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The broken promise of loss and damage finance: Can Europe help?

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Summary

More than a year after the launch of the loss and damage fund at COP28, it is clear that existing financing mechanisms are insufficient to address the challenges at the scale required. Financial commitments made at COP29 remain well below the $400 billion needed annually. In Africa alone, the need is staggering, with between $290 billion and $440 billion required until 2030 to finance these efforts. The failure of the New Collective Quantified Goal on Climate Finance (NCQG) to include concrete provisions for financing loss and damage further threatens to erode progress and intensify climate diplomacy tensions.

The EU and its member states are the largest contributors to the loss and damage fund. Yet, addressing the 99% funding gap will require substantial scaling of contributions and additional resources through innovative funding mechanisms that align with the principles of climate justice — 'polluter pays', fairness, transparency and adequacy. But it is unclear whether this will change in the near future. Political barriers continue to outweigh potential gains, suggesting that the agenda is likely to remain in a fragile state.

To move forward, the EU must encourage stronger institutional arrangements, support locally-led initiatives, and prioritise climate justice. Enhanced EU-AU engagement could play a pivotal role in overcoming multilateral deadlocks. At its heart, addressing loss and damage is not just about technical solutions or financial tools; it is a profoundly global political challenge. Real progress will depend on prioritising loss and damage at the highest political levels and demonstrating a collective commitment to decisive action in the face of shared climate risks.

Introduction: The Loss and Damage agenda on life support

Since 2000, disasters have claimed over 4 billion lives and cost $2.9 trillion worldwide, with extreme weather events accounting for most losses. In 2024 alone, floods, heatwaves, droughts, storms, and wildfires have resulted in thousands of deaths, disrupted millions of lives, and inflicted at least $41 billion in damages by June. Recent climate-related disasters, including a hurricane that caused about $100 billion in damages in the US, floods in Valencia causing 200 fatalities and $20 billion in losses, and Typhoon Yagi in Vietnam with 300 deaths and $1.63 billion in damages, highlight rising human and financial costs. These trends are expected to worsen over the next two decades.

Africa, in particular, faces extreme weather with growing severity. Persistent flooding has affected the Sahel and Eastern Africa, while drought grips parts of the Gulf of Guinea. In Kenya, droughts from 2009-2011 reduced annual GDP growth by 2.8%. In 2023, a record cyclone in Malawi caused over 1,000 deaths, displaced 700,000, and left the country needing $800 million to rebuild. Numbers from that same year show that 62% of global economic losses from natural catastrophes, including climate impacts, were uninsured and primarily occurred in developing countries.

These events underscore the urgent need for greater support to finance loss and damage (L&D), which refers to the unavoidable, and irreversible, economic (e.g. property damage) and non-economic (e.g. health impacts) impacts of climate change that persist despite mitigation and adaptation efforts. These costs in developing countries are projected to soar, reaching $290–580 billion annually by 2030 and $1.1–1.7 trillion by 2050. In Africa alone, an estimated $290 billion to $440 billion will be needed between 2020 and 2030 to finance L&D. By 2050, climate change and extreme weather could cost Africa 4.7% of its GDP.

At COP28, countries agreed to operationalise the Fund for Responding to Loss and Damage (FRLD), a breakthrough after over three decades of advocacy for climate justice. However, at COP29 in Baku, pledges to the FRLD reached only $752 million—far below the $400 billion needed annually to adequately address L&D. While the New Collective Quantified Goal on Climate Finance (NCQG) acknowledged the significant funding gap, it failed to establish specific provisions for L&D finance, falling short of developing countries' demands. The FRLD has secured $752 million in pledges, with the EU contributing 68%. However, this falls far short of the $400 billion needed annually.

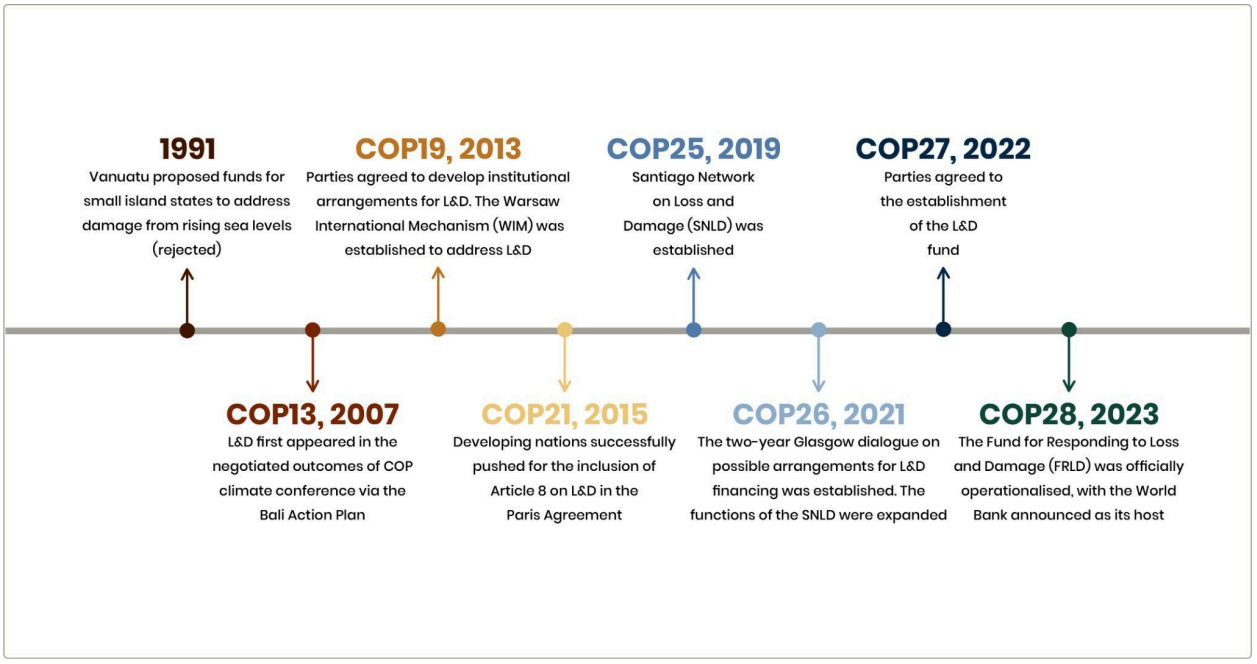
Amid myriad budgetary and political challenges, how can the EU maintain support for the L&D agenda, while upholding the principles of climate justice? Closing critical funding gaps

requires supporting innovative financing mechanisms beyond voluntary pledges and ensuring effective delivery systems so that finance reaches the local level. By reigniting its leadership in multilateral climate finance and strengthening EU-Africa cooperation ahead of major climate policy events, the EU can perhaps provide some momentum to advance the global L&D agenda and overcome the current stalemate.

1. Loss of momentum for L&D at COP29

In recent years, the discussions on L&D within multilateral forums have advanced significantly and eventually led to the set-up of the FRLD in 2023 (see Figure 1 for a short historical overview). However, the voluntary pledges made to date remain insufficient to meet the scale of the challenge.

Figure 1: Timeline of Loss and Damage discussions at UN Climate Negotiations



At COP29, where discussions on L&D coincided with the broader negotiations on the New Collective Quantified Goal (NCQG), the G77 and China pressed for a more serious commitment from developed nations, demanding at least $1.3 trillion annually through grants or highly concessional finance for mitigation, adaptation, and addressing L&D. One of their key positions was the insistence that the NCQG includes a specific subgoal for L&D, adhering to the principles of equity under the UNFCCC. They further stressed that all climate finance should be new and additional, avoiding heavy reliance on private-sector funding to meet the commitments of developed countries.

The Least Developed Countries (LDC) Group echoed these calls, demanding a minimum allocation for LDCs to address climate impacts. The African Group of Negotiators (AGN) pushed for a fair new finance goal, stressing the need for FRLD operationalisation and criticising procedural decisions, such as hosting the Santiago Network on L&D (a technical assistance body) in Geneva over Nairobi.

The EU's initial hesitance in setting up FRLD was partly due to its concerns about the complexity and time required to establish the fund and its preference to leverage existing instruments. During the NCQG discussion at COP29, the EU advocated a broader contributor base, including high-emitting emerging economies like China, and the integration of private and innovative finance with public finance with a strong focus on LDCs and SIDS, while prioritising grants. China, meanwhile, maintains its identity as a developing country, emphasising the responsibility of developed nations as major historic emitters. Furthermore, the U.S., facing uncertainty following Donald Trump's election, adopted a subdued stance in discussions on the NCQG, raising concerns over future commitments. This potential policy reversal raises concerns about the availability of funds to address L&D.

Disagreements on L&D extend to procedural and structural issues. At COP28, the decision to appoint the World Bank as host of the FRLD drew criticism from developing countries and civil society, citing its reliance on loans over grants and a lack of climate-aligned organisational culture. While the World Bank approved its role as interim secretariat and trustee in June 2024, meeting the eleven conditions set by Parties and ensuring rapid, direct funding will be crucial to the fund's success.

At COP29, the third review of the Warsaw International Mechanism for Loss and Damage (WIM) and the joint report from the WIM's executive committee and the Santiago Network's board were consolidated into a single decision document, but no consensus was reached. Developing countries, led by the G77 and China, advocated for regional Santiago Network offices, L&D reporting in climate plans, and a regular L&D 'gap report', similar to UNEP's annual adaptation gap report. However, these proposals faced resistance from developed nations, citing concerns over scope and frequency. As a result, key decisions were deferred to June 2025.

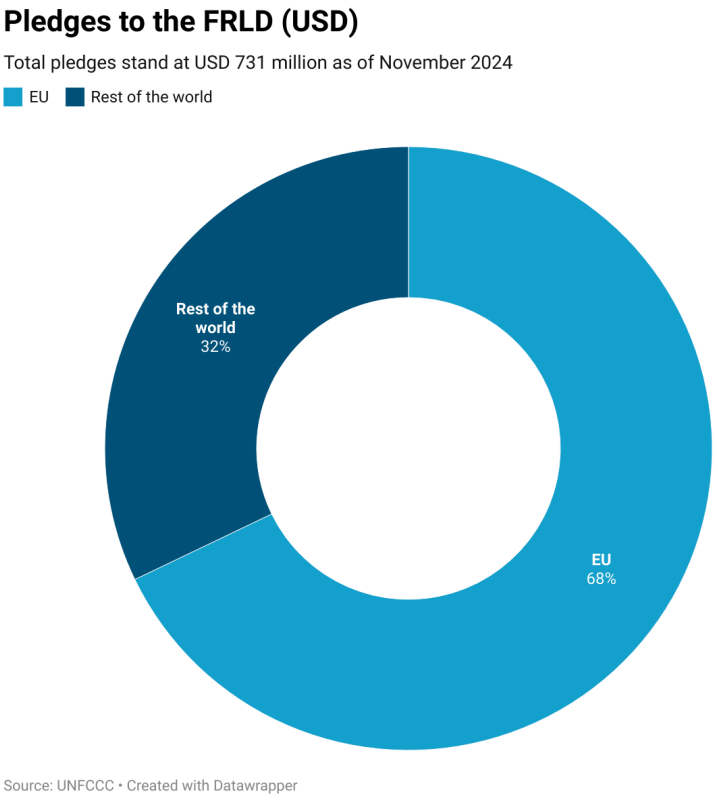
The L&D agenda has stalled, with slow progress despite the FRLD agreement. Initial funding remains critically low, implementation faces delays, and divisions between developed and developing countries—highlighted at COP29—further hinder progress. The next section explores key barriers to advancing a more ambitious and effective FRLD.

2. Barriers to a more ambitious FRLD

Securing a more ambitious FRLD to address L&D is hindered by divergent priorities, resource constraints, and geopolitical complexities. Debates over historical responsibility for climate change remain divisive, fuelled by concerns about legal liability and potential precedents for reparations. These disputes complicate the fund's design, particularly over whether to provide grants, loans, or other forms of support. While the 2015 Paris Agreement excluded liability and compensation under Article 8, fears persist among some developed nations that the fund might still imply responsibility for historical emissions. Many developing countries have softened formal demands for compensation to advance broader climate goals, but fairness and justice remain central to their stance. Though the term "compensation" is often avoided, differing interpretations of equity and accountability continue to shape the dialogue.

The EU and its member states are the largest contributors to the FRLD, with its pledge of $496 million accounting for 68% of total commitments in 2024 (Figure 2). However, the Fund's overall pledges of $731 million represent less than 0.2% of the estimated annual cost needed to address L&D in developing countries, far below the required billions.

Figure 2: Pledges to the FRLD, USD (EU versus the rest of the world)



A key criticism of the EU's L&D finance commitments is that they often involve reallocating existing climate and development budgets rather than providing new funding. This mirrors a broader trend in climate finance, where only 63% of the COP15 goal to mobilise $100 billion annually by 2020 was deemed additional. To address the scale of the crisis, the EU must urgently scale up contributions to ensure that L&D finance becomes a cornerstone of the UNFCCC process. Future EU contributions to the FRLD should be new, additional, and distinct from official development aid.

However, a continuation of EU commitments to L&D finance is likely to be hindered by internal and external pressures. Many EU member states face fiscal challenges driven by rising national debt, inflation, and economic stagnation. Fiscal rule reforms and the lingering effects of inflation strain public budgets, while the growing influence of right-wing parties in Europe threatens the EU's commitments to international climate finance, including L&D. Additionally, crises like the Russian invasion of Ukraine have diverted attention and resources toward European energy security, defence, and migration, often at the expense of climate commitments.

Africa's economic challenges significantly hinder its ability to address L&D, with many countries burdened by unsustainable debt exacerbated by climate impacts. In 2024, the continent's debt-to-GDP ratio was projected to reach 66.8%, with seven nations in debt distress, 15 at high risk, and another 15 at moderate risk. This financial strain is compounded by the EU's reliance on financial instruments like debt, equity, and guarantees, which often lack sufficient concessionality and are ill-suited for addressing L&D. These dynamics underscore the need for more tailored, grant-based solutions to support Africa's climate resilience.

3. Upstream - Innovative solutions to finance L&D

Assessing financing instruments for addressing L&D

Diverse financing mechanisms for addressing L&D have been proposed, mostly under the WIM, and many are already in use. According to paragraphs 57-59 of the FRLD Governing Instrument, the fund will provide grants, highly concessional loans, and other financial instruments, considering debt sustainability, to support L&D and enable blended finance. These instruments aim to optimise the efficiency and use of limited public funds and, in some cases, mobilise private investments.

Table 1 highlights some of the instruments mentioned in the aforementioned governing instrument, including their cost of capital, risk transfer elements, and the pros and cons of using them for L&D.

Table 1: Summary of financing instruments vis-à-vis potential cost of capital, risk transfer, and merits and demerits

Financial instruments	Cost of capital	Risk transfer (Yes/No)	Advantages	Disadvantages
Grants	Low	N/A	• No impact on debt • Pre-arranged with triggers for immediate effect • Flexible and suitable for non-economic L&D	• Financial sustainability • Potential for prolonged dependency • Limited accountability on use of funds
Concessional loans	Low to medium	N	• Finance at below-market rates. • Promotes investment, supporting rebuilding efforts	• Creates a payback obligation • Adds to the debt burden • Impact on national balance sheets • Conditionality and complexity in structuring
Guarantees	Medium to high	Y	• Risk mitigation • Mobilises private sector financing	• Complexity in structuring • Limited ability to respond quickly to pressing demands • Creation of contingent liability that may be triggered
Insurance mechanisms	Medium to high	Y	• Risk transfer to insurers • Potential for rapid payouts • Potential protection from debt vulnerabilities in case of climate disasters	• High premium costs • Inadequate payouts (at times) • Coverage limitation • "Moral hazard" effect • Unsuitability for slow-onset events
Bonds (catastrophe bonds)	Medium to high	Y	• Risk transfer • Quick payouts based on parametric triggers • Market decoupling	• High premium costs • Complexity in structuring and in disbursement rules • Possible disagreement over the threshold of parametric triggers • More stringent terms compared to traditional insurance • Limited accessibility (to smaller entities) and coverage • "Moral hazard" effect • Unsuitability for slow-onset events • Significant transaction costs and higher fixed costs

Financial instruments	Cost of capital	Risk transfer (Yes/No)	Advantages	Disadvantages
Direct budget support and policy-based finance	Low to medium	N	• Country ownership • Alignment with national priorities • Flexibility, enabling resource allocation based on specific circumstances • Efficiency of using existing government systems • Supports policy reforms	• Accountability challenges, particularly in countries with weak governance structures • Less targeted and may not reach the most affected individuals • Conditionality, which includes capacity requirements
Pre-arranged finance/ contingent credit	Low to medium	Y/N[a]	• Rapid disbursement and liquidity provision • Proactivity and preparedness; enhances capacity to plan for and manage disasters • Improved planning • Flexibility, based on national needs • Alignment with national needs and priorities	• Basis risk (instrument not paying out after a disaster due to mismatches between modelled and actual losses) • Upfront costs of preparation • Agreement maintenance over extended time periods • Creates a (contingent) repayment obligation

a - transfers financial risks but not underlying credit or disaster risk

Source: Compiled by the author; adapted from Durand et al. (2016), Gewirtzman et al. (2018), Thomas et al. (2018), UNFCCC (2023b), UNFCCC (2024c), Mustapha and Benson (2024), and LSE (2024)

A few financial instruments are particularly relevant for L&D funding, discussed in more detail here below.

Grants provide non-repayable funds to assist vulnerable countries in recovering from climate-related impacts. Grants play a crucial role in preventing vulnerable countries from accumulating additional debt as they recover from climate impacts. They support both immediate recovery efforts and long-term resilience-building, while also addressing non-economic losses. Importantly, small and locally-led grants form a critical component of this mechanism. These targeted funds are more effective in empowering marginalised groups and strengthening local communities compared to large-scale projects. However, ensuring the sustainability and predictability of grant flows remains a challenge. Addressing this requires innovative financing solutions to secure reliable and long-term funding sources for L&D.

Concessional loans, offered by international financial institutions or donor countries, provide financing at below-market interest rates with favourable terms, including extended repayment schedules and grace periods. These loans present a relatively affordable

financing option for vulnerable developing countries to address climate-related L&D. However, a significant drawback of concessional loans is their potential to exacerbate national debt burdens. For economies already grappling with fiscal stress and the severe impacts of climate change, additional debt can undermine long-term financial stability and hinder recovery efforts.

Insurance mechanisms facilitate the transfer of risk from the original risk holder to an insurer, enabling vulnerable countries to shift high-risk exposure to financially stable entities in exchange for a premium, with risk pooling enhancing affordability by spreading risks across regions. Mechanisms like the African Risk Capacity Facility, which provides reduced-cost climate risk insurance to 39 African member states, demonstrate the potential of insurance in addressing L&D. However, low insurance penetration in developing nations, prohibitively high premiums, and insufficient payouts often limit its effectiveness. For example, Malawi's 2015 floods caused $366 million in losses but resulted in only an $8.1 million payout, highlighting the gap between needs and coverage. Rising climate risks further drive premiums higher, reducing accessibility for the most vulnerable. Additionally, insurance mechanisms fail to address non-economic losses, may encourage 'moral hazard', and often fall short of providing adequate resources for large-scale or recurring disasters, making them an insufficient standalone solution for L&D.

Catastrophe (cat) bonds transfer the financial risk of natural disasters from issuers to capital market investors in exchange for interest payments, with payouts triggered when disasters meet predefined criteria. While historically focused on primary perils like hurricanes and earthquakes in countries such as the United States and Japan, the market is expanding to include developing countries and secondary perils like floods and droughts. Governments like the Philippines and Jamaica, supported by multilateral development banks, have issued sovereign cat bonds, while investor interest is rising due to high yields and low correlation with traditional financial risks. In 2023, cat bond issuance peaked, with $17.9 billion issued across 76 transactions between July 2023 and June 2024. However, challenges remain, including complex terms delaying payouts, high transaction costs, limited ownership to institutional investors, low market liquidity, and a focus on catastrophic events, leaving slow-onset disasters unaddressed.

Direct budget support and policy-based finance offer flexible mechanisms to help vulnerable countries address L&D. Direct budget support provides funds directly to national treasuries, enabling governments to allocate resources according to their priorities, such as disaster response and resilience. Policy-based finance, often from multilateral development banks (MDBs), ties disbursements to the implementation of agreed-upon policy reforms, incentivising long-term disaster risk management and resilience-building. For example, in 2024, the Asian Development Bank approved a $500 million policy-based loan to support

climate change and disaster risk reduction in Pakistan. These mechanisms promote country ownership, alignment with national priorities, and efficient use of existing systems, with direct budget support offering faster disbursement to address urgent climate impacts. However, challenges include weak governance impacting accountability, difficulties in meeting policy-based finance conditions, and limited direct targeting local entities and individuals, potentially resulting in inequitable disaster responses.

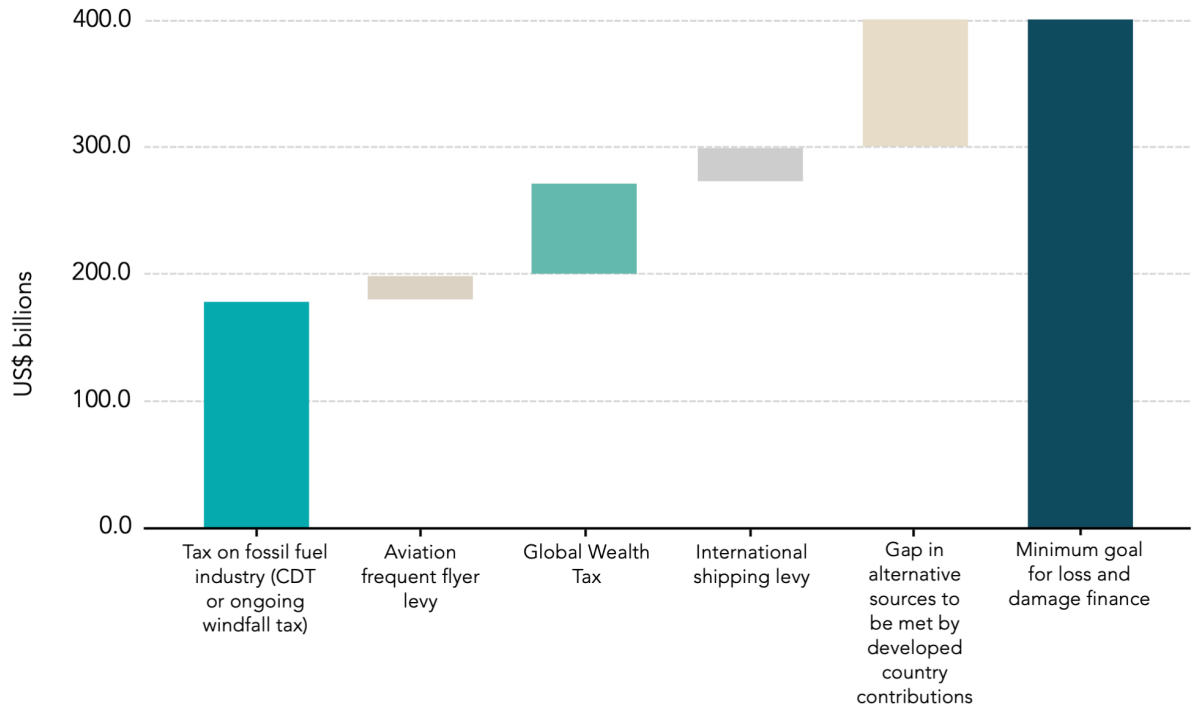
In sum, while current approaches to addressing L&D offer value, they face significant limitations, often shifting the financial burden onto climate victims rather than polluters, neglecting non-economic and slow-onset impacts, and being profit-driven, which reduces their effectiveness. Greater coordination through policy dialogue and technical assistance, aligned with MDB commitments under the G20 roadmap, is critical. The EU, in particular, should focus on grants and highly concessional loans as the backbone of L&D financing, complemented by risk transfer instruments to promote fair burden-sharing. However, as climate risks intensify, the affordability and availability of risk transfer instruments may diminish, raising concerns about their sustainability. At the same time, care must be taken to avoid burdening developing countries with unsustainable debt from climate-related disasters for which they bear minimal responsibility. Financial instruments, while valuable, are not silver bullets; market-based approaches to addressing climate disasters may be unsuitable or ineffective in certain contexts, highlighting the need for tailored, equitable solutions.

The need to mobilise more resources for L&D

Existing financing mechanisms are insufficient to address L&D at the scale required. Developing countries face a financial gap that demands urgent and innovative solutions. This imperative calls for innovative funding mechanisms that align with the principles of climate justice—"polluter pays," fairness, transparency, and adequacy.

Some of these approaches exist in certain countries and regions, albeit in a limited capacity. Figure 3 is an illustration of how (often) tax-based approaches can be used to mobilise additional funding to address L&D.

Figure 3: Potential sources of finance for FRLD



Source: *Richards et al. (2023)*

One such proposition is the **Financial Transaction Tax (FTT)**, a small levy on trades involving financial instruments such as stocks, bonds, and foreign exchange. In 2012, the UN High-Level Advisory Group on Climate Finance estimated that FTTs could yield $7–16 billion annually. The European Commission projected that an EU-wide FTT alone could generate $80 billion per year. This approach holds significant potential to mobilise funds with minimal market disruption.

Another important mechanism is the **International Airline Passenger Levy**, first proposed by the LDC Groups to the UNFCCC in 2008. This tax on international airfares, designed to address aviation's direct contributions to greenhouse gas emissions, could generate $8–10 billion annually. Similarly, a **Bunker Fuels Levy**, applied to maritime and aviation transport—two sectors often exempt from taxation despite their significant emissions—could generate an additional $25 billion annually. This approach aligns with the **Global Solidarity Levy** proposed by the governments of France, Barbados, and Kenya, which envisions imposing half-percent taxes on sectors such as maritime and aviation to fund international climate efforts. However, this could increase trade costs for African countries and exacerbate food insecurity and economic vulnerabilities, especially in low-income and landlocked countries.

A **Global Carbon Tax** is another innovative option. By directly taxing emissions or utilising auction revenues from carbon trading schemes, such a mechanism could generate $40–50 billion annually. However, the proliferation of national and regional carbon pricing frameworks complicates the establishment of a unified global approach. The EU's Emissions Trading System (EU ETS), operational since 2005, exemplifies this tension. While the EU ETS has expanded to include sectors such as aviation and, more recently, shipping, its revenues—€38.8 billion in 2022—remain primarily earmarked for domestic or EU-level climate actions. Only a fraction, approximately €200 million annually since 2018, has been allocated to international initiatives, raising questions about the EU's willingness to cede revenue control in favour of globally coordinated taxes.

These dynamics were evident during COP29 discussions on a carbon tax for shipping and aviation. The International Monetary Fund presented a proposal from a study for a global carbon tax, starting at $20 per tonne in 2025 and scaling up annually, with estimated potential revenue of $200 billion by 2035. However, the proposal faced significant resistance from key sectors. The International Maritime Organisation (IMO) plans to introduce its own carbon tax by 2025, but its revenues are earmarked for shipping decarbonisation and transition rather than addressing L&D. Meanwhile, the aviation sector, represented by the International Civil Aviation Organisation (ICAO), showed reluctance to embrace taxation, favouring offset schemes like the Carbon Offsetting and Reduction Scheme for International Aviation.

Navigating the complex landscape of interests and priorities demands extensive stakeholder engagement and strategic coordination, particularly with international organisations such as the IMO and ICAO. Critical questions also remain regarding how and who will administer taxes, the location and management of the funds generated, and the oversight of their allocation. Addressing these challenges is essential, as the effectiveness of innovative financial mechanisms for L&D hinges on robust governance and the political will to prioritise the most vulnerable. In an interconnected world, striking this balance is not only a practical necessity but also a moral imperative and a shared responsibility.

4. Downstream - Localising L&D finance delivery

Finance for L&D should avoid a major issue that has plagued adaptation finance so far—inadequate absorption of finance at the local level. The access modalities outlined in the FRLD's Governing Instrument reflect an ambition to localise efforts to address L&D, but this ambition must translate into effective implementation. Localising L&D finance is essential, as evidence shows that direct funding to local actors enhances efficiency, sustainability, and climate-resilient development by leveraging their knowledge, networks, and cultural understanding. Such approaches reduce costs, improve capacity, and better address

context-specific challenges, including non-economic losses often overlooked in centralised systems. Locally-led actions also promote transparency and accountability.

Bangladesh's national mechanism on loss and damage provides an interesting example: it demonstrates how cross-sectoral collaboration and decentralised planning can improve proposal development and funding allocation. Yet, most developing countries need support in building local ecosystems capable of absorbing finance, strengthening local capacities, leveraging community knowledge, and they do not benefit from top-down impositions. When supporting L&D, the EU should emphasise working with existing decentralised networks and institutions and promote locally-led needs assessments and co-designed solutions, with devolved decision-making to ensure accountability and reduced transaction costs.

Bundling L&D financing with social protection measures offers another opportunity for the EU. Experiences from Indonesia, Vietnam, and the Philippines provide valuable lessons. For example, programmes like the Philippines' Pantawid Pamilyang Pilipino Program (4Ps) accelerated recovery after Typhoon Yolanda by disbursing $12.5 million within four months, thanks to the World Food Programme and the United Nations Children's Fund, demonstrating the potential of integrating social protection with disaster recovery. Expanding such systems in vulnerable countries could address both rapid and slow-onset climate events effectively.

Simplified access to small, locally-led grants for L&D is also critical. Locally-led approaches can address diverse community needs, support subsidiarity principles, and tackle both economic and non-economic L&D. While small, locally-led grants cannot address the full spectrum of needs on the ground, they play an essential role in facilitating early action and capacity and agency building to address L&D. A notable example is Malawi, where a £500,000 grant from Scotland's £2 million L&D pledge at COP26 supported recovery from Cyclones Ana, Gombe, and Freddy. The project used community-driven, inclusive vulnerability assessments to co-design tailored interventions, including psychosocial support, demonstrating the effectiveness of locally-led programming. As women are disproportionately affected by climate impacts, grants should also incorporate a dedicated Gender Window, with funds earmarked specifically for supporting women-focused recovery and investments. To ensure inclusivity, a dedicated Gender Window should earmark funds for women-focused recovery and investments, recognising the disproportionate impact of climate change on women.

Conclusion: A global architecture that goes against the grain

The L&D agenda is being operationalised in a vastly different environment from when it was first conceived. With most attention pointed towards climate mitigation and adaptation, the

momentum for a multilateral fund for L&D, rooted in historical responsibility and solidarity, is at an all-time low. The EU's role as a first mover in advancing the L&D agenda has yielded limited progress, and it is unclear whether this will change in the near future. Political barriers continue to outweigh potential gains, suggesting that the agenda is likely to remain in a fragile state unless significant shifts in priorities and commitments occur.

Nevertheless, addressing this shared global crisis remains a critical global challenge, which can further increase tensions between developed and developing countries in the UNFCCC. Developing countries must persist in pushing the moral obligation argument based on climate justice, particularly in discussions on the Baku to Belém Roadmap to 1.3T. This initiative aims to scale up climate finance to at least $1.3 trillion annually by 2035, utilising various financial instruments to, among other goals, address L&D. Additionally, the research community must continue providing evidence for the cost-benefit argument, demonstrating that addressing L&D now mitigates future costs, including humanitarian crises, infrastructure rebuilding, and climate-induced conflicts.

The EU must also maintain its support by backing the FRLD and advancing its operationalisation. It will be essential to support the strengthening of institutional arrangements for FRLD's operationalisation. In light of fiscal constraints to operationalise the FRLD, the EU should focus on innovative funding mechanisms while supporting locally-led initiatives to ensure resources reach those most in need. Investing in institutional capacity and learning from successful initiatives can also enhance the effectiveness of L&D efforts, particularly in Africa.

There may also be value in EU-AU engagement to break multilateral deadlocks. The European Commission's new leadership and the African Union elections in early 2025 present opportunities to reset and deepen engagement on equitable climate finance. The 7th EU-AU Summit could serve as a platform to address Africa's debt and concessional finance needs.

Ultimately, addressing L&D from climate change transcends technical considerations and financial instruments. It is, at its core, a global political challenge that demands collective action. Progress will depend on elevating the political priority of L&D and demonstrating the ability to act decisively in the face of shared climate risks.

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those of the author. Comments and feedback can be sent to Daniel Adeniyi (dade@ecdpm.org).

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