



SEAN-CC NEGOTIATION BRIEFING PAPER

Loss and Damage

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June, 2014



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for Environment
and Development

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Loss and Damage

Background

Increasingly severe predictions of climate change and the future impacts it could bring are contained in the assessment reports of the Intergovernmental Panel on Climate Change (IPCC) which has made it clear that current levels of mitigation and adaptation efforts are insufficient to prevent the impacts of climate change from inflicting loss and damage in both developing and developed countries (Warner and Zakieldeen, 2012). This recognition has led to the rise of loss and damage (L&D) as an agenda item under the United Nations Framework Convention on Climate Change (UNFCCC). The term first appeared in the Bali Action Plan, the result of negotiations at the thirteenth Conference of the Parties (COP13), which urged Parties to the Convention to take enhanced action on adaptation (UNFCCC, 2008). Three years later a work programme was established at COP16 in Cancun in 2010 to enhance understanding of L&D (UNFCCC, 2011). At the 34th session of the Subsidiary Body for Implementation (SBI), held in Bonn in June of 2011, the work programme was differentiated into three thematic areas: (1) assessing the risk of L&D; (2) a range of approaches to address L&D and; (3) the role of the Convention in enhancing the implementation of approaches to address L&D in developing countries (UNFCCC, 2012a). In Doha at COP 18 in 2012, Parties agreed that the Convention should: (1) enhance knowledge and understanding of approaches to address loss and damage; (2) strengthen dialogue and coordination among relevant stakeholders; and (3) enhance action and support to address L&D (UNFCCC, 2013). To help the Convention carry out these functions it was agreed that institutional arrangements – such as an international mechanism – would be created at the following COP to be held in Warsaw in late 2013 (Ibid).

The Warsaw international mechanism on loss and damage

Negotiations at COP 19 in Warsaw were preceded by two major events. Firstly the Summary for Policymakers of Working Group I's contributions to the IPCC's Fifth Assessment Report was released in September 2013. The report introduced the concept of a carbon budget and maintained that though there is still a window for maintaining warming below 2°C, it is fast closing (IPCC, 2013). Secondly, Typhoon Haiyan hit the Philippines, Micronesia and Vietnam just days before the first day of the COP. In the opening plenary of COP 19 the head of the Philippine delegation, Nadarev (Yeb) Sano, urged more concrete action on climate change in the face of increasing losses and damages from extreme events and predictions of more to come (Vidal and Vaughan, 2013).

After two weeks of intense negotiations the Warsaw international mechanism (WIM) on loss and damage was established to help developing countries address losses and damages from climate change impacts in an eleventh hour huddle on the plenary floor the day after official negotiations were to have ended. The WIM was created to carry out three main functions of the Convention vis-à-vis loss and damage that were previously agreed upon at COP 18 in a “comprehensive, integrated and coherent manner” (UNFCCC, 2014). During negotiations in Warsaw Parties decided on modalities to help the Convention carry these functions.

Functions

Parties agreed that the WIM will enhance knowledge and understanding of comprehensive risk management approaches to address loss and damage by taking action to address gaps in approaches to address loss and damage, collecting, sharing, managing and using relevant data and information and providing an overview of best practices, challenges, experience and lessons learned in implementing

approaches to address loss and damage. It was decided that the WIM will strengthen dialogue, coordination, coherence and synergies amongst relevant stakeholders by providing leadership and coordination on assessing and addressing loss and damage under the Convention and promoting cooperation and collaboration with relevant stakeholders, institutions, bodies, processes and initiatives outside the Convention. The WIM will enhance action and support – including financial, technological and capacity building – by providing technical support and guidance on approaches to address loss and damage.

Parties also decided that the WIM will provide information and recommendations to the COP, focusing on addressing loss and damage and will also help mobilize expertise and enhance support to build on existing approaches and help develop and implement further approaches to address L&D – from both extreme events and slow onset processes – where necessary. The decision mandates that in carrying out its work the mechanism should work in conjunction and complement the work of existing bodies within the Convention and organizations and institutions outside the Convention (Ibid).

Institutional arrangements

To guide the work of the WIM Parties decided to establish an Executive Committee, which will report to the Conference of the Parties through both the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA). In the interim the Executive Committee will comprise two members of each of the Adaptation Committee, the Least Developed Countries Expert Group, the Standing Committee on Finance, the Technology Executive Committee and the Consultative Group of Experts on National Communications from Parties not included in Annex I, with a balanced representation between representatives from developing and developed countries (Ibid).

The initial meeting of the interim Executive Committee (ExCom) of the Warsaw international mechanism took place from March 25th to 28th, 2014 in Bonn, Germany. At this meeting the Executive Committee was tasked with developing a two-year work plan and to take into account some of the key issues identified in Decision 3/CP 18¹, the outcome of the negotiations in Doha. Specifically the decisions identified a range of national actions that countries could undertake to address L&D including assessing the risk of loss and damage, identifying, developing and implementing country-driven risk management strategies and observing and collecting data on the impacts of climate change – among others. In Doha a number of areas for further research were also identified including – but not limited to – improving understanding of slow onset processes, non-economic losses, how loss and damage affects vulnerable segments of the population and how appropriate risk management approaches can be identified and implemented. The ExCom developed elements of a work plan but were not able to consolidate them into a single document. However, they have agreed to work together via email over the next two months to develop a coherent work plan. ExCom members agreed that a second meeting should be held before the intersessional in Bonn, scheduled for June 1st through 14th. The ExCom also plans to consult with Parties and other stakeholders during the intersessional. The work plan will be presented at the 41st session of SBSTA/SBI at COP 20 in Peru in December 2014. In addition, SBSTA and the SBI will be asked to consider the composition of and the procedures for the executive committee and make recommendations to the COP at its twentieth session. The structure, mandate and effectiveness of the executive committee will be reviewed at COP 22, to be held in Dakar, Senegal in December 2016 (Ibid).

¹ For more information see paragraphs 6 and 7 of Decision 3/CP 18, available at: <http://unfccc.int/resource/docs/2012/cop18/eng/08a01.pdf>

Until COP 22 the Warsaw international mechanism will be situated under the Cancun Adaptation Framework. This was a sticking point for negotiations. Developing countries, led by the G-77 and China, maintained that addressing loss and damage will require tools that go beyond adaptation. The G-77 and China agreed to the establishment of the mechanism under the CAF reluctantly in the last minute huddle on the plenary floor. In that discussion Parties worked out wording in the pre-ambular paragraphs that recognizes that some losses and damages are beyond adaptation in order to ensure the acceptability of the decision by all Parties. In the pre-ambular paragraphs Parties acknowledge, “that loss and damage associated with the adverse effects of climate change includes, and in some cases involves more than, that which can be reduced by adaptation” (Ibid:6).

Addressing loss and damage at the national level

While discussions on how to address loss and damage at the international level have been ongoing, Southeast Asia has experienced significant loss and damage from extreme weather and climate-related events. The 2011 flooding in Bangkok was the worst flood experienced in over a century, resulting in a loss of 680 lives (World Bank, 2012) affecting a further 12 million people and causing an economic loss estimated at USD 47.5 billion (Landelle, 2012). In November of 2013 Typhoon Haiyan – thought to be the most severe storm to make landfall in recorded history - hit the Philippines, Micronesia and Vietnam. Haiyan hit the Philippines with wind speeds of between 190 and 195 miles per hour (305 to 313 kilometres per hour) (Fischetti, 2013). As of December 2013 over 6,00 were dead and 27,000 missing in the Philippines (Associated Press, 2013). According to President Aquino the storm caused estimated USD 12.9 billion in losses and damages (Ibid). While the IPCC’s Special Report on Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation (SREX) and the Summary for Policy Makers of Working Group I’s contributions to the IPCC’s Fifth Assessment predict that the frequency of cyclones, typhoons and hurricanes will remain the same or decrease (though wind speed will likely increase). That said, the Philippines was hit by 24 cyclones in 2013 alone (Vidal and Vaughan, 2013).

A study to map the vulnerability of Southeast Asian countries to climate change found a number of climate “hotspots” in the region, including droughts in Northwestern Vietnam, Southern Thailand, the Philippines and parts of Malaysia and Indonesia and sea level rise in the Mekong Delta and parts of Indonesia and Thailand and floods – among others (Yusuf and Fransisco, 2009). The report concluded that the most vulnerable areas in the region included all of the Philippines, the Mekong Delta, almost all of Cambodia, North and East Lao PDR, Bangkok and Western and Southern Sumatra and Western and Eastern Java in Indonesia (Ibid). Policymakers throughout the region are grappling with addressing losses and damages from both extreme weather events and slow onset climatic processes.

In Warsaw, Parties acknowledged the contribution of adaptation and risk management strategies to addressing loss and damage and recognized that there are some climate change impacts cannot be addressed by adaptation. Research suggests that once the limits to adaptation are breached the losses will escalate (Dow et al., 2013). Identifying where the limits of adaptation lie is therefore importance so that policies can be implemented to avoid the consequences of breaching them (Ibid). That said, determining where adaptation ends and approaches to address L&D begins is not an easy task and much more research will need to be undertaken to provide policymakers with the information they require to implement sound policies.

Emerging research on the limits to adaptation has proposed an adaptation frontier which represents a “safe operating space for adaptation” assuming the adaptation choices available are implemented efficiently, which of course presupposes that resources are available to do so (Preston et al., 2013). Thus, policymakers must develop and implement policies that will help communities cope with the

unavoided impacts of climate change with risk retention tools like social safety nets and risk transfer tools like insurance (UNFCCC, 2012b). In addition the landscape of policies for addressing climate change is already crowded with mitigation, adaptation, disaster risk reduction, not to mention development objectives. There are opportunity costs to implementing one type of policy over another. By integrating or harmonizing the agendas of ministries dedicating to addressing the various aspects of climate change, synergies can be found and co-benefits produced.

For instance, Preston et al. (2013) suggest that improving development outcomes can push the adaptation frontier, which will ultimately reduce avoidable losses and damages. In addition, one of roles of the Warsaw international mechanism is to enhance action and support to help developing countries address L&D. This may mean that regional centres will be empowered to provide guidance to developing countries on the range of possible approaches to address loss and damage. However, in order to have their needs met developing countries need to continue to articulate what those needs are. Continued engagement with one another through regional platforms for knowledge and experience sharing are also important.

The Way Forward

The issue of whether or not loss and damage can be addressed by adaptation will continue to be a key issue both in discussions of the ExCom of the WIM and in other loss and damage-relevant discussions under the UNFCCC. Developing countries, led by the G77 and China, have argued that there will be some losses and damages that will not be addressed by adaptation efforts. The Alliance of Small Island States (AOSIS) continues to highlight the need to address permanent losses, like the loss of territory being faced by atoll states like Tuvalu and Kiribati. The preambular text of Decision 2/CP19 acknowledge that, “loss and damage associated with the adverse effects of climate change includes, and in some cases involves more than, that which can be reduced by adaptation” (UNFCCC, 2014). However, the WIM was established and will be situated until the Cancun Adaptation Framework until the review at COP 22, at which time the institutional arrangements may be re-evaluated. Developing country Parties argue that L&D should be a third pillar under the Convention as it represents impacts that have not been addressed by mitigation or adaptation. However, developed country Parties, particularly the US, Canada, Australia and New Zealand, will insist that the loss and damage should continue to be situated under the Cancun Adaptation Framework. These Parties will also likely argue that loss and damage can be addressed by transformational adaptation, which the Summary for Policymakers of Working Group II’s contributions to the IPCC’s Fifth Assessment Report defines as “a change in the fundamental attributes of natural and human systems” (IPCC, 2014). Along with the limits to adaptation, the nature of transformational adaptation and the impacts it can address promises to be area of contention in discussions on loss and damage in the coming years.

Establishing the Warsaw international mechanism is only the beginning of a long journey to ensure that developing countries have the support they need to address loss and damage. The hard work now begins to ensure that it carries out its functions. Continued engagement from both Parties and observers and support from bodies, organizations and institutions both inside and outside the Convention will be needed to ensure the success of the WIM. Developing countries will need to continue to articulate their needs vis-à-vis assessing and addressing loss and damage in their own national contexts and to participate in the process to the extent possible to ensure that these needs are met.

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