses. Furthermore, it must acknowledge the distinction between rapid-onset events and slow-onset events. These distinctions are crucial for designing appropriate interventions.

This discussion should be led by the Climate Justice Reference Group and added to the agenda of all ACT Forums to enable all ACT Alliance members to be engaged during the conceptualization process.

Furthermore, the organizations need to prioritize training and capacity development for staff members on the issue of loss and damage. Given the multifaceted nature of the issue, all staff regardless of their area of work need to be aware of the issue of loss and damage, its scope and how the organizations' activities contribute to averting, minimizing, and addressing it. These capacity development initiatives should be tailored to the specific roles of various teams. For instance, staff working in humanitarian response might benefit from training focused on integrating loss and damage into post-disaster recovery efforts, while those working in development might require training on mechanisms to build sustainable and long-lasting resilience.

Recommendation 2: Integrate loss and damage horizontally across areas of work

Integrate loss and damage activities across all relevant areas of work and operations (e.g. human rights, disability, gender, etc.) to foster collaboration and the development of synergistic solutions and prevent siloed thinking and interventions.

Given its role in the organization and its scope, the development of the loss and damage definition and ensuring the concepts integration across all activity areas should be led, at the ACT level, by the Climate Justice Reference Group. This role could also be taken up by an independent loss and damage Reference Group which solely works on this issue. Both options have their strengths and depend on the priorities of the organization. As it is an established actor within the organization, and with the intention to foster a climate justice perspective throughout loss and damage interventions and advocacy work, this report would suggest loss and damage be included under the remit of the Climate Justice Reference Group.

Recommendation 3: Improve communication between ACT members

ACT members should improve their communication and sharing of experiences and knowledge maximizing the alliance's immense potential for collective impact.

ACT Alliance, a network of diverse and experienced member organizations, maximizing the potential of which requires strong communication and knowledge sharing among members. While existing communication mechanisms exist, calls have been made for a more collaborative approach. Structures such as ACT Communities of Practice (CoPs) and ACT Forums need to be taken advantage of more to enhance communication and collaboration amongst members. This will allow member organizations to leverage collective strengths and identify replication opportunities ultimately leading to more impactful interventions and a stronger collective voice in advocating for interventions for climate change impacts. For example, such forums provide a space where Felm and LWF can communicate, with LWF able to share its experience in climate insurance projects.

Recommendation 4: Increase work on non-economic loss and damage and slow onset events

The alliance should leverage its strengths - existing capacities, local networks, and strong community trust - to enhance its engagement with and impact in the areas of non-economic losses and slow onset events.

A key area of work is psychosocial support. Where organizations focus on the long-term emotional, social, and spiritual well-being of individuals, and communities facing the impacts of climate change. This could involve providing individual or group counselling, facilitating support groups, developing educational resources on coping mechanisms, and fostering a sense of belonging and social connection. By building on its existing strengths, the alliance can become a vital support structure for those facing the mental health consequences of non-economic losses and slow onset events.

Recommendation 5: Develop an inter-institutional mechanism to fund ex-ante activities.

ACT Alliance should consider developing specific funding mechanisms through which to fund ex-ante and additional ex-post activities related to loss and damage.

In the same way as ACT Appeals are used by the alliance to mobilize funds for post-disaster relief and assistance, a separate mechanism focused on ex-ante activities could also be developed. This mechanism could follow the same procedures as ACT Appeals but focusing on ex-ante activities that strengthen adaptive capacities. Further, a mechanism and programming approach that supports post humanitarian relief interventions such as recovery, rehabilitation, and reconstruction. As such a holistic loss and damage response approach should consider both ex ante, and ex post – particularly rebuilding efforts to complement humanitarian relief. Programming by the Alliance and its local partners will therefore be more responsive if a focus on increasing community resilience through anticipatory, disaster preparedness actions and holistic post disaster actions is pursued. A mechanism that supports such an approach can be designed in a complementary manner to existing arrangements.

Recommendation 6: Advocate for participatory approaches

The alliance should strategically contribute to the debate and advocate for the implementation of participatory approaches based on their experience.

Building on its unique experience of community engagement, the alliance should undertake a systematic analysis of how it has integrated local communities into its programming and the lessons it has learned from doing so. Furthermore, it could pilot further innovative participatory structures to further increase community engagement.

ACT and its members should strive to actively contribute to the participation debate regarding loss and damage globally, advocating for more needs-based and locally led interventions which prioritize extensive community engagements.

Recommendation 7: Explore engagement and collaboration opportunities with prominent actors

Scale-up engagement with large international, regional, and national partners and expand funding based on loss and damage.

Securing the necessary resources to significantly expand loss and damage programming necessitates a strategic approach to partnership development. Building upon ACT Alliance's strengths (long-standing relationships with communities, community trust, and community access), the alliance needs to explore potential avenues for collaboration with prominent international, regional, and national actors.

Engaging with major international donors, development organizations, and climate action funds presents a promising path to secure the necessary funding. Currently, most loss and damage finance comes from large international donors. If these donors identify faith-based actors as key partners in averting, minimizing, and addressing loss and damage, the funding that could become available to the alliance would allow for significant scaling-up of loss and damage programming.

The alliance and its member organizations should identify ways to engage with and collaborate with large international organizations such as UNDP or the World Bank, clearly articulating their distinct value proposition in relation to loss and damage compared to secular entities.

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Annex 1: List of loss and damage projects

DCA score	Area of focus	Risk relation	Project	World region	Country	Org.
1	Capacity development	Risk reduction	Medios de vida, protección y construcción de paz	Latin America	Colombia	
1	Capacity development	Risk reduction	Sylem Gesha Livelihood Enhancement and Climate Change Adaptation Program	Africa	Ethiopia	
1	Capacity development	Risk reduction	Building Climate Resilient Communities through empowering women and youths in Legeheda and Habru districts of Amhara Region	Africa	Ethiopia	
1	Capacity development	Risk reduction	Gedeo community Resilience Enhancement Against Climate Change Effects Project (CRE- ACCEP)	Africa	Ethiopia	
1	Capacity development	Risk reduction	Improved livelihoods and resilience of South Sudanese refugees in Jewi refugee camp and host communities in the surrounding kebeles of Jewi, Qarmi and Bonga of Abole Woreda	Africa	Ethiopia	
2	Capacity development	Risk reduction	Climate Resilience and Sustainable Indigenous Livelihood	Asia	Cambodia	Felm
2	Capacity development	Risk reduction	Resilient Communities Around Kampong Som Bay	Asia	Cambodia	Felm
2	Capacity development	Risk reduction	Developpement des Capacités de Résilience des Communautés du Hodh el Chargui (DCRCH)	Africa	Mauritania	
1	Capacity development	Risk reduction	Projet d'appui à la sécurité alimentaire des communautés du Brakna	Africa	Mauritania	
2	Capacity development	Risk reduction	Strengthening capacity of smallholder farmers for resilient livelihood	Asia	Nepal	
1	Capacity development	Risk reduction	Establishing Model Food Secure, Environmentally Sustainable and Climate Resilient Palikas	Asia	Nepal	
1	Capacity development	Risk reduction	Programme de Résilience et moyens de Subsistance (P.R.S-DDC)	Africa	Senegal	
1	Capacity development	Risk reduction	Inclusive community resilience	Africa	Tanzania	
2	Capacity development	Risk reduction	Her Resilience Enabled	Africa	Burundi, Rwanda & Tanzania	
2	Capacity development	Risk reduction	Scaling Up Livelihoods and Resilience Program	Africa	Zimbabwe	
2	Action on the ground	Risk retention	Emergency Flood Response_DANIDA DERE	Asia	Bangladesh	
1	Capacity development	Risk reduction	Girl Shine	Asia	Bangladesh	
1	Capacity development	Risk reduction	DCA_RESET_II_Bale_EUTrustFund PRV ERP 1010176-71	Africa	Ethiopia	
1	Funding	Risk reduction	Addressing protection and multiple socio-economic needs through a triple nexus approach in South Sudan and Ethiopia	Africa	Ethiopia & South Sudan	
1	Funding	Risk reduction	Ugatuzi Na Haki Phase 3	Africa	Kenya	
1	Capacity development	Risk reduction	Support to Community Resilience, Livelihoods and Peace Transformation (SCRIP), Phase 2	Africa	Kenya	DCA
1	Funding	Risk reduction	Support to Refugees and Host Communities (SR&HC) at Kakuma Refugee Camp, and surrounding areas, 2022	Africa	Kenya	
2	Capacity development	Risk reduction	INUJANA (Christmas Calendar) Turkana Children Project, 2021 - 2023	Africa	Kenya	
1	Advocacy	Risk reduction	Building Resilience through Adoption of Small Stock (BREAST), Phase 2	Africa	Kenya	

DCA score	Area of focus	Risk relation	Project	World region	Country	Org.
1	Capacity development	Risk reduction	Nepal Country Programme 2022-2026 Cross-Cutting	Asia	Nepal	
1	Advocacy	Risk reduction	DANIDA - PAHUCH	Asia	Nepal	
1	Capacity building	Risk reduction	DANIDA - NEXUS-II	Asia	Nepal	
2	Research	Risk reduction	DANIDA - SUDRIDH	Asia	Nepal	
1	Advocacy	Risk reduction	DANIDA - Green Karnali	Asia	Nepal	
1	Advocacy	Risk reduction	DANIDA - EFFORT	Asia	Nepal	
2 ⁴	Research	Risk reduction	Innovation - "B-Ready"	Asia	Nepal	
1	Capacity development	Risk reduction	AADHAR	Asia	Nepal	
1	Funding	Risk retention	Multi-sectoral and integrated humanitarian response with focus on food security and livelihood for conflict and climatic shocks affected vulnerable people and communities in Somalia, South Sudan, and Ethiopia	Africa	South Sudan	DCA
1	Action on the ground	Risk retention	Humanitarian Response to Ethiopian Refugees in East Sudan	Africa	Sudan	
1	Capacity development	Risk reduction	Chengeta Biodiversity_Project_2021	Africa	Zimbabwe	
1	Capacity development	Risk reduction	Sizimele Project_Cofunding	Africa	Zimbabwe	
1	Action on the ground	Risk reduction	UNDP/GEF Chergetai Project Co-Finance	Africa	Zimbabwe	
1	Action on the ground	Risk reduction	Sizimele Village Projects_2021	Africa	Zimbabwe	
1	Capacity development	Risk reduction	Sizimele_Resilience_Action_2017-2020	Africa	Zimbabwe	
2	Action on the ground	Risk retention	Sizimele_Cyclone_Ana_Response_2022	Africa	Zimbabwe	
1	Advocacy	Risk reduction	ACT_Coordinator_Church_of_Sweden	Africa	Zimbabwe	
1	Action on the ground	Risk reduction	UNDP/GEF Chergetai Project	Africa	Zimbabwe	
1	Capacity building	Risk reduction	WFP BHA Urban Resilience_Jul-Sept 2022	Africa	Zimbabwe	
1	Capacity building	Risk reduction	WFP_SDC_Urban_Resilience_Sept-Dec_2022	Africa	Zimbabwe	
1	Advocacy	Risk reduction	ACT Alliance Coordination of Zimbabwe Forum Phase 5	Africa	Zimbabwe	
1	Capacity development	Risk reduction	UNDP Sizimele Cost Extension Nov-Dec 2022	Africa	Zimbabwe	
2	Capacity development	Risk reduction	2019-2023 Transboundary Flood Resilience Project – ELCA	Asia	Bangladesh & Nepal	
1	Capacity development	Risk reduction	2018-2020 Kebribayah Sustainable Livelihood Project – ICA & Ethiopia: 2021-2024 Kebribayah Climate Resilient Livelihood Project – ICA	Africa	Ethiopia	
2	Capacity development	Risk reduction	2022-2024 Gololcha Livelihoods and Climate Resilience Project - ACT CoS/ELCA	Africa	Ethiopia	LWF
2	Action on the ground	Risk retention	Kenya Drought Emergency Response, early recovery, and livelihood protection (2021-2022)	Africa	Kenya	
2	Action on the ground	Risk retention	Emergency response, early recovery and resilience building for drought affected populations in Somalia, Kenya, and Ethiopia	Africa	Somalia	

⁴ On internal reassessment, DCA changed this score to "1". However, this was done after activities had been classified and case studies selected and analysed. As such, and since it has relevance for loss and damage, it was maintained as a case study.

DCA score	Area of focus	Risk relation	Project	World region	Country	Org.
2	Action on the ground	Risk retention	Provision of hygiene, dignity kits & psychosocial support for drought displaced girls in Jubbaland state of Somalia 2023	Africa	Somalia	
1	Capacity development	Risk reduction	Resilience and Livelihood Support to Refugees and Host Communities in Kakuma, Dadaab and Turkana West Sub County, Kenya	Africa	Kenya	
2	Capacity development	Risk reduction	Promoting resilience and peaceful co-existence for climate crisis affected communities in Somalia	Africa	Somalia	
2	Funding	Risk Transfer	Microinsurance and Climate Resilience: Building Climate Resilience in the Dry Corridor in EL Salvador	Latin America	El Salvador	
2	Research	Risk reduction	Gursum Food Security and Livelihood Project Consolidation Phase	Africa	Ethiopia	
2	Capacity development	Risk retention	Desert Locust Response and Resilience Building	Africa	Ethiopia	LWF
2	Capacity development	Risk reduction	Livelihood and Resilience Building to People Affected by Impacts of Climate Change in Lasta district, North Wollo zone, Amhara region of Ethiopia	Africa	Ethiopia	
1	Capacity development	Risk reduction	Dinik Lanscape Restoration-NBS approach in Ginnir District, East Bale Zone, Oromia Regional State, Ethiopia	Africa	Ethiopia	
2	Action on the ground	Risk retention	Emergency Support to Mitigate the Effects of Drought on the Food Security of the Rural Population in East Hararghe Zone, Oromia Region of Ethiopia	Africa	Ethiopia	
2	Capacity development	Risk reduction	Drought reduction - ALL WE CAN	Africa	Somalia	
1	Capacity development	Risk reduction	Durable Solutions to the Protracted Humanitarian Crisis in Iraq	Asia	Iraq	
2	Action on the ground	Risk retention	2017-2018 WASH Drought emergency response for drought affected populations in Turkana, Garissa and Marsabit counties	Africa	Kenya	
2	Funding	Risk retention	Garissa County Emergency Drought 2022 Unconditional Cash	Africa	Kenya	
2	Funding	Risk retention	Drought affected families in Baidoa South West State of Somalia	Africa	Somalia	
2	Funding	Risk retention	Garissa & Marsabit Counties Emergency Drought Response Project 2022	Africa	Kenya	
2	Funding	Risk retention	Cambodia Flood response 2013	Asia	Cambodia	
2	Funding	Risk retention	Emergency support to Flood affected communities in Baidoa. 2023	Africa	Somalia	
2	Action on the ground	Risk retention	Education in Emergencies Response for Crisis and Disaster Affected Children in Old Fangak and New Fangak, Fangak County, Jonglei State, South Sudan			FCA
2	Action on the ground	Risk retention	Emergency Response project for 2019 flood Affected Schools Children and communities in Kenya – (West Pokot)	Africa	Kenya	
2	Funding	Risk retention	Emergency and recovery support to drought-affected households in Burao District	Africa	Somalia	
2	Capacity development	Risk reduction	Climate Change Adaptive Agriculture, part of the Empowerment towards Self-Reliance Programme (ESRP)	Asia	Cambodia	

Annex 2: DCA loss and damage criteria⁵

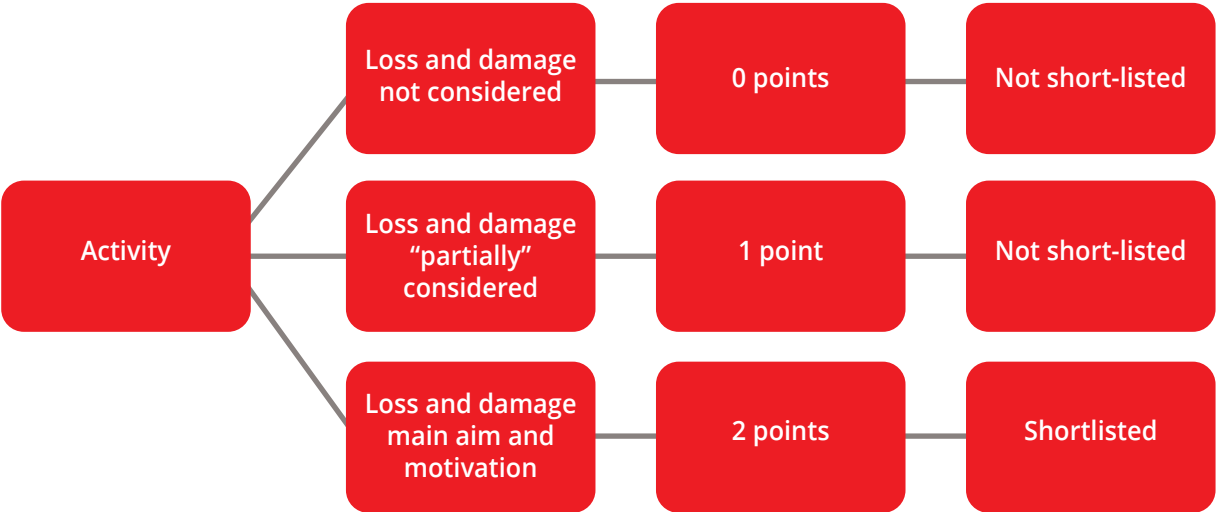
Objectives and areas of work

This criteria is based on the OECD Rio Markers, with DCA adding an extra category. This marker complements but does not overlap with the Rio Adaptation category.

The Rio Markers identify activities within five green action categories: adaptation, mitigation, biodiversity, desertification, and environment. Although actions related to loss and damage are already included under the different Rio Markers, in the development of their criteria **DCA added an extra loss and damage category to identify activities that focus on addressing existing loss and damage**. This marker distinguishes both economic and non-economic. This distinction is critical as the marker is intended to complement but not overlap with the Rio marker on adaptation. As such, the marker was developed using an ex-ante and ex-post approach. Given that the analysis conducted in this study focuses on loss and damage, only a project's relationship to loss and damage has been assessed.

Using this refined category, projects received scores based on their loss and damage focus: 0 (not considered), 1 (significant or indirect contribution), and 2 (principal aim). Only projects receiving a score of 2, have been considered for the in-depth case studies.

Figure 2: Decision tree used to shortlist projects using DCA loss and damage criteria



⁵ Further details: Methodology: Analysis of climate and environmental considerations in DanChurchAid activities.

Annex 3: Definition of areas of focus

Category	Definition
<p>Advocacy</p>	<p>Advocacy is the effort to influence and lobby various entities such as individuals, institutions, political leaders, and corporations, with a particular focus on initiatives both within and beyond the United Nations Framework Convention on Climate Change (UNFCCC).</p>
<p>Research</p>	<p>Research is a systematic and methodical investigation conducted by institutions to gain a deeper understanding of loss and damage and related issues, such as vulnerability and risk.</p>
<p>Capacity Building / Development</p>	<p>Capacity building encompasses initiatives aimed at enhancing knowledge, skills, sharing experiences, and promoting best practices related to addressing loss and damage.</p>
<p>Funding/ Grant Making</p>	<p>Funding refers to the provision of financial resources to support activities and initiatives relevant to averting, minimizing, and addressing loss and damage</p>
<p>Action on the Ground</p>	<p>Action on the ground refers to tangible efforts and initiatives undertaken directly within affected communities to address loss and damage resulting from climate change impacts.</p>

Annex 4: Definition and examples of risk management categories

	Definition	Examples
Risk Reduction	Entails putting in place measures (either structural or non-structural) before an event occurs with the goal of reducing loss and damage	<ul style="list-style-type: none"> Contingency planning Disaster Plan Early Warning Systems Flood levies Retrofitting Building codes
Risk Retention	Approach by which a society or community (at national or local level) would accept a degree of risk of loss and damage	<ul style="list-style-type: none"> Contingency loans Social funds Reserve funds Emergency services or assistance loans Humanitarian assistance Reconstruction Rehabilitation
Risk Transfer	Approach involving shifting the risk of loss and damage from one entity to another.	<ul style="list-style-type: none"> Traditional insurance Microinsurance Risk pooling Insurance-linked securities Catastrophe bonds

Source: (Development Asia, 2017; UNFCCC, 2012)

Annex 5: Loss and damage categories established by ACT Alliance

Category	Description or Examples
Planned relocation	Planned process in which persons are moved away from their homes, settled in a new location, and provided with the conditions for rebuilding their lives.
Social protection programs	Labour market interventions, social welfare programmes, social safety nets and social insurance.
Post-disaster rebuilding of livelihoods including diversification of livelihoods to build resilience post-disaster	Post-disaster rebuilding of livelihoods including diversification of livelihoods to build resilience post-disaster.
Climate insurance	Insurance is a risk transfer mechanism providing quick liquidity after an insured climate hazard occurs. Climate insurance can include extreme weather insurance or microinsurance schemes.
Cash transfers	Cash transfers seek to make cash handouts to households after the occurrence of a climate shock. Anticipatory cash transfers, on the other hand, ensure that households receive cash before the peak of the shock triggered by an impact-based forecast.
Community rebuilding / reconstruction efforts	Rebuilding shelters, construction of damaged infrastructure.



PHOTO: Haitian children play in front of a new home built to withstand future hurricanes. The storms are increasingly fierce due to climate change. PHOTO: Paul Jeffrey/ACT.

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