



ALLIANCE OF SMALL ISLAND STATES

Submission of views and inputs on possible elements to be included in the terms of reference for the review of the Warsaw International Mechanism for Loss and Damage associated with climate change impacts by Belize on behalf of the Alliance of Small Island States

Belize, on behalf of the Alliance of Small Island States (AOSIS), welcomes the opportunity to provide views and inputs on possible elements to be included in the terms of reference (TOR) for the review of the Warsaw International Mechanism (WIM), as per the invitation provided in decision 5/CP.23, paragraph 12 (2019 Review).

AOSIS trusts that these views and inputs will be taken into consideration by the subsidiary bodies at their 50th sessions (June 2019), in developing and finalizing these TORs, ahead of the review of the WIM to be undertaken at the 25th Conference of the Parties (COP 25), in accordance with decision 4/CP.22, paragraph 2(e).

I. Critical importance of the WIM to SIDS

The 2019 Review provides Parties with the opportunity to assess the progress of the WIM's work to date and to ensure that the institutional arrangements that have been established under the Convention are able to address the urgent needs of small island developing States (SIDS) and other particularly vulnerable developing countries, in the face of the very real impacts threatening their existence in a 1.5°C+ world.¹

There is global recognition of the extreme vulnerability of SIDS and other particularly vulnerable developing countries to climate change,² and the Intergovernmental Panel on Climate Change (IPCC) has acknowledged that multiple inter-related risks in SIDS are projected to increase, limiting adaptation opportunities and increasing loss and damage.³ It is clear that these impacts are beyond the capacity of many SIDS to address and SIDS expect substantial

¹ See the IPCC's Special Report on the impacts of global warming of 1.5°C available at <https://www.ipcc.ch/sr15/>.

² Agenda 21, para.17.125, United Nations Conference on Environment and Development (1992).

³ IPCC, Special Report on the impacts of global warming of 1.5°C, Chapter 3.

practical assistance, including financial support in accordance with the principles of the Convention, through the WIM as the body established under the Convention specifically to address loss and damage.

In light of the best available science, this assistance must ensure that SIDS and other particularly vulnerable developing countries are provided with concrete and practical options for addressing, minimizing and averting loss and damage associated with the adverse effects of climate change. To address the current and impending impacts associated with climate change, SIDS and other particularly vulnerable developing countries must be able to identify:

- the quantum of the specific risks of loss and damage that SIDS face;
- the timeframe within which these risks are likely to be experienced;
- the potential economic and social costs of the impacts associated with these risks;
- the types of tools available and under development to manage, transfer and share these risks;
- ways to access or shape these tools to fit national circumstances; and
- the resources that can be accessed to implement them.

To accomplish this will require the WIM to go beyond enhancing knowledge and understanding of comprehensive risk management and strengthening dialogue, coordination, coherence and synergies among relevant stakeholders. Instead, the WIM will need to focus on enhancing action in and support to particularly vulnerable developing countries, by expanding its current reach and impact. To do this, the WIM must have the ability to receive and evaluate projects and commission their implementation in SIDS and other particularly vulnerable developing countries.

II. Terms of Reference for the Review

AOSIS proposes that the TOR for the 2019 Review be organized around the following elements, which are further elaborated below:

1. Objectives
2. Scope
3. Inputs
4. Modalities
5. Expected outcomes

A. Objectives of the Review

In AOSIS's view, the 2019 Review should both (1) reflect on the work delivered by the WIM to date; and (2) consider how best to enhance and strengthen its structure, functions, resourcing and activities, so that, based on the best available science, the WIM can respond to the current and future support needs of particularly vulnerable developing country Parties in the most practical and forward-looking way.

In this context, the objectives of the Review should be to:

1. Review the current functions, structure, resourcing and activities of the WIM, and assess whether they are able to address the needs of SIDS and other particularly vulnerable developing countries to:
 - Reduce loss and damage from extreme weather events through comprehensive risk management approaches (including assessment, reduction and transfer);
 - Address impacts from slow onset events, including sea level rise, ocean acidification and temperature rise;
 - Recover from, rehabilitate and address irreversible and permanent loss.
2. Identify the steps needed to enhance and strengthen the WIM's functions, structure, resourcing and activities, to ensure that they are fit for purpose and address the needs of SIDS and other particularly vulnerable developing country Parties.
3. Reach a decision on the institutional arrangements necessary for the WIM to respond to the current and future support needs of particularly vulnerable developing country Parties in a practical and forward-looking way, and in accordance with the principles of the Convention.

B. Scope of the Review

The 2019 Review should address the functions, structure, resourcing and activities of the WIM. It should have both backward- and forward-looking components that consider these elements.

The **backward-looking component** should consider the completed and ongoing work of the WIM. This component should consider whether:

- the WIM's activities have responded to the urgent needs of particularly vulnerable developing country Parties;
- the WIM has succeeded in engaging the requisite level of scientific expertise;
- the tangible outputs of the WIM have reached and been beneficial to particularly vulnerable developing country Parties in their efforts to address loss and damage;
- the pace of the work of the WIM is sufficient or whether a more expedited approach is needed.

The **forward-looking component** of the 2019 Review must consider whether the current functions, structure, resourcing and activities of the WIM are “fit for purpose” in light of the best available science, especially the IPCC Special Report

on the impacts of global warming of 1.5°C, as well as other recent and upcoming reports of the IPCC.⁴

For SIDS, this means that the WIM, in conjunction with other relevant bodies, institutions or organisations as necessary, should have the ability to receive, evaluate or commission projects that support and assist SIDS and other particularly vulnerable developing countries **to take the following actions:**

A. Assess the risk of loss and damage associated with the adverse impacts of climate change.

SIDS have persistently called for the WIM to prepare a standardized set of risk assessment guidelines to assist particularly vulnerable developing countries in preparing and maintaining inventories of assets at risk of loss or damage due to the adverse effects of climate change and in evaluating the scale of risk to these assets, while taking into account different national circumstances.

At a minimum, these risk assessment guidelines should allow SIDS and other particularly vulnerable developing countries to gather the following risk assessment-related information in order to support the development of approaches to address loss and damage:

- An inventory of assets at risk (categorised sectorally and including both land and sea territories);
- Data on climate-related hazards giving rise to risk (e.g., cyclones, sea level rise, ocean acidification);
- Information on stakeholders potentially impacted; and
- Scale and timeframe of the risk.

It should be noted that the development of guidelines is not outside the scope of or without precedent under the Convention. For example, the Consultative Group of Experts (CGE) has developed guidelines and manuals for the preparation of developing country NatComs and the Least Developed Countries Expert Group (LEG) has developed guidelines for national adaptation plans.

B. Access and implement appropriate risk management tools to address climate change-related risk in key sectors, including tools for risk reduction, and risk transfer and risk sharing mechanisms such as insurance.

Particularly vulnerable developing countries should be supported with the financial resources and technical capacity, in accordance with the principles of the Convention, that they need to develop the following approaches to address loss and damage in key sectors:

⁴ These include the Fifth Assessment Report and upcoming special reports on “the oceans and cryosphere in a changing climate” and “climate change and land”. See, e.g., relevant provisions in decision 4/CP.22, paragraph 4(c) and paragraph 5(d) of the COP 24 decision on the report of the ExCom.

- Risk management tools, including risk transfer and risk sharing, that are suited to different sectors and contexts;
- Appropriate decision-making tools to analyse available options;
- Assessments of the data needed to support implementation of risk management options; and
- Financial and legal infrastructure required for implementation of these options.

Examples of these types of approaches exist, including the Caribbean Catastrophe Risk Facility (CCRIF), the African Risk Capacity (ARC), the Pacific Catastrophe and Risk Assessment Facility (PCRAFI) and the Southeast Asia Disaster Risk Insurance Facility (SEADRIF), but these and other approaches, including the use of captive insurance and reinsurance companies, need to cover the full spectrum of immediate and longer-term impacts facing SIDS and other particularly vulnerable developing countries.

C. Address the impacts from slow onset events, including sea level rise, ocean acidification and temperature rise.

While much scientific information is available on slow onset events, there are gaps in information in many regions as well as gaps in capacity within regional agencies to assess this information. To fill these information gaps and the subsequent implementation deficits, SIDS and other particularly vulnerable developing countries and their regional support agencies must have the means to:

- Identify information gaps and capacity gaps that are not being addressed;
- Assess future needs on risks at the regional level;
- Assess the capacity of regional agencies (their knowledge base and scientific tools) to help address the potential impacts of slow onset events at both the regional and national levels;
- Develop holistic regional and national level plans for addressing the impacts;
- Begin the process of implementing these plans, including by accessing the financial and technical resources to do so.

D. Recover from irreversible and permanent loss and damage and, where feasible, rehabilitate SIDS facing this level of devastation.

At temperature increases of 1.5°C in SIDS, limits to adaptation will be reached for a number of key impacts resulting in residual impacts, as well as loss and damage.⁵ To address situations where adaptation measures are incapable of coping with the climate change impacts confronting SIDS and other particularly vulnerable developing countries, financial and technical support that is in

⁵ See in particular, Chapter 3 of the IPCC's Special Report on the impacts of global warming of 1.5°C.

accordance with the principles of the Convention will be required to assist them in identifying:

- The types of impacts from which it is possible to recover / rehabilitate and approaches that will facilitate recovery and rehabilitation;
- The types of impacts from which recovery / rehabilitation is not likely to be possible, resulting in permanent loss; and
- Approaches for dealing with permanent loss

In short, future work carried out by the WIM must squarely address the loss and damage associated with the climate change impacts that SIDS and other particularly vulnerable developing countries are already facing and will continue to face with increasing severity – as is unequivocally set out in IPCC and other scientific literature.

C. Inputs to Review

Inputs to the 2019 Review, should include, *inter alia*:

- Scientific inputs, including the assessment and special reports and technical papers of the IPCC, including [the 5th Assessment Report](#), and the IPCC's [Special reports on 1.5C](#), oceans and the cryosphere, and land;
- Inputs from Parties and other stakeholders, including previous submissions, *inter alia*, those invited under decision 5/CP.23, paragraphs 10 and 12, and further submissions from Parties and relevant organisations prior to COP 25;
- Inputs from the secretariat, including the technical paper prepared by the secretariat elaborating the sources of financial support for addressing loss and damage, as well as modalities for accessing such support (decision 4/CP.22, subparagraphs 2(f) and (g));
- Annual reports and other outputs of the work of the ExCom (and its sub-groups);
- Inputs to the [Suva Expert Dialogue](#), which considered ways to facilitate the mobilisation and securing of expertise, and enhancement of support, including finance, technology and capacity building;
- The [Report of the Suva Expert Dialogue](#), and parts I and II of the Dialogue synthesis paper, addressing the type and nature of actions to address loss and damage for which finance may be required, and ways to mobilize additional resources;
- All COP decisions relevant to loss and damage;
- Reports of high-level meetings, such as the Talanoa Dialogue, high-level ministerial dialogues on climate finance; and those high-level meetings associated with COP 25;
- Summary reports of relevant meetings of the research dialogue (RD), e.g. [RD8](#) which covered both the scientific analysis of pathways for achievement of limiting the temperature increase to 1.5 °C and the risks and impacts of slow onset events;
- Other reports, papers and documents of relevance, including the [UNEP Emissions Gap Report 2018](#), [The Adaptation Gap Report 2018](#), UNISDR's

[Economic Losses, Poverty and Disasters \(1998-2017\)](#) and the [report of the 2016 forum of the Standing Committee on Finance on financial instruments that address the risks of loss and damage](#) associated with the adverse effects of climate change.

D. Modalities of the Review

At COP 22, Parties recommended that access to and interaction with scientific research organisations with expertise in science relevant to loss and damage would advance the work of the WIM by ensuring that the best available science is highlighted in its work.

Consistent with this recommendation, the 2019 Review will benefit from a **scientific component**, in which IPCC representatives present the latest scientific findings on key issues within the scope of the WIM's mandate (including sea level rise, increasing temperatures, ocean acidification, glacial retreat and related impacts, salinization, land and forest degradation, loss of biodiversity and desertification, and displacement) for the benefit of all Parties. This might be undertaken in an **in-session workshop** or other format, in conjunction with a report by the WIM on the work it is undertaking in these contexts.

This format would allow Parties to pose questions to experts and members of the WIM ExCom to inform the review and help identify priority issues for the WIM.

The review itself could be supported by round table discussions, facilitated through a series of guiding questions, that address the functions, structure, resourcing and activities of the WIM, from both backward- and forward-looking perspectives, that consider the overall progress made in addressing loss and damage and the fitness for purpose of the WIM in responding to the current and future support needs of particularly vulnerable developing country Parties, e.g.:

- What kind of **support** do countries need to avert, minimise and address loss and damage?
- What should countries expect from the WIM to help fulfil these needs?
- Is **resourcing** for the work of the WIM, its ExCom and its activities sufficient?
- If not, how could more reliable resourcing be secured and what scale is needed to provide confidence that the WIM can carry out its mandate?
- How might the **best available science** be best used to inform and focus the work of the WIM?
- Is there additional **technical work** the WIM should undertake or commission to support the needs of particularly vulnerable developing countries?

- How might the **governance structure** of the WIM be improved or augmented to ensure that it provides a timely response to the current and future needs of particularly vulnerable developing country Parties?

E. Expected outcomes of the Review

- An **assessment** of the progress of work of the WIM (and its ExCom);
- Agreement on **an improved institutional structure** of the WIM that is able to respond rapidly and comprehensively to the needs of SIDS and other particularly vulnerable developing country Parties faced with the accelerating impacts of climate change, including one that is able to receive, evaluate and commission projects for funding and implementation;
- Recommendations to ensure that the programme budget **sufficiently and reliably funds the work of the WIM**, including support and related research needs;
- Recommendations to ensure that the WIM's work is continually informed by, and responds to, **best available science** and the latest research by relevant organisations;
- A decision putting these recommendations into effect, including, in particular, **an outreach programme to support SIDS** and other particularly vulnerable developing countries to address loss and damage associated with climate change impacts.

IV. Governance of the WIM

The WIM was established under the Convention in Warsaw, to address loss and damage associated with impacts of climate change, including extreme events and slow onset events,⁶ in developing countries that are particularly vulnerable to the adverse effects of climate change. See 2/CP.19, para 1.

The WIM's role under the Convention is to promote the implementation of approaches to address loss and damage associated with the adverse effects of climate change in developing countries that are particularly vulnerable to the adverse effects of climate change, in a comprehensive integrated and coherent manner, by undertaking an open-ended series of functions. See 3/CP.18, para 5 and 2/CP.19, para 5.

In decision 3/CP.18, the Parties highlighted "**the important and fundamental role of the Convention** in addressing loss and damage associated with climate change impacts, especially in developing countries that are particularly vulnerable to the adverse effects of climate change". The COP also "reaffirm[ed] the need for Parties to take precautionary measures, **in accordance with the principles and provisions of the Convention**, to anticipate, prevent or minimize the causes of climate change and mitigate its adverse effects, and

⁶ Slow onset events include sea level rise, increasing temperatures, ocean acidification, glacial retreat and related impacts, salinization, land and forest degradation, loss of biodiversity and desertification. See 1/CP.16, para 25, n. 3.

underlin[ed] that the lack of full scientific uncertainty should not be used as a reason to postpone action". Accordingly, the long-term vision for the WIM must be consistent with the principles of the Convention.

Parties further acknowledged "the need to enhance support, including finance, technology and capacity building for relevant actions"⁷ and also "agree[d] that the role of the Convention in promoting the implementation of approaches to address loss and damage includes, inter alia,...(c) Enhancing action and support, including finance, technology and capacity building, to address loss and damage associated with the adverse effects of climate change."⁸

Questions have been raised about the relationship of the CMA and the COP in the wake of COP 21. The WIM has been serving both the COP and the CMA since 2016, and AOSIS is of the view that the WIM must continue to take guidance from both the COP and the CMA going forward. This is consistent with the COP's decision on the role of the Convention in promoting the implementation of approaches to address loss and damage and its understanding that Paris Agreement, Article 8 complements this role. Accordingly, this review is not limited to modalities needed to support Article 8 of the Paris Agreement.

⁷ Decision 3/CP.18, para. 1.

⁸ Decision 3/CP.18, para. 5.