

**Sixth meeting of the Executive Committee of the Warsaw International Mechanism for
Loss and Damage associated with Climate Change Impacts
Bonn, Germany, 11–13 October 2017**

Reference document for item 6(a):

**Side event on financial tools and instruments to address the risk of loss and damage
associated with slow onset events**

I. Background

1. Excom 4 (19–23 September 2016) decided to hold, at COP 22, a side event under Action Area 7 of its initial two-year workplan¹ and later agreed to defer it to a subsequent session.
2. A working group during Excom 5 (21–24 March 2017), composed of Excom members and observers, considered the draft concept note for the side event developed for Excom 4² and further discussed the objectives, scope and format of a possible side event.³ The following objectives for the side event were identified:
 - (a) Raise awareness and understanding of financial instruments and tools that address the risks of loss and damage associated with the adverse effects of climate change;
 - (b) Put a spotlight on some of the gaps, challenges and risks associated with financial instruments and tools (one or two gaps from the 2016 Forum of the Standing Committee on Finance (SCF) dedicated on financial instruments that address the risk);⁴
 - (c) Highlight innovative financial instruments and tools outside the realm of insurance.
3. Excom 5 decided to hold this side event at COP 23, established an intersessional working group. It requested the secretariat to identify gaps and challenges reported from the 2016 Forum of the SCF and potential speakers. It also decided for the intersessional working group, with assistance by the secretariat, to make arrangements associated with holding the side event at COP 23, and report at Excom 6 on the progress.

II. Process to date

4. The secretariat had shared identified gaps and challenges reported from the 2016 SCF Forum.⁵ In the margins of 46th sessions of the subsidiary bodies,⁶ the intersessional working group further elaborated the focus of the side event, taking into consideration the draft concept note and key points of discussion from Excom 5, referred to in paragraph 2 above.
5. It agreed that the side event includes aspects related to addressing the risks of loss and damage associated with slow onset events, and subsequently selected the following key challenges and gaps reported from the 2016 SCF Forum to highlight at the side event:

¹ See Action Area 7 (Encourage comprehensive risk management by the diffusion of information related to financial instruments and tools that address the risks of loss and damage associated with the adverse effects of climate change to facilitate finance in loss and damage situations in accordance with the policies of each developing country and region, taking into account the necessary national efforts to establish enabling environments. These financial instruments and tools may include: comprehensive risk management capacity with risk pooling and transfer; catastrophe risk insurance; contingency finance; climate-themed bonds and their certification; catastrophe bonds; and financing approaches to making development climate resilient, among other innovative financial instruments and tools) of the initial two-year workplan at <http://unfccc.int/8805>.

² Available in the Excom Collaboration Space at https://process.unfccc.int/sites/ECP/Documents%20shared%20during%20the%20meeting/Excom%205/Side%20event@COP23/10-03_DRAFT%20concept%20note%20-%20Financial%20instruments%20-%20COP22%20v3.docx.

³ Key points of the discussions of the working group at Excom 5 are available in the Excom Collaboration Space at https://process.unfccc.int/sites/ECP/Documents%20shared%20during%20the%20meeting/Excom%205/Side%20event@COP23/WG4_Side-event_notes.docx.

⁴ The report of the 2016 Forum of the SCF is available at <http://unfccc.int/resource/docs/2016/cop22/eng/08.pdf#page=29>.

⁵ Available in the Excom Collaboration Space at https://process.unfccc.int/sites/ECP/Documents%20shared%20during%20the%20meeting/Excom%205/Side%20event@COP23/gaps_challenges_10%20May.docx.

⁶ 10 May 2017, WCCB.



- (a) Key challenges for promoting comprehensive risk management approaches are that:
 - (i) Existing financial instruments are not available to all;
 - (ii) Risks of loss and damage may exceed national capacities;
 - (iii) Existing financial instruments may not be enough;
 - (b) Current efforts are mostly directed towards extreme weather and rapid-onset events. Major gaps still exist regarding addressing slow onset events. The insurance sector can contribute to the discussion and support the development of new instruments in this field on the basis of its experiences and data utilized for existing instruments.
6. The intersessional working group requested the secretariat to develop an agenda for the side event. In response, the secretariat shared with the group, on 15 June, a note containing the concept and a structure for the event along with an accompanying awareness-raising campaign,⁷ and proceeded to make arrangements for the side event on this basis.

III. Logistical arrangements for the side event

7. The side event titled 'Breaking new ground: Risk financing for slow onset events' is scheduled to take place on Thursday 9 November, 13:15–14:45, at the 2017 UN Climate Change Conference, Bonn, Germany.
8. In accordance with the concept and structure endorsed by the intersessional working group, the side event will take up the following two topics:
 - (i) Features of financial instruments and approaches to support scaling up efforts to address risks of loss and damage associated with slow onset events;
 - (ii) Features of collaboration and partnerships to support efforts to address risks of loss and damage associated with slow onset events.
9. The side event will be preceded by a three-day awareness raising campaign using a photo stand. Conference participants (individually or in a group) will be invited to share views on "*What are you doing to address, or help address, risks of slow onset events?*". A collection of photos taken during the campaign will be showcased at the side event and will be used afterwards as part of awareness-raising material. See annex I for a similar photo campaign held at the previous side event of the Excom.
10. Photo campaign participants will be invited to share their pictures via social media, e.g. Twitter, Instagram, Facebook, using the side event hashtag #ActOnSOEs.

IV. Next steps

11. The Excom may wish to take note of the progress made and agree on its on-site engagement, including speaking role(s) of the Excom at the side event.
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⁷ Available in the Excom Collaboration Space at https://process.unfccc.int/sites/ECP/Documents%20shared%20during%20the%20meeting/Excom%205/Side%20event@COP23/AA7_side-event%20note_15_june.docx.

Annex I: An example of outputs from the photo campaign held at SB 44 (May 2016)

EXECUTIVE COMMITTEE OF THE WARSAW INTERNATIONAL MECHANISM FOR LOSS & DAMAGE

SHINING THE LIGHT ON NON-ECONOMIC LOSSES

What do non-economic losses mean to you?
#climateNELs #SB44

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