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Research Report

Topic 2: Discussing further financial aid for victims of natural disasters as a result of climate change.



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Introduction

Climate change has become one of the most important issues in our current day and age because rising temperatures make it so that natural disasters are more common and more dangerous. Floods, droughts, hurricanes, cyclones, wildfires, and extreme heatwaves are more common and are more intense than ones seen in the past.¹ Climate change has made natural disasters more dangerous and harder to control. One of the biggest consequences of this issue is the amount of people affected by these disasters. Millions of people lose their homes, access to basic supplies like food, water, and shelter, and even the lives of their loved ones.² In many of these intense disasters, it can cause long term economic damage to a country. As the climate worsens, the effect that people are forced to face get even more intense ever passing day. This is why the issue of financial aid for these victims have been a hot topic in recent political debates.

Many countries affected by these natural disasters are usually Lower Income Countries which lack the resources to recover from the disaster.³ These countries also lack the economic capacity to recover on their own, so this creates the issue of international responsibility and effectiveness of existing financial aid systems.

¹ “The Guardian.” *Cyclones, Floods and Wildfires Among the Costliest Climate Disasters*.

² United Nations Environment Programme. *What You Need to Know About the COP27 Loss and Damage Fund*.

³ Chatham House. *Loss and Damage Finance in the UN Climate Negotiations*.

Definition of Key Terms

Climate Change: It refers to how global temperatures and weather patterns change long term, mainly due to human actions like burning fossil fuels and deforestation. These actions increase the amount of greenhouse gasses that are in the atmosphere which is the main reason of climate change. It plays a big role in increasing the effects of natural disasters by increasing ocean temperatures, changing rain patterns, and raising the sea levels. As a result, disasters that were rarer in the past have become more common and more destructive.

Climate Refugee: A climate refugee is someone who has to leave home, either for a short time or for good, because the surroundings change through climate change, either fast or slow. The sea creeps higher, rains fail for years, grass turns to sand, water covers the land, storms strike harder and heat becomes severe until the place is dangerous or cannot support life. Those people are not covered by the 1951 UN Refugee Convention, since they are not running from war or persecution. No law calls them refugees - they receive no guaranteed shelter plus no automatic right to enter another country. Many come from low islands, coasts and poor nations that face high climate risk but also have little money or means to help them adapt or move elsewhere.

Natural Disaster: They are extreme environmental events such as floods, droughts, hurricanes, cyclones, wildfires, and heatwaves. They cause widespread damage to infrastructure, ecosystems and can even lead to loss of lives. While these events do occur naturally, climate change has increased their destructive power and frequency.

Climate-Induced Displacement: It refers to the forced migration of people due to natural disasters. When large communities lose their homes due to frequent disasters, people are forced to migrate someplace else either domestic or international. This creates many problems like pressure on urban areas, increased poverty, and social tensions.

Background Information

The relationship between climate change and natural disasters has been researched a lot in recent history. Scientific studies show that human activity has had a big impact on global climate

change which has directly affected weather patterns and stability.⁴ These human based results are already visible in some regions of the world and are slowly affecting more. Climate change effects natural disasters in a few different ways. Rising temperatures lead to warmer oceans which make tropical storms and hurricanes more destructive and dangerous.⁵ Also, a change in atmospheric pressure patterns affect rain distribution which creates extreme flooding in some regions and extreme droughts in others. The rising sea levels also make the situation worse, especially for island nations.⁶ Natural disasters at this scale have both short term and long term affects. In the short term, it can cause a high number of lives lost, destruction of property and damage to important infrastructures like roads, hospitals, and power stations. In the long term, it can disrupt economic activity, lower agriculture productivity, and increase economic inequality. For example, repeated flooding can damage farmland indefinitely while droughts can lead to food shortages.

These long term affects create extra problems for these governments which are already facing many economic difficulties. When agriculture production decreases or infrastructure is harmed, countries need to invest a lot more time and money to fix these issues compared to others. This only worsens the economic inequality and increases the dependence for international assistance.

The biggest issue for natural disasters is that it usually effects a certain area or region multiple times while never effecting another region once. Countries in South Asia, Sub-Saharan Africa, the Caribbean, and the Pacific are exposed to repeated disasters year after year.⁷ This constant cycle makes recovery almost impossible because governments are forced to use all available funding from development projects to emergency response. Over a long period of time, this makes it so that these countries struggle to develop and further protect themselves against these disasters without any international assistance. As a result, reoccurring natural disasters in a certain area creates an unending cycle that stops countries from developing. This highlights the importance of financial aid in time of crisis not only for short term relief but also for long term stability and development.

⁴ Schäfer, Lukas, et al. "Vulnerability and Loss and Damage After COP27."

⁵ Schäfer, Lukas, et al. "Vulnerability and Loss and Damage After COP27."

⁶ United Nations Environment Programme. *What You Need to Know About the COP27 Loss and Damage Fund*.

⁷ Chatham House. *Loss and Damage Finance in the UN Climate Negotiations*.

Major Countries and Organisations Involved

United Nations Framework Convention on Climate Change (UNFCCC): The UNFCCC is the main international framework that countries work together on solving climate related issues. It acts as the main tool for countries to negotiate on topics like mitigation, funds and loss and damage control. With the annual Conference of Parties (COP), the UNFCCC allows members states to debate upon how financial responsibility should be distributed among MEDC's and LEDC's. In recent times, the UNFCCC has gained more importance due to their discussions about financial aid for victims of natural disasters. The creation of the UNFCCC Loss and Damage Fund has highlighted its main role of shaping international financial distribution in response to climate induced natural disasters.⁸

Small Island Developing States (SIDS): SIDS are the most vulnerable countries that are affected by these climate induced natural disasters.⁹ Rising sea levels, coastal erosion, strong storms, and floods are among the most direct threats to these countries' economy and infrastructure. These states are missing the financial and technical capacity to recover from these disasters on their own, so they are forced to depend on external fundings to fully recover from the disaster. However, these countries have been able to shift global discussions to this topic and have managed to raise more awareness in other countries about the irreversible impacts of climate change.

United Nations Central Emergency Response Fund (CERF): CERF was created to provide financial assistance during humanitarian emergencies like natural disasters.¹⁰ The main benefit of CERF is their speed because they can quickly fund important operations like food distribution, medical care and temporary shelter. This is very important because in the aftermath of a disaster, every passing second is vital to save human lives, so there is no room for delays. However, CERF funding is very limited in duration, which means that they cannot support long term recovery and

⁸ United Nations Framework Convention on Climate Change. *Establishing a Dedicated Fund for Loss and Damage*.

⁹ United Nations Environment Programme. *What You Need to Know About the COP27 Loss and Damage Fund*.

¹⁰ United Nations Central Emergency Response Fund. *Climate Action Account*.

reconstruction.¹¹ As climate change worsens, and natural disasters effect more people, there has been some concerns about if CERF alone can handle the growing number of disasters and needs.

China: China is one of the primary countries when it comes to discussions about financial aid because of its economic power and global influence.¹² As one of the biggest greenhouse gas emitters, China is in the centre of all climate-related responsibility. Also, China is still identified as a developing country by many international frameworks which only complicated their obligations to others. China has provided a lot of financial and technical aid to other developing countries, especially through South-South cooperation. This includes infrastructure development, disaster recovery and adaptation projects. However, there is a lot of controversy surrounding whether China should contribute more than they are currently doing. China has expanded their global aid efforts, but most countries argue that their contributions should reflect their current economic power and global emission.

Relevant UN Resolutions

Paris Agreement (2015)

UN General Assembly Resolution 72/211 – Protection of global climate for present and future generations

Sendai Framework for Disaster Risk Reduction (2015–2030)

UNFCCC COP27 Decision on Loss and Damage (2022)

UN General Assembly Resolution 76/300 – The human right to a clean, healthy and sustainable environment

UN General Assembly Resolution 71/228 – International cooperation on humanitarian assistance in the field of natural disasters

UN General Assembly Resolution 73/231 – Disaster risk reduction

UN General Assembly Resolution 74/218 – Protection of global climate for present and future generations

¹¹ United Nations Central Emergency Response Fund. *Climate Action Account*.

¹² Chatham House. *Loss and Damage Finance in the UN Climate Negotiations*.

UN Economic and Social Council (ECOSOC) Resolution 2021/12 – Strengthening coordination of emergency humanitarian assistance

Previous Attempts to Address the Issue

Climate risk insurance mechanisms such as the Caribbean Catastrophe Risk Insurance Facility (CCrif) and African Risk Capacity (ARC) to provide rapid financial pay-outs after disasters.¹³

Establishment of the Warsaw International Mechanism for Loss and Damage (2013) to coordinate research, technical support, and policy dialogue on climate-induced losses.¹⁴

Deployment of UN Disaster Assessment and Coordination (UNDAC) teams to disaster-affected countries to support emergency response planning and coordination.

Creation of the UN Central Emergency Response Fund (CERF) to release immediate funding within days after climate-related natural disasters.¹⁵

Proposed Solutions

- Increase funding to the Loss and Damage Fund and ensure that the contributions are constant instead of one-off donations.
- Prioritize grant-based financial aid instead of loans to prevent increasing debt in disaster-affected developing countries.
- Speed up access to emergency and recovery funding by reducing bureaucratic application processes.
- Expand climate risk insurance and risk-pooling mechanisms to provide faster pay-outs after disasters.

¹³ World Bank. *Disaster Risk Financing and Insurance Program*.

¹⁴ United Nations Framework Convention on Climate Change. *Establishing a Dedicated Fund for Loss and Damage*.

¹⁵ United Nations Central Emergency Response Fund. *Climate Action Account*.

- Strengthen early warning systems and disaster preparations to reduce long-term economic and human losses.
- Improve transparency and accountability in how financial aid is distributed and used.
- Encourage private sector involvement in disaster recovery financing through public–private partnerships.

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