

Submission by Mexico

Views and information on elements for a work program to address loss and damage associated with climate change impacts in developing countries

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Mexico appreciates very much the opportunity to express views and information on what elements could be included in the work program to address loss and damage associated to the adverse effects of climate change in developing countries that are particularly vulnerable to climate change.

We support the development of a multi-phase work plan that results on immediate activities to face loss and damage caused by climate change effects by building resilience and reducing vulnerabilities in developing countries particularly exposed to those effects. These activities could be part of preparation for future global response to climate change.

The work plan may include addressing issues through the development of experts meetings, which may have as one of their outputs recommendations for further analytical work, to be supported by the Convention and taking into consideration progress of the special report on risk, currently in progress by the IPCC. The outcomes of this assessment report are crucial to evaluate what mechanisms (prevention, insurance, compensation, rehabilitation or any other) could be identified, prioritized and developed.

Among the main aspects that we consider need to be addressed as part of the work for building resilience and reducing vulnerabilities are:

- Identify and evaluate risk and exposure to it,
- Strengthen response capacities to climate events, and
- Develop or enhance mechanisms to recover from damaging events by reducing vulnerability

Considering foreseeable imminence of severe climate events that may affect developing countries, this work plan could include two phases.

The **first phase** could focus on the immediate implementation of measures that pave the way for future agreed actions and respond to climate change consequences already happening, it is recommended that this plan takes into account the outcome of the mid-term review of the Hyogo Framework for Action to consider previous efforts already made to build communities resilience. This part of the work plan could establish a schedule for expert meetings and workshops for allowing vulnerable countries to:

- A) Construct a set of homogeneous methods or adjust those already existing to allow countries to learn about their climate risks and exposure to them. These methods could include the use of technological platforms to analyze and visualize dynamic risk scenarios which may aid in public policy decision-making for integrated risk management. The risk management could envision building of systems and procedures to predict short, mid, and long term risks.

To build upon these methods it is required that accurate and reliable data is properly processed in order to count on effective risk management systems.

To develop such information and systems each country could identify existing useful information related to climate phenomena and in case of lack of data, identify opportunities to produce them with the purpose of integrating databases of loss and

damage occurred from past events and may establish procedures to assess economic and social impacts from a given event as well as further useful information.

Based on meaningful information it is desirable to elaborate, as deemed fit, scientific maps of current and future climate risks under the basis of scenarios and by integrating geo-referenced databases on exposed goods to the damaging effects of climate risks.

Information collecting and processing could also allow measuring access to prevention mechanisms and resilience of diverse social groups, with the aim at increasing economic, political, social, cultural, and environmental factors that improve such access.

- B) Strengthen capacities to manage consequences of disturbing events related to climate change. Preparedness on the work plan could include meetings and a set of cooperation mechanisms so that vulnerable countries can complete at least 5 stages in their capacity building:
1. Identify or appoint a national authority in charge of implementing policies and actions for adaptation that includes risk reduction and management. Where possible, this authority may be the one in charge of disaster risk reduction, and could also be involved in making development policies to ensure integration between adaptation intended policies and development planning.
 2. Identify and enhance capacities on events prediction and early warning systems.
 3. Identify means and implement plans for public awareness on risks, prevention, and post-event actions.
 4. Build partnerships and get commitment from other actors such as social and private sectors, to be involved in prevention and response plans.
 5. Make an inventory of available expertise for disturbing events management, aiming to identify cooperation opportunities.
- C) Create resilience for their communities through the adoption of integrated risk management. This approach could include governmental actions different from risk and emergency management, which will progressively reduce climate change effects impact in communities. Expected loss and damages caused by climate change effects may be significantly reduced by having resilient communities. Among other measures, Mexico highlights the importance of the following key issues for this purpose:
- Ensure that land-use and development planning consider sustainability criteria including reduction of exposure to climate risks.
 - Implement effective public awareness on risks is crucial to avoid human losses. Participation of government, social and private sector at the lowest level allows spreading of self-protection awareness. Local policies and public participation to reduce exposure to risks and to take action in case of a disturbing event have demonstrated effectiveness to reduce loss and damage.
 - Establish strong financial provisions to address loss and damages related to climate change effects that progressively become development tools. Financial instruments could be intended not only for recovery from an emergency, but also to move to less risky investments and to create awareness among population and authorities. Since climate change effects are already happening and there will be no immediate remedy, governmental plans need to consider special funds to both face emergencies and reduce vulnerability.
 - According to its experience, Mexico suggests vulnerable Parties to create special funds that count on strict rules and exist in addition to normal budget allocations for national development plans. These funds can be used to finance relief and

reconstruction for critical infrastructure in a first stage, and gradually become a tool to reduce risks. The setting aside of financial resources would allow to continue implementation of current development plans even if a climate event occurs. Rules for applying resources from these funds for reconstruction purposes could require that risk reduction criteria are considered. In case of reconstruction of critical public facilities, the federal fund could finance 75% of the total cost and require that recovery envisions exposure to risks for a first occurrence. In the case of a second event hitting the same infrastructure, the federal fund will finance only 50% if damage could be avoided by implementing reduction risk measures. In a third occurrence, the federal fund will support only 25% of reconstruction. Finally, for further damages at the same critical facility the fund will no longer offer financing if no reduction risk measure has been applied. This mechanism of operation could push affected areas to use prevention measures, and will reduce waste of resources on recovering constantly damaged communities or facilities. Furthermore, the investment of funds to implement risk reduction measures will transform reactive into preventive actions.

- As an additional preventive measure, insurance instruments at private, local and national scale could be used, to transfer risk.
- Mexico is willing to share experience in post-event loss-and-damage evaluation, development of systems that allow to analyze and visualize risk scenarios, financial tools (i.e. extraordinary allocations, special funds) for disaster risk prevention and to respond to emergency insurance mechanisms in the agriculture sector and catastrophic bonds for disasters using climate indices, programs to build resilience at local level, among others.

D) Create capacities to make effective use of international cooperation. Vulnerable countries could create basic conditions to easily and effectively receive, apply and benefit from other countries' experiences, training, equipment, and other shared resources.

The **second phase** could be intended to prepare long term strong response to climate phenomena. The Adaptation Committee to be created under the Cancun Adaptation Framework could analyze and define proposals to be considered by Parties in the future, for possible decisions on scientific-based standard measures for vulnerability, and damage and loss quantification. It is crucial to agree on methodologies and measure systems that allow comparison and application of standard criteria to vulnerability conditions. Proposals on financial and risk transfer mechanisms, technology transfer mechanisms to face slow onset events and mechanisms to involve private and social sectors could also be discussed.

The work program may be designed using as general guidelines, the following:

- Use of the concept of integrated risk management that includes among others land-use and development planning considering sustainability criteria, transfer and reduction of current risks, establishment of early warning systems, and capacity building to face climate change adverse effects.
- Necessity of definition for regional, national, subnational and local vulnerability levels.
- Emphasis on prevention and capacity building to face adverse effects of climate change.
- Suitability of sharing and disseminating relevant international experience and good practices on risk management, transfer mechanisms, and addressing loss and damage related to climate change.
- Necessity of exploring synergies and gaps with other mechanisms and international organisms related to this subject, such as the World Meteorological Organization, UNDP, UNEP, the International Strategy for Disaster Reduction, among others.