

## **Submission by Ethiopia on behalf of the LDC Group on possible activities for the five-year rolling workplan of the Executive Committee of the Warsaw International Mechanism on Loss and Damage associated with Climate Change Impacts**

The Least Developed Countries Group (LDCs Group) welcomes the opportunity to provide inputs, in accordance with the mandate of decision 3/CP.22, into the strategic workstreams of the five-year rolling workplan of the Warsaw International Mechanism (WIM) for Loss and Damage associated with Climate Change Impacts. As a group of particularly vulnerable countries with little capacity to cope with the adverse effects of climate change, the LDC Group wishes to stress the importance of a focused, supportive, facilitative and cooperative approach to address loss and damage.

### **The framework for action**

In its fifth assessment report the IPCC sets out that “continued emission of greenhouse gases will cause further warming and long-lasting changes in all components of the climate system, increasing the likelihood of severe, pervasive and irreversible impacts for people and ecosystems”. The report goes on to state, with *very high confidence*, that “some risks from residual damages are unavoidable, even with mitigation and adaptation.”<sup>1</sup> Consistent with these conclusions, LDCs are already experiencing loss and damage resulting from the adverse impacts and vulnerabilities of climate change even at today’s level of warming: Extreme drought conditions, for example, have led to severe losses at the household level, further decreasing the population’s resilience to climate change<sup>2</sup>. More than ten significant climate anomalies and events have been recorded by the US National Oceanic and Atmospheric Administration NOAA in September 2016 alone, affecting multiple LDC countries and severely stretching their coping capacities<sup>3</sup>.

Current NDCs and policy pledges put the world on track for a warming of above 2.5°C by the end of the century. Science shows us that a temperature trajectory above 1.5°C would result in unprecedented challenges and irreversible impacts caused by slow onset and increasingly frequent and intense extreme weather events, and would pose high risks to unique and threatened ecosystems<sup>4</sup>. Crucially, therefore, policy approaches to address loss and damage must be able to meet both *current* and *future unprecedented* impacts of climate change that will accompany every additional degree of warming.

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<sup>1</sup> IPCC, 2014: Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Core Writing Team, R.K. Pachauri and L.A. Meyer (eds.)]. IPCC, Geneva, Switzerland, 151 pp.

<sup>2</sup> See e.g. Yaffa, S. (2013). Loss and damage from drought in the North Bank Region of The Gambia. Loss and Damage in Vulnerable Countries Initiative, case study report. Bonn: United Nations University Institute for Environment and Human Security.

<sup>3</sup> See <https://www.ncdc.noaa.gov/sotc/global/201609>

<sup>4</sup> Oppenheimer, M., Campos, M., & Warren, R. (2014). Emergent Risks and Key Vulnerabilities. In *Climate Change 2014: Impacts, Adaptation, and Vulnerability. Part A: Global and Sectoral Aspects. Contribution of Working Group II to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change* [Field, C.B., V.R. Barros, D.J. Dokken, K.J. (pp. 1039–1099). Cambridge, United Kingdom and New York, NY, USA: Cambridge University Press, Cambridge, UK.

Given our high vulnerability and very limited capacity to cope with the adverse effects of climate change, the LDCs Group in particular stresses the importance of the third function of the WIM (“action and support”) as spelled out in decision 2/CP.19. In this regard, the LDC group stresses the critical need for its members to be able to access tools, technical and financial support to address existing and projected loss and damage.

Accordingly, the vision for the WIM in the longer term must be to have an effective system in place to support developing countries in coping with loss and damage associated with the adverse effects of climate change, including clear arrangements to protect people displaced by the impacts of climate change. In line with decision 2/CP.19, this support system must encompass the areas of capacity building, technology and finance. In other words, it must be ensured that developing countries that are particularly vulnerable to the adverse effects of climate change have the capacities to assess and manage loss and damage, including the tools and methodologies to assess and quantify the scale of projected and experienced loss and damage; technologies that allow for effectively addressing loss and damage must be readily available and accessible; the financial means to cope with loss and damage must be provided, including clear institutional arrangements, clear source of finance for loss and damage, ensuring the adequacy, predictability and sustainability of finance.

From this long-term vision three key priorities for the work of the WIM emerge:

1. Institutional arrangements that are designed to respond to climate-change related disasters need to be assessed and where gaps and short-comings emerge, more effective solutions need to be found.
2. Effective legal, financial and institutional measures to protect people displaced by the impacts of climate change need to be implemented through the enhancement of the work of the task force on displacement.
3. Clear funding arrangements, for example in the form of a Solidarity Fund, must be established with the goal of assisting people affected by loss and damage.

In particular, innovative sources of finance need to be explored and adequate institutional arrangements identified and their implementation facilitated.

### **The five-year rolling workplan - an overview**

The five-year rolling workplan must build on outcomes and lessons learnt from the initial two-year workplan. Based on this, a clear and systematic approach to loss and damage must be designed and effectively implemented. It must build on and integrate the best available science and cater to the needs and realities of developing countries that are particularly vulnerable to the adverse effects of climate change.

Progress has been made with the initial two-year workplan. At the same time, it has become clear that there are gaps in common understanding and knowledge of the risks that loss and damage pose, and the solutions it necessitates. Moreover, activities under the WIM in this period have also revealed that there are significant gaps in the disparate institutional structures that address the various aspects of loss and damage including, but not limited to, displacement, risk assessment and preparedness. The LDC group envisions a role for the

WIM over the next five years to either initiate a response to close these gaps or to facilitate and coordinate the response(s) of the mandated agencies with the goal of implementing the effective support system and expediting the work of the task force on displacement as outlined above.

### **Integrating COP 21 and COP22 Outcomes**

The LDC Group welcomes the steps that have been taken to establish the task force on displacement and the clearing house for risk transfer. Providing clear guidance to the implementation of work under both structures is paramount, and it must be clear that this work is focused on the particular risks of climate change and responsive to the needs and requirements of developing countries that are particularly vulnerable to climate change, in line with decision 3/CP.18. The task force on displacement should be guided by the goal of identifying and facilitating the implementation of effective legal, financial and institutional measures to protect people displaced by the impacts of climate change

In line with the second function of the WIM, the Executive Committee must provide leadership over its different sub-groups and ensure that the different strands of work remain connected. Where appropriate, expert groups should consider holding joint meetings or otherwise exchange on their work. Reports by the task forces and expert groups should be considered at least once per year by the Executive Committee. The Executive Committee should then decide on the integration of expert group results into the wider process as driven by its five-year rolling workplan.

Further, in line with paragraph 3 of decision 4/CP.22, the Executive Committee might consider prioritizing strategic workstreams as presented in the Report of the Executive Committee of the Warsaw International Mechanism. At the same time, continuity of the work commenced under all strategic workstreams should be safeguarded through the parallel engagement of expert groups and task forces. Activities for such an approach are listed in Annex I.

## Annex I – detailed list of activities for prioritized work streams

The suggestion underlying the following list of activities is that the Executive Committee select thematic priorities for each year. At the same time continuity of the remaining themes is safeguarded through the involvement of existing and potentially additional expert groups. The tables at the beginning of each year indicate which of the strategic workstreams (SW) are prioritized for lead work by the Executive Committee and which are continued through tasks given to its sub-structures.

### Year 1

Strategic workstream (SW)	Executive Committee priority	Sub-structure task
(a) Slow onset events	x	
(b) Non-economic losses	x	x
(c) Comprehensive risk management		x
(d) Migration, displacement and human mobility, including task force on displacement		x
(e) Finance-related topics	x	
(f) Implementing Action and support	x	
(g) COP21 clearing house for risk transfer		x

### Year 1 Activities of the Executive Committee

- I. **Develop a comprehensive and systematic overview of current institutional arrangements for comprehensive risk management to address loss and damage - SW (a), (b), (e)**
  - Generate user-friendly map/overview of institutional arrangements that facilitate comprehensive risk management to address climate-related slow onset events and disasters, including recovery and rehabilitation and approaches to permanent loss
- II. **Analyze and address data gaps with a view to improving the collection, management, dissemination and analysis of data and information on loss and damage - SW (f)**
  - Analyze reasons for lack of observational data coverage in developing countries particularly vulnerable to climate change impacts, e.g. through a call for expert inputs
  - Develop a plan for increasing spatial coverage of observational data in developing countries particularly vulnerable to climate change impacts
  - Raise awareness of importance of observational data among national decision-makers and potential funders
  - Facilitate capacity building for loss and damage risk assessments in LDCs
  - Facilitate development of national loss and damage data bases
- III. **Establish a Financial Expert Group or Financial Facility under the ExCom with a role to identify and mobilize adequate and sustainable financial support for loss and damage in developing countries - SW (e)**
  - Provide a clear TOR for the financial Facility to undertake its role in identifying and mobilizing adequate and sustainable financial support for loss and damage in developing countries, including in particular innovative sources of finance

**IV. Identify the avenues for legal, financial and institutional measures to protect people displaced by the impacts of climate change – SW (d)**

- Jointly with the task force on displacement invite multi-stakeholder inputs for identifying avenues for legal, financial and institutional measures to protect people displaced by the impacts of climate change

**Year 1 Sub-structure tasks**

- SW (c) - Technical expert group on comprehensive risk management approaches: initial face-to-face meeting and preparation of draft workplan, as per TOR
- SW (b) - Expert group on non-economic losses: contribution to overview of non-economic losses under activity I; implementation of its workplan; consider liaising with task force on displacement to develop guidelines for addressing non-economic losses in the context of human mobility
- SW (d) - Task force on displacement: initial face-to-face meeting and preparation of draft workplan, as per TOR; build on outcomes from technical meeting in Casablanca with a clear focus on climate-related displacement and associated challenges; participate in activity IV. as described above
- SW (g) - Clearing house for risk transfer: initiate implementation of concept paper, safeguarding the interests of developing countries that are particularly vulnerable to climate change

**Year 2**

<b>Strategic workstream</b>	<b>Executive Committee priority</b>	<b>Sub-structure task</b>
(a) Slow onset events		x
(b) Non-economic losses		x
(c) Comprehensive risk management	x	x
(d) Migration, displacement and human mobility, including task force on displacement	x	x
(e) Finance-related topics	x	
(f) Implementing Action and support	x	x
(g) COP21 clearing house for risk transfer		x

**Year 2 Activities of the Executive Committee**

**V. Identify innovative financial sources for loss and damage - SW (e), (f)**

- Jointly with Financial Expert Group/ Financial Facility, undertake workshops on innovative sources for loss and damage finance including from carbon tax, carbon trading percentage, International Airline Passengers Levy (IAPAL) and Bunker Fuel Levy in order to identify financial sources for loss and damage other than the existing financial mechanisms under the Convention
- Develop recommendations for institutional architecture to mobilize innovative finance for loss and damage.

**VI. Establish regular exchange with Paris Committee on capacity building (PCCB) to implement support for LDCs in loss and damage risk assessments and implementation of responses - SW (f)**

- Prepare guidance document for PCCB on need for loss and damage capacity building, taking into consideration outcomes of year 1, activity II.
- In collaboration with the PCCB, implement support for LDCs to close the capacity gap for loss and damage assessment and implementation of approaches.
- Engage national governments to establish national-level loss and damage contact points with aim to facilitate an effective communication with the ExCom in addressing risks of loss and damage into a real works in the field

**VII. Establish regular exchange views with TEC and CTCN to Consider loss and damage technology in their plan - SW (f)**

- In cooperation with CTCN and the TE, prepare guidelines for technology need assessment for rehabilitation, recovery as well as addressing permanent losses and damages and slow onset events in order to provide appropriate technology to address loss and damage associated with the impacts of climate change in LDCs and other vulnerable developing countries

**VIII. Develop roadmap to implement institutional arrangements to address loss and damage**

- Based on the overview generated under activity I in year I, identify the gaps in current institutional arrangements addressing loss and damage in developing vulnerable countries
- Identify avenues for addressing gaps through more effective arrangements
- Develop roadmap for implementing more effective arrangements to address loss and damage in developing vulnerable countries

**Year 2 Sub-structure tasks**

- SW (c) - Technical expert group on comprehensive risk management approaches: Develop methodologies and guidelines to be used by national governments to enhance knowledge and understanding, identify gaps, and prepare action-plans on comprehensive risk management, including issues related to finance, data, technology, regulatory environments and capacity-building, that can be used to develop strategies at national level
- SW (b) - Expert group on non-economic losses: Implementation of its workplan; development of guidelines for minimizing and addressing non-economic losses in the context of human mobility jointly with task force on displacement
- SW (d) - Task force on displacement: Implementation of its workplan, with a clear focus on climate-related displacement and related challenges; develop recommendations for facilitating the implementation of protection of people displaced by the impacts of climate change
- SW (e), (f) - Financial Expert Group/ Financial Facility in collaboration with other technical expert groups and task force under the ExCom: Develop loss and damage financial mapping and guidelines for accessing resources as well as providing monitoring and evaluation guidelines as appropriate with a view to facilitating easy access for LDCs and monitoring the need for additional finance;
- SW (g) - Clearing house for risk transfer: Continue implementation of concept paper

### **Year 3 - Review interim results of different work streams and outcomes of sub-structure tasks**

At the beginning of year 3, progress in the implementation of activities should be assessed. Based on the interim results, as well as the vision for years 4 and 5 of the five-year rolling workplan, detailed activities and desired results need to be developed at the end of year 3. In order to facilitate the interim review, the following list of mid-term results should be applied as references for measuring progress:

#### **SW (a) Slow onset events:**

- Overview of institutional arrangements for addressing slow onset events generated
- Roadmap for addressing gaps in institutional arrangements for addressing loss and damage in developing vulnerable countries developed

#### **SW (b) Non-economic losses:**

- Work plan of expert group implemented

#### **SW (c) Comprehensive risk management:**

- Guidelines for national governments developed, including modalities for accessing support
- Roadmap for addressing gaps in institutional arrangements for addressing loss and damage in developing vulnerable countries developed

#### **SW (d) Migration, displacement and human mobility:**

- Recommendations for facilitating the implementation of protection of people displaced by the impacts of climate change developed

#### **SW (e) Finance-related matters:**

- Clear understanding of effectiveness and limits of available financial instruments developed
- Functionality of Financial Facility/Financial Expert Group for loss and damage in place
- Innovative sources of finance identified, including institutional arrangements for the mobilization and access modalities

#### **SW (f) Implementing Action and Support:**

- Initiative to increase observational data coverage in place
- Capacity gap and ways to address it identified
- Guidelines for technology need assessment for rehabilitation, recovery as well as addressing future potential permanent losses and damages and slow onset events in place
- Roadmap for addressing gaps in institutional arrangements for addressing loss and damage in developing vulnerable countries developed

#### **SW (g) Clearing house for risk transfer:**

- Clearing house on risk transfer in place

## **Years 4 & 5**

Based on the outcomes of the interim review, detailed activities for years 4 and 5 should be developed. These activities should be guided by the vision of having a support system for developing countries that are particularly vulnerable to the adverse effects of climate change in place. Identified gaps in capacity, technology and finance need to be closed. Thus, years 4 and 5 should be dedicated to implementing the support system, with the following aspects considered:

Support for implementing approaches to loss and damage should be put in place, including clear institutional arrangements, clear source of finance for loss and damage, ensuring the adequacy, predictability and sustainability of finance. Clear guidelines for insurance need to be available, including an agreed plan for establishing a global insurance facility.

Support should also include national level capacity building and technology for risk assessment activities, a comprehensive loss and damage data base, risk management planning, as well as support for rehabilitation and recovery or addressing permanent loss, and addressing slow onset event losses. Instruments to address the entire spectrum of loss and damage, including non-economic losses and those resulting from slow onset events, must be in place.

Support crucially needs to encompass the area of migration, displacement and human mobility. Protection of people displaced by the impacts of climate change needs to be guaranteed through the implementation of effective legal, financial and institutional measures.

Existing sub-structures should continue to be utilized, including the Financial Facility/Financial Expert Group, the clearing house for risk transfer, the task force on displacement, the expert group on comprehensive risk management and the expert group on non-economic losses.