

Executive Committee of the Warsaw International Mechanism
for Loss and Damage associated with Climate Change Impacts

Input to the 12th meeting of the Standing Committee on Finance

Bonn, 6–7 April 2016

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Background

2-year initial workplan – Action Area 7:

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**

- Invite the SCF, in its **next biennial assessment and overview of climate finance flows**, to **include information on financial instruments that address the risks of loss and damage** associated with the adverse effects of climate change
- An invitation to the SCF to **dedicate its 2016 Forum to financial instruments that address the risks of loss and damage**



Purpose of the Forum

- To contribute to develop recommendations on:
 - **how loss and damage affects** particularly vulnerable **developing countries**, vulnerable **populations** and the **ecosystems** that they depend on;
 - **how approaches** to address loss and damage associated with the adverse effects of climate change **can be designed and implemented**;
 - To **take stock** of existing financial instruments
 - To **share information** & experiences and promote better understanding & awareness
 - To **identify potential climate finance flows**, instruments and tools - to inform the next biennial assessment
 - **Categorize instruments** and identify typologies for various aspects of LnD (types of risks) to be addressed
 - To **identify gaps**
 - To **discuss concepts** for designing insurance premium levels
 - To **build networks**, partnerships for outreach
 - To **provide inputs** to establishing a clearinghouse for risk transfer
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Scope and relevant information/case studies

- To provide inputs on how to analyse and structure risks
- To design financing appropriate approaches
- To include experiences, lessons learnt and solutions, e.g. from:
 - Regional Sovereign Risk Pools (PCRAFI, CCRIF, ARC)
 - InsuResilience – the G7 climate risk insurance initiative
 - Private sector
 - National and subnational risk transfer facilities
 - Micro-insurance programs



Technical information to be provided by the Executive Committee

- **Call for submissions** by the Executive Committee on best practices, challenges and lessons learned from existing financial instruments at all levels that address the risk of loss and damage associated with the adverse effects of climate change:
 - 18 submissions received (4 from Parties and 14 from organizations)
 - Available online at <www.unfccc.int/9404>
- **Information paper** on best practices, challenges and lessons learned emerging from the submissions, which includes:
 - Landscape of financial instruments and tools in practice, with examples
 - 8 key lessons learned and good practices, with examples



Potential partner institutions

- Private sector/(re)insurance sector/industry
- World Bank and other international institutions
- ADB and other multilateral/regional development banks
- USAID
- OECD
- International Cooperative & Mutual Insurance Federation (ICMIF)
- Humanitarian and disaster related organisations
- Disaster management institutions/centres at various scales
- GCF
- InsuResilience - the G7 climate risk insurance initiative
- Regional risk insurance institutions
- Regional organisations (e.g. Secretariat for Pacific Regional Environmental Programme (SPREP), Secretariat for the Pacific Community (SPC), Pacific and Indian Ocean partner countries, Caribbean Community Climate Change Centre (CCCCC))
- Members of the insurance industry
- Academic and research community
- Regional sovereign risk transfer facilities
- World Food Program



Potential events to synergize with

- 4th meeting of the Executive Committee (19–23 September 2016)
- InsuResilience Stakeholder Forum (tbd)
- GCF meetings
- World Cities Summit (10–14 July 2016)
- NAP Expo (15–17 August 2016)
- Climate Week 2016 in NYC (19–26 September 2016)



Thank you!

For further information
on loss and damage under the UNFCCC

Visit www.unfccc.int/6056

Contact the Executive Committee at
loss-damage@unfccc.int

