

Bangladesh Experience of V20 Loss and Damage Funding Program: Pioneering Community Funding for Addressing Climate Change Loss & Damage

1. About V20 Loss and Damage Funding Program: Recognizing the serious economic impact of climate change on the most vulnerable economies, - the V20 Group has resolved to pioneer an efficient, effective, and scalable international funding mechanism for addressing L&D. Complementing initial funds already allocated by the CVF & V20 Joint Multi-Donor Fund (administered by UNOPS), the V20 further mobilized an additional USD 1.5 million from philanthropic partners for this pathbreaking funding program. The L&D investments under the V20 L&D funding program will also leverage climate change adaptation funding since the program's L&D investments need to withstand future extreme events. This program is only one of many tools needed in order to *“double down on efforts to accept and address the new climate insecure reality of the world economy and put in place with anticipatory finance (pre-arranged and trigger-based funds) for loss and damage and mainstream surveillance and monitoring of climate risks of all kinds (physical, transition, spillover)”*, as V20's Accra-Marrakech Agenda highlights.

The principal vehicle for the funding program will be the Global Environmental Facility (GEF) and its small grants program, executed within its existing mandates, and also complemented by parallel funds separately programed through CARE International and a number of its V20 country offices. As a part of the funding program, the CVF/V20 secretariat, the GEF, UNOPS and CARE International collaborated to define investment typologies and methodologies specific to addressing L&D as a funding gap area. Both the pioneering V20 L&D funding program, and a future possible global GEF L&D facility, could contribute to the objectives of the Global Shield initiative launched in the context of the InsuResilience Global Partnership which is co-chaired by the V20. L&D investments under this program will also leverage climate change adaptation funding, set to double in scale by 2025, in order to result in projects investments that better equip communities to withstand future extreme events.

V20 countries have partnered with the humanitarian and development NGO CARE for the implementation of the initial funding. Since mid-2023, the program invested for the first loss and damage response actions in the pioneer countries Bangladesh, Kenya and Malawi with an implementation horizon until April 2024. The initial focus of funding is community infrastructure and livelihood asset repair, reconstruction and rehabilitation following damage and loss incurred due to extreme weather events.

2. Why Bangladesh in loss and damage funding program piloting:

2.1. Impact of climate change is accelerating loss and damage in Bangladesh:

According to the Germanwatch Global Climate Risk Index, 2021, Bangladesh is the 7th most climate-vulnerable country in the world. Over 2014-20, major climatic disasters such as monsoon floods, riverbank erosion, cyclone and landslide have occurred almost every year and 15 major disasters affected 42 million people, displaced 9.4 million people, damaged 4.6 million houses either fully or partially, caused 1,053 deaths, and resulted in an economic loss of US \$4.12 billion¹. During 2016-2021, economic loss caused by climate disasters in Bangladesh ranged from 0.8 to 1.1 percent of GDP. ADB (2014) has predicted 2% annual GDP loss by 2050 and 9% by the end of this century due to increasing trend of both rapid on-set and slow on-set disasters triggered by climate change. A number of damaging cyclones including Roano (May 2016), Mora (May 2017), Fani (May 2019), Bulbul (November 2019), Amphan (May 2020) and Yaas (May 2021) hit the coastal areas of the country in the last five years or so. The 2020 monsoon flood inundated more than 36% of the country and affected 30 districts in the Northern, North Eastern, and Southern regions (National Plan for Disaster Management 2021-2025 - MoDMR).

¹ <https://reliefweb.int/report/bangladesh/multi-hazard-risk-analysis-climate-related-disasters-bangladesh>

On the other hand, over the last two decades, people of coastal Bangladesh have been increasingly exposed to multi hazard risk, e.g. cyclone, storm surge, waterlogging, salinity, erratic precipitation and erosion. South-west coastal region (Khulna, Bagerhat and Satkhira districts) and south-central (Patuakhali and Barguna districts) of Bangladesh are unique for its geographical and environmental characteristics and are worst sufferer of climate change. As a result of both rapid on-set and slow on-set disasters, every year crops, houses and other assets are being damaged huge numbers and thereby incurring extreme economic losses. Analyzing the historical trend of disaster strikes it has been observed that, before overcoming the loss and stress of one disaster, another disaster hits and people gradually lose their capacity in managing shocks and stresses and are pushed into extreme poverty. ‘

2.2. Why Sarankhola?

Sarankhola sub-district of Bagerhat district is one of the most disaster vulnerable areas of Bangladesh. On May 2020, devastating cyclone Amphan took life of 26 people, 7 people left injured and affected about 10 million people from 19 districts of Bangladesh ([Response Plan for Cyclone Amphan](#)). Among those districts, 9 districts affected severally and Bagerhat is one of them. Sarankhola sub-district of Bagerhat district was also affected by cyclone Amphan. According to primary validation survey for Joint Needs Assessment (JNA) for cyclone Amphan by [Needs Assessment Working Group \(NAWG\)](#), approximately 35,000 (about 31% of total population of Sarankhola sub-district) people were directly affected in the 4 unions (Dhansagar, Khontakata, Rayenda, Southkhali) of Sarankhola sub-district. About 25% of the total houses were damaged whereas about 22.5% of total livestock and fisheries had been affected and about 30% of people suffered as they had no access to sanitation due to damage caused by cyclone Amphan in Sarankhola sub-district. In terms of response, as per 4W (Who, What, When, Where) report by [Needs Assessment Working Group \(NAWG\)](#), about 11,000 (about 31% among affected) people received emergency food, Multipurpose Cash Grant (MPCG) support, but no substantial support for recovery from the losses and damages.



On 26 May of the following year Cyclone YAAS a "very severe cyclonic storm hit 16 districts where it left its devastating trail especially in south-west and south-central coastal districts. According to primary validation survey by [Needs Assessment Working Group \(NAWG\)](#), approximately 5000 people's shelter, livelihood, water and sanitation infrastructure affected badly by cyclone Yaas in 2 unions (Rayenda, Southkhali) of Sarankhola sub-district. Limited Governmental assistance reached to sufferers in the form of cash assistance, emergency food, livestock fodder and CI sheet for shelter repair, but no Humanitarian Response Plan (HRP) were developed by [Humanitarian Coordination Task Team \(HCTT\)](#), and hence, no coordinated relief and rehabilitation efforts were taken by the international humanitarian community. This sort of non-responsiveness from international community further underpins the call to establish dedicated L&D funding mechanism both at national and international levels.

2.3. Initiative to compensate loss and damage of the affected communities:

Under this funding mechanism, with technical assistance from CARE Bangladesh local implementing partner Rupantar has implemented the first Loss and Damage Project in Bangladesh named "Pioneering Community Funding for Addressing Climate Change Loss & Damage", aiming to compensate 2286 people of 508 affected households people in one of the most vulnerable sub-districts Sarankhola for the Loss and Damage (L&D) caused by climate change induced shocks, as well as to support them adapt to the changing climate, in the Rayenda and Southkhali unions of Sarankhola upazila of Bagerhat district. While designing the project, 2020's Cyclone Amphan impacted communities have been considered as the marginal communities living in those areas were hit most.

3. Taxonomy of the V20 L&D funding program and project's ToC:

V20 Loss and Damage Funding Program is classified in 6 thematic areas: i) Conservation of Key Biodiversity, ii) Livelihood, iii) Land Degradation and Sustainable Forest Management, iv) International Waters, v) Chemicals (POPs), & vi) Displacement/ Migration.

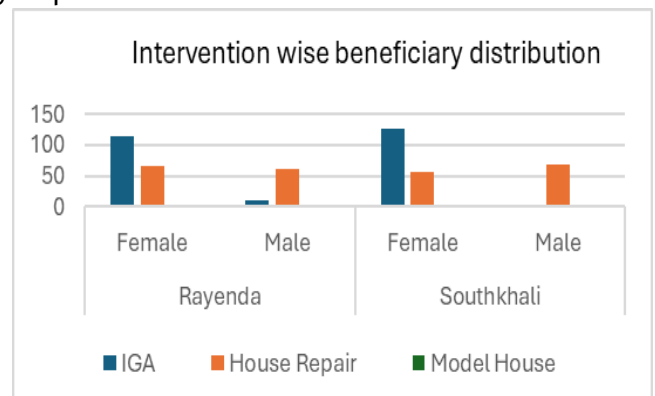
Under these thematic areas the program categorized its activity propositions under the following output taxonomy: i) Community Infrastructure, ii) Livelihood Assets, iii) Adaptation Component, & iv) Development/Reconstruction/Humanitarian/Disaster Risk Reduction Component.

Considering the V20 Loss and Damage Funding Program's thematic classification and taxonomy, "Pioneering Community Funding for Addressing Climate Change Loss & Damage" project's activities had been designed and implemented under the thematic area "Livelihood" and output taxonomy "Livelihood Assets" and "Adaptation Component".

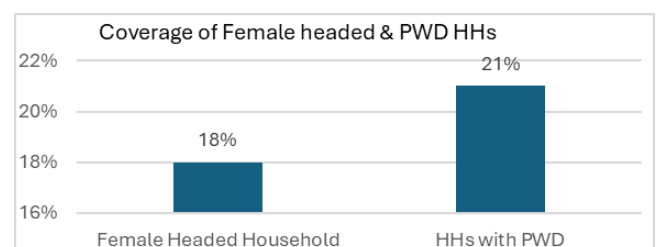
The project compensated the climatic shock and stress affected people for replacement, repair and/or reconstruction of Livelihood resources, including tools and implements, and private houses, along with training and orientations on climate adaptive livelihood practices and low-cost disaster resilient house construction and maintenance to achieve the project's objectives, i) Lost and damaged income generating livelihoods and houses are restored in a better footprint, ii) Communities have the assets and capacity to sustain their livelihoods and housing in the face of climate change.

4. A few climate-affected people compensated: So late, yet relevant

In project designing, 2020's Cyclone 'Amphan' impacted marginalized communities have been considered, as 31% of total people living in those areas were directly impacted at that time. In terms of assistance provisioning, as per 4W (Who, What, When, Where) report by Needs Assessment Working Group (NAWG), only 31% from the directly impacted people received emergency food, Multipurpose Cash Grant (MPCG) support, but no substantial support for recovery from the losses and damages. Through the project compensated 508 HHs for their losses and damages. A total of 250 HHs received compensation for IGA support, 250 HHs received compensation for shelter repair and 8 HHs got compensation for model house in Rayenda and Southkhali Union under Sarankhola Upazila of Bagerhat District.



Among the total participants who received compensation for Disaster resilient Model house, shelter repairing and IGA support, 72% are female and 28% Male.



Among all the suffers we compensated through this project, 89 HHs are Female headed household and 108 HHs have Person with disability.

5. The approach we followed:

To compensate for the losses and damages of cyclone "Amphan" along with other climate induced stresses e.g., salinity, drought, waterlogging, irregular rainfall etc. consultation meetings have been conducted with LGIs, local administration and community members of the project's working area and the project activities were designed following the suggestions of the meetings. The participants were also selected following the project's set criteria and procedures.

The project interventions were launched with a one-day hands-on training to 30 local carpenters on low-cost disaster resilient house construction under output taxonomy "Adaptation component" and one-day orientation on climate adaptive regenerative livelihood practices and low-cost disaster resilient house construction for all 508 compensation recipients of reconstructing livelihood assets, house repair and model house under output taxonomy "livelihood assets". All the 538 participants were also provided a one-day long refresher session on the above-mentioned topics along with topics covering further maintenance techniques of selected IGAs and repaired/reconstructed houses in the disastrous situation to ensure sustainability.

Reconstruction compensation recipients of "Livelihood resources, including tools and implementation" under output "Livelihood assets" reconstructed their IGA following the project designed mixed model incorporating goat rearing, chicken and duck rearing and vegetable cultivation. The participants were provided open pollinated cultivar seeds of 9 vegetables (fruit and leafy greens) considering the cropping seasonality and local stresses. A combined goat and poultry rearing shed design was also provided to the participants which they built hiring the project's trained carpenters.



Repair compensation recipients of "private houses" under output "Livelihood assets" reconstructed their houses with the provided grant and adding some more from their end. In this repair works they hired the trained carpenters to reconstruct the houses following the features of low-cost disaster resilient house construction, and in this intervention labor and materials provided by the participants has been calculated as community contribution.

Reconstruction compensation recipients of model houses under output "Adaptation component" constructed their houses following the project's designed low-cost disaster resilient house model which considered all the attributes to construct a disaster resilient house as per Bangladesh Shelter Cluster Guideline and attributes for PWD while designing, and hiring the local carpenters trained on this construction model. The labor provided by these recipients during construction has been considered as community contribution.

6 Stories from the affected community:

Lal banu, a respondent living in Maliya Rajapur village of Rayenda union under Sarankhola Upazila received assistance for shelter repairing.

Lal Banu, an 83-year-old "Tiger Widow", lost her husband to a tiger attack, resides in Malia Rajapur, Rayenda, Sarankhola, Bagerhat. Her life took a tumultuous turn when "**Cyclone Amphan 2020**" wreaked havoc in her community.

Despite facing immense hardship, **Lal Banu**, the mother of three grown children, two living independently, found herself taking care of her two granddaughters from her younger daughter. The cyclone not only devastated her home, but it left her roof in shambles, forcing her to seek refuge in her neighbour's house during rainy nights for the past 4 years.



However, hope arrived in the form of assistance from the V20's Loss and Damage Program. **Lal Banu** was selected as a beneficiary for house repair compensation, receiving BDT 23,000 (USD \$213) through mobile money transfer (MMT). With this financial aid and the support of her son, she embarked on the journey of reconstructing her home. Both the roof and side walls of her house were repaired, breathing new life into her humble abode. Now, she no longer lives in fear of rainy nights, finding solace in the sturdy shelter that she and her family have rebuilt together.

Farida Begum, a respondent living in Rayenda union of Sarankhola Upazila under Bagerhat District received assistance for IGA support.

Farida Begum, a resilient 55-year-old resident of Rayenda, Sarankhola, Bagerhat, faced numerous challenges after her husband's untimely demise from a brain stroke a decade ago. Despite her husband's prolonged hospitalization and her efforts to secure funds, she found herself burdened with debt. Nevertheless, **Farida Begum** courageously shouldered the responsibility of providing for her daughter and son, turning to various means such as household chores and selling vegetables and eggs to sustain her family.



The devastating Cyclone Amphan further exacerbated her struggles as her crops were destroyed, and her poultry perished—critical sources of her livelihood. Desperate for assistance, she resorted to high-interest loans to stay afloat. However, after more than three years, a glimmer of hope emerged through the V20 Loss and Damage Project. **Farida Begum** became a recipient of compensation for income-generating activities (IGA), receiving BDT 27,665 (USD \$256) through mobile money transfer (MMT).

With this support, she embarked on a journey toward self-sufficiency. **Farida Begum** invested in poultry and goats, while also constructing poultry houses to protect her investments. Additionally, she received 11 types of seeds from the project, further diversifying her sources of income. Today, through her dedication to rearing goats, poultry, and homestead gardening, **Farida Begum** stands as a testament to resilience, overcoming adversity to secure a brighter future for herself and her family.



Nurunnahar, a respondent living in Rosulpur village of Rayenda union in Sarankhola Upazila, received assistance for a disaster-resilient house.

Nurunnahar, aged 44, residing in Rosulpur village, Rayenda, Sarankhola, Bagerhat. Despite facing the challenges of blindness, Nurunnahar is the devoted mother of four grown children, while her husband supports the family as a hawker, their main breadwinner.

Their life is a testament to perseverance, as they navigate through, hand to mouth living, in a modest dwelling that resembles a "Jhupri". Their struggles were exacerbated when Cyclone Amphan 2020 wreaked havoc, leaving their already fragile home completely destroyed. Yet, despite the adversities, Nurunnahar and her four children continued to inhabit the damaged structure, enduring the harsh conditions.

Years later, a ray of hope emerged when Nurunnahar received compensation from the V20 Loss and Damage Project, amounting to BDT 210,000 (equivalent to USD \$1,944). Through the utilization of this grant, she embarked on a journey to rebuild their lives, starting with the construction of a disaster-resilient house.

What sets Nurunnahar's new home apart is its thoughtful design, which considers her physical limitations. The inclusion of a ramp in the design not only provides her with easier mobility but also affords her the dignity and protection she deserves. With this newfound resilience in her home, Nurunnahar can face each day with renewed strength, knowing that she and her family are better equipped to weather any storm that comes their way.

7. L&D is ever increasing: Compensation is People's Right

While climate change touches all of us, it is those of us who are already vulnerable and nature dependent who suffer the most. Climate change impacts cut across issues like poverty reduction, gender equality and food security, and compound risks relating to infrastructure, politics, and security. Climate change smashes through silos that typically dictate how we address development challenges. Obviously, those who are particularly affected are not the ones who have caused most of the emissions from fossil fuels and other sources which are the root cause of the climate crisis. This leaves a huge justice gap.

Understanding the trend, vulnerable countries and communities from the Global South were alarming the bell of Loss and Damage funding mechanism for many years. Despite a number of research, awareness raising and some pilot activities, and political efforts at the UNFCCC level for more than a decade, new and additional funding to address loss and damage is yet to be operationalized. While CARE demands for Loss and Damage Funding (LDF) facilities at the global, regional and national level (please see CARE Bangladesh Position Paper on Addressing Loss and Damage), the LDF mechanisms should be fast where monetary and in-kind compensations are ensured within the minimum possible time in a pro-poor, equitable and gender-responsive manner.

CARE Bangladesh will work towards a comprehensive application of poverty focused principles in a way that the Climate and Disaster Risk Finance and Insurance (CDRFI) mechanisms established or under design focus on piloting (where they lack), advancing and scaling up approaches which are really adapted to the needs of the poor and vulnerable populations and are poverty-focused, gender-equitable and human rights-based. We will bring local voices for shaping responsive climate risk financing, including funding mechanism for loss and damage, by international agencies such as Loss and Damage Fund, Global Shield etc., as well for establishing local and national loss and damage funding mechanism leveraging existing and potential facilities, policies and resources.

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