

Loss and Damage in Climate Change Negotiations

ICIMOD's consultative conference on "Development of multi-hazard disaster risk and loss and damage assessment framework for HKH"

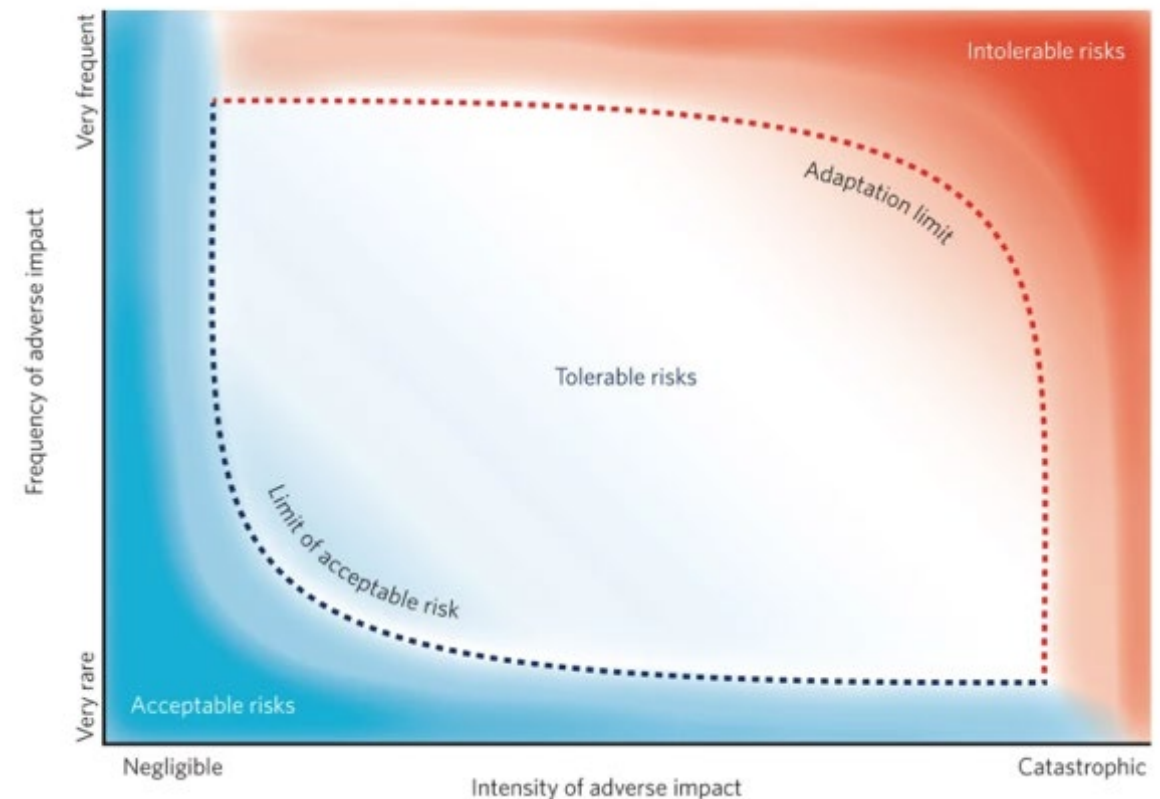
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Loss and damage occurs when the limits of adaptation are reached

- Soft limits of adaptation are reached due to financial, governance, institutional and policy constraints.
- Poverty and inequity also increases vulnerability and exposure and further constrains adaptation
- Hard limits are reached when no amount of adaptation efforts can avoid risks
- While adaptation deals with the risks of climate change, loss and damage occurs once these risks have materialized

Figure 1: Acceptable, tolerable and intolerable risks in relation to adaptation limits.



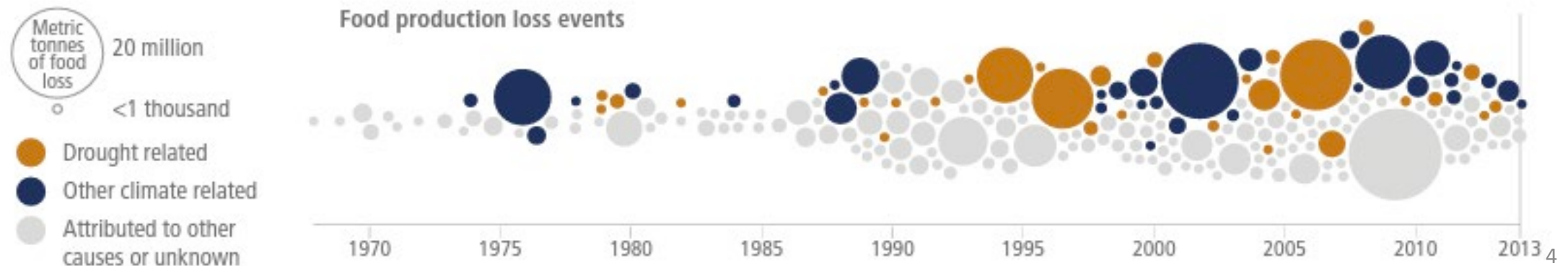
The recent IPCC report distinguishes between 'losses and damages' and 'Loss and Damage'

- In the IPCC report, the term 'losses and damages' refers to "harm from (observed) impacts and (projected) risks and can be economic or non-economic"
- Loss and Damage in the IPCC report refers to the loss and damage related political debate ongoing under the UNFCCC
- As of yet there is no commonly accepted definition of loss and damage under the UNFCCC
 - Key divergence on what constitutes as loss and damage action and whether efforts to "avert" and "minimize" loss and damage (essentially mitigation and adaptation) also fall within the scope of loss and damage response
- The UNFCCC does define slow onset events to include "sea level rise, increasing temperatures, ocean acidification, glacial retreat and related impacts, salinization, land and forest degradation, loss of biodiversity and desertification."

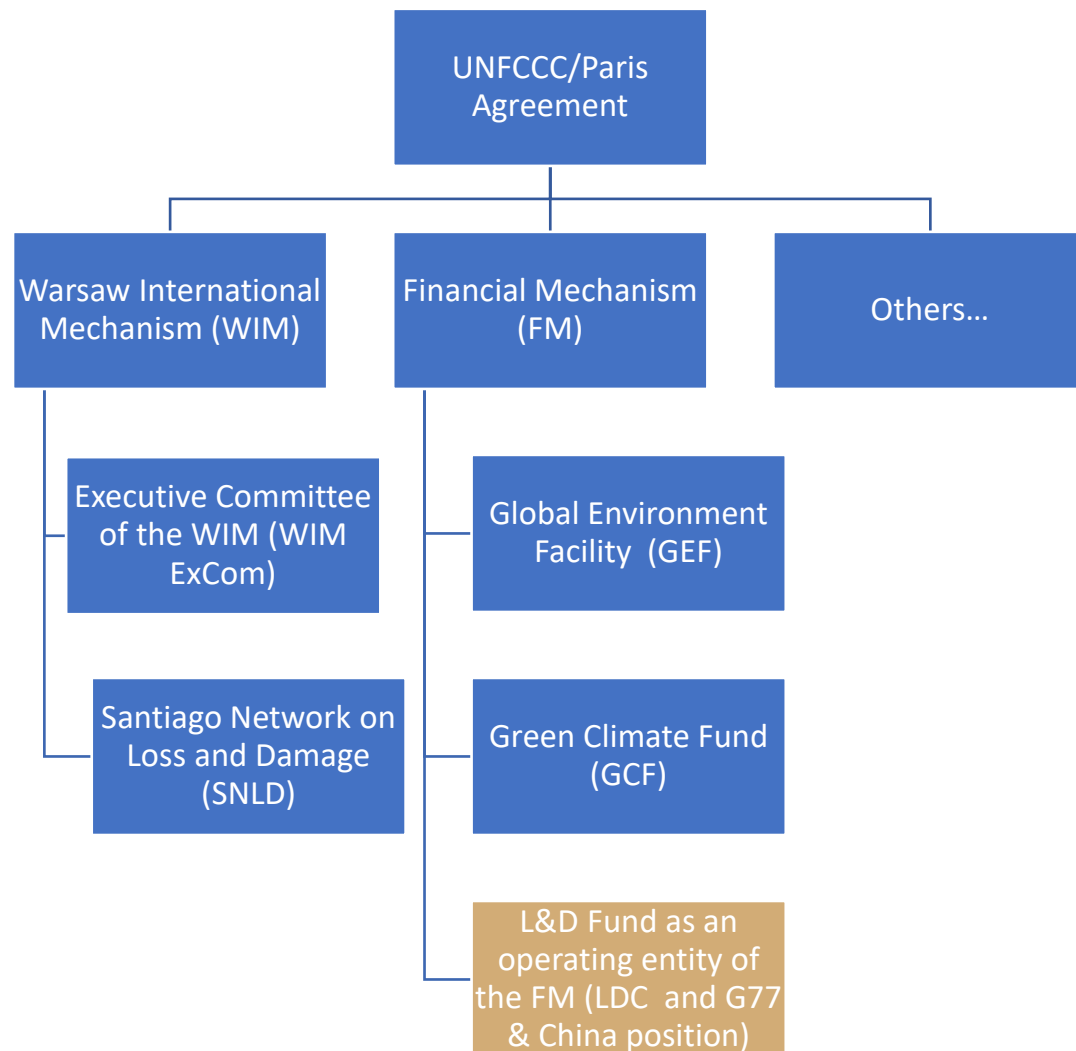
Key messages from the recent IPCC report on loss and damage

- Human-induced climate change and its impacts has already caused loss and damage (L&D) to nature and people as hard and soft limits of adaptation are breached
- Near-term actions to limit warming to 1.5°C will substantially reduce loss and damage but will not eliminate them altogether
- Loss and damage are unequally distributed across systems, regions and sectors
- Loss and damage are not comprehensively addressed by current financial, governance and institutional arrangements, particularly in vulnerable developing countries

(a) The frequency of climate-related food production losses in crops, livestock, fisheries and aquacultures has been increasing over the last decades.



COP27 established a L&D fund



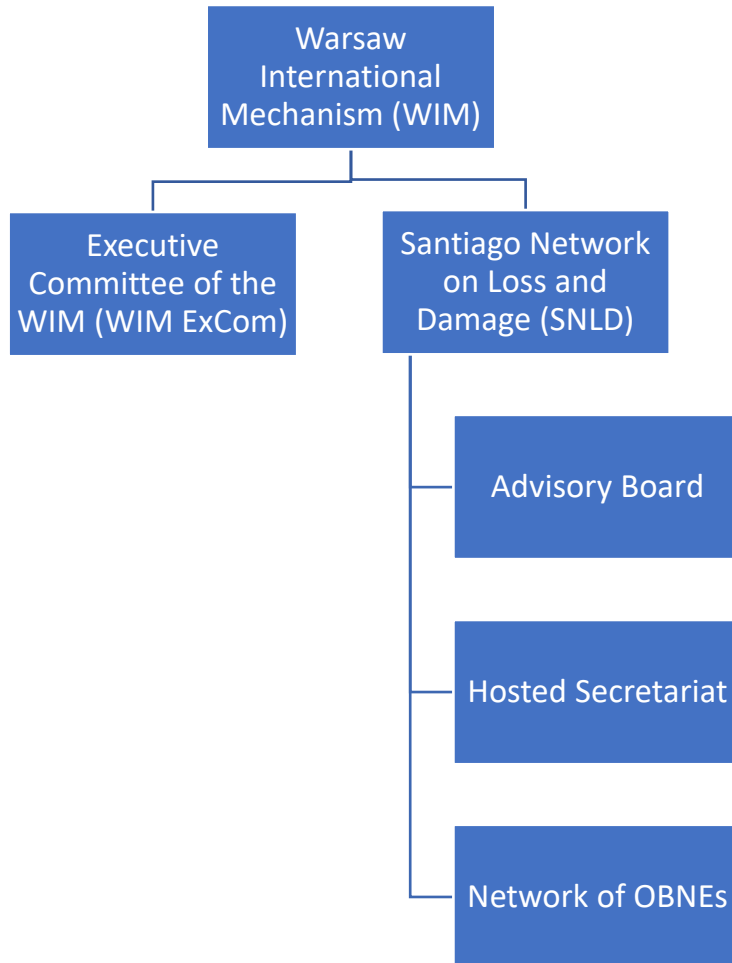
- Decision to establish a ‘Loss and Damage Fund’ to help particularly vulnerable countries with a focus on addressing loss and damage
- Transitional committee to work on operationalization of the new funding arrangements for responding to loss and damage and the fund by Dec 2023.

2. *Decide* to establish new funding arrangements for assisting developing countries that are particularly vulnerable to the adverse effects of climate change, in responding to loss and damage, including with a focus on addressing loss and damage by providing and assisting in mobilizing new and additional resources, and that these new arrangements complement and include sources, funds, processes and initiatives under and outside the Convention and the Paris Agreement;

3. *Also decide*, in the context of establishing the new funding arrangements referred to in paragraph 2 above, to **establish a fund** for responding to loss and damage whose mandate includes a focus on addressing loss and damage;

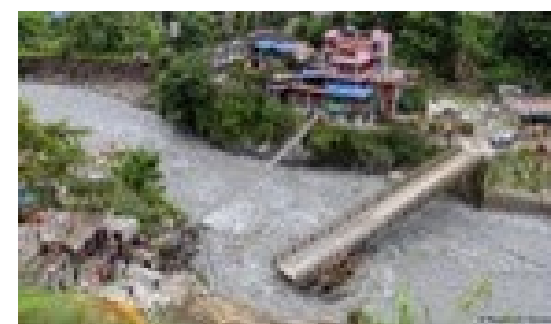
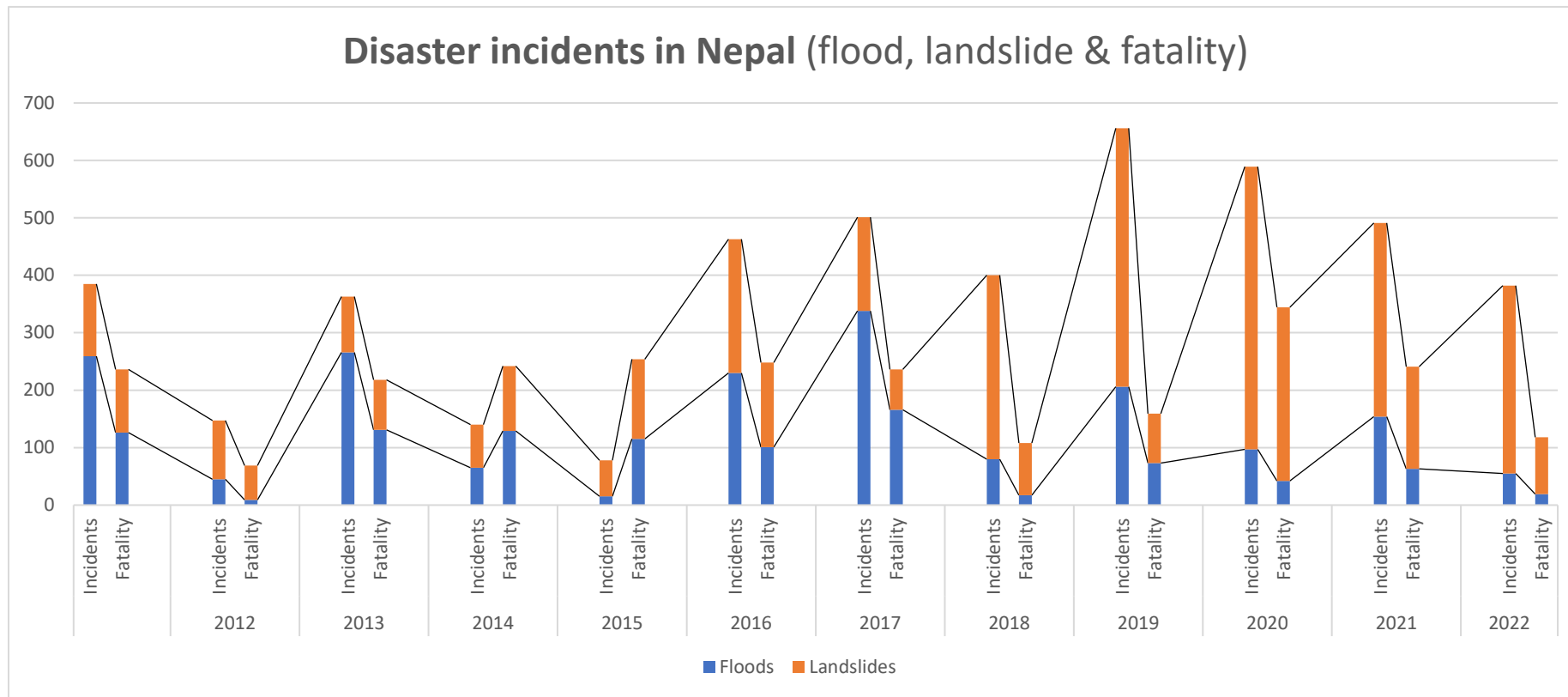
4. *Establish* a transitional committee on the operationalization of the new funding arrangements for responding to loss and damage and the fund established in paragraph 3 above (hereinafter referred to as the Transitional Committee), in accordance with the terms of reference contained in the annex, to make recommendations based on, inter alia, elements

COP27 agreed on the institutional arrangements of the Santiago Network



- The Santiago Network aims to **catalyze demand-driven technical assistance of relevant organizations, bodies, networks and experts (OBNEs)** for the implementation of relevant approaches for averting, minimizing and **addressing loss and damage at local, national and regional level**, in **developing countries** that are **particularly vulnerable** to the adverse effects of climate change
- Key among the functions of the network, agreed at COP26, is **assisting in identifying technical assistance needs and priorities**
- At COP27, the structure for the network was agreed upon as was the process for its operationalization⁶

Fatality caused by Flood and Landslides

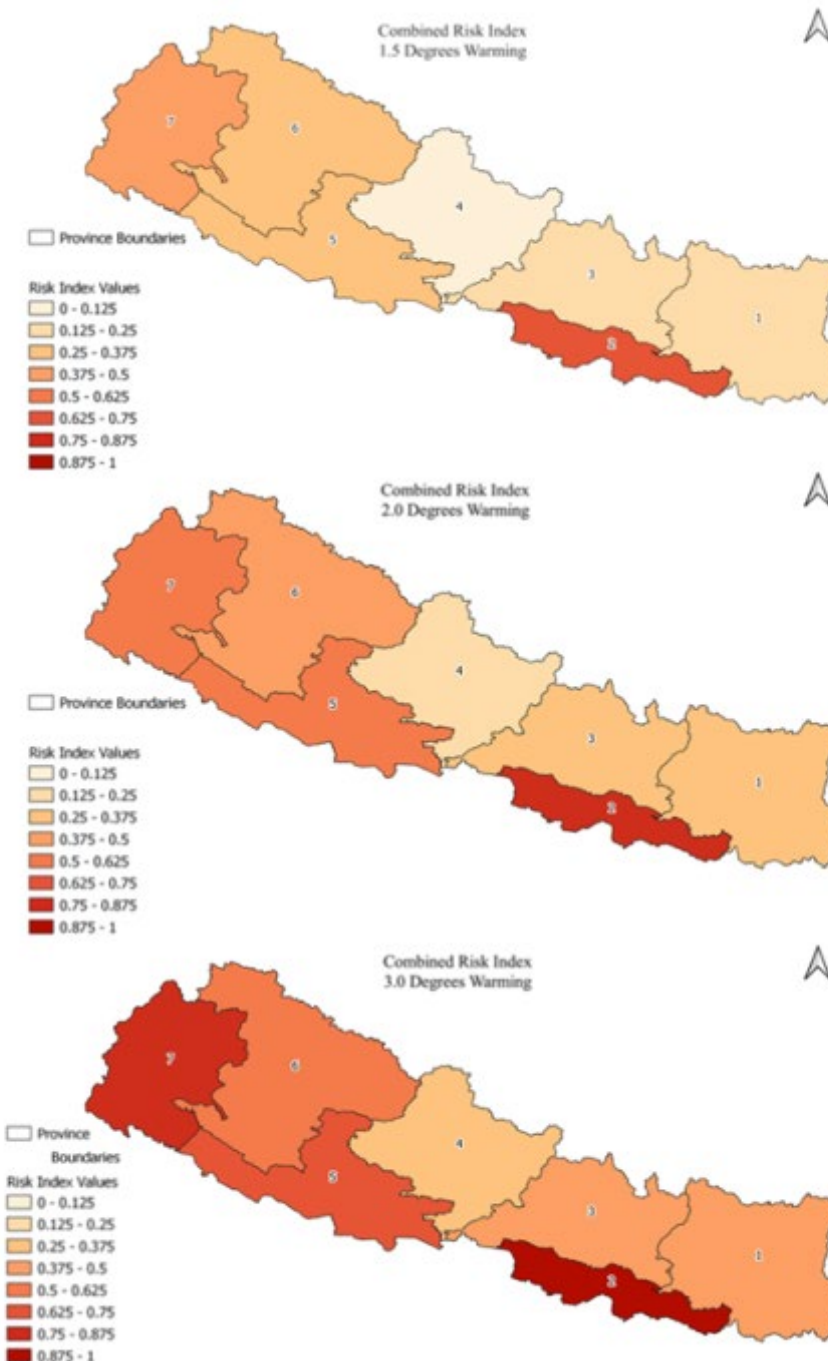


- Data over time shows that, compared to other forms of natural disasters, climate related disasters such as floods and landslides are steadily increasing in frequency and intensity
- With increasing impacts, economic and non-economic loss and damage is also increasing

Potential Loss and Damage in Nepal's context

Combined Provincial Risk Index Maps at Global average Warming of 1.5°C, 2°C and 3°C.

- All provinces of Nepal are at risk to the effects of climate change.
- For all of the provinces, there are clear increases in risk between 1.5°C, 2°C and 3°C.
- Limiting temperatures to 1.5°C results in lower risks for all provinces of Nepal as compared to 2°C and 3°C.
- Importantly, these risks are in addition to the existing impacts of climate change that are being experienced in Nepal.



Considerations while developing multi-hazard assessment framework

- Use of the same terms central to each process are understood differently
 - Different **conceptual approaches to causation**: caused by a system's inability to avoid and minimize loss and damage, **Vs** link between emissions and impacts
 - Different **sources of risks**: disasters caused by hazards of natural origin, **Vs** risks from GHG emissions
 - Different **responsibility for impacts and finance**: Humanitarian assistance, voluntary, **Vs** binding obligations on developed countries to provide finance
- **Attribution**: Loss and damage associated with climate change impacts
- **Process**: Risk assessment approach or Trigger/threshold-based approach.
- **Intervention**: Combined multi-hazard disaster risk and loss and damage assessment convenient for interventions.



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