

# Loss & Damage

## Loss and Damage Associated with Climate Change:

Key discussion and outcomes at SBI-36

Hafij Islam Khan, Sven Harmeling, Sönke Kreft & Erin Roberts

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## Introduction

The 36th meeting of the Subsidiary Body on Implementation (SBI-36) under the UNFCCC was held in Bonn from 14 -25 May, 2012. The key expectation with regard to the Loss and Damage Work Programme has been to get further guidance for the upcoming four regional expert meetings to be held before COP-18, taking into account the outcomes of expert meeting held in Japan and off course also the related previous decisions. Furthermore, it was envisaged to have a preliminary exchange of views with regard to recommendations to be made by COP-18. However, prior to reflecting on the outcomes of SBI-36, we need to look back briefly on the mandates of the Work Programme on Loss and Damage associated with adverse impacts of climate change and previous activities undertaken in accordance with those mandates.

## Work Programme on Loss and Damage

The Cancun Agreements recognized the need to strengthen international cooperation and expertise in order to understand and reduce loss and damage associated with the adverse effects of climate change, including impacts related to extreme weather events and slow onset events.<sup>1</sup>

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In addition, a work programme was established in order to consider approaches to address loss and damage associated with climate change impacts in

developing countries that are particularly vulnerable to the adverse effects of climate change.<sup>2</sup> [Could explain more here about how this will be done: through meetings, etc.]

The decision at Cancun also requested the Subsidiary Body for Implementation (SBI) to agree on activities to be undertaken under the work programme.<sup>3</sup> Parties and relevant organizations were invited to submit their views on what elements should be included in the work programme providing four broader outlines.<sup>4</sup> The Secretariat was requested to prepare a synthesis report based on those submissions to be made available for consideration by the Subsidiary Body for Implementation at its thirty-fourth session. This was expected to be the basis for recommendations on loss and damage to the Conference of the Parties for its consideration at its eighteenth session.<sup>5</sup>

## Thirty-fourth session of the Subsidiary Body for Implementation [SBI-34]

At the thirty-fourth session of the Subsidiary Body for Implementation (SBI), held in June of 2011 in Bonn, Parties considered the submissions from Parties, NGOs, academic institutions and other related organizations as well as the synthesis report prepared by the secretariat. Parties agreed on the following thematic areas to be addressed in the implementation of the work programme:

1. Assessing the risk of loss and damage associated with the adverse effects of climate change and the current knowledge on the same;
2. A range of approaches to address loss and damage associated with the adverse effects of

<sup>2</sup> Ibid, Para 26

<sup>3</sup> Ibid, Para, 28-29

<sup>4</sup> (a) Possible development of a climate risk insurance facility to address impacts associated with severe weather events; (b) Options for risk management and reduction, risk sharing and transfer mechanisms such as insurance, including options for micro-insurance, and resilience building, including through economic diversification; (c) Approaches for addressing rehabilitation measures associated with slow onset events; (d) Engagement of stakeholders with relevant specialized expertise;

<sup>5</sup> Decision 1/CP.16, Para-27-29

<sup>1</sup> Decision 1/CP.16, Para 25

climate change, including impacts related to extreme weather events and slow onset events, taking into consideration experience at all levels;

3. The role of the Convention in enhancing the implementation of approaches to address loss and damage associated with the adverse effects of climate change

In addition, the SBI invited Parties and relevant organizations to submit to the secretariat, by 15 August 2011, further views and information on the aforementioned themes and requested the secretariat to compile these submissions in a synthesis report before its 35<sup>th</sup> session, held at COP-17 in Durban.

### SBI-35 and COP-17

Negotiations on the loss and damage associated with adverse impacts of climate change, under SBI-35, resulted in the adoption of a COP decision. Decision 7/CP.17 requested the Subsidiary Body for Implementation to continue the implementation of the work programme on approaches to address loss and damage associated with climate change impacts in developing countries that are particularly vulnerable to the adverse effects of climate change and to make recommendations on loss and damage to the Conference of the Parties for its consideration at its eighteenth session.<sup>6</sup>

Decision 7/CP.17 also provided the required guidance to advance the work programme organized into three thematic areas: (1) Assessing the risk of loss and damage, (2) Identifying a range of approaches to address loss and damage and (3) Determining the role of the Convention will play in enhancing the implementation of approaches to address loss and damage. A set of activities was agreed upon for each thematic area, as follows:

#### 1. Assessing the risk of loss and damages

- **Expert Meeting:** Before thirty-sixth session of SBI and reports to consider in the thirty-sixth session
- **Technical Paper:** Before the expert meeting

#### 2. Identifying a range of approaches to address loss and damage

- **Four expert meetings:** [three regional and one for Small Island Developing States] To be held before the thirty-seventh session of SBI, taking into account the outcomes of the expert meeting and making a report available for consideration in thirty-seventh session.
- **Technical paper** on slow onset events: Based on the regional workshops before thirty-seventh session of SBI
- **Literature Review:** Based on existing information and case studies on the topics in the context of this thematic area, to feed into the expert meetings.

#### 3. The role of the Convention in enhancing the implementation of approaches to address loss and damage:

- **Submissions** are invited by 17 September, 2012 in accordance with 1/CP.16, and to consider in the thirty-seventh session of SBI
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- Requested the secretariat to **compile those submissions** and to make available for consideration by the Subsidiary Body for Implementation at its thirty-seventh session
- Also requested the Subsidiary Body for Implementation to consider issues related to this thematic area at its thirty-seventh session, taking into account the following:
  1. Outcomes of the activities completed
  2. Submissions in accordance with Para 9.
  3. Actions of relevant organizations and other stakeholders
  4. Input from the process relevant to these issues

### The annexure

Additionally, in the annexure to Decision 7/CP.17, Parties have included a list of guiding questions under the purview of each thematic area that the workshops and expert consultations should seek to address. It is envisioned that these activities will set

<sup>6</sup> Decision 7/CP.17, Para-1

the foundation for more concrete recommendations and decisions at COP-18.

Decision 7/CP.17, also requested Parties included in Annex II to the Convention and other developed country Parties in a position to do so, to provide financial and technical support, as appropriate, for the implementation of the work programme. It also invited interested organizations in a position to do so to provide financial and technical support, as appropriate, for the implementation of the activities of the work programme.<sup>7</sup>

## International Mechanisms

Decision 7/CP.17,<sup>8</sup> appreciated the "need to explore a range of possible approaches and potential mechanisms, including an international mechanism, to address loss and damage, with a view to making recommendations on loss and damage to the Conference of the Parties for its consideration at its eighteenth session, including elaborating the elements set out in decision 1/CP.16, paragraph 28(a-d)." The inclusion of an "international mechanism" marks an important window of opportunity for the development of a concrete international response.

*The inclusion of "international mechanism" marks an important window of opportunity for the development of a concrete international response*

During the drafting sessions countries, including the United States and Australia, expressed concerns about incorporating such a phrase, stating that while the goal of an international mechanism is not out of bounds with the intent of the work programme, flexibility must be maintained as the expert meetings explore the best approaches.

*If there are going to be convincing arguments for the needs and functions of an international mechanism, then the international community should take the next steps*

AOSIS was a driving force behind the inclusion of the "international mechanism" in the decision. Though the reference states a mechanism, this is only a call for exploration, not establishment. If there are going to be convincing arguments for the needs and functions of an international mechanism, then the international community should take the next steps.

## Thirty-Sixth session of the Subsidiary Body for Implementation [SBI-36]

As mentioned above, Decision 7/CP.17 mandated the organisation of an expert meeting on thematic area 1 (Assessing the risk of loss and damages) before the thirty-sixth session of the Subsidiary Body for Implementation with a view to generating an adequate knowledge base for discussions under thematic area 2 (Identifying a range of approaches to address loss and damage).<sup>9</sup> In the same decision Parties also requested the secretariat to make available the report of the expert meeting for consideration by the Subsidiary Body for Implementation at its thirty-sixth session. Furthermore, the decision requested the secretariat to prepare a technical paper, before the expert meeting in collaboration with relevant organizations and other stakeholders, summarizing current knowledge on relevant methodologies, and addressing data requirements as well as lessons learned and gaps identified at different levels, drawing on existing relevant work and documents.<sup>10</sup>

In accordance with the decision, a technical paper was prepared by the secretariat entitled "Current knowledge on relevant methodologies and data

<sup>7</sup> Ibid, Para, 12, 13

<sup>8</sup> Ibid, Para 5

<sup>9</sup> Decision 7/CP.17, Para, 6

<sup>10</sup> Ibid, Para, 7

requirements as well as lessons learned and gaps identified at different levels, in assessing the risk of loss and damage associated with the adverse effects of climate change”<sup>11</sup> in a draft version before the expert meeting held in Tokyo, Japan, from 26<sup>th</sup> to 28<sup>th</sup> March 2012. The final version was made available before SB36. This technical paper assessed 18 selected approaches, methods and tools for assessing the risk of loss and damage in terms of their data and information requirements, strengths, weaknesses, lessons learned, gaps at different levels and relevance for social and environmental impacts, as well as discussed capacity needs for applying risk assessment methods in developing countries. It also considered how risk assessments can be tailored to decision-making.

The secretariat also prepared a summary of the expert meeting held earlier in the year in Japan.<sup>12</sup> The summary provided an overview of discussions about the different aspects of the risk assessment process, including (a) the data and information requirements for assessing impacts and climate risks; (b) methods and tools for risk assessment, including their requirements, strengths and weaknesses; (c) capacity needs for applying risk assessment methods on the ground; and (d) linking risk assessment with decision-making. The report included a summary of the key issues addressed at the meeting and common issues/areas identified in furthering the work on loss and damage in developing countries that are particularly vulnerable to adverse effects of climate change.

## **SBI-36 and Conclusions proposed by the Chair**

The first informal consultations on loss and damage associated with adverse impacts of climate change were held in Bonn on Tuesday, 15<sup>th</sup> May 2012. During this preliminary consultation Parties exchanged views on assessing the risk of loss and damage associated with the adverse effects of climate change. Bolivia, on behalf of the G-77 and China, suggested a conclusion along with an annex, based on the outcome from SBI, in order to provide further guidance for the upcoming four regional expert meetings, and to facilitate the discussions prior to a decision in Doha at COP-18. Bolivia also proposed including reference to an

international mechanism in the conclusion, as contained in Decision 7/CP.17, and to avoid a unified approach to loss and damage taking into account varied national and regional contexts of adverse impacts of climate change.

Timor-Leste, on behalf of the LDCs, welcomed the technical paper on assessing the risk of loss and damage and the report on the expert meeting held in Japan as a good basis for substantive discussions. Timor-Leste expressed great concern over capacity constraints of LDCs. AOSIS also expressed concerns related to identifying the support needed for SIDS to assess potential risk associated with adverse impacts of climate change. The US emphasised the need for data on both physical determinants and socio-economic drivers of risk as well as on human vulnerability in assessing the risk of climate impacts. They also cautioned against conflating assessment of risk associated with adverse impacts of climate change with assessment of loss and damage of climate change (i.e. attribution).

Further informal consultations, held on the 17<sup>th</sup> and 18<sup>th</sup> May, led to a drafting sessions. Following a lengthy and contradictory drafting process, it was finally agreed and the conclusion of the thirty-sixth session of the Subsidiary Body for Implementation was adopted. Significant issues of contention included listing some of non-economic losses associated with the adverse impacts of climate change and referring to the necessity of an international mechanism, which was agreed in the decision of the COP-17. G77 and China, AOSIS and the LDCs provided a list of non-economic losses such as loss of territory, ecosystems, cultural heritage, values, livelihoods and local and indigenous knowledge. However, in order to reach a compromise it was necessary to refer the non-economic losses in general.

A final conclusion was finally reached on 22<sup>nd</sup> May. The reference of potential mechanisms including an international mechanism was included in the final conclusion. Another disputed issue was financial assistance. While the LDCs asked for the inclusion of adequate and predictable financial assistance, the final conclusion mentioned only technical and financial assistance.. The key issues agreed (see also the Box on the last page) in the final conclusions are as follows:

<sup>11</sup> FCCC/TP/2012/1

<sup>12</sup> FCCC/SBI/2012/INF.3

*...from a vulnerable countries' perspective, little more could have been expected from this meeting...*

The assessment of climate-related risk is identified as a complex procedure and taken into account the underlying risk drivers

- A range of approaches, methods and tools are available to assess the risk of loss and damage, however, the selection of appropriate approaches, methods and tools depends upon regional, national and local capacity, contexts and circumstances and involves the engagement of all relevant stakeholders;
- Enhanced technical and institutional capacities supported by technical and financial assistance and other resources will help developing countries to continue to determine, prioritize and address their needs in assessing the risk of loss and damage
- Numerical data are sometimes not sufficient in conveying a comprehensive range of the risks of loss and damage associated with the adverse effects of climate change since available estimates on losses typically lack numbers on non-economic losses
- The agreement on an informal meeting before COP-18; since loss and damage will not be dealt with in the extra negotiating session in Bangkok and since neither the regional expert meetings have the mandate to draft decision text, this meeting is crucial to come to COP-18 with some kind of text basis

## Conclusion

From a vulnerable countries' perspective, little more could have been expected from this meeting. The upcoming regional experts meetings are now of key importance to better understanding the available approaches to address loss and damage and the constraints to implementing them.

Ideally they would also help in understanding where assistance and cooperation from the international community, through some kind of international mechanism for example, is needed (even if this particular aspect is not in the explicit mandate of the regional meetings).

## Sources

Decision 1/CP.16, FCCC/2010/7/Add.1:

<http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf>

Decision 7/CP.17, FCCC/CP/2011/9/Add.2:

<http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf>

Background Paper "Current knowledge on relevant methodologies and data requirements as well as lessons learned and gaps identified at different levels, in assessing the risk of loss and damage associated with the adverse effects of climate change":

[http://unfccc.int/files/adaptation/cancun\\_adaptation\\_framework/loss\\_and\\_damage/application/pdf/background\\_paper\\_full.pdf](http://unfccc.int/files/adaptation/cancun_adaptation_framework/loss_and_damage/application/pdf/background_paper_full.pdf)

Technical paper: "Current knowledge on relevant methodologies and data requirements as well as lessons learned and gaps identified at different levels, in assessing the risk of loss and damage associated with the adverse effects of climate change, FCCC/TP/2012/1

<http://unfccc.int/resource/docs/2012/tp/01.pdf>

The report on the Expert meeting on assessing loss and damage associated with adverse impacts of climate change, FCCC/SBI/2012/INF.3,  
<http://unfccc.int/resource/docs/2012/sbi/eng/inf03.pdf>

Draft Conclusion, SBI-36, FCCC/SBI/2012/L.12,

<http://unfccc.int/resource/docs/2012/sbi/eng/l12.pdf>

## The SB 36 Conclusions on Loss and Damage

The SBI considered the progress made on the implementation of the work programme on loss and damage, in accordance with Decisions 1/CP.16, and decision 7/CP.17 and noted the remaining work to be undertaken under this work programme. The SBI further noted a number of points relevant to assessing the risk of loss and damage associated with the adverse effects of climate change and the current knowledge on the same, including the following:<sup>1</sup>

- (a) The assessment of climate-related risk is complex, involving the consideration of hazards, exposure and vulnerability, and takes into account underlying risk drivers;
- (b) A range of approaches, methods and tools are available to assess the risk of loss and damage associated with the adverse effects of climate change. The selection of appropriate approaches, methods and tools depends upon regional, national and local capacity, contexts and circumstances and involves the engagement of all relevant stakeholders;
- (c) Gaps in the assessment of the risk of loss and damage for vulnerable communities and populations, including women and children, can be addressed by involving these communities and populations in risk assessment processes;
- (d) The use of local and indigenous knowledge and observations helps to fill gaps in information about historic exposure and vulnerability;
- (e) Assessment of the risk of loss and damage is often constrained by the limited availability of data and knowledge, including, but not limited to, that on weather, climate, socioeconomic conditions and ecosystems. Risk management actions can still be taken in the absence of complete sets of data and knowledge, taking into account the national circumstances;
- (f) Access to, sharing and the use of information and data, such as hydro-meteorological data and metadata, on a voluntary basis is important to facilitate the assessment and management of climate-related risk;
- (g) Enhanced technical and institutional capacities supported by technical and financial assistance and other resources will help developing countries to continue to determine, prioritize and address their needs in assessing the risk of loss and damage associated with the adverse effects of climate change;
- (h) Involvement of, and dialogue with, decision makers at all levels can strengthen the design, dissemination and delivery of information on climate risk;
- (i) Numerical data are sometimes not sufficient in conveying a comprehensive range of the risks of loss and damage associated with the adverse effects of climate change since available estimates on losses typically lack numbers on non-economic losses.

The SBI recalled that the Conference of the Parties (COP), at its seventeenth session, requested the secretariat to organize four expert meetings, three at the regional level and one for small island developing States, to be held before the thirty-seventh session of the SBI, and the SBI requested the secretariat, in consultation with Parties and relevant stakeholders, in organizing the four expert to take into account, to the extent possible, the following:<sup>1</sup>

- (a) Inviting representatives from regional centres and networks, as well as experts from a wide range of relevant domains, disciplines and communities, including those involved in the development of the IPCC assessments and special reports, and experts in disaster risk reduction and in financial approaches to risk management, subject to the availability of financial resources, to attend the expert meetings;
- (b) Requesting presenters to make available the abstracts of the materials to be presented at the expert meetings in advance, in order to assist participants to better prepare for the discussions.

In accordance with decision of COP 17, the SBI again appreciated, the need to explore a range of approaches and potential mechanisms, including an international mechanism, to address loss and damage associated with the adverse effects of climate change, with a view to making recommendations on loss and damage associated with the adverse effects of climate change to the COP for its consideration at its eighteenth session. Moreover, in order to facilitate the completion of its work, the SBI requested its Chair to convene an informal pre-session meeting of Parties, in conjunction with its thirty-seventh session, subject to the availability of resources and conflicts of timing, to exchange further views on the possible recommendations on loss and damage associated with the adverse effects of climate change.

## **The Loss and Damage in Vulnerable Country Initiative**

Accepting the reality of unmitigated climate change, the UNFCCC negotiations have raised the profile of the issue of loss & damage to adverse climate impacts. At COP-16, Parties created a Work Programme on Loss and Damage under the Subsidiary Body on Implementation (SBI). The goal of this work programme is to increase awareness among delegates, assess the exposure of countries to loss and damage, explore a range of activities that may be appropriate to address loss and damage in vulnerable countries, and identify ways that the UNFCCC process might play in helping countries avoid and reduce loss and damage associated with climate change. COP-18, in December 2012, will mark the next milestone in furthering the international response to this issue.

The "Loss and Damage in Vulnerable Countries Initiative" supports the Government of Bangladesh and the Least Developed Countries to call for action of the international community.

The Initiative is supplied by a consortium of organisations including:

### **Germanwatch**

### **Munich Climate Insurance Initiative**

### **United Nations University – Institute for Human and Environment Security**

### **International Centre for Climate Change and Development**

*Kindly supported by the Climate Development and Knowledge Network (CDKN)*

For further information:  
[www.loss-and-damage.net](http://www.loss-and-damage.net)

## **Germanwatch**

Following the motto "Observing, Analysing, Acting", Germanwatch has been actively promoting North-South equity and the preservation of livelihoods since 1991. In doing so, we focus on the politics and economics of the North with their worldwide consequences. The situation of marginalised people in the South is the starting point of our work. Together with our members and supporters as well as with other actors in civil society we intend to represent a strong lobby for sustainable development. We endeavour to approach our aims by advocating fair trade relations, responsible financial markets, compliance with human rights, and the prevention of dangerous climate change.

Germanwatch is funded by membership fees, donations, grants from the "Stiftung Zukunftsfähigkeit" (Foundation for Sustainability), and by grants from a number of other public and private donors.

You can also help to achieve the goals of Germanwatch and become a member or support our work with your donation:

Bank fuer Sozialwirtschaft AG  
BIC/Swift: BFSWDE33BER  
IBAN: DE33 1002 0500 0003 212300

For further information, please contact one of our offices:

### **Germanwatch – Berlin Office**

Schiffbauerdamm 15, 10117 Berlin, Germany  
Ph.: +49 (0) 30 - 28 88 356-0, Fax: -1  
E-mail: [info@germanwatch.org](mailto:info@germanwatch.org)

### **Germanwatch – Bonn Office**

Kaiserstraße 201, 53113 Bonn, Germany  
Ph.: +49 (0) 228 - 60492-0, Fax: -19  
E-mail: [info@germanwatch.org](mailto:info@germanwatch.org)

For further information:  
[www.germanwatch.org](http://www.germanwatch.org)

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