

The COP27 summit has followed a year of extreme weather; from Pakistan where devastating floods have affected [33 million people](#), to East Africa, where one person is likely dying [every 36 seconds](#) due to a hunger crisis caused largely by drought. Closer to home, incidents of wildfires in the UK increased [by 200%](#) in the past year. Countries everywhere are facing the disastrous impacts of an intensifying climate, but none more so than those in the Global South, who are also among the least responsible for the carbon emissions that have caused it. It is often women who bear the brunt. With every disaster, women's rights and progress toward gender equality are threatened. [According to UN Women](#), women and children are 14 times more likely to die in a disaster than men, and the UNDP has estimated that 80% of people displaced by climate change are women.

### Key stats:

- It is [estimated](#) that an average of 189 million people each year have been affected by extreme weather-related events in developing countries since 1991 – the year that Vanuatu first proposed a mechanism to address loss and damage.
- Kenya, Ethiopia, Somalia and South Sudan are together responsible for only [0.1% of global emissions](#) yet suffer increasingly deadly droughts and flooding.
- In just eight years' time, it is [estimated](#) that the costs associated with loss and damage will range from \$290bn to \$580 billion in developing countries alone. These figures are high. But the costs are dwarfed by the billions in subsidies the fossil fuel industry receives and the profits it makes. In the first nine months of 2021 alone, the 24 biggest oil and gas companies made [\\$174bn](#) in profits. [The UNDP estimates](#) global fossil fuel subsidies are \$423 billion per year.

COP27 has been a moment of extraordinary significance for climate justice, as a fund for 'loss and damage' has been established after three decades of demands from developing countries and civil society. The agreement to establish a fund is an historic achievement, and it is crucial that it is urgently operationalised so that countries on the frontline of the climate crisis quickly receive support in the face of climate-induced floods and storms, and slow-onset impacts such as sea-level rise.

While emissions already in the atmosphere mean that further heating of the planet and associated loss and damage are unavoidable, the best way of minimising loss and damage is to ensure that fossil fuels stay in the ground. It is deeply concerning that countries have failed to agree on an equitable and urgent phase out of all fossil fuels at COP27.

### Recommendations for the UK government

- **Urgently mobilise finance for current loss and damage:** The adoption of a loss and damage fund is an important first step toward rebuilding international trust and cooperation. For the UK to be a true climate leader, it must commit finance for loss and damage that is new and additional to existing international aid and climate finance commitments. Financial flows must also be grants-based, so that climate-vulnerable countries aren't paying in the long run for a crisis they haven't caused, and these funds should be dedicated to addressing loss and damage.
- **Keep 1.5C alive to limit further loss and damage:** The UK must end its reliance on fossil fuels which keep us on a dangerous path of warming, and which are the primary cause of climate-fuelled loss and damage. The UK must revoke licenses for North Sea oil and gas exploration, scrap plans for the Whitehaven coal mine in Cumbria, and urgently roll out a just transition to renewables, which would secure our energy supply and prevent further emissions in the atmosphere from devastating communities and the environment. The government should also accelerate energy efficiency measures, including retrofitting and insulating homes.
- **Explore innovative sources of finance.** Loss and damage finance must be based on the 'polluter pays' principle. Governments of wealthier, industrialised nations must take the lead in providing this finance. Innovative sources, such as repurposing harmful subsidies, a climate damages tax, or an international levy on flights, should be explored.

### **Defining loss and damage**

'Loss and damage' refers to the impacts of climate change that cannot be, or have not been, mitigated or adapted to. They come as a result of both extreme weather events such as storms and floods, as well as slow-onset climatic changes such as sea-level rise and desertification. Loss and damage can be economic, such as destroyed infrastructure or harvests, or non-economic, such as loss of lives and cultural heritage. Finance for loss and damage is equally as important as finance for adaptation and mitigation. Without the ability to rebuild after climate-related disasters, countries have little hope of weathering the impacts of climate breakdown, which the Intergovernmental Panel on Climate Change (IPPC) [have warned](#) will continue to escalate with every fraction of a degree of heating.

Up until now, current flows of finance to help countries recover in the aftermath of climate shocks have been provided mainly in the form of development and humanitarian finance. But [research suggests](#) that UN humanitarian appeals linked to extreme weather are eight times higher than they were 20 years ago, and nearly half of the appeal requirements over the past five years have gone unmet. Failure to tackle the climate crisis has been perpetuating reliance on a humanitarian aid system that was not designed to respond to cyclical shocks of such scale and frequency.

### **COP27: A turning point?**

The establishment of a fund for loss and damage agreed at COP27 is a welcome first step, though there is much more to be done to ensure that the fund is operationalised in a timely way, and that countries can access fair and automatic financial support in the wake of climate impacts. While this historic breakthrough at COP27 deserves to be celebrated, it is unfortunate that the fund has been agreed at this late stage, now that the impacts of climate change are at our doorstep and can no longer be ignored or denied. People across the world are bearing witness to loss and damage now, and it is those who have caused it the least and can afford it the least who are on the sharpest end.

Rich countries still have not kept their pledge to spend \$100 billion per year on adaptation and mitigation finance, which tells us that words are not always matched by action when it comes to matters of financial support for low-income countries. The quality of finance matters too. [Recent research](#) by Oxfam suggests that the real value of climate finance is only a third of that reported due to dishonest accounting and loans-based financial flows. Loss and damage finance cannot be permitted to become beset by these same inadequacies which leave shortfalls and lock developing countries into cycles of debt. Compared to other high-income nations, the UK has a strong record on adaptation and mitigation finance. Now, the UK must continue and expand its good track record by championing loss and damage finance too, committing substantial and good quality funds and encouraging other developed countries to do the same.

### **Limiting loss and damage**

Loss and damage finance is needed now because rich and high emitting countries have failed to tackle the climate crisis and sufficiently limit its impacts. The Secretary General of the United Nations warned at COP27, we are on a "[highway to climate hell](#)" if global temperatures are permitted to continue rising at current levels. But despite these warnings, the final communique of the COP27 climate talks failed to raise ambition on mitigation, and the deal does not include an agreement to phase down use of all fossil fuels. Prime Minister Rishi Sunak has rightly said "[there can be no time for complacency](#)", and that it is vital that 1.5C is kept in reach. This cannot happen unless the UK walks the talk at home, putting an end to all further oil and gas extraction. Without more ambition on this front, further heating of the planet is inevitable, and the costs of loss and damage will only increase.

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