

# Warsaw International Mechanism for Loss and Damage associated with Climate Change

## Loss and Damage Landscape - Mechanisms and Implementation Pathways

### Introduction

In a little over a decade, the international community has made significant progress in institutionalising and operationalising a response to Loss and Damage associated with climate change impacts. The Loss and Damage governance framework consists of three main bodies: The Warsaw International Mechanism (WIM), which functions as the 'policy arm'; the Santiago Network under the WIM, which functions as the 'technical arm'; and the Funding Arrangements including a Fund for responding to Loss and Damage (FRLD), which forms the 'financial arm'. The WIM was the first major milestone in acknowledging and reacting to the calls of particularly vulnerable developing countries for support to deal with losses and damages caused by climate change since the 1990s. In the short time since its establishment in 2013, the WIM played a central role in advancing the Loss and Damage agenda internationally. This paper will give an overview of the background of the WIM, explain its modalities as well as its relevance for international cooperation in the context of climate negotiations.

### Background

The impacts of climate change are clearly felt today. Current climate projections by the Intergovernmental Panel on Climate Change (IPCC) predict a strong increase in the frequency and intensity of extreme weather events such as storms and floods, as well as slow onset processes such as sea-level rise and desertification. The negative impacts of climate change pose a growing risk to the sustainable development of all countries, especially the Least Developed Countries (LDCs) and Small Island Developing States (SIDS) as well as particularly vulnerable groups like women and girls in all their diversity.

Developing countries are not only the most exposed to climate variability and change, but also the most vulnerable, often lacking institutional and financial capacity to effectively manage the impacts of climate change. From 1995 to 2024, more than 832,000 people died worldwide and over USD 4.5 trillion in economic losses directly resulted from more than 9,700 extreme weather events (German Watch 2026).



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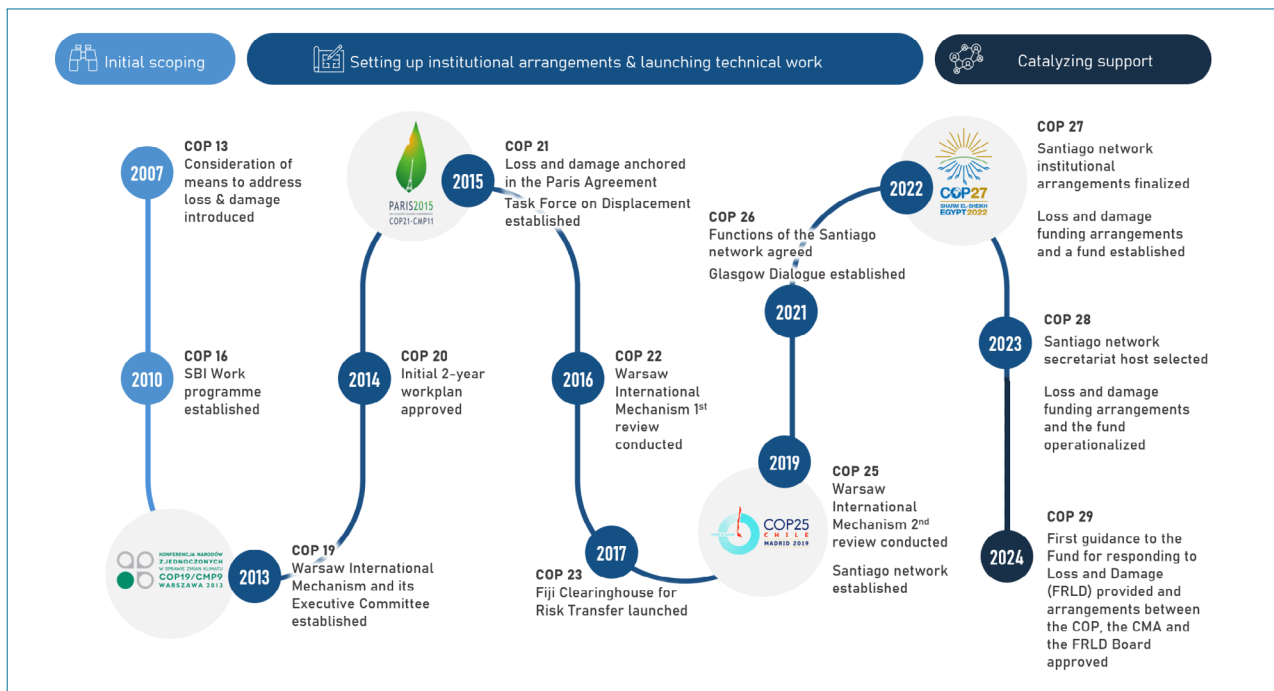


Figure 1: Loss and Damage (L&D) milestones under the UNFCCC (UNFCCC, 2024).

In the case of SIDS, climate change poses an existential threat. Accordingly, states particularly vulnerable to climate change have been calling for financial support to deal with losses and damages caused by climate change since the 1990s.

In particular, sea-level rise and its impacts were a prominent issue during the early negotiations of the UN Framework Convention on Climate Change (UNFCCC) in 1992, thanks to SIDS who urged to put the topic on the agenda. Nevertheless, mitigation of greenhouse gas emissions was the dominant focus in the first decade of the UNFCCC's work. This changed in the mid-2000s, driven by the growing scientific evidence for the impacts of climate change summarised in the Fourth Assessment Report of the IPCC. As a result, the topic of adaptation to climate change has gained importance. With the Bali Action Plan in 2007 and the Cancún Adaptation Framework introduced at the sixteenth Conference of Parties to the UNFCCC (COP16) in 2010, the topic of Loss and Damage associated with the adverse impacts of climate change entered the negotiations. A workplan on Loss and Damage was established to specifically address slow onset processes and extreme weather events.

In 2013, the WIM was established at COP19 as the main vehicle of the UNFCCC to pursue this area of work in particularly vulnerable developing countries in a comprehensive, integrated, and coherent manner. Germany has

been actively engaged in the Executive Committee of the WIM (WIM ExCom) since its inception.

Furthermore, Loss and Damage was anchored in the Paris Climate Agreement in a separate article (Article 8). According to its mandate, the WIM should fulfil the following three core 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.

During the review of the WIM in 2019 at COP25, Parties decided to further strengthen the mechanism and its ExCom. Agreement was reached on the establishment of the Santiago Network (2/CMA.2) as part of the WIM. The Santiago Network aims to catalyse the technical assistance of relevant organisations, bodies, networks, and experts (OBNEs) for the implementation of various approaches to averting, minimising, and addressing losses and damages in developing countries particularly vulnerable to the adverse effects of climate change. At COP28 (7/CP.28), a consortium of UNDRR and UNOPS was selected as the supporting organisation for the SN Secretariat. With this, the Santiago Network had been fully operationalised.

## Five-year rolling workplan and expert groups

In 2017, a five-year rolling workplan was adopted at COP23, building on the results of the initial two-year workplan. In 2021 a review of the first workplan started with the involvement of stakeholders from business, research, civil society, environmental organisations, and youth associations, which culminated in the adoption of the second five-year rolling workplan in 2022. The rolling workplan outlines the mandated activities, which are divided into five strategic work-streams. These include:

- 1 slow onset events;
- 2 non-economic losses;
- 3 comprehensive risk management approaches;
- 4 human mobility in the context of climate change; and
- 5 action and support (see figure 2).

There are five different expert groups corresponding to the five workstreams. The Task Force on Displacement (TFD) was the first expert group to be established at COP21. The Technical Expert Group on Comprehensive Risk Management (TEG-CRM) organised its inaugural meeting in 2019 with the support of the German Federal Ministry for Economic Cooperation and Development (BMZ) and is currently implementing its action plan. At COP25 the Technical Expert Groups on Slow Onset Events (TEG-SOE) and Non-Economic Losses (TEG-NEL) were established, both of which have selected members in 2021 and are working on the implementation of their action

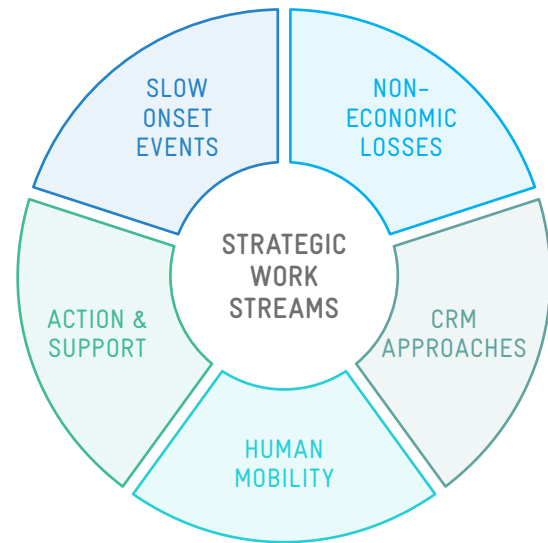


Figure 2: The five strategic workstreams of the WIM (UNFCCC, 2021).

plans. This also applies to the Expert Group on Action and Support (ASEG) established at COP25, which is of particular interest due to the political sensitivity of the topic of financing and has been implementing its action plan since mid-2021.

## Climate negotiations

The WIM continues to anchor the UNFCCC's approach to Loss and Damage within an increasingly complex support landscape. The establishment of the FRLD at COP27 and its operationalisation at COP28 marked a major political shift toward dedicated finance alongside



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negotiations on the adequacy, predictability and accessibility of Loss and Damage finance as well as the relationship between the FRLD and existing institutions.

However, current negotiations focus more strongly on complementarity among institutions delivering Loss and Damage support. Key questions include: how will the FRLD interact with existing channels? How can duplication be avoided? How can coherence be ensured between finance, technical assistance, and capacity-building? In this context, many Parties increasingly emphasize the importance of the Santiago Network in supporting vulnerable countries to identify needs, develop proposals, and access the FRLD through tailored technical assistance.

Alongside these discussions, most recently Parties demonstrated an increasing interest in implementation as well as methods to assess and report climate impacts. Accordingly, at COP30, Parties have requested the WIM ExCom to, among others, strengthen its support for fostering the collection and management of data including for the monitoring of trends, which will be crucial to inform national losses and damages response systems.

Apart from that, the governance of the WIM itself remains contested, notably whether it should continue to operate under both the UNFCCC and the Paris Agreement or be fully anchored under the latter—an issue linked to differing legal interpretations and institutional roles that

continues to shape negotiations on the future direction of Loss and Damage.

## Relevance for development cooperation and outlook

Recent negotiations on Loss and Damage have marked significant progress in strengthening the entire Loss and Damage support landscape. Key advances across its financial, technical, and policy pillars include the operationalisation of the FRLD, the further development of the Santiago Network, and the continued role of the WIM as the policy anchor. At the same time, these achievements highlight the need to take the concerns of particularly vulnerable developing countries seriously. The results of the IPCC Sixth Assessment Report, which have been published in 2023, also point to a further increase in climate-induced losses and damages in the coming years. The decisions need to be concretised and expanded accordingly, both on financing and concrete technical support. The topic of Loss and Damage will therefore become increasingly important in German and international development policy in the coming years. Development cooperation actors should engage constructively and proactively in the development of support programmes for dealing with climate-induced losses and damages to ensure coherence with existing initiatives and respond to the needs of partner countries before irreversible climate tipping points are reached.



## Exemplary measures for dealing with climate-induced losses and damages from German development cooperation:

German development cooperation has a broad bilateral and multilateral portfolio of measures that promote a comprehensive risk management approach of climate-

induced losses and damages. The following examples are intended to give a first impression:

- Germany actively supports particularly vulnerable countries and communities in their response to climate impacts through the entire Loss and Damage support landscape. This includes supporting the provision of technical assistance through the Santiago Network and enhancing access to financial support through the Fund for Responding to Loss and Damage. In these efforts Germany puts a focus on maintaining coherence and complementarity among all actors in the Loss and Damage landscape.
- Through the Climate Risk and Early Warning Systems (CREWS) initiative Germany supports risk reduction and preparedness with a focus on early warning systems. In Burkina Faso, one million people benefit from strengthened state capacities in the provision of early warning services, which enable smallholder farmers to achieve better yields and secure their livelihoods.
- The Global shield against climate risks, initiated by the V20 and G7 under German presidency, contributes to addressing climate-related loss and damage in particularly vulnerable countries by ensuring that pre-arranged finance is readily available when climate disasters occur. By combining rapid financial support mechanisms with comprehensive climate risk management, the Global shield is setting new standards. More systematic, coherent and scaled-up pre-arranged finance allows quick disbursement of money to marginalised people and particularly vulnerable countries.
- Since 2013, the Global Initiative on Disaster Risk Management (GIDRM) has been contributing to improved risk management worldwide and supporting the coherent implementation of the Sendai Framework and other global post-2015 agendas. Together with partners in Africa, Asia, and Latin America, it supports cross-sectoral approaches to risk reduction with the aim of ensuring risk-informed development.
- In Pakistan, where climate change is increasingly affecting the population, Germany is strengthening adaptive and gender-transformative social protection through its project "Adaptive Social Protection in Pakistan", improving the institutional, financial and technical conditions of social protection.

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