WORKING PAPER

Addressing Loss and Damage (L&D) in Bangladesh:
Local, National and International Perspectives



From Local Action to Global Support
Building Bangladesh's National Architecture for Loss and Damage

Key Themes

Global Governance of Loss and Damage
Bangladesh's Readiness for the Fund for Responding to Loss and Damage (FRLD)
Local Loss and Damage Hubs and Policy Labs (LDPLs)
Multi-Actor Partnership (MAP) Approach
National Framework on Loss and Damage (NFLD)
National Mechanism on Loss and Damage (NMLD)
Pathways for Accessing Finance and Technical Assistance

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Working Paper

Addressing Loss and Damage (L&D) in Bangladesh: Local, National and International Perspectives

Background

Loss and Damage refers to the unavoidable harms from climate change that go beyond what adaptation can prevent or repair. This includes economic losses (destroyed homes, roads, crops, fisheries) and non-economic losses (lives, cultural heritage, biodiversity, mental health, and displacement). Vulnerable developing countries, especially Least Developed Countries (LDCs), and Small Island Developing States (SIDS) suffer the worst impacts despite contributing the least to emissions.

The Intergovernmental Panel on Climate Change (IPCC) provides a useful working distinction, using the capitalized "Loss and Damage" to refer to the political debates and negotiations under the UNFCCC, while the lowercase "loss and damage" describes the actual harm from observed impacts and projected risks of anthropogenic climate change (IPCC, 2022, p. 2914). This harm manifests when the frequency and intensity of climate-related hazards exceed the adaptive capacity of human and natural systems, resulting in consequences that cannot be avoided through mitigation or managed through adaptation efforts (Zommers et al., 2016; Van der Geest & Schindler, 2017).

After years of pressure, especially from vulnerable developing countries, COP19 in Warsaw finally created the Warsaw International Mechanism (WIM) for Loss and Damage associated with the impacts of climate change. The WIM has three core functions:

- Improve knowledge and understanding of loss and damage.
- Strengthen dialogue, coordination, and coherence among stakeholders.
- Enhance action and support, including finance, technology, and capacity building for vulnerable developing countries.

COP19 also set up the Executive Committee (ExCom**)** to guide the work. It started with a two-year work plan, later replaced by five-year rolling work plans. Article 8 of the Paris Agreement explicitly recognises the importance of averting, minimising, and addressing loss and damage. It anchors the WIM under the Agreement. The second review of the WIM produced the Santiago Network on Loss and Damage. Its job is to catalyse technical assistance. It connects vulnerable countries with organisations, bodies, networks, and experts (OBNEs) that can provide practical help on risk assessments, early warning systems, recovery planning, etc. at national, sub-national, and local levels. An Advisory Board was later established, and the network began operationalising in 2024–2025 with an interim secretariat and the first technical assistance requests starting to flow.

At COP27 (Sharm el-Sheikh, 2022), after intense negotiations and pressure from developing countries and civil society, Parties agreed to establish new funding arrangements for loss and damage, including a dedicated Fund. A Transitional Committee was tasked with designing it over 2023. At COP28 (Dubai, 2023) the Fund for Responding to Loss and Damage (FRLD) was operationalised. Key elements of the Governing Instrument:

- 26-member Board with balanced representation (majority from developing countries, including dedicated seats for LDCs and SIDS).

- Mandate focused on economic and non-economic loss and damage from both extreme events and slow-onset processes.
- Emphasis on direct access (including for national, sub-national, and community entities), grants as the primary instrument, and simplicity for the most vulnerable.
- Interim hosting by the World Bank as a Financial Intermediary Fund (FIF) for four years.
- Legal personality secured through a host country agreement (Philippines).

Development in 2025 and first half of 2026

At its fifth Board meeting in 2025, the FRLD Board created the Barbados Implementation Modalities (BIM) — a deliberate pilot/start-up phase for 2025–2026. BIM underscores the following elements:

- USD 250 million allocated as grants.
- Projects and programmes in the USD 5–20 million range.
- Bottom-up, country-led design that strengthens national systems and directly involves affected communities.
- Goal: test access modalities, funding instruments, safeguards, and results frameworks while the Board continues developing the full long-term policies.
- Half the envelope prioritised for LDCs and SIDS in practice.

At its seventh meeting, the Board finalised the funding cycle, criteria, and access modalities. On the first day of COP30 (November 2025) the FRLD launched the official call for funding requests under the BIM. The call opened around 15 December 2025 for a six-month window.

The 8th meeting of the Board (B.8) of the Fund for Responding to Loss and Damage (FRLD), held 22-24 April 2026 in Livingstone, Zambia created on two core decisions of operationalization of direct access through Direct Budget Support (DBS) and the Country Support System (CSS) under the Barbados Implementation Modalities via national governments

The DBS is defined as "project/programmes financed by the Funds and the implemented by national ministries" and allows countries to directly access the Fund, enabling national governments to receive funds directly through their own systems rather than routing through intermediary access entities. The Board also adopted modalities and a risk management framework to govern this access route, providing the procedural framework to support direct access going forward.

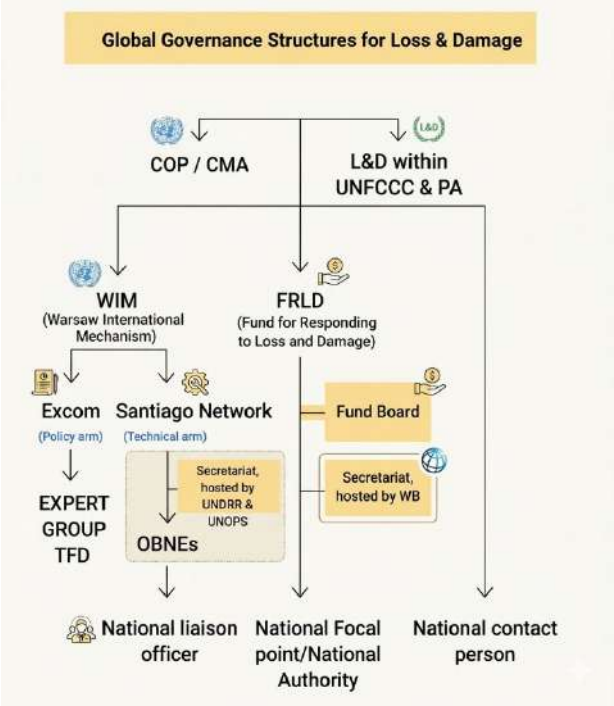
The CSS, on the other hand, will carry an annual envelope of USD 7.5 million, capped at USD 250,000 per country, and would cover funding request development, capacity building of national ministries, and institutional strengthening of national access entities. Both the accountability framework and the first call for CSS have been deferred to the 9th Board meeting in the Philippines from 8 to 10 July 2026.

The discussions in the meeting were shadowed by the Fund's central financial constraint: only USD 422 million out of the USD 822 million in total pledges has been received in cash, leaving USD 182 million in remaining gross commitment authority. However, as it stands, Bangladesh has a lot to gain from the outcomes related to both DBS and CSS, and needs to prepare accordingly to be able to access funds from FRLD.

Summary of current global status:

Globally, Loss and Damage (L&D) has emerged as the third pillar of international climate policy, yet its current condition is characterised by a fundamental paradox: a rapidly evolving policy architecture coexists with deep, pervasive gaps in data, finance, governance, and capacity (Boyd et al., 2017; Shammugam & Choi, 2024). While the concept has gained unprecedented institutional traction, its operationalisation remains in its infancy, with vulnerable countries struggling to move from "constructive ambiguity" to effective, on-the-ground support (IPCC, 2022; UNFCCC, 2013b).

At the international level, L&D is now anchored by three dedicated UNFCCC bodies. The Warsaw International Mechanism (WIM), established at COP 19 in 2013, has enhanced knowledge and coordination through its Executive Committee and five strategic work streams (ExCom of WIM, 2019; Loss and Damage Collaboration [L&DC], 2026). The Santiago Network (SNLD), operationalised at COP 25, catalyses technical assistance, with a 2026 budget of USD 4.9 million and USD 24.7 million in received contributions (L&DC, 2026; SNLD, 2024).



Most significantly, the Fund for Responding to Loss and Damage (FRLD) was established at COP 27 and began its start-up phase (Barbados Implementation Modalities) with USD 250 million committed. As of October 2025, the FRLD had received USD 397.74 million into its trust fund (L&DC, 2026). However, this amount is minuscule compared to estimated annual needs of USD 395 billion for economic damages alone in developing countries (L&DC, 2026). Coordination among the three bodies remains nascent, and the interim hosting of the FRLD by the World Bank raises governance concerns (CARE Bangladesh, 2024).

Other financial arrangements complement the FRLD within the loss and damage finance landscape. The Global Shield against Climate Risks, launched by the V20 and G7 at COP 27, provides pre-arranged financial support for rapid deployment during climate disasters through three complementary funds: the Global Shield Solutions Platform, the Global Shield Financing Facility at the World Bank, and the CVF & V20 Joint Multi-Donor Fund (CARE Bangladesh, 2024). The V20 Loss and Damage Funding Program, implemented in partnership with CARE in pioneer countries including Bangladesh, Kenya, and Malawi, classifies investments into six thematic areas: conservation of key biodiversity, livelihood, land degradation and sustainable forest management, international waters, chemicals, and displacement and migration (CARE Bangladesh, 2024).

Coordination among these various funding arrangements remains an ongoing challenge. At COP 28, Parties agreed to an annual high-level dialogue on coordination and complementarity, co-convened by the FRLD and the UN Secretary-General, with the first dialogue held in 2025 (L&DC, 2026). The FRLD and SNLD secretariats signed a Letter of Intent recognizing that the SNLD will support countries to access the FRLD through technical assistance, though operational modalities remain under development. The FRLD Board is considering a country support system under the BIM at its eighth meeting in April 2026, with the SNLD's role in this system also under discussion at the sixth meeting of the SNLD Advisory Board.

Four universal gaps impede global progress on L&D:

- Data and knowledge gaps: Attribution science remains underdeveloped in most vulnerable countries, and non-economic losses (loss of life, culture, territory, biodiversity) resist quantification. Community-level impact surveys are the most needed data set (Shammugam & Choi, 2024; Government of Vanuatu, 2025).

- Financial gaps: Despite the FRLD, 94% of survey respondents cited limited domestic budget for L&D, and 87% found it difficult to access international funds. Finance must be new, additional, grant-based, and directly accessible to local communities (CARE Bangladesh, 2024; Shammugam & Choi, 2024).

- Governance and institutional gaps: Most countries lack clear mandates, leading to fragmented responses. In Bangladesh, inter-ministerial rivalry has stalled the National Mechanism (Practical Action, 2021; Shammugam & Choi, 2024).

- Capacity building gaps: Over 80% of respondents identified lack of scientific research capacity and inadequate knowledge-sharing platforms as foremost challenges (Shammugam & Choi, 2024). Vanuatu faces entrenched skills shortages in climate-related disciplines (Government of Vanuatu, 2025).

Globally, L&D has moved from a fringe concept to a core pillar of climate policy, with a dedicated fund, a technical assistance network, and pioneering national frameworks. However, the current condition is best described as operational infancy. The scale of finance remains orders of magnitude below needs; governance arrangements are fragmented; and capacities to assess, let alone address, non-economic and slow-onset losses are severely limited. Moving forward, the international community must urgently scale up grant-based finance, operationalise direct access modalities, invest in attribution science and local data systems, and uphold climate justice principles, including the right to remedy for irreversible losses (Government of Vanuatu, 2025; L&DC, 2026; Shammugam & Choi, 2024). Without such integrated action, L&D will remain a promise unfulfilled for the world's most vulnerable populations.

A multi-country survey by the Global Green Growth Institute across 20 member states found that 94% of respondents highlighted difficulties in quantifying non-economic losses, and 90% noted the absence of robust methodologies for calculating economic losses. Critically, 42% lacked a designated government division or mandate for L&D, and 42% were unaware of any international funding opportunities, including the FRLD (Shammugam & Choi, 2024).

Some of the countries including Vanuatu are developing a comprehensive national plan on loss and damage and already requested for technical assistance to SNLD (Kumar, 2025). COP30 out comes on the third review of WIM requested ExCom to develop a voluntary guidance for developing national loss and damage response plans (UNFCCC, 2025). However, without waiting for such guidance and utilizing the existing tools and methods developing countries those are particularly vulnerable to climate change including SIDS and LDCs should start to develop their national plans, policies, strategies, institutional architectures, and policy and legislative frameworks. Developing short term, mid-term and long-term plans with institutional structures at the national levels to access financial resources through direct budget supports particular from FRLD for addressing loss and damage is very important.

Potential National Legal and Institutional Frameworks

National needs assessment and country preparedness are critically important for addressing loss and damage at the local, national, and regional levels. In terms of preparedness, there is an initial need of assessing the needs of the vulnerable communities, ecosystems and the States. However, there is a need for the specific tools and methodologies to understand the nature including economic and non-economic loss and damage. To develop such specific tools and methodologies, there is a need for a strategic framework of comprehensive risk management for risk assessment, risk management, risk reduction, risk retention, risk transfer and for addressing residual loss and damage, including permanent and irreversible loss and damage with compensation approach. (Mechler and Deubelli, 2021)



The technical arm can develop a Comprehensive Climate Risk Management Strategy and to provide technical assistance to implement the strategy for dealing with loss and damage. It can also develop a data governance mechanism in the country and can provide guidance for developing regional collaborative framework. The technical arm can develop their own Terms of Reference (ToR) and modalities for forming further expert groups or task forces like a National Task Force on Displacement. Ministry of Environment and Climate Change can provide secretariat support to this technical arm. A Financial Arm can mobilize and manage the financial resources to address loss and damage and it can develop financial plans, policies and strategies. Ministry of Finance can provide secretariat support to this Financial Arm. The knowledge and capacity building arm, can develop a framework for enhancing understanding, knowledge and capacities related to loss and damage at the national level. The Ministry of Disaster Management provides secretariat support to this Arm. The proposed national mechanism can be designed considering the country contexts and the state of legislative, institutional and policy frameworks of the country.

However, to develop such national plans, policies, strategies, institutional architectures, policy and legislative frameworks, it is important to examine the scope, gaps and opportunities of the existing plans, policies, strategies, institutional architectures, policy and legislative frameworks. A comprehensive and innovative National Mechanism for Loss and Damage (NMLD) can be designed to align with the Warsaw International Mechanism for loss and damage under UNFCCC, which can be hosted jointly by Ministry of Environment, Forest and Climate Change, Ministry of Disaster Management and Ministry of Finance. NMLD can consist of three working groups with mandates to act as technical arm, financial arms and knowledge and capacity building arm, and those working groups can be guided by a Steering Committee and an Advisory Board. The Steering Committee can be formed with a national contact point for loss and damage at UNFCCC, Liaisons for SNLD, and focal points for FRLD, and representatives from relevant ministries and departments, civil societies and academia. The Steering Committee can be advised by an Advisory Board, which can be formed with relevant experts including researchers, civil society actors, and private sectors

Country-level readiness varies dramatically. Bangladesh has developed a blueprint for localised governance through Multi-Actor Partnerships and Loss and Damage Policy Labs, piloting Local Hubs that generate disaggregated data on economic and non-economic losses. A two-tier National Framework and National Mechanism are under development, but progress has stalled due to coordination failures between the Ministry of Environment and the Ministry of Disaster Management (Naushin et al., 2025; Practical Action, 2021). Nepal adopted a comprehensive National Framework on Climate Change Induced Loss and Damage (2021) that includes a 10-step assessment methodology and the BIPAD portal for risk data. Yet the portal does not systematically capture non-economic losses or slow-onset events (Ministry of Forests and Environment [MoFE], 2021b). Vanuatu stands as the most advanced, having endorsed a standalone Loss and Damage Policy (2025) with an Implementation Roadmap, innovative blockchain-powered cash transfers, micro-insurance payouts, and leadership in international legal advocacy (Government of Vanuatu, 2025). Samoa conducted a sector-specific gap analysis (2015) revealing wide variations in L&D awareness and a lack of focus on slow-onset events and non-economic losses (Ministry of Natural Resources and Environment [MNRE], 2015).

Bangladesh's Readiness on Loss and Damage

Bangladesh sits at the sharp end of the climate crisis**,** with roughly $5 billion in annual loss and damages, about 1% of GDP, from cyclones, floods, river erosion, salinity intrusion, heatwaves and slow-onset changes like sea-level rise. That reality makes loss and damage not an abstract negotiating point but a daily pressure on communities, budgets and development gains. The country has long been vocal in global talks, its domestic readiness to access and use new mechanisms like the Santiago Network and the Fund for Responding to Loss and Damage (FRLD) is a work in progress.

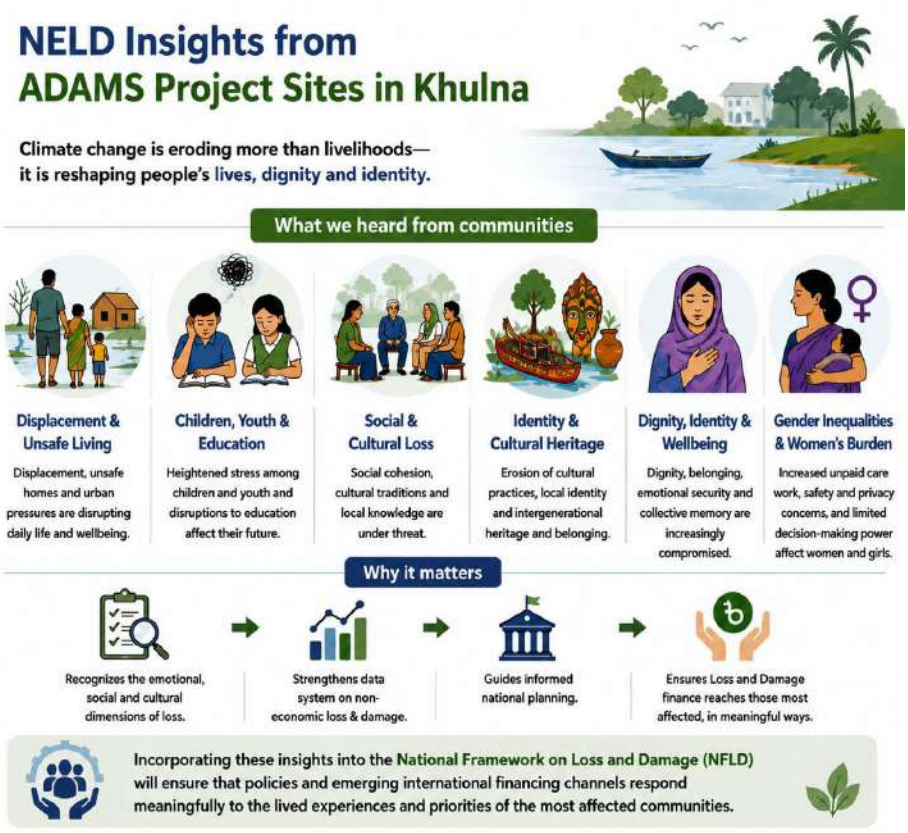
Bangladesh already runs one of the more experienced disaster-management systems in the developing world. The Standing Orders on Disaster, the National Plan for Disaster Management (2021–2025), the Bangladesh Climate Change Strategy and Action Plan, and the National Adaptation Plan (2023–2050) give it solid institutional muscle for response and resilience. The Bangladesh Climate Prosperity Plan (BCPP) and the recent Third Nationally Determined Contribution (NDC 3.0) both explicitly flag loss and damage, estimating the scale of impacts and calling for international support on recovery, restoration and resilience across food, water, infrastructure and ecosystems. In 2025 the government began work on a National Mechanism on Loss and Damage (NMLD), the Multi Actor Partnership (MAP) and Loss and Damage Policy Lab (LDPL), a multi-stakeholder pilot meant to handle extreme-event recovery, build resilient livelihoods and tackle slow-onset processes. For the FRLD, the Barbados Implementation Modalities (BIM), the $250 million start-up window opened for proposals in December 2025 with a June 2026 deadline. Grants of $5–20 million are available for projects that can demonstrate direct community benefit, rapid disbursement and attention to both economic and non-economic losses. By April 2026, ten countries had already submitted requests globally (seven from LDCs and SIDS), but Bangladesh is not listed among them yet. Government and civil-society actors are actively preparing on issues like displacement, saline-affected agriculture, and direct budget support modalities that Bangladesh has long advocated. The NMLD pilot is explicitly positioned as a domestic vehicle that could absorb or complement FRLD resources.

Decades of cyclone shelters, early-warning systems, polder management and community-based adaptation give Bangladesh practical know-how that few countries match. International Climate Change and Development (ICCCAD) has produced detailed frontline studies on loss and damage that can feed straight into proposals. The NDC 3.0 and NMLD show political ownership at the national level.

At the national level, countries should build on existing NAP processes as the foundation for loss and damage planning, recognising that NAPs are fundamentally plans to minimise loss and damage through adaptation action (NAP Global Network, 2023; Qi et al., 2023). Existing vulnerability and risk assessments

should be the starting point for assessment of loss and damage in particular countries, with additional support for assessing the potential for irreversible impacts, including non-economic losses, scenarios of relocation, and existential threats.

Gaps are equally clear. Comprehensive national loss-and-damage data, especially non-economic data is still patchy. Insurance penetration for households and public assets remains very low. Fiscal space is tight after repeated shocks, and coordination between concerned ministries, local government and communities needs streamlining before grants can flow smoothly. Emerging research on Non-Economic Loss and Damage (NELD) in Bangladesh highlights how climate change is eroding not just livelihoods but the very fabric of people's lives.



Based on the recent field visits to ADAMS (a national NGO) project sites in Khulna, communities reported displacement, unsafe homes, and urban pressures, while children and youth experienced heightened stress and disruptions to education. Social cohesion, cultural traditions, and local knowledge are under threat, and the dignity and identity of affected populations are increasingly compromised. These losses are deeply intertwined with values, collective memory, and intergenerational practices, underscoring the need for responses that recognize emotional, social, and cultural dimensions alongside economic ones. Incorporating these insights into the National Framework of Loss and Damage (NFLD) and National Mechanism for Loss and Damage (NMLD) will strengthen data systems, guide national planning, and ensure that policies and emerging international financing channels respond meaningfully to the lived experiences and priorities of those most affected. Community access and simplified procedures and small-grants windows in the FRLD guidance is therefore critical for the affected people in the grass root level.

In May 2026, Bangladesh's readiness sits in the midpoint. The global architecture (Warsaw International Mechanism, Santiago Network, FRLD) has matured enough that technical assistance and first-round money are realistically available. What is missing is a clear national loss-and-damage needs assessment, a shortlist of ready-to-submit proposals, and an active request to the Santiago Network for the exact support needed to strengthen those proposals and build absorption capacity.

Bangladesh is in the way to move decisively in the next six to twelve months, using the Santiago Network for targeted help and landing one or two well-designed grants from FRLD, it could turn its long-standing advocacy into tangible results on the ground.

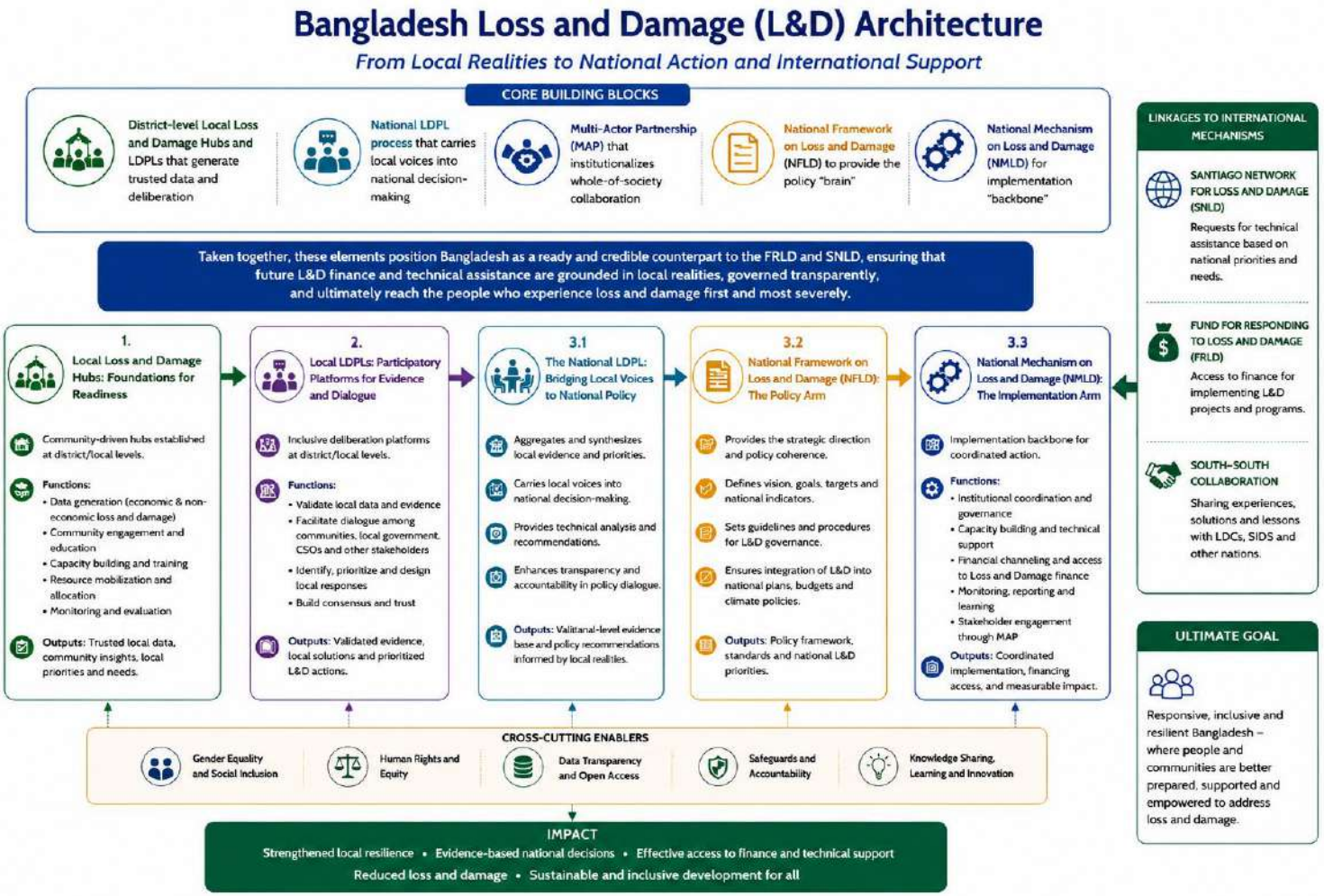
Taken together, these elements position Bangladesh to act as a ready and credible counterpart to the FRLD and SNLD, ensuring that future L&D finance and technical assistance are grounded in local realities, governed transparently, and ultimately reach the people who experience loss and damage first and most severely.

The Loss and Damage Policy Lab (LDPL) and Multi Actor Partnership (MAP)

The Loss and Damage Policy Lab (LDPL) and Multi Actor Partnership (MAP) processes, anchored by the Department of Environment (DoE) and Loss and Damage team at ICCCAD, has been pivotal in shaping that system. It provides a practical pathway from local experience to national action, ensuring that community insights, data and priorities inform the emerging National Framework on Loss and Damage (NFLD) and the National Mechanism on Loss and Damage (NMLD).

The core building blocks of that architecture:

- District-level Local Loss and Damage Hubs and LDPLs that generate trusted data and deliberation;
- National LDPL process that carries local voices into national decision-making;
- Multi-Actor Partnership (MAP) that institutionalizes whole-of-society collaboration; and, at the centre;
- National Framework on Loss and Damage (NFLD) to provide the policy "brain"
- National Mechanism on Loss and Damage (NMLD) for implementation "backbone" of Bangladesh's L&D system



The Loss and Damage Policy Lab (LDPL) and Multi Actor Partnership (MAP)

1. Local Loss and Damage Hubs: Foundations for Readiness

Local L&D Hubs - piloted in Barisal, Rajshahi, Khulns and Dhaka serve as trusted, district-level platforms that anchor the national system. Their importance lies in four core functions:

Data Generation: Collect and validate real-time, disaggregated evidence on economic and non-economic losses (e.g., livelihoods, displacement, cultural loss, mental health).

Trust Building: Create transparent and community-owned processes that strengthen public confidence in government–community collaboration.

Sensitization: Raise awareness among local officials, communities, and youth about the concept of loss and damage, limits to adaptation, and the need for justice-based responses.

Capacity Building: Develop local readiness for fund management, participatory monitoring, and reporting to ensure that communities can absorb and account for direct L&D finance.

2. Local LDPLs: Participatory Platforms for Evidence and Dialogue

Each Local Loss and Damage Policy Lab (LDPL) creates a participatory mechanism where communities, local governments, NGOs, and academic partners jointly assess vulnerabilities and co-design policy priorities. The Barisal LDPL captures realities of erosion, displacement, and loss of cultural ties. The Rajshahi LDPL focuses on drought and water scarcity, bringing farmers, local officials, and researchers together. These participatory spaces not only generate data but also build agency among local actors transforming them from passive beneficiaries into informed partners in national policy dialogue.

3. The Multi-Actor Partnership (MAP): A Whole-of-Society Approach

Under the MAP process, national actors including CSOs, academia, private sector, community representatives, financial institutions, and government ministries are forming thematic partnerships to co-create a comprehensive and nationally owned L&D framework. This ensures:

- Policy coherence across ministries and sectors;
- Collective ownership of national priorities;
- Transparency and accountability in fund access and delivery; and
- Enhanced capacity to engage internationally on finance and technical assistance
- MAP thus institutionalizes collaboration across levels and sectors making L&D governance both inclusive and actionable.

3.1 The National LDPL: Bridging Local Voices to National Policy

The National LDPL, held in October 2025, connected local insights from Barisal and Rajshahi to national policymakers across ministries, research institutions, and development partners. It serves as the bridge between community evidence and national decision-making, ensuring that the evolving policy frameworks and negotiation positions reflect the lived experiences of vulnerable people. This dialogue underscored the urgency to:

- Develop a national definition of loss and damage (including non-economic dimensions).
- Build data systems that integrate local registries into national databases.
- Strengthen readiness to access the FRLD and SNLD support

3.2 National Framework on Loss and Damage (NFLD): The Policy Arm

The forthcoming National Framework will serve as the overarching policy and coordination arm of Bangladesh's L&D architecture. It will define:

- National goals, targets, and indicators for addressing loss and damage;
- Reporting, data, and monitoring systems to ensure accountability; and
- Institutional linkages with global mechanisms such as the WIM, SNLD, and FRLD.

The NFLD provides the vision of what Bangladesh seeks to achieve, how it measures progress, and where national investments and partnerships are most needed. And will be designed with Bangladesh's NDC 3.0 and NDC Implementation Roadmap to ensure L&D planning is policy-coherent across adaptation, mitigation and resilience investments.

Prioritising Adaptation and Loss & Damage Nexus

The Adaptation and Loss & Damage (L&D) Nexus recognizes that adaptation and L&D are not separate or sequential areas of climate action, but interconnected components of a continuum of climate risk management. Adaptation seeks to reduce vulnerability, strengthen resilience, and prevent or minimize climate impacts; however, when climatic hazards exceed the biophysical, social, or economic limits of adaptation, residual and unavoidable impacts can result in economic and non-economic Loss and Damage. The Bangladesh experience highlights the importance of connecting locally led adaptation (LLA) with L&D systems so that community knowledge, local decision-making, and evidence of emerging impacts can inform early action as well as responses when adaptation limits are reached. The LLA-L&D Nexus approach can be useful in addressing both avoidable and unavoidable climate impacts. This integrated approach aims to support the early identification, documentation and timely responses to addressing L&D impacts, by prioritizing the successes of adaptation initiatives and assessing those that are at risk of collapse.

For Bangladesh, this nexus provides an opportunity to strengthen coherence between the NAP, L& D planning, local adaptation processes, and emerging national L&D architecture, while ensuring that vulnerable communities remain central to decision-making, evidence generation, finance, and implementation.

3.3 National Mechanism on Loss and Damage (NMLD): National Platform for Coordination, Capacity and Finance; The Implementation Arm

The National Mechanism on Loss and Damage (NMLD) is conceived as the overarching national platform that coordinates policy implementation, capacity building, technical assistance, and finance for responding to loss and damage. The NMLD will function as the institutional anchor that brings together the National Framework (NFLD), dedicated finance windows or channels, the Local LDPL Hubs, and technical partners, ensuring coherent delivery from community needs to national operations and to international funds and the Santiago Network. As such, the NMLD is not merely a financial conduit: it is the convening, operational and accountability vehicle for the country's whole L&D architecture, with a dedicated finance arm embedded within it. Complementing the Framework, the National Mechanism will be the implementation and finance arm—the channel through which funds and resources flow back to local hubs and communities. It will:

- Operationalize direct, transparent, and accountable financing mechanisms for L&D;
- Enable district-level fund management through Local Hubs and Union Parishads;
- Coordinate with the FRLD and other funding windows to ensure timely disbursement;
- Integrate social safety nets and local monitoring systems to identify and reach the most vulnerable.

Bangladesh L&D Architecture: The Multi-Actor Partnership (MAP) Approach

Connecting Local Voices, National Policy and Implementation for Effective Action

MULTI-ACTOR PARTNERSHIP (MAP) – WHOLE-OF-SOCIETY COLLABORATION

A national platform that institutionalizes collaboration across levels and sectors, ensuring inclusive, transparent and accountable L&D governance.

- Government (Ministries & Agencies)
- CSOs & Community Representatives
- Academia & Research Institutions
- Private Sector & Business Associations
- Financial Institutions
- Local Hubs & Union Parishads
- Development Partners

Policy Coherence • Collective Ownership • Transparency & Accountability • International Engagement • Capacity Sharing

NATIONAL LDPL: BRIDGING LOCAL VOICES TO NATIONAL POLICY
(Evidence & Dialogue Arm)

- Connects local insights from L&D Hubs and LDPLs to national policymakers.
- Aggregates and synthesizes local evidence, priorities and lived experiences.
- Builds data systems linking local registries to national databases.
- Provides technical analysis and policy recommendations.

OUTPUT

National evidence base and recommendations informed by local realities and community voices.

NATIONAL FRAMEWORK ON LOSS & DAMAGE (NFLD): THE POLICY ARM
(Policy Direction & Coherence)

- Defines national vision, goals, targets and indicators for L&D.
- Sets guidelines and procedures for L&D governance.
- Establishes reporting, data and monitoring systems for accountability.
- Ensures integration with NDC 3.0, NAP, BCCSAP and national budgets.
- Links Bangladesh to global mechanisms (WIM, SNLD and FRLD).

OUTPUT

Policy framework, standards and national L&D priorities guiding coordinated action.

NATIONAL MECHANISM ON LOSS & DAMAGE (NMLD): THE IMPLEMENTATION ARM
(Coordination, Capacity & Finance)

- Operationalizes the National Framework and coordinates implementation.
- Hosts dedicated finance arm/channels and facilitates direct, transparent and accountable financing for L&D.
- Enables district-level fund management through Local Hubs and Union Parishads.
- Coordinates with FRLD and other funding windows for timely disbursement.
- Integrates social safety nets and local monitoring to reach the most vulnerable.

OUTPUT

Coordinated implementation, capacity support, finance access and accountability mechanisms.

LINKAGES TO GLOBAL MECHANISMS & FUNDING

SANTIAGO NETWORK FOR LOSS AND DAMAGE (SNLD)

Requests for technical assistance based on national priorities and needs.

FUND FOR RESPONDING TO LOSS AND DAMAGE (FRLD)

Access to finance for implementing L&D projects and programs.

SOUTH-SOUTH COLLABORATION

Sharing experiences, solutions and lessons with LDCs, SIDS and other vulnerable countries.

LOCAL L&D HUBS, LDPLs, LOCAL GOVERNMENTS & COMMUNITIES

Implementation of actions • Local monitoring • Community participation • Feedback to national systems

STRENGTHENED L&D READINESS AND RESILIENCE

- Evidence-based national decisions
- Effective access to finance and technical support
- Reduced loss and damage and faster recovery
- Equitable and inclusive development for vulnerable communities
- Stronger engagement with global mechanisms and partnerships

LEGEND

- Flow of information, policy and resources
- Feedback and learning loop

Linking Bangladesh L&D Architecture to Global L&D Governance and Funding Architecture

From Local Action to National Policy, Implementation and International Support

1. Local Loss and Damage (LLD) Hubs: Foundations for Readiness

District-level LLD Hubs

- Generate trusted data (economic & non-economic)
- Community needs, gaps and priorities
- Deliberation and consensus building
- Local adaptation solutions and priorities

Outputs: Trusted evidence, local priorities and recommended actions

2. Local Loss and Damage Policy Labs (LDPLs)

Participatory Platforms for Evidence and Dialogue

- Validate local data & evidence
- Dialogue among communities, local government, CSOs, academia, youth, women & private sector
- Co-design local solutions and propose actions

Outputs: Validated evidence & prioritized L&D actions with community endorsement

3.1 National Loss and Damage Policy Lab (LDPL)

Bridging Local Voices to National Policy

- Aggregates and synthesizes local evidence & priorities
- Includes in national decision-making
- Provides technical analysis and recommendations
- Ensures transparency & accountability in dialogue

Outputs: National evidence base & recommendations for policy, planning and resource needs

3.2 National Framework on Loss and Damage (NFLD): The Policy Arm

The Policy "Brain"

- Provides strategic direction and policy coherence
- Defines vision, goals, targets and national indicators
- Sets guidelines & procedures for L&D governance
- Integrates L&D into national plans, budgets & climate policies (NDC, NAP, BCPP, etc.)

Outputs: Policy framework, standards & priorities guiding national L&D action

3.3 National Mechanism on Loss and Damage (NMLD): The Implementation Arm

The Implementation "Backbone"

- Institutional coordination (government, ministries, agencies, CSOs, academia, private sector)
- Capacity building & technical support
- Financial channeling & access to L&D funds (FRLD, GCF etc.)
- Monitoring, reporting & learning
- Stakeholder engagement through MAP

Outputs: Coordinated implementation, financing access & measurable impact at national & local levels

3. Multi-Actor Partnership (MAP): A Whole-of-Society Approach

Whole-of-Society Collaboration

- Institutionalizes whole-of-society collaboration
- Ensures policy coherence across ministries & sectors
- Builds collective ownership of national priorities
- Ensures transparency & accountability in fund access and delivery
- Enhances capacity to engage internationally on finance & technical assistance

3. Multi-Actor Partnership (MAP): The Connecting Platform

- Brings together diverse actors across sectors and levels
- Facilitates continuous dialogue, co-creation and consensus
- Promotes transparency, accountability and trust
- Ensures coherence, alignment and complementarity
- Strengthens readiness to access international finance and support

NEXT STEPS (Alignment & Action)

- Strengthen Local LLD Hubs and LDPLs
- Establish & operationalize National LDPL
- Finalize & adopt NFLD policy framework
- Operationalize NMLD and MAP platform
- Design national funding access strategy (FRLD, GCF, SNLD)
- Build capacities and data systems
- Engage with international mechanisms (SNLD & FRLD)
- Scale up community resilience & learning

LINKAGES TO GLOBAL L&D GOVERNANCE AND FUNDING ARCHITECTURE

Global Governance Mechanisms

UNFCCC Process (COP/CMA)

Provides political guidance and mandates

Warsaw International Mechanism (WIM)

ExCom (Policy Arm) → Santiago Network (Technical Arm) → Expert Group & OBNEs

Technical assistance, capacity building, knowledge & good practices

Fund for Responding to Loss & Damage (FRLD)

Fund Board → Secretariat (hosted by World Bank) → Funding Window (Grants $5–20M USD)

Financing support through grants for projects & programs

Bangladesh Interface

National Focal Point / National Authority (NMLD Secretariat)

- Liaison with UNFCCC bodies & FRLD
- Submit technical support requests to SNLD
- Submit funding proposals to FRLD via MoF
- Ensure compliance with safeguards & standards

Funding Flow to Bangladesh

FRLD Funds / Other Sources (GCF, AF, Bilateral, Philanthropy etc.)

National Mechanism on L&D (NMLD)

Implementation through Local Hubs, Projects & Programs

Disbursement to Communities and Ecosystems

- Direct benefit to affected communities
- Climate resilient livelihoods & systems
- Restoration & recovery of ecosystems, infrastructure & cultural assets

CROSS-CUTTING ENABLERS

- Gender Equality & Social Inclusion
- Human Rights & Equity
- Data Transparency & Open Access
- Safeguards & Accountability
- Knowledge Sharing, Learning & Innovation
- Monitoring, Evaluation & Adaptive Learning

ULTIMATE GOAL

Responsive, inclusive and resilient Bangladesh – where people and communities are better prepared, supported and empowered to address loss and damage.

The global policy architecture for loss and damage has evolved significantly, with the WIM ExCom providing knowledge generation and policy guidance, the Santiago Network catalyzing technical assistance, and the FRLD now beginning to disburse finance. However, coordination among these three bodies remains at an early stage, with the annual high-level dialogue on coordination and complementarity only recently established. The scale of financial resources committed to the FRLD (USD 397.74 million received, USD 250 million under the BIM) is minuscule relative to estimated needs (USD 395 billion annually for economic damages alone). The interim hosting arrangement with the World Bank raises governance concerns, and the absence of any obligation for historical emitters to fill the Fund remains a serious caveat.

Bangladesh is implementing a pioneering model of localized Loss and Damage governance through Multi-Actor Partnerships (MAPs), Local Loss and Damage Hubs, and Loss and Damage Policy Labs (LDPLs), generating trusted district-level data and building the foundation for a two-tier National Framework on Loss and Damage (NFLD) and National Mechanism on Loss and Damage (NMLD). While significant progress has been made in developing Bangladesh's Loss and Damage architecture, institutional coordination and the formalization of governance arrangements remain ongoing. As a result, households and local communities continue to bear a substantial share of the burden of averting, minimizing, and addressing climate-induced loss and damage, underscoring the urgency of operationalizing the proposed national system.

In line with emerging international guidance, Bangladesh's Loss and Damage architecture should build upon existing national adaptation planning processes. National Adaptation Plans (NAPs) provide an important foundation for minimizing loss and damage through adaptation action and offer an established platform for integrating climate risk management into national development planning. Existing vulnerability, climate risk, and adaptation assessments should therefore serve as the starting point for Loss and Damage planning under the NFLD. At the same time, additional analytical efforts will be required to assess irreversible and non-economic losses, climate-induced displacement and migration, relocation scenarios, and other potential existential threats that are not fully captured within conventional adaptation planning frameworks. This approach will strengthen policy coherence between the NFLD, the NAP, the NDC, the Bangladesh Climate Change Strategy and Action Plan (BCCSAP), and other national development priorities, while ensuring that Loss and Damage interventions respond to both current and future climate risks.

The NFLD provides policy direction by defining national goals, targets, indicators, data systems, and governance arrangements for addressing Loss and Damage. It will establish the strategic vision, assessment methodologies, reporting systems, and institutional linkages required to guide national action. Building upon this policy foundation, the NMLD will serve as the national platform that operationalizes these policies, coordinates readiness and capacity-building efforts, and hosts the finance arm(s) that channel resources to local hubs and interventions.

The NMLD will be hosted/anchored by Ministry of Environment, Forest and Climate Change (MoEFCC), Department of Environment, Government of Bangladesh, and governed via a multi stakeholder board including civil society, local hub representatives and finance partners.

The NMLD will be the formal national counterpart for FRLD funding requests (including BIM applications) and for Santiago Network technical assistance, coordinating both finance and TA from local hubs to national delivery.

Functions to include: screening/packaging proposals to BIM specifications; submitting formal SNLD TA requests; managing provider rosters and contracts; ensuring social safeguards and gender responsiveness in proposals; and tracking M&E requirements. This unit will be the frontline for converting Local Hub evidence into fundable, SNLD-backed proposals.

Taken together, these elements position Bangladesh to act as a ready and credible counterpart to the FRLD and SNLD, ensuring that future L&D finance and technical assistance are grounded in local realities, governed transparently, and ultimately reach the people who experience loss and damage first and most severely.

Develop and certify local loss registries and a national L&D database that can be packaged with BIM applications (loss quantification, beneficiaries list, community validation statements). The FRLD pilot emphasizes evidence-based, community-rooted submissions - good data accelerates approval.

Design governance arrangements for NMLD that show multi-stakeholder oversight (government, civil society, local hub reps). Application review under BIM will look for accountability and safeguards. Transparency mechanisms (public dashboards, grievance redress) strengthen credibility.

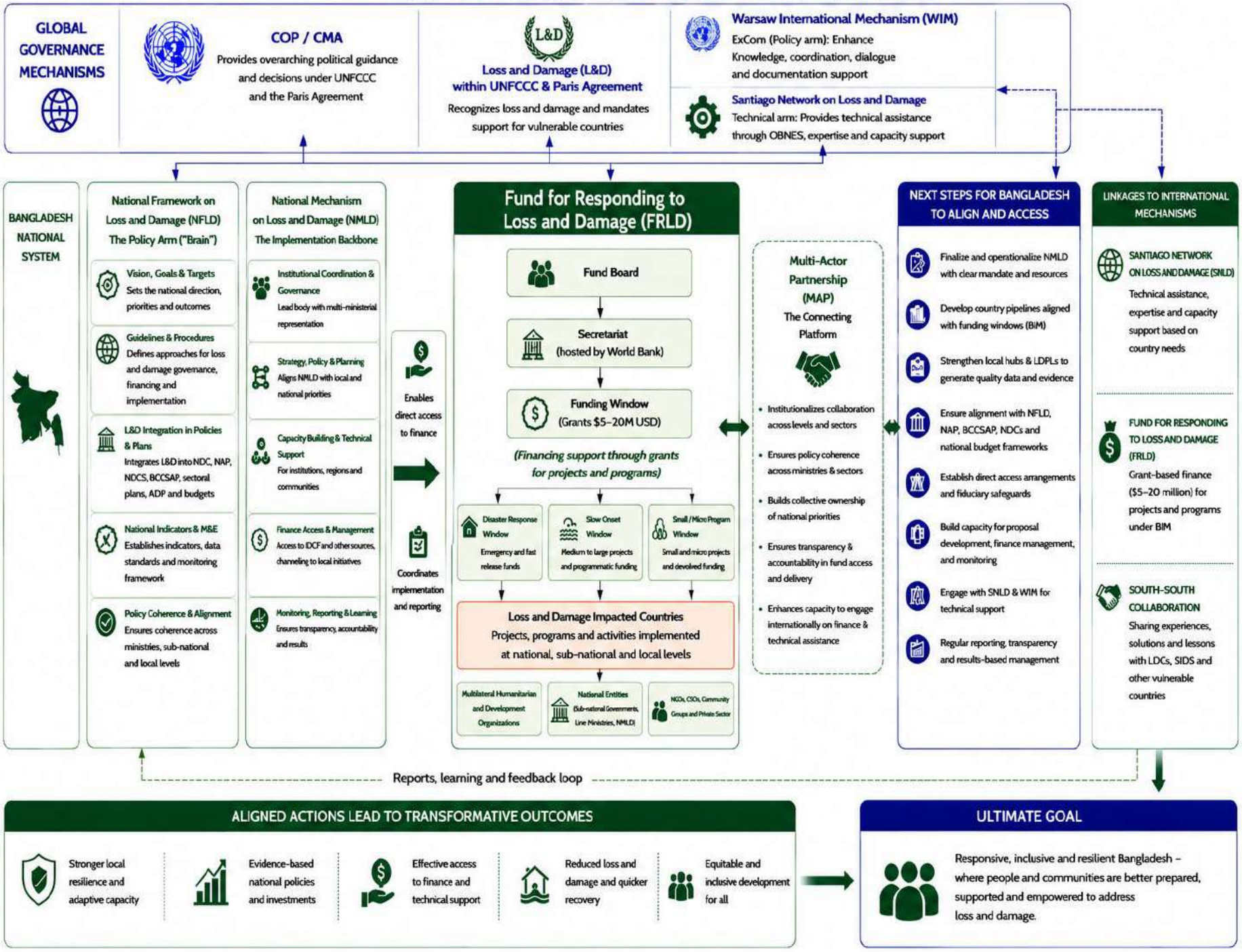
The NMLD should curate a short-list ("pipeline") of BIM-ready proposals (USD 5m–20m bands) that have baseline assessments, costings, and SNLD TA requests attached. Readiness financing (from development partners or domestic budget lines) can be used to finalize proposals ahead of BIM windows.

Align proposed L&D activities with NDC priorities and national adaptation plans to increase co-financing opportunities and policy coherence (this helps when the FRLD's pilot considers co-benefits and complementarity)

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Understanding Bangladesh National System and Linkages to International Mechanism

From Local Action to Global Support – A Coherent Pathway



Way Forward: From Local Action to Global Support

- Localization is the foundation of an effective national L&D system: Local Loss and Damage Hubs and LDPLs provide the essential data, trust, and institutional capacity needed to anchor the National Mechanism on Loss and Damage (NMLD) in lived realities.
- Institutional coherence is essential for readiness: The NFLD and NMLD must function as a coordinated two-tier structure, policy direction (Framework) and operational delivery (Mechanism) aligned with NDC 3.0, NAP, Delta Plan, and FRLD governance.
- Direct, gender-responsive finance is central to climate justice: Finance must reach frontline communities quickly, transparently, and equitably, supporting both economic and non-economic loss recovery while shifting power toward local actors.
- Bangladesh is ready to lead globally on localized L&D governance: The LDPL experience, MAP process, and proposed NMLD demonstrate a scalable model that links community evidence, technical assistance (SNLD), and finance (FRLD) into a coherent national architecture.
- Operationalizing loss and damage from concept to reality ultimately requires not just technical solutions and financial resources, but recognition of historical responsibility and commitment to justice for the most vulnerable.

Concluding Message:

Bangladesh has emerged as a global knowledge hub in advancing locally grounded approaches to addressing climate-induced Loss and Damage (L&D). Through the development of Local Loss and Damage Hubs, Local and National Loss and Damage Policy Labs (LDPLs), and the establishment of Multi-Actor Partnerships (MAPs), the country is demonstrating how inclusive, participatory, and evidence-based governance can support the development of effective national systems for addressing climate impacts.

The MAP approach has been instrumental in bringing together government institutions, civil society organizations, academia, local communities, development partners, and the private sector to co-create solutions and build collective ownership of the Loss and Damage agenda. By fostering dialogue, collaboration, and shared accountability across sectors and scales, the MAP process has laid the foundation for the proposed National Framework on Loss and Damage (NFLD) and the National Mechanism on Loss and Damage (NMLD), which together form the core of Bangladesh's emerging national Loss and Damage architecture.

The architecture presented in this working paper demonstrates how local evidence, community priorities, national institutions, and international support mechanisms can be connected through a single integrated pathway for averting, minimizing, and addressing climate-induced loss and damage. It illustrates how locally generated knowledge can inform national policy, guide institutional coordination, strengthen readiness for international support, and improve access to finance and technical assistance through mechanisms such as the Santiago Network on Loss and Damage (SNLD) and the Fund for Responding to Loss and Damage (FRLD).

Beyond its national significance, the Bangladesh experience offers important lessons for other climate-vulnerable countries. Through South–South collaboration and knowledge exchange, the MAP approach, Local Loss and Damage Hubs, LDPLs, NFLD, and NMLD provide a practical model that can inform the design of national Loss and Damage systems across Least Developed Countries (LDCs), Small Island Developing States (SIDS), and other vulnerable nations. By sharing experiences, evidence, and institutional innovations, Bangladesh can contribute to strengthening global efforts to operationalize Loss and Damage

commitments and ensure that international finance and technical support reach the communities most affected by climate change.

As global Loss and Damage governance continues to evolve, Bangladesh is well positioned to serve as a credible national counterpart to international mechanisms while also acting as a regional leader in demonstrating how locally led, multi-stakeholder approaches can translate global commitments into tangible action and resilience on the ground.

In the table below, there are recommendations and actions for different potential stakeholders to address climate change induced L&D:

Message for	Recommendation	Key Actions
Government of Bangladesh	1. Formalize the National Framework (NFLD) and National Mechanism (NMLD)	• Approve and operationalize both instruments as the backbone of L&D governance. • Define clear roles, mandates, and reporting lines across ministries and levels of government.
	2. Establish and resource Local Loss & Damage Hubs nationwide	• Scale district-level hubs using the LDPL model. • Allocate predictable financing and staffing for continuous operations.
	3. Mandate L&D integration in local planning	• Issue a directive requiring L&D—including NELD—in LCAPs, LAPAs, and district plans. • Embed L&D indicators in national M&E and budget systems.
	4. Create a dedicated L&D Finance Window	• Integrate L&D into the Climate Fiscal Framework and ADP. • Enable direct access for local governments and community organisations. • Apply gender-responsive and social inclusion safeguards.
	5. Strengthen national evidence systems	• Develop a unified L&D database integrating local registries and NELD indicators. • Standardize tools for economic and non-economic loss assessment. • Build loss quantification systems aligned with FRLD requirements.
	6. Engage strategically with FRLD and SNLD	• Submit readiness proposals and TA requests through the NMLD. • Prioritize governance design, data systems, safeguards, and NELD methodologies. • Develop a pipeline of BIM-ready L&D projects rooted in Local Hub evidence.

Message for	Recommendation	Key Actions
Local Governments	1. Institutionalize local L&D evidence generation	• Maintain Loss Registers and risk registers. • Conduct community-based assessments and vulnerability mapping. • Collaborate with Local Hubs on LDPL processes.
	2. Strengthen inclusive governance	• Ensure representation of women, youth, persons with disabilities, and marginalized groups. • Facilitate transparent consultations and social audits.
	3. Enhance local financial readiness	• Adopt climate budget tagging and maintain expenditure records. • Prepare proposals for micro-grants and direct access channels. • Build fiduciary and safeguards capacity for L&D finance.
Development Partners, Funds & Technical Agencies	1. Support scaling of Local L&D Hubs	• Provide flexible finance for Local Hubs and LDPLs. • Invest in capacity building for local governments and communities.
	2. Strengthen national L&D evidence systems	• Support methodologies for economic and NELD assessment.
	3. Align TA with national priorities	• Prioritize institutional design, MRV, and NELD frameworks.
	4. Prioritize gender-transformative, justice-based finance	• Co-finance pilots demonstrating equitable direct access. • Require social inclusion and transparency in all funded interventions.
International Agencies		• Localization must be at the heart of Loss and Damage finance. • Direct access to FRLD finance should prioritize countries with ready national mechanisms and community-based delivery structures. • Technical assistance through the Santiago Network must respond to institutional needs - not generic toolkits. • Bangladesh's NMLD and LDPLs model a scalable, community-rooted L&D architecture. • Finance justice requires gender-responsive,

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Photo: Dharmachandra Tonchongya













Photos of Climate Displaced Persons from Babul Mollah Slum Notun Bazar, Khulna Sadar.








Photo: Dharmachandra Tonchongya

Photos of Climate Displaced Persons from Babul Mollah Slum Notun Bazar, Khulna Sadar.



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