

Policy pointers

Negotiators must ensure the global stocktake (GST) systematically considers 'loss and damage' (L&D) to effectively take stock of the Paris Agreement's implementation.

Negotiators should push for the GST's 'sources of input' to explicitly include information on L&D experienced, as well as actions taken and support needed, provided and received to address L&D.

Negotiators should push for L&D to be a distinct workstream of the GST that identifies gaps in addressing L&D and recommends how these gaps can be closed.

Negotiators must ensure the GST's output offers solutions for addressing L&D, which is rising as a consequence of low mitigation ambition and insufficient adaptive capacity. Solutions must be underpinned by equity and the 'best available science'.

Loss and damage in the Paris Agreement's global stocktake

Loss and damage from climate change is a reality for many poor and vulnerable countries, and will worsen as global temperatures rise. It is essential that it be considered systematically within the global stocktake, which is to take stock of the implementation of the UNFCCC's Paris Agreement. This briefing sets out the reasons for ensuring loss and damage is specifically and adequately addressed and how this can be done. Giving due attention to loss and damage is a fundamental test of countries' commitment to achieving the aims and purpose of the Paris Agreement and will be a crucial outcome for the upcoming Conference of the Parties (COP24, December 2018).

Under the UNFCCC's¹ Paris Agreement, the international community set an aim of limiting the global average temperature increase to 1.5°C and addressing climate change impacts, including the loss and damage climate change inflicts. Yet countries' current mitigation pledges, even if fully realised, put the world on a path to 3°C of warming. This lack of global ambition will bring on impacts that grossly exceed vulnerable countries' ability to cope.

The Paris Agreement established a global stocktake (GST) to "periodically take stock of the implementation of this Agreement to assess the collective progress towards achieving the purpose of this Agreement and its long-term goals".² Countries are now developing implementation guidelines for the Agreement, including identifying information sources for the GST and planning how it will operate in practice.³

The 24th session of the Conference of the Parties (COP24) in December 2018 is expected to conclude negotiations on the implementation guidelines. But various contentious issues will need to be resolved at COP24. For poor and

vulnerable countries, a key priority will be ensuring that the issue of 'loss and damage' is specifically and adequately addressed within the GST.

A recognised reality

Climate change loss and damage is a recognised reality for many developing countries. The Intergovernmental Panel on Climate Change (IPCC) states that "poverty and disadvantage have increased with recent warming".⁴ Even with global warming of 1.5°C, vulnerable regions, including small islands and Least Developed Countries (LDCs), will continue to suffer loss and damage and will run up against the limits of their adaptive capacities. And with warming above 1.5°C, risks and impacts will become even more pronounced.⁵

Vulnerable countries have no choice but to take action on loss and damage. Some have been paying into regional risk pools to prepare for expected droughts or tropical cyclones, others are setting aside dedicated funds. To some extent, developed countries are providing support to address loss and damage — through subsidies to insurance premiums, supporting

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assessments of impending risks, or assisting during recovery and reconstruction phases. However, recognition of vulnerable countries' actions and needs, and of developed countries' support, is scattered at best. There is currently no process for systematically collecting and recording loss and damage information under the UNFCCC. It is high time for the UNFCCC to reflect the reality of loss and damage as a fundamental element of the global response to climate change, and to recognise the urgent need to step up action.

Ensuring the GST assesses efforts to address loss and damage is essential for it to fulfil its purpose, as provided in the Paris Agreement. This is the view of many developing countries, including the LDC Group, the Alliance of Small Island States (AOSIS) and the African Group of Negotiators (AGN).⁶ Indeed, loss and damage is incorporated throughout the latest 'textual proposals'⁷ released ahead of COP24 — documents that could become the starting point for decisions taken on the GST, including under 'sources of input' for information gathering and 'modalities', that is, how the GST will work.

Scope of the GST

The GST requires Parties to "take stock of the implementation of the Paris Agreement". It is to consider mitigation of greenhouse gas emissions, adaptation to climate change and the means of implementation and support — however, this should be interpreted as a non-exhaustive list. It is also to be "comprehensive" and inform Parties in "updating and enhancing... their actions and support".⁸ To do this, it will need to take stock of how obligations under each article of the Agreement are being implemented, including Article 8, which sets out the collective obligation of Parties to "enhance understanding, action and support... with respect to loss and damage".⁹ This standalone article brings loss and damage directly within the scope of the GST.

Additionally, assessing loss and damage from climate change is inextricably linked to taking stock of other elements and assessing collective progress towards achieving the Paris Agreement's purpose and long-term goals:

- The purpose of the Agreement includes "enhancing implementation of the Convention", which itself seeks to avoid dangerous human interference with the

climate system and reduce potential adverse effects,¹⁰ which include loss and damage.

- The Agreement states that limiting temperature increase to 1.5°C "would significantly reduce the risks and impacts of climate change". Assessing progress towards this goal therefore requires consideration of risks and impacts, which logically include those relating to loss and damage.
- Taking stock of loss and damage is a measure of the limits to adaptation, and should be an element of reviewing the global goal on adaptation of "enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change"¹¹ and reviewing "the adequacy and effectiveness of adaptation and support provided for adaptation".¹² Further, assessing progress on "increasing the ability to adapt... and foster climate resilience" without "threaten[ing] food production"¹³ requires consideration of the nature and scale of loss and damage.
- Loss and damage is connected to efforts on 'means of implementation'. Developed country Parties are requested to provide developing country Parties with finance, technology and capacity building¹⁴ for coping with loss and damage. Under the Paris Agreement, Parties have agreed this support should be enhanced with respect to loss and damage.⁹ Assessing how this support on loss and damage is provided falls within the GST's mandate to "take into account the relevant information provided by developed country Parties... on efforts related to climate finance".¹⁵
- It is also essential to consider loss and damage when taking stock of implementation "in light of equity and the best available science".² It would be manifestly inequitable not to consider impacts that disproportionately affect the poor and vulnerable in the GST, and irrational to exclude the best available science on loss and damage.

'Sources of input'

It will be important to gather information that reflects the full scope of issues the GST covers and to draw from a broad range of sources — from expert bodies to local communities.

The latest textual proposals for COP24 set out options for the information to be covered in the GST's 'sources of input', including information on loss and damage as well as information on impacts, support, food security and displaced people.

To effectively take stock of loss and damage, a range of information will be required, including on:

- Loss and damage actually experienced.** How many people have died, how many were displaced, what assets are lost because of climate-related extreme events and slow-onset processes? This kind of information will help show how well the Paris Agreement is achieving its purpose and whether countries have enhanced their capacity to adapt to climate change.
- Actions taken.** How much of their GDP (gross domestic product) did countries spend on reconstruction after climate-related disasters? How much are countries investing into sovereign risk insurance? This type of information provides a measure of collective action taken to tackle the adverse effects of climate change — and will reveal the scale of loss and damage suffered by particularly vulnerable countries.
- Support needed by, provided to and received within developing countries.** This information will feed directly into work assessing the 'means of implementation' required and delivered for addressing loss and damage, and will shed light on equity considerations.

There are a number of sources available that could provide information relating to loss and damage, including UNFCCC-related sources (particularly from the Executive Committee, Excom, tasked with guiding the Warsaw

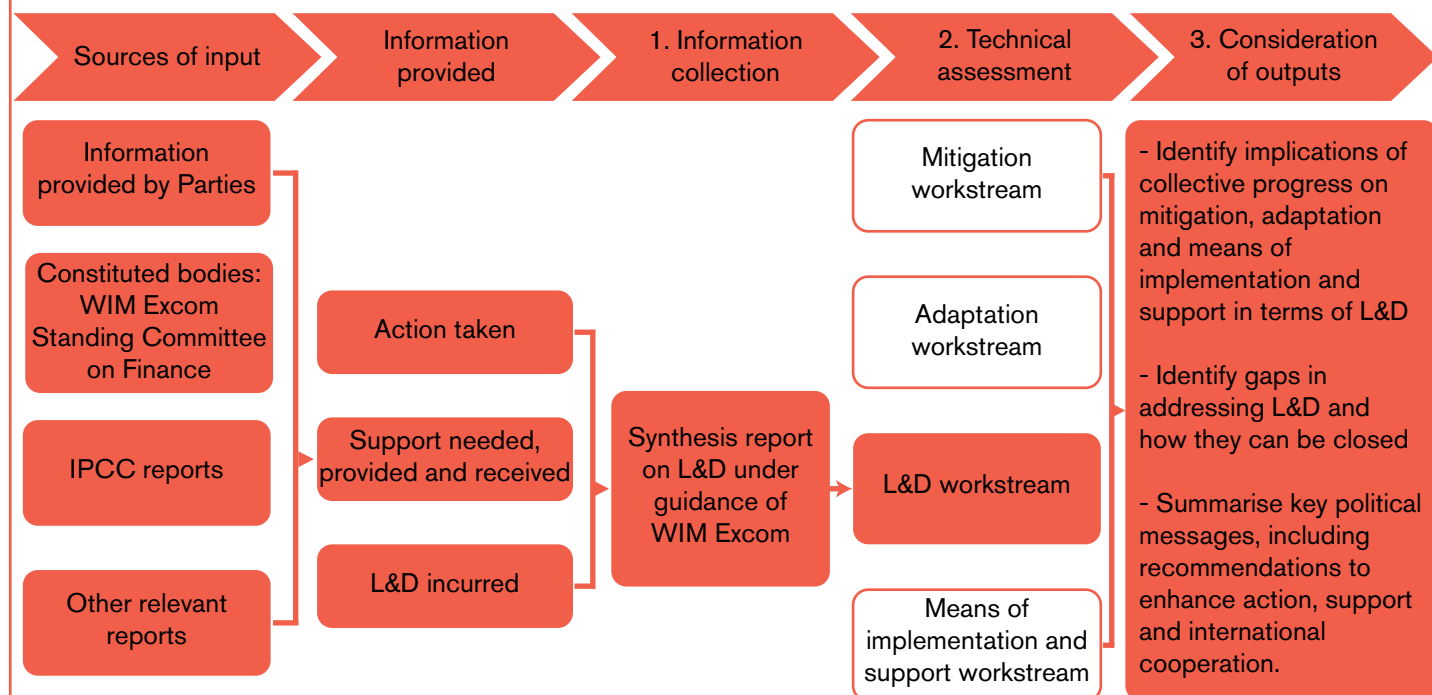
International Mechanism for Loss and Damage, and from Parties), as well as other UN agencies and international organisations, the IPCC and non-Party stakeholders. These sources are also covered in the textual proposals.

A three-step approach

Information collection phase. The COP24 textual proposals suggest the first component of the GST would gather, compile and synthesise information identified in the 'sources of input' (see Figure 1). The UNFCCC secretariat will likely be mandated to prepare synthesis reports under the guidance of appropriate expert bodies. The latest proposals include a request to the secretariat to prepare synthesis reports on averting, minimising and addressing loss and damage under the guidance of the Excom, which is well placed to play this role and facilitate a Party-driven process. However, the request could be strengthened by including an explicit reference that asks reports to cover: understanding of loss and damage; action taken on it; and also support needed, provided and received. This would ensure all elements are captured for the technical assessment.

Technical assessment phase. The second component of the GST will likely involve technical assessments, probably in workstreams that include dialogue among Parties, experts

Figure 1. Overview of how loss and damage can be considered under the global stocktake (GST), including the sources of input that could provide information for the GST and elements related to loss and damage under each of the three proposed GST phases (information collection, technical assessment and consideration of outputs).



L&D: loss and damage; WIM Excom: Executive Committee of the Warsaw International Mechanism for Loss and Damage

and other information providers. A range of proposals have been put forward by Parties for this phase, including workstreams centred around thematic areas or long-term goals.

The textual proposals encompass options for considering loss and damage as a cross-cutting issue or as a standalone workstream. The LDC Group and AOSIS have been advocating for a standalone workstream, because assessing loss and damage within other workstreams is unlikely to produce a comprehensive overview of progress.

Parties are considering what questions will guide the technical assessments. When these are developed, it will be important that they reflect the breadth of obligations under the Agreement, including specific questions relating to loss and damage.

The technical assessment stage will likely produce a number of reports. This could include a report from each workstream and an overarching report that considers all workstreams together to assess how progress collectively 'adds up' in light of the Agreement's purpose and long-term goals. Loss and damage would be an important component of any overarching report, given that low mitigation ambition and particularly vulnerable countries' limited capacities to adapt to climate change will drive up loss and damage. For the GST to catalyse enhanced action and support, the reports should include technical recommendations on how to improve implementation of the Agreement where gaps or failings are identified.

'Consideration of outputs' phase. The final phase of the GST will consider the findings and implications of the technical assessments. This consideration of outputs will aim to inform Parties' decisions on updating and enhancing their actions and support, as well as enhancing

international cooperation on climate action. The textual proposals suggest that this final phase could generate a summary report, decision, formal declaration and/or statements.

This phase of the GST should shine a spotlight on the severe consequences of low mitigation ambition and lack of adaptive capacity (which will exacerbate loss and damage), as well as on countries' current needs for addressing loss and damage and on gaps in the support provided. Its recommendations should provide a clear route to closing gaps in the Paris Agreement's implementation in light of equity and the best available science, and should encourage political will for scaling-up action and support.

A fundamental test of commitment

The GST must encompass all elements of the Paris Agreement and proper consideration of loss and damage will be essential in generating an accurate global progress assessment of how close Parties are to achieving the purpose and long-term goals of the Agreement, including the 1.5°C temperature goal. The textual proposals for COP24 consider loss and damage throughout the proposed GST process. Maintaining this inclusion will be crucial and is a fundamental test of countries' commitment to taking the steps needed to protect present and future generations across the world from the escalating risks and impacts of climate change.

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Knowledge Products

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Notes

¹ UNFCCC is the United Nations Framework Convention on Climate Change. / ² Paris Agreement, Article 14.1. / ³ UNFCCC decision 1/CP.21, paragraphs 99–100. / ⁴ IPCC (2018) Impacts of 1.5°C global warming on natural and human systems. Chapter 3 in: *Global warming of 1.5°C. An IPCC Special Report*. <http://report.ipcc.ch/sr15/> / ⁵ IPCC (2018) Summary for Policymakers. In: *Global warming of 1.5°C. An IPCC Special Report*. <http://report.ipcc.ch/sr15/> / ⁶ See submissions on APA agenda item 6 by the LDC Group, AOSIS, AGN, Caribbean Community, South Africa and Indonesia, available at: <https://tinyurl.com/yddw5uak> / ⁷ Textual proposals by Co-Chairs of the Ad Hoc Working Group on the Paris Agreement released on 15 October 2018: <https://tinyurl.com/y88f7xsp> / ⁸ Paris Agreement, Article 14. / ⁹ Paris Agreement, Article 8.3. / ¹⁰ Defined as "changes in the physical environment or biota resulting from climate change which have significant deleterious effects on the composition, resilience or productivity of natural and managed ecosystems or on the operation of socio-economic systems or on human health and welfare" (Article 1.1 of the UNFCCC). / ¹¹ Paris Agreement, Article 7.1. / ¹² Paris Agreement, Article 7.14. / ¹³ Paris Agreement, Article 2.1(b). / ¹⁴ See, for example, UNFCCC decision 2/CP.19, paragraph 14. / ¹⁵ Paris Agreement, Article 9.6.