



**Submission by Bhutan on behalf of the Least Developed Countries Group
on the 2019 review of the
Warsaw International Mechanism for Loss and Damage**

The Least Developed Countries (LDCs) welcome the opportunity to share their views on the 2019 review of the Warsaw International Mechanism for Loss and Damage (WIM).

Background

The WIM was established in 2013, after significant collective work among Parties to design a mechanism that could address the loss and damage needs of developing countries that are particularly vulnerable to the adverse effects of climate change. Decision 2/CP.19 establishes the WIM and its Executive Committee and sets out the mandate and functions of the WIM. The understanding of the LDC Group both at the time the decision was negotiated and now is that the WIM would evolve over time to be able to undertake all of the work outlined in the functions set out in decision 2/CP.19, building on approaches to address loss and damage as outlined in decision 3/CP.18. The WIM would be more than just an Executive Committee; it would become a strong and vibrant international ***Mechanism*** to address loss and damage in our countries.

The 2019 review provides an opportunity to recall, reiterate, and operationalize this long-term vision. For the LDC Group it is essential that the structure of the WIM be enhanced so that it may effectively deliver on all three of its core functions established in decision 2/CP.19, and in particular to deliver on enhancing action and support, including finance, technology, and capacity-building, to address loss and damage associated with the adverse effects of climate change.

The IPCC projects that climate-related risks to health, livelihoods, food security, water supply, human security, and economic growth will increase with global warming of 1.5 °C and will increase further with warming of 2 °C. Even at global average warming of 1.5 °C, the IPCC projects that LDCs will experience multiple interacting climate risks that further exacerbate impacts experienced in our countries.¹ A few examples serve to illustrate what losses and damages from climate impacts look like across LDCs:

- In **Sudan**, torrential rain and floods hitting in this season struck at least fifteen out of eighteen states, affecting nearly 200,000 people across Sudan, who were forced to leave their houses. Many families lost all of their possessions and hundreds lost their lives.
- In 2018, **Mozambique** experienced two extreme events only one month apart: cyclone Idai and tropical storm Kenneth. Idai devastated the agricultural sector in Mozambique, with damage in that sector alone estimated at USD \$258 million. The WMO estimated total damages from Idai across Mozambique, **Malawi**, and Zimbabwe at USD \$773 million.

¹ IPCC, 2018: Summary for Policymakers. In: Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C. Paragraphs B5-B6.

There is evidence that with increasing climate change, storms like these will become more severe due to increased rainfall and sea level rise.²

- **Senegal's** fishing sector provides livelihoods to 17% of the workforce, with most production by small-scale artisanal fisherfolk; fish is one of the main sources of protein in the Senegalese diet. With 2 °C of warming, fish populations across the west coast of Africa are expected to decline by up to 50%, with 50% job losses in the sector also anticipated. Food security impacts will likely be enormous.
- In **Nepal** the risk of glacial lake outburst floods caused by glacial melt induced by increases in temperature has increased significantly as levels of global average warming have risen. In Nepal's Khumbu valley near Mount Everest the glacial lake Imja Tsho now holds 2.6 billion cubic feet of water which increases annually despite efforts to drain the lake. The communities around the lake live under constant threat of displacement but most are either unwilling or unable to relocate as they depend on the area surrounding the lake for their lives and livelihoods.³

These are just a small number of the many stories that could be told to illustrate how consequential will be climate change impacts and climate-related losses and damages in LDCs.

The technical paper provided by the Secretariat elaborating on sources of and modalities for accessing financial support for addressing loss and damage points to some of the critical gaps in finance for particularly vulnerable developing countries to address loss and damage. These gaps include finance for countries to develop and implement approaches to address slow onset events, such as the loss of fisheries in Senegal, and finance for addressing loss and damage arising from extreme events, beyond the limits of adaptation and beyond insurance.

There are also important gaps in technology and capacity to address loss and damage in particularly vulnerable developing countries. In addition to the provision of finance for addressing loss and damage, the review of the WIM should result in an enhancement of the WIM so that it can provide capacity-building and technical support to countries, as well as the finance needed to enhance action on addressing loss and damage. The WIM should be further enhanced to support dedicated approaches to address climate-related displacement, following recommendations from the Task Force on Displacement (TFD), as well as dedicated approaches that will be needed to address permanent loss and damage, non-economic loss and damage, and the provision and accessibility of loss and damage information to users at the national level.

I. Long-term vision

The long-term vision is embodied in decisions 3/CP.18, 2/CP.19, **the functions of the WIM** as identified in those decisions, and the vision as articulated by Parties in submissions over the decades that the Convention has been in force. This vision provides a meaningful pathway for

² Bindoff, N.L., P.A. Stott, K.M. AchutaRao, M.R. Allen, N. Gillett, D. Gutzler, K. Hansingo, G. Hegerl, Y. Hu, S. Jain, I.I. Mokhov, J. Overland, J. Perlwitz, R. Sebbari and X. Zhang, 2013: Detection and Attribution of Climate Change: from Global to Regional. In: Climate Change 2013: The Physical Science Basis. Contribution of Working Group I to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change.

³ Wade, G. (2018). Nepalese Live with Threat of Global Lake Outburst Flood caused by Climate Change [online] Available at: <https://www.acclimatise.uk.com/2018/07/06/nepalese-live-with-threat-of-glacial-lake-outburst-flood-caused-by-climate-change/>.

the ongoing development of the WIM, for understanding what progress is needed to enable the WIM to fully fulfill its functions and meet the needs of particularly vulnerable developed countries as articulated in submissions, and for guiding how the WIM should be enhanced and strengthened.

This long-term vision has been informed by emission scenarios and an understanding of the severe and significant loss and damage that is currently being experienced in our countries and which will continue to increase over time as warming continues. The mechanism should be able to evolve to meet those increasing and evolving needs of particularly vulnerable developing countries, in line with the best available science and projections of future impacts, the lived experiences of the impacts of climate change and the nature of losses and damages suffered by particularly vulnerable developing countries over time.

The long-term vision for the WIM as articulated in the decisions and submissions outlined above is of a **Mechanism** that can effectively address the needs of particularly vulnerable developing countries to address loss and damage associated with the adverse effects of climate change, including slow onset impacts. Our view is that to effectively address these needs the mechanism will need additional structures, in particular to provide particularly vulnerable developing countries with the levels of finance, technology, and capacity-building necessary to address loss and damage.

II. The performance of the WIM and its functions and how it continues to promote the implementation of approaches to address loss and damage

The WIM was established **to address** loss and damage associated with the impacts of climate change (decision 2/CP.19, paragraph 1).

Paragraph 5 of decision 2/CP.19 states that the Warsaw International Mechanism “*shall fulfill the role under the Convention of **promoting the implementation of approaches to address loss and damage** associated with the adverse effects of climate change, pursuant to decision 3/CP.18, in a **comprehensive, integrated and coherent** manner by undertaking, inter alia, the following functions:*

- (a) *Enhancing knowledge and understanding of comprehensive risk management approaches to address loss and damage associated with the adverse effects of climate change, including slow onset impacts, by facilitating and promoting:*
 - i) *Action to address gaps in the understanding of and expertise in approaches to address loss and damage associated with the adverse effects of climate change, including, inter alia, the areas outlined in decision 3/CP.18, paragraph 7(a);*
 - ii) *Collection, sharing, management and use of relevant data and information, including gender-disaggregated data;*
 - iii) *Provision of overviews of best practices, challenges, experiences and lessons learned in undertaking approaches to address loss and damage;*
- (b) *Strengthening dialogue, coordination, coherence and synergies among relevant stakeholders by:*
 - i) *Providing leadership and coordination and, as and where appropriate,*

- oversight under the Convention, on the assessment and implementation of approaches to address loss and damage associated with the impacts of climate change from extreme events and slow onset events associated with the adverse effects of climate change;*
- ii) Fostering dialogue, coordination, coherence and synergies among all relevant stakeholders, institutions, bodies, processes and initiatives outside the Convention, with a view to promoting cooperation and collaboration across relevant work and activities at all levels;*
- (c) Enhancing action and support, including finance, technology and capacity building, to address loss and damage associated with the adverse effects of climate change, so as to enable countries to undertake actions pursuant to decision 3/CP.18, paragraph 6, including by:*
- i) Provision of technical support and guidance on approaches to address loss and damage associated with climate change impacts, including extreme events and slow onset events;*
 - ii) Provision of information and recommendations for consideration by the Conference of the Parties when providing guidance relevant to reducing the risks of loss and damage, where necessary, addressing loss and damage, including to the operating entities of the financial mechanism of the Convention, as appropriate;*
 - iii) Facilitating the mobilization and securing of expertise, and enhancement of support, including finance, technology and capacity-building, to strengthen existing approaches and, where necessary, facilitate the development and implementation of additional approaches to address loss and damage associated with climate change impacts, including extreme weather events and slow onset events.*

Effectiveness should be assessed based on the ability to fulfill **all** of these functions, relevant to the needs expressed by developing country Parties.

Gaps in fulfilling the functions of the WIM to date:

1. Very little action has been taken under the third function of the WIM: enhancing action and support.

The WIM is currently not providing technical support and guidance to particularly vulnerable developing countries on approaches to address loss and damage.

While there have been some knowledge-sharing types of interaction with the Standing Committee on Finance, the WIM has not to date directly engaged with the COP as it prepares its guidance to the operating entities (OEs) of the Financial Mechanism of the Convention to provide the OEs with information and recommendations for addressing loss and damage.

Overall, the WIM has done little to facilitate the mobilization and securing of expertise, and enhancement of support, including finance, technology and capacity-building, to strengthen existing approaches and to facilitate the development and implementation of additional approaches to address loss and damage associated with climate change impacts.

In response to a request by Parties in decision 1/CP.21, the ExCom established a Clearinghouse on Risk Transfer along with the TFD. While a useful step, the Clearinghouse on Risk Transfer alone is insufficient as it is limited in scope to risk transfer mechanisms and does not facilitate the actual provision of finance or support to particularly vulnerable developing countries. Furthermore, the RISK TALK function set up under the Clearinghouse to provide information on risk transfer to countries is not sufficiently tailored to individual countries' needs and has limited resources to dedicate to providing useful, detailed and context specific advice.

The Clearinghouse is an example of how the activities of the WIM relating to finance and support to date have related to the provision of information on finance at a global level, with limited effort to ensure this information is accessible, country-specific and detailed enough to enable uptake of the information and advice provided within the appropriate ministries at the national level.

The WIM is not currently structured to enable it to:

- Provide technical support and guidance on approaches, beyond guidance on risk transfer mechanisms;
- Facilitate ***the actual mobilization and securing of expertise, and enhancement of support, including*** finance, technology and capacity building; and
- Link the work of the ExCom, including the current expert groups and task force, to the work of national loss and damage contact points in developing country Parties to enable them to address loss and damage at the national and local levels (including undertaking loss and damage needs assessments, planning, and implementation).

2. Gaps also remain under the first and second functions of the WIM

Enhancing knowledge and understanding of comprehensive risk management approaches

Although several technical expert groups have been established and materials developed, including case studies, reports, tutorials and databases, there has been limited effort to disseminate this information to those who can use it at the national level in developing countries, or to tailor information in a country-specific way. This is important because the generation of information does not guarantee its use, and there are several barriers that can stand in the way of countries relying on information to implement loss and damage programmes, including a lack of awareness that the information exists, a lack of accessibility or capacity to use it, and that the information is not provided to the right people.

Strengthening dialogue, coordination, coherence and synergies

While there have been some joint workshops and internal collaboration within the UNFCCC, this has primarily been with respect to the 'dialogue' component of the second function. Limited activities have focused on strengthening 'coordination, coherence and synergies' with respect to actual delivery of approaches to address loss and damage. The TFD is one exception which demonstrates the power of bringing together external stakeholders such as other international organizations with both the expertise and on-the-ground delivery capabilities.

III. Structure of the WIM

There is a demonstrated need for the WIM to become a robust **mechanism** that effectively **addresses** loss and damage in particularly vulnerable developing countries – its mandate as articulated in decision 2/CP.19. The current structure is insufficient to address needs for financial, technical and capacity building support as articulated by developing country Parties, nor is it adequate to the tasks outlined in its functions.

The only permanent element under the WIM is its Executive Committee. The ExCom is aided in its work by a TFD and several expert groups. These groups are limited in what they might accomplish, given they are made up of ExCom members and some external technical experts. The group that has made the most progress towards its objectives is the TFD. There is an important lesson here, as the TFD has as members representatives of operational UN and other intergovernmental bodies, such as IOM and the Platform on Disaster Displacement. These institutions provide resources (human and financial) which help deliver the work of the TFD.

Recommendations for how to improve the structure of the WIM include the finance-related suggestions below (e.g., a finance facility and CTCN-style mechanism), and the formal convening of international organisations such as the International Organisation on Migration that can build capacity at the national level in relevant ministries with respect to how to use climate and loss and damage-related information.

Work to operationalize the third function of the WIM must be urgently scaled up to address the growing needs for addressing loss and damage as articulated by developing country Parties. Scaling up action and support, including finance, technology, and capacity-building will require new institutional arrangements.

How the WIM could evolve structurally: the example of the Technology Mechanism

The Technology Mechanism provides a useful example of a more robust **mechanism** than the current WIM, with both a policy arm (the Technology Executive Committee, more or less analogous to the Executive Committee of the WIM) **and an implementation arm** (the Climate Technology Centre and Network).

As input to the workings of the Technology Mechanism, countries carry out Technology Needs Assessments (TNAs). The development of TNAs may be financed by the GEF and supported technically by the CTCN. Once technology needs are identified through the TNA process, the CTCN can support countries to begin to address those needs through pilot projects. The CTCN can also support the development of full project proposals that can be submitted to bilateral and multilateral funders.

There are active links between the Technology Mechanism and the Financial Mechanism. The CTCN works synergistically with both operating entities of the financial mechanism: GEF and GCF.⁴ The CTCN is implementing some of its technical assistance using GCF readiness funds accessed via the country's National Designated Authority (NDA). In 2016-2017 the CTCN developed a pilot module to help countries develop concept notes for the GCF based on the

⁴ Report of the Independent CTCN Review 2017. Available at: <https://www.ctc-n.org/resources/report-independent-ctcn-review-2017>.

relevant climate change priorities of the countries (as identified in the NDCs, TNAs, GCF country programme, etc.).

To address both technical support and finance needs, the WIM will require more than a CTCN-like body

The WIM should evolve to support similar processes, such as a loss and damage needs assessment, plans and implementation, with financial and technical support provided by two new and distinct implementation arms of the mechanism.

A CTCN-like body would provide expertise and help countries build up effective responses and plans in advance. Alongside the technical support body, a finance facility will be necessary that can mobilise finance when losses and damages actually occur. These are two separate but equally important functions, one helping countries prepare to be able to address loss and damage well, and the other with sufficient finance to respond to loss and damage when it happens.

IV. Progress on implementation of the workplan of the WIM ExCom

Given the narrow nature of the workplan vis-à-vis the functions of the WIM, progress in implementing the workplan itself says little about progress in addressing loss and damage. More relevant to the review would be reflecting on whether the workplan contains all the necessary elements to deliver on WIM functions.

V. Conclusions and ways forward

There is an urgent need to operationalize the third function of the WIM. Steps that could be taken could include:

- Defining a clear source of finance for loss and damage through the financial mechanism of the Convention;
- Establishing a financial facility for addressing loss and damage. Such a facility could be housed under the WIM itself or this could be tasked to the OEs of the Financial Mechanism of the Convention. A loss and damage window could be created at the GCF, which could also serve as a repository for innovative sources of loss and damage finance, noting also that the current finance mobilized through the GCF is not sufficient to address the financial need for loss and damage activities and also needs to be scaled up to meet the needs of particularly vulnerable developing countries;
- Establishing a technical facility to provide technical and capacity-building support. Such a facility could be modeled on the CTCN, or the CTCN itself could be tasked with providing technical support on addressing loss and damage; and
- Creating a process for countries to develop loss and damage needs assessments, with the ExCom providing technical guidance to carry out the assessments and the technical facility providing support and capacity-building. The technical facility would assist countries in developing implementation frameworks and plans based on the needs assessments, and would assist national entities to implement national level activities.

Other important steps that should be taken to evolve the WIM into an effective mechanism that is able to fulfill all three of its functions are:

- Establishing a displacement facility that can assist countries in addressing internal and cross-border displacement and migration related to climate change impacts;
- Revisiting the five-year rolling workplan to revise it to align more closely and in a more balanced way with the three functions of the WIM;
- Establishing a formal body or process to facilitate collaboration with other international organizations;
- Establishing a joint standing agenda item on loss and damage under the COP and CMA; and
- Ensuring information that is generated under the WIM gets to where it is needed at the national level.