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# Observations on the role of the private sector in the UNFCCC's loss and damage of climate change work programme

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# Observations on the role of the private sector in the UNFCCC's loss and damage of climate change work programme

Swenja Surminski<sup>1</sup> and Jillian Eldridge<sup>2</sup>

## Abstract

Private sector engagement, particularly in relation to public policy based action and strategy, has become a buzz word in most policy areas, but this is often accompanied by a lack of clarity on roles and responsibilities between public and private sector. We investigate this for the new United Nations Framework Convention on Climate Change (UNFCCC) work stream on addressing loss and damage (L&D) from climate change. This paper presents evidence gathered from official submissions by Parties and other bodies to the UNFCCC, the small but growing L&D literature, and experience from the related fields of Disaster Risk Reduction (DRR) and Climate Change Adaptation (CCA). The results from the study show: a degree of 'vagueness' when it comes to outlining the role the private sector, but expectation that they will support the emerging L&D framework through knowledge, skills and resource. Private sector engagement is mainly seen in the context of utilizing private sector expertise based in developed countries, rather than assessing current and future impacts on the growing private sector in developing countries. Unclear conceptual boundaries of L&D, DRR and CCA are posing a challenge for stakeholders. While evidence of existing engagement in the L&D debate is noticeable for the insurance industry, there remains only a limited understanding on how to actually measure the effectiveness of such private sector engagement. Creating greater clarity on expectations of and the ability to deliver by the private sector would be important tasks for the UNFCCC to focus on.

## Keywords

Loss and Damage; private sector; stakeholder engagement; climate change; insurance; UNFCCC

## 1 Introduction

International efforts to respond to the challenge of managing current and future climate risks in developing countries have intensified over the last few years. The range of responses and measures within the global policy areas of climate change adaptation (CCA) and disaster risk reduction (DRR) is wide and varied. Different tools and approaches exist, often still at the stage of piloting and testing, with limited evidence of their effectiveness. Key players in this area are intergovernmental organizations, as well as international leaders. Beyond this international dimension, there is clearly also a role for national governments to engage in the international policy debate within their own countries- at the regional level through to the local government.

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As the challenges posed by climate change are deemed too big to deal with by national governments alone (see for example Moser, 2009), 'stakeholder engagement' has become a buzz word, with the aim to bring in different perspectives and recognize roles and responsibilities within this complex policy area. This is particularly apparent in the case of private sector engagement: While initially most of the international business discourse focused on mitigation and how companies could reduce their own emissions or foster technical change towards a low emission future, there is now a growing interest in the role of the private sector in adaptation. A growing paradigm of 'engaging the private sector' is noticeable in all areas of climate risk management – ranging from official United Nations Framework Convention on Climate Change (UNFCCC) documents to national government responses and expert commentaries. The role of the private sector in adaptation to climate change remains less clear, there is much mention of the potential of private sector involvement in meeting a range of climate change policy requirements, whether from financial input to providing technical expertise, yet this role remains undefined. Policymakers however, have a growing expectation of how the private sector may be involved with meeting public policy and they advocate their involvement as a solution –especially in the current climate of constrained public budgets. But quite often this seems to clash with the commercial realities of private sector companies, as the rules of engagement are hardly understood and public-private collaboration is often hampered by a range of barriers (Surminski and Oramas-Dorta, 2011).

This paper aims to assess the topic of 'private sector engagement' for a relatively new policy area: The concept of Loss and Damage (L&D). This has been developed within the UNFCCC's adaptation framework in the context of climate change and is one of the more recent work streams of the international climate change regime. While initially being promoted and debated by only a handful of experts, it gained an official status within the UNFCCC following the adoption of the Cancun Adaptation Framework (CAF), an outcome of the 16th session of the Conference of Parties (COP) in 2010. The CAF highlights the need to strengthen international cooperation and expertise to understand and reduce L&D associated with the adverse effects of climate change (UNFCCC, 2011a). This led to the initiation of a new work programme on L&D by the Subsidiary Body for Implementation (SBI). This process recently culminated in the agreement at COP 19 in Warsaw to the establishment of L&D mechanism termed the 'Warsaw international mechanism for loss and damage' (UNFCCC, 2013a). Heralded as one of the few achievements in Warsaw, this continues to bring attention to the topic, demonstrating progress of the L&D concept at UN level and agreement in principle to support those adversely affected by climate change.

The final decision from COP18 'invites all Parties...to enhance action on addressing loss and damage associated with the adverse effects of climate change...involving vulnerable communities and populations, and civil society, the private sector and other relevant stakeholders, in the assessment of and response to loss and damage' (UNFCCC, 2013b; p.22). This is also reiterated at COP19 aiming to strengthen dialogue from 'all relevant stakeholders, institutions, bodies, processes and initiatives outside the Convention (...) for implementation of approaches to address loss and damage' (UNFCCC, 2013a). This indicates that certain expectations about what private companies could deliver do exist. This paper explores these expectations by assessing the submissions made by Parties and Observers to the UNFCCC's L&D work programme since its inception in 2011<sup>1</sup>. The paper considers the relevance of L&D to the private sector based on the assumption that there may be 'risk' and 'opportunities' arising for the private sector. The paper builds the case based on three pillars: official evidence provided in the submissions by Parties and Observers including private sector representatives; the small but growing L&D literature, including official UNFCCC reports; and experiences from the related policy areas of CCA and DRR.

The paper faces three key challenges: Firstly, there is a lack of definition of L&D. The framing and conceptual design of L&D continues to evolve rapidly within debate at both UNFCCC level and with

climate change commentators, with a range of stakeholders displaying different understandings of terminology and concept. This is outlined below, as this lack of clarity can have implications as to how L&D is understood by private sector actors. Another challenge arises from the use of the term 'private sector'. It is an extremely broad category, encompassing actors of all forms and shapes, across various sectors and locations, and driven by a wide range of regulations and governance arrangements. There are also a number of involved actors - the stakeholders of private sector companies include the shareholders, customers, suppliers, employees and creditors as well as the government in a legislative and overseeing role- yet the impact that companies can have through their actions can be wider – affecting the general public, other businesses, communities, interest and trade groups, as well as other associated bodies. This is important when discussing vulnerability, resilience and adaptive capacity and a more in depth analysis of roles would require a sectoral focus. The one unifying aspect is the goal to make a profit. For L&D the one sector specifically referenced is insurance, due to two main reasons; the nature of insurance already lends itself to the assessment of loss through well founded numerical modelling tools, the analysis of hazards and their financial consequences. Also, the industry has interest in the potential for L&D in its application through risk reduction measures for adaptation, for which insurance is mentioned as an element for addressing financial loss as part of a wider strategy to protect development investments (Warner et al., 2010). Other sectors are expected to become more involved in the L&D debate as knowledge and detail of the concept expand. As it is so far the only sector that has shown some direct engagement in the L&D debate we will explore expectations and relevance in more detail below.

Finally, it is important to note that this analysis maintains a global focus on private sector engagement driven by the UNFCCC's L&D work stream. Clearly there are processes and initiatives at national and local level that determine private sector engagement, as well as within companies. This paper provides some references to this, but a more detailed assessment is beyond the scope of our investigation. This final point is revisited in our concluding observations, as it could have some potential relevance for the current debate about the UNFCCC's governance approach to L&D.

## **2 The wider context: the role of the private sector in international efforts to manage climate risks**

A range of surveys and reports on the private sector's response to climate risks suggest that business views climate change both as a risk and an opportunity. The motivation of private sector companies to engage can vary, drivers can be operational or strategic, a commitment to corporate social responsibility, a response to regulation, or broader stakeholder relations (PWC, 2010). There may be demand for new goods and services, while existing business approaches may become unviable. At the same time it is recognized that a range of market failures exist, creating barriers for private sector action and requiring government intervention. Some elements of climate risk management have public good character (Fankhauser et al., 2013), triggering questions about: public versus private action, incentivizing versus crowding out, social protection versus free-market responses. In this context the question about the role of the private sector is a fundamental one, deeply rooted in economic theory and political economy. In broad economic terms engaging the private sector is considered as an option to increase efficiency, a response to budgetary constraints, and a way to unleash private sector investment and financial flows. Add to this academic perspective the political reality – expectations, trust, openness and the public perception of business, as well as the commercial realities facing private sector players and this area becomes even more complex.

When trying to assess roles and responsibilities of the private sector for L&D it seems useful to reflect on current efforts within the global spheres of CCA and DRR.

Private sector engagement is a key term that appears in both the L&D discourse and CCA and DRR literature, but there is a lack of clarity on roles and responsibilities - There seems to be an increasing focus on the potential role of organizations in the private sector as implementers of climate change adaptation policies within the climate policy discourse: The Nairobi work programme of the UNFCCC on private sector engagement stresses 'the unique expertise of the private sector, its capacity to innovate and produce new technologies for adaptation, and its financial leverage can form an important part of the multi-sectoral partnership that is required between governmental, private and non-governmental actors' (UNFCCC, 2012a). But despite a normative international policy position supporting their involvement very little is known about the role of the private sector in adaptation (Agrawala et al., 2011; Agrawala and Fankhauser, 2008; PWC, 2010). Initial research in this area has focused on identifying and classifying the different actors currently involved (see Agrawala et al., 2011; Berrang-Ford et al., 2011; PWC, 2010; Tompkins et al., 2010) or analyzing the theoretical roles for different actors (Agrawala and Fankhauser, 2008; Berrang-Ford et al., 2011; Tompkins et al., 2010). What is still relatively unclear is the effectiveness of the private sector's activities with regards to adaptation and disaster risk reduction. Most of this action would not be visible at the international level, but occur locally, nationally or at company level. In line with our global focus on the UNFCCC's L&D work stream we can identify existing structures to facilitate engagement of the private sector on CCA and DRR at a global level:

- a) The UNFCCC's Adaptation Private Sector Initiative (PSI) was launched in 2011/2012, showcasing action involving private sector partners (UNFCCC, 2013c).

The PSI has currently around 108 member organizations, most of them private sector companies, but also public/private partnerships and public bodies. Currently, there are 88 examples of adaptation action, covering 18 different economic sectors in a wide range of countries. Examples of the PSI schemes include work with the agriculture and scientific sectors in Ethiopia, involving Swiss Re and Oxfam America, to develop a holistic risk management framework to support food and income security to farmers. Another example showcases work within the financial sector, involving Allianz, who provide micro-insurance products in several countries including India and Indonesia. The scheme has also initiated partnerships between Allianz and CARE international and also Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). In both cases the schemes aim to aid vulnerable populations taking on innovative private sector initiatives and working in partnerships to deliver favorable solutions for climate change adaptation. However, while pointing to activities on the ground, and contributing to awareness raising and best practice advice it is far from clear how effective these global efforts are in fostering a better adapted private sector.

- b) In the area of DRR, private sector engagement at the international level is facilitated by the UNISDR's Disaster Risk Reduction Private Sector Partnership, (DRR-PSP) (UNISDR, 2013a), which has 50 members covering approximately 14 different economic sectors (see *Table 1*). The DRR-PSP promotes public-private partnerships in order to increase disaster resilience. The initiative aims at using the knowledge within the private sector, particularly for assessments of risks, data sharing and general capacity building. In a statement some of the DRR-PSP members have recently called on fellow businesses to 'build partnerships to analyze the root causes of non-resilient activity; leverage private sector expertise in construction, communications, financing, transport and contingency planning; spread knowledge about risk, prediction, forecasting and early warning; assist governments to conduct risk assessments; and help develop standards and procedures for enhancing resilience' (UNISDR, 2011). Within UNISDR, an increased emphasis on the role of private

sectors is noticeable – the Global Assessment Report 2013 makes this one of the key themes, with UNISDR Chief Margareta Wahlström referencing the big investment needs: ‘How the private sector and governments take onboard the key findings of this report will influence trillions of dollars of investment in critical infrastructure in years to come’ (UNISDR, 2013b). But similar to the CCA field it is also unclear how effective these DRR mechanisms are.

<b>Economic Sector</b>	<b>Companies included in the UNI</b>	<b>Number of companies in sector</b>
<b>Consultancy/Management systems and services</b>	<u>AECOM</u> , <u>EUROCONSULT ANDORRA, S. A.</u> , <u>Keyfiat Sazan</u> , <u>Mind-Alliance Systems</u> , <u>Singapore Business Federation</u> , <u>Smart Leveraging Consult</u> , <u>Sure House Consulting Ltd.</u> , <u>UC&amp;CS Globals de R.h. de C. V</u> , <u>United Consulting Services, S.C.</u>	9
<b>Financial</b>	<u>Assesores, S.C.</u> , <u>BJD Reinsurance Consulting, LLC</u> , <u>Castillo Zumaya S.C.</u> , <u>Castro Parra &amp; Asociados</u> , <u>Deloitte</u> , <u>Despacho Florez Vega y Cia S.C.</u> , <u>Dev Bank of Japan</u> , <u>Gerser Contadores Publicos S.C.</u> , <u>Hernandez Golvan y Cia S.C.</u> , <u>MHPTV</u> , <u>Moises Solares Arenas</u> , <u>Quinones Espejel y Asociados, S.C.</u> , <u>Ramirez Aguirre y Ga S.C.</u> , <u>Ramirez y Jimenez Contadores Abogados y Asesores, S.C.</u> , <u>Rodrigues Zachera Y Asoc</u> , <u>Servicont Contadores Publicos Asociados</u> , <u>Sociedad Auditora Weis Asociados S.C.</u>	17
<b>Insurance</b>	<u>Marsh S.A.</u>	1
<b>Energy and utilities</b>	<u>EDP - Energias de Portugal</u>	1
<b>Information Technology</b>	<u>eVigilo</u> , <u>Field Secure</u> , <u>IBM Canada</u> , <u>Kokusai Kogyo</u> , <u>MASA Group</u> , <u>Risk Management Solutions</u> , <u>Unified Messaging Systems AS</u> , <u>WeatherRisk</u>	8
<b>Engineering</b>	<u>ISG Illumination Systems, Llc</u> , <u>Weir-Jones Engineering Consultants Ltd</u>	2
<b>Education/ advocacy</b>	<u>Small Equity Initiative</u>	1
<b>Construction/Infrastructure</b>	<u>Concrete Joint Sustainability Initiative</u> , <u>Hindustan Construction Co. Ltd</u> , <u>Portland Cement Association</u> , <u>Titan America</u>	4
<b>Water management/systems</b>	<u>Wellthy</u>	1
<b>Safety and health</b>	<u>Consejo Colombiano de Seguridad</u>	1
<b>Corporate responsibility</b>	<u>Forum Empresa</u> , <u>SM Prime Holdings, Inc.</u>	2
<b>Healthcare</b>	<u>Glaxo Smith Kline</u>	1
<b>Marine Exploration</b>	<u>In Ovations Holdings</u>	1
<b>Tourism</b>	<u>Pacific Asia Travel Association</u>	1

Table 1: Members of the UNISDR Disaster Risk Reduction Private Sector Partnership

Over the past several decades, the private sector in developing countries has steadily gained in economic importance relative to the public sector (World Bank, 2012; World Bank, 2013). This has triggered some more regionally focused initiatives, such as the private sector initiative for Africa, which was launched in February 2013 at the 4th Africa Platform for Disaster Risk Reduction (UNISDR, 2013c). Such engagement generally tends to be with multinational companies, who seem more likely to have the capacity to engage with global policy makers.

But engagement with domestic or small to medium sized private sector companies is more likely to occur at national or local level – for example Bangladesh, which has set up a National Plan for Disaster Management 2010–2015. The plan determines where responsibilities should lie among the Government, NGOs and the private sector (UNFCCC, 2012b).

### **3 The concept of L&D within the UNFCCC**

The concept of climate change L&D officially entered the UNFCCC discussions in 2007<sup>2</sup>, but there is no clear official definition of L&D. The UNFCCC provides a baseline, but still leaves room for interpretation (UNFCCC, 2012c). The Bali Action Plan references ‘loss and damage associated with climate change impacts in developing countries that are particularly vulnerable to the adverse effects of climate change’ (UNFCCC, 2008). This was then specified in more detail in the CAF - stating that approaches to address L&D should consider climatic impacts ‘including sea level rise, increasing temperatures, ocean acidification, glacial retreat and related impacts, salinization, land and forest degradation, loss of biodiversity and desertification’ (UNFCCC, 2011a). A recent UNFCCC-commissioned literature review on L&D approaches (UNFCCC, 2012b) uses the following working definition of L&D: ‘the actual and/or potential manifestation of impacts associated with climate change in developing countries that negatively affect human and natural systems’. It differentiates between ‘loss’ (negative impacts in relation to which reparation or restoration is impossible, such as loss of freshwater resources) and ‘damage’ (negative impacts in relation to which reparation or restoration is possible, such as windstorm damage to the roof of a building, or damage to a coastal mangrove forest as a result of coastal surges) (UNFCCC, 2012b), a more detailed analysis of these terms can be found in Surminski et al. (2012).

Overall we notice two different dimensions when framing L&D of climate change: First, the technical concept, which looks at tools and processes to assess and manage the risk of L&D. And second, the political dimension of the negotiations, which considers institutional mechanisms to deal with L&D, and where requests for funding, compensation and the concept of equity across the international community play a role (Warner et al., 2010). Conceptually L&D is closely linked to CCA and DRR – particularly in the context of the technical aspects. In fact the boundaries and linkages are still subject to debate: Some observers consider L&D as a predominantly political construct, focused on the concept of compensation – aimed at transferring funds to those who are experiencing climate change loss and damages (Hyvarinen, 2012). Others seem to see it as a more targeted approach of dealing with negative climate change impacts, embedded in the climate adaptation methodology. While yet other observers highlight L&D as an approach for dealing with residual risks, beyond mitigation and adaptation (Kreft, 2012). For the UNFCCC context the most pragmatic view of L&D would be to consider the current gaps in existing structures and policies for CCA and DRR and then reflect how an international mechanism may be created to address these gaps. While a further discussion of these conceptual aspects is beyond the scope of the paper, it is nevertheless important to refer to it, as it creates certain challenges for exploring the relevance of the concept for the private sector: How can L&D be explained to the private sector? What are the elements that might



be relevant for certain sectors? And what is 'new' about L&D, particularly when considering existing efforts in CCA and DRR?

To gain a better understanding of L&D in the UNFCCC context a look at the three thematic areas agreed under the UNFCCC's L&D work programme in 2011 (UNFCCC, 2011b) is helpful:

I - Assessing the risk of loss and damage associated with the adverse effects of climate change and the current knowledge on the same

II - A range of approaches to address loss and damage associated with the adverse effects of climate change, including impacts related to extreme weather events and slow onset events, taking into consideration experience at all levels

III - The role of the Convention in enhancing the implementation of approaches to address loss and damage associated with the adverse effects of climate change

This categorization offers some guidance on how one could capture the role of the private sector in L&D. It reveals two dimensions of private sector relevance: Firstly the 'risk' to private sector companies arising from the losses and damages from climate change related extreme weather events and slow onset events. This could be either direct through climate hazards or indirect through policy responses and possible regulation triggered by the UNFCCC's L&D work stream. The second dimension is the prospect of providing tools and services for assessing and dealing with L&D. Both aspects will be explored below in terms of expectations and relevance to the private sector.

## **4 Relevance of L&D for the private sector?**

From a private sector point of view the conceptual separation of L&D, CCA, and DRR might appear a highly theoretical and academic exercise, with limited relevance. Instead of indulging in this conceptual debate we suggest using the following pragmatic 'L&D' characterization:

-Geographical: 'developing countries that are particularly vulnerable to the adverse effects of climate change' (UNFCCC, 2008)

-Hazard: 'the adverse effects of climate change, including impacts related to extreme weather events and slow onset events' (UNFCCC, 2011b)

-Temporal: 'the actual and/or potential manifestation of impacts' (UNFCCC, 2012b)

-Institutional: facilitated through UNFCCC: This sets the boundary of the assessment of private sector relevance in terms of risk and opportunities.

### **4.1 Risks for the private sector arising from L&D**

Determining the risk of current and future L&D is difficult in general, but even more so when looking at particular stakeholders, localities or sectors: How might the products and services of a private company, such as a hotel in the Maldives, be impacted by L&D? In the DRR and CCA literature there are a wide range of approaches on how to assess the potential of losses and damages. This was explored by two recent UNFCCC reports (UNFCCC, 2012b; UNFCCC, 2012c), which highlight technical challenges and limitations for assessing and addressing L&D for economic sectors, such as the difficulties of quantifying hazard and vulnerability, estimation of climate-induced losses, and the consideration of direct and indirect losses, including non-monetary losses. Understanding of L&D arising from slow-onset events is less advanced than in the context of extreme events. All these aspects have to cope with data constraints and uncertainty, not just with regards to climate science, but also for the socio-economic trends, which could potentially lead to inactivity if not addressed properly. In many developing countries the potential to assess loss data is often very limited as Mechler, et al. (2009) explain, "Government asset databases or sectoral disaster loss data is often not available or very limited in scope." The lack of standardized hazard data products and

methodologies for statistical analysis of hazard characteristics and mapping (WMO, 2009), as well as the state of observation networks and data infrastructure can be a further limiting factor (Westermeyer et al., 2011).

As the data needs and data availability differ from sector to sector and across geographical scales, a patch-work of risk assessments and loss scenarios exist. One example of a scheme where assessment of loss on a sectoral basis is undertaken is Caribsave (2013), a partnership working with stakeholders, including the private sector, to assess impacts to the tourism industry in the Caribbean. Sectoral losses in several localities have been quantified and assessed, using modelling with specific application to L&D (UNDP, 2010).

Downscaling and extrapolating sectoral data can limit the applicability of the information, as seen in the case of Integrated Assessment Models (IAMs) (UNFCCC, 2012c). The current scientific knowledge on this topic is summarized by the IPCC's SREX report (IPCC, 2012), which references a range of economic sectors with respect to their potential exposure to climate risks, such as 'water, agriculture and food security, forestry, health, and tourism' (IPCC, 2012: 16 and 235). The most detailed assessment is provided for the transport sector, which is deemed very vulnerable to extremes in temperature, precipitation, river floods, and storm surges, particularly in coastal regions (IPCC, 2012:258). The report highlights that there are gaps in the assessment of indirect disaster impacts on social or economic systems, such as on income-generating sectors and national savings (IPCC, 2012: 363).

Understanding risks is one aspect, but more importantly for the private sector might be the consideration of how to deal with L&D: How can the hotel in the Maldives respond to the risk of L&D? As part of the work in thematic area II of the L&D work programme, which focuses on potential responses, UNFCCC (2012b) assessed the applicability of current CCA and DRR practices for L&D. Investigating risk reduction, transfer and retention, there are a range of examples relevant for dealing with L&D, but mainly in the context of extreme events, not for slow onset events. While this has not specifically been explored for the private sector, some of the examples may be relevant and applicable.

In addition to these direct impacts there is also a dimension of political risk – decisions made under the UNFCCC's work stream that could have implications for the private sector, for example through the introduction of new mechanisms, regulations or changes in public funding priorities. At UNFCCC level, it is thematic area III, which explores the role of the Convention that could trigger these implications. The one area where this has already emerged is insurance. The CAF (UNFCCC, 2011a, para. 28(a) and (b)), specifically highlights insurance, asking how insurance mechanisms could be utilized to increase climate resilience in the most vulnerable countries, and how private insurers could be engaged in reducing climate risks. Any decision on these mechanisms could have an impact on the insurance industry, for example through mandating the development of insurance pools. There are also potential legal implications, for example if a new L&D mechanism would provide compensation for L&D. The private sector in developing countries could potentially receive some of those pay outs, while there could also be a dimension of liability arising for companies in developed countries. It is important to point out that this debate is still highly speculative, and also facing the challenges of determining climate change attribution. Nevertheless, there could be significant implications for the private sector (Verheyen, 2012).

#### **4.2 Potential for private sector to support loss and damage assessment and responses**

While businesses particularly in developing countries are likely to see significant L&D negatively impacting their business operations, there is also the potential to develop business opportunities arising from the need to respond to L&D. Thematic areas I and II indicate a potential for the private

sector to offer relevant expertise, skills and knowledge in assessing and managing risks. Within the literature we find reference to insurance, risk modelling, private infrastructure provision (UNFCCC, 2012c) and legal services (CSE, 2012; Freier et al., 2012; Verheyen, 2012). Most of the private sector skills and knowledge are based on efforts to manage risks from severe weather events such as insurance, modelling, reconstruction, there remains, however, limited evidence of input on slow-onset events (Ranger et al., 2011).

In the area of risk modelling there are a range of examples where private sector modelers and data providers are collaborating with the public sector. An example is the Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI, 2011) that demonstrates an open source mapping technology that pushes for more effective Disaster Risk Management. This technology, with its feasibility of web mapping aids in fast post-damage assessment and forwards the dissemination of risk into planning and development, as well as financial review based on risk outcomes. The strength of the private sector in aiding and developing such modelling techniques is becoming essential as spatial understanding of risk is increasingly needed to allow effective decision making. A similar approach is demonstrated by CAPRA (CAPRA, 2012), an open source platform for risk analysis, using probabilistic techniques for hazard and loss assessment. Such tools not only involve the private sector in contributing to their development but could also enable private sector actors to design innovative financial risk transfer products based on their findings from the outputs from such platforms.

The commercial viability of these private sector activities remains unclear. In the case of insurance it is apparent that many projects are still at a piloting stage and subject to significant funding from donors or the public sector (Surminski and Oramas-Dorta, 2011). We will now explore how these two aspects (risks and potential) are considered in the current debate on L&D within the UNFCCC.

## **5 Evidence from submissions to the UNFCCC's L&D work programme**

Since its inception in 2011 the UNFCCC work programme on L&D has conducted several 'calls for submission', asking Parties and Observers for input on specific questions related to the work programme:

- On 'possible elements to be included in the recommendations on loss and damage' (Decision 7/CP.17, paragraph 9) (Deadline 17 September 2012) See also FCCC/SBI/2012/MISC.14;
- On what to consider under the three thematic areas of the work programme (deadline 15 August 2011) See also FCCC/SBI/2011/MISC.8 and FCCC/SBI/2011/MISC.8/Add.1, and;
- On 'views and information on elements to be included in the work programme on loss and damage' (deadline 21 February 2011) See also FCCC/SBI/2011/MISC.1).

These calls give Parties, Observers and also 'non-admitted' organizations the opportunity to lay out their views on thematic issues, institutional questions, governance arrangements and suggestions on how to take the L&D work programme forward.

### **5.1 Member responses to the UNFCCC on L&D**

As of April 2013 the total number of submissions to the UNFCCC in response to these three calls stands at 72. Of those, 28 (38.8%) make explicit reference to the private sector<sup>1</sup>. All of those references start by calling for the UNFCCC to facilitate greater engagement with the private sector in climate risk management, with Norway outlining that the 'broad participation from stakeholders (...including the) private sector would be crucial to a good outcome of the work programme' (Norway, 2011), while Gambia asks 'to seek (private sector) contribution for a successful mechanism to address loss and damage in LDCs' (Gambia, 2011), this again highlights the expectation of private sector involvement – but explicit detail of what this 'contribution' means remains lacking. This call for greater engagement of the private sector is mirrored by the submission from Non-Parties, such as Observers and non-admitted organizations. The World Health Organization, International Labour Organization, and UNISDR all reference this in a general context. However, while these submissions point to a clear deficit in integrating the private sector, they do not provide much detail on the expectations that come with it.

The US is more specific in explaining the aim of this engagement: 'increase collaboration with the private sector, in order to achieve effective and comprehensive risk management. (...) We should also prioritize the development of strategies that leverage private sector resources and create market-based mechanisms that are not overly reliant on public sector budgets, and that are sustainable in the long term' (United States of America , 2011).

The only reference to the risks of L&D for the private sector comes from Gambia, referencing the need to provide the private sector in LDCs with tools and information to help them respond to the risk of L&D. The submission specifically mentions 'climate services for users in both the public and private sector in LDCs and other vulnerable countries, (... including the) strengthening of meteorological services in developing countries to facilitate free sharing of data and information' (Gambia, 2012).

## **5. 2 The role of insurance in L&D**

Overall, we establish a large degree of vagueness in terms of what role the private sector could play in the context of L&D. While the UNFCCC is tasked with further facilitation of private sector engagement, it is not clear what form or shape this could take. Further details on how this engagement could play out for L&D is only provided for one sector: Throughout the submissions from Parties and Non-Parties the most specific input on the role of the private sector in L&D is in the context of insurance. This is not surprising as insurance as a mechanism of risk transfer is mentioned in the official UNFCCC documents as one possible area for consideration in response to L&D (UNFCCC, 2012b). For our analysis we need to make one important differentiation: referencing insurance as an 'instrument or mechanism' is very common across submissions and broader L&D literature (see Kreft, 2012), but this often does not reflect on who could provide this service, e.g. public sector versus private sector provision. Examples are Switzerland and New Zealand, who specifically call for an assessment of existing and potential insurance mechanisms, but do not specifically distinguish between public and private roles (New Zealand, 2011; Switzerland, 2011). Others point to the need to develop 'potential insurance scheme(s) in particular through the private sector involvement' (Indonesia, 2011) or call for the identification of 'gateways between public (individual solutions, governmental systems) and private sector (insurance)' as for the German Committee for Disaster Reduction (DKKV, 2011). Gambia specifically mentions 'insurance companies' in addition to general 'private sector' in the context of facilitating engagement and when seeking contributions to solutions under L&D (Gambia, 2011).

### **5.2. 1 Private sector insurance solutions and their potential**

Nauru (on behalf of AOSIS) points to the current lack of private sector solutions for insurance in low-income countries: 'It is increasingly clear that these solutions will not be forthcoming from the

private sector for the benefit of SIDS and LDCs without intervention at the international level' (Nauru 2012). Bread for the World (BfdW) and the Church Development Service (EED) warn that 'market based for-profit insurances are unlikely to be a feasible instrument to address poor peoples' needs in developing countries - even microinsurances might not be able to adequately meet up with community needs'. While stating that 'insurance based solutions can help to address loss and damage as promising proposals like the ones made by the Munich Re Climate Insurance Initiative or AOSIS indicate' BfdW suggests further assessment of how to 'establish innovative mechanisms for risk transfer and risk sharing', suggesting that 'insurance schemes are not a 'stand alone' solution and need to be accompanied by other instruments of equal importance' (BfdW, 2011).

The US on the other hand warns that there is a risk of 'crowding out private insurance providers if an international insurance pool with fully subsidized premiums' is established. The US submission clearly champions the involvement of private insurers, which are 'likely to be more nimble and capable of rapid response than a global insurance facility under the UNFCCC'. The submission refers to a range of examples of existing private insurance involvement in developing products in low-income countries, and notes that 'in many cases, risk reduction and preparedness can be the least-cost option; for the most extreme and infrequent events, however, insurance often makes more sense. This area of inquiry can benefit from the expertise of private insurers and financial sector experts'. The submission suggests that the L&D work programme should look into what countries can do to attract private sector involvement for insurance and to 'pinpoint barriers to implementation and private sector participation'. More specifically, the submission suggests the 'creation of a template that could be applied in various countries and regions to assess readiness for market-based insurance schemes, for those who decide that insurance is worth pursuing as part of their risk management strategy (...) and to reduce barriers to private sector entry' (United States of America, 2011).

The submission from the Grantham Research Institute (Ranger, et al., 2011) raises several important points in this context that would require analysis when exploring the use of insurance for L&D. Namely defining the role of private and public sector insurance and reinsurance providers and how initiatives can be designed and delivered, with reference to leveraging of private finance and expertise and fostering private sector growth in least developed countries (LDCs) . The potential risks are also questioned with 'How are the residual risks managed? How can we avoid moral hazard?' and 'How can initiatives be designed to avoid crowding out the private sector?' (Ranger et al., 2011). With regards to the role of the UNFCCC we can identify three themes: a call for assessment of the applicability of insurance mechanisms and the role of the private sector, the need for support where private sector involvement may be lacking, and the warning of crowding out existing or emerging private sector solutions.

### **5.2. 1 The private insurance sector response to climate risk management and L&D**

How the private sector may respond to these calls is exemplified in two submissions from organizations that have been set up by the insurance industry (ClimateWise and MCII), and one submission from the financial sector engagement platform of the United Nations Environment Programme (UNEPFI) that includes a range of private insurance companies. All three groups are examples of how insurance companies have tried to institutionalize their dialogue with policy makers in the area of climate risk management:

- ClimateWise, the industry-led climate initiative launched in 2008, points to the need for 'public-private partnerships' in order to exhaust the full potential of 'what is possible in building resilience to climate change impacts'. ClimateWise refers to pilot projects and initiatives where its members are engaged and 'where national governments have come together with other relevant organizations such as private (re)insurers, non-governmental

organizations and community groups to develop and implement new climate risk management and insurance partnerships'. The submission suggests that there are lessons to be learned from these examples and offers this type of knowledge input as a 'practical contribution(s) from the insurance industry' (ClimateWise, 2011).

- The UNEP Finance Initiative (UNEP FI) describes itself as 'the largest and oldest public-private partnership between the United Nations and the financial service sector' and aims to 'facilitate industry dialogue on loss and damage and provide substantive input to the UNFCCC process and the SBI loss and damage work programme'. The submission calls for a dialogue with policy makers to 'promote the effective mobilization of the significant expertise and capacity on risk management and risk transfer of the insurance industry in order to reduce climate risks and build climate- resilient communities'. More specifically UNEPFI underlines the need that 'both the UNFCCC community and the insurance industry should have a clear understanding of each other's scope, operations, needs and practices' and references a range of guiding principles for this, including 'Private sector involvement'. The submission calls for further research 'on how innovative public-private partnership models and enabling policy, regulatory and legal frameworks can accelerate, expand and deepen insurance industry involvement in vulnerable countries' (UNEP, 2011).
- The Munich Climate Insurance Initiative (MCII), set up in April 2005 and particularly active in the UNFCCC discussions about L&D, describes this work programme as an 'unparalleled platform' for collaboration between the broad range of experts and decision makers across DRR and CCA, including the private sector. The MCII submissions call attention to the use of insurance as a tool supported by both the private and public sectors, using best practice to overcome challenges such as efficiency, affordability, including design features to avoid moral hazard and encourage risk reduction in low-income countries. Such a partnership could 'offer the market sustainability of private sector approaches, and the flexibility and innovation of public sector approaches (and that) subsidiarity means that each partner will have clearly defined, distinct roles to play.' Referencing experience with pilots and more established approaches in developed countries, MCII specially suggest 'light governance structures for risk pools' and the establishment of 'a fund of last resort' to facilitate a greater involvement of the private insurance sector (MCII, 2011). The submission references one particular aspect that is likely to become the core of the debate about the role of the UNFCCC in facilitating private sector engagement: Are policy makers prepared to use adaptation financing as a way to financially incentivize private companies? The MCII submission outlines how this 'appetite of policy makers' could be raised in the case of insurance. While not explicitly mentioned in any of the other submissions, this aspect is fundamental when exploring how to structure a L&D mechanism and how to engage the private sector. The submissions are hinting at different degrees of 'enthusiasm' for private market solutions from policy makers, and some cautious support from the few private sector representatives that have been engaged in the debate so far. In conclusion there remain many questions as to the role that private sector actors may play when exploring the use of insurance for L&D particularly in relation to the 'public versus private' context.

## 6 Concluding observations

We conclude with a range of observations highlighting the current debate, indicating gaps and pointing to the future direction of policy and research:

- The submissions show a degree of 'vagueness' when it comes to outlining the role the private sector could play in the context of L&D and how this could be supported by the UNFCCC. The majority of official submissions do not consider the private sector at all, while those that do refer to it mostly in general terms as a stakeholder that needs to be consulted, involved or 'engaged'. Insurance is the only area where this has been explored in greater detail.
- From the submissions we notice that private sector engagement is mainly seen in the context of utilizing private sector expertise based in developed countries, rather than assessing current and future impacts on the growing private sector in developing countries, or exploring the potential for fostering growth of domestic industries. Considering the longer-term nature of L&D it would be important to establish how these dynamics would work in decades to come, incorporating private sector growth and other trends into this outlook.
- There is evidence that the question of private sector engagement has been mainly focused on the impact of extreme events. Suggestions about addressing slow onsets as well as estimating risks arising from slow onsets are very limited. The potential for large-scale disruption brought on by slow onset climate change hazards will require significant coordination of international trade and investment flows. Incentivizing action in the private sector and marshalling the capital it has to offer is another essential feature of a concerted approach to addressing loss and damage from slow impact climate change hazards (Siegele, 2012).
- The topic of private sector engagement in an area such as L&D is embedded in the wider discourse about roles and responsibilities of public and private sector. The submissions highlight this to some extent, the debate on insurance shows this in more detail: on one side the aim to improve efficiency by involving the private sector, on the other the concern about potentially going too far in terms of private market solutions that may not work in the context of most vulnerable countries. These questions are not unique to L&D, but they should be considered when designing any new mechanisms to deal with L&D at the international level.
- As seen in the related fields of DRR and CCA, there are already international efforts under way to promote private sector actions in developing countries. A closer look reveals that this engagement is mostly in terms of larger businesses operating at a global level, which are linked to global business networks and private sector platforms. For the L&D discourse it

would be important to explore to what extent these engagement models could be used and what the lessons learned are. What seems missing is a focus on small and medium size enterprises. This could be particularly important for the risk aspects, understanding impacts and developing response strategies.

- The lack of definition and the unclear conceptual boundaries can create confusion amongst stakeholders such as the private sector. How to determine if something is adaptation, disaster risk reduction or L&D management? While these conceptual aspects are important for the future policy direction and possibly the allocation of funding streams, for private sector actors it does not necessarily matter if their risks and opportunities are considered under CCA, DRR or L&D, although policy implications and possible regulatory response might differ across these areas.
- Finally, an area that would require further research is the effectiveness of private sector engagement. While there are a range of case studies and illustrative examples in the CCA and DRR areas, no comprehensive measure exists to calculate the impact, particularly in terms of increased resilience. Have the initiatives highlighted under the UNFCCC Adaptation initiative led to increased resilience? Is this more effective than regulation? And what is the scope for utilizing these engagement models for L&D?

Reflecting on the current debate about L&D and the on-going efforts within UNFCCC to develop international mechanisms in response to L&D this paper provides some pointers: prioritizing funds and policies is subject to debate on where the need is greatest and how best to achieve economic efficiency and equitable outcomes. Creating greater clarity on expectations of and the ability to deliver by the private sector will be important – this may possibly be the most important area for UNFCCC to focus on when aiming for private sector engagement.

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## **8 Notes**

1 See appendix for a summary of the private sector references provided by the submissions to the UNFCCC.

2 Loss and damage as a concept was established at negotiations at the 13th COP in Bali in 2007, and called for consideration of 'disaster risk reduction strategies and means to address loss and damage associated with climate change impacts in vulnerable countries' (UNFCCC, 2008. Para 1(c)(iii)). The most recent progress on loss and damage at COP18 was to establish at COP19 institutional arrangements and a mechanism for addressing loss and damage



[http://unfccc.int/files/meetings/doha\\_nov\\_2012/decisions/application/pdf/cmp8\\_lossandddamage.pdf](http://unfccc.int/files/meetings/doha_nov_2012/decisions/application/pdf/cmp8_lossandddamage.pdf)

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[http://siteresources.worldbank.org/EXTNWDR2013/Resources/8258024-1320950747192/8260293-1322665883147/WDR\\_2013\\_Report.pdf](http://siteresources.worldbank.org/EXTNWDR2013/Resources/8258024-1320950747192/8260293-1322665883147/WDR_2013_Report.pdf) (Accessed 25 March 2013).

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<http://data.worldbank.org/sites/default/files/little-data-book-on-private-sector-dvlpmnt-2012.pdf> (Accessed 25 March 2013).

## Appendix

Table of Private sector references in submissions under the UNFCCC's work program on L&D (from Parties and non-Parties)

Who (party/non-party)	What do they say about private sector and L&D	Year	Source/Reference
<p>Work programme on loss and damage Views and information from Parties and relevant organizations and other stakeholders, taking into account the outcomes of the implementation of the work programme on loss and damage prior to the submission, on the possible elements to be included in the recommendations on loss and damage in accordance with decision 1/CP.16. (Decision 7/CP.17, paragraph 9) (Deadline 17 September) See also: <a href="#">FCCC/SBI/2012/MISC.14</a></p>			
<p><b>Submissions by Parties</b></p>			
<p>Bolivia (for Bolivia, Ecuador, China, El Salvador, Guatemala, Thailand, Philippines, and Nicaragua)</p>	<p>No mention</p>	<p>2012</p>	<p><a href="http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/bolivia_et_al.pdf">http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/bolivia_et_al.pdf</a></p>
<p>Cyprus (for EU and member states),</p>	<p>p5 'The COP should strive to encourage broad collaboration across sectors with different stakeholders within and outside the Convention, including the private sector.'</p>	<p>2012</p>	<p><a href="http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/eu_updated.pdf">http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/eu_updated.pdf</a></p>

Gambia (for LDCs),	p6: 'Climate services for users in both the public and private sector in LDCs and other vulnerable countries: Unknown risks are a major impairment for investment in development. Climate services need to be built up in such a way that they serve both the public and private sector widely (open7 source). This requires strengthening of meteorological services in developing countries to facilitate free sharing of data and information. There is also a need to clarify the role, scope and ambition of the Global Framework for Climate Services run under the auspices of the World Meteorological Organization (WMO) in the context of providing information services that are both accessible and appropriate for end users.'	2012	<a href="http://unfccc.int/files/adaptation/application/pdf/submission_by_the_gambia_on_behalf_of_the_least_developed_countries_on_loss_and_damage.pdf">http://unfccc.int/files/adaptation/application/pdf/submission_by_the_gambia_on_behalf_of_the_least_developed_countries_on_loss_and_damage.pdf</a>
Ghana	No mention	2012	<a href="http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/ghana_loss_and_damage.pdf">http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/ghana_loss_and_damage.pdf</a>
Nauru (for AOSIS)	p3: 'It is increasingly clear that these solutions will not be forthcoming from the private sector for the benefit of SIDS and LDCs without intervention at the international level.'	2012	<a href="http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/aosis_submission_on_loss_and_damage_submission_2_october_2012.pdf">http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/aosis_submission_on_loss_and_damage_submission_2_october_2012.pdf</a>
Norway	No mentions	2012	<a href="http://unfccc.int/files/documentation/submissions_from_par">http://unfccc.int/files/documentation/submissions_from_par</a>



			<a href="#">ties/application/pdf/norway_submission_loss_and_damage_submission_2_october_2012.pdf</a>
Swaziland (for the African Group)	No mentions	2012	<a href="http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/africa_group_submission_on_loss_and_damage[1].pdf">http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/africa_group_submission_on_loss_and_damage[1].pdf</a>
United States	<p>p3: 'Third, there is mounting evidence that subsidized premiums reduce the overall availability of insurance tools by crowding out private insurance providers, which cannot compete with artificially low premiums that do not reflect real risk.'</p> <p>p4: 'The Convention can facilitate greater capacity of developing countries to make decisions about when and how to implement these climate risk management approaches at the national and sub-national levels. It can encourage Parties, relevant institutions, and the private sector to:</p> <ul style="list-style-type: none"> <li>• Document work being undertaken;</li> <li>• Evaluate the impact of climate risk management tools on climate vulnerability and loss and damage;</li> <li>• Share knowledge and lessons learned;</li> <li>• Help fill capacity and data gaps; and</li> </ul>	2012	<a href="http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/us.pdf">http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/us.pdf</a>

	<ul style="list-style-type: none"> <li>Engage in new implementation efforts, including scaling up or replicating promising pilots.'</li> </ul>		
<p>Loss and damage: Further views and information from Parties and relevant organizations on the themes to be addressed in paragraphs (a-c) below:(a) Assessing the risk of loss and damage associated with the adverse effects of climate change and the current knowledge on the same; (b) A range of approaches to loss and damage associated with the adverse effects of climate change, including impacts related to extreme weather events and slow onset events, taking into consideration experience at all levels; (c) The role of the Convention in enhancing the implementation of approaches to address loss and damage associated with the adverse effects of climate change.(deadline 15 August 2011)See also <a href="#">FCCC/SBI/2011/MISC.8</a> and <a href="#">FCCC/SBI/2011/MISC.8/Add.1</a></p>			
Australia	No mentions	2011	<a href="http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/australia.pdf">http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/australia.pdf</a>
Colombia	No mentions	2011	<a href="http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/colombia.pdf">http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/colombia.pdf</a>
El Salvador	No mentions	2011	<a href="http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/el_salvador_16_aug">http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/el_salvador_16_aug</a>

			<a href="#">pdf</a>
Gambia on behalf of the Least Developed Countries Group	p4: 'Facilitating the stakeholder engagement in relation to the issue of loss and damage (including private sector, insurance companies, guarantee agencies, decentralized financial systems, scientific communities), and seek their contribution and engagement for a successful mechanism to address loss and damage in LDCs.'	2011	<a href="http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/el_salvador_16_aug.pdf">http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/el_salvador_16_aug.pdf</a>
Norway	p1 'We believe that the work programme will also provide valuable inputs to the work undertaken by Parties, international organisations and the private sector on risk management strategies to address loss and damage associated with the climate change impacts' p4 'What role should public, private and civil society play in risk management strategies?' p5 'We would like to use this opportunity to reiterate that broad participation from stakeholders: relevant international organisations, non-governmental organisations and private sector would be crucial to a good outcome of the work programme'	2011	<a href="http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/norway_loss_and_damage.pdf">http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/norway_loss_and_damage.pdf</a>
Pakistan	No mentions	2011	<a href="http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/submission_by_pakistan.pdf">http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/submission_by_pakistan.pdf</a>

Poland and the European Commission on behalf of the European Union and its member States	<p>p2 'How are different categories of stakeholders engaged in risk management approaches, i.e. the public and private sectors as well as civil society?'</p> <p>p3 'Organisation of three regional workshops, in collaboration with relevant UN Agencies and/or regional centres providing climate services, subject to the availability of support, and drawing on the participation of a broad range of stakeholders including the private sector, to consider existing approaches to address disaster risk and the risk for loss and damage associated with climate change.'</p>	2011	<a href="http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/eu_revised_submission.pdf">http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/eu_revised_submission.pdf</a>
Sri Lanka	No mention	2011	<a href="http://unfccc.int/files/adaptation/application/pdf/submission_loss_and_damage_sri_lanka.pdf">http://unfccc.int/files/adaptation/application/pdf/submission_loss_and_damage_sri_lanka.pdf</a>
Switzerland	<p>p1 'What are the actors / institutions/networks with relevant knowledge (incl. actors/institutions in DRR, development cooperation, humanitarian aid and the private sector)?'</p> <p>p2 'What role may the Convention play in enhancing the implementation of approaches to address loss and damage, e.g. through capacity building, technology transfer and finance, and in the context of initiatives of governments, private sector, civil society and others?'</p>	2011	<a href="http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/switzerland.pdf">http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/switzerland.pdf</a>
United States of America	<p>p2 'There are comparable organizations in many countries in the world, as well as at the international level that could be invited to present.</p> <p>Useful research is also being undertaken on these issues at many universities, public and private research laboratories, and other non-governmental organizations.'</p>	2011	<a href="http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/united_states.pdf">http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/united_states.pdf</a>

The following are from : SUBMISSIONS FOR CONSIDERATION AT SBI 34 Views and information on elements to be included in the work programme on loss

and damage (deadline 21 February 2011)See also <a href="#">FCCC/SBI/2011/MISC.1</a>			
Australia	No mentions	2011	<a href="http://unfccc.int/files/adaptation/applications/pdf/australia_submission.pdf">http://unfccc.int/files/adaptation/applications/pdf/australia_submission.pdf</a>
Bosnia and Herzegovina	No mentions	2011	<a href="http://unfccc.int/files/adaptation/applications/pdf/bosniaherzegovina_submission.pdf">http://unfccc.int/files/adaptation/applications/pdf/bosniaherzegovina_submission.pdf</a>
Canada	<p>p1 'Canada is an advocate of clean technology and the Technology Mechanism established in Cancun can lead to a more sustainable low-carbon future by supporting innovation and development of new technologies, while facilitating engaged involvement from the private sector.'</p> <p>p3 'the roles of governments, the private sector and civil society organizations, including innovative partnership approaches to advancing adaptation;'</p> <p>p3 'effective and proven approaches to encourage the engagement of the private sector in risk reduction or risk management;'</p> <p>p3 'In implementing the work programme, it will be critical to engage a broad range of relevant experts, including those from the private sector and civil society organizations, through workshops, expert meetings, and technical papers, as appropriate'</p>	2011	<a href="http://unfccc.int/files/adaptation/applications/pdf/canada_submission.pdf">http://unfccc.int/files/adaptation/applications/pdf/canada_submission.pdf</a>
China	No mentions	2011	<a href="http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/">http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/</a>

			<a href="#">china_ld.pdf</a>
Ethiopia	No mentions	2011	<a href="http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/ethiopia_l&amp;d.pdf">http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/ethiopia_l&amp;d.pdf</a>
Grenada on behalf of AOSIS	No mentions	2011	<a href="http://unfccc.int/files/adaptation/cancun_adaptation_framework/application/pdf/aosis_28_february_2011.pdf">http://unfccc.int/files/adaptation/cancun_adaptation_framework/application/pdf/aosis_28_february_2011.pdf</a>
Hungary and the European Commission on behalf of the European Union and its member States	No mentions	2011	<a href="http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/hungary_eu_submission_ld.pdf">http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/hungary_eu_submission_ld.pdf</a>
India	No mentions	2011	<a href="http://unfccc.int/files/adaptation/cancun_adaptation_framework/application/pdf">http://unfccc.int/files/adaptation/cancun_adaptation_framework/application/pdf</a>

			<a href="#">f/india_24_february_2011.pdf</a>
Indonesia	p1 'Consider relevant financial aspects with a view to develop possible instruments for loss and damage, including: potential source of fund and distribution arrangement to developing countries as well as potential insurance scheme in particular through the private sector involvement;'	2011	<a href="http://unfccc.int/files/adaptation/cancun_adaptation_framework/application/pdf/indonesia_22_february_2011.pdf">http://unfccc.int/files/adaptation/cancun_adaptation_framework/application/pdf/indonesia_22_february_2011.pdf</a>
Japan	No mentions	2011	<a href="http://unfccc.int/files/adaptation/cancun_adaptation_framework/application/pdf/japan_25_february_2011.pdf">http://unfccc.int/files/adaptation/cancun_adaptation_framework/application/pdf/japan_25_february_2011.pdf</a>
Malaysia	No mentions	2011	<a href="http://unfccc.int/files/adaptation/application/pdf/malaysia_submission.pdf">http://unfccc.int/files/adaptation/application/pdf/malaysia_submission.pdf</a>
Mexico	p2 'Build partnerships and get commitment from other actors such as social and private sectors, to be involved in prevention and response plans' p2 'Implement effective public awareness on risks is crucial to avoid human losses. Participation of government, social and private sector at the lowest level allows spreading of self-protection awareness' p3 'As an additional preventive measure, insurance instruments at private, local and national scale	2011	<a href="http://unfccc.int/files/adaptation/cancun_adaptation_framework/application/pdf/mexico_1_march">http://unfccc.int/files/adaptation/cancun_adaptation_framework/application/pdf/mexico_1_march</a>

	<p>could be used, to transfer risk.'</p> <p>P3 'Proposals on financial and risk transfer mechanisms, technology transfer mechanisms to face slow onset events and mechanisms to involve private and social sectors could also be discussed.'</p>		<a href="#">2011.pdf</a>
New Zealand	<p>p1 'New Zealand sees the role of the Convention as coordinating and catalysing activity to facilitate discussion amongst relevant parties, including development and private sector experts, to share ideas and information.'</p> <p>p1 'The work programme should facilitate expert-level discussions with private and public sector experts to investigate existing systems and flesh out various options for and suitable alternatives to an insurance mechanism, with a view to achieving a better understanding of the various options available with a view to informing eventual decisions on suitable solutions.'</p> <p>p2 'The work programme should involve experts from all sectors engaged in adaptation, loss and damage reduction and disaster risk management processes, including the private sector and development practitioners, and take into account the following considerations:'</p>	2011	<a href="http://unfccc.int/files/adaptation/cancun_adaptation_framework/application/pdf/new_zealand_21_february_2011.pdf">http://unfccc.int/files/adaptation/cancun_adaptation_framework/application/pdf/new_zealand_21_february_2011.pdf</a>
Norway	<p>p2 'This should also encompass other activities implemented by the Parties and other actors (civil society and private sector), with a view to facilitating an effective learning-by-doing approach to adaptation'</p>	2011	<a href="http://unfccc.int/files/adaptation/cancun_adaptation_framework/application/pdf/norway_22_february_2011.pdf">http://unfccc.int/files/adaptation/cancun_adaptation_framework/application/pdf/norway_22_february_2011.pdf</a>
Saudi Arabia	<p>p5 'Coordination by the secretariat with relevant international organizations and the private Sector in developed countries on matters relating to economic diversification;'</p> <p>p5 'Promoting Private-public partnerships in various areas to support economic diversification;'</p>	2011	<a href="http://unfccc.int/files/adaptation/application/pdf/saudi_arabia_submission.pdf">http://unfccc.int/files/adaptation/application/pdf/saudi_arabia_submission.pdf</a>
Sri Lanka	No mentions	2011	<a href="http://unfccc.int/files/adaptation/cancun_adaptation_framework">http://unfccc.int/files/adaptation/cancun_adaptation_framework</a>



			<a href="http://unfccc.int/file/work/application/pdf/sri_lanka_22_february_2011.pdf">work/application/pdf/sri_lanka_22_february_2011.pdf</a>
Switzerland	<p>p2 'Involvement of various actors: All stakeholders with relevant expertise in addressing loss and damage shall be engaged in the proposed activities. These include, e.g. actors in DRR, development cooperation, humanitarian aid and the private sector'</p> <p>p4 'A broad range of actors may be involved, e.g. insurance experts from private and public sector (e.g. UNDP, GFDRR, UNEP Finance, WB, and regional insurance facilities), experts in funding architecture and Party delegates.'</p>	2011	<a href="http://unfccc.int/files/adaptation/cancun_adaptation_framework/application/pdf/switzerland_21_february_2011.pdf">http://unfccc.int/files/adaptation/cancun_adaptation_framework/application/pdf/switzerland_21_february_2011.pdf</a>
Turkey	No mentions	2011	<a href="http://unfccc.int/files/adaptation/application/pdf/turkey_submission.pdf">http://unfccc.int/files/adaptation/application/pdf/turkey_submission.pdf</a>
United States of America	<p>p1 '...and increase public-private exchange and collaboration.'</p> <p>P1 'Make decisions on how to allocate limited public funds among a range of risk reduction and risk transfer approaches, and increase collaboration with the private sector, in order to achieve effective and comprehensive risk management.'</p> <p>p2 'There is also evidence that premiums subsidized by donors, in addition to crowding out private insurance providers, can actually impede climate change adaptation by eliminating the motivation to reduce one's own risks (increasing moral hazard).'</p> <p>p3 'National and regional schemes with appropriate private sector participation are also likely to be more nimble and capable of rapid response than a global insurance facility under the UNFCCC.'</p> <p>P3 'Governments and NGOs have been able to bring in financial and private sector expertise to develop technically sound micro-, meso- and macro-insurance products at the local, national and</p>	2011	<a href="http://unfccc.int/files/adaptation/cancun_adaptation_framework/application/pdf/usa_25_february_2011.pdf">http://unfccc.int/files/adaptation/cancun_adaptation_framework/application/pdf/usa_25_february_2011.pdf</a>

	<p>regional levels. For example, the World Bank provided technical assistance to the Government of Mongolia for the development of index-based livestock insurance; Swiss Re has supported micro-insurance design in countries like Ethiopia and India; and the Caribbean Catastrophe Risk Insurance Facility has forged partnerships with several bodies of experts including universities, the Caribbean Institute for Meteorology and Hydrology, and the Caribbean Development Bank.’</p> <p>P4 ‘preparedness can be the least-cost option; for the most extreme and infrequent events, however, insurance often makes more sense. This area of inquiry can benefit from the expertise of private insurers and financial sector experts, as well as analyses undertaken by the Economics of Climate Adaptation (ECA) Working Group<sup>2</sup> and pilots recently conducted in eight Caribbean countries by the Caribbean Catastrophe Risk Insurance Facility.</p> <p>P6 ‘What can countries do to apply these approaches and attract private sector involvement? This sub-topic would help pinpoint barriers to implementation and private sector participation, including areas that require intervention from the national government. It would be helpful, for example, for the work program to support creation of a template that could be applied in various countries and regions to assess readiness for market-based insurance schemes, for those who decide that insurance is worth pursuing as part of their risk management strategy. This template would identify critical constraints in the areas of data, capacity, regulations, demand, and the insurability of priority risks. It can also help identify supporting investments that donors and others can make—in areas such as weather data collection and capacity building—that will directly contribute to adaptation in addition to facilitating the development of risk transfer mechanisms by reducing barriers to private sector entry’</p> <p>p6 ‘We should also prioritize the development of strategies that leverage private sector resources and create market-based mechanisms that are not overly reliant on public sector budgets, and that are sustainable in the long term.’</p> <p>P6 ‘Engagement of stakeholders with relevant specialized expertise ...These include insurers and other private sector representatives, disaster risk reduction specialists, and academics and non-governmental organizations involved in research and pilots around the world.’</p> <p>P7 ‘Engagement of stakeholders with relevant specialized expertise... Furthermore, as insurers develop risk models for these new locations, there will be opportunities for coordinated public-</p>		
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	private efforts to develop data sources and risk models, and a need for transparency in pricing.'		
Uzbekistan	No mentions	2011	<a href="http://unfccc.int/files/adaptation/cancun_adaptation_framework/application/pdf/uzbekistan_1_march_2011.pdf">http://unfccc.int/files/adaptation/cancun_adaptation_framework/application/pdf/uzbekistan_1_march_2011.pdf</a>
Venezuela (the Bolivarian Republic of)	No mentions	2011	<a href="http://unfccc.int/files/adaptation/cancun_adaptation_framework/application/pdf/venezuela_21_february_2011.pdf">http://unfccc.int/files/adaptation/cancun_adaptation_framework/application/pdf/venezuela_21_february_2011.pdf</a>
<b>Submissions by intergovernmental organizations</b>			
Views and information from Parties and relevant organizations and other stakeholders, taking into account the outcomes of the implementation of the work programme on loss and damage prior to the submission, on the possible elements to be included in the recommendations on loss and damage in accordance with decision 1/CP.16			
United Nations High Commissioner for Refugees (UNHCR), United Nations University (UNU), the Norwegian Refugee	No mentions	2012	<a href="http://unfccc.int/resource/docs/2012/sm/sn/igo/106.pdf">http://unfccc.int/resource/docs/2012/sm/sn/igo/106.pdf</a>

Council and its Internal Displacement Monitoring Centre, the Special Rapporteur on the Human Rights of Internally Displaced Persons and the International Organization for Migration (IOM)			
United Nations Development Programme (UNDP)	No mentions	2012	<a href="http://unfccc.int/resource/docs/2012/smsn/igo/102.pdf">http://unfccc.int/resource/docs/2012/smsn/igo/102.pdf</a>
Approaches to address loss and damage associated with climate change impacts in developing countries that are particularly vulnerable to the adverse effects of climate change to enhance adaptive capacity.			
United Nations International Strategy for Disaster	No mentions	2011	<a href="http://unfccc.int/resource/docs/2011/smsn/igo/309.pdf">http://unfccc.int/resource/docs/2011/smsn/igo/309.pdf</a>

Reduction (UNISDR)			
United Nations University (UNU)	No mentions	2011	<a href="http://unfccc.int/resource/docs/2011/sm/sn/igo/129.pdf">http://unfccc.int/resource/docs/2011/sm/sn/igo/129.pdf</a>
World Bank	No mentions	2011	<a href="http://unfccc.int/resource/docs/2011/sm/sn/igo/128.pdf">http://unfccc.int/resource/docs/2011/sm/sn/igo/128.pdf</a>
World Health Organization (WHO)	p4 'Strengthening of coherent partnership between humanitarian actors, NGOs, private sector, and national health systems through emergency preparedness measures in advance of any emergency, to be maintained from the very onset of the emergency and throughout the community recovery and stabilization phase'	2011	<a href="http://unfccc.int/resource/docs/2011/sm/sn/igo/312.pdf">http://unfccc.int/resource/docs/2011/sm/sn/igo/312.pdf</a>
Views and information on elements to be included in the work programme on loss and damage.			
Food and Agriculture Organization of the United Nations (FAO)	No mentions	2011	<a href="http://unfccc.int/resource/docs/2011/sm/sn/igo/105.pdf">http://unfccc.int/resource/docs/2011/sm/sn/igo/105.pdf</a>
Global Climate Observing System (GCOS)	No mentions	2011	<a href="http://unfccc.int/resource/docs/2011/sm/sn/igo/106.pdf">http://unfccc.int/resource/docs/2011/sm/sn/igo/106.pdf</a>

Inter-American Development Bank (IDB)	No mentions	2011	<a href="http://unfccc.int/resource/docs/2011/smsn/igo/108.pdf">http://unfccc.int/resource/docs/2011/smsn/igo/108.pdf</a>
International Labour Organisation (ILO)	<p>p4 'These approaches can contribute to environmental and private / public infrastructure preservation and improvement, soil conservation, or offer social services – both in rural and low-income informal urban settlements – in and out of times of crisis.'</p> <p>p5 In times of crisis, they can also complement and fill the gap where the private sector is not able to and provide the much needed safety net to ensure just transition.'</p>	2011	<a href="http://unfccc.int/resource/docs/2011/smsn/igo/107.pdf">http://unfccc.int/resource/docs/2011/smsn/igo/107.pdf</a>
United Nations Development Programme (UNDP)	No mentions	2011	<a href="http://unfccc.int/resource/docs/2011/smsn/igo/109.pdf">http://unfccc.int/resource/docs/2011/smsn/igo/109.pdf</a>
United Nations Environment Programme (UNEP)	<p>p5 'UNEP Finance Initiative, the largest and oldest public-private partnership between the United Nations and the Financial service sector comprising insurance companies, banks and investment firms aims to facilitate industry dialogue on loss and damage and provide substantive input to the UNFCCC process and the SBI loss and damage work programme.'</p> <p>p8 'The aim of this dialogue is to help promote the understanding and incorporation of effective public-private approaches to risk management and risk transfer in the next international climate change regime. Moreover, the dialogue will promote the effective mobilisation of the significant expertise and capacity on risk management and risk transfer of the insurance industry in order to reduce climate risks and build climate- resilient communities.'</p> <p>p8 'To realise effective public-private approaches to risk management and risk transfer, both the UNFCCC community and the insurance industry should have a clear understanding of each others scope, operations, needs and practices. .... Such principles can enable the UNFCCC community to more fully consider public-private approaches to risk management and risk transfer, and ways to effectively embed these elements in the next international climate change regime. '</p> <p>p10 'For example, the following overarching principles have already been articulated by certain institutions:</p>	2011	<a href="http://unfccc.int/resource/docs/2011/smsn/igo/110.pdf">http://unfccc.int/resource/docs/2011/smsn/igo/110.pdf</a>

	<ul style="list-style-type: none"> <li>• Country ownership (no one size fits all)</li> <li>• Flexibility regarding integration in funding architecture</li> <li>• Private sector involvement</li> <li>• Principles of insurability have to be met'</li> </ul> <p>p10 'Conduct research and propose pilot projects on public-private partnership models for integrated risk management approaches and climate insurance'</p> <p>p10 'Based on previous experience and lessons learned, further research could assess and highlight current thinking and promising avenues on how innovative public-private partnership models and enabling policy, regulatory and legal frameworks can accelerate, expand and deepen insurance industry involvement in vulnerable countries.'</p>		
United Nations International Strategy for Disaster Reduction (UNISDR)	p3 'The Parties should establish a mechanism to formalize the integration of disaster risk reduction experts (from governments, international organizations, research institutes, civil society and the private sector) to assist the Adaptation Committee in its proposed functions as set out in Decision -/CP.16.'	2011	<a href="http://unfccc.int/resource/docs/2011/sm/sn/igo/111.pdf">http://unfccc.int/resource/docs/2011/sm/sn/igo/111.pdf</a>
United Nations University (UNU)	No mentions	2011	<a href="http://unfccc.int/resource/docs/2011/sm/sn/igo/112.pdf">http://unfccc.int/resource/docs/2011/sm/sn/igo/112.pdf</a>
World Meteorological Organization (WMO)	No mentions	2011	<a href="http://unfccc.int/resource/docs/2011/sm/sn/igo/116.pdf">http://unfccc.int/resource/docs/2011/sm/sn/igo/116.pdf</a>

World Bank	No mentions	2011	<a href="http://unfccc.int/resource/docs/2011/sm/sn/igo/115.pdf">http://unfccc.int/resource/docs/2011/sm/sn/igo/115.pdf</a>
<b>Submissions by non-governmental organizations</b>			
Views and information from Parties and relevant organizations and other stakeholders, taking into account the outcomes of the implementation of the work programme on loss and damage prior to the submission, on the possible elements to be included in the recommendations on loss and damage in accordance with decision 1/CP.16			
Clean Energy Nepal (CEN)	p2 'Private and public sector involvement on insurance mechanism to shift the risk of the most vulnerable communities is crucial. However, there is still no consensus on how such mechanism will work. As the existing insurance instruments are unlikely to invest in projects involving high risks, the work programme should come up with the means which will assure the mechanism is accessible to the most vulnerable communities without language and cultural bar, technology hindrance, etc.'	2012	<a href="http://unfccc.int/resource/docs/2012/sm/sn/ngo/279.pdf">http://unfccc.int/resource/docs/2012/sm/sn/ngo/279.pdf</a>
Munich Climate Insurance Initiative (MCII)	p3 'Combining private or public-privately supported insurance with other forms of social protection at the local level can help low-income people to better absorb shocks. Including risk transfer mechanisms in national budgets can contribute to <a href="http://www.climate-insurance.org">www.climate-insurance.org</a> climate resilient development' p5 'Lessons learned from existing efforts within both the public and private sectors, considering elements of design, limitations, challenges and best practices?' p12 'Without government or donor support, private insurance is not easily affordable by households and SMEs in highly exposed and vulnerable countries, where the opportunity costs of private risk-financing instruments can be prohibitively high in terms of meeting other human needs' p13 'As discussed above, there are numerous roles that insurance can play – at the individual, community, country, regional ( international) and global levels—in the context of loss and damage:	2012	<a href="http://unfccc.int/resource/docs/2012/sm/sn/ngo/276.pdf">http://unfccc.int/resource/docs/2012/sm/sn/ngo/276.pdf</a>



	<p>providing security against the wholesale loss of assets, livelihoods and even lives in the post-disaster period; ensuring reliable and dignified post-disaster relief; setting powerful incentives for prevention; providing certainty for weather-affected public and private investments, and not least, spurring economic development and easing disaster-related poverty. A major advantage of insurance over post-disaster financing options, including aid, loans and family assistance, is its timeliness and reliability. In comparison with (usually) ad hoc disaster assistance, insured clients have a “right” to post-disaster compensation. Index-based contracts, which require no inspections for claim settlements, can in principle provide payouts immediately following the “triggering” event. Timely payouts, in turn, enable households to purchase food and other necessities without resorting to selling household assets (that can trap them in poverty), and they help governments avoid fiscal deficits and costly post-disaster loans.’</p> <p>p14 ‘When linking this approach to private sector insurance, leveraging can be tremendous’</p> <p>P14 ‘Through insurance mechanisms. Countries can get: Professional risk assessment by private sector risk specialists’</p> <p>p14 ‘This means a mix of private sector, public sector, and public-private partnership solutions, The public and public-private partnership solutions may differ significantly from standard private sector insurance solutions, and there is scope for much innovation in providing for the needs of affected communities, countries, and regions as the examples below illustrate.’</p> <p>p14 ‘Private sector solutions for well-off households and governments. In some cases, countries may choose to share a layer of risk with the private insurance market for assets such as public infrastructure (sovereign insurance). Frequently, the private sector reinsurance markets are involved in covering some portion of the largest risks a country or sector may face from extreme weather events. Private sector solutions can be “traditional indemnity products”, for which insurance payouts are made proportionate to the loss, or “parametric products”, which establish parameters or triggers for extreme events to determine insurance payout levels.’</p> <p>p14 ‘some very low-income people are not in a position to pay private market prices, may not have access to insurance markets for a variety of reasons, or may not demand the standard products on offer. When private sector markets for insurance are not fully developed—the case in most developing countries—public sector risk transfer solutions sometimes appear. Such solutions can have higher transaction costs than private sector solutions—as market infrastructure and</p>		
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	<p>expertise, a developed client base, and a degree of standardization may not be in place.’</p> <p>p14 ‘Design to overcome barriers and link to broader social goals. Public sector risk transfer schemes sometimes show new ways of thinking in their design (to overcome some of the barriers of private sector insurance)’</p> <p>p15 ‘Provide services that complement risk transfer for low income sector. Publically supported insurance approaches sometimes provide services not always available in private sector product lines (like helping low-income people access credit, offering support to protect livelihoods and not just to cover assets, employing agricultural extension officers for educating people about good risk management practices for extreme weather events)’</p> <p>p15 ‘Public-private partnerships can offer the market sustainability of private sector approaches, and the flexibility and innovation of public sector approaches. Subsidiarity means that each partner will have clearly defined, distinct roles to play ... The private sector can help implement the approaches over time—ideally ensuring that the approaches are efficient, affordable, and comply with consumer-protection standards as well as technical standards (such as premiums being sufficient to cover the risk insured). Strong commitment over a longer period of time is needed when creating sustainable solutions.’</p> <p>p18 ‘Studies like this illustrate the potential which insurance related approaches – public, private, and combinations – have to increase resilience of countries in respect to extreme weather events.’</p> <p>p19 ‘Most developed countries already benefit from the shock-absorbing function of insurance measures, public and private, as well as public-private risk transfer arrangements’</p> <p>p20 ‘Light governance structures for risk pools. For regional and international-level insurance approaches, examples such as the CCRIF show that such facilities are able to contribute to regional risk management efforts as well as make rapid payouts in the case of extreme events. Such institutional models can be designed to have transparent governance structures, allow private sector engagement, and can serve as conduits for international adaptation funding.’</p> <p>p20 ‘A fund of last resort, or global climate risk insurance pool, would be important because this is a level at which large private sector entities may not engage due to the capital requirements to cover the risks.’</p> <p>p24 ‘National governments with the engagement of relevant public and private actors can help fulfil this function inter alia in the following ways:</p>		
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	<p>Obtaining reliable sources of information about managing, reducing and transferring risks; investing in systematic &amp; reliable risk exposure data;</p> <p>Understanding risks of greatest concern by identifying key risks and vulnerabilities, and estimating exposure:</p> <p>Putting a price on risks and adaptation options; Helping evaluate the relative merits (e.g. by cost benefit analysis) of specific adaptation interventions for national implementation.’</p> <p>p24 ‘National governments with the engagement of the relevant public and private actors can help fulfil this function inter alia in the following ways:</p> <p>Act on lessons learned about regional public-private partnerships.</p> <p>Design and implement measures to avoid loss &amp; damage, and transfer risk which cannot be avoided; use risk reduction as criteria for participation in insurance schemes</p> <p>p25 ‘National governments with the engagement of relevant sectors including public and private can help fulfil this function inter alia in the following ways:</p> <p>Engage in risk reduction activities and provide enabling environment for risk management, insurance, governance, etc.’</p>		
GenderCC - Women for Climate Justice (GenderCC)	No mentions	2012	<a href="http://unfccc.int/resource/docs/2012/sm/sn/ngo/267.pdf">http://unfccc.int/resource/docs/2012/sm/sn/ngo/267.pdf</a>
Brot für die Welt (BfdW)	No mentions	2012	<a href="http://unfccc.int/resource/docs/2012/sm/sn/ngo/265.pdf">http://unfccc.int/resource/docs/2012/sm/sn/ngo/265.pdf</a>
Bangladesh Centre for Advanced Studies (BCAS)	No mentions	2012	<a href="http://unfccc.int/resource/docs/2012/sm/sn/ngo/269.pdf">http://unfccc.int/resource/docs/2012/sm/sn/ngo/269.pdf</a>

Approaches to address loss and damage associated with climate change impacts in developing countries that are particularly vulnerable to the adverse effects of climate change to enhance adaptive capacity.			
Munich Climate Insurance Initiative (MCII)	Keywords: SBI Work Program on Loss and Damage, risk management, insurance, climate adaptation, climate change, Cancun Adaptation Framework, risk reduction and prevention, risk transfer, private sector	2011	<a href="http://unfccc.int/resource/docs/2011/sm/sn/ngo/305.pdf">http://unfccc.int/resource/docs/2011/sm/sn/ngo/305.pdf</a>
Deutsches Komitee Katastrophenvorsorge e.V. (DKKV)	No mentions	2011	<a href="http://unfccc.int/resource/docs/2011/sm/sn/ngo/307.pdf">http://unfccc.int/resource/docs/2011/sm/sn/ngo/307.pdf</a>
Friends of the Earth International (FOEI)	No mentions	2011	<a href="http://unfccc.int/resource/docs/2011/sm/sn/ngo/310.pdf">http://unfccc.int/resource/docs/2011/sm/sn/ngo/310.pdf</a>
Climate Action Network International (CAN International)	No mentions	2011	<a href="http://unfccc.int/resource/docs/2011/sm/sn/ngo/317.pdf">http://unfccc.int/resource/docs/2011/sm/sn/ngo/317.pdf</a>
Views and information on elements to be included in the work programme on loss and damage.			
Bread for the World (BfdW) and Church Development Service	p4 'Approaches to dealing with victims of catastrophes can be mainly based on insurance solutions or can be organized on an ad hoc basis. But reliable systems are mostly elaborated in developed countries only. Even there poor people might only have limited access to voluntary private insurances. Therefore market based for-profit insurances are unlikely to be	2011	<a href="http://unfccc.int/resource/docs/2011/sm/sn/ngo/246.pdf">http://unfccc.int/resource/docs/2011/sm/sn/ngo/246.pdf</a>

(EED) and a non-admitted organization	a feasible instrument to address poor peoples' needs in developing countries - even microinsurances might not be able to adequately meet up with community needs, as first experiences in different countries (e.g. Ethiopia) suggest. Insurance based solutions can help to address loss and damage as promising proposals like the ones made by the Munich Re Climate Insurance Initiative or AOSIS indicate. They should be further assessed and elaborated in order to establish innovative mechanisms for risk transfer and risk sharing. However, insurance schemes are not a standalone solution and need to be accompanied by other instruments of equal importance.'		
Center for International Environmental Law (CIEL) and Earthjustice	No mentions	2011	<a href="http://unfccc.int/resource/docs/2011/sm/sn/ngo/248.pdf">http://unfccc.int/resource/docs/2011/sm/sn/ngo/248.pdf</a>
Climate Action Network International (CAN International)	No mentions	2011	<a href="http://unfccc.int/resource/docs/2011/sm/sn/ngo/247.pdf">http://unfccc.int/resource/docs/2011/sm/sn/ngo/247.pdf</a>
German Committee for Disaster Reduction (DKKV)	p1 '- identify gateways between public (individual solutions, governmental systems) and private sector (insurance)'	2011	<a href="http://unfccc.int/resource/docs/2011/sm/sn/ngo/250.pdf">http://unfccc.int/resource/docs/2011/sm/sn/ngo/250.pdf</a>
Munich Climate Insurance Initiative (MCII)	'Keywords: SBI Work Program on Loss and Damage, risk management, insurance, climate adaptation, climate change, Cancun Adaptation Framework, risk reduction and prevention, risk transfer, private sector' p4 'This is an unparalleled platform which will bring together all Parties in the UN System and the combined experience of expert communities from disaster risk management and adaptation, and public and private sector experience from across the world.'	2011	<a href="http://unfccc.int/resource/docs/2011/sm/sn/ngo/252.pdf">http://unfccc.int/resource/docs/2011/sm/sn/ngo/252.pdf</a>

	<p>P16 'What is known about tools that operate in the public domain? In the private domain? In both?'</p> <p>p17 'In existing practice, what are the roles of governments, private sector, other actors?'</p> <p>p17 'Governance, funding, payments, what would implementation options look like for rapid-onset events, for slow-onset events are different instruments needed? Would different instruments need coordination or could they be independent of each other? What is the appetite for financially incentivizing private companies (the existing big Res) with adaptation financing?'</p>		
Network of Regional Governments for Sustainable Development (nrg4SD)	No mentions	2011	<a href="http://unfccc.int/resource/docs/2011/smsn/ngo/253.pdf">http://unfccc.int/resource/docs/2011/smsn/ngo/253.pdf</a>
Tebtebba Foundation	No mentions	2011	<a href="http://unfccc.int/resource/docs/2011/smsn/ngo/254.pdf">http://unfccc.int/resource/docs/2011/smsn/ngo/254.pdf</a>
<b>Submissions from non-admitted organizations</b>			
ClimateWise	<p>p2 'in both developed and developing country contexts, it is only through partnership approaches that see governments and private sector actors working in closer co-operation, that the full potential of what is possible in building resilience to climate change impacts can be realised.'</p> <p>p2 'When it was launched in London in October 2010 (in English, Spanish and French), policy-makers around the world had, for the first time, a clear and coherent understanding of what the global insurance industry as a whole thinks about the role of private insurance and government action in the context of disaster risk reduction and adaptation to the effects of climate change in developing</p>	2011	<a href="http://unfccc.int/resource/docs/2011/smsn/ngo/249.pdf">http://unfccc.int/resource/docs/2011/smsn/ngo/249.pdf</a>

	<p>countries. With this in mind, the Global Insurance Industry Statement was welcomed by the United Nations International Strategy for Disaster Reduction (ISDR) as a positive step forward.’</p> <p>p3 ‘Meanwhile, many of the insurers of ClimateWise are actively involved in pilot initiatives and projects in developing countries to bring the risk management expertise and risk transfer capacity to bear, in partnership with national governments, on crucial adaptation needs. From this experience and wider consultation with Parties and relevant organisations, there appear to be a number of areas where practical contributions from the insurance industry could help to facilitate a closer and more productive public-private dialogue under the loss and damage work programme’</p> <p>p3 ‘Achieving greater clarity on terminology would help stakeholders to better understand and articulate the respective roles for public and private sector actors during the course of the loss and damage work programme’</p> <p>p3 ‘There are a number of examples already in existence of pilot projects, initiatives and schemes where national governments have come together with other relevant organisations such as private (re)insurers, non-governmental organisations and community groups to develop and implement new climate risk management and insurance partnerships. The existence of these examples, from which there is much to learn, is not as widely appreciated as it might be and neither is there a single, coherent place where current examples and learning have been brought together. Parties and other relevant stakeholders would surely benefit from a systematic appraisal of existing schemes to inform their discussions under the loss and damage work programme.’</p>		
<p>Grantham Research Institute on Climate Change and the Environment and The Centre for Climate Change Economics and Policy</p>	<p>p12 ‘What is the role of private versus public insurance/reinsurance providers?’</p> <p>p13 ‘What public/private entities would need to be established to operate the insurance facility and how would these interact with existing public institutions? E.g. independent non-profit organisations, MLFAs or regional development banks? What international, regional and local institutions would need to be involved? How would operational entities be designed and what responsibilities would they have?’</p> <p>p15 ‘What local/international and public/private entities would need to be established? What international, regional and local institutions would need to be involved? How would operational entities be designed and what responsibilities would they have?’</p> <p>p19 ‘What is the role of private versus public insurance/reinsurance providers?’</p>	<p>2011</p>	<p><a href="http://unfccc.int/resource/docs/2011/smsn/ngo/251.pdf">http://unfccc.int/resource/docs/2011/smsn/ngo/251.pdf</a></p>

	<p>p20 'How would be the insurance facility involve the private sector?'</p> <p>p20 'How can initiatives be designed to avoid crowding out the private sector? Is there scope for fostering private sector growth in developing countries (i.e. local insurers/service providers) or would this be mainly covered by large multinational financial players? Could financing be designed to leverage private sector expertise and finance?'</p> <p>p21 'What public/private entities would need to be established to operate the insurance facility and how would these interact with existing public institutions? E.g. independent non-profit organisations, MLFAs or regional development banks? What international, regional and local institutions would need to be involved? How would operational entities be designed and what responsibilities would they have?'</p> <p>p21 'Who oversees and manages underwriting and claims? That is, risk selection process, risk assessment, premium setting and claims payout. How do we reduce the risk of political interference versus private market drivers?'</p> <p>p22 'Would risk transfer tools be delivered by the public sector, private-public organisations, or the private sector? How are the residual risks managed? How can we avoid moral hazard?'</p> <p>p22 'What is the role of the private sector? How can public finance leverage private finance and expertise? How can initiatives be designed to incentivise rather than crowd-out the private sector? Role of local markets versus global players?'</p> <p>p23 'What public/private entities would need to be established? What international, regional and local institutions would need to be involved? How would operational entities be designed and what responsibilities would they have?'</p>		
<p>DanChurchAid (see Bread for the World link above)</p>	<p>No mentions</p>	<p>2011</p>	<p>(see Bread for the World link above)</p>