Addressing Loss and Damage in LDCs to Deliver Climate Justice

COP31 | Antalya, Türkiye | 9–20 November 2026

A call for urgent implementation, adequate finance and accountability



Photo: © Vyacheslav Argenberg, CC BY 4.0, via Wikimedia Common

Background

Least Developed Countries (LDCs) are on the frontlines of a climate crisis they have done the least to cause. Climate impacts are destroying lives and livelihoods, undermining food and water security, damaging infrastructure and ecosystems, increasing displacement, and reversing hard-won development gains. These impacts are not distributed equally: women and girls, Indigenous Peoples, persons with disabilities, children and young people, older people, workers in climate-exposed sectors, and low-income and marginalised communities face heightened risks and barriers to recovery.

For LDCs, climate action cannot be separated from the right to sustainable development, poverty eradication, public services and fiscal justice. Adaptation and recovery must not be financed through unsustainable borrowing or by diverting resources from health, education, social protection and other essential services. Climate finance is an obligation grounded in the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement, and must be adequate, predictable, new and additional, accessible, transparent and predominantly grant-based, particularly for adaptation and responding to loss and damage.

COP31 must move from commitments to delivery. LDC Watch calls for: (i) a fully funded and accessible

Fund for Responding to Loss and Damage (FRLD); (ii) increased grant-based adaptation finance and implementation of National Adaptation Plans; (iii) delivery of the New Collective Quantified Goal (NCQG), including the USD 1.3 trillion annually by 2035 and the wider effort to scale up finance to USD 5 trillion; (iv) meaningful progress under the 2026–2027 work programme on climate finance; (v) ambitious mitigation by major emitters in line with 1.5°C; and (vi) a just transition that protects workers, communities and the development priorities of LDCs.

Climate Justice and the Development Challenge

The 44 LDCs face profound structural constraints, including limited fiscal space, high exposure to climate hazards, inadequate infrastructure, poverty and inequality, and restricted access to affordable finance and technology. Their contribution to global greenhouse gas emissions is small in comparison with their exposure to climate impacts. Yet the climate crisis is intensifying existing development challenges and threatening the ability of LDCs to achieve the Sustainable Development Goals and implement the Doha Programme of Action (2021-2031).

Climate justice requires that the countries and communities least responsible for the crisis are not made to bear its greatest costs. The principles of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC), as reflected in the Convention and the Paris Agreement, must guide mitigation, adaptation, finance, technology development and transfer, and responses to loss and damage. Support must respect national circumstances and priorities while ensuring the meaningful participation and rights of affected communities.

COP31 takes place at a critical implementation moment. The COP30 outcomes include a new two-year work programme on climate finance, continued work on the Global Goal on Adaptation, the Belém Gender Action Plan (2026–2034), and a just-transition outcome. COP31 should ensure that these decisions translate into accessible resources, stronger national capacity and measurable improvements in the lives of people in LDCs.

Escalating and Unequal Climate Impacts across LDCs

Climate impacts are increasingly interconnected and cascading. Extreme heat, drought, floods, cyclones, storms, sea-level rise, coastal erosion, glacial retreat, glacial lake outburst floods, landslides and slow-onset processes are affecting agriculture, fisheries, water supplies, health, energy, transport, housing, biodiversity and livelihoods. A single event can damage roads and bridges, interrupt electricity and communications, disrupt markets and public services, displace families, and create long-term fiscal costs.

Region	Climate-related risks and impacts
Africa (32 LDCs)	Extreme he at, drought, erratic rainfall, floods and tropical cyclones; pressure on water resources, food systems, health, energy, biodiversity, and pastoral and agricultural livelihoods; displacement and heightened vulnerability where climate stress interacts with existing inequalities.
Asia (8 LDCs)	Intense rainfall, floods, landslides, cyclones, drought, heat stress and cryosphere-related hazards; damage to mountain ecosystems, infrastructure, agriculture and fisheries; increasing risks to water security, health, livelihoods and mobility.

Pacific (3 LDCs)	Sea-level rise, coastal inundation and erosion, storm surges, saltwater intrusion, coral reef and marine ecosystem degradation, changing rainfall and drought; threats to freshwater, housing, food security, cultural heritage and island livelihoods.
Caribbean (1 LDC)	Coastal erosion, sea-level rise, tropical cyclones, storm surges, intense rainfall and drought; risks to coastal infrastructure, freshwater resources, agriculture, fisheries, tourism and livelihoods.

Source: UNCTAD, 2026; IPCC, 2022; Ayanlade et al., 2026.

These risks are shaped not only by the intensity of hazards but also by poverty, inequality, insecure land tenure, limited social protection, weak infrastructure, constrained public budgets and unequal access to information and decision-making. Climate policies must therefore address underlying vulnerabilities and structural inequalities rather than treating disasters as isolated events.

Malawi Case Study: Cyclone Freddy and the Escalating Costs of Climate-Related Loss and Damage

In March 2023, Malawi experienced severe flooding and landslides following the passage of Tropical Cyclone Freddy, particularly across its Southern Region. The disaster affected 16 local authority areas, causing widespread destruction of homes, infrastructure, agricultural production and essential public services. According to the Government of Malawi's Post-Disaster Needs Assessment (PDNA), approximately 2.27 million people were affected, including 659,278 people displaced, 679 deaths, 537 people reported missing and 2,186 injured. More than 260,000 houses were damaged or destroyed.

The assessment estimated total disaster effects at USD 506.7 million, comprising USD 347.2 million in physical damage and USD 159.5 million in economic losses. The estimated recovery and reconstruction requirements amounted to USD 680.4 million. Transport, housing, agriculture, water and sanitation, and energy infrastructure were among the most affected sectors. The disaster further compounded existing food insecurity, poverty and public service challenges, particularly among rural and already vulnerable communities. The Malawi experience demonstrates how extreme weather events can generate cascading economic, social and non-economic losses, while diverting scarce public resources from essential development priorities. It highlights the urgent need for predictable, adequate and grant-based international finance to address loss and damage, rebuild resilient infrastructure, restore livelihoods and support affected communities without increasing their debt burdens (Government of Malawi, 2023).

One month after the disaster, the United Nations reported that the humanitarian Flash Appeal was less than 11% funded, highlighting the gap between humanitarian needs and available international support. In June 2026, the African Development Fund approved a USD 8.49 million grant to restore cyclone-damaged irrigation schemes and support approximately 28,000 farmers. The prolonged recovery demonstrates the need for sustained, predictable and grant-based international finance to address climate-related loss and damage without increasing the debt burdens of vulnerable countries (Government of Malawi, 2023; United Nations, 2023; African Development Bank, 2026).

Adaptation: From Planning to Locally Led Implementation

LDCs need predictable, accessible and adequate support to implement National Adaptation Plans (NAPs), Nationally Determined Contributions (NDCs), national disaster risk reduction strategies and locally identified adaptation priorities. Adaptation finance must be scaled up through public grants

and should not create additional debt burdens. It should reach national and local institutions and communities, including those with limited capacity to prepare complex funding proposals.

COP31 should advance implementation of the Global Goal on Adaptation and operationalise the indicators agreed at COP30 in ways that are useful to LDCs. Reporting frameworks must be accompanied by finance, technology, capacity-building and support for data systems; they should not become additional administrative burdens or conditions for accessing support.

Adaptation must be locally led, community-based, gender-responsive and grounded in human rights. It should strengthen climate-resilient agriculture and food systems, water management, public health, social protection, ecosystem restoration, early warning and early action, resilient infrastructure, and preparedness for displacement and planned relocation where necessary. Indigenous and local knowledge must be recognised alongside scientific evidence.

Loss and Damage: Finance, Access and Accountability

The Warsaw International Mechanism for Loss and Damage (WIM), established in 2013 at COP19, marked an important milestone in international efforts to address climate-related loss and damage in developing countries. Following decades of advocacy by LDCs and other developing countries, a further significant step was taken at COP28 with the operationalisation of the Fund for Responding to Loss and Damage (FRLD). LDCs and developing countries continue to call for adequate, predictable and accessible financial support to help countries and communities recover from the devastating impacts of climate change. However, developed countries, which bear the greatest historical responsibility for greenhouse gas emissions, have yet to provide financial support commensurate with the scale of the needs. As of 15 March 2026, USD 822.06 million had been pledged to the FRLD by 27 partners, although pledges should not be confused with actual disbursements (FRLD, 2026). At COP30 in Belém, the third review of the WIM was completed. However, the outcome did not establish a quantified commitment or a dedicated pathway for significantly scaling up finance for loss and damage (UNFCCC, 2026). This remains deeply concerning given the scale of financial needs. The Loss and Damage Collaboration estimates that at least USD 724.43 billion annually needs to flow through the broader loss and damage funding arrangements, including the FRLD, the Santiago Network and other relevant mechanisms (Loss and Damage Collaboration, 2025). In November 2025, the Collaboration also warned that the FRLD could face a serious funding shortfall and potentially run out of resources in 2027 without significant additional pledges and a robust long-term resource mobilisation strategy (Loss and Damage Collaboration, 2025). Given recurring and increasingly severe climate-related disasters, LDCs must have access to adequate, additional and predictable resources to address loss and damage and support recovery. Climate finance commitments must reflect historical responsibility, equity and accountability, rather than placing disproportionate financial obligations on countries that have contributed least to the climate crisis.

Nepal Case Study: The 26 August 2026 Bhote Koshi–Trishuli Flood Disaster

On 26 August 2026, the Rasuwa Bhote Koshi catastrophe, also known as a “Mountain Tsunami,” caused immense human, economic losses and irreversible non-economic losses. A major ice–rock avalanche occurred in the upper Bhote Koshi watershed near the China– Nepal border, approximately 20 km upstream of Rasuwagadhi that generated a destructive debris flow that travelled downstream. The event affected the Bhote Koshi–Trishuli–Narayani river corridor, a critical north–south transboundary river system extending from the Tibet–Nepal border through Rasuwa, Nuwakot, Dhading, Gorkha, Chitwan, Tanahun and Nawalparasi.

According to preliminary estimates from the National Disaster Risk Reduction and Management Authority (NDRRMA), 1,453 deaths have been recorded, and more than 5,000 people are still missing. The disaster damaged over 760 MW of hydropower capacity, more than 118 telecommunications towers, over 100 km of the Miteri Bridge–Betrabensi national highway, and sections of the Prithvi Highway. Approximately 15,000 households, representing around 60,000 people, were directly affected. According to the preliminary rapid assessment by NDRRMA, the estimated property loss amounts to USD 2.7 billion, while approximately USD 4.7 billion is required for reconstruction and recovery, which is equivalent to approximately 10% of national GDP.

The event shows the interconnected impacts of the climate crisis on mountain ecosystems, rural livelihoods, infrastructure networks, and national development systems. These losses demonstrate the limitations of existing adaptation efforts and the urgent need for international support to address climate impacts beyond countries' capacity to cope. The disaster underscores the fragility of Nepal's young mountain ecosystems and their growing exposure to climate change. It also demonstrates how climate-related hazards can trigger cascading impacts on lives, infrastructure, livelihoods, and essential services, putting already vulnerable communities at risk.

After the continuous struggle from the Global South and the efforts of the Government of Nepal, the board of the FRLD has set aside USD 20 million for Nepal and invited the Government to submit a project proposal. However, access to the funding remains conditional on the submission of a detailed proposal, technical assessment and final approval by the Fund. Along with these procedural requirements come barriers to accessing the fund. Therefore, these barriers need to be addressed, and the process should be simplified to ensure the affected communities can timely access the fund to initiate recovery and reconstruction.

Climate Finance: Delivering the NCQG and Protecting Fiscal Space

The New Collective Quantified Goal (NCQG) adopted at COP29 established a goal of at least USD 300 billion per year by 2035, with developed countries taking the lead, and called on all actors to work together to scale up finance for developing countries from all public and private sources to at least USD 1.3 trillion per year by 2035. These figures must not be conflated: the USD 300 billion goal, which is grossly inadequate, and the wider USD 1.3 trillion scale-up call are related but distinct. Developed countries, whose historical and continuing emissions have disproportionately driven the climate crisis, must fulfil their obligations as part of climate reparations. COP31 must focus on credible delivery, including the quality, accessibility, predictability and transparency of finance (UNFCCC, COP29 Decision 1/CMA.6).

Climate finance should be new and additional, predominantly public and grant-based, particularly for adaptation and loss and damage, as well as predictable, immediate, transparent and accessible. Loans, including concessional loans, should not be treated as equivalent to grants or as fulfilment of developed countries' obligations where they add to the debt burden of vulnerable countries. Climate finance reporting must avoid double counting, inflated valuations and the relabelling of existing development assistance. [Paris Agreement, Article 9; LDC Group Submission, September 2026]

LDCs should not be forced to choose between debt servicing, essential public services and climate action. COP31 should advance reforms that expand fiscal space, address the high cost of capital and transaction costs, improve access to concessional and grant finance, and strengthen the voice of LDCs in international financial decision-making. Debt relief, where needed, should be timely and comprehensive; climate-related debt suspension and disaster

clauses may provide additional protection but cannot replace grant-based climate finance or debt resolution (UNCTAD, 2025; LDC Group Submission, September 2026).

The two-year Work Programme on Climate Finance established at COP30 must be guided by equity and fairness and address the implementation of existing obligations, particularly Article 9.1 of the Paris Agreement in the context of Article 9 as a whole. The LDC Group's September 2026 submission highlights the need to address the scale and accessibility of finance, quality of finance, grant-based public finance, debt and fiscal stress, cost of capital, balance across mitigation, adaptation and loss and damage, gender responsiveness, and transparency and accountability. COP31 should preserve and advance these priorities (UNFCCC, COP30 Decision 1/CMA.7; LDC Group Submission, September 2026).

Technology, Capacity and Regional Cooperation

Access to affordable, appropriate and context-specific technologies is essential for adaptation and mitigation in LDCs. COP31 should strengthen technology development, transfer and deployment, including through the Technology Mechanism, with attention to financing, intellectual property barriers, local innovation, maintenance, skills development and technology ownership. Capacity-building should be long-term, demand-driven and accessible to public institutions, research organisations, local governments and community-based organisations.

Regional and transboundary cooperation is particularly important for shared river basins, mountain and cryosphere systems, coastal zones, early warning, disaster preparedness and climate-induced mobility. LDCs should be supported to share data, strengthen regional monitoring and forecasting systems, and coordinate risk reduction and response without compromising national ownership or community rights.

Gender Justice, Human Rights and Inclusive Climate Action

Climate impacts and climate policies can reinforce existing inequalities. Women and girls, Indigenous Peoples, persons with disabilities, children and youth, older people, informal workers, small-scale farmers, fishers and displaced people must be recognised as rights-holders and active decision-makers. COP31 should advance implementation of the Belém Gender Action Plan (2026–2034), including gender-responsive climate finance, participation, leadership and accountability.

Climate action should protect land, housing, labour, health, food, water and cultural rights. It should safeguard the rights of environmental and human rights defenders and ensure that relocation, adaptation and transition measures are participatory, non-discriminatory and consistent with human rights. Disaggregated data and community-led monitoring are needed to identify who receives support and who remains excluded.

LDC Watch Calls for Action at COP31

1. Deliver the NCQG in line with equity and historical responsibility, ensuring that developed countries fulfil their obligations by providing adequate, predictable, new and additional public climate finance, while scaling up the wider mobilisation of USD 1.3 trillion annually by 2035 without substituting private finance for their obligations.
2. Ensure that the 2026–2027 Work Programme on Climate Finance prioritises the fulfilment of developed countries' obligations under Article 9.1 of the Paris Agreement, guided by equity, CBDR-RC, historical responsibility and the needs and special circumstances of LDCs and SIDS.
3. Substantially scale up new, additional, adequate and predictable grant-based public climate finance for LDCs, prioritising adaptation and loss

and damage, and ensuring that climate finance is provided as an obligation rather than charity or development assistance.

4. Cancel unsustainable and illegitimate debts of climate-vulnerable countries and ensure that climate recovery, reconstruction and resilience-building do not create new debt burdens or deepen existing inequalities.
5. Ensure substantial, predictable and sustained public contributions to the Fund for Responding to Loss and Damage (FRLD), commensurate with the scale of needs and the historical responsibility of developed countries, with clear accountability mechanisms to convert pledges into actual disbursements.
6. Ensure that FRLD resources are adequate, additional, accessible and exclusively grant-based, covering both economic and non-economic loss and damage, including slow-onset events, and reaching affected countries and communities through simplified, equitable and participatory access arrangements.
7. Significantly increase grant-based adaptation finance to support the implementation of National Adaptation Plans (NAPs), NDCs and locally identified priorities, ensuring that adaptation is locally led, rights-based and responsive to the needs of communities most exposed to climate impacts.
8. Operationalise the Global Goal on Adaptation (GGA) with adequate means of implementation, including finance, technology transfer and capacity-building, ensuring that indicators serve as tools for accountability and progress rather than additional reporting burdens or conditionalities for developing countries.
9. Remove bureaucratic, institutional and procedural barriers to accessing climate finance, ensuring direct, simplified and equitable access for LDCs, national and local institutions, Indigenous Peoples and community-based organisations, particularly those on the frontlines of climate impacts.
10. Advance a fundamental reform of the international financial architecture to address structural inequalities, debt distress and the high cost of capital, expand fiscal space and ensure that climate-vulnerable countries are not forced into further borrowing, austerity or cuts to essential public services to respond to a crisis they did not create.
11. Require developed countries and major historical emitters to lead ambitious, rapid and sustained domestic emission reductions consistent with the 1.5°C limit, including a just and equitable phase-out of fossil fuels, while ensuring that mitigation obligations are not shifted onto LDCs and other countries with limited historical responsibility and capacity.
12. Ensure a just, equitable and adequately financed transition away from fossil fuels, grounded in human rights, decent work, social protection and energy justice, with developed countries providing the necessary finance, technology and capacity support to protect workers, communities and the development priorities of LDCs.
13. Remove intellectual property and other barriers to the development, transfer and deployment of affordable and appropriate climate technologies, ensuring that technology transfer, capacity-building and regional cooperation strengthen local technological capabilities, public ownership and the self-determined development pathways of LDCs.
14. Advance gender justice and a human-rights-based approach to climate action, recognising the differentiated impacts of the climate crisis and ensuring the meaningful participation, leadership and decision-making power of women, Indigenous Peoples, youth, workers, persons with disabilities and other marginalised communities.
15. Ensure that affected communities have direct access to climate finance and meaningful decision-making power over the planning, allocation, implementation and monitoring of adaptation, loss and damage and recovery initiatives, with transparent, accountable and community-led funding mechanisms.
16. Uphold and protect the collective and individual rights of Indigenous Peoples, including their rights to ancestral lands, territories, natural resources and self-determination, and guarantee Free, Prior and Informed Consent (FPIC) in all climate-related policies, projects and interventions affecting them.

References

Ayanlade, A., Nyasimi, M., & Boyd, E. (Eds.). (2026). Extreme climate events, loss and damage in Africa: Resilience and adaptation. Springer Nature. https://doi.org/10.1007/978-3-032-11678-9

Fund for Responding to Loss and Damage (FRLD). Funding information: USD 822.06 million pledged by 27 partners as of 15 March 2026. https://www.frld.org/funding

FRLD. “The Fund for responding to Loss and Damage provisionally sets aside USD 21.6 million for Nepal, following catastrophic Bhote Koshi flash floods.” 22 October 2026. https://www.frld.org/press-releases

Government of Nepal, National Disaster Risk Reduction and Management Authority (NDRRMA). Bhotekoshi–Trishuli Flood Update, 26 August–3 October 2026. https://ndrrma.gov.np/np/situation-report/458

Intergovernmental Panel on Climate Change (IPCC). (2022). Climate Change 2022: Impacts, Adaptation and Vulnerability. https://www.ipcc.ch/report/ar6/wg2/

International Organization for Migration (IOM). (2019). Climate Change and Migration in Vulnerable Countries: A Snapshot of LDCs, LLDCs and SIDS. https://www.uncclearn.org/wp-content/uploads/library/climate_change_in_vulnerable_countries.pdf

Least Developed Countries Group. (September 2026). Second submission on the work programme on climate finance, including on Article 9.1 of the Paris Agreement. UNFCCC. https://unfccc.int/documents/660681

LDC Watch. Position Papers and other publications. https://ldcwatch.org/

United Nations Framework Convention on Climate Change (UNFCCC). New Collective Quantified Goal on Climate Finance. https://unfccc.int/NCQG

UNFCCC. Work Programme on Climate Finance (2026–2027). https://unfccc.int/topics/climate-finance/workstreams/work-programme-on-climate-finance

UNFCCC. The Road to Antalya: COP31 Presidency communications. https://unfccc.int/cop31/the-road-to-antalya

UNFCCC. 2025 UN Climate Change delivery highlights, including COP30 outcomes on the Belém Gender Action Plan, just transition, adaptation and the Warsaw International Mechanism. https://unfccc.int/about-us/2025-highlights

World Bank. Nepal Development Update, October 2026, and associated post-disaster damage and recovery assessments. https://www.worldbank.org/en/country/nepal/publication/nepaldevelopmentupdate

LDC Watch | L'Observatoire PMA

ldcwatch2001

ldcwatch

International Secretariat
P.O. Box 8130, Kathmandu, Nepal
Tel: +977 1-4004813/4004985,
Fax: +977 1 4004508/4443494
Email: info@ldcwatch.org

European Coordination Office
115 Rue Stevin, B-1000, Brussels,
Belgium Tel: +32 2 23116 59
www.ldcwatch.org

Contributors: Sangam Basnet, Reshma Shakya, Sugat Bhattarai and Netra Prasad Timsina

RRN Rural Reconstruction Nepal

South Asia Alliance for Poverty Eradication SAAPE

LDC Watch | L'Observatoire PMA