

**Subsidiary Body for Implementation**  
**Thirty-ninth session**  
**Warsaw, Poland, 11–16 November 2013**

Agenda item 11

**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<sup>1</sup>**

**Submission from the Group of 77 and China**

1. On 12 November 2013, the secretariat received a submission from the Group of 77 and China. The secretariat was requested to issue a conference room paper containing this submission.
2. This submission is attached and reproduced\* in the language in which it was received and without formal editing.

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<sup>1</sup> Decision 1/CP.16, paragraphs 26–29.

\* This submission has been electronically imported in order to make it available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the text as submitted.

Submission from the Group of 77 and China

***Decision x/CP.19 - International Mechanism on Loss and Damage***

*Recalling* that the ultimate objective of this Convention is to achieve stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system;

*Also recalling* that Parties should protect the climate system for the benefit of present and future generations of humankind, on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities, and should take precautionary measures to anticipate, prevent or minimize the causes of climate change and mitigate its adverse effects;

*Reaffirming* that, in their actions to achieve the objective of the Convention and to implement its provisions, the Parties shall be guided by the specific needs and special circumstances of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change, and of those Parties, especially developing country Parties, that would have to bear a disproportionate or abnormal burden under the Convention, should be given full consideration;

*Taking into account* recent findings from the IPCC that indicate that, from 1750 to 2011, cumulative anthropogenic CO<sub>2</sub> emissions to the atmosphere have reached 545 [460 to 630] GtC;

*Noting* with grave concern the significant gap between the aggregate effect of Parties' mitigation pledges in terms of global annual emissions of greenhouse gases by 2020 and aggregate emission pathways consistent with having a likely chance of holding the increase in global average temperature below 2 °C or 1.5 °C above pre-industrial levels;

*Recognizing the need to strengthen international cooperation and expertise in order to* understand and reduce loss and damage associated with the adverse effects of climate change, including impacts related to extreme weather events and slow onset events;

*Recognizing also* the need to strengthen capacity and awareness of regional, national, sub-national and local governments to address the threat of loss and damage;

*Affirming* the important role of the Convention in promoting leadership, collaboration and cooperation, at the national, regional and international levels, in order to enable coherent and synergistic approaches to address such loss and damage;

*Recalling* the decision by the Conference of the Parties, in decision 3/CP.18, to establish institutional arrangements, such as an international mechanism, to address loss and damage associated with the impacts of climate in developing countries that are particularly vulnerable to the adverse effects of climate change;

*Affirming* that, consistent with decision 3/CP.18 paragraphs 5, 6 and 7 ~~the~~ an international mechanism will strengthen coherence, coordination, synergies, linkages and cooperation on loss and damage to the adverse effects of climate change, both within and external to the Convention;

1. Decides to establish the international mechanism to address loss and damage associated with the impacts of climate change (International Mechanism on Loss and Damage, hereinafter referred to as "the international mechanism" or IMLD), in accordance with decision 3/CP.18;

2. Agrees that the international mechanism is established to address loss and damage associated with the adverse effects of climate change from extreme and slow onset events in developing country Parties, especially the least developed countries and small island developing States and other developing countries particularly vulnerable to the adverse effects of climate change;
3. Also agrees that the IMLD should complement existing institutions within the UNFCCC, as well as external institutions, with a view to strengthening coherence, coordination, synergies, linkages and cooperation on loss and damage to the adverse effects of climate change, both within and external to the Convention;
4. Further decides that the mechanism will have a Technical Facility to, inter alia, implement those functions of the IMLD requiring technical knowledge and expertise through activities, including, but not limited to, long-term impact assessments; knowledge and data management; the development of new approaches and tools and the building of capacity to address loss and damage from the adverse effects of climate change and a Financial Facility to, inter alia, implement those functions of the IMLD requiring financial knowledge and expertise, in particular by assisting with financial support required to comprehensively address loss and damage to the adverse effects of climate change in the short-, medium- and long-term.
5. Decides that the international mechanism on loss and damage shall be subject to the authority and guidance of the Conference of the Parties
6. Decides to establish a Executive Board of the Mechanism to supervise and lead the work of the IMLD.
7. Decides that the IMLD shall be funded through a dedicated trust fund established through financial support from developed country Parties;
8. Further agrees that the functions of the IMLD, in accordance with paragraph 5 of 3/CP.18, are to include, inter alia:
  - a. provide global oversight and coordination on the assessment and implementation of actions related to loss and damage associated with the adverse effects of climate change;
  - b. promote synergies, enhance collaboration, cooperation and linkages, and strengthen engagement between national, regional, and international organizations, centres, and networks involved in assessing and addressing loss and damage;
  - c. develop and, as appropriate, strengthen the knowledge base at multiple levels on loss and damage to the adverse effects of climate change, including on slow onset events, non-economic losses, migration, and displacement;
  - d. consolidate and enhance the coherence and sharing of relevant data, information, knowledge, experience, and good practices, related to the characterization, quantification and development of appropriate responses to loss and damage at the local, national, regional and international levels;
  - e. develop innovative measures, approaches and modalities to assess and address permanent losses and irreversible damage, including non-economic losses, with particular attention to loss and damage associated with slow onset events and means of rehabilitation and/or compensation;
  - f. enhance action to address loss and damage associated with the adverse effects of climate change through provision of technical support and guidance to national governments on comprehensive approaches to risk assessment and risk management for extreme and slow onset events, including socioeconomic and non-economic impacts, with a view to building capacity at national and regional levels to increase adaptive capacity, coping capacity, and resilience;
  - g. facilitate and catalyse support for the efficient development and operationalization of approaches, at all levels, to address loss and damage from extreme weather events and slow onset events, including support for actions listed in decision 3/CP.18, paragraph 6, and including approaches for rehabilitation;

- h. ensure enhanced action on addressing loss and damage associated with the adverse effects of climate change through the provision of new, predictable, and reliable financial support for the assessment of, and responses to, the impacts of loss and damage through an appropriate financial mechanism;
- i. support the establishment of social safety net and social protection programmes to address damage to or loss of livelihoods associated with the adverse effects of climate change, including, inter alia, for migration and displacement.
- j. support the development and ensure that a spectrum of risk transfer tools is available to Parties and regional bodies, including insurance, to address loss and damage associated with the adverse effects of climate change;

8. Adopts the modalities of the International Mechanism on Loss and Damage as contained in annex I to this decision.

9. Notes that the modalities of the International Mechanism on Loss and Damage, which are based on the functions outlined in paragraph 4 of this decision, include the following six key elements:

- (a) Global oversight, coherence and coordination;
- (b) Enhancing cooperation, collaboration, and linkages with other institutional arrangements under and outside the Convention;
- (c) Knowledge development and exchange;
- (d) Technology and capacity-building support for implementation of actions;
- (e) Financial support for implementation of actions;
- (f) Support for and coordination with risk transfer mechanisms;

10. Requests the Executive Board of the Mechanism to further elaborate on linkages with other relevant institutional arrangements under and outside the Convention;

11. Invites all Parties to strengthen and, where necessary, establish and/or designate national-level institutional arrangements, with a view to enhancing work on loss and damage, with the adequate means of implementation for developing countries Parties provided by developed country Parties;

12. Invites Parties to strengthen and, where necessary establish, regional centres and networks, in particular in developing countries, with support from developed country Parties and relevant organizations, as appropriate, and to facilitate and enhance national and regional action to address loss and damage, in a manner that is country-driven, encourages cooperation and coordination between regional stakeholders and improves the flow of information between the Convention process and national and regional activities.

**Annex I : Modalities of the International Mechanism on Loss and Damage**

1. For performing the functions as contained in paragraph 4(a) of this decision, with regard to global oversight, coherence and coordination, the modalities will include:

- i. Facilitating regional and international dialogue to strengthen coherence and cooperation on the planning and implementation of comprehensive climate risk management of extreme and slow onset events, and to ensure global reach of efforts;
- ii. Coordinating with relevant organizations on financial, technical and associated matters;
- iii. Coordinating with global and regional institutions to address displacement, migration, and planned relocation efforts;
- iv. Providing leadership in guiding relevant stakeholders involved;

2. For performing the functions as contained in paragraph 4(b) of this decision, with regard to enhancing cooperation, collaboration, and linkages with other institutional arrangements under and outside the Convention, the modalities will include:

- ii. Supporting and facilitating international and regional centres and networks of climate risk platforms;
- iii. Promoting and strengthening coordination and collaboration between various stakeholder groups and the international community;
- iv. Encouraging the involvement of vulnerable communities and populations, and civil society, the private sector and other relevant stakeholders, in the assessment of and response to loss and damage;
- v. Linking the level and types of expertise required to address loss and damage, including from extreme events and slow onset events;

3. For performing the functions as contained in paragraphs 4(c), (d), and (e) of this decision, with regard to knowledge development and exchange, the modalities will include:

- i. Providing guidance on data collection standards, tools, and methodologies for characterizing loss and damage, including likely bio-physical and socio-economic impacts;
- ii. Fostering partnerships for the application of data collection tools and methodologies at regional, national and sub-national levels;
- iii. Facilitating the establishment and use of open source models and information, including to establish baselines and long-term projections of climate change risks and impacts, including slow onset events;
- iv. Coordinating data repositories and encouraging coherence across information frameworks;
- v. Establishing guidelines for systematic observation, data collection and analysis, scenario development and loss accounting for use by national, regional and international centres;
- vi. Supporting and facilitating the development of new or existing regional climate change centres and databases and associated networks to facilitate data and information transfer, use and dissemination;
- vii. Facilitating research and systematic observation to understand the scope, magnitude, and character of climate change risks and impacts, and to assess the type and extent of losses, including economic and non-economic losses;
- viii. Promoting research to define the thresholds and tipping points in both biophysical and socio-economic systems where adaptation is no longer feasible;
- ix. Developing means to assess and address less directly measurable economic losses such as lost sustainable development opportunities and impacts on economic growth;

- x. Developing means to assess and address non-economic losses;
  - xi. 4. For performing the functions as contained in paragraph 4 (f) of this decision, with regard to technology and capacity-building support for implementation, the modalities will include:
    - xii. Channeling commitments of Annex II Parties for the provision of means of implementation, including expertise, capacity building, and transfer of technology;
    - xiii. Providing scientific and technological advice and guidance on socio-economic assessments;
    - xiv. Facilitating the development and dissemination of country-specific and appropriate risk assessment and risk management methodologies, including for slow onset disasters;
    - xv. Planning and implementing packages of tools for comprehensive climate risk management of extreme and slow onset events;
    - xvi. Supporting the development of appropriate data, risk management capability including appropriate regulatory frameworks at appropriate levels, and financial back-up;
  - v. Building awareness, understanding and capacity to access and use climate change data and information across all levels of government;
  - vi. Building capacity and awareness of regional, national, sub-national and local governments to address the threat of loss and damage;
  - vii. Enabling a better understanding of principles, benefits, costs, and scalability of packages of tools available;
5. For performing the functions as contained in paragraphs 4(g), (h), and (i) of this decision, with regard to financial support for implementation, the modalities will include:
- i. Channeling commitments of Annex II Parties for the provision of financial support;
  - ii. Mobilizing sufficient new and additional resources in a timely manner;
  - iii. Establishing a liquidity pool for swift relief in cases of episodic events and/or catastrophic shocks;
  - i. Providing funds for actions to reduce risk, and where it cannot be avoided, providing for rehabilitation or compensation of permanent loss; including undertaking fast action and investment in preventing the loss of social assets and natural resources under imminent risk of permanent loss or irreversible damage, especially those assessed with a high- cost benefit ratio and short term results.
  - ii. Evaluating different roles for finance in addressing loss and damage;
  - iii. Developing a suite of options for financial measures, including social protection programmes and debt relief;
  - iv. Establishing a financial mechanism for redress, including for compensation and rehabilitation.
6. For performing the functions as contained in paragraph 4(j) of this decision, with regard to support for and coordination with risk transfer mechanisms, the modalities will include:
- i. Ensuring and supporting the development of regional and/or global catastrophe risk transfer facilities;
  - ii. Providing support for new facilities, including through providing for initial capitalization of national and regional insurance and alternative risk transfer schemes, as well as national and regional saving schemes to address slow onset disasters;
  - iii. Creating a hub for regional and national level insurance facilities, as appropriate;
  - iv. Developing a portfolio of actions to reduce and transfer risk;

- v. Promoting an enabling environment that would encourage investment and the involvement of relevant stakeholders in climate risk management.
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