

Loss and Damage at the Subnational Level

Turning Challenges into Action for Resilient Communities



A learning session for RegionsAdapt
Communities of Practice

Loss and Damage at the Subnational Level: Turning Challenges into Action for Resilient Communities

Introduction

On 24 April 2025, Regions4 and the Government of Scotland hosted a RegionsAdapt Community of Practice session on *Loss and Damage at the Subnational Level*. The session highlighted how regional and local governments are already acting on loss and damage (L&D) through examples from Scotland, Wallonia, GiveDirectly, and C40 Cities, with members like Gauteng and Québec provinces also share their experience. UCLG closed the session by urging a climate justice approach and greater local government involvement in global responses.

Background

The Paris Agreement outlines three pillars of climate action: *Mitigation* (cutting emissions), *Adaptation* (preparing for climate impacts), and *Loss and Damage* (addressing the impacts that could not, or were not, avoided through mitigation or reduced through adaptation). Loss and damage include both economic losses (e.g. damaged infrastructures) and non-economic harms (e.g. displacement, cultural loss, erosion of livelihoods). As climate impacts worsen, subnational governments are on the frontlines but remain underrepresented in global L&D discussions and face barriers to funding.

The creation of the Loss and Damage Fund at COP27, following decades of advocacy, was a key milestone. Its operationalization at COP28, with direct access for subnational actors and hosting under the World Bank, marked further progress. The fund is now in its [start-up phase](#) (now accepting contributions and not just pledges).

At present, the \$768 million pledged by 27 contributors to the fund is far from sufficient. In its first round, \$250 million will be distributed as grants to 20–25 countries, with amounts ranging from £5 to £20 million and at least half directed to small island developing states and least developed countries. However, key questions remain regarding long-term replenishment, access mechanisms, and how funding will effectively reach communities on the ground. >> [For updates and analysis on L&D negotiations, visit the Loss and Damage Collaboration website and COP29 report.](#)

KEY RECOMMENDATIONS

- **Loss and damage as a third pillar:** Recognize loss and damage as an essential, distinct pillar of climate policy, alongside mitigation and adaptation. While overlaps may occur in cases like planned relocation or slow-onset impacts, funding must remain additional and not dilute adaptation efforts.
- **Empower and fund subnational governments directly:** Involve local and regional governments in decision-making and the design of Loss and Damage responses. Ensure the L&D Fund provides targeted support to these governments and their communities to deliver effective local action.
- **Prioritise flexible and accessible funding:** Focus on public grant-based mechanisms or direct cash transfers to empower communities, civil society, and local authorities to ensure timely and effective responses.
- **Address non-economic losses:** Acknowledge and fund non-economic losses such as cultural heritage, mental health, and biodiversity, integrating these into loss and damage frameworks.
- **Prioritise Community-led and inclusive approaches:** Build loss and damage solutions that are community-driven, gender-responsive, and rooted in the needs of vulnerable and marginalized populations. Responses must be holistic and context-specific. Loss and damage should be viewed as an opportunity for climate justice.
- **Promote capacity-building and cooperation:** Strengthen local capacity for data collection and risk mapping, and promote peer learning to scale up local innovations and improve collective responses to climate impacts.

Insights from Subnational Leadership on L&D

Scotland (United Kingdom)

Katie Miller and Keith Mackey from the Scottish Government's Climate Justice team presented Scotland's pioneering role in addressing Loss and Damage (L&D). As the first government to explicitly commit funding to address L&D at COP26, Scotland has since mobilised £10 million to support a variety of initiatives focused on both economic damages (e.g., housing, livelihoods) and non-economic losses (e.g. cultural heritage, mental health), guided by climate justice principles.

Key projects included support for communities in Malawi following multiple devastating cycles, including direct cash transfers through GiveDirectly (£1M), micro-grants with the Scottish Catholic International Aid Fund (£800k), gender-responsive emergency funding in countries like Pakistan, Kenya, Ethiopia and Zambia (£1M), and support to C40 Cities to implement inclusive climate action in the Global South (£1M). An ongoing programme with the Climate Justice Resilience Fund (£5M) focuses on non-economic loss with strong community and gender inclusion.

Scotland is also helping refine how L&D is defined and measured—ensuring clarity with adaptation finance and avoiding double-counting. Its programmes aim to strengthen how success is tracked, especially for intangible impacts.

Scotland's key learnings stress the value of locally driven, holistic responses that combine infrastructure, financial support, social support and ecosystem restoration. Their experience shows that direct funding mechanisms — especially cash transfers — and long-term investment can have transformative impacts, although acknowledging it can be difficult to draw a clear line between adaptation and L&D.

Looking ahead to COP30, Scotland is advocating for direct grant access for local communities through the Loss and Damage Fund.

>> [Explore Scotland's presentation and the 2023 Practical Action for Addressing Loss and Damage report.](#)

Wallonia (Belgium)

Olivier Parks from the Walloon Agency for Air and Climate, together with Géraldine Pegoff from APEFE, shared Wallonia's structured and principled commitment to international climate finance. In line with Belgium's national burden-sharing agreement, Wallonia region has pledged €52 million between 2021 and 2024. They follow clear guiding principles: prioritising public over private funding, exclusively granting aid rather than loans, and balancing support across mitigation, adaptation, and now increasingly, loss and damage, and balancing their support between multilateral funds and bilateral projects — combining top-down and bottom-up approaches.

Wallonia began engaging with L&D multilateral financing shortly after COP26, becoming one of the first regions to contribute to the [CVF & V20 Joint Multi Donor Fund for Loss and Damage](#), with a symbolic €1 million pledge that has since grown to €4.85 million. These contributions are additional and carefully accounted to avoid double counting with other climate finance, and are used for small-scale (typically ranging from \$25,000 to \$50,000), locally accessible projects in highly vulnerable countries like Ghana and the Pacific Islands. Wallonia has also pledged €2 million to the [new UN Loss and Damage Fund](#).

On the bilateral side, Wallonia has launched projects focused on non-economic loss and damage, addressing slow-onset impacts such as sea-level rise in Burundi (€410k) and soil erosion in Senegal (€660k). A colloquium will be held in Dakar next year to explore key themes emerging from these initiatives—particularly the protection of natural and cultural heritage.

Wallonia's model demonstrates the value of diverse funding channels, strong local ownership, and financing that is responsive to real community needs. >> [Explore Wallonia's presentation](#)

Loss and Damage at the Local Level

Empowering Communities Through Direct Support: GiveDirectly's Model for Climate-Impacted Areas in Malawi

Yvonne Murindiwa, representing GiveDirectly's work in Malawi, highlighted how direct cash transfers can play a transformative role in addressing both economic and non-economic loss and damage. Since 2019, GiveDirectly has delivered over \$93 million to more than 200,000 recipients across 11 districts and four cities.

In response to Cyclone Freddy in 2023, which displaced over half a million people, GiveDirectly partnered with the Scottish Government and the Government of Malawi to provide \$750 in mobile money transfers to affected households. Recipients used the funds to rebuild homes, buy livestock, invest in businesses, and regain a sense of control and dignity. This approach placed decision-making power directly in the hands of those affected, allowing them to recover in ways that were personally meaningful and appropriate.

Subnational governments played a crucial role by providing complementary infrastructure and services, including land, IDs, boreholes, and schools. Their involvement demonstrated the unique potential of subnational authorities to lead, coordinate and innovate effective, scalable responses—even in resource-constrained settings.

GiveDirectly now has a concept to pilot a similar approach in Mozambique and is seeking partners interested in supporting and expanding this work.

>> [Watch the video shared during the session](#)

>> [Explore GiveDirectly's presentation](#)



C40 on L&D: Urban Challenges and Innovations

As presented by Jazmin Burgess, C40, a global network of 97 megacities, has been at the forefront of integrating urban and subnational perspectives into the loss and damage agenda. Many member cities, particularly in the Global South, have flagged loss and damage as a growing blind spot – especially for vulnerable populations and informal workers. Through its Inclusive Climate Action (ICA) program and dedicated ICA Fund, C40 provides direct assistance to cities in designing equitable, inclusive community-centered climate responses that address both existing injustices and emerging climate risks.

Piloting Local Action

As shared by Silvia Marcon, across several African cities, C40 has helped pilot localized, equity-driven responses to loss and damage. In Accra, a pioneering social insurance scheme now protects informal waste workers from climate shocks and economic losses, with the city acting as an intermediary between the insurance provider and the workers' associations. [Addis Ababa and Freetown](#) have tailored programs to support women working in informal and outdoor sectors, focusing on issues like heatwaves, income disruption, and gender-specific barriers. In [Dar es Salaam](#), efforts centered on participatory waste management led to a 30% rise in income for cooperatives, and the development of a community mobilization toolkit is now helping scale inclusive action across the city.

Peer learning and regional engagement

C40 also fosters peer-to-peer learning, offering cities a space to exchange experiences and solutions. A [recent workshop](#) in Addis Ababa convened 27 delegates to strengthen local strategies and collective capacity—showcasing the strength of South-South collaboration. In Accra, this collaboration extended to the regional level, where lessons from the city helped inform broader territorial planning—showing how regional governments can scale successful urban models and empower more cities to lead on loss and damage.

Diplomacy and Thought Leadership

As shared by Giovanni Pagani, C40 has worked to elevate urban loss and damage awareness and [10 recommendations](#) on the global stage, by grounding advocacy in real, city-level action. Through the mapping of over 30 examples—from preventative measures to responsive interventions, data use, and community engagement—C40 showed that cities are already addressing loss and damage, even if not always naming it as such.

In partnership with the Scottish Government and the Mayors Migration Council, C40 has also spotlighted overlooked issues by delivering urban-level data and analysis on [internal climate migration](#) across several Global South countries.

In UNFCCC spaces, C40 continues to work with LGMA partners—including Regions4 and UCLG—to push for stronger recognition of cities, direct access to funding, and more inclusive governance. While progress has been made, continued advocacy is essential to ensure urban communities are fully included in global loss and damage responses.



>> [Explore C40's presentation to access links to many key resources and stories on urban loss and damage](#)

Open Dialogue

South Africa's Loss and Damage Work Programme

South Africa is developing a national Loss and Damage work program with strong multilevel engagement, including provinces like Gauteng. It focuses on three pillars:

1. **Research and Policy Framework** – guiding climate impact assessments, including monitoring, evaluation, data collection, transparency, climate justice, non-economic losses, international cooperation, and disaster management.
2. **Monitoring and Evaluation System** – creating a centralized platform to track both economic and non-economic (social, cultural, intangible) losses.
3. **Financial Mechanisms** – using participatory workshops to define loss and damage, identify funding sources (including the Loss and Damage Fund), and explore innovative tools like green and catastrophe bonds, and private sector involvement.

Though in early stages, the initiative shows how coordinated, multilevel action can enhance climate resilience. >> [Read more](#)

Québec's International Climate Cooperation Program

Québec (Canada) shared insights from its longstanding international cooperation work, particularly in Francophone Africa and the Caribbean. Since 2016, it has funded over 65 projects focused on resilience and technology transfer, totaling 50 million CAD. A key point raised was the blurred line between resilience and loss and damage interventions. This sparked reflection on how subnational actors may already be addressing loss and damage, even without explicitly labeling it as such. >> [Read more](#)

Concluding Remarks

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In his closing remarks, Pablo Mariani stressed that loss and damage is a deeply political issue tied to inequality and historical injustice—not just a financial or technical challenge. He called for climate finance to be additional, and for loss and damage to be understood as a pathway to climate justice, with local and regional governments at the center of both planning and delivery.

Mariana highlighted the importance of addressing non-economic losses, long-term impacts, and the role of regional governments at maintaining rural-urban linkages. He emphasized the role of data - and the role that regional governments have as implementers of territorial monitoring systems for loss and damages, and the need of the Loss and Damage Fund to not only be operational but co-governed by local and national voices, including regional voices.

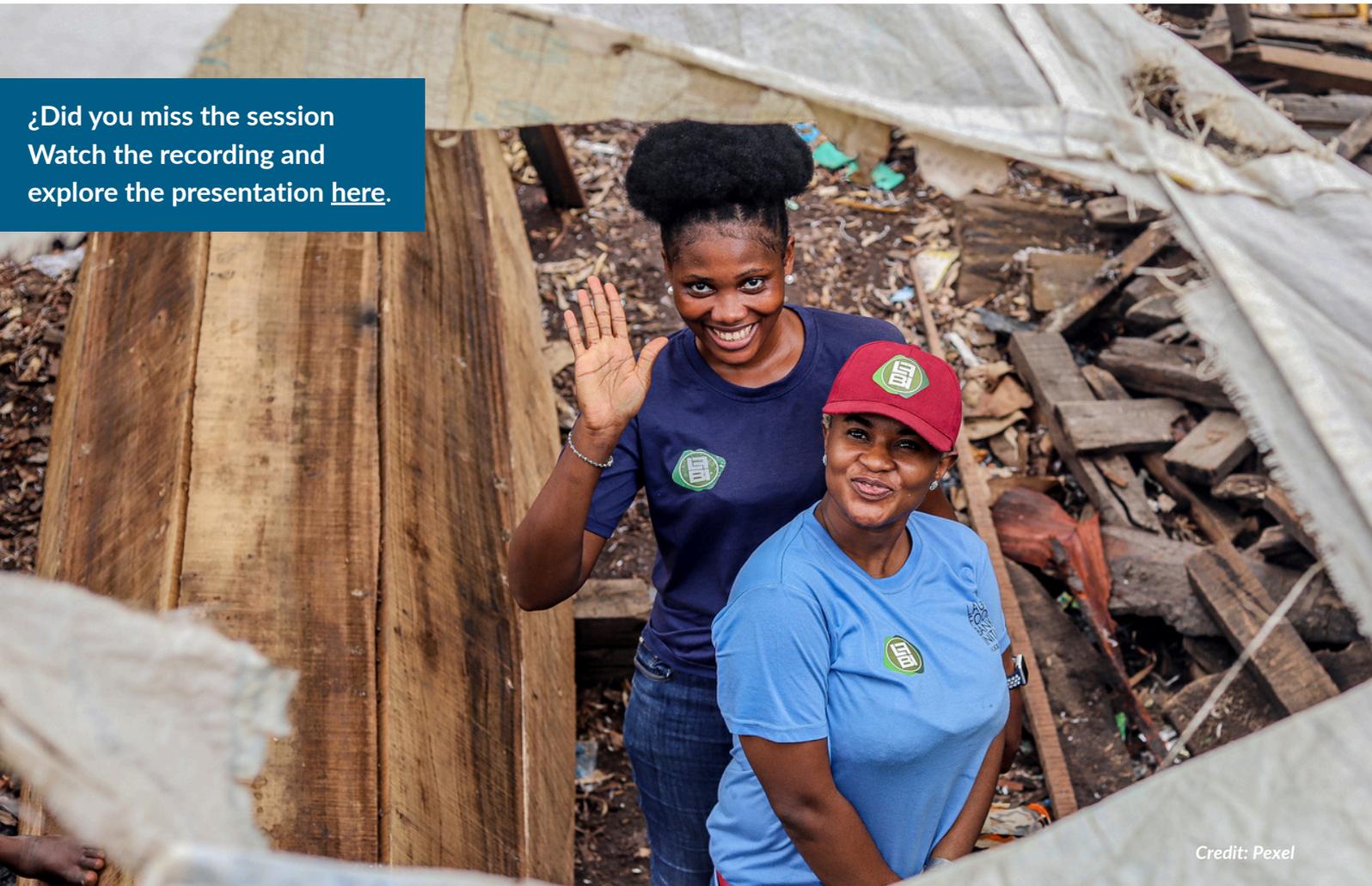
Looking ahead to COP30, Mariani urged that loss and damage be treated as the third pillar of climate action, emphasized that loss and damage is not just about compensation, but about regeneration and rebuilding territories with a focus on justice for all.

>> [Explore UCLG Positioning paper on L&D](#)

“ *Loss and damage is the silence that helps us see what has been broken and decide how to rebuild it. It reveals not only what we've lost, but what kind of world we're still willing to fight for. (...) We need a system that values care and cooperation as core governance principles, not as afterthoughts.* ”

Pablo Mariani, Head of Ecological Transition at UCLG

¿Did you miss the session
Watch the recording and
explore the presentation [here](#).



Credit: Pexel

ABOUT THIS BRIEF FOR ACTION

This brief for action is part of a series aimed at informing Regions4 and RegionsAdapt members on key results and recommendations based on Regions4 research and Community of Practice sessions.

RegionsAdapt is Regions4's climate initiative gathering more than 80 regional governments. It mobilizes ambition and action on climate adaptation by facilitating access to the latest innovations, tools, and best practices at the regional level. RegionsAdapt Community of Practice offers a space for regional governments to share their expertise, learn from each other, discuss, and engage, in a series of learning sessions on focused topics on adaptation, so as to help them build capacity and improve their own policies and activities on adaptation.

For more information on the initiative, please visit: <https://regions4.org/regionsadapt/>

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