



**“UNDEREMPHASISED  
AND UNDERVALUED”:  
WAYS FORWARD FOR  
NON-ECONOMIC LOSS  
AND DAMAGE WITHIN  
THE UNFCCC**

# ACKNOWLEDGMENTS

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# INTRODUCTION

Due to inadequate climate change mitigation and adaptation, climate-driven losses and damages—impacts that have not, cannot, or will not be avoided—are accelerating and compounding, causing immense suffering worldwide (IPCC, 2022; UNEP, 2023). Over a thousand ways to experience climate-driven losses and damages exist (Tschakert et al., 2019), and failure to address them is manifestly unjust and will continue to undermine societal stability (McNamara et al., 2023). For example, rapidly rising sea levels are exacerbating high tides and storm surges, which is leading to loss of territory in low-lying coastal zones and causing untold impacts on people’s identities, physical and mental health, cultural heritage, and livelihoods (Bharadwaj et al., 2023). Non-Economic Loss and Damage (NELD) refers to adverse climate-driven impacts on things of value that are “not commonly traded in markets” (UNFCCC, 2013, p. 3). NELD is inextricably linked to human rights. This connection has been made clear through scholarship (McNamara et al., 2023), and by UN member states seeking a ruling from the International Court of Justice on the obligations and rights of states in responding to climate change (UN, 2023). Apart from the establishment of the Expert Group on Non-Economic Losses (NELs) (UNFCCC, n.d.), little effort has been made to address NELD comprehensively within the UNFCCC. Outside of the UNFCCC, researchers and practitioners have made more substantial efforts to conceptualise NELD and provide recommendations on how to address it (Boafo et al., 2023; Morrissey and Oliver-Smith, 2013; McNamara et al., 2021; Serdeczny et al., 2016). As such, we seek to bridge this gap between research and policy by providing specific recommendations for negotiators, experts, and policymakers on how NELD can be better integrated within the UNFCCC, in particular the Loss and Damage Fund (LDF), Funding Arrangements, the Santiago Network for Loss and Damage (SNLD), and the Warsaw International Mechanism Executive Committee (WIM ExCom).

## CHANGE *NON-ECONOMIC LOSS* TO *NON-ECONOMIC LOSS AND DAMAGE*

Currently, the UNFCCC employs the term *Non-Economic Losses* (UNFCCC, n.d.). In this policy brief, we deliberately use *Non-Economic Loss and Damage*, in line with most researchers, practitioners and even governments (e.g., Scottish Government, 2023; Serdeczny et al., 2016; Thomas and Benjamin, 2020; Waiwai et al., 2023). The inclusion of *damage* is essential as ‘non-economic’ impacts can be restored in certain cases (Walliman-Helmer et al., 2019). For example, interventions can restore damage to biodiversity. If reparative interventions are absent, *damages* to biodiversity might lead to permanent biodiversity *losses* (Bullock et al., 2011). Similarly, local-level evidence suggests that a difference exists between experiencing *loss* of well-being and *damage* to well-being (Ayeb-Karlsson, 2020; 2021; 2023). Thus, the exclusion of *Damage* can be confusing and harmful, as it implies that interventions cannot support recovery regarding ‘non-economic’ impacts. In addition, current UNFCCC texts are inconsistent as, when coupling Non-Economic with Economic L&D, they still mention *Economic and Non-Economic Loss and Damage* (see UNFCCC decision TC5/2023/4). Therefore, we strongly recommend changing *Non-Economic Losses* to *Non-Economic Loss and Damage* within the UNFCCC.

## ESTABLISH SPECIFIC ACTIONS TO ADDRESS NELD

Already a decade ago, a UNFCCC (2013, p. 3) technical paper asserted that “in many developing countries, non-economic losses may well be more significant than economic losses”. Furthermore, research has shown that vulnerable and marginalised groups depend *more* on ‘non-economic’ dimensions of livelihoods (Preston, 2017). However, Economic L&D persists as the dominant paradigm in Loss and Damage discourse (McNamara and Jackson, 2019). For example, addressing NELD—such as social, cultural, and environmental losses and damages—is largely absent from current disaster management arrangements (Knox Clarke and Hillier, 2023). In UNFCCC decision texts, NELD is mostly mentioned only in conjunction with Economic L&D (‘Economic and Non-Economic Loss and Damage’). Simply adding *Non-Economic* is insufficient to substantially combat the systematic underappreciation and undervaluation of NELD. Instead, specific policies and decisions should be made to shift increasing attention to NELD, such as:

**WIM ExCom:** Establish a clear, result-oriented purpose and agenda for the Expert Group on NELs, which includes objectives in line with the recommendations of this policy brief, and installing accountability and evaluation measures.

**SNLD:** Request the SNLD to identify within their Organisations, Bodies, Networks, and Experts (OBNEs) expertise related to NELD, such as support regarding migration and displacement, culture and heritage, trauma, gender-based violence, ecosystems and biodiversity, and other actions relevant to addressing NELD, and fill any identified gaps. Ensure sufficient NELD expertise in the Advisory Board's composition and in the Staff composing the Secretariat.

**WIM ExCom & SNLD:** Strengthen and encourage the WIM ExCom and SNLD's network of OBNEs to collect and issue technical guidance and localised, people-centred case studies on NELDs and ways to address them, and provide and disseminate this information to implementing agencies and national stakeholders. Explicitly point them towards programmatic funding opportunities to address NELD (e.g. psychosocial support, ecosystem rehabilitation, or safeguarding local knowledge).

**COP/CMA:** Request the Intergovernmental Panel on Climate Change to issue a special report on NELD, and to feature NELD more prominently in the assessment reports.

## INCLUDE MECHANISMS TO ENHANCE NELD EXPERTISE IN THE LDF

Specific actions on NELD are particularly relevant to the LDF, as existing development and adaptation grants favour projects that deliver tangible and quantifiable outcomes. As NELD is often highly subjective and can be intangible in nature, it can be difficult, but not impossible, to measure and to respond to (Jackson et al., 2022). Consequently, despite a growing scholarship on locally-driven entry points and interventions to address NELD (McNamara et al., 2023), limited finance options for addressing it exist (Bakhtaoui et al., 2022). Therefore, the LDF and funding arrangements should ensure that funding is made available for locally-driven and place-based interventions to minimise and address NELD. These interventions may include actions like recording and safeguarding Indigenous knowledge, promoting cultural continuity, and restoring socio-ecological systems (McNamara et al., 2023). Furthermore, as NELD is highly dependent on diverse experiences, beliefs, and worldviews (Boyd et al., 2021; Tschakert et al., 2017), the acceptability of a specific course of action must be judged against different values and knowledge, and the LDF's operating mechanisms and funding arrangements should allow for such a course of action. Specific recommendations include:

**LDF:** Select Board members for the Fund with experience in addressing impacts in the scope of NELD and awareness of the ethical dimensions therein. This would mean that the Board can meaningfully consider NELD when taking decisions on the strategic direction, governance and operational modalities, policies, frameworks and work programme, funding arrangements and relevant disbursement mechanisms to ensure that the Fund is fit for purpose regarding NELD.

**LDF:** In the recruitment of the Fund's Secretariat staff, include profiles with a wide range of expertise in addressing NELD. For example, in the form of a specific 'NELD desk' embedded in the Secretariat's day-to-day operations and which can coordinate the issuance of guidelines to include NELD in needs assessments, national response plans and activities, projects and programs.

**Funding Arrangements:** Ensure that the funding arrangements focus on addressing identified gaps, including addressing NELD by adjusting existing and providing new funding, and financing and implementing innovative approaches to address NELD at the national and local levels.

## **EMPOWER DISPROPORTIONATELY AFFECTED GROUPS TO UNDERSTAND AND RESPOND TO NELD**

Groups that are disproportionately affected by climate change should not only be seen as ‘particularly vulnerable’, especially as they have specific knowledge and lived experiences regarding L&D. For example, researchers have found that marginalised Bangladeshi people experiencing NELD are autonomously adapting and coping with these often intangible and subjective impacts (Ayeb-Karlsson, 2020; 2021; Chiba et al., 2017; van Schie et al., 2022). In order to accurately understand how NELD is experienced, it is crucial to listen to the perspectives of affected people. Going beyond predefined, top-down conceptualisations, such as the UNFCCC’s ‘*main types of NEL*’ (UNFCCC, 2013, p. 22-34), is crucial (Nand et al., 2023; van Schie et al., 2023). Furthermore, learning from diverse experiences and existing practices concerning addressing NELD can be critical in formulating responses (van Schie et al., 2023). However, more than a decade of addressing climate impacts shows that consultative processes are not sufficient to substantively include the voices of disproportionately affected and marginalised groups, as climate interventions often still lack the incorporation of equity, justice, and human rights (Coggins et al., 2021; Waiwai et al., 2023). Therefore, we strongly recommend that the diverse experiences and contexts of socially marginalised groups be taken into account and that they be given significant power in future NELD decision-making. These groups must include Indigenous people, women, youth and children, the elderly and people with disabilities, as well as other groups and civil society organisations (CSOs) that face structural marginalisation. Concerning the UNFCCC, ways to establish decision-making power for disproportionately affected groups may include:

**LDF:** In the case of direct access to the Fund, ensure that access is possible for community groups and small CSOs, the reporting burden is manageable, funding is flexible and no co-funding is required, and that access to information and modalities is available in local languages.

**SNLD:** Include considerations of groups disproportionately affected by NELD in the technical assistance provided under the SNLD. For example, create a global inventory that collects NELD data in a participatory way, enabling people and local institutions to advocate for themselves, and include disproportionately affected groups in national, regional, and local level decision-making processes under the guidance of the national focal points of the SNLD.

**LDF:** Ensure that the LDF, national L&D funding mechanisms, and any implementation mechanisms of the Fund and the funding arrangements require meaningful participation of CSOs and/or affected communities.

# UNDERTAKE A COMPREHENSIVE APPROACH TO L&D

Although often treated as direct opposites, Economic and Non-Economic L&D are inextricably linked and therefore cannot be considered in isolation. Economic L&D can cascade into NELD, and vice versa (Pill, 2022; van Schie et al., 2023). For example, heatwaves cause significant health impacts ('non-economic'), render people unable to work, and therefore cause a significant loss of income ('economic'). This loss of income can exacerbate the economic situation for those already experiencing financial hardship and therefore cause significant psychological stress ('non-economic'). We therefore need a 'both/and' approach to L&D: specific policies are needed to combat the relative lack of efforts to address NELD; *in addition*, we need to recognise that climate impacts can only be fully addressed if Economic and Non-Economic L&D are *both* accounted for in policies aiming to address L&D (Knox Clarke and Hillier, 2023). Therefore, the UNFCCC should recognise the deep interconnectedness of Economic and Non-Economic L&D, and that comprehensively addressing L&D inevitably means accounting for both. The following recommendations contribute to this:

**LDF and SNLD:** Recommend that the Board ensures a consistent consideration of NELD by issuing adequate guidelines and establishing a hard criterion of substantially including NELD in any funding request or request for technical assistance.

**UNFCCC Parties:** Recommend that national governments address Economic and Non-Economic L&D jointly in needs-assessments, national adaptation and response plans, and activities, projects and programmes to address L&D.

**WIM ExCom:** Commission a technical paper on local-level interlinkages between Economic and Non-Economic L&D and its implications regarding addressing L&D, based on lived experiences and guided by those affected by L&D

## CONCLUSION

NELD is continuously underemphasised and undervalued within the UNFCCC. This has had, and will continue to have, catastrophic impacts on countless aspects of people's lives if left unaddressed. Immediate and targeted changes are therefore needed to uphold human rights in a time of increasing and compounding climate-driven losses and damages. The recommendations in this policy brief are only the beginning of a series of transformational and systemic changes needed, but they represent tangible and realistic first steps to protect what people value most.

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## IMAGE CREDIT

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