

Preparing the adaptation chapter of biennial transparency reports: A template for countries

SECTION 8: LOSS AND DAMAGE

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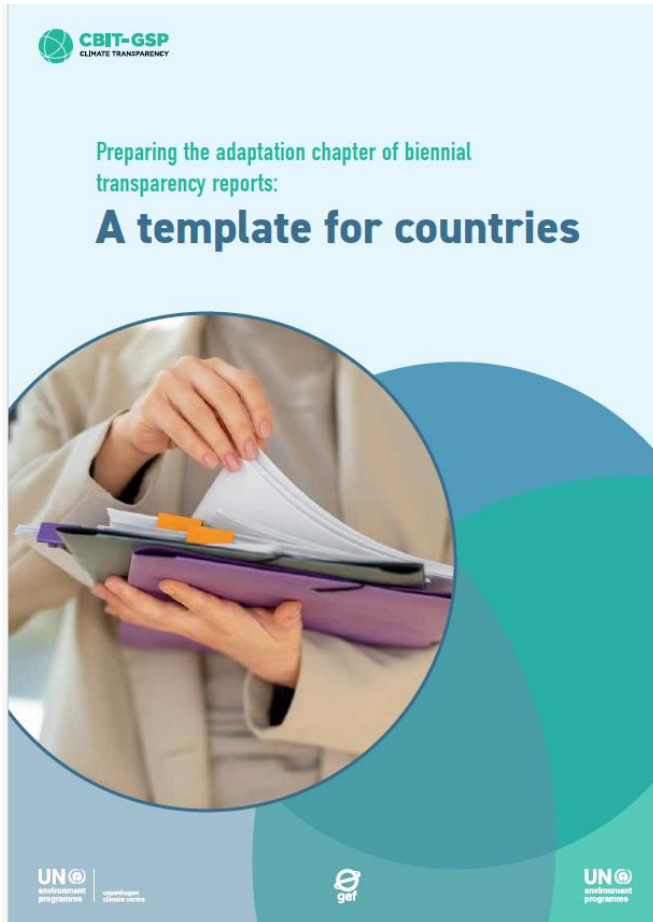


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Why did we address Loss and Damage in this guide?



Reporting on loss and damage within Biennial Transparency Reports (BTRs) is new under the Enhanced Transparency Framework (ETF). Unlike adaptation reporting, which uses the prefix **should**, loss and damage reporting is prefixed with **may**, making it **voluntary rather than mandatory**.

Why is presenting information on Loss and Damage important?

1. It will determine the extent to which the **global stocktake** can track progress in addressing loss and damage caused by climate change.
2. It will determine the extent to which:
 - Efforts to address loss and damage are recognized globally.
 - Countries can share knowledge about best practices and lessons learned.
 - They can effectively communicate critical information to key stakeholders, including vulnerable populations and international partners.

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Recommendations for reporting on loss and damage

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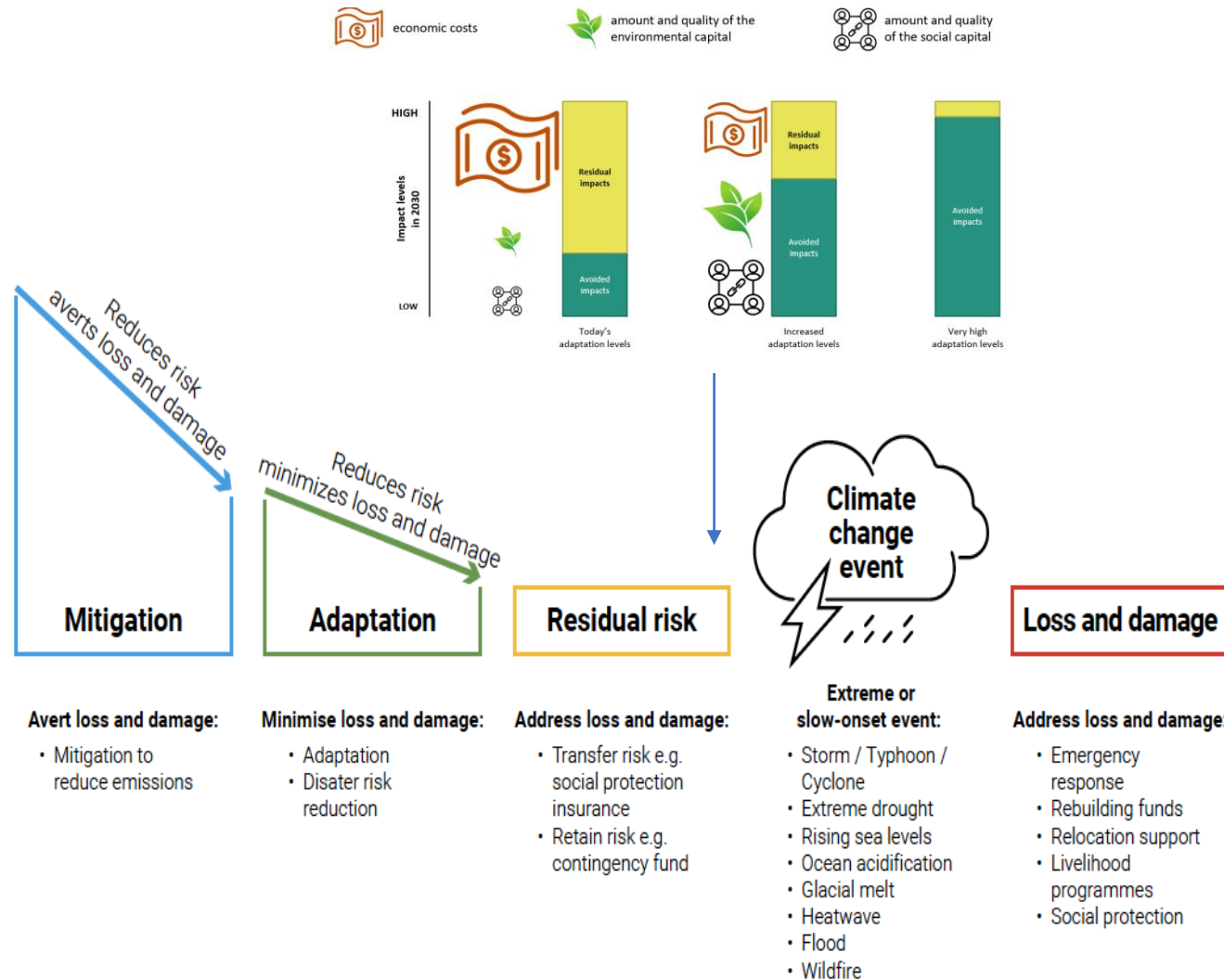
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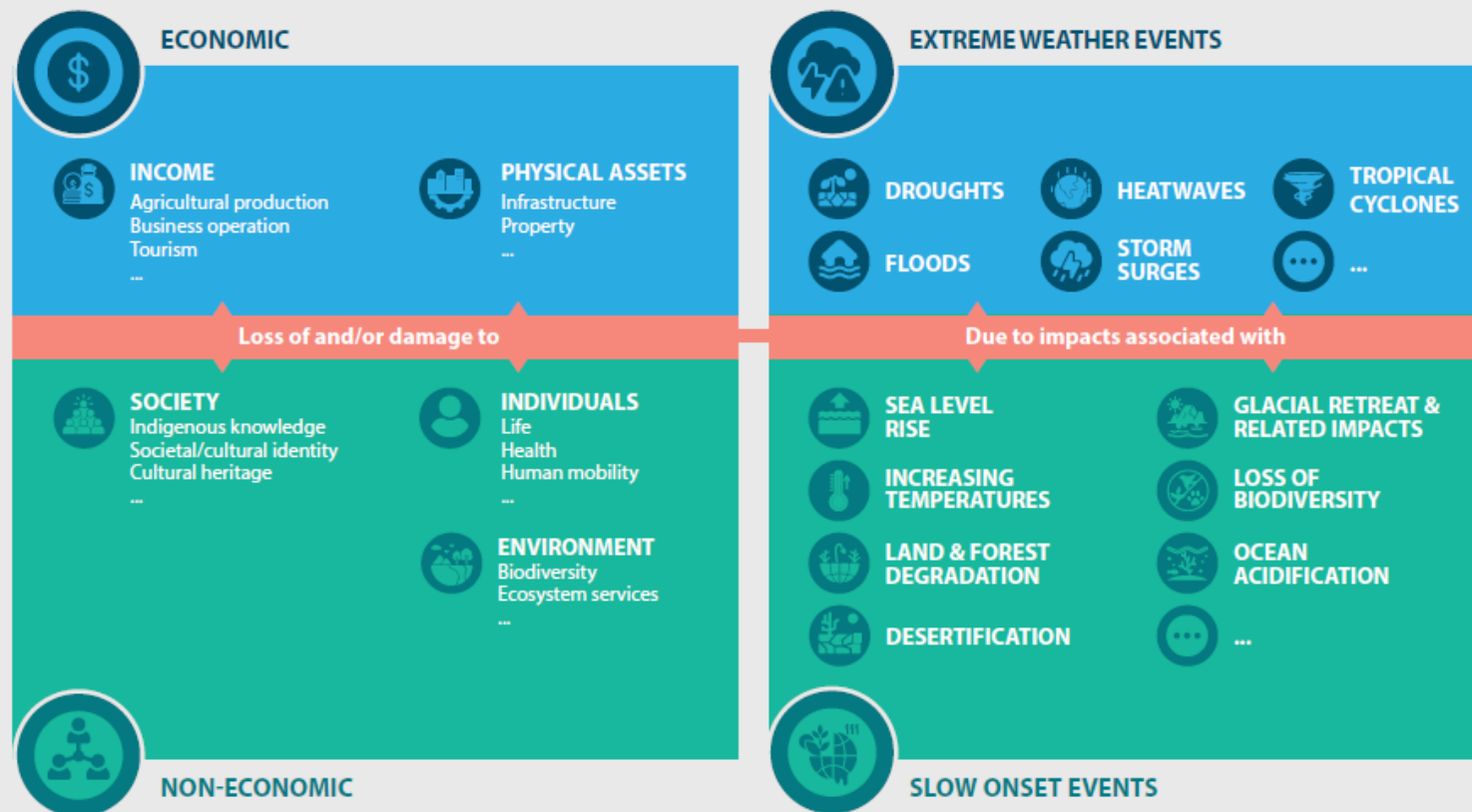
What is loss and damage?



- **Adverse effects** of climate change that **are not or cannot be avoided by mitigation or adaptation**.
- **Hard adaptation** limits, physiological responses to climate change.
- **Soft adaptation** limits, failures to implement adaptation actions for culture, political and or economic reasons.

Examples of economic and non-economic loss and damage from extreme and slow onset events

Fig. 7



Source: adapted from UNFCCC (2019b)

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The Importance of Integrating Loss and Damage in NDCs and BTR

Key Points:

- **Holistic Climate Action:** Integrating adaptation & loss and damage gives a full picture of climate risks.
- **Alignment with Global Frameworks:** Connects with SDGs, Sendai Framework, and Paris Agreement goals.
- **Resource Mobilization:** Helps secure financial & technical support for climate resilience.
- **Policy Coherence:** Avoids silos between mitigation, adaptation, and loss & damage policies.

=> **Fact:** Over **70% of current NDCs** mention adaptation, but **fewer explicitly address loss & damage**.

- A more recent analysis by WRI from July 2023 indicated that around 40% (74 countries) of NDCs include mentions of loss and damage

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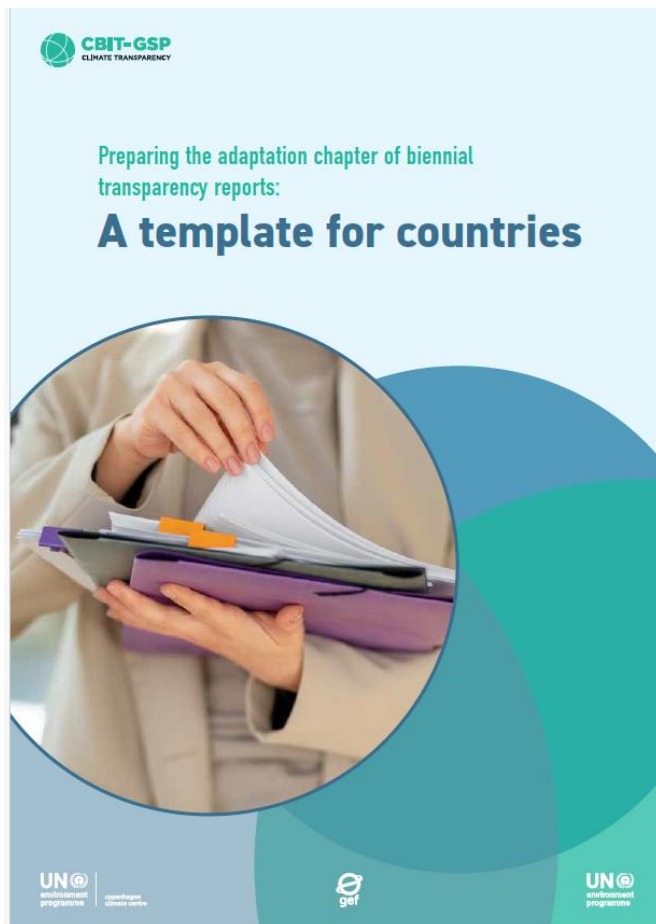


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Addressing loss and damage



For countries, addressing loss and damage involves:

- developing or strengthening, as relevant, the institutional framework for addressing loss and damage,
- implementing responses to past, present or likely-future loss and damage, and
- building monitoring and reporting capacities to manage loss and damage.

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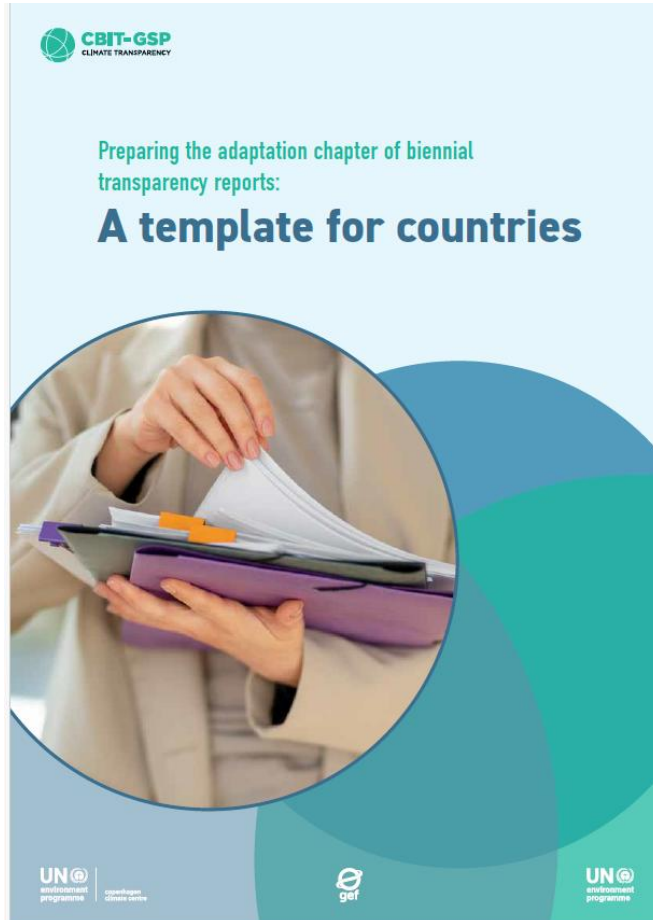


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Addressing loss and damage requires:

- Strengthening legal and policy frameworks
- Enhancing coordination mechanisms
- Developing financial systems
- Building institutional arrangements

These frameworks guide and enable action to respond to climate impacts effectively.

Key Insight:

Due to synergies with adaptation, disaster risk reduction (DRR), and disaster risk management (DRM), countries often build on existing frameworks instead of creating new ones.

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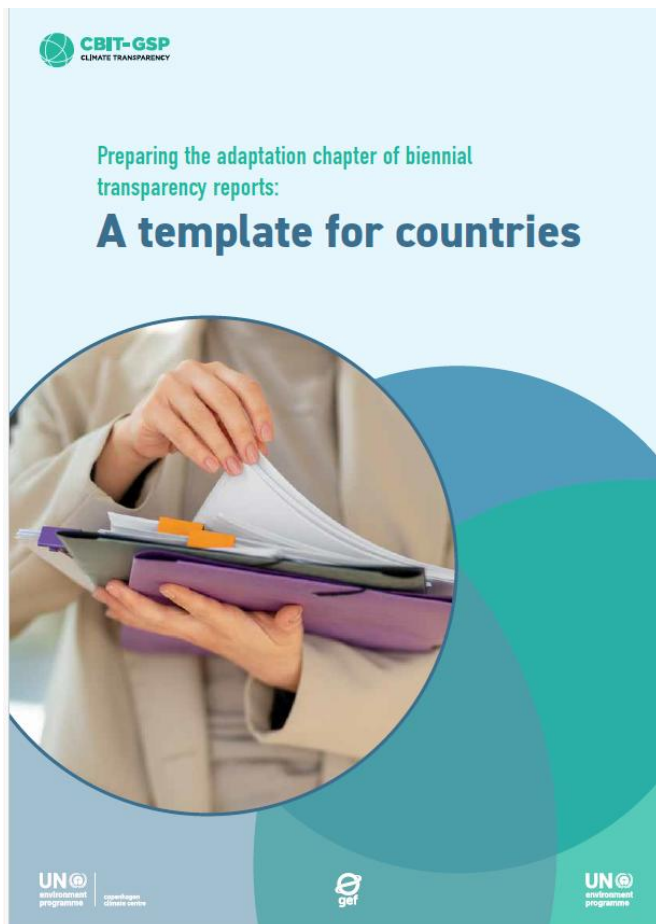
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Actions for Addressing Loss and Damage



Direct Actions and Decision-Making Support

1. Direct Actions:

1. Economic Losses: Rebuilding livelihoods, risk insurance, social protections, compensation, humanitarian aid.
2. Non-Economic Losses: Cultural preservation, planned relocation, ecosystem restoration, counseling, active remembrance.

2. Decision-Making Support:

1. Developing loss and damage databases.
2. Conducting climate risk assessments.
3. Building capacity for data collection and analysis.

Challenge:

- Overlaps exist between loss and damage, adaptation, and DRR policies, making categorization difficult when reporting to the UNFCCC.

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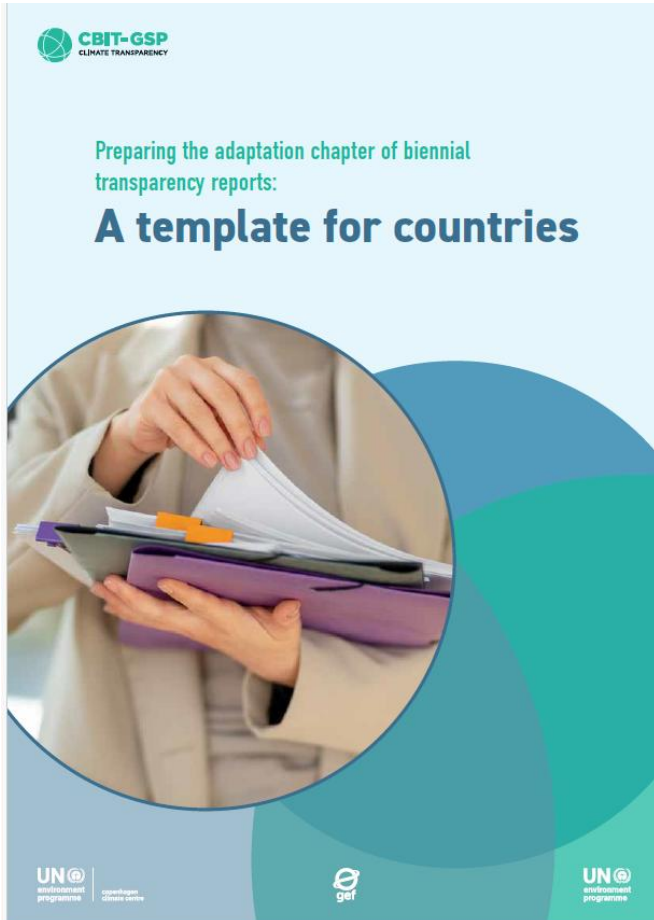


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Examples of actions for addressing economic and non-economic loss and damage

	Implemented ahead of a climate event	Implemented during or post a climate event
Actions for addressing economic loss and damage		
Extreme weather events	<p>Social protection actions, including pre-disaster financial support</p> <p>Risk layering, risk retention, risk transfer (e.g. climate insurance)</p> <p>Early warning and impact-based forecasting</p> <p>Loss and damage databases to support decision-making and risk assessments</p>	<p>Humanitarian assistance</p> <p>Short- and long-term recovery and rehabilitation</p> <p>Support for rebuilding livelihood</p> <p>Rebuilding damaged infrastructure</p> <p>Compensation</p>
Slow-onset events	<p>Livelihood diversification with reskilling and support for alternative livelihoods</p> <p>Planned relocation/Assisted migration</p> <p>Social protection actions (e.g. social assistance and safety net programmes)</p>	<p>Support for rebuilding livelihood</p> <p>Rebuilding damaged infrastructure</p> <p>Compensation</p>
Actions for addressing non-economic loss and damage		
Extreme weather events	<p>Early warning and impact-based forecasting (e.g. to enable timely evacuation)</p> <p>Through assisted migration, support to people in areas at high risk of extreme events to relocate to safer areas and avoid disaster displacement</p>	<p>Reparations to help ensure future well-being following loss</p> <p>Recognition of loss and repair of damage; official apologies</p> <p>Active remembrance (e.g. through museum exhibitions, school curricula)</p> <p>Counselling</p> <p>Support for communities to preserve their unique culture and social ties outside their traditional/former place of residence (particularly for displaced/relocated populations)</p> <p>Enabling access/safe visits to abandoned sites</p> <p>Conservation and restoration of ecosystems and biodiversity</p>
Slow-onset events	<p>Investment to safeguard cultural heritage (e.g. restoring or rehousing artefacts); support for intangible cultural heritage (e.g. documentation)</p> <p>Developing culturally sensitive and people-centred planned relocation guidelines and processes</p>	<p>Reparations to help ensure future well-being following loss</p> <p>Recognition of loss and repair of damage; official apologies</p> <p>Active remembrance (e.g. through museum exhibitions, school curricula)</p> <p>Counselling</p> <p>Support for communities to preserve their unique culture and social ties outside their traditional/former place of residence (particularly for displaced/relocated populations)</p> <p>Enabling access/safe visits to abandoned sites</p> <p>Conservation and restoration of ecosystems and biodiversity</p>

Guidance for Reporting on Loss and Damage



The part provides guidance for reporting on the different strands of information requested by section G of the MPGs.

This includes guidance for:

- Observed and anticipated loss and damage (Section 8.2.1)
- Actions planned or implemented to address loss and damage (Section 8.2.2)
- Institutional arrangements facilitating implementation (Section 8.2.3)

Key Challenges:

- Reporting requires robust data on:
 - Slow-onset events
 - Anticipated future impacts
 - Non-economic loss and damage
- Data gaps often arise due to:
 - Technical challenges in assessing these dimensions
 - Focus on economic losses over non-economic losses in post-disaster assessments

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Likely sources of information for different dimensions of loss and damage

Dimension of loss and damage	Potential Information source
Past loss and damage due to extreme weather events	Post-disaster impact assessments ⁴⁵ Case studies from afflicted communities Global disaster databases (e.g. EM-DAT)
Future loss and damage due to extreme weather events	Climate impact, risk and vulnerability (IRV) assessments that integrate climate impact modelling, attribution science, observational data, and historical records
Past loss and damage due to slow onset events	Scientific studies and technical reports (e.g. IPCC reports, CLIMIG Database [2015–2020]) Case studies from afflicted communities
Future loss and damage due to slow onset events	Climate IRV assessments that integrate some or – ideally – all of the following: climate impact modelling, observational data and historical records, socioeconomic analyses, local knowledge, policy analysis, and financial considerations.

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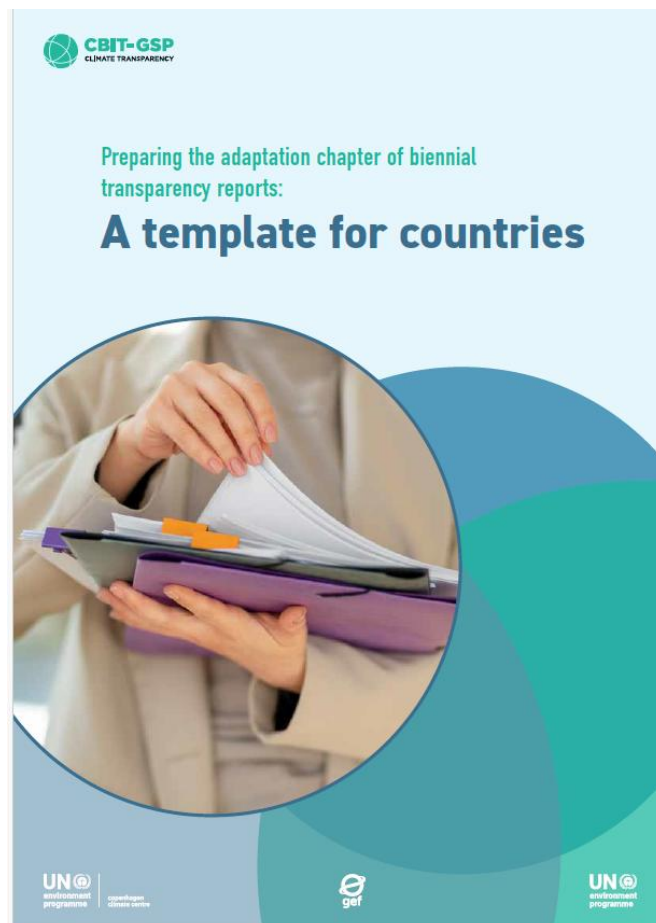
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Using narratives and case studies to cover loss and damage data gaps



•Alternative Reporting Methods:

- When data gaps hinder reporting, countries can use narratives and case studies to convey impacts.
- These methods provide insights into how loss and damage are experienced, even without robust quantitative data.

•Benefits of Narratives and Case Studies:

- Highlight real-world impacts of climate change on vulnerable communities.
- Offer qualitative evidence where quantitative data is unavailable.

•Resources for Case Studies:

- Examples from IIED (2021) and Climate Refugees (2021) demonstrate how case studies can effectively be integrated into Biennial Transparency Reports (BTRs).

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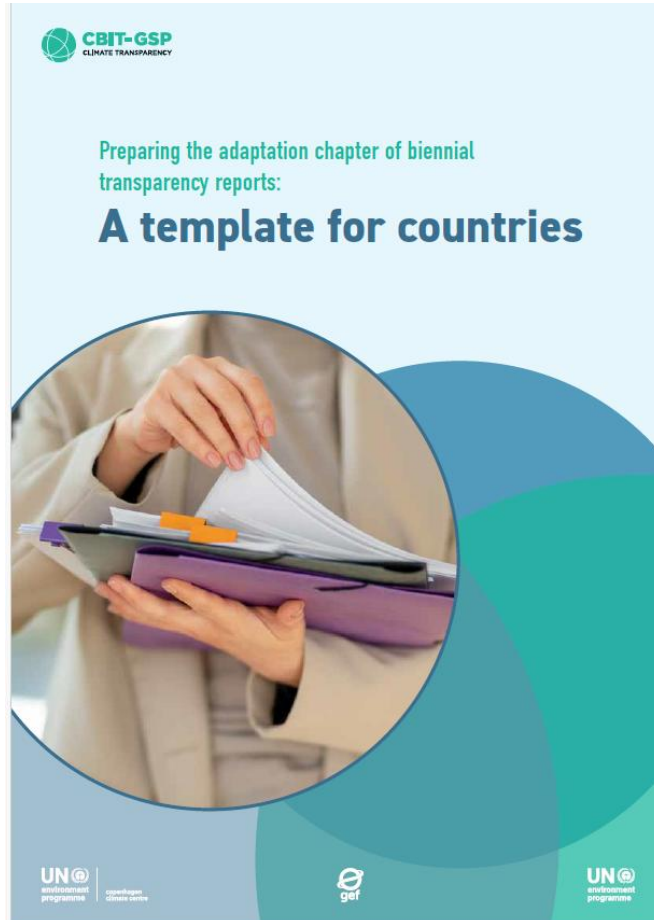


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Structuring Loss and Damage Information



Countries can structure their reports in three ways:

- **National Overview** – A broad assessment of loss and damage.
- **By Sector, Region, or Community** – Focused insights on specific areas.
- **By Climate Event Type** – Classifying data by disaster type (e.g., floods, droughts).

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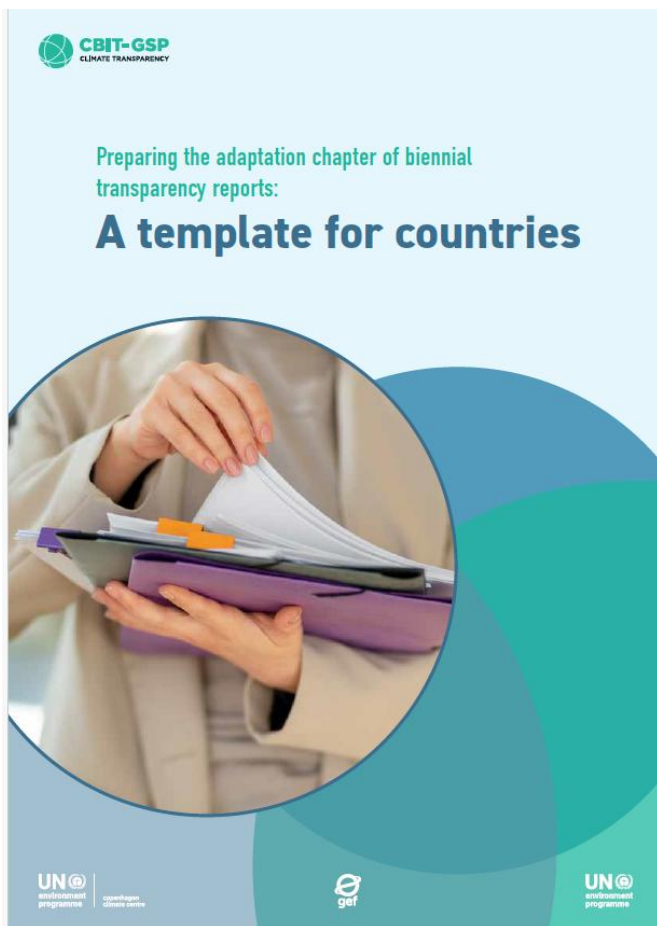


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Approach	Description
National overview	<p>At the national level, countries can compile a comprehensive summary that encapsulates the various types of loss and damage being experienced across different sectors and communities. This holistic view is crucial for understanding the overall impact of climate events on the country. Key components of a national overview should include:</p> <p>An overview of climate events – i.e. a description of the types and frequencies of climate events experienced.</p> <p>An overview of how different sectors, such as agriculture, infrastructure, and health, are being impacted by climate events.</p> <p>An overview of how different communities are being impacted by climate events (ideally focusing on how vulnerable communities are experiencing loss and damage).</p> <p>An overview of the economic and non-economic loss and damage – i.e. a quantification of economic losses being incurred, alongside a narrative regarding non-economic losses such as cultural heritage, biodiversity, and displacement.</p>
Organise by sector, region or community impacted	<p>Organising information about loss and damage by sector, region or community allows countries to provide a deeper understanding of how climate events are affecting different parts of society and the economy. For each sector, region or community, countries should provide:</p> <p>Information about why and how the sector, region or community is particularly vulnerable to climate events.</p> <p>A detailed account of the economic and non-economic loss and damage being experienced by the sector, region or community (including how this is expected to develop overtime).</p> <p>An overview of existing adaptation and resilience-enhancing measures in place in the sector, region or community and any gaps that need to be addressed.</p>
Organise by climate event	<p>Focusing on the type of climate events driving loss and damage allows countries to provide concentrated information on specific hazards and their impacts. This approach aids in understanding the frequency, severity, and consequences of different climate events. For each event type, countries should provide:</p> <p>A description of the event – i.e. nature, severity, and duration of the climate event.</p> <p>An overview of the impacted areas – i.e. the geographic areas most affected by the events.</p> <p>A detailed account of the economic and non-economic loss and damage caused by the event (including the indirect impacts).⁴⁷</p>

Reporting on Actions to Address Loss and Damage



Reporting on actions to address loss and damage is similar to adaptation reporting and can help countries:

- Highlight efforts being undertaken.
- Demonstrate prioritization of specific types of loss and damage (e.g., cultural heritage).
- Share good practices, experiences, and lessons learned.

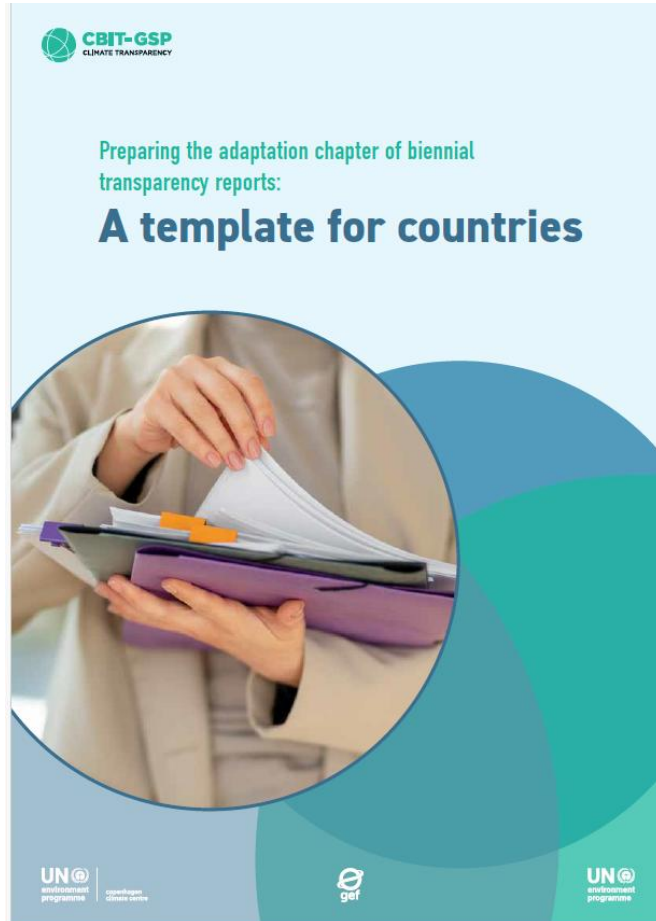
•Tailoring Reporting Based on Objectives:

- Basic Descriptions: For providing a general overview, include objectives, how the action addresses loss and damage, and its implementation status.
- Detailed Descriptions: For recognition or sharing lessons learned, include:
 - Objectives, context, and implementation details.
 - Why the action is innovative or ambitious.
 - Success factors and outcomes (if applicable).

Key Focus Areas:

- Actions targeting slow-onset events (e.g., cultural heritage, Indigenous knowledge).
- High-priority policy areas such as risk insurance or planned relocation.

Reporting on Institutional Arrangements for Loss and Damage



Countries should identify and describe institutional arrangements enabling actions to address loss and damage.

•Relevant mechanisms include:

- Coordination mechanisms: e.g., interministerial committees.
- Financial mechanisms: e.g., domestic climate funds.
- Data systems: e.g., periodic assessments, databases.
- Stakeholder engagement: e.g., forums or platforms.
- Evaluation mechanisms: e.g., independent evaluation committees.

•Enhancing Reporting:

- Include an organigram to illustrate how components interact within the institutional framework.

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Thank you

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