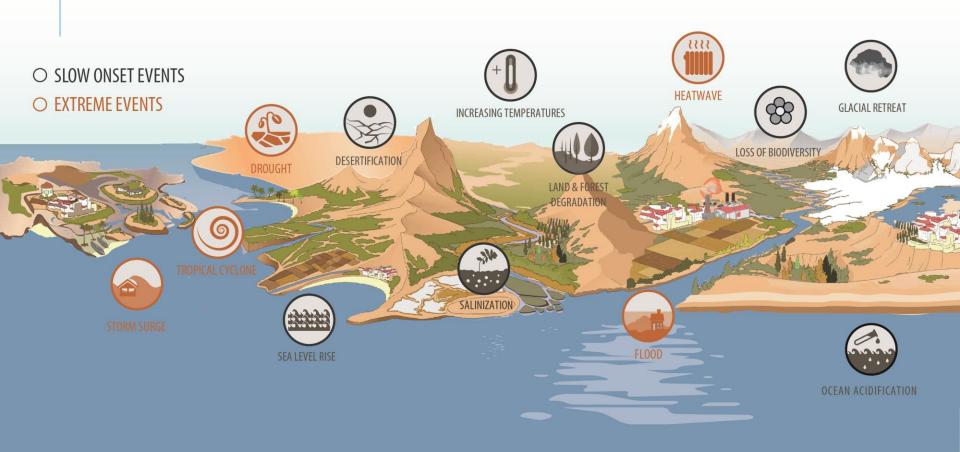


LOSS AND DAMAGE

ONLINE GUIDE

As of March 2024

OVERVIEW



ECONOMIC LOSSES

BUSINESS

OPERATIONS

INCOME











PHYSICAL ASSETS





INDIVIDUALS

NON-ECONOMIC LOSSES













BIODIVERSITY



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SOCIETY ENVIRONMENT

OVERVIEW IMPACTS OF CLIMATE CHANGE

Impacts of climate change include <u>slow onset events</u> and <u>extreme weather events</u> which may both result in loss and damage.

Slow Onset Events

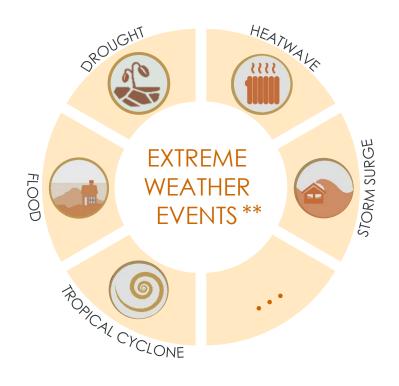
Slow onset events usually develop gradually over time, and their impacts are often based on a confluence of several different events (UNFCCC, 2012).

Extreme Weather Events

An extreme weather event is an event that is rare at a particular place and time of a year (IPCC, 2012).

OVERVIEWEXAMPLES OF SLOW ONSET EVENTS AND EXTREME WEATHER EVENTS





*As referred to in Decision 1/CP.16

** Those presented are examples

OVERVIEW

TYPES OF LOSS & DAMAGE

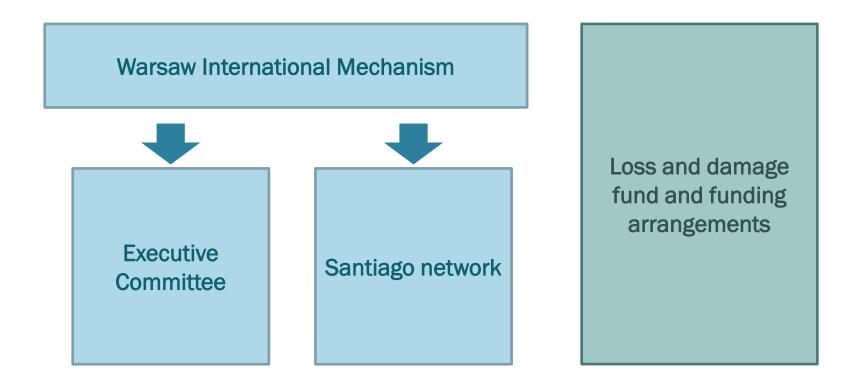
Economic losses can be understood as the loss of resources, goods and services that are commonly traded in markets.



Non-economic losses can be understood as the remainder of items that are not commonly traded in markets.



LOSS AND DAMAGE UNDER THE UNFCCC PROCESS



WARSAW INTERNATIONAL MECHANISM

The <u>Warsaw International Mechanism</u> for Loss and Damage (WIM) was established at COP19 in 2013.

It is the main vehicle in the UNFCCC process to address loss and damage associated with climate change impacts in developing countries that are particularly vulnerable to the adverse effects of climate change, in a comprehensive, integrated and coherent manner.



WARSAW 2013

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WARSAW INTERNATIONAL MECHANISM FUNCTIONS

The WIM promotes the implementation of approaches to address loss and damage associated with the adverse effects of climate change by undertaking the following functions:



 Enhancing knowledge and understanding of comprehensive risk management approaches.



 Strengthening dialogue, coordination, coherence and synergies among relevant stakeholders.

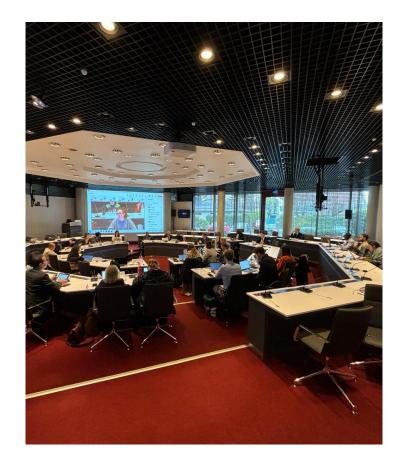


 Enhancing action and support, including, finance, technology and capacity-building.

EXECUTIVE COMMITTEE OF THE WARSAW INTERNATIONAL MECHANISM

The Executive Committee (ExCom) was also established at COP 19 and is mandated to guide the implementation of the functions of the WIM.

The ExCom meets at least twice a year and reports its progress annually to the Parties through the subsidiary bodies.



EXPERT GROUPS



EXPERT GROUPS OF EXCOM Technical Expert Expert Expert Expert Group on group on Task Force on group on group on Comprehensive Non-Displacement Slow Onset **Action and** Risk **Economic Events** Support Management Losses

PARIS AGREEMENT

<u>Article 8</u> anchored loss and damage in the <u>Paris Agreement</u> which was adopted at COP 21. Areas of cooperation and facilitation to enhance understanding, action and support include:

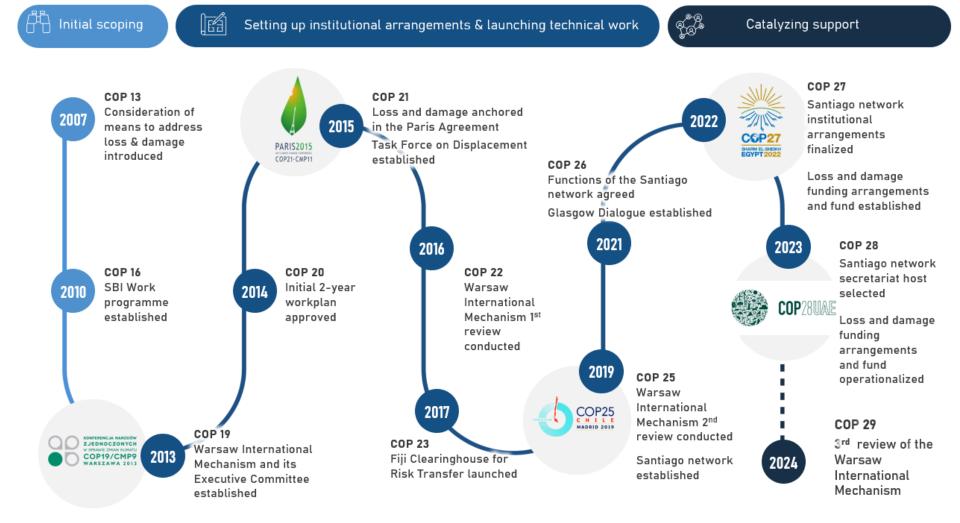


The COP also requested the ExCom to establish a <u>clearing house for risk</u> transfer and a <u>task force on displacement in Decision 2/CP.21</u>.

SANTIAGO NETWORK

- The <u>Santiago network</u> for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change was established <u>at COP</u> <u>25/CMA 2</u> as a result of the 2nd review part of the WIM.
- Its aim is to catalyse technical assistance of relevant organizations, bodies, networks and experts, for the implementation of relevant approaches to avert, minimize and address loss and damage at the local, national and regional level, in developing countries that are particularly vulnerable to the adverse effects of climate change.
- The Santiago network is comprised by :
 - A secretariat that facilitate its work, hosted by a consortium of UNDRR-UNOPS;
 - An Advisory Board that provide guidance and oversight to the Santiago network secretariat on the effective implementation of the functions of the network;
 - A network of member organizations, bodies, networks and experts covering a wide range of topics relevant to averting, minimizing and addressing loss and damage;

MILESTONES ON LOSS AND DAMAGE



COP 13 3-14 DEC 2007

COP 13 (2007) adopted the <u>Bali Action Plan</u>, where 'loss and damage' was first introduced as part of enhanced action on adaptation, including:

- Disaster reduction strategies and means to address loss and damage associated with climate change impacts in developing countries that are particularly vulnerable to the adverse effects of climate change;
- Risk management and risk reduction strategies, including risk sharing and transfer mechanisms such as insurance.



MILESTONES ON LOSS AND DAMAGE

INITIAL SCOPING

COP 16 (2010) established a work programme on loss and damage under the SBI (2011-2013) to:

- Consider approaches to address loss and damage, including impacts of extreme weather events and slow onset events in developing countries that are particularly vulnerable;
- Strengthen international cooperation and expertise in order to understand and reduce loss and damage.

The <u>Subsidiary Body for Implementation</u> (SBI) undertook technical work in the following three areas:

- Assessing the risk of loss and damage;
- A range of approaches to address loss and damage;
- The role of the Convention.



MILESTONES ON LOSS AND DAMAGE

THE SUBSIDIARY BODY FOR IMPLEMENTATION (SBI)

Technical documents produced by the SBI with respect to the three work areas:

Assessing the risk of loss and damage

- <u>Technical paper on loss</u> and damage; current knowledge on methodologies, lessons learned and gaps.
- Expert meeting on assessing loss and damage.

A range of approaches to address loss and damage

- <u>Literature review</u> on a range of approaches to address loss and damage in Africa, Latin America, Asia and small island developing states.
- Expert meetings on the abovementioned thematic areas.
- Technical paper on <u>slow onset</u> events.
- Technical paper on <u>non-economic losses</u>.
- Expert meetings on future needs to address slow onset events.

The role of the Convention

Technical paper on gaps in institutional arrangements to address loss and damage.

COP 16 29 NOV-10 DEC 2010

COP 16 (2010) established, as enhanced action on adaptation, a work programme on loss and damage to:

- Consider approaches to address loss and damage, including impacts of extreme weather events and slow onset events in developing countries that are particularly vulnerable;
- The <u>Subsidiary Body for Implementation</u> (SBI) to agree on activities to be undertaken in the work programme;
- Strengthen international cooperation and expertise in order to understand and reduce loss and damage.



COP 18 26 NOV-8 DEC 2012

COP 18 (2012) decided to establish an international mechanism at COP 19 to address loss and damage associated with the impacts of climate change in developing countries.



The COP requested the secretariat to carry out the following:

- An expert meeting to consider future needs, including capacity needs associated with possible approaches to address slow onset events, and to prepare a report for consideration by the SBI at its thirty-ninth session;
- Preparation of a <u>technical paper</u> on non-economic losses;
- Preparation of a <u>technical paper</u> on gaps in existing institutional arrangements, within and outside of the Convention to address loss and damage, including those related to slow onset events.

COP 19 11-22 NOV 2013

COP19/CMP9
UNITED NATIONS
CLIMATE CHANGE CONFERENCE
WARSAW 2013

COP 19 (2013) established the <u>Warsaw International Mechanism</u> for Loss and Damage (WIM) and its <u>Executive Committee</u> (ExCom) to address loss and damage associated with climate change impacts in developing countries that are particularly vulnerable to the adverse effects of climate change.

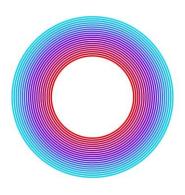
Key decisions include:

- <u>Functions</u> of the Mechanism established;
- ExCom to report its progress annually to the Parties through the subsidiary bodies;
- Review of its structure, mandate and effectiveness at COP22, with a view to adopting an appropriate decision on the outcome of this review.



COP 20 1-14 DEC 2014

COP 20 (2014) approved the initial two-year workplan of the Excom, and decided on the composition and governance of the ExCom:





- Excom to comprise 20 members:
 - 10 members from Annex 1 Parties;
 - 10 members from non-Annex 1 Parties;
- ExCom may establish expert groups, subcommittees, panels, thematic advisory groups or task-focused ad hoc working groups, in an advisory role, to help execute the work of the Executive Committee;
- Excom shall meet at least twice per year.



COP 2130 NOV-11 DEC 2015

The <u>Paris Agreement</u> was adopted at COP 21, where <u>Article 8</u> set out areas of cooperation and facilitation to enhance understanding, action and support, and stated that the WIM shall be subject to the authority and guidance of the <u>CMA</u>.

Other key decisions include:

- Establishment of a <u>clearing house for risk transfer</u>
 to serve as a repository for information on insurance
 and risk transfer;
- Establishment of a <u>task force on displacement</u> to develop recommendations for integrated approaches to avert, minimize and address displacement.



COP 22 7-18 NOV 2016

COP 22 (2016) approved the <u>five-year rolling workplan</u> as the basis for developing corresponding activities, starting at the first ExCom meeting in 2017.

MARRAKECH
COP22 2016 CMP12
UN CLIMATE CHANGE CONFERENCE

The Excom was requested to include in its five-year rolling workplan the following:

- A strategic workstream to guide the implementation of the WIM's function to enhance action and support, including finance, technology and capacity-building;
- Operationalization of the Paris mandates, i.e. establishment of a <u>clearing house for</u> <u>risk transfer</u> and a <u>task force on</u> <u>displacement</u>.

COP 22 FIRST REVIEW OF THE WIM

Having considered the mandate, structure and effectiveness of the Warsaw International Mechanism, the COP recommended, *inter alia*:



- Periodic review process to take place no more than five years apart, with the <u>second review</u> to be held in 2019;
- Future reviews to cover progress on the implementation of the ExCom's workplan and its long-term vision;
- Preparation of a <u>technical paper</u> elaborating the sources of financial support, as an input to the 2019 review, as provided through the <u>Financial Mechanism</u>, for addressing loss and damage as described in relevant decisions, as well as modalities for accessing such support;
- Parties to establish a loss and damage contact point through their national focal point.

COP 23 6-17 NOV 2017

COP 23 (2017) welcomed the progress made by the Executive Committee in operationalizing the <u>Fiji Clearing House for Risk Transfer</u> and the <u>Task Force on Displacement</u>.



The COP requested the ExCom to, inter alia:

- Consider cross-cutting issues and current, urgent and emerging needs related to extreme weather events and slow onset events, when updating its five-year rolling workplan.
- Organize an <u>expert dialogue</u> and prepare a <u>technical report</u> exploring information, inputs and views on ways of facilitating the mobilization of expertise and enhancement of support for averting, minimizing and addressing loss and damage.

COP 24 2-14 DEC 2018

COP 24 (2018) adopted the <u>recommendations</u> of the ExCom on integrated approaches to avert, minimize and address displacement related to climate change and encouraged the ExCom to continue its work on <u>human mobility</u> under its <u>five-year rolling workplan</u>.



The <u>CMA</u> invited interested Parties to provide information, as part of the information related to climate change impacts and adaption under <u>Article 7</u> of the Paris Agreement, related to enhancing understanding, action and support to avert, minimize and address loss and damage (<u>Decision 18/CMA.1</u>).

The CMA also invited the ExCom, among others, to prepare synthesis reports on relevant information for the technical assessment in the context of the global stocktake (<u>Decision 19/CMA.1</u>).

COP 25/CMA 2 2-13 DEC 2019



The <u>second review of the WIM</u> provided guidance on how the Mechanism could be strengthened, particularly by increasing collaboration and coordination to scale up the mobilization of resources, action and support for developing countries.

Key recommendations enable the **Executive Committee** to:

- Further engage and strengthen its dialogue with the <u>Standing</u>
 <u>Committee on Finance</u> (SCF) and liaise with the <u>Green Climate</u>
 <u>Fund</u> (GCF) to clarify how developing countries may access funding.
- Launch the expert groups on <u>slow onset events</u> and <u>non-economic</u> <u>losses</u>, establish an expert group on <u>action and support</u>, and develop technical guides within each of its thematic workstreams.

As part of strengthening the Mechanism, the CMA established the Santiago network to catalyze technical assistance for the most vulnerable countries.

COP 26/CMA 3 1-12 NOV 2021



CMA 3 further strengthened the Santiago network:

- By agreeing on its functions that catalyze demand-driven technical assistance to respond to the priority needs of developing countries, and that, in support of these functions, the Santiago network will be provided with funds;
- A process for further developing its institutional arrangements.

COP 26 endorsed the decision taken by CMA 3.

The <u>Glasgow Climate Pact</u> established the Glasgow Dialogue between Parties, relevant organizations and stakeholders to discuss the arrangements for the funding of activities to avert, minimize and address loss and damage.

COP 27/CMA 4 6-20 NOV 2022



<u>2/CP.27</u> and <u>2/CMA.4</u> established new funding arrangements for responding to loss and damage, including a fund with a focus on addressing loss and damage. A <u>Transitional Committee</u> tasked with preparing recommendations on the operationalization of these new funding arrangements, including the fund, to be adopted by COP28/CMA 5 was also established.

12/CMA.4 endorsed by 11/CP.27 further strengthened the Santiago network by:

- Finalizing its institutional arrangements, including a Secretariat and an Advisory Board;
- Establishing a process for host selection to be finalized by 2023

<u>13/CMA.4</u> endorsed by <u>12/CP.27</u> welcomed the adoption of the <u>second five-year</u> rolling workplan of the ExCom, of the <u>third Plan of Action of the TFD</u> and of <u>the second Plan of Action of the TEG-CRM</u>.

COP 28/CMA 5 30 NOV - 13 DEC 2023



COP28UAE

<u>1/CP.28</u> and <u>5/CMA.5</u> adopted a governing instrument for the <u>loss and damage fund</u> and decided it will be serviced by a new secretariat, governed and supervised by a Board and designated as an operating entity of the Financial Mechanism. They also endorsed the recommendations of the TC on funding arrangements, including on establishing an annual high-level dialogue.

<u>1/CMA.5</u> mandated the ExCom to prepare, building on the work of its expert groups, voluntary guidelines for enhancing the collection and management of data and information to inform the preparation of BTRs.

<u>6/CMA.5</u>, endorsed by <u>2/CP.28</u>, further strengthened the <u>Santiago network</u> by selecting a host for its secretariat (UNOPS – UNDRR consortium) and adopting a memorandum of understanding between Parties and the host.

<u>7/CMA.5</u>, endorsed by <u>3/CP.28</u>, endorsed the ExCom report and requested the ExCom to continue developing, in collaboration with its expert groups, technical guides on relevant topics under all the strategic workstreams of its workplan, and promote their use at regional and national levels.

Considerations related to the governance of the WIM will continue at COP 29 and CMA 6

FURTHER INFORMATION

You can find further information on the dedicated <u>webpages</u> on the UNFCCC website:

- Loss and damage <u>chronology</u>
- Loss and damage <u>decisions and conclusions</u>
- Warsaw International Mechanism (WIM)
- Executive Committee of the WIM
- <u>Santiago network</u> for technical assistance under the WIM
- <u>Transitional Committee</u>
- Loss and damage <u>fund</u>