



Recommendations to the Fund for Responding to Loss and Damage on Complementarity with OCHA-Managed Pooled Funds

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Introduction

The United Nations Office for the Coordination of Humanitarian Affairs (OCHA) welcomes the opportunity to submit comments and insights on complementarity between OCHA-managed pooled funds - the Central Emergency Response Fund (CERF) and Country-Based Pooled Funds (CBPFs) – and the Fund for Responding to Loss and Damage (FRLD). CERF and CBPF are the leading global humanitarian funding tools for responding to climate-related disasters in the world's most vulnerable communities.

The UNFCCC has recognized that to achieve its purpose and to close the financing gap, it is essential that the FRLD ensures complementarity with other sources of finance that address loss and damage associated with the adverse effects of climate change.¹

This paper explains the role of CERF and CBPFs in addressing loss and damage from climate-related disasters and identifies priority gaps in response to extreme weather events that the FRLD could help to fill. It also proposes opportunities for the FRLD and OCHA to work together to enhance coherence and complementarity.²

OCHA recognizes that addressing loss and damage after an extreme weather event is only one aspect of the mandated activities of the FRLD. Delivering on the full mandate of the Fund, including addressing slow-onset impacts, relocation, migration, and sea level rise, is essential for responding to loss and damage in the most marginalized and vulnerable communities.

OCHA-managed pooled funds: Contributions to addressing loss and damage

The Secretary-General's Central Emergency Response Fund was established by the General Assembly to provide rapid humanitarian assistance to people affected by disasters and crises.³

- Since CERF's creation in 2006, CERF has allocated around \$US2.5 billion (over 25 per cent of its funds) in response to climate-related disasters across 87 countries. In recent years, the proportion of CERF funding for climate-related response increased to about a third of its annual allocations.⁴

Country-Based Pooled Funds are active in 15 countries and in another seven countries through four Regional Funds. CBPFs allow donors to pool humanitarian contributions into a single, unearmarked fund to support high impact humanitarian interventions from local, national and international partners.

- In 2023, CBPFs allocated \$1.14 billion, with \$248 million dedicated to climate-related crises.⁵

OCHA-managed pooled funds aim to save lives, alleviate suffering, and maintain human dignity. But they also aim to deliver in ways that support adaptation and build resilience of communities to future shocks, whenever feasible.⁶

- OCHA-managed pooled funds provide timely support that can help the most vulnerable through an immediate crisis, while also strengthening their capacity to adapt to future shocks. For example, in

2023, CERF and CBPFs supported the construction or rehabilitation of at least 84,500 communal water points and the distribution of agricultural and livestock assistance to almost 1.8 million people.

- In 2023, CERF launched a new Climate Action Account to allow the Fund to scale up its capacity for life-saving anticipatory action and response for climate-related humanitarian emergencies and strengthen its support for humanitarian programming that supports adaptation and builds resilience to climate-related shocks and stresses.⁷

CERF is also the largest funder of anticipatory action – providing more than 50 per cent of all global pre-arranged funding for anticipatory action in 2023.⁸

- Anticipatory action frameworks are developed in partnership between humanitarian actors and relevant authorities to mitigate the humanitarian impact on the most vulnerable by releasing pre-agreed funding upon activation of a pre-agreed trigger for pre-agreed activities, ahead of an imminent climate shock.
- As of July 2024, CERF has committed \$103.6 million in pre-arranged funding across 15 countries with life-saving assistance in the event of predictable climate-related disasters thereby reducing people's economic and non-economic loss.⁹

Priority Financing Gap: Early and longer-term recovery after climate-related disasters

There is often a critical gap between humanitarian response to a climate disaster and recovery. Without access to timely finance for recovery, communities are often left dependent on humanitarian assistance, increasing their vulnerability to future climate shocks.

- In many fragile contexts social protection systems are limited, development actors are not present at scale, adaptation investment is scarce, and financing from IFIs is not sufficiently available or can have lengthy delays to support communities with their recovery or reconstruction after a climate disaster.
- This leaves a critical gap between the humanitarian activities that OCHA-managed pooled funds can finance, and the timely support required to address communities' early recovery and longer-term economic and non-economic losses.

OCHA managed-pooled funds cannot fill the recovery gap due to limits on the scope and duration of humanitarian activities.

- **Scope of humanitarian activities:** OCHA-managed pooled funds target the most vulnerable people with the greatest humanitarian needs, in contexts where local coping capacities have been exceeded and there is an appeal for international assistance. Activities predominantly focus on the provision of goods and services ahead of and in the immediate aftermath of climate-related disasters.¹⁰ Consequently, and given limited resources, there are many vulnerable people who suffer loss and damage that do not receive support through the humanitarian system. The scope of humanitarian activities also means humanitarians only play a limited role in contributing to early and longer-term recovery. Humanitarian support is focused on meeting immediate needs and is insufficient to address the micro and macro-economic, cultural or environmental impact of climate-related disasters.¹¹
- **Duration of humanitarian activities:** OCHA managed-pooled funds prioritize a rapid, coordinated response to immediate humanitarian needs. For example, on average activities start less than 2 days after a CERF application has been received.¹² However, activities or services end within short, prioritized humanitarian time-frames – typically between six and 12 months. As a result, the short-term focus means communities are often left without support for their longer-term recovery and rehabilitation.

Recommendation for the FRLD:

For climate-related disasters, OCHA-managed pooled funds generally support humanitarian activities in response to droughts and rapid-onset events (including hurricanes, storms, floods, cold waves and heatwaves).¹³ In these contexts, **the FRLD could complement OCHA-managed pooled funds by helping to fill the early and longer-term recovery gap.** The following examples illustrate how OCHA-managed pooled funds and the FRLD could act in complementary ways:

- **Livelihoods:** OCHA-managed pooled funds often support cash-for-work programmes, protect livestock and livelihoods, usually where there is an immediate lifesaving component. The FRLD could support shock-responsive social protection systems offered by governments, including long-term unemployment or welfare benefits, which communities may depend upon after disasters. The FRLD could also support recovery of livelihoods not supported by humanitarian action, and transition to more diversified climate-resilient livelihoods.
- **Permanent Shelter/ Infrastructure:** OCHA-managed pooled funds provide some support for temporary or transitional shelter or basic construction, but this is often temporary. The FRLD could support the widespread reconstruction of permanent homes, businesses, and infrastructure that are resilient to future climate disasters, including restoration of property or relocation where necessary.
- **Water:** OCHA-managed pooled funds frequently support the immediate provision of water for drinking, cooking and personal hygiene, including repair, construction and maintenance of water facilities, flood protection and irrigation. The FRLD could increase the scale and permanence of this work.

Next steps: Opportunities for Collaboration

OCHA welcomes working with the FRLD Board to ensure complementarity between the funds. **OCHA could brief the FRLD Board to share OCHA's experience and lessons-learned on disaster response and early action, including to explore the following:**

- **Rapid response allocations from OCHA-managed pooled funds for climate-related disasters could initiate a FRLD discussion:** CERF has a history of reaching the most vulnerable people who are disproportionately impacted by climate change. To facilitate the same people receiving support to early and longer-term recovery, the allocation of funding from an OCHA-managed pooled fund could initiate a discussion within the FRLD to provide funding for recovery efforts. OCHA-managed pooled funds could support and advise the FRLD on the type of interventions and possible partners to facilitate a quick allocation.
- **To assist with early recovery planning, OCHA could share anticipatory action frameworks for climate-related events and inform the FRLD Board once a framework is triggered.**¹⁴ It is often possible ahead of a climate shock to plan not only for the humanitarian response but also early and intermediate recovery needs. OCHA could share anticipatory action frameworks with the FRLD to assist with pre-emptive planning of early recovery activities and inform the Board as soon as the framework is triggered.
- **To assist the FRLD with consideration of how to release timely financing,** OCHA could share lessons learned from the CERF and CBPFs, including from anticipatory action on developing forecast-based triggers to release pre-agreed finance for pre-agreed activities.
- **OCHA-managed pooled funds could offer support to the FRLD on access modalities for local partners:** OCHA is committed to provide access to local partners to country-based pooled funds. In 2023, 45 per cent of CBPF partners were local and national NGOs.¹⁵ In 2023, approximately 25 per cent of CERF funds allocated were implemented through a large network of local and international responders who have partnered with UN agencies.¹⁶ OCHA could share best practice on how to create modalities that support access by local partners in conflict and fragile contexts and the type of intervention (i.e. cash, vouchers etc), while simultaneously meeting fiduciary obligations. OCHA and its partners could further support the FRLD to identify local and national partners to receive FRLD funding.

¹ UNFCCC (2024), [Decision 1/CP.28: Operationalization of the new funding arrangements, including a fund for responding to loss and damage referred to in paragraphs 2-3 or decisions 2/CP.27 and 2/CMA.4](#), Annex I Governing Instrument of the Fund, para 2-8. For example: “The purpose of the Fund is to assist developing countries that are particularly vulnerable to the adverse effects of climate change in responding to economic and non-economic loss and damage associated with the adverse effects of climate change, including extreme weather events and slow onset events” para 2; “The Fund should operate in a manner that promotes coherence and complementarity with new and existing funding arrangements for responding to loss and damage associated with the adverse effects of climate change across the international financial, climate, humanitarian, disaster risk reduction and development architectures...” (para 4); “[T]he Fund will develop new coordination and cooperation mechanisms to help enhance complementarity and coherence and will facilitate linkages between itself and various funding sources...” (para 4)

“The Fund will focus on closing priority gaps within the current landscape of institutions...that are responding to loss and damage. To this end, the Fund will provide complementary and additional support and improve the speed and adequacy of access to finance for responding to loss and damage by particularly vulnerable developing countries.” (para 7); “The Fund will provide support for responding to economic and non-economic loss and damage associated with the adverse effects of climate change. This support may include funding that is complementary to humanitarian actions taken immediately after an extreme weather event; funding for intermediate or long-term recovery, reconstruction or rehabilitation; and funding for actions that address slow onset-events” (para 8).

² The paper further supports and builds on the [Inter-Agency Standing Committee, Key Messages: On Averting, Minimizing and Addressing Loss and Damage from a Humanitarian Perspective](#), August 2023.

³ The [Central Emergency Response Fund \(CERF\)](#) was established by UN General Assembly [A/RES/60/124](#) in 2005 and provides rapid humanitarian assistance to people affected by disasters and crises.

⁴ UNOCHA, [Report on CERF-Funded Climate Action](#), May 2024.

⁵ CBPFs support high-priority projects being undertaken by those best placed to respond to priorities set out in Humanitarian Response Plans. UNOCHA, [Country-Based Pooled Funds – 2023 Year in Review](#).

⁶ General Assembly resolution [A/46/182](#) provides framework for international humanitarian assistance and a set of guiding principles, including that “emergency assistance should be provided in ways that will be supportive of recovery and long-term development. Thus, emergency measures should be seen as a step towards long-term development”. The importance of delivering humanitarian assistance in ways that also strengthen resilience and support climate adaptation has been affirmed in previous resolutions, including [A/Res/78/119](#) op 31, 38 and 63.

⁷ UNOCHA, [Report on CERF-Funded Climate Action](#), May 2024.

⁸ UNOCHA, [Report on CERF-Funded Climate Action](#), May 2024.

⁹ UNOCHA, [Report on CERF-Funded Climate Action](#), May 2024. This includes 13 OCHA-facilitated Anticipatory Action Frameworks that are currently ready to trigger.

¹⁰ Based on the humanitarian principles of humanity, neutrality, impartiality and independence and the mandate in General Assembly resolution [A/46/182](#).

¹¹ In addition, the CERF has specific [life-saving criteria](#): promoting early action and response to reduce loss of life; enhancing response to time-critical requirements; and strengthening core elements of humanitarian response in underfunded crises. CERF [defines life-saving actions](#) as those that, within a short time span, remedy, mitigate or avert direct loss of life and harm to people, and protect their dignity.

¹² UNOCHA, [CERF Annual Results Report - 2023](#).

¹³ OCHA-managed pooled funds do not usually support humanitarian action that addresses slow-onset loss and damage, but in some circumstances may indirectly contribute where it has contributed to increasing the severity of a hazard (ie. sea-level rise contributing to the increasing coastal flooding), displacement or increased the vulnerability and humanitarian need of a population.

¹⁴ An [anticipatory action framework](#) is a formal mechanism at the country level that enables humanitarian organizations to collectively get ahead of a predictable shock and mitigate its impact by pre-agreeing who will receive funding for what and based on which rules and triggers so that a problem can be caught ahead of a crisis.

¹⁵ UNOCHA, [Country-Based Pooled Funds – 2023 Year in Review](#).

¹⁶ UNOCHA, [CERF Annual Results Report - 2023](#).