

eMag on Climate Action in Africa

**#4 Financing for loss and damage
and adaptation to climate change,
what's next after COP27?**

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The Observatory's Lens



The challenges of the new fund for African actors

Mélaïne Assè Wassa Sama, Climate Chance

Mélaïne Assè Wassa Sama, Project Officer for Climate Action in Africa at Climate Chance, looks back at the questions raised by the creation of a new fund for loss and damage at COP27.

What do we mean by loss and damage?

Loss and damage refers to anthropogenic-induced damage that cannot be attenuated even if we reduced GHG emissions and implemented adaptation measures. These are, therefore, damages from flooding, climate hazards, sea level rise, droughts... Negative consequences that cannot be avoided appear because we waited far too long to adopt measures.

Are there different types of loss and damage ?

Yes, we have identified two categories of loss and damage:

- Economic: negative consequences of climate change that may have a monetary value. For example when we talk infrastructures, houses... In this case we can estimate the cost of rebuilding.
- Non economic: they cannot be evaluated in economic terms as psychological trauma or human losses.

Some studies have shown that the cost of loss and damage could represent between 290 and 580 billion US \$ by 2030.

Who are the most affected by loss and damage ?

We estimate that 97% of the victims of climate hazards are in Africa.

For more information on the [Africa Observatory](#), please contact Mélaïne Assè Wassa Sama : melaine.sama@climate-chance.org



This may be the cause of the internal displacement of over 86 million people in Sub-saharan Africa. by 2050, and 19 million in North of Africa.

This happens even though Africa does not contribute nearly as much to GHG emissions as the rest of the world. For this reason, they have been asking for compensation for the loss and damage in a process that resulted at COP27 in the creation of the new fund.

Why is the COP27 fund for loss and damage controversial?

For the moment, the sources of financing for the fund have not been established yet. There are a few options being considered, but nothing have been decided yet.

Another issue is establishing which countries are eligible to benefit from the fund. So far, all developing countries qualify, but there are ongoing discussions to decide if industrialized countries could also access it.

Regarding the modalities of access to the fund, there is still nothing official, but the Transition Committee is expected to issue recommendations about this.

What are the next steps?

There are a few key events on the calendar:

- The Transition Committee will have a working group on April 29th in Germany.
- Paris Summit on the New Financial Pact that will take place from the 22 to 23 of June in Paris
- The Glasgow Dialogue to discuss solutions will take place in Bonn from the 7th to the 11th of June
- And intermediate in Bonn from the 5th to the 15th as part of the negotiations leading to COP 28.

As we can see, there is still a long way to go.



[Read the Note: Loss and Damage, the challenges of the new fund for climate actors in Africa](#)



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Special segment by Afrik 21



Climate finance, progress and shortcomings of COP27

Boris Ngounou, Afrik 21

Boris Ngounou, Afrik 21 journalist specialized in sustainable development in Africa, offers a review of the news related to the funds needed to finance losses and damages on the African continent.



The issue of loss and damage emerged several years ago but COP27 in Egypt was a turning point with the creation of a dedicated fund. ([Read the article](#)) The participants have set up a commission that will work on the different modalities of access to this fund, and we will be able to see the first results in June and then at COP28 at the end of the year.

The effects of loss and damage are being exacerbated in Africa. According to the UN, more than 100 million people will be threatened by climate change by 2030.

What are the financing needs for loss and damage in Africa?

Two months before COP27, a report by the Climate Policy Initiative was already putting pressure on rich countries about the need to increase climate finance to countries on the African continent.

Africa receives only 12% of the funding it needs to manage the impacts of climate change. In 2020, the continent received \$29.5 billion compared to the \$250 billion needed according to African states' nationally determined contributions (NDCs). The African Development Bank indicates that the green transition in Africa requires significant resources ranging from \$1.3 trillion to \$1.5 trillion for the period 2020-2030. It is estimated that between \$289 and \$440 billion will be needed to finance loss and damage.

The African Development Bank intends to mobilize \$127 billion per year to try to fill the gap in climate finance flows in Africa.

How can the new fund announced at COP27 in Sharm el-Sheikh change the situation?

Africa considers itself as the victim or even the pariah of climate finance. This raises a question of climate justice. The emphasis on the need to finance loss and damage is an opportunity to put an end to this situation and access more funds to adapt to climate change. Especially in the sub-Saharan region, the treasuries of the States are already under pressure for education, health and nutrition, which makes it difficult for them to finance adaptation to climate change. For this, it is important that the actors meet and collectively formulate their needs.

More articles to read on the website: afrik21.africa/en/



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Perspectives of the new fund & access to climate finance

Aïssatou Diagne,
West African Development Bank

Aïssatou Diagne, Senior Climate Change Officer at the West African Development Bank talks about existing funds and next steps for the operationalization of the fund created at COP27.

Could you give us some keys to understanding the ongoing process with the COP27 fund?

As we said, there are still many things to be done for the operationalization of the fund. During the COP 28 we should be introducing this new financing method. The Transition Committee will also have to take into account the various activities and discussions that will take place during the Glasgow Dialogues. This means that the fund will not be operational right away. It will be a long process.

“What everyone needs to understand today is that the previous funds took a lot of time to set up, meaning that this particular fund will probably not be operational by COP28.

What are some of the potential difficulties?

Well, the first one is to identify or evaluate which countries are vulnerable and which ones are not. This is mainly regarding the NDCs for the least advanced countries, the small insular countries as well. But, what about the other countries? Many countries are suffering from climate change, so when the time comes they need to be able to access the fund.

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Other issues include identifying loss and damage in terms of scope, the temporal limit, differentiating from adaptation, classifying in terms of impact. And lastly, the sources of financing for the fund, that could cause for less money to be allocated into already existing funds.

What are the challenges in Africa?

Africa receives only 12% of total financing per year. We need to take this into account for the negotiations. We need to be prepared and for that we need to focus on:

- The generation of scientific data that is clear and verifiable.
- Identifying the levels of exposure of the loss and damage
- Learning from past experiences: we need to start doing this now so that we won't be lagging behind, and we will have all the necessary documents or studies when the moment comes

If the COP27 fund is not yet operational, what are the options in the meantime?

There are three main funds related to climate:

- The Green Climate Fund, to finance biodiversity.
- The Adaptation Fund that only finances adaptation
- The Global Environment Fund that finances both adaptation and mitigation

Accessing these funds is also made difficult because of the application modalities. Projects need to be presented and to work with approved agencies like the World Bank or the West African Bank. Projects are often small and do not require millions and millions in financing, making it harder to access these funds.

When applying with projects, many studies need to be done previous to the development. This is another barrier as they can be costly. The BOAD can finance these types of studies.



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Fair and appropriate funding for communities' needs



Moumouni Compaore, Oxfam Burkina Faso

Moumouni Compaoré, Country Advocacy Officer for the NGO Oxfam in Burkina Faso, explains the various activities carried out by his NGO to promote the implementation of loss and damage financing mechanisms in line with community needs.

What does Oxfam's advocacy consist of?

We work primarily on three programs: building resilience, livelihoods and value chains. Among these programs, the "influence, policy and knowledge" program aims to deploy advocacy on all of these issues. We work a lot on advocacy for climate justice, climate finance and loss and damage. Last year, in the run-up to COP27, we published two reports, including one on climate finance in West Africa. We are currently publishing a report on climate finance and access modalities in Burkina Faso.

How to support access to finance for African actors suffering from loss and damage?

In African countries in particular, there is a concern about studies and research on climate vulnerabilities and the evaluation of losses that countries suffer. Faced with this, for the past three years, we have been collecting life stories, particularly from small producers. Based on this documentation, we are trying to create frameworks to put these people in contact with civil society and the government. We are also trying to identify ways to access equitable financing for communities.

What are the guiding principles implemented by your advocacy work?

The "polluter pays" principle is fundamental to our advocacy on financing. We have always believed that whatever the type of financing, it must be focused on the historical responsibility of developed countries. The countries responsible for climate change must participate in the repair. The other principle we are working on is equity in access to climate finance.

We always use the example of the fund for repairing damage caused by wild animals implemented by the government of Burkina Faso, which is very community-oriented. Indeed, when the damage occurs, a mechanism is systematically put in place to repair it. It is a question of responsibility, so it must be seen from the perspective of reparation. To do this, you have to be able to assess the amount of the loss.

We put the government and the actors in contact to dialogue, which led to a plea note asking for the financing of losses and damages but also taking into account the concerns of communities.

In our strategy for 2023, we are going to see how to make a study at the national level because this is very often missing. We also want to strengthen the connections between activists, like the African Caravan for Climate Justice that was organized in 2022.



The future funding mechanism for loss and damage must learn from the shortcomings of existing funds. It must be accessible to the communities, and oriented to repairing.



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Concrete consequences for small rural producers

**Seydou Ouedraogo,
Farmers' Confederation of Faso (CPF)**

Seydou Ouedraogo, representative of the Farmers' Confederation of Faso, talks about the material, economic and psychological impacts that climate change can cause on agricultural contexts.

What are the material and economic consequences of the losses and damages?

I am a breeder and farmer in the south of Burkina Faso and I am one of the leaders of the Farmers' Confederation of Faso, which is a platform for farmers' organizations in the country. The farmers grouped within the Confederation have noted losses in agricultural production, water, livestock, and energy.

The amount of water received during the winter has dropped sharply due to climate change, which is leading to a decrease in rainfall. This has consequences in Burkina where all farmers depend on rainfall to ensure food and nutritional security at the national level. There is not enough water for the seedlings to give sufficient yields, so there is not enough food stock, which increases the risk of famine and leads to desolation.

At the level of livestock, if there are not enough boreholes to feed the cattle, there is a spread of livestock, which leads to huge losses for the herd. Moreover, the lengthening of the periods of drought generates important losses and also affects humans.

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The objective of our grouping is to bring solutions to the difficulties encountered. If we get together but don't find solutions, what's the point? We will disappear.

What are the impacts on the community?

Unforeseen floods affect farms, animals, but also infrastructure and housing. As the population is poor, many people are vulnerable and do not have sufficient financial resources to build shock-resistant houses.



More than 70% of the houses are not made of permanent materials. In case of heavy rains and floods, houses collapse.

This has a huge impact on the economy, as producers are left with nothing and no financial resources to support themselves.

What are the psychological consequences of loss and damage?

Loss and damage lead to desolation. Households that have not been able to achieve satisfactory agricultural production are threatened by famine. This is all the more complicated and catastrophic when the head of the household is a woman. In addition, some men are forced to leave the locality in search of income.

There is a need to reflect on the mobilization of resources so that the funds are accessible to the actors in the countries and in the field. Producers must be allowed to access the funds directly.

Watch the replay of the eMag #4



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Upcoming events

Join us once a month on Thursdays from 3:00 to 4:15 PM CEST for a themed virtual meeting on climate change adaptation and mitigation in Africa, followed by an e-magazine to read through.



eMag #5
May 25

**Sustainable Mobility
and Transport**

[Click here to register](#)



eMag #6
June 22

**Circular Economy and
Waste Management**

[Click here to register](#)



eMag #7
July 20

**Sustainable Urban
Planning and Habitat**

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