SEMINAR REPORT: CLIMATE FINANCE - WHAT IS A FAIR CONTRIBUTION, AND HOW CAN THE FUNDS REACH THE MOST VULNERABLE COMMUNITIES?

Dry corridor in Guatemala. Photo: Pablo Tosco/Oxfam Intermón

Key takeaways and discussions from the Oxfam Sweden seminar at Medelhavsmusset, April 10, 2025

OXFAM Sverige

INTRODUCTION

The accelerating impacts of climate change are devastating communities worldwide, with lower-income countries bearing the brunt. In Latin America and the Caribbean (LAC), millions are facing irreversible losses—of lives, land, livelihoods, and cultural heritage. These losses are compounded by the region's colonial legacy and entrenched global inequalities, which continue to shape today's vulnerabilities.

Despite contributing just 5% of global greenhouse gas emissions, the LAC region is disproportionately affected by the climate crisis. It harbors 40% of the planet's biodiversity and is home to numerous Indigenous communities who are already marginalized. The Caribbean alone hosts 29 of the world's 57 Small Island Developing States (SIDS), which are acutely exposed to slow-onset climate impacts such as sea-level rise, prolonged drought, and coral reef degradation.

In this context, the seminar brought together a wide range of voices—including Indigenous leaders from Colombia and Guatemala, civil society actors, international climate researchers, and Sweden's Climate Ambassador and chief negotiator to the UN climate talks.

Through keynote presentations, case studies, and a panel discussion, participants addressed one of the most pressing moral and political challenges of our time: the need for fair and effective financing for Loss and Damage.

A clear message emerged: communities in the Global South are already paying for the climate crisis, often with their lives and futures.

Although the financial resources in high-income countries to support Loss and Damage exist, political will remains lacking. Resistance to recognizing historical responsibility, fears of legal liability, and the failure to classify Loss and Damage finance as separate from aid and climate finance continue to stall progress.

The seminar called for renewed urgency, justice, and leadership—especially from high-income countries like Sweden—to ensure that those most affected are not left behind.

Photo: Aldward Castillo/Unsplash

SPEAKERS

Dulcy Maria Cotes Van-Grieken
Is a leader within Fuerza de Mujeres Wayuu, an organization dedicated to defending the rights and territories of the Wayuu people in Colombia, with a special focus on the disproportionate effects that conflict and displacement have on women.

Guido Calderón
Is the General Coordinator of ASEDE (Asociación para la Educación y el Desarrollo) is a Guatemalan NGO works to empower marginalized rural communities, especially those affected by armed conflict and climate change.

Adrián Martínez Blanco
Is the Director and founder of La Ruta del Clima, a Costa Rican non-governmental organization (NGO) that advocates for public participation in climate governance and climate justice across Latin America, particularly in relation to loss and damage caused by climate change.

Carlos G. Aguilar
Is the Regional Coordinator Climate Justice at Oxfam in Latin America and the Caribbean.

Mattias Frumerie
Is Sweden's Climate Ambassador and Head of Delegation to the UN Framework Convention on Climate Change (UNFCCC).

Mira Alestig
Is a policy advisor in human rights and climate inequality at Oxfam Sweden. She authored one of the two briefs on climate finance needs that were discussed during the seminar.

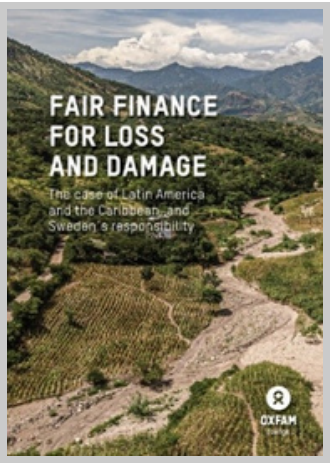
Zoha Shawoo
Is a Scientist at Stockholm Environment Institute (SEI) U.S. Center, a non-profit research institute conducting interdisciplinary research on sustainable development, focusing on areas such as energy systems, water resources, and climate policy. She authored one of the two briefs on climate finance needs that were discussed during the seminar.

Pictured left to right: Mattias Frumerie, Guido Calderón, Dulcy Maria Cotes Van-Grieken, Carlos Aguilar, Suzanne Standfast, Adrían Martínez Blanco. Photo: Oxfam Sweden

CONTEXT FOR THE SEMINAR -

NEW ANALYSIS FROM SEI AND OXFAM SWEDEN ON FAIR FINANCE FOR LOSS AND DAMAGE

In preparation for the seminar, two key briefs were published by the Stockholm Environment Institute (SEI) and Oxfam Sweden, each providing critical insights into how Sweden—and other high-income countries—can mobilize fair and just financing for Loss and Damage caused by climate change.



SEI: INNOVATIVE FINANCING INSTRUMENTS BASED ON THE POLLUTER PAYS PRINCIPLE

SEI's analysis, "Implementing innovative finance instruments for loss and damage", presents a detailed analysis of innovative financing instruments that high-income governments can implement to generate new and additional finance, guided by the polluter pays principle—those most responsible for emissions should bear the cost of climate-related harms.

OXFAM SWEDEN: SWEDEN'S RESPONSIBILITY IN THE GLOBAL LOSS AND DAMAGE CONTEXT

Oxfam Sweden's brief, "Fair Finance for Loss and Damage – The Case of Latin America and the Caribbean, and Sweden's Responsibility", underscores the disproportionate role that Sweden's consumption emissions play in causing climate harms. New analysis also shows that Sweden could - through innovative financing instruments that are guided by the polluter pays principle - free up resources equivalent to around 5 to 6 times more than Sweden's fair annual share of compensation for Loss and Damage.

KEY TAKEAWAYS AND DISCUSSIONS

Throughout the seminar, speakers and participants contributed a diverse range of perspectives, drawing on lived experiences from Indigenous communities, insights from human rights and development organizations, and analysis from international climate research. The discussions revealed the urgent realities communities face, the systemic barriers to finance, and concrete proposals to address global climate injustice. Below is a synthesis of the key takeaways.

1. COMMUNITIES ARE ALREADY PAYING THE PRICE

Speakers from Oxfam's partner organisations in Colombia and Guatemala gave powerful testimonies of how climate change is not a distant threat but a lived daily crisis.

Dulcy Maria Cotes Van-Grieken (Fuerza de Mujeres Wayuu) highlighted the devastating impact on Indigenous Wayuu communities in Colombia: crop failures, water scarcity, and malnutrition, particularly among children and newborns. She emphasized the compound effects of climate change, armed conflict, and extractive industries, stressing that Indigenous women are on the frontlines of this struggle. Their wish, she said, is simply to live as they did before.

Guido Calderón (ASEDE) described similar challenges in rural Guatemala—droughts, unpredictable rainfall, hailstorms, and rising vector-borne diseases like dengue.

These climate stressors have undermined agriculture, intensified food insecurity, and forced migration, especially among youth seeking work abroad. He noted that while Guatemala contributes only 0.7% of global emissions, it bears the full brunt of climate impacts.

Adrián Martínez Blanco (La Ruta del Clima) reminded the audience that wealthy countries continue to delay paying for Loss and Damage, while communities already foot the bill—restoring ecosystems, rebuilding homes, and relocating families. "Communities are already paying out of their own pockets—to restore nature, to stay where they live, to survive," Adrián said.

2. THE FUNDING PARADOX: THE MONEY EXISTS, BUT IT IS NOT BEING MOBILIZED

The key-note presentations revealed that there is no financial barrier to delivering fair Loss and Damage finance. What is required is the political courage to act—and to make those most responsible for the climate crisis pay for the harm they have caused.

Mira Alestig (Oxfam Sweden) underlined the fact that high-income countries—including Sweden—have a clear responsibility to contribute their fair share toward Loss and Damage financing, based on their historic emissions and financial capacity. For Sweden, this amounts to a minimum of US$ 4 billion annually by 2030. Yet, current contributions fall far short.

Zoha Shawoo (Stockholm Environment Institute) presented new analysis exploring innovative financing mechanisms that high-income countries could implement to generate substantial new revenue streams. All proposed instruments align with the polluter pays principle, ensuring that the most polluting and wealthiest actors contribute the most.

Key instruments analysed included:

- Wealth taxes on high-polluting individuals
- Frequent flyer levies on high-polluting individuals
- Windfall taxes on high-polluting corporations

Zoha Shawoo concluded that among these instruments, a wealth tax targeting highly polluting individuals offers the highest revenue potential, but its implementation hinges on national political will.

Building on SEI's analysis, Mira Alestig (Oxfam Sweden) revealed that Sweden could raise more than its annual fair share of compensation for Loss and Damage. A new wealth tax on millionaires and billionaires alone could generate over half of Sweden's low estimated fair share of US$4 billion annually. She concluded that of the Swedish government is serious about climate justice, it must be willing to implement fair and progressive taxation policies that hold the country's wealthiest and most polluting actors accountable.

3. POLITICAL AND STRUCTURAL OBSTACLES TO LOSS AND DAMAGE FINANCE

Throughout the presentations and panel discussion several obstacles were discussed for why richer countries do not meet Loss and Damage finance needs, despite the money theoretically being available.

a) Lack of Political Will

Carlos Aguilar (Oxfam Latin America and the Caribbean) criticized the prioritization of militarization over climate justice—highlighting how European countries spend billions on military defence but fail to fulfil their obligations on Loss and Damage financing.

Mira Alestig (Oxfam Sweden) stressed the need for strong national advocacy to push countries like Sweden to contribute their fair share.

One important key step is to change the narrative that "there is no money"—highlighting that funding could be mobilised using the polluter pays principle at national level. She noted the growing trend of development aid being aligned with national economic interests, weakening its effectiveness and moving away from principles of solidarity and justice.

b) Fear of Legal Liability

Adrián Martínez Blanco (La Ruta del Clima) underlined that rich countries have long resisted acknowledging responsibility for Loss and Damage to avoid potential legal liability and future reparation claims. He emphasized that using legal frameworks and court rulings—even if symbolically—can be a tool to establish accountability and shift the discourse toward recognition of harm.

c) Lack of Separate Classification of Loss and Damage Finance

Despite growing acknowledgment of Loss and Damage, its place within international climate finance remains contested. Significant gaps remain in how Loss and Damage is treated and financed. This was also recognisable at the seminar.

Carlos Aguilar (Oxfam Latin America and the Caribbean) pointed out that the COP29 agreement on a new US$ 300 billion finance target failed to include Loss and Damage—an alarming omission.

Mattias Frumerie (Sweden's Climate Ambassador) argued that the concept of "new and additional finance" is obsolete. He explained that Sweden's development aid also contributes to combatting climate change and implied that there's no need to separate or add funding categories.

Adrián Martínez Blanco (La Ruta del Clima) stressed that Loss and Damage must be a separate category, distinct from adaptation and development. He warned that blending Loss and Damage with adaptation allows richer countries to avoid responsibility and legal liability for historical emissions and climate harm.

Mira Alestig (Oxfam Sweden) emphasized that Loss and Damage funds must truly be additional to existing commitments for development and humanitarian assistance and climate finance. She warned that shifting funding away from critical adaptation and humanitarian aid ultimately negatively affects the enjoyment of human rights.

4. APPROACHES TO MOBILIZE CLIMATE FINANCE

A central point of divergence between government and civil society was how to scale and deliver finance.

While Mattias Frumerie (Sweden's Climate Ambassador) stressed the need to attract private capital and emphasized Sweden's commitment to investing more in developing countries.

Mira Alestig (Oxfam Sweden) argued that public, grant-based finance must be the foundation of any effective Loss and Damage finance strategy. She raised concerns about the growing trend of wealthy countries aligning development aid with national (economic) self-interest, which risks undermining the equity of aid delivery and preventing funds from reaching the most vulnerable communities.

She also emphasized that all contributions to the Fund for Responding to Loss and Damage (FRLD) must be made in the form of grants—not loans. She underscored that using loans would further burden already indebted countries. In addition, requiring repayment would effectively force countries and communities to pay twice for losses and damages they did not cause.

5. ENSURING CLIMATE FINANCE REACHES THOSE MOST IN NEED

There was strong consensus on the importance of climate finance being directed to those most in need. But questions remain on how effectively this is happening.

Guido Calderón (ASEDE) expressed scepticism about whether the existing funds are reaching those most in need. He questioned why adaptation funds are often not reaching affected communities, despite being promised or available at national levels.

Mattias Frumerie (Sweden's Climate Ambassador) emphasized the importance of addressing barriers to accessing funds, such as bureaucratic challenges. He pointed to the scattered landscape when it comes to climate funds and the administrative rules and procedures that make it complex.

Adding an additional fund – such as the Fund for Responding to Loss and Damage - adds to the complexity. There is still scepticism towards the fund for L&D regarding its efficiency. But Sweden is part of the process to make sure it can deliver results for those affected.

Adrián Martínez Blanco (La Ruta del Clima) stressed that, in order to make the Fund for Responding to Loss and Damage accessible to those most in need, the Fund needs to have a strong focus on community access, focusing on the provision of small grants and the implementation of community-led interventions, not a funding model centered around large international organizations as existing funds often are.

Pictured: Adrían Martinez Blanco (La Ruta Del Clima). Photo: Oxfam Sweden

Mira Alestig (Oxfam Sweden) said that while any decision on an initial resource allocation system should ensure that small island developing states (SIDS) and Least Developed Countries (LDCs) can have equitable access to funding in line with the governing instrument of the Fund for Responding to Loss and Damage, such as through a minimum allocation floor, this must avoid exclusion of other countries and regions – such as Latin America and the Caribbean – where communities are facing major climate losses and damages.

Pictured: Mira Alestig, (Oxfam Sweden). Photo: Oxfam Sweden

SUMMING UP AND LOOKING FORWARD

The seminar underscored a fundamental truth: the communities least responsible for the climate crisis are the ones paying the highest price. From the Wayuu people in Colombia to rural communities in Guatemala, powerful testimonies revealed how climate change is already eroding lives, livelihoods, and cultures. Meanwhile, governments in the Global North —who hold the financial means — have yet to fully commit to fair and effective Loss and Damage finance.

Looking forward, there is a clear need to continue pushing for political action, especially ahead of key international climate negotiations. Civil society, researchers, and frontline communities must continue to build pressure on governments to meet their obligations, adopt innovative financing tools, and uphold climate justice.

Seedling in Bolivia. Photo: Samuel Nacar / Oxfam Intermón