



SUBMISSION BY HUNGARY AND THE EUROPEAN COMMISSION ON BEHALF OF THE EUROPEAN UNION AND ITS MEMBER STATES

This submission is supported by Albania, Bosnia and Herzegovina, Croatia, Iceland, the Former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey.

Budapest, 15 February 2011

Subject: Views and information on what elements should be included in the loss & damage work programme

Introduction

1. The EU welcomes the decision in Cancun to initiate a process to establish a work programme to explore how to give impetus to enhanced action on loss and damage. The EU agrees on the need to strengthen international cooperation and expertise to understand and reduce loss and damage associated with the adverse effects of climate change, especially in developing countries that are particularly vulnerable to the impacts of climate change. While it is not possible to distinctly attribute the extent of the damage costs related to anthropogenic climate change, it is important to recognise that long-term changes in climate at continental, regional and ocean basin scales have been observed including aspects of extreme weather. As such it is important to enhance international cooperation to not only understand how to best plan and respond to this situation but also to enhance preparedness by strengthening and mobilising the necessary expertise in accordance with the principle of common but differentiated responsibility.

Arrangement of Work

2. In defining a work programme, it will be important to consider the substantive work undertaken under other strands of work under the UNFCCC and ensure coherence with the deliberations under 1/CP.10 on risk reduction and risk management, which are large in scope but procedurally limited in time. Rather than proceeding in parallel tracks of discussion, we propose a new agenda item on adaptation to the adverse effects of climate change that includes assessment of the status of implementation of adaptation to the adverse effects of climate change and the work programme on approaches to address loss and damage associated with the adverse effects of climate change.

Considerations for the programme of work

3. The Cancun decision outlines some elements for a programme of work on this issue. While the EU regards insurance as an important tool to share risk, we do not think that – based on existing proposals - a single insurance facility would be a viable or effective option. We do however believe that it is important to draw lessons from existing regional and national catastrophe insurance schemes as well as micro insurance schemes, in order to provide information and facilitate the establishment of similar schemes or facilities at the national or regional levels, where appropriate. In this regard, we do see value in meeting with the key stakeholders to discuss the lessons learnt, challenges and best practices which would inform the COP when providing guidance to Parties. Furthermore, such information would be valuable to relevant stakeholders seeking to establish similar initiatives.
 4. With regard to gradual changes and their related impacts it is important to take advantage of the lead time, and explore all approaches, including planning and other regulatory options. Particular attention should be given to prevention, with mitigation of greenhouse gas emissions being the first step. Significant expertise exists outside the UNFCCC process and needs to be built on. In the EU's view the work spanning over eighteen months of the Work Program on Loss and Damage could be devoted to building the knowledge and understanding of the range of approaches for loss and damage that are available, including functions addressed and instruments used. As such, this would facilitate the cooperation between Parties as they strengthen their efforts in designing appropriate approaches to risk management and loss and damage.
 5. The thematic work could be divided in three time periods: June – December of 2011; January – May 2012; June – December 2012. The work programme should specify concrete deliverables and a limited number of meetings to meet the above goals. The outcomes of the work programme could be compiled and made available to relevant organisations and stakeholders and serve as an input to the COP's deliberation on what further action may be required.
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