Tackling the climate reality:

A framework for establishing an international mechanism to address loss and damage at COP19

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Contents

Front cover photo:
Heavy flooding in Sukkur, Sindh Province, Pakistan, followed severe monsoon rains in July and August 2010. The resulting crisis, which inundated one fifth of the country and affected more than 20 million people, was one of the worst humanitarian disasters in recent history according to the United Nations.
(Credit: © Courtesy of DFID – UK Department for International Development / flickr.com / creative commons.).

Inside cover photo:
A family assesses the damage to their home and belongings after cyclone Phailin hit eastern India in October 2013. Climate change is exacerbating extreme weather events according to the latest scientific evidence.
(Credit: © CARE).

Preface

This report is the fourth in a series of collaborations between ActionAid International, CARE International and WWF International. We have come together as organisations concerned about the lack of concerted action taken by developed countries to tackle climate change to date. We are also concerned about a future that may see average global temperature rises in the order of 4°C this century. This must be avoided through ambitious action on mitigation globally, with those who are most responsible taking a leading role. The signs of impending climate crises are growing, yet those most responsible for climate change behave as if we have decades to act. **We do not have any time to lose.**

We also want to call attention to the consequences of inadequate action by developed countries to follow through on their commitment to support the adaptation needs of developing countries under the United Nations Framework Convention on Climate Change (UNFCCC). With greater support and action on adaptation, loss and damage can also be reduced. However, many developing countries face serious constraints to taking the necessary adaptation actions that can limit loss and damage.

Indeed, the lack of serious attention to both mitigation and adaptation is pushing the world into the third era of climate governance, where the two pillars of adaptation and mitigation are no longer sufficient to respond to the challenge of climate change. This report is a contribution to the debate and the work to establish an international mechanism on loss and damage in order to support all actors involved in addressing this important issue.

A sign, which reads 'please stop here' in German, protrudes above floodwaters at a campsite in Mihla, Thuringia, Germany. Extreme floods struck central Europe in May and June 2013 causing extensive damage in parts of Germany, the Czech Republic and Austria. Switzerland, Slovakia, Belarus, Hungary, Poland and Serbia were also affected. *(Credit:© Courtesy of ed 37 ~~ / flickr.com / creative commons).*

Executive summary

We have now entered the era of climate change induced loss and damage. The failure to adequately mitigate and the failure to sufficiently support adaptation have resulted in vulnerable communities and countries facing increasing loss and damage due to the impacts of climate change.

In 1992, developed countries agreed to take the lead in addressing climate change under the principle of common but differentiated responsibilities. Yet, they have failed to do so. As a result, these countries must now urgently step up action to reduce and mitigate the effects of greenhouse gases in the atmosphere and provide adequate support for adaptation.

Developed nations must also adhere to their legal and moral responsibilities for the damage their emissions continue to cause. In the absence of adequate mitigation and insufficient support for adaptation, an international mechanism on climate change loss and damage is no longer an option, but a necessary consequence of the new climate reality.

At COP18 in Doha in 2012, the parties to the UN Framework Convention on Climate Change took a major step towards establishing an international mechanism on loss and damage. This year, at COP19 in Warsaw, they must follow through and commit to its establishment.

Significant momentum for a new international mechanism on loss and damage has been building for some time, both prior to and since COP18. Countries have begun to clearly recognise the need to address increasingly severe limits to adaptation. Sea-level rise, desertification, ocean acidification and glacial melt are already affecting vulnerable people and communities around the world, many of whom also bear the least responsibility for causing the greenhouse gases which drive climate change. This is an extreme global injustice.

Why governments must act urgently to prevent and address loss and damage

Climate change loss and damage is resulting from insufficient mitigation efforts. If emissions continue to be pumped into the atmosphere at current levels, the long-held goal of keeping average global temperature rises to below 2°C will be exceeded. In fact, the world is currently on a pathway towards an altogether much warmer world; average global temperature rises of well over 4°C above pre-industrial levels by the end of this century are looking increasingly likely with a business-as-usual approach to mitigation.

Climate change loss and damage is also resulting from insufficient support for adaptation. In fact, increasing frequency and severity of extreme weather events are already providing ample evidence of how adaptation limits are being breached, overwhelming the ability of countries, people and ecosystems to cope with damage which, in turn, undermines people's adaptive capacity and eats away at their resilience.

Adaptation limits are also being breached as a result of slow onset impacts, such as sea-level rise, increasing temperatures, ocean acidification, glacial retreat, salinisation, land and forest degradation, loss of biodiversity and desertification. As these impacts unfold, over many months or years, adaptation gradually becomes more difficult and, ultimately, impossible.

Currently, the extent of adaptation action in developing countries lags far behind what is needed to tackle the growing scale and pace of climate change. Not only are developed countries failing to meet their responsibilities to address the damage being caused by their emissions,

they are also failing to provide sufficient support to help developing countries adapt. Meanwhile, the adaptive capacity of many developing countries is compounded by poverty and a lack of capacity for development.

Exceeding the limits to adaptation will have a profound impact on lives and livelihoods, ecosystems, and food and fisheries production in many countries around the world. The effects will be most severe in vulnerable countries and will overwhelmingly affect the poorest and most vulnerable people within these countries.

Importantly, even if urgent and massive mitigation efforts are undertaken now, and adaptation is scaled-up immediately, thus keeping warming to well below 2°C, some limits to adaptation will still be breached. For example, the amount of 'already committed' warming based on existing emissions in the atmosphere will lead to further sea-level rise. Indeed, low-lying areas in countries such as Bangladesh and other island nations are already suffering inundation of aquifers and loss of productive land due to salinisation.

Why we need an international mechanism on loss and damage

Whilst the UNFCCC has existing mechanisms and instruments on mitigation, adaptation, finance, technology and clean development, there is no specific mechanism to address loss and damage. Nor can loss and damage simply be subsumed under existing frameworks and ongoing negotiations. Instead, it must be regarded as a 'new era' of climate change alongside, and in addition to, mitigation and adaptation.

A new, dedicated international mechanism on loss and damage is therefore needed under the UNFCCC to assess and address the significant residual impacts of climate change on vulnerable countries. Parties agreed at COP18 that the role of the Convention on loss and damage would include: enhancing knowledge and understanding; strengthening global coordination and coherence; and enhancing action and support to address loss and damage associated with the adverse effects of climate change.

This report outlines the specific elements, functions and modalities of such an international mechanism. At a minimum, the mechanism must perform the following functions:

- Global oversight and coordination of actions.
- Enhanced cooperation, collaboration, and linkages with regional and global institutions on loss and damage associated with climate change.
- Knowledge development and exchange.
- Support for the implementation of a wide range of approaches identified to address loss and damage.
- Facilitating and catalysing the development of innovative financial measures, including measures for rehabilitation of damage, compensation for loss, and reparations for non-economic impacts.
- At least initially, the mechanism would be composed of two operational elements:
- The continued work programme on loss and damage under the UNFCCC.
- A newly established Standing Body on Loss and Damage under the UNFCCC.

The Standing Body would be tasked with elaborating the further modalities required to make the international mechanism on loss and damage operational.

Jogamma lost her home for the second time when heavy winds and torrential rain hit eastern India during cyclone Phailin in October 2013. Having rebuilt her house after a previous storm in 1999, she is determined not to move out.
(Credit:© Akanksha Nigam/CARE).

1. Introduction

We have now entered the era of climate change induced loss and damage. The time when emissions reductions and adaptation could have avoided significant adverse impacts on developing countries and vulnerable populations has passed. For too long, emissions of greenhouse gases have accumulated in the atmosphere and started to alter the climate system. Developed countries, which bear by far the most historical responsibility for these emissions, have not taken this seriously enough, and have largely failed to take appropriate action. If developed countries continue to fail to make drastic emissions reductions, loss and damage in developing countries will continue unabated, increasingly threatening the lives and livelihoods of those who are poor, vulnerable and the least to blame.

The world is currently on a pathway towards an average global temperature rise of over 4°C above pre-industrial levels by the end of this century if business-as-usual emissions trends continue.[1] The possibility of 5°C or even 6°C of warming by 2100 cannot be ruled out. The 2°C limit may already be exceeded by the middle of this century, according to the latest report from the Intergovernmental Panel on Climate Change.[2]

And yet communities are ***already*** facing limits to adaptation with just 0.85°C of average warming since 1901. Research carried out by the United Nations provides a glimpse into the suffering which is already occurring:

- Flooding and salinisation of lands and aquifers in coastal regions of Bangladesh are already causing displacement and internal migration.
- Increasingly frequent droughts are undermining the food security and adaptive capacity of households and communities in The Gambia.
- Coastal erosion in Micronesia is causing loss of farmland and food security and leading to the destruction of cultural resources such as ancient ruins and ancestral graves.[3]

These examples do not necessarily indicate that loss and damage can be totally avoided through better or more adaptation, however, there is no doubt that continued warming of 2°C, or greater, based on pre-industrial levels, is likely to bring about further serious and irreversible impacts for many poor and vulnerable countries, communities and ecosystems. A recent study in Nature provides evidence that "*unprecedented climates will occur earliest in the tropics and among low-income countries, highlighting the vulnerability of global biodiversity and the limited governmental capacity to respond to the impacts of climate change.*"[4]

In this context it is also important to note that due to gender inequalities, men and women are often affected in different ways, which is why improving the capacities of vulnerable groups and taking a gender-sensitive approach is of the utmost importance.[5]

The World Bank's recent *4°C Turn down the heat* report[6] provides a snapshot of what the world might expect from 2°C to 4°C of warming (see key findings in box 1). The report looks in particular at impacts in three regions – Africa, South Asia and Southeast Asia – where many of the world's most vulnerable countries are located.

1. Intergovernmental Panel on Climate Change. 2013. *Summary for policymakers*, RCP 8.5, http://www.climatechange2013.org/images/uploads/WGIAR5-SPM_Approved27Sep2013.pdf
2. Ibid.
3. Warner, K., et al. 2012. *Evidence from the frontlines of climate change: loss and damage to communities despite coping and adaptation* United Nations University, Institute for Environment and Human Security.
4. Mora, C. et al. 2013. *The predicted timing of climate departure from recent variability.* Nature 502: 183-187.
5. von Ritter Figueres, N. 2013. *Loss and damage, women and men: applying a gender approach to the emerging loss and damage agenda.* http://www.lossanddamage.net/download/7218.pdf
6. The World Bank. 2013. 4°C *turn down the heat: climate extremes, regional impacts, and the case for resilience.*

Box 1: Key findings from the World Bank's *4°C Turn down the heat report*[7]

Unusual and unprecedented ***heat extremes*** are expected to occur far more frequently and cover far wider areas of land, both globally and in the three regions examined. For example, heat extremes in Southeast Asia are projected to increase substantially in the near term, and would have significant and adverse effects on humans and ecosystems under 2°C and 4°C of warming.

Declines of 20% in ***water availability*** are projected for many regions under a 2°C warming scenario, and of 50% for some regions under 4°C of warming. South Asian populations are likely to be increasingly vulnerable to greater variability of precipitation, in addition to disturbances in the monsoon system and rising peak temperatures that could put water and food resources at considerable risk.

Significant ***crop yield impacts*** are already being felt at 0.8°C of warming. For the regions, global warming above 1.5°C to 2°C increases the risk of reduced crop yields and production losses in Sub-Saharan Africa, Southeast Asia and South Asia. These impacts would have strong repercussions on food security and are likely to negatively influence economic growth and poverty reduction in the affected regions.

Increased warming could bring about ***ecosystem shifts***, fundamentally altering the composition of species and leading to the extinction of some species. By the 2030s (with 1.2–1.3°C of warming), some ecosystems in Africa are projected to experience maximum extreme temperatures well beyond their present range, with all African eco-regions exceeding their average range by 2070 (2.1–2.7°C of warming).

Sea-level rise has been occurring more rapidly than previously projected and a rise of as much as 50cm by the 2050s may be unavoidable as a result of past emissions. A sea-level rise of up to 100cm may occur if emissions continue to increase and average global temperatures rise to 4°C by 2100.

The combined effects of warming and ocean acidification are projected to cause ***major damage to coral reef systems*** and lead to losses in fish production, at least regionally. Substantial losses of coral reefs are projected by the time warming reaches 1.5–2°C from both heat and ocean acidification effects, with a majority of coral systems no longer viable in their current locations. Most coral reefs appear unlikely to survive in a 4°C hotter world.

Communities in El Chaco and the *Dry Corridor of Central America* are facing increasing incidence of drought. In Bolivia, women and their families have been supported by ECHO's drought resilience initiative which helps people cope with and overcome periods of drought, protecting lives and assets. *(Credit:© Courtesy of European Commission, DG ECHO / flickr.com / creative commons).*

7. The language here is substantially taken, and slightly modified from the language of the report itself, for purposes of brevity.

2. Why we need an international mechanism on loss and damage

- Insufficient mitigation on the part of developed countries.
- Barriers, constraints and limits to adaptation for developing countries.
- Gaps in existing institutional arrangements existing to address loss and damage.

This report briefly addresses each of these elements in turn. More detailed arguments on the legal and moral context of an international mechanism on loss and damage can be found in the previous joint report from CARE, WWF and ActionAid (2012) *Tackling the limits to adaptation.*[8]

Box 2: Legal obligations under the UNFCCC

Article 2:
The ultimate objective of this Convention … is to achieve… stabilisation of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system. Such a level should be achieved within a time frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner.

Article 3.1 establishes the principle that:
Parties should protect the climate system *for the benefit of present and future generations of humankind, on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities. Accordingly,* ***the developed country Parties should take the lead in combating climate change and the adverse effects thereof.*** *[emphasis added]*

Article 3.2 further states:
The specific needs and special circumstances of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change*, and of those parties, especially developing country Parties, that would have to bear a disproportionate or abnormal burden under the Convention,* ***should be given full consideration.*** *[emphasis added]*

While Article 4.1 establishes commitments for all Parties to undertake mitigation and adaptation measures, there is a clear role for developed countries to provide the means to implement adaptation action – finance, technology and capacity-building – as set out in Articles 4.3, 4.4, 4.5, and 12.1. Avoidable loss and damage associated with the adverse effects of climate change results, to a great extent, from a failure of Annex I and Annex II Parties to fulfill these Convention obligations.

8. ActionAid, CARE International, World Wildlife Fund. 2012. *Tackling the limits to adaptation: an international framework to address 'loss and damage' from climate change impacts.* http://awsassets.panda.org/downloads/tackling_the_limits_loss_and_damage_report_nov_2012.pdf

Prices at Niger's food markets spiked in the aftermath of a poor harvest in 2011. The failed harvest, brought on by drought, only added to the challenges facing people living in poverty in the country's Sahel region. *(Credit:© UN Photo/ Phil Behan).*

Insufficient mitigation

In Cancún at COP16 in 2010, Parties recognised that "*deep cuts on global greenhouse gas emissions are required … so as to hold the increase in global average temperature below 2°C above pre-industrial levels, and that Parties should take urgent action to meet this long-term goal, consistent with science and on the basis of equity.*"[9]

In order to avoid levels of climate change that would likely bring about irreversible and widespread loss and damage, mitigation efforts need to be urgently scaled up in order to keep global warming as far below 2°C as possible, ideally limiting warming to no greater than 1.5°C above pre-industrial levels. Developed countries have a particular duty to scale-up action, even if the distribution of current and future emissions and capabilities is changing globally, and progression on low-emission development pathways in developing countries will be necessary to stay below 2°C and 1.5°C.

Article 3.1 of the UNFCCC states that, while all Parties commit to protecting the climate, "*the developed country Parties should take the lead in combating climate change and the adverse effects thereof.*" Article 4.2(a) obliges developed country Parties to adopt national policies and measures to limit greenhouse gas emissions, to demonstrate that "*developed countries are taking the lead in modifying longer-term trends in anthropogenic emissions consistent with the objective of the Convention.*" Yet, developed country pledges are shamefully far below what is required to address both their historic and current responsibilities for greenhouse gas emissions.[10]

The longer developed countries ignore their responsibilities to undertake real, urgent and substantial emissions reduction actions that are based on science and equity, the higher the toll will be from loss and damage in developing countries.

9. UNFCCC decision 1/CP.16, paragraph 4.
10. See, for example the Greenhouse Development Rights calculator (http://www.gdrights.org/calculator/) and UNEP, *The emissions gap report 2012* (http://www.unep.org/publications/ebooks/emissionsgap2012/).

Barriers and limits to adaptation

Unfortunately, mitigation action to date has been insufficient to prevent warming. Countries and communities have no choice: they must undertake ***adaptation*** actions to reduce vulnerabilities and increase their resilience to both the current and predicted impacts of climate change. Significantly scaling-up adaptation action could help to reduce or prevent loss and damage.

However, "*research suggests that opportunities and resources to adapt may be finite for many social actors, whether these are individual households, businesses or governments.*"[11] Indeed, there are both constraints to effective adaptation (which can be overcome) and limits (which cannot).

Constraints or barriers to effective adaptation can derive from a lack of funding, technology or knowledge; degradation of natural resources due to climate change or other processes; or institutional characteristics that restrict action.

Limits to adaptation will be reached in various ways, including as a result of the slow onset processes related to climate change.[12]

Loss and damage is an inevitable result of constraints that are not overcome and/or are reaching inevitable adaptation limits. "*Breaching adaptation limits will result in escalating losses or require transformational change.*"[13]

Institutional gaps

Numerous institutional arrangements have been established under the Convention and the Kyoto Protocol to support, monitor, report and verify mitigation action (e.g., the Consultative Group of Experts on National Communications and the Clean Development Mechanism). Similarly, there are a range of bodies that have already been established to support adaptation efforts, including the Nairobi Work Programme, the Adaptation Committee, the Least Developed Countries Expert Group (LEG), the funding institutions (Adaptation Fund, Green Climate Fund, Least Developed Countries Fund/Special Climate Change Fund), and the technology mechanisms. In addition, there are relevant processes such as the first review of the adequacy of the global goal (2013-2015), where Parties will review whether the 2°C limit is adequate and steps taken towards its achievement, taking into account, *inter alia*, the observed impacts associated with climate change.

The actions needed to address loss and damage extend beyond the mandates of these existing institutional arrangements. Consider the following examples of loss and damage associated with the impacts of climate change in developing countries that are particularly vulnerable:

- Widespread losses in livelihoods from crop failures due to temperature rise, or from fisheries crashes due to ocean acidification.
- Migration, displacement and planned relocation.
- Loss of productive or sovereign territory from slow onset processes such as sea-level rise or desertification.
- Disruptions in societies from permanent emergency situations, for example as a consequence of continuous damage events.

There is no global institution that currently has a mandate to address these types of loss and damage.

Current UNFCCC institutions, primary among them the Adaptation Committee, do not have a mandate adequate for the breadth of work outlined above, nor do they have sufficient capacity to carry out these functions with an expanded mandate. Whilst the Adaptation Committee and the LEG both have mandates related to adaptation, the needs and functions related to loss and damage go beyond adaptation. Indeed, some analysts have defined loss and damage as "beyond adaptation,"[14] although it is perhaps more accurate to consider loss and damage at one end of a continuum that includes disaster risk reduction and adaptation, as well as loss and damage.

11. Dow, K. et al. 2013. *Limits to adaptation.* Nature Climate Change 3: 305-7.
12. From decision 1/CP.16, footnote 3, slow onset processes are defined as "*sea-level rise, increasing temperatures, ocean acidification, glacial retreat and related impacts, salinisation, land and forest degradation, loss of biodiversity and desertification.*"
13. Dow, K. et al. Op cit.
14. See for example Verheyen, R. and P. Roderick. 2008. *Beyond adaptation: the legal duty to pay compensation for climate change damage.* WWF-UK.

Disaster risk reduction, leading to better and more preparedness, is essential for ex ante reduction of loss and damage. Work on risk assessment and risk management, carried out under the Hyogo Framework for Action and facilitated by the Global Facility for Disaster Risk Reduction, is also essential. Yet, disaster risk reduction only goes so far in addressing the loss and damage associated with the adverse impacts of climate change. In the case of slow onset events and increased frequency and severity of extreme events, disaster risk reduction ultimately will not be able to prevent loss and damage altogether.

Adaptation efforts that build the resilience of communities and countries to climate variation and impacts are led by the main adaptation institutions of the UNFCCC: the Adaptation Committee, the Least Developed country (LDC) Expert Group and under it the National Adaptation Plans (NAPs) processes, and the Nairobi Work Programme. These institutions must be further strengthened to carry out their existing mandates effectively. Despite the excellent work undertaken by these institutions, and funded through the various elements of the Convention's financial mechanism, barriers to adaptation such as lack of finance, technology and capacity are resulting in preventable loss and damage. And, real limits to adaptation go beyond the capacity of these institutions to prevent loss and damage through adaptation.

However, the most important institutional gap to be filled – beyond addressing the limits to disaster risk reduction and adaptation – is the financial and technical support necessary to address loss and damage associated with the adverse effects of climate change, including from slow onset events and the erosion of adaptive capacity from more frequent and/or more severe extreme events. It is clear that the Annex I countries have been most responsible for the current, and already committed, human-induced warming. Thus, they have a legal and moral obligation to assist countries in rehabilitating the damage, and to provide compensation or reparations for certain losses associated with climate change.[15] The establishment of and support for social safety nets and social protection – in the form of support for such mechanisms as regional and global risk transfer mechanisms, a global catastrophe fund, or a global fund for social protection in climate-vulnerable countries – will be an essential task of the international mechanism on loss and damage, and one that cannot be accomplished through either the Adaptation Committee or the LEG.

People sell fruits in the market in Port au Prince, Haiti, in January 2013. After Hurricane Sandy destroyed at least 70% of crops in October 2012, prices of staple foods including bananas, plantain and maize spiralled.
(Credit:© Kate Holt/CARE).

15. Here compensation is understood in relation to economically quantified losses, while reparations would address non-economic losses as well.

3. Delivering an international mechanism on loss and damage

In the Doha decision (decision 3/CP.18), Parties clearly recognised that:

- There is a need to address loss and damage.
- There is a need for a systematic means to address loss and damage.
- The UNFCCC has an important and fundamental role to play in addressing loss and damage.[16]

The decision highlighted "the important and fundamental" role of the Convention in addressing loss and damage, which includes, *inter alia*, the following:

(a) Enhancing knowledge and understanding of comprehensive risk management approaches to address loss and damage associated with the adverse effects of climate change, including slow onset impacts.
(b) Strengthening dialogue, coordination, coherence and synergies among relevant stakeholders.
(c) Enhancing action and support, including finance, technology and capacity-building, to address loss and damage associated with the adverse effects of climate change.

The decision also explicitly acknowledged gaps in current institutional arrangements by deciding to establish new arrangements at COP19 to address loss and damage associated with climate change impacts especially in vulnerable developing countries. The option of an international mechanism is explicitly mentioned in the decision as a potential outcome of the discussions on institutional arrangements. Parties called for the preparation of a technical paper on gaps in existing institutional arrangements within and outside the Convention to address loss and damage, including those related to slow onset events. The content of this technical paper is to be considered when developing the new institutional arrangements.

The Doha decision broadly defined the role of the Convention in addressing loss and damage. In designing institutional arrangements, including an international mechanism on loss and damage, Parties must now determine the ***functions*** that those arrangements must carry out in order to address the ***needs*** identified by developing countries.

Without an understanding of the functions it must carry out, the form of a mechanism cannot be defined. In the following sections, we summarise the work undertaken to date by developing countries to elaborate on these needs and functions, based on a recent review of this work by two authors close to the negotiations. In the subsequent section, we provide a proposal for the form of the mechanism based on these needs and functions.

Needs

Parties to the Convention have spent the last year elaborating on their needs on loss and damage in order to determine, clearly and unambiguously, the functions that an international mechanism must fulfil. At a series of regional expert meetings in 2012,[17] developing country Parties articulated a wide range of needs related to loss and damage associated with the impacts of climate change. Contributions to these expert meetings are summarised as ***needs***:[18]

16. Stabinsky, D. and J.P. Hoffmaister. Under review. *Establishing institutional arrangements on loss and damage under the UNFCCC*. International Journal of Global Warming.
17. For a detailed compendium of documents and meeting summaries, see http://unfccc.int/adaptation/workstreams/loss_and_damage/items/6056.php
18. Much of this analysis derives from Stabinsky, D. and J. Hoffmaister, *Loss and damage: future needs, including capacity needs associated with possible approaches to address slow onset events*, prepared for the expert meeting in Nadi, Fiji, 12-14 September 2013.

- *Development of knowledge bases.*
- *Development and exchange of risk assessment methodologies.*
- *Training and capacity building in risk assessment for loss and damage, including losses from slow onset events and non-economic loss.*
- *Technical and financial support for identifying, evaluating and implementing country-appropriate options to address loss and damage from slow onset and catastrophic impacts of extreme events, and for building capacity related to addressing loss and damage.*
- *Technical support and capacity to put in place early warning and response systems appropriate to slow onset events.*
- *Support for development and strengthening of insurance options, including micro and regional insurance, particularly in instances where such approaches can be useful to transfer risk.*
- *Development of financial instruments, such as debt exchange and other types of instruments, to help cope with the effects of slow onset events and other situations where insurance is inappropriate.*
- *Global coordination and convening to address more complex impacts related to loss of territory and statehood; migration, voluntary and forced displacement and planned relocation; and catastrophic food security impacts related to country - or region-wide crop, critical ecosystems services, livestock, or fisheries losses due to slow onset events.*

Other important needs, also articulated in the Doha decision, include the understanding of how loss and damage associated with the adverse effects of climate change affects those segments of the population that are already vulnerable owing to geography, gender, age, indigenous or minority status, or disability, and how the implementation of approaches to address loss and damage can benefit those segments of the population.

Parties also reaffirmed the need to take precautionary measures to anticipate, prevent or minimise the causes of climate change and mitigate its adverse effects.

Cyclone Phailin, which hit eastern India in October 2013, destroyed countless buildings, forcing people to abandon their homes and move in with host families. Women, children and the elderly were particularly badly affected. *(Credit:© Srikanth Kolari/ActionAid).*

Functions

Based on these needs, a set of functions for institutional arrangements can be identified:[19]

1. ***Global oversight and coordination of actions.*** *For example, there are clear needs that could be addressed under the Convention for coordination with relevant organisations on financial, technical and associated matters; and facilitation of dialogue, collaboration and coordination with relevant international organisations and initiatives directly involved in monitoring and addressing the migration, displacement and human mobility related to climate change extreme and slow onset events.*
2. ***Enhanced cooperation, collaboration and linkages with national, regional and global institutions on loss and damage associated with climate change.*** *For example, slow onset impacts on food production and fisheries, with related impacts on food security, will require much closer collaboration and cooperation in the future with the UN Food and Agriculture Organisation and the World Food Programme, as well as the global meteorological community.*
3. ***Knowledge development and exchange.*** *This is a clear and compellingly articulated need expressed by countries, both with regard to development, gathering and storing of the broad range of knowledge indicated above, as well as enhanced mechanisms for sharing knowledge.*
4. ***Support for implementation of the wide range of approaches identified to address loss and damage.*** *Technology, capacity building and financial support will all be required to address loss and damage. A mechanism under the Convention should serve the function of facilitating and catalysing support, including through the identification of new, predictable and reliable support for the development and operationalisation of actions to assess and address loss and damage.*
5. ***Facilitating and catalysing the development of innovative financial measures.*** *Slow onset impacts and increasing loss and damage due to extreme events and the erosion of coping capacities will require enhancments to existing measures and the development of new measures, including innovative climate-responsive social protection instruments, and risk transfer and risk sharing mechanisms. The loss and damage mechanism to be established under the Convention would carry out this work to ensure enhanced action on addressing loss and damage. This would include coordination and cooperation with funding institutions relevant to loss and damage inside and outside the Convention.*

Design principles for the international mechanism

To carry out the functions identified above, in keeping with the role of the Convention as identified in decision 3/CP.18, Parties will need to design new institutional arrangements that can:

1. *Strengthen and enhance coordination and action on climate risk management, including disaster risk reduction, adaptation and approaches to address the loss and damage that results from limits to disaster risk reduction and adaptation, particularly in the context of slow onset events and eroded adaptive capacity from increases in extreme events.*
2. *Ensure global oversight of understanding as it develops and a knowledge-base of measures to address slow onset events, non-economic losses, migration and displacement, including developing effective early warning and early response systems.*
3. *Enhance actions to develop innovative means for financial support to approaches to address loss and damage, including establishing social safety nets and social protection systems that can be scaled up as climate impacts increase in extent and magnitude, as mechanisms for compensation and reparation for climate damage.*
4. *Inform and contribute to the Parties' efforts to anticipate, prevent or minimise the causes of climate change and mitigate its adverse effects, to limit loss and damage as much as possible.*

19. Stabinsky, D. and J. Hoffmaister, *Loss and damage: future needs, including capacity needs associated with possible approaches to address slow onset events*, prepared for the expert meeting in Nadi, Fiji, 12-14 September 2013. See also, for example, submissions made to the process by AOSIS and LDCs in September 2012. AOSIS submission: https://unfccc.int/files/documentation/submissions_from_parties/application/pdf/aosis_submission_on_loss_and_damage_submission_2_october_2012.pdf; LDC submission: http://unfccc.int/files/adaptation/application/pdf/submission_by_the_gambia_on_behalf_of_the_least_developed_countries_on_loss_and_damage.pdf

Box 3: Non-economic losses and climate reparations

What is the value of a lost ecosystem? Or ancestral burial grounds?

The G77 and China, AOSIS, and LDCs have all put significant emphasis on non-economic losses as an important element of loss and damage to be addressed in the ongoing work programme. Non-economic losses include things valued by humans in non-economic ways, such as life, health, human mobility, territory, cultural heritage, indigenous knowledge, biodiversity and ecosystems.

In a recent interview, the former President of the Maldives, Mohamed Nasheed, poses the serious question: ***what is the value of a lost butterfly species?*** It is impossible to completely address loss and damage from the impacts of climate change without considering and addressing the impacts of such profound non-economic losses.

However, non-economic losses pose a challenge for Parties in identifying adequate means to compensate for losses that cannot be assigned a monetary value. Innovative financial measures and other compensatory systems must be devised to provide reparations for non-economic losses.

Overall, the international mechanism will need to:

1. *Be flexible and forward looking, to address limits to adaptation through enhancing knowledge and understanding; strengthening dialogue, coordination, coherence and synergies; and enhancing action and support to address loss and damage.*
2. *Incentivise approaches to loss and damage that integrate and support adaptation and disaster risk reduction, where appropriate.*
3. *Be able to provide information related to loss and damage that contributes to enhanced action on mitigation and adaptation (e.g. through early warning for globally relevant thresholds).*
4. *Facilitate and incorporate learning, with an explicit mandate to consider how to handle increased stresses on social, financial and physical systems from future impacts of slow onset climate change and increases in extreme events.*
5. *Enable participation of technical experts.*
6. *Involve the expertise of vulnerable communities and populations, and civil society, the private sector and other relevant stakeholders, in the assessment of and response to loss and damage.*
7. *Interact dynamically with the other adaptation institutions under the UNFCCC, in particular the Adaptation Committee and the LDC Expert Group, and other Convention bodies.*
8. *Be able to engage actively and constructively with external institutions and experts.*
9. *Bring together technical, financial and political experts to address a range of issues related to loss and damage from the impacts of climate change.*
10. *Take a gender-sensitive approach.*

The international mechanism on loss and damage should be designed both to undertake work under its own auspices, and delegate and coordinate the work on loss and damage to be undertaken by other specialised bodies under the Convention, such as the Adaptation Committee, the LEG, the technology and finance mechanisms, and the Nairobi Work Programme.

4. Form and elements of an international mechanism on loss and damage

The loss and damage mechanism should be established under the guidance of, and accountable to, the Conference of the Parties.

It should initially consist of the following two components:

1. **The Subsidiary Body for Implementation (SBI) work programme on loss and damage.** The work programme under the SBI should continue to carry out important technical work to further develop knowledge and understanding on loss and damage and slow onset events, such as the recent expert meeting on capacity needs and the technical paper on non-economic losses.
2. **A Standing Body on Loss and Damage.** A Standing Body providing advice directly to the Conference of the Parties, would have as its mandate the five functions listed above and the elaboration of the necessary modalities of the mechanism to perform these functions. Its particular responsibility would be the coordination of work on loss and damage under the Convention, in coordination with outside institutions and experts.

The components would work together to facilitate the effective implementation of the loss and damage mechanism, providing advice directly to the Conference of the Parties on actions needed to address loss and damage. It may also include direct advice to parties, where this is required. The loss and damage mechanism overall would carry out the three roles of the Convention articulated in decision 3/CP.18, paragraph 5.

Modalities of work

The mechanism must function as a sort of 'hub', because of the need to engage actively with a range of bodies. The Standing Body would establish, as needed, a range of task teams, panels, and/or working groups in order to implement its work plan. Members of task teams would include representatives of outside agencies, as appropriate. Such a structure would provide the necessary flexibility and space for learning, as well as allowing the integration of external expertise.

Modalities of work could include:

- Convening of task forces, working groups or panels to address particular questions in detail.
- Recommending to the COP actions and guidance on policies and programme priorities related to addressing loss and damage.
- Periodic reports, technical papers and other relevant means to provide an overview of information on aspects of addressing loss and damage, such as on slow onset events or risk transfer approaches.
- Regular communication with other Convention bodies, such as the GCF, CGE, SC, and the TEC/CTCN, on needs and other matters of implementation related to loss and damage.
- Engaging relevant stakeholders in appropriate forums.

Membership

The Standing Body on Loss and Damage itself would be composed of:

- Representatives from Parties, distributed according to regional groups, LDCs and Small Island Developing States (SIDS). Parties should consider the balance of representation used to construct the Adaptation Committee.
- Representatives of relevant UNFCCC bodies, in particular the Adaptation Committee and the LDC Expert Group.
- Representatives of relevant institutions outside the UNFCCC, which could include for example: the World Food Programme, the UN Development Programme, the Global Framework for Climate Services, the Intergovernmental Panel on Climate Change, the International Strategy for Disaster Reduction, the International Organisation for Migration, the UN High-level Committee on Programmes Working Group on Climate Change, and non-governmental organisations from the humanitarian, development and climate change arenas. These institutions might be represented on the Standing Body itself, or serve as active members of task forces or working groups.

Examples of other external UN bodies or intergovernmental institutions or initiatives that could or should be involved in the work of the mechanism on loss and damage through task forces or working groups on specific issues include:

- Other Rome-based agencies: International Fund for Agricultural Development, Food and Agriculture Organisation.
- Office of the UN High Commissioner for Human Rights.
- Other disaster risk reduction frameworks: Global Facility for Disaster Risk Reduction.
- Office for the Coordination of Humanitarian Affairs, Nansen Initiative.
- World Meteorological Organisation.
- World Bank, International Monetary Fund, regional development banks.
- Regional insurance bodies, such as the Caribbean Catastrophe Risk Insurance Facility, Pacific Catastrophe Risk Assessment and Financing Initiative.

Box 4: Examples of possible working groups or task forces

Task force on insurance and rehabilitation

The mandate of the task force could be to review the adequacy and sufficiency of insurance and other risk transfer approaches to addressing loss and damage. It could, for example, review the limits of insurance in the context of a changing climate, and the difficulties of relying on historical data for current needs.[20] In the context of limitations to the coverage of insurance, the task force could also be charged with considering and laying out a range of options for financial measures that could address rehabilitation needs in the absence of effective coverage by insurance. It could be tasked to provide recommendations for action to the COP, through the Standing Body. Its members could include Parties, representatives from the Global Framework for Climate Services, the international insurance industry, regional insurance bodies, experts on compensation and catastrophe funding, and from relevant non-governmental organisations.

Task force on social protection and climate change

The mandate of the task force could be to review existing and possible mechanisms for dealing with severe shocks to countries' economies from catastrophic climate events, slow or sudden degradation of adaptive capacities, with an emphasis on social safety nets and social protection mechanisms that could protect the most vulnerable. The task force could provide recommendations to the COP, through the Standing Body, on how to ensure there is adequate support and coordination at the global level to address slow onset climate impacts on food and fisheries production, particularly in areas of chronic food insecurity and/or protracted crisis. Its members would include Parties, as well as representatives of the International Organisation for Migration, the Office for the Coordination of Humanitarian Affairs, the World Food Programme, experts on social protection, other relevant regional and international humanitarian agencies, and relevant non-governmental organisations.

Working group on migration, displacement, relocation

The mandate of the working group could be to coordinate and ensure policy coherence and action on climate change-related migration, displacement and relocation. It could also be tasked to convene a high-level dialogue on the question of statelessness, and other questions related to loss of territory from sea-level rise, desertification or salinisation. Its members would include Parties as well as representatives of the International Organisation for Migration, the Office for the Coordination of Humanitarian Affairs, the Nansen Initiative, the Office of the UN High Commissioner for Human Rights, the UN high-level Committee on Programmes Working Group on Climate Change, the World Food Programme, other relevant regional and international humanitarian agencies, and relevant non-governmental organisations.

20. Geneva Association. 2012. Warming of the oceans and implications for the (re)insurance industry. https://www.genevaassociation.org/media/616661/ga2013-warming_of_the_oceans.pdf

Working group on developing a slow onset knowledge base

The mandate of the working group could be to coordinate efforts to develop a slow onset knowledge base, including to encourage and spur collaboration between relevant actors. The working group could also be tasked to develop the knowledge base on approaches to address slow onset disasters, including early warning and response systems, and the potential role of social safety nets and social protection schemes to assist in dealing with the slow degradation of productive resources, and the impacts of rapid catastrophes that build on top of slowly deteriorating conditions (such as the recent drought in the Horn of Africa that followed a decade of slowly declining rainfall and loss of soil moisture). Its members would include Parties, as well as representatives of the World Meteorological Organisation/Global Framework for Climate Services and regional meteorology offices such as the Met Office Hadley Centre, the Intergovernmental Panel on Climate Change, the World Food Programme, and relevant disaster risk reduction and humanitarian bodies, including non-governmental organisations.

As greenhouse gas emissions continue to rise and climate impacts worsen, dramatic loss of life, assets, income and territory are becoming all too common. Here, damaged trees and electricity pylons lie strewn across a road after cyclone Phailin struck eastern India in October 2013. *(Credit:© CARE).*

5. **Conclusion: civil society demands for COP19**

Climate change is a global challenge and all countries, including developed countries, are already facing the growing consequences of climate impacts. It is of utmost importance that Parties increase their ambition on mitigation and adaptation immediately to avoid widespread loss and damage.

Developed countries must take the lead as they are still lagging far behind what is required to meet existing commitments. Indeed, existing commitments are already out of step with the latest scientific evidence about the growing scale and pace of climate change: more action is needed, not less.

Indeed, this action must be both short - and long-term, beginning in Warsaw and extending beyond COP19. Negotiations under the Ad-hoc Working Group Durban Platform on Enhanced Action (ADP), for example, aim both to scale-up near-term ambition and seek to deliver a comprehensive climate change agreement by 2015.

Nonetheless, inaction has now dominated for far too long to avoid substantial loss and damage, even if the required measures on mitigation and adaptation were to be pursued immediately. Therefore, it is crucial to build a response that helps vulnerable countries and people to start addressing loss and damage from climate change impacts that cannot be avoided, and where the limits of adaptation have been and will increasingly be breached.

Parties must take the next steps after their landmark decision at COP18 and, at a minimum, in fulfilment of decision 3/CP.18, the COP must establish an international mechanism on loss and damage that carries out the following functions:

- Global oversight and coordination of actions.
- Enhanced cooperation, collaboration and linkages with regional and global institutions on loss and damage associated with climate change.
- Knowledge development and exchange among parties and civil society.
- Support for implementation of the wide range of approaches identified to address loss and damage.
- Facilitating and catalysing the development of innovative financial measures, including measures for rehabilitation of damage, compensation for loss, and reparations for non-economic impacts.

The Standing Body on Loss and Damage should commence its work as soon as possible after COP19 in order to elaborate further modalities for performing its functions and to report progress to COP20 to be held in Peru in 2014. The objective should be to fully operationalise the mechanism no later than COP21 to be held in France in 2015.

Representatives nominated by Parties and institutions should provide clear evidence of their expertise in areas relevant to the work of the international mechanism on loss and damage. The composition should strive for gender balance, in line with the gender decision taken at COP18.

The work programme should continue in 2014 and make concrete progress on the tasks agreed in 2013, alongside the work of the Standing Body, and seek to prepare the ground for more comprehensive action on key areas as soon as possible.

There is no time for inaction and no time to lose.

Villagers return to Bhuan Bhunia village in Ganjam District, Odisha State, India, after heavy rains hit during Cyclone Phailin in October 2013. A mass government evacuation of nearly one million people spared the widespread deaths many had feared, although hundreds of millions of dollars' worth of crops and tens of thousands of homes were destroyed. *(Credit:© Srikanth Kolari/ActionAid).*

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A NASA image shows Hurricane Sandy gathering pace. Countless buildings and homes were damaged when the hurricane made landfall on the eastern coast of the United States in October 2012. Parts of the Caribbean including Haiti, Cuba, Puerto Rico and the Dominican Republic were also affected as the storm passed by. *(Credit:© Courtesy of NASA Goddard Photo and Video / flickr.com / creative commons).*