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Biehler, Nadine; Knapp, Nadine; Koch, Anne

### **Research Report**

Displacement and migration in the international climate negotiations: Loss and damage debate offers new scope for action

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### **SWP Comment**

NO.56 DECEMBER 2023

# Displacement and Migration in the International Climate Negotiations

**Loss and Damage Debate Offers New Scope for Action** *Nadine Biehler, Nadine Knapp and Anne Koch* 

Climate change is leading to increasing displacement and migration, as well as involuntary immobility. The associated challenges and costs have long been neglected in the international climate negotiations. Until now, efforts to open up mobility choices for people negatively affected by climate change have been chronically underfunded. One important starting point for changing this is the explicit reference to human mobility in the new Loss and Damage Fund. However, financial resources and technical support alone are not enough. In order to meet the epochal challenge of climate change-induced human mobility ambitious migration policy solutions are needed, including planned relocation and the consideration of climate change impacts in the management of labour migration.

Climate change influences human mobility in many different ways. On the one hand, it increases the frequency and intensity of natural disasters like storms and floods, which force people out of their homes. The Pakistan floods and Florida's Hurricane Ian in summer 2022 underlined that all too clearly. On the other hand, the slow onset events associated with climate change including rising sea level, salinisation of agricultural land and changing patterns of rainfall - can also disrupt and destroy livelihoods and cause displacement. Pacific island states like Kiribati are expected to become successively uninhabitable over the coming decades, and to become completely submerged by the end of this century. That said, the majority of involuntary migration

occurs within countries. Furthermore, climate change contributes indirectly to displacement by exacerbating armed conflicts.

At the same time, safe, orderly and regular migration is regarded as a possible adaptation strategy that can diversify household incomes and improve living conditions. However, this strategy is not always successful and can lead to poverty and hardship, including a loss of social and cultural ties. In other cases climate change erodes financial and social resources to a point where people no longer have the means to migrate. Such involuntary immobility often affects the poorest and most vulnerable groups in countries that are severely affected by climate change.



The term "human mobility in the context of climate change" (HMCCC) is increasingly used in the academic and policy debate to account for the complexity and diversity of the climate change/migration nexus.

#### The data

The Internal Displacement Monitoring Centre (IDMC) has been systematically collecting data on displacement associated with natural disasters since 2008. Although the IDMC - as its name suggests - only monitors internal displacement, its data flags important general trends. For example, the number of new disaster-related internal displacements significantly exceeds the number of new conflict-related displacements year after year. 2022 for instance saw 32.6 million new cases of internal displacement associated with disasters, while 28.3 million were attributable to conflict and violence. And almost 98 percent of the disaster-related internal displacements in 2022 were caused by extreme weather events. However there are two problems of attribution here. Firstly, it is unclear what proportion of extreme weather events is caused by anthropogenic global warming. Secondly, migration is multi-causal and specific movements can only rarely be attributed unequivocally to environmental and climate change. This applies especially to slow onset events such as desertification and rising sea level.

Despite these caveats, an academic consensus has emerged that extreme weather events cause involuntary migration. These movements are expected to increase in the medium to long term — possibly in abrupt, non-linear forms if particular thresholds are crossed. According to World Bank modelling, climate change could lead to 216 million internal displacements by 2050; 86 million of these would occur in Sub-Saharan Africa, 48 million in East Asia and the Pacific.

The effects are felt disproportionately in developing countries, small island states

and Arctic regions, which have historically contributed least to global warming and possess little in the way of resources to support their population. The same also applies to marginalised groups and low-income households, which often have limited coping capacities and adaptation strategies.

## Migration and displacement in the loss und damage debate

For decades, international climate negotiations have focussed on mitigation and adaptation measures. The international community's failure to achieve its self-imposed targets in these two areas is increasing the significance of the third pillar of climate action, namely, averting, minimising and addressing climate change-related loss and damage. This is closely connected to the principle of climate justice, according to which poor countries that are particularly affected by climate change should be compensated for the negative effects of the actions of wealthy states.

In this context "damage" refers to effects that can be reversed, such as reconstructing buildings and roads, while "losses", like fatalities and destroyed ecosystems, are irreplaceable. The latest Synthesis Report by the Intergovernmental Panel on Climate Change (IPCC) underlines the extent of loss and damage that many people have already suffered: "Increasing weather and climate extreme events have exposed millions of people to acute food insecurity and reduced water security", as well as destroying infrastructure, while "increases in extreme heat events have resulted in human mortality and morbidity". The associated costs in turn threaten to drive poor countries and those most affected by climate change into a cycle of higher debt costs and decreased capacity to invest in climate resilience. In addition there are instances of non-economic loss and damage, for example when social structures are destroyed or cultural heritage is lost.

Climate change-induced displacement is increasingly regarded as one aspect of the broader complex of loss and damage. At the

international climate negotiations in Sharm El-Sheik in November 2022 (COP27), this was included in a COP cover decision for the first time. However, it is difficult to reconcile the two issues conceptually. Firstly, human mobility can represent a response to loss and damage, for example if homes are destroyed or livelihoods lost. Secondly, it can function as a strategy for avoiding the worst, if remaining would put life and limb at risk. Thirdly, it can be a process leading to further loss and damage, for example in the form of social isolation, disenfranchisement and impoverishment.

### **Existing approaches**

National authorities and international organisations are working to tackle the effects of disasters and the associated displacement. In doing so, they draw on measures employed in the fields of civil protection and disaster prevention, humanitarian aid, disaster risk management and minimisation, and development cooperation. Relevant international frameworks include the Action Agenda of the Nansen Initiative, the Sendai Framework for Disaster Risk Reduction and the United Nations Secretary-General's Action Agenda on Internal Displacement. The landscape of international actors operating in this area is equally diverse. Established international organisations like the United Nations High Commissioner for Refugees (UNHCR), the International Organisation for Migration (IOM) and the World Bank address various dimensions of climate change-induced migration and displacement, as do intergovernmental bodies such as the Platform on Disaster Displacement (PDD) and the Migrants in Countries in Crisis Initiative (MICIC), along with regional iniatiatives like the recently founded African Climate Mobility Initiative.

The diversity of the activities and the fragmented landscape of actors make it hard to develop coherent solutions. The IOM proposes a useful distinction between "solutions for people to move", "solutions for people on the move" and "solutions for

people to stay". This categorisation starts from the mobility preferences of those affected, and allows for a differentiated overview of where solutions already exist and where there are still gaps. There is already a broad repertoire of tried and tested measures, especially in the latter two fields. While support for people "on the move" includes preparedness (for increasingly extreme events) and anticipatory humanitarian aid, measures like early warning systems and climate-resilient reconstruction are designed to enable people to stay.

While promising approaches also exist in the area of "solutions for people to move", these do not yet extend beyond individual pilot projects, for example in Fiji, or the recently announced Australian offer to gradually grant residency rights to citizens of Tuvalu. As different regions become uninhabitable, whether due to rising sea level or extreme heat, the importance of planned relocation and legal migration options will further increase.

## Funding gaps and political obstacles

There is an immense need for funding in all three areas. First and foremost because of a worsening resource shortage in the chronically underfunded humanitarian aid system. Moreover, the available funds are mostly channelled into acute crises, while long-term adaptation measures are neglected. Additionally there is a lack of specific funding mechanisms and institutions that could be used to address climate change-related loss and damage, especially in the context of slow onset environmental change. These bottlenecks in (climate) funding have knock-on effects on measures dealing with human mobility in the context of climate change.

Apart from this funding shortfall there is also a lack of technical support and migration policy solutions, especially when it comes to establishing safe and regular migration options. So far, there is neither an effective protection regime for people who are forced to relocate because of climate change nor adequate international frame-

works that allow for migration as an adaptation strategy. This is a question above all for national governments and interior ministries, alongside international actors and funding instruments. They face the complex task of organising evacuations and relocations, while coping with internal and cross-border displacement caused by disasters and slow-onset environmental change.

### New financing architecture for loss and damage

A key outcome of COP27 was the international community's agreement to create new financing structures for loss and damage, including a dedicated fund. This agreement, celebrated as historic, also constituted an important confidence-building signal: The industrialised states responsible for most of the harmful emissions indicated to the countries of the Global South their fundamental willingness to assume financial responsibility for the consequences of climate change. However, they continue to reject actual liability beyond this.

A transitional committee with representatives from twenty-four states including Germany was set up to prepare proposals for operationalising these decisions in time for COP28 in December 2023. The difficult work of the committee was shaped by the longstanding conflicts of the international climate negotiations as a whole. Industrialised and developing countries disagreed above all on the fund's institutional location, the question of who should contribute and who would be eligible to access it, and the establishment of thematic sub-funds.

### Structure and functions of the new fund

The transitional committee's final document, which subsequently served as the basis for the agreement reached at COP28 outlines the basic structure of the new financial mechanisms and the Loss and Damage Fund. The details reflect a series of compromises.

One welcome development is the explicit designation of possible areas of application, which include displacement, relocation and migration, as well as the equal consideration given to economic and non-economic loss and damage. Overall the Fund is intended to close priority gaps in the existing financing architecture by funding both short-term emergency relief and longer-term reconstruction and support in the event of slow onset environmental changes.

In line with the preferences of the industrialised countries, first and foremost the United States, the Fund will operate under the auspices of the World Bank — initially for just four years and subject to numerous conditions intended to secure its independence and enhance its effectiveness. It will award grants as well as loans, and will be accessible not only to governments, but also to communities, Indigenous Peoples and vulnerable groups. This is an important aspect for supporting and protecting the marginalised. A previous proposal for thematic sub-funds (one of which could have been dedicated to human mobility) was rejected by developing countries, which feared that such an arrangement would impinge on the autonomy of the Fund's as yet unappointed — board.

Access rights to the Fund are broad. Rather than focusing exclusively on the least developed countries and small island states (which are guaranteed an as yet undefined percentage of the Fund's volume), all "developing countries particularly vulnerable to the adverse effects of climate change" are included. This vague formulation leaves room for different interpretations that may lead to conflicts, for example concerning the role of emerging economies as either donors or recipients.

The decisive question remains unanswered: Who should contribute how much to the new fund? The circle of potential contributors is large. Developed countries are "urged" to contribute, others "encouraged"; contributions from private donors and innovative sources are also possible. Rejecting developing countries' demand for an initial funding target of US\$100 billion

per year, the final document does not contain a financial target figure. Given the risk of increasing competition for funding between different climate finance instruments, it is all the more important that individual donor countries provide impetus by making their own contributions (as Germany, the UAE and others have already committed to) and actively soliciting the participation of others, which will help the Fund to have a practical impact.

These decisions have been criticised by civil society. Alongside the decision to place the Fund with the World Bank and the lack of a concrete financial target, the main points of criticism are the lack of a dedicated civil society seat on the board and the absence of a reference to human rights.

In addition to its core purpose, the Fund is also intended to fulfil an important coordinating function within the broader financial architecture for loss and damage, and to strengthen complementarity and coherence. This includes the Global Shield against Climate Risk (with the World Bankbased Global Shield Financing Facility), the Bridgetown Initiative's proposals for reforming lending rules in the context of climate change-related loss and damage, and the proposals contained in the UN Secretary-General's discussion paper Financing for Action on Internal Displacement.

# How to integrate human mobility?

Displacement, relocation and migration are to play a central role in the new Fund and in the overarching financing structure. This means that finally, this long-lamented gap in climate financing will receive more attention. In view of the complex and fragmented institutional landscape in the field of climate and migration, the Fund's coordinating function holds additional potential: it can help to ensure that climate change-induced human mobility is more systematically taken into account when addressing loss and damage.

Many open questions remain with regard to operationalisation however. There is no

generally agreed and internationally recognised terminology and no shared understanding of the different forms of human mobility in the context of climate change, both of which would be imperative for assessing loss and damage. Moreover, quantifying the loss and damage caused by displacement and relocation is a complex matter. To date, there are neither generally recognised benchmarks for defining regions as uninhabitable nor systematic data collection on the costs associated with human mobility (especially for slow onset scenarios). Beyond that, non-economic loss and damage in particular often remains undocumented and is hard to quantify. Yet it is vital to ascertain the real costs of displacement: Doing so has the potential to invigorate the debate about expanding legal migration pathways for people affected by climate change - especially against the background of growing objections to immigration in many industrialised countries.

#### Recommendations for action

Addressing human mobility in the context of climate change is an epochal challenge. Boosting the agency of those affected by climate change-related displacement, migration and relocation and opening up viable perspectives for them will require a combination of adequate funding instruments, technical support and innovative migration policy solutions.

# Substantiate migration-related funding needs

Integrating the aspect of human mobility in climate financing creates opportunities to back existing efforts with financial resources on a new scale. Putting this into practice, however, will require the specification of suitable fields of application in all phases of climate change-related mobility, including prevention, protection and durable solutions. Significant and continuously increasing funding needs exist in three areas in particular.

Firstly the need for evacuations and planned relocations is growing. Socially acceptable perspectives that are consistent with human rights and developed in collaboration with those affected need to be offered to residents of regions that are gradually being made uninhabitable by environmental degradation. The Climate Relocation of Communities Trust Fund in Fiji is an exemplary case — but underfunded. A contribution from the new Loss and Damage Fund could make a significant difference here. In the long term the design and funding of voluntary relocation will become increasingly important for development policy in the field of climate mobility.

The second area where there is strong pressure to act is climate change-induced internal displacement. In addition to the need for durable solutions such as local integration, IDPs need to be systematically included in disaster risk reduction and in climate adaptation and development planning.

Finally, the third area of application is support for cities. Long-standing urbanisation trends are intensifying due to climate change. Basic services are frequently limited or non-existent in the informal settlements that emerge in this process, safety and dignity are not ensured. Proactive planning is needed for adequate housing and for quantitative expansion and climate-adapted conversion of urban infrastructure and services like water and public transport.

# Strengthen technical support structures

Alongside financing, technical support is crucial for enabling effective implementation of resources. Regional, national and sub-national institutional capacities need to be supported, for example in disaster risk reduction. The countries and communities that are most in need of support usually have little capacity to access international funds and ensure that the funds raised are used in a timely and compliant manner. Providing funding directly to affected com-

munities offers potential for targeted and needs-based use of resources. At the same time, the great importance of technical support through the entire project cycle, from application to implementation becomes apparent.

The Santiago Network on Loss and Damage, which was founded in 2019, plays a key role here. Its purpose is to facilitate access to technical expertise and resources for particularly vulnerable countries to avert climate change-related loss and damage or at least minimise the impacts. The Network needs adequate funding to contribute meaningfully to capacity-building, rather than merely providing case-bycase support. In order to make its support measures more sustainable, the Network should draw on participatory methods from development cooperation. That would include integrating indigenous expertise in decision-making processes and systematically addressing the different risks, needs and vulnerabilities of women and girls, marginalised and indigenous groups, LGBTQIA+, and people with disabilities.

### Provide migration policy solutions

Including human mobility in the new Loss and Damage Fund expands the financial leeway both to create the preconditions for people to stay in safety and to support those who are on the move. But that alone is not sufficient to enable largely independent mobility decisions and to support migration as an adaptation and risk-minimisation strategy. In line with the objectives of the Global Compact for Safe, Orderly and Regular Migration, legal migration pathways must be expanded for people particularly affected by climate change.

The following fields of action stand out: For those in need of protection, safe routes to countries in the Global North are a priority, for example in form of the widely discussed climate passport. Promoting regional freedom of movement can also help to provide safe and regular mobility options to people at risk. In addition, climate change

vulnerability should be a significant selection criterion when recruiting labour from abroad.

Given the polarised debate over refugee protection and the resistance to immigration in Germany and other EU member states, such initiatives are politically challenging. But in a situation of growing migration pressure they are essential if immigration is to be shaped proactively. The policy of deterring migrants currently pursued by many governments is not a viable long-term alternative. Aside from its high economic and human rights costs, it is ultimately doomed to fail in view of the inevitability of climate change.

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#### SWP

Stiftung Wissenschaft und Politik German Institute for International and Security Affairs

Ludwigkirchplatz 3-4 10719 Berlin Telephone +49 30 880 07-0 Fax +49 30 880 07-100 www.swp-berlin.org swp@swp-berlin.org

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