

Developing countries propose text on international mechanism on loss and damage

Warsaw, 13 Nov (Zhenyan Zhu) – The Group of 77 and China tabled a conference room paper on an international mechanism on loss and damage on Tuesday, 12 Nov at the climate talks in Warsaw under the UNFCCC, urging Parties to begin negotiations on the basis of that text.

The first meeting of the contact group on approaches to address loss and damage was held on 12 Nov. where the G77/China proposal was tabled.

The contact group was co-chaired by Ms. Anna Lindstedt (Sweden) and Mr. Robert van Lierop (St. Kitts and Nevis). The Co-chairs invited Parties to share views on how to structure the work with regard to addressing loss and damage.

Bolivia speaking for **G77 and China** pointed out that the work on loss and damage has been carried out for 3 years and now it was important to look at the big picture. It recalled that in the opening session of COP 19, the G77 and China highlighted the red line in addressing the loss and damage issue, adding that the Group planned to engage in the discussion in the most constructive manner.

We are here to address serious matters, Bolivia stressed. The G77 and China has submitted a CRP (conference room paper) document for establishment of an international mechanism on loss and damage. On the basis of this document, it hoped that Parties would focus on modalities and functions of the mechanism; the Group does not want to waste any time so they had prepared to engage in text (see below for details of the CRP). This was supported by all developing countries.

In the statements made by the United States, the European Union, Norway and Switzerland, they all spoke of various support they have provided

to the countries that suffered from adverse impacts of climate change, particularly the Philippines and other countries in the region which were suffering from the disastrous typhoon Haiyan. Canada wanted continuation of the dialogue (instead of engaging in negotiations on the text).

The United States said that the US government would provide USD 20 million to help the Philippines for responding to Typhoon Haiyan.

The European Union said the recent tragedy is a reminder of the reality of climate change and now we should be committed to work hard. Although we were not able to do our work in the June session of the Subsidiary Body for Implementation, ministers had a good exchange of views in the pre-COP meeting (held in Warsaw 2-4 October 2013). The work should have an elaboration on the institutional arrangement and it did not suggest engagement in general debate. The EU said it would be committed to constructive negotiation with all Parties using time effectively in the work and in the text as soon as possible and to establish the arrangement.

Norway in its statement also mentioned its efforts in mobilizing support to the Philippines and other countries for them to respond to the devastating consequences of the typhoon. It pointed out that loss and damage was the very reason for mitigation and adaptation.

Switzerland said that no single actor or body could address the issue. It is a complex process and we need to take a decision in COP19. It said it was ready in work, and as an example, it mentioned the support initiatives it launched with Norway.

Following the statements by these Parties, **Bolivia for G77 and China**, responded by stressing that G77 and China was looking forward to beyond an *ad hoc* nature of support because *ad hoc* support was not adequate though it was appreciated. It said there has been enough time for speeches and lectures and it is time to look at specific texts to find a solution.

Nauru on behalf of the Alliance of Small Island States (AOSIS), Timor Leste on behalf of Least Developed Countries (LDCs), Egypt, Tanzania on behalf of the African Group, Bangladesh and El Salvador supported Bolivia's intervention for G77 and China.

Nauru on behalf of **AOSIS** said that loss and damage has been a very long standing priority of the group and the issue was tabled in 1991. It acknowledged the generous humanitarian support but highlighted that the humanitarian support is *ad hoc* and there is a gap in the UNFCCC to address this issue so there should be some permanent arrangement. It supported G77 and China's text tabled under the Convention and expected Parties to engage in the text.

Timor Leste on behalf of **LDCs** said we need to focus on the functions and modalities of the mechanism and should discuss the mechanism. It thanked developed countries for their support for what happened in the Philippines and said that it is important to work out a comprehensive mechanism on a continuous basis. It also supported the views of AOSIS that functions and modalities are a part of the mechanism and it suggested discussion on the proposal made by G77 and China.

Egypt said that all the presentations in Warsaw were talking about impacts but no one was talking about a solution.

Tanzania on behalf of the **African Group** looked forward to the text focusing on functions and modalities. We need to get into discussions and have a clear decision and hoped to come out from here with functions and modalities of an international mechanism.

Bangladesh said we need to respond to the increasingly adverse impacts of climate change and we need an international mechanism, a permanent solution. The humanitarian response was *ad hoc* and of no certainty. We have had long discussions since 1991 and finally we had a mandate to set up an international mechanism

for loss and damage in Doha. We should engage in text discussions.

El Salvador also stressed the need to engage in the text tabled by G77 and China and make the best use of time. The world expects from all of us, particularly after the typhoon in the Philippines.

Bolivia finally once again stressed that we need to engage in text and hoped that in the next session, this can be done not just make more statements.

Canada responded that it recognized time constraints in Warsaw but Parties did have questions regarding the modalities and functions; what were in the submissions from some Parties, and the dialogue was not over.

Indonesia then said that we did not have time and we already had two COPs. It suggested to stop talking about a mechanism but start talking about modalities and functions instead.

The Co-chair then closed the list of speakers and announced that the 2nd session of the contact group would be held in the manner of an informal closed consultation on 13 November.

CRP submitted by G77 and China

The CRP document contains a proposed decision text from developing country Parties to the UNFCCC to establish the international mechanism to address loss and damage associated with the impacts of climate change (International Mechanism on Loss and Damage, hereinafter referred to as "the international mechanism" or IMLD), in accordance with decision 3/CP.18. This is set out as paragraph 1 of the operative section of the CRP.

The international mechanism is to address loss and damage associated with the adverse effects of climate change from extreme and slow onset events in developing country Parties, especially the least developed countries and small island developing States and other developing countries particularly vulnerable to the adverse effects of climate change (para. 2).

The IMLD should complement existing institutions within the UNFCCC, as well as external institutions, with a view to strengthening coherence, coordination, synergies, linkages and cooperation on loss and damage to the adverse effects of climate change, both within and external to the Convention (para. 3).

It will have a Technical Facility to, inter alia, implement those functions of the IMLD requiring technical knowledge and expertise through activities, including, but not limited to, long-term impact assessments; knowledge and data management; the development of new approaches and tools and the building of capacity to address loss and damage from the adverse effects of climate change and a Financial Facility to, inter alia, implement those functions of the IMLD requiring financial knowledge and expertise, in particular by assisting with financial support required to comprehensively address loss and damage to the adverse effects of climate change in the short-, medium- and long-term (para. 4).

The international mechanism on loss and damage shall be subject to the authority and guidance of the Conference of the Parties (para. 5), with an Executive Board of the Mechanism to supervise and lead the work of the IMLD (para. 6).

The IMLD shall be funded through a dedicated trust fund established through financial support from developed country Parties (para. 7).

Paragraph 8 of the CRP operative section sets out the functions of the IMLD, in accordance with paragraph 5 of 3/CP.18, to include, inter alia:

- a. provide global oversight and coordination on the assessment and implementation of actions related to loss and damage associated with the adverse effects of climate change;
- b. promote synergies, enhance collaboration, cooperation and linkages, and strengthen engagement between national, regional, and international organizations, centres, and networks involved in assessing and addressing loss and damage;
- c. develop and, as appropriate, strengthen the knowledge base at multiple levels on loss and damage to the adverse effects of climate change, including on slow onset events, non-economic losses, migration, and displacement;
- d. consolidate and enhance the coherence and sharing of relevant data, information, knowledge, experience, and good practices, related to the characterization, quantification and development of appropriate responses to loss and damage at the local, national, regional and international levels;

- e. develop innovative measures, approaches and modalities to assess and address permanent losses and irreversible damage, including non-economic losses, with particular attention to loss and damage associated with slow onset events and means of rehabilitation and/or compensation;

- f. enhance action to address loss and damage associated with the adverse effects of climate change through provision of technical support and guidance to national governments on comprehensive approaches to risk assessment and risk management for extreme and slow onset events, including socioeconomic and non-economic impacts, with a view to building capacity at national and regional levels to increase adaptive capacity, coping capacity, and resilience;

- g. facilitate and catalyse support for the efficient development and operationalization of approaches, at all levels, to address loss and damage from extreme weather events and slow onset events, including support for actions listed in decision 3/CP.18, paragraph 6, and including approaches for rehabilitation;

- h. ensure enhanced action on addressing loss and damage associated with the adverse effects of climate change through the provision of new, predictable, and reliable financial support for the assessment of, and responses to, the impacts of loss and damage through an appropriate financial mechanism;

- i. support the establishment of social safety net and social protection programmes to address damage to or loss of livelihoods associated with the adverse effects of climate change, including, inter alia, for migration and displacement.

- j. support the development and ensure that a spectrum of risk transfer tools is available to Parties and regional bodies, including insurance, to address loss and damage associated with the adverse effects of climate change.

Paragraph 9 states that the modalities of the IMLD are contained in annex I to the proposed decision text, and are based on the functions outlined in paragraph 4 of the decision, including the following six key elements:

- (a) Global oversight, coherence and coordination;

- (b) Enhancing cooperation, collaboration, and linkages with other institutional arrangements under and outside the Convention;
- (c) Knowledge development and exchange;
- (d) Technology and capacity-building support for implementation of actions;
- (e) Financial support for implementation of actions;
- (f) Support for and coordination with risk transfer mechanisms.

Paragraph 10 requests the Executive Board of the Mechanism to further elaborate on linkages with other relevant institutional arrangements under and outside the Convention.

Paragraph 11 invites all Parties to strengthen and, where necessary, establish and/or designate

national-level institutional arrangements, with a view to enhancing work on loss and damage, with the adequate means of implementation for developing countries Parties provided by developed country Parties.

Paragraph 12 invites Parties to strengthen and, where necessary establish, regional centres and networks, in particular in developing countries, with support from developed country Parties and relevant organizations, as appropriate, and to facilitate and enhance national and regional action to address loss and damage, in a manner that is country-driven, encourages cooperation and coordination between regional stakeholders and improves the flow of information between the Convention process and national and regional activities.