

August 2011

World Bank Submission to Agenda Item 9 on Approaches to address loss and damage associated with climate change impacts in developing countries that are particularly vulnerable to the adverse effects of climate change to enhance adaptive capacity - Activities to be undertaken under the work programme (FCCC/SBI/2011/L.20).

1. Under Para. 5 of Decision FCCC/SBI/2011/L.20 the SBI invited Parties and relevant organizations to submit , further views and information on the themes to be addressed in paragraph 4(a - c) of the same decision. It requested the secretariat to compile these submissions into a miscellaneous document for consideration at its thirty-fifth session and to prepare a synthesis report based on the submissions and other relevant information before its thirty-fifth session.
2. Under para. 4 of that decision, The SBI took note of the importance of addressing the following thematic areas in the implementation of the work programme:
 - (a) Assessing the risk of loss and damage associated with the adverse effects of climate change and the current knowledge on the same;
 - (b) 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;
 - (c) The role of the Convention in enhancing the implementation of approaches.
3. ***The World Bank welcomes the proposed work program and supports the importance of addressing the loss and damage associated with adverse effects of climate change, both in the context of extreme weather events and slow onset events.*** Recent studies (Economics of Adaptation to Climate Change and the Natural Hazards, Unnatural Disasters: The Economics of Effective Prevention) and the wide ranging work undertaken by the World Bank and other development organizations underscores the importance of dealing with climate change and climate variability as critical dimensions of climate resilience, including pursuing integrated climate risk management approaches through building national disaster risk management capacity and mainstreaming climate adaptation in core economic development. As experience with both disaster risk reduction and climate change adaptation grows, there is increasing recognition by development organizations and Parties that these two fields share a common focus in that they are both concerned with reducing the vulnerability of communities and contributing to sustainable development. It is also important that discussions with Parties maintain that adaptation includes not only climate extremes, but also the more slowly evolving risks posed by systematic trends such as increasing mean temperatures and sea-levels. In some cases these are not mutually exclusive, for

example the current climate extremes causing such distress in the Horn of Africa are symptomatic of longer drying trends in the region, requiring immediate disaster management as well as longer-term adaptation. Slow onset of climate changes are already resulting in failing agricultural systems in several of the most poor countries, accentuating inadequate water supplies, and having adverse impact on deteriorating or sub-optimal infrastructure – all of which undermine or reverse the course of economic development. These losses and damages are significant and growing and need to be addressed within a holistic climate risk management approach that will result in climate resilient economies.. The Economic Analysis of Adaptation to Climate Change provided ample evidence on these aspects with case studies from Bangladesh, Mozambique, Ethiopia amongst others.

4. ***In this context, the UNFCCC should seek through the L&D work program to integrate economic development with disaster risk management, climate change adaptation, risk financing and post-disaster reconstruction as a continuum within a unified policy, institutional and management framework.*** Specifically, the UNFCCC can further provide a platform and mechanism for strengthening national and regional capacity across the full continuum of the L&D agenda, from enabling critical data acquisition, analysis and sharing and developing management capacity, to establishing national and regional risk financing frameworks, to being able to conduct needs assessments and formulate concrete risk reduction and climate adaptation policies and investments, and to mobilizing the needed resources to follow through with such investments. Development of good practice and building capacity should be critical elements of the work program. (para. 4 (c))
5. **There are some concrete steps to this end that may be taken under the UNFCCC process, including, inter alia:**
 - I. Promoting a comprehensive risk management approach at the strategic planning, policy and program levels in accordance with the Cancun Adaptation Framework
 - II. Ensuring that loss and damages associated with both extreme events and chronic slow change, all of which impacts on major sectors and actors in countries, are given due attention.
 - III. Placing loss and damage considerations within that larger framework and climate and disaster risk management approaches in countries towards the overall objective of climate resilient development
 - IV. Ensuring a close linkage between climate adaptation and disaster risk reduction in the development of the proposed NAPs
 - V. Development of good practice and capacity building at national and local levels.
6. **The World Bank offers a suite of analytical tools, data services and investment options to assist clients and partners in their efforts to reduce**

climate-induced damage and losses. Together these activities support the full cycle of climate and disaster risk management, from the collection and analysis of climate and risk data, to the provision of financial protection against disasters, and the assessment of damage and losses when disasters occur. Some specific products are mentioned here:

- I. **Climate information and Disaster risk data collection and management:** The World Bank provides support to data collection and management through a variety of analytical tools and services. Key work-streams are:
 - i. **Climate Change Knowledge Portal (CKP):** a web-based service to take better account of risks to development planning and implementation that arise from climate variability and climate change. To date, 31 country risk and adaptation profiles and online dashboards have been developed to provide synthesized information on climate change, impacts and risk reduction actions, with work on-going to expand coverage to other countries.
 - ii. **Weather and Climate Information and Decision-Support Systems (WCDIS):** the World Bank supports the technical strengthening of decision-making support capacity in at-risk countries, to help authorities collect and translate weather and climate data into relevant and useful information for all weather and climate-exposed sectors and users. This service is being extended to some of the client countries of the Pilot Program for Climate Resilience
 - iii. **Open Data for Resilience Initiative (Open DRI):** inspired by the belief that all decision makers should have the freedom to share and understand risk data, Open DRI provides clients with the tools to share, source and create disaster risk data.
- II. **Disaster risk analysis:** Since 2006, the World Bank and the Global Facility for Disaster Reduction and Recovery (GFDRR) have invested some \$23 million to finance 30 regional, national and city level disaster risk assessments in high-risk zones. Risk assessments are often comprehensive and multi-hazard, and look at the probability of and scale and impact in different disaster scenarios.
- III. **Disaster Risk Financing and Insurance: The World Bank's Disaster Risk Financing (DRF) Program** is helping countries reduce, pool, and share climate-related disaster risks, particularly through risk financing and transfer mechanisms, such as sovereign disaster risk financing, property catastrophe risk insurance, agricultural insurance and disaster micro-insurance, at both country (Mongolia, Malawi, Mexico, etc) and regional (the Caribbean, the Pacific, South Eastern Europe) levels.
- IV. **Damage and Needs assessment:** Through the Post-Disaster Needs Assessments, the World Bank and GFDRR are helping to set the standards

in post-disaster reconstruction planning and financing, and advance the early planning of risk reduction activities in the aftermath of a crisis, in partnership with UNDG and the European Commission. The PDNA methodology has been developed out of the experience the World Bank, UNDG and European Commission have in responding to sudden onset crises, but its application and development in slow-onset disasters, such as the Horn of Africa drought in 2011 demonstrates the potential of this tool to mobilize political and financial capital in the long road to recovery from disaster. Work is currently underway to further 'green' the PDNA Methodology for programmatic and upstream integration of DRM and CCA.

- V. **Country Assistance Strategies, Development Policy Operations and Targeted Investments:** Increasingly Bank strategies and operational products are placing climate and disaster risk management at the center of strategic policies and development programs (e.g. Mexico) to ensure that both climate change and climate variability are fully addressed up front in development context. This coupled with the opportunities provided by the Pilot Program for Climate Resilience (which are operating in 18 countries) have pioneered effective engagement in mainstreaming climate adaptation and disaster risk management in several countries (including Bangladesh, Caribbean – St Vincent and Grenadines and Grenada, Samoa, etc). These strategic approaches build on and complement national strategies (NAPAs, Strategic Programs for Climate Resilience) and have the potential to inform the L&D discussions within more strategic contexts of the proposed NAPs.

7. The World Bank stands ready to assist in ways to promote this agenda and showcasing some of the on-the-ground experiences it has with countries on key products, services, capacity building and technical assistance as part of the elaboration of the work program along the entire continuum.

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