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Partnership for Risk Reduction



Tools for Loss and Damage decision making

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What is Loss and Damage ?

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- 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?)



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Residual?



Non-residual	Residual L&D	
AVOIDED	UNAVOIDED	UNAVOIDABLE
AVOIDABLE DAMAGE AVOIDED → Damage prevented through mitigation and/or adaptation measures.	AVOIDABLE DAMAGE AND LOSS NOT AVOIDED → 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.	UNAVOIDABLE DAMAGE AND LOSS → (Irreversible) Damage that could not be avoided through mitigation and/or adaptation measures; <ul style="list-style-type: none"> - 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

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.

Surminski, Swenja and Lopez, Ana (2015) *Concept of loss and damage of climate change – a new challenge for climate decision-making? a climate science perspective*. *Climate and Development*, 7 (3). pp. 267-277

Action under L&D ?



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

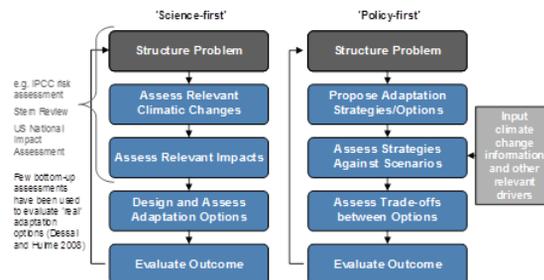
From Boyd et.al. 2016

The purpose of assessing L&D

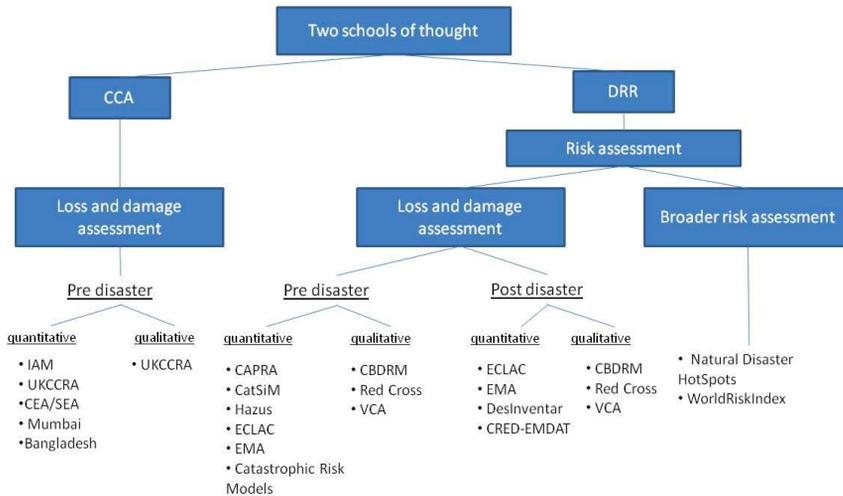


A risk assessment informs decision-making by providing information about the possible consequences of decisions.

➤ What are the L&D objectives and interests?



Schools of thought



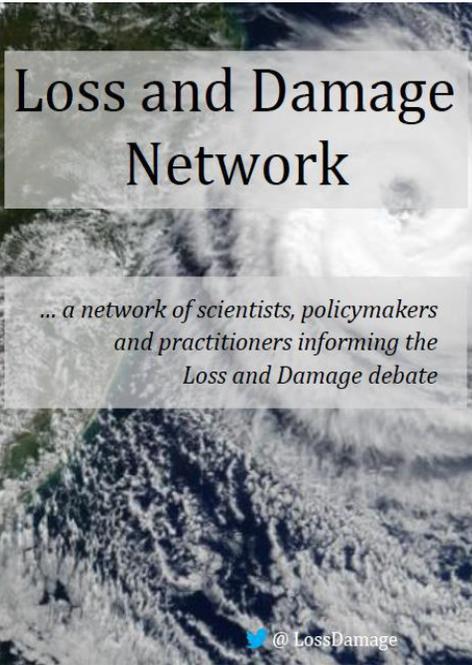
Surminski, Lopez, Birkmann and Welle (2012) for UNFCCC



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



Loss and Damage Network

*... a network of scientists, policymakers
and practitioners informing the
Loss and Damage debate*

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Thank you for your attention.

For further information:

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