



Loss and Damage governance must account for displacement

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- **Displacement is one of the most significant forms of loss and damage,** but it is underreported and overlooked in loss and damage assessments.
- **It is necessary to account for displacement and its impacts in comprehensive loss and damage assessments** to create better policies and responses for displaced people and to unlock adequate resources from climate finance.
- **Action and support to avert, minimise and address loss and damage must be informed by data on displacement.** Existing tools and methodologies are available to support countries in their efforts.
- **At COP29, displacement must be a priority** in decisions related to efforts to avert, minimise and address loss and damage.

1 Disaster displacement creates many losses and damages

Displacement is one of the most significant manifestations of loss and damage due to climate change and disasters. Every year, storms, cyclones and floods displace millions of people globally, disproportionately affecting the most vulnerable communities.

The link between displacement and loss and damage is clear. Many people are forced to leave their homes behind when risks become unmanageable, disrupting their lives, livelihoods and cultural identities. Displacement also compounds and

perpetuates vulnerabilities of affected people. All these amount to direct and indirect economic and non-economic loss and damage.

Displacement can also serve as a life-saving measure when it takes the form of preemptive evacuations, moving people out of harm's way. However, for those unable to return, this may lead to long-term displacement due to the loss of their homes or the heightened danger and environmental degradation of their usual residence.

Despite these multiple costs, loss and damage assessments often overlook disaster displacement. Current assessments underestimate the full scale and value of economic and non-economic loss and damage endured by people, communities and societies. Neglecting displacement and its consequences widens the gap between loss and damage needs and available funding, undermining governments' abilities to respond effectively.

2 Comprehensive Loss and Damage assessments lead to better responses

Displacement cost billions globally each year, and it disproportionately affects low-income countries where it can amount to a significant portion of their GDP and hinder development. Each day of lost wages due to disaster displacement in Asia and Pacific costs regional economies \$275 million, yet this figure represents only a small fraction of the total costs associated with displacement. It does not count non-economic, indirect and long-term

impacts on displaced persons, host communities and those left behind.

Comprehensive assessments of economic and non-economic loss and damage from displacement are crucial to informing policies that offset these losses. They provide more accurate, targeted and equitable responses, by identifying the needs of all affected groups, leading to more effective pre-emptive action, humanitarian assistance and long-term solutions.

Better loss and damage assessments can also unlock climate funding to prevent and respond to displacement, which is currently overlooked in loss and damage finance. Fragile and conflict-affected countries in particular struggle to access climate finance, despite being highly vulnerable to climate change and hosting important displaced populations.

3 Mobilising finance for addressing displacement

As of COP 28, displacement is an explicit part of the priorities within the Fund for Responding to Loss and Damage (FRLD). At COP29, displacement must remain a priority in efforts to avert, minimise and address loss and damage.

To achieve this, Parties must create finance mechanisms and access modalities that allow actors implementing activities to prevent, respond and resolve displacement, as well as affected communities themselves, to directly access the FRLD and

other funding arrangements. Loss and Damage must also be included as a sub-goal in the New Collective Quantified Goal (NCQG), to mobilise loss and damage finance at the full scale of needs.

The Santiago Network for Loss and Damage should make relevant expertise available through the Organisations, Bodies, Networks and Experts (OBNEs) selected to provide technical assistance to countries. Existing data, tools and methodologies can already support the development of more

comprehensive loss and damage assessments and better tailored policies to address displacement.

Only under these conditions will funding, action and support be sufficient to address the full loss and damage, including displacement and its impacts.

Resources

<https://www.internal-displacement.org/idmc-cop29/>

<https://www.internal-displacement.org/expert-opinion/seizing-the-opportunity-to-address-disaster-displacement-in-the-loss-damage/>

<https://www.lossanddamagecollaboration.org/publication/how-to-quantify-and-measure-loss-and-damage-associated-with-displacement>

<https://unfccc.int/sites/default/files/resource/Addressing%20Displacement%20in%20Loss%20and%20Damage%20-%20Submission%20-%20Aug%202023.pdf>



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