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Nicosia, 5 / 11 / 2012

Subject: Work programme on loss and damage (SBI): Views and information taking into account the outcomes of the implementation of the work programme on loss and damage prior to the submission on the possible elements to be included in the recommendations on loss and damage in accordance with decision 1/CP.16.

Introduction.

The EU welcomes this opportunity to share its views on the possible elements to be included in the recommendations on the issue of addressing loss and damage associated with the adverse impacts of climate change¹.

The EU recalls the findings of the IPCC Fourth Assessment Report that noted that warming of the climate system is unequivocal, and that delay in reducing emissions significantly constrains opportunities to achieve lower stabilization levels and increases the risk of more severe climate change impacts.

The EU recognises that with climate change impacts becoming increasingly evident, there is a need to address the risk of loss and damage associated with climate change impacts including slow onset impacts, as has been stated in decisions 1/CP.16 and 7/CP.17.

We note with appreciation the significant work that has been undertaken under the work programme to date, and in particular the wealth of knowledge generated through the regional workshops. It was encouraging to learn about the on-going efforts and initiatives at the local, national and at the regional level to enhance the preparedness to address and respond to climate related risks and as such reduce loss and damage, in a broader context of disaster risk management. In all regions and countries, many of the approaches discussed were tailored to their own circumstances, which in some cases were focused on specific sectors, integrated in the development plans and strategies, or focused on specific vulnerable areas and regions. However, it was evident that many of these efforts were not undertaken against the backdrop of explicitly addressing the risk of loss and damage associated with climate change and in many cases activities were not adequately coordinated with other initiatives to manage risks.

¹ FCCC/SBI/2011/L.35/Add.1

The work programme to date has confirmed the fact that no one size fits all with regards to the range of approaches taken. In this regard, when addressing loss and damage related to climate change, the EU acknowledges the need to use a combination of approaches along the entire risk management continuum and tailored to specific country needs and circumstances, given that several factors contribute to the exposure to climate related risks, including levels of poverty, settlement patterns and governance. It also highlighted the benefits of stakeholder involvement and of exchanges at the regional level as well as between regions.

Contextualising loss and damage associated with the adverse effects of climate change.

The EU recognises that even if we limit climate change to below 2 degrees, countries will still need to address the risks associated with the concentrations of greenhouse gases in the atmosphere and their associated impacts. It is thus our view that understanding the risks of loss and damage associated with climate change can play an important role to inform, enable and help direct efforts to address climate change in a comprehensive manner including both mitigation and action to build adaptive capacity in order to build resilience and transform economies to become more climate resilient.

While much of the discussion in the work programme has focused on what is meant by “loss and damage,” the case studies presented in the region have focused on different interventions to manage risks in country specific contexts.

The EU notes that in general any assessment of climate related risks includes an implicit assessment of loss and damage when determining the cost and benefits of chosen paths of action be they mitigation or adaptation actions. Under the UNFCCC, Parties have committed to reduce the probability of the climate change by mitigating greenhouse gases. Parties have also committed to address the risks posed by the adverse impacts of climate change in order to allow for adaptation in a timely manner. In both cases, countries do undertake necessary assessment, though it is clear that they do not always include an exhaustive consideration of loss and damage neither in the long term nor under different scenarios.

As such both mitigation and adaptation efforts are part of a comprehensive risk management process to address the risk for climate change and the risk of climate change and addressing loss and damage should be seen in the context of mitigation and adaptation and not as a separate issue. This means that comprehensive approaches to assessing and responding to the risk of loss and damage are essential to enable countries to define the appropriate entry points for climate resilient and sustainable investments. Furthermore, the EU believes that developing the understanding of loss and damage which exceeds the capacities of countries to address them will be an important element in the definition of cooperative efforts at the regional and international level.

Nonetheless, it is important to emphasise that major uncertainties remain and thus even in the absence of complete assessments, there are a number of low regret options that countries can already undertake in the context of their sustainable development. The absence of data and information should therefore not be a deterrent to urgent action.

Understanding loss and damage associated with the adverse impacts of climate change, including the potential and limitation of present institutions and frameworks as well as policies and measures, the projected future risks should inform and enhance efforts of countries, individually and collectively to mitigate the causes of climate change and to prepare and address the impending impacts in a coherent, coordinated and comprehensive manner. It should enable the international community to take a broader system perspective to mobilising concerted action and defining measures that would enable all countries to aspire and achieve sustainable climate resilient and low carbon development.

The EU also notes that many of the efforts that were discussed in the workshops in the work programme are taken in the context of responding to extreme events. The work programme highlighted the little experience evident to date in addressing slow onset events, such as sea level rise, glacial melting and ocean acidification beyond the present planning cycles. With regards to ocean acidification, the EU recognises that this is a problem concurrent to climate change, which underscores the need for concerted mitigation action coupled with efforts to enhance economic and social resilience, including through economic diversification. The EU also notes the synergies with the implementation of other multilateral agreements such as the UN convention to combat drought and desertification, and the convention on biological diversity, both of which contribute through their provisions to better understanding of how to manage slow onset impacts such as ecosystem changes and drought and desertification.

In our view, more work is needed to understand how to expand the horizons of planning at all levels and on how to factor in gradual change or slow onset events, which often are exacerbated by extreme events. The need for long term planning also highlights the potential role of traditional knowledge as well as the benefits of gradually improving responses in the light of knowledge and experience gained.

Elements to include in recommendations at COP 18

Many of the measures being undertaken to build adaptive capacity premise themselves on an understanding of the assessment of the risks of specific hazards and impacts and on an appreciation of the benefits for development in each individual country or region's context. The discussion on loss and damage should extend the horizon of our assessments and responses to encompass a comprehensive approach to managing the risk of the impacts in the first place coupled with efforts to manage the associated uncertainties.

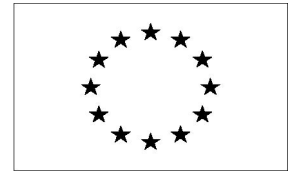
The EU notes that while much effort is being made in the different regions, significant gaps remain and quite often existing and on-going initiatives do not maximise potential synergies from coordination with other interventions along the risk management continuum. For example, efforts to transfer risk by providing insurance should be nested in a broader context of risk reduction in order to ensure that while some financial risk is transferred, processes to reduce and manage risk and build resilience continue as essential complements.

The EU also notes that the capacities and resources to enable countries to undertake the range of approaches are varying between and within regions with clear areas where there are significant gaps. These relate to limited institutional, regulatory and human capacities to assess and respond to risks, inadequate or insufficient data, information and knowledge necessary to assess and address risks including on economic and noneconomic losses, limited institutional capacities to support early warning systems and policy responses and limited access to financial, technical and human resources. The use of risk retention and transfer tools varies within and across countries, with low penetration of insurance products in the less developed and poorer parts of the world, in particular in LDCs and Pacific SIDs.

As such, it is our view that the recommendations to be adopted by the COP should provide some *strategic direction* regarding how possible interventions at the national, regional and global level to address loss and damage related to climate change could be developed and thus increase the coherence of efforts as well as enhance the potential for cooperative measures that are comprehensive, inclusive and coordinated. However, comprehensively addressing loss and damage surpasses the remit of the UNFCCC and as such it is important to define the recommendations in a manner that contributes to an effective and catalytic impetus to the work of other relevant processes and policy areas.

In this regard, the recommendations in Doha could include provisions to:

- Enhance the information, data and knowledge relating to loss and damage associated with climate change, including information on non-economic losses.
- Strengthen institutional and human capacities to develop, generate and support early warning systems including among policy makers and other decision-makers.
- Support countries in their efforts to undertake comprehensive risk assessments, where relevant, including through the preparation of hazard maps and risk profiles in key vulnerable sectors and to define and implement appropriate responses.
- Enhancing the systems to document observed loss and damage associated with the adverse effects of climate change, including slow onset impacts, as a way of informing efforts to enhance measures to address climate change.
- Strengthen synergies with the humanitarian and disaster risk community to ensure that relief and renewal processes are undertaken in the broader context of building long term climate resilience.
- Encourage cross-sectoral collaboration and coordination at the local, national and regional levels and consider best practices on how to do this.
- Continue to support developing countries to plan, prepare and implement, plans, strategies and programmes to address climate change in the broader context of sustainable and climate resilient development.
- Continue the process of learning about the impact of slow onset events, their interactions with extreme events and what approaches are available to build long term resilience to manage these.



The COP should strive to encourage broad collaboration across sectors with different stakeholders within and outside the Convention, including the private sector. It should also include provisions which should strengthen the information provided to the COP to ensure an objective and informed basis to continue the decision making around efforts to address climate change and in particular to reduce loss and damage associated with the adverse impacts of climate change.

The EU looks forward to continuing the discussions with other Parties and to elaborating on provisions that will contribute to effectively addressing loss and damage associated with climate change in all countries, and especially the particularly vulnerable developing countries.