



AUSTRALIA

Submission under the Cancun Agreements | August 2011

Further views and information on the agreed themes of the work programme to consider approaches to address loss and damage associated with climate change impacts in vulnerable developing countries | SBI

I. Overview

This submission contains the further views of the Australian Government on the themes to be addressed under the work programme on loss and damage associated with climate change impacts in developing countries that are particularly vulnerable to the adverse effects of climate change, as requested under paragraph 5 of FCCC/SBI/2011/L.20. Australia also draws attention to its previous submission on the work programme on loss and damage.

In summary, Australia considers that:

- The work programme should focus exclusively on the adverse impacts of climate change and not include consideration of impact of response measures.
- It is essential to build on current work and enhance existing knowledge on loss and damage undertaken by national governments and regions in order to assess the associated risks.
- A mix of tools and policy instruments will be required. A comprehensive approach to adaptation – built sectorally from the bottom up and ensuring proactive adaptation solutions are implemented – will allow for a more targeted and complete solution to loss and damage than one built from the top-down.
- Allocating risks to those best placed to manage them is likely to be an important part of an effective approach. The work programme should assess the appropriateness of applying approaches at the individual, company, sector, national, regional and international levels.
- The UNFCCC should look to complement rather than duplicate the existing work of relevant bodies, and use its comparative advantage in determining its role in assisting with the implementation of any loss and damage approaches.

II. Elaborating the themes of the work programme to address loss and damage

As emphasised in our submission on the elements for a work programme on loss and damage in February 2011, Australia considers that the work programme under the Cancun Adaptation Framework provides a solid foundation for supporting action on adapting to loss and damage suffered as a result of the adverse impacts of climate change.



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While in Australia's view reducing carbon pollution and developing a post-2012 international framework that supports meaningful mitigation action by all major emitters remains the primary means of minimising climate-related risks, we also recognise that some climate change impacts cannot be avoided, and that the adverse effects of severe climate change induced events are already evident in many countries.

At the UNFCCC session in Bonn in June, Parties agreed to the themes of the work programme on loss and damage. These should be approached sequentially in order to ensure that a discussion on specific approaches and implementation, builds on an adequate foundation of knowledge on the risks and costs of loss and damage.

Australia would appreciate an opportunity for further informal discussions on the work programme before Durban. This could be the Experts Meeting to take place before SBI36 and agreed to in Bonn in June (FCCC/SBI/2011/L.20). Additional discussions would provide Parties with time to consider potential activities for the work programme, in time for adoption at COP17.

It is also important that this work programme focus exclusively on the adverse impacts of climate change and does not include consideration of impact of response measures, which is addressed through a separate process mandated in the Cancun Agreements.

III. Theme 1: Assessing the risk of loss and damage associated with the adverse effects of climate change and the current knowledge on the same

Australia recognises that all Parties will face challenges in addressing the risks associated with climate change impacts and that some countries, developing countries in particular, will be especially vulnerable to these impacts.

In order to address these risks, Australia considers it essential to build on current work and enhance existing knowledge on loss and damage undertaken by national governments and regions in order to assess the associated risks. This includes work related to the UNFCCC, such as the IPCC Special Report on Managing the Risks of Extreme Events and Disaster to Advance Climate Change Adaptation, and beyond, including the UN International Strategy for Disaster Risk Reduction.

Methodologies and data bases used in the disaster risk reduction sphere, which can contribute to cross-sectoral and cross-country comparisons of climate-related losses, should be utilised and developed.

This work programme theme should explore data, technical and capacity gaps in knowledge and approaches to loss and damage, particularly for slow onset events.

To this end, the work programme on loss and damage should develop the building blocks necessary to inform effective adaptation policies in the area of risk management. This includes knowledge on reducing the risk of loss and damage through proactive adaptation planning and risk management, and increasing the resilience of institutions, systems and communities to recover from unavoidable impacts caused by climate change, including through risk transfer mechanisms.



IV. Theme 2: A range of approaches to address loss and damage associated with the adverse effects of climate change, including impacts related to extreme weather events and slow-onset events, taking into consideration experience at all levels

A mix of tools and policy instruments will be required, with the best approach depending on the nature of the activity or asset at risk, the existing social, economic and policy environment, the interests and goals of those affected, the nature and magnitude of the climate change expected, and the degree of certainty with which future climate change can be anticipated.

In recognising the array of climate change impacts and the different circumstances of each country, Australia considers it appropriate that the work programme on loss and damage incorporates a range of approaches.

With this theme in mind, the work programme should document and assess country experiences with various risk mitigation and risk management approaches. In doing so, the work programme should take into account knowledge, expertise, good practice and lessons-learned at local, national and regional levels.

Australia co-hosted a workshop with Barbados on 'Innovative Approaches on Loss and Damage: National and Regional Perspectives' on the margins of the Bonn negotiating session in June, 2011. Over 30 countries participated, demonstrating the broad variety of approaches to loss and damage and the utility of considering different experiences and policies designed to address these.

It is important for each country to develop an approach that will promote rational and effective action to manage potential loss and damage from climate change impacts, taking national circumstances into account. This is likely to require both a sound over-arching framework and more detailed approaches to managing specific sectoral and regional vulnerabilities.

Countries that bear greater risks in particular sectors should consider approaches to specifically address these. Thematic, sector-specific approaches can assist in responding to future loss and damage events in a targeted fashion. Sectors of particular note for a number of countries include infrastructure, including tourism infrastructure, agriculture, water and energy. At the workshop on innovative approaches, Chile outlined its sector-specific approach for agricultural loss and damage, which could potentially inform other jurisdictions.

The work programme theme on approaches should elaborate on what tools are applicable and cost-effective to manage different kinds of risks and how they can best complement each other. To do this there should be well-accepted methodologies to assess and compare the costs and benefits of approaches.

The work programme could consider undertaking a cost-benefit analysis through a top-down study at the macro level with different policy scenarios and assumptions, or examining risks and approaches from the bottom-up industry/sector level. Australia believes the latter option would fit within the activity-focus of the work programme, assist with comparability of approaches and better suit the capacities of parties.



Australia considers a comprehensive approach to adaptation – built sectorally from the bottom up and ensuring proactive adaptation solutions are implemented – will allow for a more targeted and complete approach to loss and damage than one built from the top-down.

Allocating risks to those best placed to manage them is likely to be an important part of an effective approach to managing potential loss and damage, implying a role for individuals, businesses, and community groups as well as governments. The work programme should also assess the advantages and disadvantages of applying approaches at the individual, company, sector, national, regional and international levels. This could usefully include an assessment of moral hazard.

Australia recognises that insurance is one possible component of an effective risk mitigation strategy, though it is unlikely to be applicable in all circumstances. The work programme should nevertheless consider where and under what conditions insurance can be part of the solution to loss and damage from the adverse effects of climate change.

In developing approaches to loss and damage it will be important to distinguish between slow-onset impact and sudden impact events. The risk mitigation efforts for slow onset events are fundamentally different than those addressing extreme weather events and do not lend themselves solely to risk transfer solutions.

V Theme 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 order to gain clarity on the role of the Convention in enhancing the implementation of approaches to loss and damage the first step is to understand and document its current role in managing the risks from the adverse effects of climate change.

The role of the Convention should not overlap the existing work of relevant bodies including the UN International Strategy for Disaster Risk Reduction (and the Hyogo Framework for Action), the UN Environment Programme, UN Development Programme, and the Multi-lateral Development Banks. In addition, the UNFCCC should look to complement rather than duplicate the roles of regional, national and local entities with valuable expertise and experience in addressing loss and damage.

It is therefore important to determine the Convention's comparative advantage in addressing loss and damage. The Convention already provides a number of useful services including public awareness raising, education, research (through the Nairobi Work Programme and IPCC), training, capacity-building, Measurement Reporting and Verification (MRV) and facilitating developed country support measures.

These elements represent the comparative advantage of the Convention, and can be used to assess the utility of involving the UNFCCC in the range of approaches to address loss and damage.