

TOWARDS A CLIMATE LOSS AND DAMAGE FUND FOR CITIES

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The decision at COP27 to establish a loss and damage fund is a step towards climate justice and puts solidarity on the global climate agenda. Cities have longstanding solidarity ties and as actors of proximity in an increasingly urban world they can play a fundamental role. We need a climate loss and damage fund for cities.



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The decision made at COP27 to establish a reparations fund for climate change loss and damage suffered by the most vulnerable countries is undoubtedly positive news. The fund is the most recent episode in the complex long-term relationship between developed and developing countries. This relationship has generally been characterised by non-compliance and scant progress by developed countries vis-à-vis developing countries on climate finance, as is the case of the \$100 billion per year that should have been provided by 2020 and the goal of doubling adaptation finance by 2025.

Crucial aspects like the total amount, the detailed list of donor and recipient countries and the concrete sources of funding have not yet been defined, but the mere fact of reaching agreement on the fund represents a historic step, as it formally places the complex issue of climate justice on the agenda of the intergovernmental system. The agreement, following almost three decades of calls, brings an end to the refusal by the most developed and polluting countries to financially assist the countries that are most vulnerable to the present and future impacts of climate change – and which have least contributed to it. As Teresa Ribera, Spain's Minister for the Ecological Transition, underlined, this agreement opens up a new phase of progress towards solidarity.

Solidarity is key to achieving climate justice and cities have a long history of helping each other out, especially at times of crisis. The ongoing campaign to donate electric generators to Ukrainian cities, knowledge sharing during the pandemic, support during the Syrian refugee crisis and reconstruction work following the earthquake in Haiti all exemplify a solidarity that is both symbolic and pragmatic. Solidarity has been at the heart of the decentralised cooperation relations between cities that have laid the foundations of the century-old worldwide municipal movement.

By 2050, 68% of the world's population will live in cities, with almost 90% of the new urban dwellers projected to be in Africa and Asia. Hence, the current urbanisation process is above all a global South phenomenon, and it is precisely the cities in developing countries that suffer the harshest effects of global warming and, at the same time, have least capacity to adapt to climate change.

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In its current configuration, the finance architecture fails to meet the needs of global South cities. Most of the (clearly insufficient) \$384 billion invested annually in urban climate finance is concentrated in OECD countries and China, and only 9% of the total is earmarked for adaptation. A dedicated loss and damage fund for cities is needed if the adaptation of global South cities is to be placed at the heart of aid to the most vulnerable countries to climate change.

Cities are the governmental actors closest to citizens, and have the experience on the ground, the legitimacy and responsibility to address the already irreversible effects of climate change on the increasingly relevant cities of the global South. From rising sea levels and increasing floods to growing population shifts to urban areas, global South cities will need support to strengthen their capacities and protect their local communities and ecosystems. They will have to invest enormous resources to handle the growing impacts of climate change and at the same time address present and future infrastructure and services gaps. Their counterparts in the global North can play a key role here, by harnessing the legacy of the many solidarity ties already established, and the synergies that emerge when cities, even in very different contexts, sit down and discuss common problems. Collaboration between cities from the global North and South can thus promote climate justice by both highlighting and addressing the fundamental relationship between poverty and climate vulnerability.

For years, cities have shown a commitment to fighting climate change that has often exceeded that of countries, and despite precisely the little recognition granted within the global climate agenda. Now, once again, cities can take the lead ahead of countries. In an increasingly urban world, a specific loss and damage fund could promote cities' shared responsibility in the face of the climate emergency, with solidarity forming the backbone of their collective work.