UN environment programme

UN environment programme | copenhagen climate centre

Strengthening National Responses to Loss and Damage



A Practitioner's Brief

This brief does not provide a comprehensive list of references. Instead, it distils the core analysis of the UNEP Loss and Damage Guideline into a practical toolkit, emphasizing operational steps and checklists. For those interested in a more detailed conceptual discussion, methodological foundations, and complete bibliographic information, the Strengthening National Responses to Loss and Damage should be consulted.

© 2026 United Nations Environment Programme and UNEP Copenhagen Climate Centre (UNEP-CCC).
This publication may be reproduced in whole or in part and in any form for educational or non-profit services without special permission from the copyright holders, provided acknowledgement of the source is made. UNEP and UNEP-CCC would appreciate receiving a copy of any publication that uses this publication as a source. No use of this publication may be made for resale or any other commercial purpose whatsoever, without prior permission in writing from UNEP.

This publication was developed by the UNEP Copenhagen Climate Centre with funding from UNEP's Adaptation and Resilience Branch.

UNEP-CCC is supported by UNOPS.

Disclaimer
The designations employed and the presentation of the material in this publication do not imply the expression of any opinion whatsoever on the part of the United Nations Environment Programme (UNEP) or the UNEP Copenhagen Climate Centre (UNEP-CCC) concerning the legal status of any country, territory, city or area, or of their authorities, nor the delimitation of their frontiers or boundaries.Mention of company names and commercial products does not imply endorsement by UNEP, UNEP-CCC or the authors. The use of information from this publication for publicity or advertising is not permitted.

The views expressed in this publication are those of the authors and do not necessarily reflect the views of UNEP, UNEP-CCC or their member States. We regret any errors or omissions that may have been unwittingly made.

Acknowledgements

The preparation of this report was made possible through the collaboration and support of many colleagues and partner institutions. The United Nations Environment Programme (UNEP) and the UNEP Copenhagen Climate Centre (UNEP-CCC) wish to express their sincere appreciation to all those who contributed to the development of this publication.

The individuals listed below contributed to the preparation, review and finalization of this report in their individual capacities; institutional affiliations are provided for identification purposes only.

Recommended citation
United Nations Environment Programme (UNEP) and UNEP Copenhagen Climate Centre (UNEP-CCC) (2026). Strengthening national responses to loss and damage: A practical guide for countries. Copenhagen, Denmark.

Authors organised by Chapter
Chapter 2: Key Elements of a National Loss and Damage Plan: Risk & Vulnerability

Lead authors: Adelle Thomas (Natural Resources Defense Council), Elisa Calliari (International Institute for Applied Systems Analysis and Euro-Mediterranean Centre on Climate Change)

Contributing authors: Emily Theokritoff (Imperial College London), Michaela Bachmann (International Institute for Applied Systems Analysis)

Chapter 3: Identifying Gaps and Providing Guidance for Integrating Loss and Damage into National Policy Processes

Lead authors: Lisa Vanhala (University College London), Emily Boyd (Lund University & Beijer Institute, Royal Swedish Academy of Sciences)

Contributing authors: Fatemeh Bakhtiari (UNEP-CCC), Friederike Hartz (University College London), Stacy-ann Robinson (Emory University)

Chapter 4: Finance for Loss and Damage (including innovative finance options)

Lead authors: Melanie Pill (Lowy Institute and Australian National University), Janine Felson (University of Melbourne)

Chapter 5: Loss and Damage Monitoring and Reporting

Lead authors: Lisa Vanhala (University College London), Elisa Calliari (International Institute for Applied Systems Analysis and Euro-Mediterranean Centre on Climate Change), Susannah Fisher (University College London)

Contributing authors: Jung Hee Hyun (International Institute for Applied Systems Analysis), Friederike Hartz (University College London)

Chapter 6: Stakeholder Engagement and Capacity Building

Lead authors: Fatemeh Bakhtiari (UNEP-CCC), Joshitha Sankam (UNEP-CCC), Adelle Thomas (Natural Resources Defense Council)

Contributing authors: Kelly Dorkenoo (L&D Expert), Nusrat Naushin (ICCCAD), Hyacinthe Niyitegeka (L&DC), Rajib Ghosal (L&D Expert)

Reviewers:
Erin Roberts (L&DC), Iria Touzon Calle (UNDRR), Lily Salloum Lindegaard (DIIS), James Haselip (UNEP-CCC), Joern Birkmann (IREUS), Julia Rocha Romero (UNEP-CCC), Kishan Kumarsingh (Resource expert on L&D and negotiator), Paul Watkiss (Paul Watkiss Associates), Saudia Rahat (UNDP), Sivapuram Ventaka Rama Krishna Prabhakar (Institute for Global Environmental Strategies (IGES), Sudhir Kumar (UNDP), Heidi White (L&DC), Jessica Troni (UNEP), Anna Kilponen (UNEP)

Editors: Emily Boyd (Lund University & Beijer Institute, Royal Swedish Academy of Sciences), Fatemeh Bakhtiari (UNEP-CCC), Joshitha Sankam (UNEP-CCC)

Project Coordination: Fatemeh Bakhtiari (UNEP-CCC), Joshitha Sankam (UNEP-CCC)

Communications: UNEP-CCC communication team

Language Editing: Seprotec

Design And Layout: Formato Verde

This report was developed by UNEP-CCC, with funding from UNEP's Adaptation and Resilience Branch.

Table of Contents

Acknowledgements 3

01. Introduction 6

02. Comprehensive Risk and Response Management for National Loss and Damage Strategies 8

03. Integrating Loss and Damage into National Policy Processes: Identifying Gaps and Providing Guidance 11

04. Finance for Loss and Damage 14

05. Loss and Damage MERL Learning 17

06. Fostering Multi-Stakeholder Partnerships and Innovative Approaches to Stakeholder Engagement in Loss and Damage 20

Closing Note 24

Annexes 25



@ Michael Hamments, Unsplash

1. Introduction

This short guide is for government officials, practitioners, and partners who need to turn the Loss and Damage (L&D) agenda into concrete national action. L&D here refers to the policy processes to address climate impacts that occur despite, or in the absence of, mitigation and adaptation, while “loss and damage” refers to those observed impacts, both economic (e.g. damaged infrastructure, lost crops) and non-economic (e.g. cultural heritage, health, ecosystems). These impacts arise from rapid onset events, such as storms and floods and from slow onset processes, such as sea level rise, salinization, and biodiversity loss, which can push societies and ecosystems beyond adaptation limits and make certain adverse effects unavoidable.

Effective L&D strategies recognise that some impacts can still be avoided or reduced through better risk management, while others require measures to manage and respond to residual and irreversible losses. Justice is central: who bears losses, who receives support, whose knowledge counts, and whose rights and identities are recognised. Integrating L&D into national development planning—adaptation strategies, disaster risk reduction frameworks, sectoral policies, and poverty reduction plans—helps align climate action with social and economic priorities, avoid maladaptation, and better protect vulnerable groups.

The guide is structured for **practical** use and is intended to help countries organise and sequence work on loss and damage, rather than to serve as a standalone implementation manual.

- Chapter 2 outlines a Comprehensive Risk Management (CRM) approach, covering risk assessment, reduction, transfer, retention, transformational approaches, and postimpact management, to help teams map current and future losses and gaps.

- Chapter 3 explains how to embed loss and damage into governance, laws, institutions, and planning so that mandates are clearer, coordination improves, and "soft limits" in governance that lead to avoidable loss and damage can be identified and addressed over time.

- Chapter 4 focuses on finance by suggesting ways to estimate needs, diversify instruments, improve access to funds, direct resources to local levels, and track lossanddamagerelevant financial flows within existing systems.

- Chapter 5 describes how Monitoring, Evaluation, Reporting and Learning (MERL) systems for loss and damage can align with national and global reporting and identifies options for capturing both economic and noneconomic impacts in a genderresponsive, socially inclusive way.

- Chapter 6 provides guidance on stakeholder engagement, capacity development, and locally led approaches, including ways to centre Indigenous and local knowledge and build longerterm, trustbased partnerships.

A practical way to start is to choose one priority climate risk or region and use the guide as a scaffold: draw on Chapter 2 to map key losses, risks, and information gaps; Chapter 3 to clarify responsibilities and identify governance changes that may be needed; Chapter 4 to explore funding options and entry points; Chapter 5 to agree on a small, feasible set of indicators and Chapter 6 to design an inclusive engagement process with affected communities. Further technical detail, methods, and case studies will usually be needed alongside this guide, and can be drawn from national expertise, sectoral toolkits, and international resources referenced in the full UNEP Loss and Damage Guideline.



2. Comprehensive Risk and Response Management for National Loss and Damage Strategies

Why CRM matters

CRM is a holistic approach that helps countries manage climatic and nonclimatic hazards in an integrated way. It is grounded in the Sendai Framework, the Paris Agreement, and the 2030 Agenda, and is recognised under the UNFCCC as a key approach for addressing loss and damage. By looking both at past impacts and future risks, CRM combines lessons from experience with forwardlooking analysis, so that planning and action are evidencebased and tailored to national and local contexts.

Figure 1: Overview of Comprehensive risk and response management framework



Components of CRM

CRM brings together several interconnected components that run along a continuum from prevention to postimpact recovery:

- **Climate Risk Assessment (CRA)** identifies who and what is at risk by analysing hazards, exposure, vulnerability, and response capacity. It combines quantitative tools (such as models, scenarios, and GIS) with qualitative insights (such as local and Indigenous knowledge) and highlights "hotspots" where risks are particularly severe or unavoidable. CRA provides the analytical backbone for national loss and damage strategies and for prioritising measures across the CRM cycle.

- **Risk reduction** lowers exposure and vulnerability by integrating risk considerations into everyday development choices. Measures include resilient infrastructure, landuse planning that avoids highrisk areas, sustainable resource management, and effective earlywarning systems. When embedded in planning and budgeting, these actions can reduce both immediate and longterm loss and damage and help avoid maladaptation.

- **Risk transfer** addresses the financial consequences of residual risks that remain after risk reduction. Instruments such as insurance, catastrophe bonds, contingency funds, and regional risk pools can provide rapid liquidity after disruptive events and support recovery, but affordability, limited coverage of slowonset and noneconomic losses, and unequal access remain key concerns.

- **Risk retention** covers the ways governments, businesses and households absorb impacts, for example through budget contingencies, reserve funds, contingent credit lines, savings, and informal support networks. Climatesensitive social protection that can scale up during crises is a crucial part of risk retention; poorly designed mechanisms, however, can entrench inequality or encourage rebuilding in highrisk areas.

- **Transformational approaches** involve more fundamental changes in systems and behaviours in response to climate impacts, such as planned relocation of highly exposed communities, major shifts in livelihoods or landuse, or new governance arrangements that address deeprooted vulnerabilities. What counts as "transformational" depends on context, but in all cases, equity, participation, and longterm support are critical.

- **Managing impacts** covers immediate response, early recovery, and longerterm rehabilitation and reconstruction after an event. It also involves assessing and documenting realised economic and noneconomic loss and damage to inform future decisions, using tools such as postdisaster needs assessments alongside communityled methods. Applying "build back better" principles in recovery is central to reducing future loss and damage.

All components should be informed by a good understanding of observed losses and damages, recognising that impacts unfold over different timeframes and affect livelihoods, health, ecosystems, and cultural assets.

Key implementation challenges

Experience across countries points to recurring challenges:

- Fragmented mandates, weak coordination, and limited links between climate, disaster risk management, social protection, and development planning.
- Patchy and uneven data, especially on slowonset events and noneconomic losses, and underuse of local and Indigenous knowledge.
- Strong emphasis on disaster response compared with longerterm risk reduction, risk transfer, transformational approaches, and postimpact management.
- Insufficient, unpredictable finance, particularly for vulnerable countries and for slowonset and noneconomic impacts.

Addressing these challenges requires clearer governance frameworks with meaningful participation of affected communities, stronger and betterlinked data and knowledge systems, a more balanced use of all CRM components and closer alignment of CRM with national development and sector plans.

Using CRM as a practical entry point

Applied to loss and damage, CRM gives countries a practical means of organising and sequencing work. Teams can use CRA to identify priority risks, hotspots, and emerging adaptation limits; map existing measures across risk reduction, transfer, retention, and impact management; and then focus on a small number of risks or regions where two to three concrete actions can strengthen different parts of the CRM cycle. Assigning clear responsibilities, partners, and indicative finance for each action, and revisiting the analysis regularly after major events or new data, helps track when limits are being reached and keeps national loss and damage strategies coherent, up to date, and focused on those most at risk.



@George Desipris, Pexels

3. Integrating Loss and Damage into National Policy Processes:
Identifying Gaps and Providing Guidance

Why governance and policy integration matter

National governance and policy shape how countries anticipate, reduce, and respond to loss and damage (L&D), determining who is protected, compensated or left exposed. Effective governance must reflect each country's risk profile, capacity and social priorities, especially for vulnerable people and ecosystems. Most countries already have disaster risk reduction, climate adaptation, social protection, and humanitarian frameworks; the challenge is to identify where these systems reach their limits and to embed L&D into existing laws, institutions, and planning rather than treat it as a separate, projectbased agenda.

Governance, soft limits, and loss and damage

L&D often arise not only from hard limits to adaptation but also from "soft limits," such as institutional, social, financial and political constraints that block feasible measures. These translate into tight or inflexible budgets, donor dependence, overlapping mandates, policy silos, low transparency, limited consultation, weak grievance mechanisms, and unequal power relations. Together, they slow decisions, weaken local ownership, and leave communities repeatedly exposed to climate impacts, as seen in delayed evacuations, stalled planned relocation, and fragmented resilience efforts. Addressing these governance weaknesses is central to any L&D strategy.

Key findings from crosscountry assessments

Analysis across climatevulnerable countries shows that most national L&D architectures remain at an early stage of development. Common patterns include:

- Limited institutional clarity, with no designated focal points for L&D, vague or overlapping mandates, and fragmented datasharing systems.
- Weak coordination mechanisms to bring together climate, DRR, planning, finance, and sector ministries for regular L&Dfocused dialogue.
- Gaps in community engagement, with few systematic protocols for consulting affected communities and feeding local evidence into national planning.

These soft limits directly contribute to avoidable loss and damage, for example persistent delays in early warning dissemination, stalled planned relocation processes where legal frameworks lack enforceability, repeated exposure of the same communities due to policy silos between disaster response and development planning, and livelihood or cultural losses where local knowledge and longterm planning are not connected. Countries that can systematically identify both when governance structures themselves constitute soft limits and when adaptation limits are being breached will be better positioned to respond to loss and damage. This requires monitoring systems that track policy design flaws, implementation failures, accountability breakdowns, and exclusion patterns.



@Alexandre P. Junior, Pexels

Figure 2: Addressing Governance Gaps through Policy and Institutional Strengthening



Institutional and governance pillars

Effective L&D governance rests on four pillars: clear legal mandates, coordination across sectors and levels of government, inclusive participation and accountability, and adequate, predictable human and financial resources. In many climatevulnerable countries, these are only partially in place, so a practical starting point is to designate an institutional lead for L&D, strengthen a coordination mechanism that regularly brings together key ministries, subnational authorities, and nonstate actors, and agree basic protocols for collecting, sharing, and publishing L&D data with systematic consultation of affected communities.

Strengthening governance and policy integration

Strengthening L&D governance means putting in place clear legal frameworks, coordinated institutions, robust data systems, and rightsbased, inclusive approaches. This can include legal and regulatory reforms that clarify responsibilities and protect vulnerable groups, national coordination mechanisms that bring together ministries, local governments and civil society, and knowledge systems that harmonise indicators, map vulnerabilities, and integrate slowonset events and noneconomic losses. Policy integration measures include embedding L&D in climate and development laws, sector strategies and national plans, expanding risk and vulnerability assessments to reflect social differences and slowonset risks, establishing or adapting national funds to support L&D measures and improve access to international finance, and applying gender and humanrights lenses to ensure policies are equitable. Global frameworks such as the Enhanced Transparency Framework, Sendai indicators, PDNA methodologies and disaster loss databases offer entry points for alignment, while experiences in countries such as Antigua and Barbuda and Vanuatu illustrate how dedicated legislation, working groups, and national L&D frameworks can work in practice.



4.

Finance for Loss and Damage

Why costing and finance for L&D matter

Loss and damage costs are large and rising, but global estimates are too broad to guide national choices or capture contextspecific and noneconomic losses. Countries therefore need their own costing of major impacts – including slowonset and noneconomic losses – to design investible projects, set priorities and make a credible case for support.

Understanding needs and estimating costs in practice

Global figures are a starting point; countrydriven costing is what enables real decisions. Practical steps include:

- Build on Chapter 2 risk assessments to list key loss and damage impacts by hazard, sector, and region.
- Use existing data (PDNAs, sector reports, social protection registries, local surveys) to estimate indicativecostsforresponse,recovery,reconstruction, and measures for noneconomic losses (for example culture, mental health, ecosystems).
- Document noneconomic losses clearly in assessments, plans, and proposals, even when they cannot easily be monetised.
- Distinguish between loss and damage that can still be reduced through adaptation and what is unavoidable or lockedin, requiring dedicated L&D measures.

This provides the evidence base for budgets, investment plans, and proposals for the Fund for Responding to Loss and Damage (FRLD) and other sources.

Diversifying financing instruments

No single instrument can cover all L&D needs; a mix is required, for example:

- **Disaster risk finance** for rapid liquidity after extreme events (contingent budgets, parametric insurance, catastrophe bonds).
- **Multilateral funds and arrangements** such as the FRLD, Green Climate Fund, Adaptation Fund, GEF, Global Shield and regional facilities.
- **Humanitarian and anticipatory finance** for immediate needs and early action.
- **Debt and macrofiscal tools** such as climateresilient debt clauses and debt swaps.
- **Social protection and local finance** (adaptive social protection, climatelinked cash, microinsurance, community funds).
- **Innovative revenues and philanthropy** (levies, solidarity contributions, grants).

A practical starting point is to map which instruments already operate incountry, what L&D needs they cover, and where the main gaps lie, then use this to shape a country L&D finance strategy.

Improving quality of finance and financing locally

Good L&D finance is predictable, flexible, highly concessional and accessible to those on the front line. Countries can:

- Prioritise national systems that can channel L&D finance – such as trust funds, relocation funds, social protection schemes, local government finance, and capable NGOs – where fiduciary standards allow.
- Seek support to strengthen these systems' fiduciary and governance capacity, so more finance flows through domestic channels.
- Ensure projects include resources for local capacitybuilding and participation, not only physical investments.
- Use programmatic approaches that group multiple interventions under a common framework to reduce transaction costs and allow multiyear support.

Overcoming access barriers

Access is often constrained by complex procedures, high transaction costs, limited fiscal space, and debt overhang. Countries can respond by:

- Preparing a simple L&D finance strategy that sets priorities, target groups, preferred instruments, and target funds.
- Investing in the capacities of national and subnational entities to meet access requirements (proposal development, fiduciary management, safeguards, monitoring and evaluation).
- Developing standard project templates and pipelines to speed up submissions across funds and partners.

Tracking and transparency of L&D finance

At present, L&Drelevant finance is not systematically tagged or reported; most flows are recorded under adaptation, humanitarian response, or disaster recovery, making it difficult to know how much actually targets L&D objectives and which types of losses are being addressed. This limits accountability, learning and the ability to argue for appropriate scale and balance of support.

Concrete options for improving tracking and transparency include:

- Introducing an L&D marker in national budgets, project databases and, where relevant, public financial management systems, drawing on approaches such as the OECD Rio markers and existing L&D markers used by some organisations.

- Requiring all climate, DRR, and relevant development projects to indicate whether L&D is a primary or secondary objective and which categories of loss (economic, noneconomic, slowonset, rapidonset) they address.

- Using emerging guidance from UNFCCC processes – including work under the Warsaw International Mechanism and the Enhanced Transparency Framework – to align national tracking with Biennial Transparency Report requirements and other reporting obligations.

- Linking financial tracking with MERL systems (see Chapter 5) so that L&D finance can be connected to outcomes for communities and ecosystems and inform future allocation decisions.

Recent decisions on the New Collective Quantified Goal acknowledge the need for public and grantbased resources for responding to L&D, but do not provide a dedicated quantitative subtarget. Countries may therefore need to integrate L&D activities into initiatives formally eligible for mitigation and adaptation finance, while using robust tracking and reporting to make visible how much support is actually directed towards averting, minimising, and addressing loss and damage.



5. Loss and Damage MERL Learning

What is MERL?

MERL provides a structured way of tracking and understanding progress when addressing loss and damage. Monitoring involves the systematic collection of data on agreed indicators to follow activities and milestone achievements. Evaluation assesses whether objectives are met and examines performance, including effectiveness, efficiency, and equity. Reporting communicates findings, evidence, and implications to relevant stakeholders. Learning uses this evidence and associated insights to adapt strategies and improve future decisions. Together, these processes create a framework to understand impact and guide better outcomes.

Why MERL systems matter for loss and damage

MERL systems are crucial for understanding climate impacts and guiding effective responses. Systematic data collection helps countries assess risks, evaluate interventions, track trends, and ensure accountability across projects, sectors, and national strategies. Strong MERL systems support adaptive management to address emerging challenges, provide transparency on how funds are allocated and used, and generate learning that can inform future policies, planning, and investment choices.

Using MERL to assess and respond to loss and damage

Loss and damage occur when adaptation limits are reached or exceeded. MERL systems for assessing L&D focus on understanding the climate impacts and risks that drive these limits, often using indicative data, trends, and evidence on indirect or cascading effects where existing measures fall short. Loss and damage may manifest through:

- Communitylevel signs, such as new seasonal migration patterns, changes in behaviour, or feedback indicating declining viability of livelihoods.
- Projectlevel signals where adaptation or development project metrics plateau or deteriorate despite otherwise sound implementation.
- Ecosystemlevel trends where climate data and scenarios point to approaching tipping points, such as coral bleaching thresholds, forest dieback, or species collapse.

In many cases, limits emerge not only from hard physical constraints but from escalating risks that make even wellperforming interventions insufficient. Practitioners should therefore track both direct, immediate impacts and cascading or indirect losses, such as increased school dropout rates, changes in community networks, or psychosocial impacts following disasters and relocations.

MERL systems for responding to L&D focus on interventions themselves. They track activities (outputs), immediate changes (outcomes) and longerterm goals (impact), while embedding reflection and learning to adjust strategies over time. Theories of Change can clarify expected pathways of change, and metrics should be selected to capture the multidimensional, overlapping, and contextspecific nature of L&D, recognising that standardised indicators exist for some areas but not others. Longer timeframes for monitoring and evaluation – revisiting several months or years after an intervention – are often needed to understand cascading impacts and the sustainability of outcomes. Qualitative and firstvoice narratives, alongside quantitative indicators, allow people to articulate how climatedriven harms manifest in their lives.

Developing MERL systems for responses to loss and damage

Designing an L&D MERL system starts with clarifying its purpose, key evaluation questions, and primary users. A next step is to develop a Theory of Change and establish baselines for economic and noneconomic losses and related vulnerabilities. Clear institutional roles, coordination mechanisms, and learning cycles are then defined to manage crossministerial collaboration and engagement with local actors, including how data will be reviewed and indicators revised.

On this basis, a balanced set of indicators is selected, and data collection protocols are put in place, drawing where possible on existing systems to reduce reporting burdens. Analysis focuses on assessing progress towards outputs, outcomes, and impacts, understanding causal contributions, and identifying where adaptation limits or governance constraints are emerging. Findings are synthesised to inform broader learning and policy debates, and transparency and feedback mechanisms are established so that results are shared across levels of governance and feed back into planning, budgeting, and future project design.

Aligning MERL systems with global reporting frameworks

Robust national MERL systems for loss and damage underpin engagement with international frameworks such as the Sendai Framework, the Paris Agreement's Enhanced Transparency Framework (ETF) and the Sustainable Development Goals. Alignment can:

- Enhance transparency and comparability across countries.

- Reduce duplication by enabling multipurpose reporting from a common indicator set.
- Support access to international support by demonstrating needs, results, and capacity.

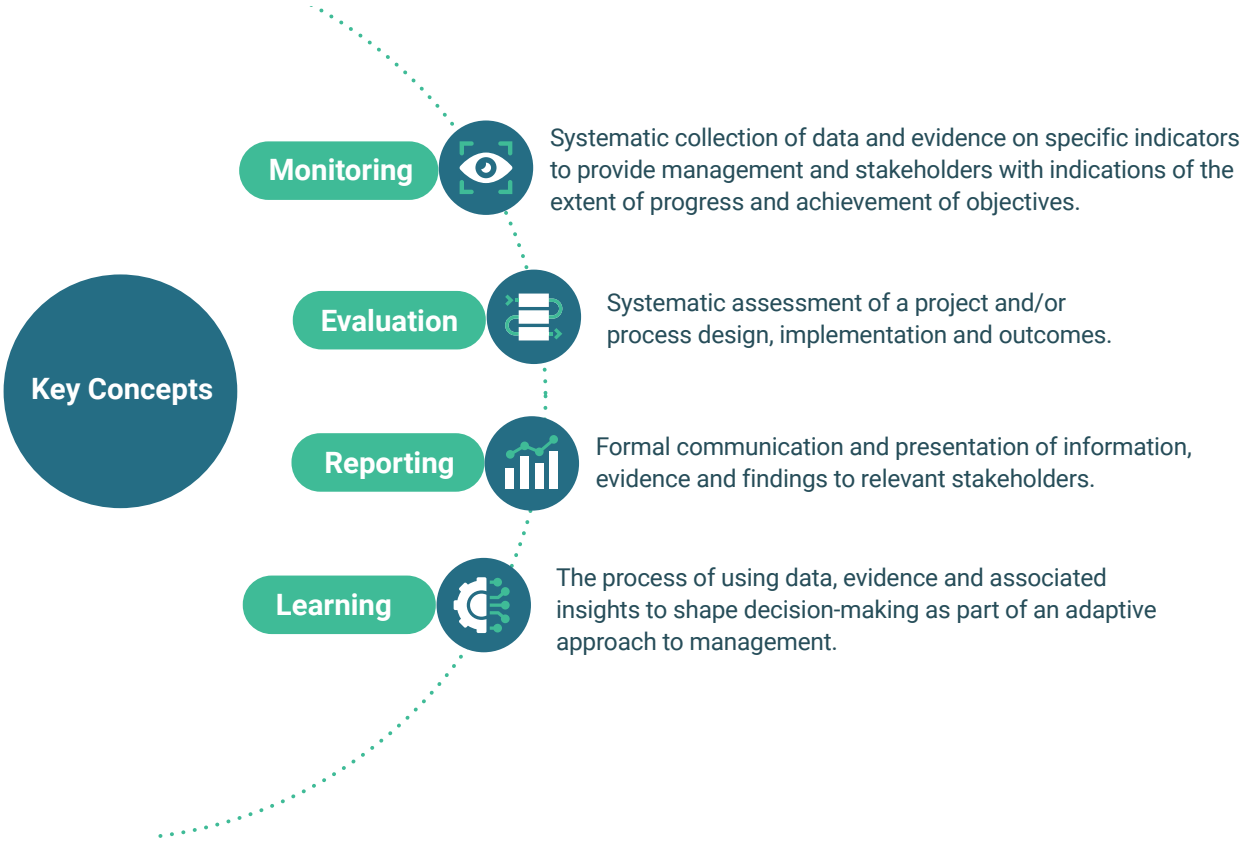
Countries can move towards alignment by linking national indicators to global codes and definitions, upgrading data systems for interoperability, strengthening coordination across ministries to ensure consistent, highquality data, involving local governments, experts, and communities in data generation and review, and documenting L&Drelevant activities and costs in national reports. New tools such as emerging disaster and loss databases and opensource platforms that provide eventspecific, georeferenced and disaggregated L&D data can help improve granularity, support communityled monitoring, and strengthen the evidence base for policy and finance.

Genderresponsive, socially inclusive, and participatory MERL

Inclusive MERL integrates gender equality and social inclusion principles to understand who benefits, who is left behind and where unintended impacts arise. This involves collecting disaggregated data, tracking participation and leadership by women, youth, and marginalised groups, and paying attention to how different groups experience and perceive loss and damage.

Participatory monitoring approaches can empower communities, including Indigenous Peoples and other frontline groups, to document their own experiences of L&D, shape indicators, and interpret results, improving both the legitimacy and usefulness of MERL systems. Innovative methods such as community scorecards, storybased techniques, and citizengenerated data can complement official statistics and technical assessments. By combining these approaches, countries can build MERL systems that not only track progress on L&D, but also strengthen trust, accountability, and locally grounded learning.

Figure 3: Loss and Damage: MERL





@ Jesus Adrian Saavedra, Pexels

Fostering Multi-Stakeholder Partnerships and Innovative Approaches to Stakeholder Engagement in Loss and Damage

6.

Chapter 6 highlights that effective Loss and Damage responses depend not only on sound analysis, finance, and technical measures, but also on who is involved in decisions and how power, knowledge, and resources are shared. This chapter focuses on the people and institutions that shape L&D strategies, and on practical ways to make engagement more inclusive, locally led, and durable over time.

Why participation and partnerships matter

Inclusive participation and strong partnerships are central to credible, sustainable L&D governance. Moving beyond topdown approaches means centring the voices of vulnerable communities, Indigenous Peoples, and local actors, integrating diverse knowledge systems, strengthening local institutions, and linking participatory processes to national frameworks and finance. This chapter outlines how governments and partners can foster equitable, locally led L&D responses that enhance resilience to climate impacts.

Multistakeholder partnerships and innovative engagement

Effective L&D responses require collaboration across government, civil society, academia, the private sector, and affected communities. Multistakeholder partnerships, as seen in countries such as Senegal, Sudan, and Fiji, can improve ownership and implementation when they:

- **Engage marginalised groups** by prioritising highrisk communities, using participatory planning, consultations in local languages, and systematically integrating Indigenous and traditional knowledge.
- **Leverage emerging mechanisms** such as Local L&D Hubs and participatory documentation of noneconomic losses to strengthen cogovernance, accountability, and access to finance.
- **Anchor participation institutionally** by embedding stakeholder engagement requirements in national coordination mechanisms, so that inputs influence priorities, project pipelines, and funding decisions.

Experience also highlights common barriers to meaningful engagement: negative or fatalistic framing of L&D that undermines agency; power asymmetries and unequal access to information; consultation formats that privilege technical experts and tokenistic participation without real influence over agendas, budgets or outcomes. Addressing these barriers requires reframing discussions around resilience and solutions, creating safe spaces and communityled agenda setting, reducing structural barriers, (language, mobility, social hierarchies) and embedding simple "participation and trust" checklists into L&D programme design and approval processes.

Building institutional and technical capacity

Strong institutions and technical skills are foundational for effective L&D action. Without clear mandates and coordination, data and expertise remain fragmented and local initiatives struggle to connect with national policy and finance. Priority areas include:

- **Institutional capacity**: integrating L&D into climate and development plans, clarifying roles across ministries and levels of government, and establishing transparent, gender and equitysensitive monitoring and reporting.
- **Local and subnational focus**: supporting local governments, Indigenous institutions, women's groups, and youth networks, which often lead assessments and recovery but lack predictable resources.
- **Technical capacity**: improving skills for the comprehensive assessment of economic and noneconomic losses, use of climate projections, risk modelling and geospatial tools, integration of digital and communitybased data, and transparent tracking of L&D finance linked to MERL systems.
- **Knowledge sharing**: strengthening national knowledge platforms, regional networks, and South–South cooperation to connect local evidence and practice with global policy and finance debates.

Key gaps include limited expertise in combining methods for rapid and slowonset events, weak protocols for integrating local and Indigenous knowledge into planning, insufficient systems to channel finance to subnational and community levels, and limited professional development on L&Dspecific competencies. Effective responses rely on sustained training (not oneoff workshops), peer learning, investment in both technical and process skills, (facilitation, conflict sensitivity, working with traditional ecological knowledge) and continuous learning mechanisms, such as postevent reviews and regional exchanges. Capacity building is therefore not supplementary; it underpins credible, anticipatory, and contextspecific L&D interventions.

Locally led approaches to L&D

Locally led approaches place frontline communities at the centre of L&D strategy design, implementation, and monitoring, drawing on their Indigenous knowledge, traditional practices, and lived experience. This helps ensure interventions are contextually appropriate, equitable and durable. Core elements include:

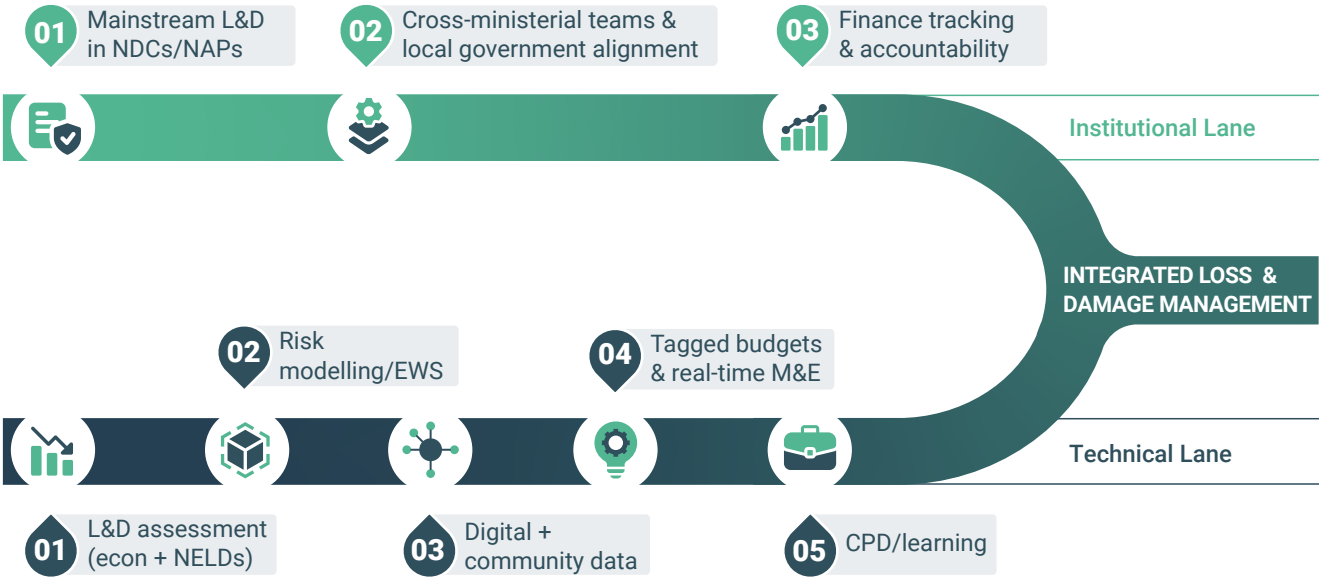
- Respectful use of **Indigenous knowledge and traditional practices**, including environmental observations, recovery rituals, and landuse rules, with Free, Prior, and Informed Consent.
- **Blending traditional adaptation practices** (for example, communal safety nets and stewardship systems) with modern tools such as GIS, earlywarning systems, and digital reporting.
- **Iterative participatory decisionmaking**, engaging communities throughout planning, implementation, monitoring, and risk identification.
- Building **trust and longterm partnerships** through predictable financing, shared data management, joint governance arrangements, and clear feedback loops.
- **Youth inclusion** and intergenerational knowledge transfer, including support for digital documentation of local experiences of L&D.

When these elements are in place, communities can set priorities, shape interventions, and help ensure L&D strategies are culturally sensitive and resilient over time.

Inclusive L&D governance and future priorities

To embed these approaches systematically, countries should institutionalise participation across all stages of L&D work; strengthen capacity through crosssector coordination and ongoing professional development; secure stable, longterm financing for local and national actors and deliberately combine quantitative data with lived experience, including attention to attribution and slowonset risks. Future priorities include standardising practical methodologies for datascarce contexts, addressing politicaleconomy barriers that limit voice and accountability, embedding participatory assessments in national processes, and supporting multistakeholder platforms that can evolve as L&D agendas and institutions mature.

Figure 4: Integrated Loss and Damage Management





@ Serkan Gönültaş, Pexels

Closing Note

Managing loss and damage is not a standalone agenda. It is a way of reorienting risk management, governance, finance, monitoring, and participation, so that climate impacts are anticipated, understood, and addressed before they become irreversible. National systems already contain many of the building blocks; the task now is to connect them, close gaps where adaptation and governance are hitting their limits, and ensure that support reaches the people and ecosystems most at risk.

Key crosscutting findings

1. L&D reflects adaptation limits and structural vulnerabilities, as well as gaps in integrating climate risk into development planning. Residual impacts that require dedicated L&D measures are already visible and growing, even under ambitious mitigation and adaptation.
2. Weak governance often leads to avoidable loss and damage. When roles are unclear and institutions lack coordination, capacity, or trust, workable solutions are delayed or do not happen. Countries therefore need steady investment in governance systems that can spot risks early, work across sectors, and apply rules fairly.
3. The finance architecture must evolve. Current flows are far below needs, often loanbased, and poorly tracked. Predictable, grantbased, and locally accessible finance, channelled as far as possible through robust national systems rather than solely external projects, is critical for effective responses.
4. Communityled approaches are fundamental, not optional. Centring marginalised voices, Indigenous knowledge and lived experience, and redistributing influence rather than relying on oneoff consultations, strengthens procedural justice, collective agency, and the legitimacy of L&D decisions.
5. MERL systems need to track adaptation limits and outcomes, not only outputs. Identifying when and where limits are being reached enables timely shifts from adaptation to L&D responses and helps avoid underinvestment in slowonset and noneconomic losses.

Taken together, the chapters in this guide point to a practical way forward. Countries can apply CRM to identify residual and unavoidable losses; clarify mandates and coordination through stronger institutions and policies; build diversified and predictable finance that is transparently tracked; put in place simple, inclusive MERL systems and invest in longterm capacity and partnerships that centre local and Indigenous knowledge. By doing so, governments and partners can move from adhoc reactions to a coherent, justiceoriented strategy for loss and damage – one that protects lives and livelihoods today while safeguarding development gains in a warming world.

Annexes

Annex 1. Practical Toolkits for Implementing National Loss and Damage Strategies

Box 1

Using CRM in practice: quick steps for country teams

Define your focus

- Select a concrete entry point: a sector, region, or population group exposed to climate risks.
- List the main rapidonset events and slowonset processes affecting this focus.

Carry out a light CRA

- Identify key hazards, exposed assets/people, and major vulnerability factors.
- Use available data plus a short consultation with local stakeholders to identify 5–10 priority risks already causing, or likely to cause, loss and damage.

Map existing measures across the CRM components

- For each priority risk, note what currently exists for:
  - Risk reduction.
  - Risk transfer.
  - Risk retention.
  - Managing impacts (response, recovery, rehabilitation).
- Highlight gaps, overlaps, and overreliance on any single component (e.g. response only).

Identify residual and unavoidable loss and damage

- Ask which impacts will likely remain even if planned adaptation and riskreduction measures are implemented.
- Distinguish avoidablebutunaddressed loss and damage from truly unavoidable loss and damage that may require transformational approaches.

Prioritise and assign responsibilities

- For each priority risk, select 2–3 actions that strengthen different parts of the CRM cycle (prevention, preparedness, response, recovery, data).
- Indicate the lead institution, key partners, and financing or capacity needs.

Feed results into policy, planning, and finance

- Use the CRM analysis to inform updates of climate, DRR and development plans, budget processes, and project pipelines.
- Ensure that lessons from events and monitoring are used to regularly update the CRA and adjust priorities.

Box 2

Rapid Governance Checklist for Integrating Loss and Damage

This checklist helps country teams turn governance concepts into concrete first steps for integrating loss and damage (L&D) into national policy and institutional systems.

Map who is responsible for what

- List all institutions involved in disaster risk reduction, climate change, environment, planning, finance, social protection, and key sectors (e.g. water, agriculture, health).
- For each, note any mandates, policies, or strategies that touch on L&Drelevant risks and impacts.
- Identify where responsibilities overlap, are missing, or are unclear.

Identify governance soft limits

- With key stakeholders, discuss which soft limits are most visible:
  - Finance: rigid budgets, donor dependence, lack of funds reaching local level.
  - Institutions: silos, overlapping mandates, weak implementation, limited technology.
  - Accountability: low transparency, limited consultation, weak grievance mechanisms.
  - Social and cultural factors: power imbalances, low risk awareness, conflicting values.
- Mark where these limits have already contributed to avoidable loss and damage (e.g. delayed evacuations, stalled relocation, repeated losses for the same communities).

Assess how L&D is integrated into policies and plans

- Review a small set of core documents (e.g. national development plan, climate legislation or strategy, DRR law, NAP, key sector plans).
- For each, ask:
  - Is L&D explicitly mentioned or only implied?
  - Are slowonset hazards, noneconomic losses, and vulnerable groups addressed?
  - Are there clear objectives, responsibilities, and indicators related to L&D?
- Note where L&D can be added or strengthened during upcoming revisions.

Decide on immediate institutional fixes

- Designate or confirm a national lead institution for L&D and formalise its role in policy or law.
- Set up or strengthen a simple coordination mechanism (e.g. an interministerial L&D working group) that regularly brings together key ministries, subnational authorities, and nonstate actors.
- Agree on basic protocols for collecting, sharing, and publishing L&D data, including regular consultation with affected communities.

Box 2 (cont.)

Rapid Governance Checklist for Integrating Loss and Damage

Prioritise 3–5 governance reforms or integration steps

Based on the scan, select a short list of highleverage actions for the next 1–3 years, for example:

- Amend a key law or strategy to include L&D responsibilities, safeguards for vulnerable groups, and links to finance.
- Establish or adapt a national fund window to channel resources to priority L&D measures.
- Create a basic L&D data protocol linked to existing disaster and sector databases, including fields for slowonset and noneconomic losses.
- Require that major L&Drelevant programmes document how communities and marginalised groups were involved and how they can raise concerns.

Link governance actions to MERL and learning

- Define a small set of indicators to track progress on these governance reforms (e.g. number of institutions with formal L&D mandates, coverage and quality of L&D data, frequency and diversity of stakeholder participation).
- Integrate these indicators into national L&D MERL systems so that governance improvements are regularly reviewed, adjusted, and used to inform policy and budget decisions.g, sharing, and publishing L&D data, including regular consultation with affected communities.

Box 3

Quick start exercises for building an L&D finance strategy

This exercise helps country teams move from general finance principles to a concrete, countryowned approach for loss and damage (L&D).

Choose a focus area

- Select one or two priority hazards or regions (for example, coastal flooding in one province or recurrent drought in a livelihood zone).
- Summarise recent losses and responses: who paid, how quickly did resources arrive, what remained unfunded, and where did noneconomic losses (e.g. cultural, health, ecosystem) occur.

Estimate needs and identify finance gaps

- Use available data (PDNAs, sector reports, local surveys, social protection registries) to estimate indicative costs for immediate response, mediumterm recovery, and longterm reconstruction, including noneconomic losses where possible.
- Note which costs are currently not covered or are repeatedly underfunded (for example, slowonset impacts, livelihood recovery, mental health support, cultural heritage protection).

Map existing finance instruments

- List domestic and international instruments already used before, during, and after events: budget reserves, disaster funds, insurance, social protection, humanitarian funds, multilateral projects, debt instruments.
- Match each instrument to the types of losses it covers and identify where instruments are missing, overlapping, or poorly targeted.

Select 3–5 priority finance actions

- Based on the gaps, agree on a short list of actions such as:
  - Creating or adapting a national fund window dedicated to L&D (including noneconomic losses).
  - Preparing a concept note for the Fund for Responding to Loss and Damage that builds on national systems and locally led approaches.
  - Introducing an L&D budget marker and a simple reporting template for all climaterelated projects and funds.
  - Piloting a locally led L&D finance mechanism in one highrisk area, linked to social protection or community funds.
  - Testing one new instrument (e.g. parametric microinsurance, climateresponsive social protection topups) in the selected region.

Assign roles, timelines, and learning loops

- Clarify which ministries and institutions lead each action (finance, planning, climate/environment, social protection, sector ministries, local governments).
- Set realistic timelines (e.g. 12–24 months) and agree how progress will be monitored using Chapter 5 MERL guidance—such as tracking how much L&D finance reaches vulnerable groups, how quickly it is disbursed, and which types of losses it addresses.
- Feed lessons from the pilot area back into national L&D finance strategies, future FRLD proposals, and revisions of climate and development plans.

Box 4

Setting up a simple L&D MERL system: steps for country teams

Clarify purpose and users

- Decide what the MERL system should do first: e.g. track postdisaster losses, learn from pilots, report to a national strategy.
- Identify primary users: line ministries, planning/finance, local governments, communities, or development partners.

Define key questions and a simple Theory of Change (ToC)

- Agree on 3–5 questions such as:
  - Are we reducing the most critical losses and damages?
  - Who is benefitting and who is being left out?
- Sketch a ToC linking: inputs → activities → outputs → outcomes → reduced / better managed loss and damage.

Establish baselines and data sources

- Select a small set of priority hazards, locations, and population groups.
- Compile existing data (disaster records, sector data, surveys, local knowledge) to create baselines on losses, exposure, and vulnerability.

Choose a focused indicator set

- Combine:
  - Quantitative indicators (e.g. people affected, time to restore services, funds disbursed to local actors).
  - Qualitative indicators (e.g. perceived safety, satisfaction with support, changes in social cohesion).
- Include at least a few indicators on gender equality, social inclusion, and noneconomic losses.

Assign roles and set up learning cycles

- Decide who collects which data (national agencies, local governments, NGOs, communities) and how often.
- Establish regular reflection moments (e.g. annual or postevent reviews) where findings are discussed and programme adjustments are agreed.

Connect to national and global reporting

- Map which indicators can also serve the Sendai Framework, ETF, or SDG reporting needs.
- Align definitions and formats so that one dataset can feed multiple reports and reduce the reporting burden.

Close the feedback loop

- Ensure that findings are shared back with local stakeholders in accessible formats.
- Document what has changed in policies, budgets, or practices as a result of MERL insights.

Box 5

Designing inclusive, locally led L&D processes: a quick guide for country teams

Map who needs to be at the table

- List key institutions (climate, DRR, planning, finance, sector ministries) and local actors (local governments, Indigenous institutions, women's and youth groups, NGOs, private sector).
- Identify who is currently excluded but highly affected (e.g. informal settlers, migrants, persons with disabilities) and plan how to reach them (local languages, trusted intermediaries).

Set up a multistakeholder platform with a clear mandate

- Create or strengthen an L&D working group or hub that includes government and nongovernment actors.
- Agree on its role: e.g. advise on L&D assessments, codesign priorities, review project pipelines, and track how community inputs affect decisions.

Plan an inclusive engagement cycle for one priority issue

- Choose a concrete entry point (e.g. coastal erosion in one province, urban flooding in one city).
- Design 3–4 steps of engagement:
  - Coidentify risks and losses (including noneconomic) with communities.
  - Coprioritise options and finance needs.
  - Comonitor implementation and impacts.
  - Hold a feedback session to discuss what changed and what should be adjusted.

Give local actors real decisionmaking power

- Reserve seats and voting rights for community representatives, Indigenous authorities, women and youth on the relevant L&D committees.
- Use simple rules (e.g. minimum 50% representation of local/nonstate actors) and rotate leadership roles to avoid tokenism.

Invest in capacity on both sides

- For government and national institutions: training on facilitation, conflict sensitivity, working with TEK, and integrating local evidence into national plans and budgets.
- For local actors: support on understanding L&D concepts, accessing finance windows, documenting losses (including noneconomic), and using basic digital/reporting tools.

Create a basic "participation and trust" checklist for all L&D programmes

- Before approval, each L&D project or programme should show:
  - How frontline groups were involved in design.
  - How Indigenous and local knowledge informed choices.
  - How complaints and grievances can be raised and resolved.
  - How the project will report back to communities and share data with them.

Link local processes to national and global agendas

- Ensure findings from local hubs, community assessments, and participatory monitoring:
  - Feed into national L&D coordination mechanisms and budget discussions.
  - Are reflected in national reports to the UNFCCC, the Loss and Damage Fund, and other finance providers.

UN environment programme

UN environment programme | copenhagen climate centre