

Unheard, Uncharted: A holistic vision for addressing 'non-economic' loss and damage

As climate change takes hold across the world, millions of people are increasingly exposed to climate risks and impacts. Many of these risks and impacts cannot be adequately measured with economic metrics. This policy brief examines the vital importance of understanding, assessing and including 'non-economic' loss and damage in climate policy discussions.

Concepts

Loss and damage:

Climate change impacts that could not, or were not, avoided through controlling greenhouse gas emissions (mitigation) or minimised through climate adaptation. 'Losses' are considered irreversible, while 'damages' can be repaired and/or restored.

'Non-economic' losses and damages:

Loss of, or damage to, things which people value and that cannot be replaced or repaired through market transactions. 'Non-market' loss and damage would be a more precise term but 'non-economic' loss and damage is the lexicon most widely used. Examples of types of loss or damage include, but are not limited to, human life, physical health, mental and emotional wellbeing, territory, culture and practises, Indigenous and local knowledge, ecosystem services and biodiversity, social fabric, education, and mobility.

Losses and damages can occur as a result of both sudden onset events (e.g. flash floods, landslides, wildfires) as well as slow-onset events (e.g. sea-level rise, droughts, changing rainfall patterns).

Why are 'non-economic' losses and damages important?

While the entire planet is feeling the impacts of climate change, people who are already socially and economically marginalised are bearing the worst consequences, despite having contributed the least to causing the problem. These are the people who are least able to avoid, absorb or adapt to climate change impacts due to their lack of access to resources and a lack of targeted measures for the poorest. Long-term effects of loss and damage are pushing the most vulnerable people further into poverty. The devastating impacts of climate change will only grow in future.

According to the United Nations Framework Convention on Climate Change (UNFCCC):

"in many developing countries, non-economic losses may well be more significant than economic losses".

Yet over the years there has more focus on 'economic' over 'non-economic' losses and damages in international climate forums, and little progress over the past decade in directly addressing 'non-economic' losses and damages. This leads to a chronic underestimation of the total losses and damages that people actually experience.

In 2022 at the UNFCCC's 27th Conference of the Parties (COP27), governments agreed to establish new funding arrangements and a fund for financially supporting developing countries that are particularly vulnerable to loss and damage. A Transitional Committee was established to make recommendations at COP28 for operationalising the fund.

At COP28 in December 2023, the first Global Stocktake (GST) will take place. It will evaluate the progress made so far in tackling climate change. This will help to identify both areas where progress has been made, as well as to highlight areas that have been neglected. To provide a balanced assessment, the GST must differentiate based upon how the impacts of climate change are being experienced by different groups of people across the world. It is therefore critical that the losses and damages, including 'non-economic' loss and damages, are considered and included.

Addressing the knowledge gap on 'non-economic' loss and damage

There is an urgent need for the global community to better understand how to assess and respond to 'non-economic' loss and damage. To address the current knowledge gap, Caritas published a report on 'non-economic' loss and damage in November 2023 called Unheard, Uncharted: A holistic vision for addressing 'non-economic' loss and damage.

We highlight two central concepts of the report:

- **The concept of Integral Human Development (IHD), which may provide a helpful framing for 'non-economic' loss and damage.** IHD is rooted in the belief that people are inherently social in nature so that promoting the common good is the only valid approach to ensure that everyone, everywhere can achieve their full potential and have their basic dignity respected. Moreover, the IHD philosophy asserts that measuring progress strictly with an economic yardstick inherently undervalues the things that are most important to people and communities; the true measure of development requires a holistic view of what is required to meet the most important needs of people which cannot be reduced only to purely material needs. Instead, IHD emphasizes the necessity of fulfilling people's physical, financial, natural, social, psychological, spiritual and human needs. As a result, it provides a particularly effective frame of reference for understanding loss and damage because all these needs are increasingly being unfulfilled due to the impacts of climate change and the resulting loss and damage.
- **Adopting a locally-led approach helps outsiders to understand local peoples' experience and insights and can help shift decision-making about appropriate responses to affected societies.** Pre-determined typologies of 'non-economic' loss create bias in assessments and can undermine local people's capability to recover from loss and damage. Assessments of 'non-economic' loss and damage need to be participatory by employing intersectional² and gender transformative methods. For this reason, it is important to build the capacity of relevant government agencies, local organizations, as well as local leaders to facilitate this type of community led assessments.

Caritas' report proposes a methodology for assessing 'non-economic' losses and damages and the participative design of response measures.

This methodology draws upon locally tested values-based approaches from the work of Douwe van Schie with ICCCAD colleagues.³

The 2023 Caritas report
**Unheard, Uncharted:
A holistic vision for
addressing
'non-economic'
loss and damage**
can be found at
sciaf.org.uk/resources/603-unheard-uncharted



Recommendations on how 'non-economic' losses and damages can be addressed at COP28 and beyond:

1. At COP28, Parties should agree to fully operationalise the Loss and Damage Fund and commit to funding arrangements which meet the full scale of needs, including both economic and non-economic losses and damages. They should also acknowledge that the two are distinct but inseparable categories of climate impacts which must be addressed together for full effectiveness. 'Non-economic' losses and damages should not be assigned to a specific funding category or window. Instead, they should be addressed across all aspects of the loss and damage fund.
2. At COP28, Parties should agree to fully operationalize the Santiago Network for Loss and Damage. The Santiago Network for Loss and Damage should be given a budget that is sufficient to fund capacity building programmes to developing countries to support the assessment of 'non-economic' losses and damages and to assist in the development of appropriate mechanisms to address 'non-economic' losses and damages in long-term climate action strategies, development plans, and Nationally Determined Contributions and National Adaptation Plans.
3. The Global Stocktake should regard Loss and Damage as both a standalone and cross cutting issue on a par with mitigation, adaptation and means of implementation and support. This broad-based approach must also include a specific qualitative and participatory assessment of global action to address 'non-economic' losses and damages.
4. The Inter-governmental Panel on Climate Change (IPCC) should do a special assessment report on Loss & Damage which specifically analyses 'non-economic' losses and damages to build greater understanding on the importance of the issue.
5. Within the framework of the Global Goal on Adaptation, parties must integrate a comprehensive approach for inclusive and effective climate adaptation and disaster recovery. This is the only approach that will facilitate the integration of all aspects of 'non-economic' losses and damages to ensure resilient and holistic climate solutions.
6. At COP28, Parties must acknowledge the 'non-economic' losses and damages faced by climate-displaced communities. Understanding and addressing these issues comprehensively will ensure that responses are more inclusive, effective, and resilient.

References:

1. UNFCCC (2013). Non-economic losses in the context of the work programme on loss and damage. Technical paper. See <https://unfccc.int/documents/7954>
2. Intersectionality results in 'non-economic' loss and damage being perceived differently by different people in the same location, and varies significantly according to factors such as gender, age and culture.
3. Van Schie, D, Ranon, RJK, Mirza, AB and Anderson, S (2022) Local responses to climate-related non-economic losses and damages: A case study in Burigolaini and Gabura Union, Southwest Bangladesh. IIED. www.iied.org/21161iied