



WWF EXPECTATIONS PAPER

EXPECTATIONS ON LOSS & DAMAGE AT COP26

July 2021

Loss & Damage results when climate change impacts exceed our capacity to respond.

With inadequate mitigation action and adaptation support, losses and damages are increasing. Loss & Damage from climate change is not a distant issue for many vulnerable countries, their people and nature. Rather, they are experiencing dramatic losses and damages daily. According to the [Intergovernmental Panel on Climate Change \(IPCC\)](#), human activities are estimated to have already caused 1.0°C of global warming above pre-industrial levels by 2017. That figure is very close to the Paris Agreement limit for global temperature rise to 1.5°C above the pre-industrial level. **Now, more than ever, every fraction of a degree matters.**

In many places, adaptation and mitigation efforts have been too little and too late, with people and nature facing irreversible impacts. Over the past decade, extreme weather and climate-related disasters have killed more than 410,000 people and affected 1.7 billion people around the world ([IFRC 2020](#)). In 2020 alone, 30 million people were displaced due to weather-related events, primarily storms and floods ([Norwegian Refugee Council, 2021](#)).

The UN Framework Convention on Climate Change's (UNFCCC) own interim [NDC synthesis report \(2021\)](#) concluded that the current levels of climate ambition in the new and updated Nationally Determined Contributions (NDCs) still fall far short of the IPCC range to keep temperatures to 1.5°C above the pre-industrial level. COP26 must take bold decisions to avert, minimize and address the losses and damages happening around the world. We are at a pivotal moment, to address the climate crisis and to reverse Loss & Damage. It is a matter of survival to people and nature. Developed countries equate loss and damage to compensation or liability issues and progress has been halted in the issue of loss and damage finance. There is an urgent need for developed countries to engage in good faith and constructively to unlock the political deadlock on Loss & Damage to meet the needs of the vulnerable, which are now even greater because of the COVID-19 pandemic. To do this, the UNFCCC COP26 must take decisions on the following key areas:

COP26 MUST:

1. Ensure **full operationalization of the Santiago Network** on Loss Damage, meeting its mandate to provide action and support for vulnerable developing countries.
2. **Establish a loss and damage finance facility with new and additional loss and damage finance.** The facility will allow finance to be channelled which enables to address the loss and damage needs of vulnerable developing countries.
3. Ensure **inclusion of loss and damage** in the discussions **on the new finance goal** that come into effect from 2025, with new and additional sources and levels of finance.
4. Adopt a decision to make **loss and damage as a permanent agenda item for the SBs and COPs.**
5. Provide guidance for **inclusion of loss and damage as a core element of any country's long term climate change strategy (LTS) and National Determined Contributions (NDCs).**

A. Santiago Network on Loss & Damage

At COP25 in December 2019, the Santiago Network on Loss & Damage (SNLD) was established by Decision 2/CMA.2 as follows:

Establishes, as part of the Warsaw International Mechanism, the Santiago network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change, to catalyze the technical assistance of relevant organizations, bodies, networks and experts, for the implementation of relevant approaches at the local, national and regional level, in developing countries that are particularly vulnerable to the adverse effects of climate change;

By the Glasgow COP, the SNLD needs to be fully operationalized. It must become an effective platform for countries to get technical support that helps in averting, minimizing, and addressing Loss and Damage. To do this, the SNLD should fulfill at least the following key functions:

1. Information gathering, management, and sharing, to increase knowledge and expertise on Loss and Damage.
2. Broker technical support and capacity building between parties and organizations.
3. Provide technical support and tools for the Loss and Damage assessment, design, and implementation of projects.
4. Technical support for bringing Loss & Damage issues to global platforms (UNFCCC, Convention on Biodiversity, UN General Assembly, Intergovernmental Panel on Climate Change, and other global processes).

The SNLD should avoid duplicating existing efforts, but supplement and work to draw these together, and to provide access to the greatest range of resources and support. It must avoid becoming a forum purely for debate and discussion, but rather support developing countries on averting, minimizing, and addressing Loss & Damage. Expediting the full operation of the SNLD is a priority for vulnerable developing countries. Developed countries should provide the required financial resources to make this network effective and fit for purpose.

B. Loss & Damage Finance

The [Warsaw International Mechanism for Loss & Damage associated with Climate Change Impacts \(WIM\)](#) was agreed in 2013. Its functions include enhancing action and support, through finance, technology, and capacity-building necessary to address Loss and Damage. This enhanced action and support function is the [5th strategic workstream](#) of the five-year rolling work plan of the Executive Committee of the WIM. However, the action and support function of the WIM remains vacant.

There is still no clarity on Loss & Damage finance in terms of sources, scale, and institutions. Climate-induced losses and damages are already occurring in many developing countries and will just increase more in the coming years. It is important that, at COP26, Parties take bold decisions on the topic of Loss & Damage finance, its institutional arrangements, sources, and scale. This will be an important legacy for the UK COP26 Presidency and for the survival of many vulnerable people and nature. COP26 should decide to:

1. Establish a Loss & Damage finance facility able to address the needs of vulnerable developing countries. It could be a combination of the existing UNFCCC financial instruments (Green Climate Fund, Global Environment Facility, Adaptation Fund, etc) and beyond (Global Disaster Risk Reduction Fund, etc).
2. Parties must agree on sources of new and additional Loss & Damage finance, which can include both the public and private sectors. The fund should provide financing in the form of grants with direct access.
3. To address the Loss & Damage needs for emergency response (e.g. responding to climate-induced disasters), the disbursement of funds needs to be fast, easy and with simplified procedures for prompt access.
4. Ensure the inclusion of Loss & Damage finance in the discussions on the new finance goal to come into effect from 2025, with new and additional sources and levels of finance for averting, minimizing, and addressing it.
5. A Loss & Damage finance gap report must be periodically presented and discussed at the UNFCCC COPs.

C. Loss & Damage as a permanent agenda item for the negotiations (Subsidiary Bodies and COPs)

While Loss & Damage is reflected in the Paris Agreement, with a dedicated Article, it is not reflected in the formal negotiation process in the same way as many other issues. Many developing countries are calling for the inclusion of Loss & Damage as a permanent agenda item given its gravity. WWF strongly urges all Parties (developed and developing) and the UNFCCC to provide more space for constructive discussion on this issue in the formal negotiation process, with the aim of giving it the attention and resources that it deserves.

D. Long-Term Strategies and Nationally Determined Contributions

Countries are in the process of preparing or updating their Long-Term Strategies (LTS) on climate change and the Nationally Determined Contributions (NDCs). For many countries, addressing the climate challenges is not just about mitigation but also on how to adapt to climate impacts and build climate resilience, as well as how to address loss and damage when adaptation is no longer possible. Even if we limit the global average temperature rise to 1.5°C above the pre-industrial level, widespread loss and damage will still occur, impacting millions of people and nature. It is WWF's view that:

1. Addressing Loss & Damage should be an integral part of any country's LTS for climate change and their NDCs.
2. LTS and NDCs should not only focus on mitigation but be more comprehensive with respect to adaptation and Loss & Damage, and, to this end, each country follows the four key steps on [anchoring Loss & Damage in the NDCs](#).

E. Loss & Damage in the Global Stocktake

The Global Stocktake (GST) of the Paris Agreement is a formal process with the aim to assess the collective progress towards achieving the purpose of the Agreement and its long-term goals. Under [Decision 19/CMA.1](#), averting, minimizing and addressing loss and damage associated with the adverse effects of climate change is within the scope of the technical dialogues forming part of the GST process. To fulfill the desired objective of the GST process, Loss & Damage should be an integral part. To undertake an effective and comprehensive GST:

1. Countries should provide existing or relevant information on the matter related to averting, minimizing and addressing Loss & Damage.
2. Countries should identify the gaps and the needs (technical, financial, capacity) to implement measures on averting, minimizing and addressing Loss & Damage.
3. UNFCCC should provide a clear mandate and guidance to the WIM Executive Committee, the Standing Committee on Finance (SCF) and the Green Climate Fund (GCF) on assessing collective Loss & Damage finance needs, and response options around financing Loss & Damage.

The comprehensive assessment of climate change will be crucial during the GST process. Loss & Damage should be a key component of that, especially in the context of rising global temperatures and the more extreme climate disasters people and nature are experiencing worldwide.

Four recommendations on anchoring loss and damage in NDCs





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