The UNFCCC context: From Bali Action Plan to Cancun to the Warsaw International Mechanism to the Paris agreement – L&D as a third pillar of the global climate change architecture

*Parties recognize the importance of averting, minimizing and addressing loss and damage associated with the adverse effects of climate change, including extreme weather events and slow onset events*” (Paris Agreement, Article 8)

But no official definition, scope remains unclear.

Many see L&D as residual impacts ‘beyond adaptation and mitigation’ – different perspectives exists (James et.al. 2015), also with regards to responses and instruments (insurance?)
Residual?

Non-residual | Residual L&D
---|---
**AVOIED** | **UNAVOIED** | **UNAVOIED**
- Damage prevented through mitigation and/or adaptation measures. | - Where the avoidance of further damage was possible through adequate mitigation and/or adaptation, but where adaptation measures were not implemented due to financial or technical constraints. | - (Inevitable) Damage that could not be avoided through mitigation and/or adaptation measures;
  - slow onset changes such as sea level rise;
  - glacial melting;
  - damage due to extreme events where no adaptation efforts would have helped prevent the physical damage.

Verheyen, 2012

Also includes non-economic losses

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L&D decision making

Three possible goals:

- **To create awareness** about the sensitivity of human and natural systems to climate, and the need to respond with appropriate mitigation, adaptation and DRR policies.

- **To plan risk reduction and risk management**, with the goal to enhance adaptation to reduce vulnerability and build resilience.

- **To inform compensation** arrangements for L&D.

### Action under L&D?

<table>
<thead>
<tr>
<th>TYPOLOGY</th>
<th>Associated Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ADAPTATION AND MITIGATION</strong></td>
<td>Mitigation and adaptation</td>
</tr>
<tr>
<td><strong>RISK MANAGEMENT</strong></td>
<td>Insurance, insurance pools, catastrophe bonds, life insurance, DRR, sovereign disaster risk rating, climate services and early warning, engineering, capacity building</td>
</tr>
<tr>
<td><strong>LIMITS TO ADAPTATION</strong></td>
<td>Risk transfer, social safety nets, micro insurance, innovations in livelihoods (early warning), participation</td>
</tr>
<tr>
<td><strong>EXISTENTIAL</strong></td>
<td>Compensation, migration facilities, homeland resettlement, acknowledgement, official apologies, memorial, historical preservation, international litigation</td>
</tr>
</tbody>
</table>

From Boyd et.al. 2016

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### The purpose of assessing L&D

A risk assessment informs decision-making by providing information about the possible consequences of decisions.

- What are the L&D objectives and interests?
Schools of thought

Surminski, Lopez, Birkmann and Welle (2012) for UNFCCC

Challenges

- Direct and indirect losses & growing interconnectedness of impacts (such as cascading effects) are recognized, but no clear methodology exists
- Non-economic losses: Quantification poses challenges, but can be addressed pragmatically (See: Vivid Economics 2013)
- Slow onset changes require a different perspective
- Linking qualitative and quantitative assessment approaches necessary
- From global to local: different scales of data and assessment are needed
- We need to understand vulnerability and effectiveness of adaptation, as well as limits to adaptation
- Climate signal often weak or unclear
Thank you for your attention.
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