Eighth Session of the Global Platform for Disaster Risk Reduction Geneva, Switzerland

Concept Note for Special Session: Comprehensive Approaches to Reducing Loss and Damage: Bridging Climate Action and Disaster Risk Reduction

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Background and Rationale

The frequency and intensity of disasters continue to rise, driven by the climate emergency. Notably, nine out of ten recorded disasters are climate and weather-related. While efforts have successfully reduced disaster-related fatalities, overall impacts are escalating. Between 2005–2014 and 2014–2023, the disaster-affected population increased by over 70%, with approximately 3.3 to 3.6 billion people now considered highly vulnerable to climate change. Economic losses have surged by over 50% in the last five years, climbing from \$166 billion in 2019 to \$250 billion in 2023. In Least Developed Countries (LDCs), economic losses as a proportion of GDP are approximately ten times higher than the global average.

The scale of loss and damage necessitates a comprehensive approach that transcends the current scope of climate action. This approach must integrate efforts across development, humanitarian, and disaster risk reduction domains, acknowledging the increasing complexity of risks, including slow-onset events and non-economic losses. Moreover, the evolving financial architecture that focuses on loss and damage must progress in a manner that is coherent with and complementary to diverse sources of funding, thus minimizing duplication and maximizing efficiency and effectiveness.

Overview of global progress

While "loss and damage" as a term evolved as a part of climate change negotiations over the past few decades, it is closely linked with preventing new and reducing existing risks and impact, which is the stated goal of the Sendai Framework for Disaster Risk Reduction. Thus, there is a close alignment between the two which has only increased given the calls to action by the first Global Stocktake of the Paris Agreement and the Midterm Review of the Sendai Framework, both of which called for greater complementarity and synergy in action.

Recent years have seen significant progress in understanding and addressing loss and damage. Efforts to record, analyze, track, and quantify losses and damages have gained momentum, utilizing existing data, metrics, tools, and methods from DRR and sustainable development.

Under the UNFCCC and the Paris Agreement, specific mechanisms for assistance and financing have been established. The <u>Warsaw International Mechanism for Loss</u>

and Damage for loss and damage (WIM) and its Executive Committee, created in 2013, have enhanced understanding and coordination among diverse actors. In 2019, the <u>Santiago network</u> was established under WIM to catalyze technical assistance for averting, minimizing, and addressing loss and damage in developing countries. It aims to improve countries' knowledge, capacity-building, and access to finance through organizations, bodies, networks, and experts in a demand-driven manner.

The establishment of the loss and damage funding arrangements and the <u>Fund for responding to Loss and Damage</u> in 2022, followed by efforts to fully operationalize them, signifies a pivotal shift in addressing climate-induced challenges. These funding arrangements aim to enhance coherence and coordination across diverse financial mechanisms, preventing duplication and leveraging comparative advantages.

These mechanisms stand to benefit from the existing practices and lessons from DRR and its governance structures globally and in countries. For instance, disaster impact data provides a crucial basis to addressing loss and damage. DRR planning and institutional structures in countries provide a strong policy basis for implementation. DRR and humanitarian financial architecture can both benefit from as well as benefit the loss and damage financial arrangements.

The Global Platform provides a shared avenue for bringing these global agendas together to jointly take stock of progress and chart a coherent plan moving forward, minimizing duplications and maximizing synergies. The Platform will also further strengthen networks and communities of practice across DRR and climate action domains.

Current thinking on course correction towards 2027 and 2030

All the global mechanisms on loss and damage are designed to support developing countries, and hence it is important to translate the increasing synergy across the global agendas into concrete action at the national and subnational/local levels. National DRR mechanisms - policies, institutions, and frameworks - provide a critical basis and opportunity to build resilience in vulnerable countries and communities.

A key enabler of action is enhancing the data ecosystem, particularly at localized scales where climate impacts are most severe. Expanding data collection, improving knowledge-sharing, and reinforcing the science-policy interface will enable more targeted, efficient, and effective action, including in responding to loss and damage. This evidence base must evolve continuously to keep pace with a changing climate.

To effectively avert, minimize, and address loss and damage, a shift toward systems thinking and integrated approaches is essential. Many institutions still operate in silos, leading to fragmented efforts. Instead, a risk-informed, cross-sectoral strategy using comprehensive risk management approaches should span short-, medium-, and long-term adaptation and DRR measures.

A shared understanding of the scale and magnitude of loss and damage - enabled by common data systems and integrated risk management - can unlock better and more sustainable financing. DRR offers a diverse set of funding instruments that are directly relevant to the operationalization of loss and damage financing arrangements. This need is even more pronounced in fragile and conflict-affected settings, where governments and local communities often rely on unpredictable

humanitarian aid. Greater coherence in financing across DRR, humanitarian, and climate sectors will generate multiplier effects, enhancing resilience and supporting long-term sustainable development.

Further, major initiatives such as <u>Early Warnings for All</u> and the <u>Global Shield against Climate Risk</u> have further accelerated momentum in reducing and responding to loss and damage, emphasizing proactive ex-ante measures to address disasters. Ambitious <u>Nationally Determined Contributions</u> (NDCs), particularly those due in 2025, as well as national adaptation plans (NAPs) and DRR strategies present new opportunities to integrate loss and damage into national policies and measures, thereby bolstering ambition in coherently and concurrently implementing the Paris Agreement and the Sendai Framework.

Expected Outcomes

- 1. **Demonstrated impact of DRR in the context of loss and damage**: Clear evidence showcasing that disaster risk management is aligned with actions to avert, minimize and address loss and damage, thereby strengthening climate resilience.
- 2. Enhanced access to financial and technical support: Improved awareness among developing countries and DRR stakeholders regarding the availability and utilization of financing resources and technical assistance through loss and damage facilities.
- 3. **Strengthened collaboration among relevant mechanisms**: Building upon the first High-Level Dialogue in April 2025, enhanced commitment among loss and damage mechanisms to work in synergy with each other and with the DRR community, ensuring a cohesive approach to mitigating climate-related impacts.

Guiding Questions for speakers

- 1. How do actions to avert, minimize and address loss and damage accelerate progress to achieving the goal of the Sendai Framework?
- 2. What are the key means through which loss and damage mechanisms seek to build resilience of countries and communities? How do these work, or can work better, in synergy with disaster risk management?
- 3. Building on the first high-level dialogue, how can complementarity and synergy in loss and damage funding arrangements be enhanced? How can we best leverage the diverse range of DRR and adaptation financing instruments?

Reference documents

- UNDRR and ODI (2023) Financial arrangements for addressing losses and damages: A disaster risk reduction primer
- www.santiago-network.org
- https://unfccc.int/loss-and-damage-fund-joint-interim-secretariat
- UNDRR policy brief on loss and damage