

Working Document

[Section E - Adaptation and loss and damage]

Version of 4 September 2015 at 19:00¹

Main observations:

- The last facilitated group on adaptation and loss and damage at ADP 2.10 met today from 10.00 a.m. to 11:30 a.m. Parties heard reports from the informal meetings on what Parties do on adaptation - including communication and on what Parties do on adaptation - support. Parties then shared initial observations on the last remaining issue posed by the Co-Facilitators at the outset of this session: institutional arrangements on adaptation.
- Some Parties informed the meeting on the status of textual proposals they are working on.
- During the week, Parties have engaged very interactively on a wide range of issues in a good atmosphere, outlined their positions clearly and specifically on those issues, and furthered their understanding on each other's proposal, and have also reflected on many proposals that had not been reflected on before in detail.
- This section reflects the reports from the informal meetings held during the session, as well as textual proposals referred to at the facilitated groups by Parties.

Reports by the facilitators on informal meetings on 3 September 2015:

- Mr. Julio Cordano, the facilitator of the informal meeting on what Parties do on adaptation - including communication, reported as follows:
 - As a methodology, the facilitator presented a list based on the Co-Chairs' Tool to identify possible actions that countries do. That methodology was accepted by Parties in the spin-off group. There were no objections to the list although some Parties identified elements they thought were missing, including enhancing implementation and strengthening institutions or existing mandates of frameworks.
 - The methodology also considered very important elements such as references to principles of the Convention and sustainable development that are very important to this matter, but that are conceptually different to what Parties do in this context. The facilitator suggested not focusing specifically on those elements though Parties had the freedom to refer to them.
 - The facilitator identified a number of possible areas of convergence, and highlighted the following points:
 - National adaptation actions should be based on nationally determined and country-driven processes, be flexible, consider national circumstances and not be prescriptive. Flexibility is also important in terms of the vehicle through which to communicate;
 - A debate on how to apply differentiation on adaptation action is important, but Parties need further consideration to find common ground on this issue;
 - Elements such as co-benefits and mitigation–adaptation synergies are important.;
 - Monitoring and evaluation should be a flexible and party-driven mechanism that is not intended as an imposition from a higher entity or from outside, and should be tailored to national context;
 - Metrics is something that should be applied at the national level;

¹ This section has been edited for grammatical consistency.

- There was an interesting debate on why to communicate. The reasons identified by some Parties included that the communication of adaptation effort can be an additional platform for sharing information and learning from each other, including information on support on adaptation, as well as for gaining recognition;
- There was a clear vision that adaptation is a common effort, is in the interest of everybody and is not restricted to a group of countries.
- The facilitator stated that more refinement and work needs to be undertaken on these elements but overall the group made some good progress.
- Following the report, reservations were expressed around the idea of making the integration of adaptation into other plans mandatory in any way. It was emphasized that integrating is one of the things that countries may do, but does not represent the way every one should do adaptation.
- The facilitator of the informal meeting on what Parties do on adaptation - support, Mr. Gottfried von Gemmingen reported as follows:
 - Parties engaged in a detailed discussion on what countries do on adaptation support. Parties expressed appreciation for this important first step where both views from finance and adaptation were able to speak together. They addressed the uniqueness and importance of adaptation support;
 - There seemed to be some convergence about assurances for continued adaptation support. The need for adequacy of adaptation support and for a balance with mitigation support articulated by some Parties may require more discussions;
 - Many Parties also emphasized the need for prioritization, in particular, of vulnerable countries such as LDCs and SIDS. Some convergence evolved about a priority of public and grant-based finance in particular for poor and vulnerable countries and people;
 - Clear positions were expressed on sources and instruments of finance, including public and private sources and levies from market mechanisms;
 - There was some discussion on what should guide action, such as predictability and support oriented to addressing the needs of vulnerable countries;
 - The question of the effectiveness of spending was also raised;
 - A further area of consideration is the need to consider domestic investments by developing countries;
 - There was some convergence about channeling funds through existing channels under the Financial Mechanism, through multilateral institutions and bilateral cooperation. In particular, the specific roles of the LDCF, AF and GCF were addressed. Many Parties included their views on what should be funded.
 - A range of views were expressed about integrating adaptation into overall development planning while maintaining visibility;
 - Funding for NAPs and loss and damage was mentioned in particular;
 - On placement, some constructive comments and specific suggestions were made on for placements in the respective chapters in the agreement and in the decision. These suggestions helped to illustrate a way forward for future text;
 - All Parties recognized that support included not just finance, but also technology and capacity-building.
- Following the report, some reservations and concerns were expressed about the discussions on adaptation finance, including with regard to private sector finance.

Reports by the facilitators on informal meetings on 2 September 2015 (reported on 3 September 2015):

- The facilitator of the informal meeting on loss and damage, Mr. Leon Charles, reported on the concrete achievement of the meeting, which is to develop two options as a basis for negotiation on loss and damage from here onwards:

1. Containing provisions in the:
 - Draft Agreement for establishing a new mechanism to take over the operation of the Warsaw International Mechanism after 2020, which includes a climate change displacement coordination facility;
 - Draft Decisions:
 - To operationalize the institutions anchored in the Agreement;
 - A clearing house for risk transfer schemes under the Warsaw International Mechanism;
2. Containing COP provisions for, among others:
 - Recognizing the importance of loss and damage;
 - Recalling decisions 2/CP.19 and 2/CP.20;
 - A decision to continue implementing the Warsaw International Mechanism under the Convention;
 - Assurances on the permanence of the Warsaw International Mechanism and of responsiveness to the evolving concerns and needs of the most vulnerable countries;
- In addition, his report noted that:
 - These two textual proposals would be made available before the end of this session, which will serve as a basis for negotiation from Bonn onwards.
 - In response to a request made by a Party, the G77 and China will provide a working description of the proposed climate change displacement coordination facility before the ADP session in October, which will allow all Parties to further enhance their understanding of this important arrangement proposed to be established by the Paris Agreement.
- The Co-Facilitator, Ms. Andrea Guerrero, reported on behalf of the facilitator of the informal meeting, Mr. Richard Muyungi, on the informal meeting on the global goal on adaptation/long-term vision for adaptation/collective efforts, as follows:
 - Parties engaged in a detailed and focused discussion on the elements of the global goal and collective efforts. Some Parties outlined very clear and concise lists of elements, which provided a good basis for discussion and future drafting;
 - Parties see these issues to be very much interconnected with individual efforts, institutions, support, and monitoring and evaluation. This makes it challenging when focusing on drafting a more concise text, but also provides an opportunity to understand the bigger picture;
 - Some Parties considered that having language on screen would make discussions more focused;
 - The facilitator summarized the meeting by reading out the elements on which there seemed to be convergence in the room:
 - The long-term [global goal][vision] for adaptation is to reduce vulnerability to the adverse impacts of climate change, to increase adaptive capacity, to enhance resilience, and to protect people, ecosystems and livelihoods based on best available science;
 - In order to achieve the long-term [global goal][vision] for adaptation, Parties shall commit to cooperate by sharing knowledge, recognizing adaptation efforts and investments, providing adequate support in the context of means of implementation, improving science, and strengthening institutions, including those within the UNFCCC;
- The G77 stated that they are working on a proposal on the global goal and collective efforts, as well as individual efforts, and also stated that it will consult with other Parties and aim to have a text ready on the morning of 3 September.

Textual proposals

- Three textual proposals were submitted by the Group of 77 and China, the United States of America, Canada, Japan, New Zealand, Norway and Switzerland in the course of the week on topics related to adaptation and loss and damage.

ONE**ADAPTATION**

1. A [Global Goal][Long Term vision] for adaptation is hereby established [in accordance with] the objective, principles and provisions of the Convention, including common but differentiated responsibilities and respective capabilities, [its Article 4 and including obligations of developed country Parties to take the lead and undertake their commitments according to Article 4, [and] with a view to ensuring that adaptation is addressed with the same urgency as mitigation [aimed at reducing vulnerability and building resilience] [enhancing] adaptive capacity in developing country Parties] while recognizing the local, regional and global dimensions of adaptation and that adaptation is a current, vital, inevitable and ongoing effort as a consequence of historical emissions.

2. The [Global Goal][Long Term vision] for adaptation shall [be the basis] [be based on] [provide for], [inter alia]:

(a) The provision of adequate and regularly enhanced support [, including finance, technology development and transfer and capacity-building] for developing countries] to meet their adaptation needs;

(b) Recognition of the urgent and immediate needs and special circumstances of developing country Parties, especially those that are particularly vulnerable;

(c) The sharing of good practices by all Parties [, including a knowledge dimension informed by science, planning and policy aspects][to implement adaptation actions];

(d) Assessment for the adequacy of support from developed country Parties to developing country Parties and a platform to assess it through strengthened MRV of support;

(e) The understanding of [the increased] adaptation needs in the light of [low mitigation ambition;] [increased adaptation burden from low mitigation.] Taking into account that adaptation will be needed [regardless of the level of mitigation reached].

(f) And the recognition of adaptation efforts of developing countries to [address][respond to] climate change].

TWO**Loss and Damage to be inserted in Part One****DEFINING A LOSS AND DAMAGE MECHANISM UNDER THE AGREEMENT**

41. An international mechanism to address loss and damage is hereby defined under this agreement and shall be bound by the principles and provisions of the Convention.

42. The purpose of the mechanism shall be to promote and support the development and implementation of approaches to address loss and damage associated with the adverse effects of climate change. *inter alia*, extreme events and slow onset events, in developing countries that are particularly vulnerable to the adverse effects of climate change. *{Opt II para 29 SCT}*

43. The international mechanism on loss and damage shall draw upon, further develop and elaborate on the work of the Warsaw International Mechanism on Loss and Damage pursuant to relevant COP decisions, including the development of modalities and procedures for the mechanism's operation and support. It can involve, as appropriate, existing bodies and expert groups under the Convention, as well as relevant organizations and expert bodies outside the Convention, and be informed by relevant precedents in international law. *{Opt II para 30 SCT}*

44. The international mechanism on loss and damage shall be subject to the authority and guidance of the governing body. *{Opt II para 31 SCT}*

44 bis The governing body shall, at its first session, establish a climate change displacement coordination facility to help to coordinate efforts to address the displacement of people as a result of the extreme impacts of climate change.

45. The governing body shall, at its first session, initiate a process to develop approaches to address irreversible and permanent damage resulting from human-induced climate change, and shall endeavour to complete this process within four years. *{Opt II para 32 SCT}*

COP Decisions on Loss and Damage Part II

1. Parties are encouraged to develop early warning systems and risk management plans for both extreme events and slow onset events and to communicate them to the secretariat as part of their national communications, in accordance with the modalities and procedures to be developed and adopted by the Conference of Parties. *{Opt III chapeau of para 29 and a. SCT}*

2. As part of its work, the Warsaw International Mechanism on Loss and Damage shall develop guidelines for a comprehensive approach to climate risk management. *{Opt III para 33 SCT}*

3. A financial technical panel shall be established under the Warsaw International Mechanism for Loss and Damage which shall explore approaches for:

- (a) Establishing regional and subregional pools to support regional and subregional risk transfer schemes;
- (b) Providing support for microfinance initiatives;
- (c) Exploring finance for slow onset events.

4. The Conference of Parties shall develop interim modalities and procedures for the operation a climate change displacement coordination facility and which shall:

- (a) Assist in developing arrangements for emergency relief;
- (b) Assist in providing organized migration and planned relocation.

5. The Warsaw International Mechanism on Loss and Damage shall establish a clearing house for risk transfer that shall:

- (a) Provide a repository for information on insurance and risk transfer;
- (b) Assist Parties in developing risk management strategies and finding best insurance schemes;
- (c) Facilitate financial support for rehabilitation.

Preamble to Part I

RELATIONSHIP BETWEEN ADAPTATION, MITIGATION AND LOSS AND DAMAGE

[Emphasizing the integral relationship between the level of mitigation action and the efforts of all Parties will be required to adapt to climate change and address loss and damage,] {pp22 SCT}

Pp 21 **LOSS & DAMAGE AND ADAPTATION** *[Recognizing that loss and damage associated with the adverse impacts of climate change includes and in some cases involves more than what can be reduced by adaptation, and is therefore distinct from adaptation,]*

THREE

For a Paris decision

Recalls decisions 2/CP.19 and 2/CP.20 on the Warsaw International Mechanism on Loss and Damage associated with the adverse effects of climate change;

Invites all Parties to reduce the risk of and address loss and damage associated with the adverse effects of climate change;

Encourages all Parties to strengthen early warning systems and comprehensive risk management planning for both extreme and slow onset events associated with the adverse effects of climate change;

Decides that the Warsaw International Mechanism under the Convention, will, following the review in 2016, continue to serve as the mechanism for loss and damage;

Requests the Executive Committee of the Warsaw International Mechanism, which guides the implementation of the functions of the Warsaw International Mechanism, to develop guidance for a comprehensive approach to climate risk management;

Also requests the Executive Committee to establish, as part of its workplan, a clearing house for risk transfer that serves as a repository for information on insurance and risk transfer in order to facilitate the efforts of Parties to develop and implement comprehensive risk management strategies;

Further requests the Executive Committee to complement, draw upon the work of and involve, as appropriate, existing bodies and expert groups under the Convention, as well as that of relevant organizations and expert bodies outside the Convention, to enhance understanding, coordination and cooperation with regard to displacement, migration and planned relocation in the context of climate change, where appropriate, at the national, regional and international levels.
