WORKSHOP REPORT

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Word cloud of the Warsaw International Mechanism on Loss and Damage



Independent University, Bangladesh — in partnership with BCAS and IIED

This publication is based upon the outcomes of the Loss and Damage Workshop organized on December 4, 2015 and has been compiled from the notes taken by the author. The publication is a summary from the organizer's point of view, and does not necessarily express the views of each individual participant.

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Loss and Damage at COP 21

The loss and damage side event convened by ICCCAD and Sciences Po University on December 4, 2015, brought together about 20 participants from academia, government, UN agencies, think tanks and civil society organizations. The purpose of the meeting was to network among the community of practitioners either working on loss and damage or interested in the issue and share experiences.

History of loss and damage

Dr Saleemul Huq began with the <u>history of loss and damage</u> since the beginning of the convention in 1992. Worried about human induced loss and damages, the Association of Small Island Developing States (AOSIS) has been advocating for an insurance scheme. Annex 1 countries had avoided mentioning loss and damage for the longest time given the questions of liability, leading to potential compensation. In the Cancun Adaptation Framework adopted in 2010 at COP 16, the words "loss and damage" appear for the first time in the negotiating text, followed by regional and thematic workshops on the topic. A real breakthrough happens in COP 19 in Warsaw where loss and damage gets fully institutionalized into the Adaptation stream of the UNFCCC through the <u>Warsaw International Mechanism on Loss and Damage</u>.

Warsaw International Mechanism on Loss and Damage (WIM)

The mechanism is guided by an <u>executive committee</u> comprising 20 members from parties to the convention, split evenly between developed and developing nations. The current Co-chairs are Shereen D'Souza (USA) and Pepetua Latasi (Tuvalu). The committee set up an initial <u>two-year work plan</u> with nine action areas. The committee has exactly one year to gather evidence, provide advice and recommendations to the COP in 2016. Elements of the work program include:

- 1. Vulnerable countries and ecosystems
- 2. Risk management and resilience
- 3. Slow onset events
- 4. Non-economic loss and damage
- 5. Building resilience
- 6. Migration
- 7. Financial instruments and tools e.g.: Insurance
- 8. Links to other institutions within the UNFCCC
- 9. Five year plan

Loss and Damage position at COP21

The subject continues to be controversial at this COP. The G77+China group has adopted the same position as the Least Developed Countries (LDC) and AOSIS on loss and damage who are advocating that it be a separate agenda of its own, with the WIM being a permanent body within the convention. Their position also includes <u>migration</u> being elevated to include a facility and innovative forms of finance to fund loss and damage. The Swiss and US are vehemently opposed to loss and damage, with the US however, pledging USD 30 million for insurance to developing countries against climate risk. Insurance as we know is a vehicle for loss and damage. As of now, discussions on loss and damage are happening hi-laterally, with the Prime Minister of Tuvalu, Mr Enele Sopoaga and Secretary of State, Jon Kerry meeting behind closed doors hoping that G77+China and Annex 1 will follow their lead.

The current text still contains loss and damage in brackets, which means that its fate is still un decided.

Discussion from the group

Financing loss and damage

- The total cost of loss and damage for the 48 least developed countries is currently estimated to be USD\$50 billion annually, while the 13 biggest fossil fuel companies made more than \$100 billion in profits last year. The <u>Climate Justice Program</u> advocates for a carbon levy on fossil fuel companies and is another example of innovative finance on loss and damage.
- The UNFCCC's <u>Standing Committee on Finance</u> organizes a yearly forum and next year's forum will look at financial instruments that address the risks of loss and damage associated with the adverse effects of climate change
- Weather index based insurance have encourages farmers to uptake new products in climate affected areas. The project is based at the International Research Institute at Columbia University and pilot projects are based on weather variable, such as level of rainfall easily found on free satellite data
- Although insurance has long been championed as a financial mechanism for loss and damage, participants raised a critical question of its ability to service the very poor. It might also not be appropriate for slow onset events.
- It is important that loss and damage finance is a mechanism for support and help for the poor and so much more than the compensation issue that causes much controversy and disagreement. For example, Bangladesh has put close to USD 500 million into climate change project of which 1/3 is kept in reserve in an interest bearing account. Designing a good mechanism asks what will trigger the money? How do we best monitor it?

New research on loss and damage

- ActionAid recently concluded a multi-country research on loss and damage in four countries in Asia. Their research uncovered that to address risk, it is important to understand vulnerabilities first. Risk management and resilience measures are short term, however the impacts are long term. Coping strategies have often meant loss in nutrition and food security.
- Another researcher in the group is looking at the changing narrative on loss and damage through the eyes of the negotiators
- The ecosystem's critical role in mitigation of loss and damage was also another area of work being done

WIM Supporters Group

The WIM ExCom <u>met for the first time in Bonn from September 24-26</u> to start to deliver a very ambitious <u>two-year</u> <u>workplan</u> in only 12 months left to them. The LDC Executive Committee Members of the WIM are often do not have assistance and therefore adequate preparation for meetings. The aim of the Supporters Group is to provide research and technical support to help the ExCom fulfill its two-year workplan. The Supporters Group welcomes the ExCom to send requests for information and publications. We hope to maintain regular contact with the ExCom members through the dissemination of a monthly digest and hold workshops and meetings on pertinent issues regarding loss and damage. To ease the task of defining the issue ICCCAD has provided a brief on definitions of loss and damage from the 12 definitions presented to them from research on the issue. If you wish to be a member of the Supporters Group, please contact Alexis Durand (alexis_durand@brown.edu) or Masroora Haque (masroora.haque@icccad.net). The supporters group is emailed a newsletter containing latest updates on loss and damage once a month, including calls for support to the WIM.

Useful links

- Warsaw International Mechanism on Loss and Damage http://unfccc.int/adaptation/groups_committee/loss_and_damage_executive_committee/items/7543.php
- International Journal of Global Warming http://www.inderscienceonline.com/toc/ijgw/8/2
- Asia Pacific Forum on Loss and Damage Iossanddamageforum.org/
- Loss and Damage in Vulnerable Countries Initiative www.loss-and-damage.net
- ICCCAD publications www.icccad.net/publications
- IIED publications on loss and damage http://pubs.iied.org/search.php?k=loss+and+damage&z=+