

**Loss &
Damage**

Loss and Damage in Vulnerable Countries Initiative:

Bangladesh Leading the Way on Loss and Damage

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Loss and Damage in the UNFCCC process

The least developed countries (LDCs) are both the least responsible for and the most vulnerable to climate change impacts.¹ A lack of institutional, economic and financial capacity renders these countries less able to cope with climate change impacts² and more likely to suffer loss and damage as a result. The need for an international mechanism to address this inequity has long been acknowledged. In 1992, Principle 13 of the Rio Declaration on Environment and Development proclaimed that, "States shall also cooperate in an expeditious and more determined manner to develop further international law regarding liability and compensation for adverse effects of environmental damage caused by activities within their jurisdiction or control to areas beyond their jurisdiction."³

However, it wasn't until 2007 that the term 'loss and damage' first appeared formally in negotiations under the United Nations Framework Convention on Climate Change (UNFCCC). In that year, at the 13th Conference of the Parties (COP), the Bali Action Plan called for enhanced action on adaptation including the consideration of "disaster risk reduction strategies and means to address loss and damage associated with climate change impacts in vulnerable countries."⁴

In 2008 the Alliance of Small Island States proposed the 'Multi-Window Mechanism to Address Loss and Damage from Climate Change Impacts' as an essential part of a post-2012 agreement. The multi-window mechanism has three elements: (1) insurance to help vulnerable countries manage the financial risk associated with increasingly frequent and severe extreme events, (2) rehabilitation or compensation to address loss and damage associated with the impacts of climate change and (3) risk management to support

risk assessment and inform the other components of the framework.⁵

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The issue of loss and damage was further legitimised in the UNFCCC process when in 2010 at COP-16, the Cancun Adaptation Framework established a work programme to "consider 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."⁶

Negotiators at the 34th meeting of the Subsidiary Body for Implementation (SBI) in Bonn in May 2011 identified three thematic areas for the implementation of the work programme: (1) Assessing the risk of loss and damage associated with the adverse impacts of climate change and current knowledge of the same, (2) A range of approaches to addressing loss and damage at associated with the adverse effects of climate change, including impacts related to extreme weather events and slow onset events, taking into consideration experience at all levels and (3) The role of the Convention in the implementation of approaches to address loss and damage associated with the adverse effects of climate change.⁷

¹ Huq et al. (2003), *Mainstreaming Adaptation to Climate Change in Least Developed Countries (LDCs)*, (London: IIED), 14. <http://www.un.org/special-rep/ohrls/ldc/LDCsreport.pdf>

² Ibid.

³ UNEP (1992), *Rio Declaration on Environment and Development* http://www.c-fam.org/docLib/20080625_Rio_Declaration_on_Environment.pdf

⁴ Decision 1/CP.13, Sub-paragraph 1(c) (iii).

⁵ AOSIS. (2008). Proposal to AWG-LWG: Multi-window Mechanism to Address Loss and Damage from Climate Change Impacts. http://unfccc.int/files/kyoto_protocol/application/pdf/aosis_insurance061208.pdf.

⁶ Decision 1/CP.16, Para 26, FCCC/CP//2010/7/Add.1. <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=4/>

⁷ Report of the Subsidiary Body for Implementation on its 34th Session, Para 109, FCCC/SBI/2011/7. <http://unfccc.int/resource/docs/2011/sbi/eng/07.pdf>.

At COP-17 in Durban in December 2011 the need for further understanding of loss and damage was identified. Parties and other relevant stakeholders were invited to take the three thematic areas into account when undertaking activities to improve understanding of loss and damage.⁸

The UNFCCC is helping to further understanding on loss and damage in 2012 through an expert meeting on the first thematic area, assessing the risk of loss and damage, held earlier this year. In addition, a series of three regional expert meetings and one in the small island developing states on thematic area 2, approaches to addressing loss and damage, will be held throughout the summer of 2012. The COP has requested the SBI to agree on activities to be undertaken under the work programme and to make recommendations on loss and damage for consideration at COP-18 in Doha at the end of 2012.

Loss and Damage in Vulnerable Countries Initiative

While loss and damage is the result of climate change for which vulnerable countries bear little historical responsibility, national governments are ultimately responsible for implementing approaches to address loss and damage within their borders (with or without external support). This is acknowledged in the Rio Declaration, which proclaims that, "States shall develop national law regarding liability and compensation for the victims of pollution and other environmental damage."⁹ Thus, there is a need to understand both the national context and the range of implementation options available for loss and damage. In recognition of this, the Government of Bangladesh (GoB) approached the Climate and Development Knowledge Network (CDKN) to ask for assistance in understanding what loss and damage means and how it might be approached, not just in Bangladesh, but also in other vulnerable countries.

To undertake the work, CDKN has appointed a consortium consisting of Germanwatch, United Nations

University-Institute for Environmental and Human Security (UNU-EHS), Munich Climate Insurance Initiative and the International Centre for Climate Change and Development (ICCCAD). Together the consortium is implementing the Loss and Damage in Vulnerable Countries Initiative from February 2012 through March 2013.

The goal of the initiative is to partner with LDCs and other Parties in a process of change beginning with building a common understanding of loss and damage. The consortium will also help LDCs think about possible ways of addressing loss and damage. Finally, it will help LDCs and other Parties prepare for COP-18 where a decision on loss and damage will be made, which will include a vision of what form it will take in a 2015 agreement. The initiative will be carried out in three stages. The first stage (February through May) will focus on consulting LDCs, other Parties and relevant stakeholders to build a common understanding of the scope and vision of loss and damage. During the second stage (June to September) the issue of loss and damage will be moved forward in both policy and practice through discussions and research aimed at determining how to implement approaches to address loss and damage in Bangladesh.

The need for an international mechanism to address this inequity has long been acknowledged

The hope is that progress in Bangladesh will help inform other LDCs on potential pathways for understanding and addressing loss and damage. In the third and final stage, the consortium will help LDCs and other Parties prepare for effective negotiations at COP-18.

To meet these goals, the consortium will undertake activities in four areas: (1) LDC strategic support, policy setting and capacity building, (2) Conceptual framing, idea and understanding (2) Research and case studies on loss and damage in LDCs and (4) Addressing loss and damage in a national context (Bangladesh). Germanwatch is leading on the first activity area with significant input from the other partners in the consortium. Activities will include supporting LDC

⁸ Decision 7/CP.17, FCCC/CP/2011/9/Add.1 <http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf#page=5>.

⁹ UNEP (1992), *Rio Declaration on Environment and Development* http://www.c-fam.org/docLib/20080625_Rio_Declaration_on_Environment.pdf.

negotiators to attend the expert meetings and an informal dialogue to brief LDC negotiators on developments on loss and damage prior to COP-18. Germanwatch is also leading on the second activity area, the activities of which include assisting both LDC and non-LDC Parties with submissions on loss and damage and conducting research on both the role of insurance in the loss and damage debate and legal options for addressing loss and damage. UNU-EHS will lead the third activity area, under which case studies will be conducted in eight LDCs to understand issues related to loss and damage in a variety of contexts. Finally, the fourth activity area will be undertaken by ICCAD and will focus on determining possible pathways for addressing loss and damage in the national context of Bangladesh.

Loss and Damage in the National Context of Bangladesh

The Bangladesh-specific component of the Loss and Damage in Vulnerable Countries Initiative is being carried out with three objectives in mind. The first objective is to help GoB, stakeholders and LDC negotiators in the UNFCCC process better understand the concept of loss and damage. Secondly, stakeholder-based activities to move loss and damage forward in Bangladesh will be identified. Finally, the work in Bangladesh to identify possible approaches to loss and damage will inform other LDCs in developing their own loss and damage strategies.

Under the Bangladesh component of the initiative research is being undertaken to determine what form loss and damage approaches might take in Bangladesh. To begin with, two technical papers have been commissioned to address the questions under the first two thematic areas of the work programme on loss and damage. Drs. Mohammed Asaduzzaman, Nabiul Islam and Enamel Haque together with Mohammed Qamar Munir, all of the Sustainable Development Networking Foundation, are looking into the means of assessing the risk of loss and damage and the data and capacity needs associated with these risk assessments. Professor Auin Nishat and Nandan Mukherjee of BRAC University are undertaking research to determine a possible range of approaches to address loss and damage in the national context of Bangladesh. The drafts of these technical papers will be prepared by the end of June in time for the first stakeholder workshop. The final versions of these reports will be made available by early September in time to inform submissions to the UNFCCC.

Concurrent with work on the legal avenues to address loss and damage on the international level, Dr. Abdullah al Faruque, Jamal Hossain and Hafijul Khan of the Centre for Climate Justice, Bangladesh will undertake research to determine the legal, institutional and policy instruments for addressing loss and damage in Bangladesh. The first draft of this technical paper will be prepared by early September while the final report will be released by late November in time to inform negotiations at COP-18 in Doha.

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Three stakeholder workshops will be held to engage relevant stakeholders in the research process, led by Mohammed Shamsuddoha of the Centre for Participatory Research and Development. The first stakeholder workshop was held in January this year, the second will be held on June 30th 2012, during which presentations will be made on the first two technical papers to elicit input from stakeholders. Discussions will be aimed at identifying additional research that can be undertaken in two further technical papers. The second stakeholder workshop will be held in the fall.

The purpose of this workshop is to disseminate the research to date and follow up on best practices learned thus far. South-South cooperation will also be facilitated through the participation of experts and stakeholders from other LDCs. Finally, a third workshop will be held in January or February of 2013 to discuss the outcomes of the Doha decision and the way forward for Bangladesh.

A final report to disseminate the findings of the three stakeholder workshops will be delivered by March 2013. The ultimate goal of the work in Bangladesh is to inform policy processes and help the GoB move forward with implementing approaches to address loss and damage. However, it is also envisaged that

throughout the process feedback from Bangladesh to the international level of the UNFCCC work programme and visa versa, will create synergies and strengthen mutual understanding of this important issue.

Sources

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The Loss and Damage in Vulnerable Country Initiative

Accepting the reality of unmitigated climate change, the UNFCCC negotiations have raised the profile of the issue of loss & damage to adverse climate impacts. At COP-16, Parties created a Work Programme on Loss and Damage under the Subsidiary Body on Implementation (SBI). The goal of this work programme is to increase awareness among delegates, assess the exposure of countries to loss and damage, explore a range of activities that may be appropriate to address loss and damage in vulnerable countries, and identify ways that the UNFCCC process might play in helping countries avoid and reduce loss and damage associated with climate change. COP-18, in December 2012, will mark the next milestone in furthering the international response to this issue.

The “Loss and Damage in Vulnerable Countries Initiative” supports the Government of Bangladesh and the Least Developed Countries to call for action of the international community.

The Initiative is supplied by a consortium of organisations including:

Germanwatch

Munich Climate Insurance Initiative

United Nations University – Institute for Human and Environment Security

International Centre for Climate Change and Development

Kindly supported by the Climate Development and Knowledge Network (CDKN)

For further information:
www.loss-and-damage.net

International Centre for Climate Change and Development (ICCCAD)

Based in the Independent University, Bangladesh (IUB), the International Centre for Climate Change and Development’s aim is to develop a world-class institution that is closely related to local experience, knowledge and research in one of the countries that is most affected by climate change.

ICCCAD supports growing capacity of Bangladesh stakeholders, as well as enabling people and organizations from outside the country to benefit from training in the field, where they are exposed to the adaptation “experiments” and increasing knowledge. Through the expertise and research outputs of ICCCAD and its local partners, international organizations will be able to continue to share and transmit knowledge of climate change and development challenges around the world for the benefit of other LDCs, and their governments, donors and international NGOs.

ICCCAD has begun running regular short courses for NGOs, donors, the media, government staff, private sector, etc. as well as initiating courses for local participants and Bangladeshi stakeholders, it provides tailor-made courses for organizations and departments that are seeking to enhance their capacity in regard to climate change.

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