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POLICY BRIEF

STRENGTHENING CLIMATE FINANCE FOR LOSS AND DAMAGE IN THE MEDITERRANEAN REGION

KHALID R TEMSAMANI & HAFSA EL BEKRI

The impacts of climate change are increasingly manifesting through severe and multifaceted loss and damage, particularly across vulnerable regions such as the Mediterranean. These impacts extend beyond environmental degradation, contributing to forced displacement, food insecurity, political instability, and the erosion of human rights and dignity. Furthermore, they reinforce structural inequalities between the Global North and South, thereby challenging global principles of climate justice and equity. This policy brief offers a strategic set of recommendations to address the complex dimensions of climate-induced loss and damage in the Mediterranean region. It synthesizes key insights from a webinar held in October 2024, jointly organized by the Science Policy Platform-Climate (SPP-C) and the Positive Advisory Agenda (P2A), with technical support from ESSEC Business School Africa, and the contribution of the following institutions: the ConnectinGroup International Foundation; the Union for the Mediterranean; the Mediterranean Expert Group on Environmental and Climate Change (MedECC); UNIMED; Moroccan Ministry of Energy Transition, and Sustainable Development; ESSEC Business School Africa; WECEN; ENDA Energy – Senegal. The event, entitled “Strengthening Climate Finance for Loss and Damage within the New Collective Quantified Goal (NCQG),” served as a platform for multi-stakeholder dialogue and knowledge exchange. The brief proposes an integrated approach anchored in regional cooperation, inclusivity, and innovation. Key policy recommendations included enhancing Water-Energy-Food-Ecosystems (WEFE) Nexus frameworks to promote systemic resilience; ensuring equitable access to climate finance mechanisms; establishing a dedicated funding stream for loss and damage; and improving science-policy communication channels. Additionally, the brief underscores the vital role of academic institutions in informing evidence-based policies and fostering long-term adaptation capacity.

By bridging knowledge, finance, and governance gaps, this policy brief seeks to inform national and regional strategies that can strengthen resilience, protect livelihoods, and uphold climate justice in the face of accelerating climate threats.

KHALID R TEMSAMANI & HAFSA EL BEKRI

INTRODUCTION

The dimensions of loss and damage caused by the impacts of climate change are complex and multifaceted, cutting across physical, social, cultural, and economic domains. These impacts manifest both suddenly—through extreme weather events such as floods, hurricanes, and wildfires—and gradually, through processes like sea-level rise, desertification, and glacial melt. They encompass tangible losses such as the destruction of lives, livelihoods, homes, public infrastructure, and productive assets. In many vulnerable regions, climate-induced disasters have wiped out decades of development gains, leaving communities trapped in cycles of poverty and disrepair.

However, the burden of loss and damage is not limited to what can be quantified. Equally critical are the intangible losses: the erosion of cultural heritage, the displacement of indigenous communities from ancestral lands, the disappearance of sacred ecosystems, and the breakdown of social cohesion and identity. Biodiversity loss and the degradation of ecosystem services—such as freshwater provision, soil fertility, and coastal protection—undermine both environmental sustainability and human well-being. For many societies, the disappearance of species, the collapse of coral reefs, or the submergence of historic coastal towns are not just environmental tragedies, but emotional and spiritual wounds.

These losses have profound and far-reaching consequences for individuals, communities, and entire nations—especially for those least responsible for climate change. Small island developing states, low-income nations, and marginalized groups within countries often bear the brunt of climate impacts due to limited adaptive capacity and historical injustices. For these communities, loss and damage can lead to forced migration, food insecurity, political instability, and the erosion of human rights and dignity. It also exacerbates existing inequalities, deepening the divide between the Global North and South, and challenging notions of climate justice and equity.

Furthermore, addressing loss and damage is not just a humanitarian necessity, it is a moral and legal imperative. As global temperatures continue to rise, the need for effective mechanisms to address irreparable harm becomes more urgent. This includes financial support through dedicated loss and damage funds, as well as institutional frameworks for risk-sharing, insurance, compensation, and community-led recovery efforts. International cooperation, backed by political will and solidarity, is essential to ensure that the most affected populations receive adequate support and are not left behind.

In sum, loss and damage reflect the human face of the climate crisis. They are reminders that climate change is not a distant or future threat, but a lived reality for millions today. Understanding and addressing these dimensions holistically is key to building a just and resilient global response. To address these critical issues in a comprehensive and effective manner, it is essential to translate the best available science on loss and damage into national and regional climate action plans. This will ensure that the policies and strategies developed are holistic and address the full spectrum of climate-related impacts in the medium and long terms.

Moreover, a holistic approach to addressing loss and damage can also help to foster greater collaboration and coordination across different sectors and governmental levels, as well as with local communities, universities, and civil society organizations. This can lead to more integrated and synergistic solutions that address the multifaceted nature of climate change impacts.

This policy Brief attempt to provide a comprehensive set of recommendations to address the multifaceted challenges posed by climate change in the Mediterranean region. It is a summary of key insights from a webinar organized in October 2024 by the [Science Policy Platform-Climate](#)¹ (SPP-C) and the [Positive Advisory Agenda](#)² (P2A) with the technical support of [ESSEC Business School Africa](#). The title of the webinar was “Strengthening Climate Finance for Loss and Damage within the New Collective Quantified Goal (NCQG). This policy Brief highlights elements of a strategic approach based on regional cooperation, inclusivity, and innovative solutions. Main recommendations from the webinar aimed at strengthening Water-Energy-Food-Ecosystems (WEFE) Nexus frameworks, promoting equitable access to climate finance, establishing dedicated loss and damage funding, enhancing communication between policymakers and scientists, and leveraging the expertise of universities in shaping policy solutions and building resilience.

SUMMARY OF THE RECOMMENDATIONS

A- Political and Geographical Perspectives

1. Collective Action in the Mediterranean Region

The Mediterranean region is characterized by a high degree of interdependence, where environmental, economic, and social challenges are deeply interconnected. This unique interconnectivity is shaped by the region's shared natural resources, cultural ties, historical exchanges, and geographic proximity. From rising sea levels and increasing temperatures to desertification, biodiversity loss, and water scarcity, the Mediterranean faces critical environmental pressures that transcend national borders. These pressures are further exacerbated by rapid urbanization, population growth, uneven economic development, and migration dynamics. As a result, the sustainability of the region is not only a national concern but a regional imperative.

Addressing these multifaceted challenges requires a collective and coordinated response from the countries bordering the Mediterranean Sea. Isolated actions are insufficient in the face of transboundary issues such as marine pollution, overfishing, and ecosystem degradation, which affect multiple nations simultaneously. A coordinated framework enables countries to pool resources, share knowledge, and implement regionally harmonized policies that strengthen resilience and promote sustainable development. Platforms such as the Union for the Mediterranean, the Barcelona Convention, and regional climate initiatives demonstrate the importance of multilateral collaboration in tackling shared environmental risks.

Moreover, cooperation in the Mediterranean is not solely about addressing environmental concerns—it also presents an opportunity to advance inclusive economic growth, energy transition, and social stability. Joint investments in clean technologies, sustainable

1. The [Science Policy Platform](#) (SPP-C) is an international network dedicated to initiating dialogues on climate change-related issues between frontline stakeholders. The SPP-C main objective is to facilitate informed decision-making by providing a platform for meaningful discussions, knowledge exchange, and collaboration between scientists and policymakers.

2. [Positive Agenda Advisory](#) (P2A) is a consulting company specializing in strategy and development. Based in Rabat (Morocco), P2A is a strategic platform of expertise and networks benefiting the realization of its clients' goals and ambitions. P2A specializes in Sustainable Development, Digitalization, Research & Innovation, University Cooperation, Regional Integration, Industrial Development, Transportation & Logistics, Promotion of Investments and Exports, Partnership and Green Economy.

agriculture, renewable energy, and water management can enhance regional security while fostering innovation and job creation. At the same time, promoting inclusive governance, participatory planning, and knowledge exchange helps ensure that climate action and sustainable development policies are equitable and locally responsive.

In this context, the Mediterranean region can become a model for regional cooperation in the face of global challenges. By fostering integrated approaches that align environmental, economic, and social objectives, Mediterranean countries can build a resilient and prosperous future—one rooted in solidarity, innovation, and shared responsibility. The urgency of the current climate and ecological crises demands nothing less.

Recommendation:

- Strengthen the WEF E Nexus framework to address the interconnected challenges in the areas of water, energy, food production, and ecosystem management. This approach will foster a more holistic and integrated approach to climate action, ensuring that policies and interventions in one sector do not have unintended negative consequences in others.
- Invest in comprehensive data collection and analysis efforts to inform the strategic allocation of resources and the development of resilience strategies tailored to regional and sectoral needs.

2. Inclusivity and Gender Considerations:

Marginalized groups and especially women in vulnerable and marginalized communities, often face systemic barriers in accessing climate finance, technologies, and participating meaningfully in environmental decision-making processes. These challenges are rooted in deeply ingrained gender inequalities, including limited access to land ownership, financial services, education, and political representation. As a result, women are frequently excluded from key spaces where climate-related decisions are made—despite often being at the front lines of climate impacts and playing critical roles in managing natural resources and sustaining local economies. Ensuring equitable participation and access to resources is not only a matter of social justice, but a prerequisite for effective climate action. Empowering women through targeted climate finance mechanisms, capacity-building programs, and inclusive governance frameworks enhances community resilience, strengthens adaptive capacity, and fosters innovative solutions that are locally grounded and sustainable. Recognizing and elevating women’s leadership is therefore essential for building inclusive, resilient, and climate-smart societies.

Recommendation:

- Simplify the funding application processes and provide targeted support to marginalized communities, such as indigenous groups, women, and low-income populations, to improve their access to climate finance. This may include tailored capacity-building programs, targeted outreach to women-led organizations, and the incorporation of gender-responsive budgeting in climate-related initiatives.
- Mainstream gender considerations in the design and implementation of climate finance initiatives to address the systemic inequities faced by women and other marginalized groups in accessing these resources.

3. Loss and Damage Negotiations

Developing countries in the Mediterranean region are increasingly demanding dedicated funding for loss and damage (L&D) caused by climate change, but this demand faces persistent resistance from developed nations. While much of the debate has centered on economic losses—such as damaged infrastructure, agricultural disruption, and loss of income—there is a growing recognition that non-economic loss and damage (NELD) constitutes a deeply significant, yet often overlooked, dimension of climate impact. NELD includes the loss of lives, cultural heritage, traditional knowledge, biodiversity, identity, territory, and even mental well-being. These intangible losses, though not easily quantifiable in monetary terms, have profound and lasting consequences for individuals and communities, particularly in culturally and ecologically rich regions like the Mediterranean.

Failing to account for NELD risks marginalizing the lived experiences of vulnerable populations and ignoring critical aspects of resilience and justice. Therefore, it is imperative that the new L&D Fund explicitly recognizes and supports the assessment and response to non-economic losses. This calls for the development and adoption of culturally sensitive, participatory, and context-specific assessment methodologies that can capture the depth and breadth of these impacts. Incorporating NELD into funding mechanisms ensures that support is more holistic, equitable, and aligned with the principles of climate justice.

In this regard, an assessment Methodology for Non-Economic Losses and Damages (NELDs) is being developed by members of the SPP-C. The proposed framework for evaluating NELDs incorporates a wide range of indicators, including human, sociocultural, and environmental dimensions. This holistic approach aims to provide a more complete understanding of climate impacts that go beyond just monetary losses.

Recommendation:

- Establish subgoals for L&D funding, allocating at least 10% of the total New Collective Quantified Goal (NCQG) funding (approximately \$30 billion annually starting in 2025 until 2035) exclusively as grants to support vulnerable communities in the Mediterranean region. This dedicated L&D funding stream will help address the disproportionate impacts faced by developing countries and build their resilience to climate-related disasters.
- Adopt the NELD assessment methodology to inform decision-making and policy responses, ensuring that the full spectrum of climate change impacts is considered and addressed.
- Integrate Loss and Damage as a Core Pillar in National Climate Adaptation and Mitigation Strategies.
- Establish clear timelines and predictable funding mechanisms to ensure that both immediate and long-term L&D needs are addressed in a timely and efficient manner.

B- Scientific Underpinnings and Innovations

1. Role of Innovation in Climate Action

Innovation plays a pivotal role in addressing the global climate crisis by enabling transformative solutions that reduce greenhouse gas emissions, enhance resilience, and support sustainable development. As climate change accelerates, traditional approaches are proving insufficient to meet the scale and urgency of the challenge. Technological innovations, ranging from renewable energy systems like solar, wind, and green hydrogen to advanced battery storage and smart grids, are revolutionizing how we generate, store, and consume energy. In agriculture, precision farming, drought-resistant crops, and vertical farming are mitigating emissions while ensuring food security. Meanwhile, digital technologies such as artificial intelligence, big data, and satellite monitoring improve our ability to track environmental changes and design evidence-based policy responses.

Beyond technology, innovation in policy, finance, and governance is equally crucial. Mechanisms like carbon pricing, green bonds, and climate risk insurance are unlocking new funding streams and driving investment toward low-carbon solutions. Urban innovation, through sustainable transport, circular economy practices, and climate-resilient infrastructure, is also reshaping cities into hubs of sustainability and adaptation. Furthermore, social innovation, including community-led initiatives and indigenous knowledge systems, is proving vital in ensuring that climate action is inclusive, just, and context-sensitive.

Importantly, innovation does not occur in isolation. It thrives in ecosystems that promote collaboration across governments, academia, private sectors, and civil society. International cooperation and knowledge-sharing platforms, such as climate tech incubators and research alliances, accelerate the development and scaling of impactful solutions. As nations work toward meeting the Paris Agreement and achieving net-zero targets, fostering a culture of innovation will be essential, not only to reduce emissions but also to enhance resilience and equity in the face of a changing climate. Thus, innovation is not merely a tool but a central pillar in the global climate action agenda.

Recommendation:

- Strengthen communication channels between policymakers and scientists to ensure that research and technological innovations are used to inform actionable climate strategies and policies. This includes establishing regular dialogues, fostering collaborative research projects, and promoting the integration of scientific findings into the policy-making process.

2. University-Led Collaboration

Universities in the Mediterranean region can play a pivotal role in shaping policy solutions and building resilience to climate change. As centers of research, education, and community engagement, universities are well-positioned to contribute to the design and implementation of effective climate strategies.

Recommendation:

- Encourage and support increased engagement of universities in the policy-making process, allowing them to leverage their expertise, research capabilities, and community

connections to develop and implement context-specific climate solutions. This may involve establishing university-government-civil society partnerships, facilitating knowledge-sharing platforms, and integrating climate resilience curricula into higher education programs.

- Bridge the Science-Policy Divide:
- Institutionalize collaborative platforms and mechanisms that bring together researchers, policymakers, and relevant stakeholders to ensure that decision-making is grounded in the best available scientific evidence and insights.
- Leverage academic networks and innovative tools, such as decision-support systems and scenario-planning exercises, to facilitate the translation of scientific knowledge into actionable climate resilience strategies.

C- Enhance Monitoring, Evaluation, and Learning

Enhancing Monitoring, Evaluation, and Learning (MEL) is essential to accurately track climate-related loss and damage. It ensures data-driven decisions, promotes accountability, informs adaptive strategies, and strengthens support for affected communities. Effective MEL systems are vital for guiding equitable, transparent, and responsive action within the global climate agenda, while also enabling continuous improvement, early warning, and inclusive stakeholder engagement.

Recommendation:

- Establish robust monitoring and evaluation frameworks to track the implementation and effectiveness of L&D policies and interventions.
- Facilitate cross-learning and knowledge-sharing among different regions and sectors to foster the exchange of best practices and lessons learned, enabling the continuous improvement of climate change adaptation and resilience strategies.

CONCLUSION

Climate change impacts go beyond just economic losses, affecting human well-being, cultural heritage, and the environment in profound ways. The development of a comprehensive assessment methodology for Non-Economic Losses and Damages (NELDs) is crucial to address this broader scope of climate change consequences.

By adopting these comprehensive policy recommendations, policymakers can ensure that the impacts of climate change are addressed holistically, addressing not just economic losses but also the broader human, sociocultural, and environmental dimensions of climate change.

By integrating these findings into climate action plans, policymakers and stakeholders can develop more targeted and effective interventions to mitigate and adapt to the effects of climate change. This might include, for example, investing in disaster risk reduction and

resilience-building measures, establishing civil society safety networks, livelihood support programs, and protecting and restoring natural ecosystems that provide critical services.

Overall, the incorporation of the dimensions of loss and damage into national and regional climate action plans is a crucial step in ensuring that the global response to climate change is both comprehensive and just. While efforts to mitigate greenhouse gas emissions and adapt to climate impacts are vital, they are no longer sufficient on their own. Many communities, particularly in vulnerable and developing regions, are already experiencing the irreversible consequences of climate change, such as the loss of lives, cultural heritage, land, and biodiversity, which cannot be fully addressed through mitigation or adaptation alone. Recognizing and responding to these dimensions is essential for closing the gaps in climate justice and accountability.

By integrating loss and damage into climate strategies, governments and stakeholders can better identify at-risk populations, mobilize targeted resources, and develop policies that offer compensation, rehabilitation, and long-term support. This also facilitates more informed decision-making, enhances risk preparedness, and strengthens the resilience of communities facing existential threats. Furthermore, such integration demonstrates solidarity with those most affected, reinforces the principles of equity and shared responsibility under international frameworks like the Paris Agreement, and contributes to a more humane and inclusive global climate agenda. It ensures that no one is left behind in the fight against climate change.

ABOUT THE AUTHORS



KHALID TEMSAMANI

Khalid Tamsamani holds a State Doctorate in Chemical Sciences from the Université Libre de Bruxelles (1988). He is a University Professor at the Faculty of Sciences at Abdelmalek Essaâdi University in Tétouan, Morocco. Among other functions, Professor Khalid Tamsamani served as Climate Change Adaptation Advisor for Water Resources at the Water, Environment, and Blue Economy Division of the Union for the Mediterranean in Barcelona (2018–2020), and as Director of the Scientific Francophonie Observatory Hub at AIFS–AUF Rabat from February 2023 to July 2024. Since July 2024, Khalid Tamsamani has been the Strategic Director of the Science Policy Platform for Climate Urgencies (SPP-C), whose Secretariat is hosted by P2A in Rabat, Morocco.



HAFSA EL BEKRI

Dr. Hafsa El Bekri is Advocacy and Executive Strategy Senior Associate at Positive Agenda Advisory since September 2023. Hafsa is a Full Professor (Professeur HDR) of International Economics at the Euromed University of Fes and a researcher at the Institute for Research in European, Mediterranean, and African Studies, which she co-directed in 2022. Her research projects focus on South–South economic relations, particularly the internationalization of Moroccan banks in West Africa, regional value chains, and regional economic integration in Africa through the AfCFTA (African Continental Free Trade Area) project.

ABOUT THE POLICY CENTER FOR THE NEW SOUTH

The Policy Center for the New South (PCNS) is a Moroccan think tank aiming to contribute to the improvement of economic and social public policies that challenge Morocco and the rest of Africa as integral parts of the global South.

The PCNS pleads for an open, accountable and enterprising "new South" that defines its own narratives and mental maps around the Mediterranean and South Atlantic basins, as part of a forward-looking relationship with the rest of the world. Through its analytical endeavours, the think tank aims to support the development of public policies in Africa and to give the floor to experts from the South. This stance is focused on dialogue and partnership, and aims to cultivate African expertise and excellence needed for the accurate analysis of African and global challenges and the suggestion of appropriate solutions.

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All opinions expressed in this publication are those of the authors.

Policy Center for the New South

Rabat Campus of Mohammed VI Polytechnic University,
Rocade Rabat Salé - 11103
Email : contact@policycenter.ma
Phone : +212 (0) 537 54 04 04
Fax : +212 (0) 537 71 31 54



www.policycenter.ma

