

# Executive summary

Changes in the climate are rapid, widespread and intensifying. Human influence on this change is unequivocal. The heatwaves, wildfires, floods and tropical storms that have affected many parts of the world in recent years provide a foretaste of the future. Unchecked, climate change will affect all aspects of human life and the natural world, leading to increasing losses and damages. Lives, livelihoods and the social and economic stability of countries and regions are at risk along with the natural environment on which we all depend.

The impacts of climate change are not evenly distributed. Developing countries – especially Least Developed Countries (LDCs) and Small Island Developing States (SIDS) – are disproportionately affected by the impacts of climate change. This is due both to their geographic location and high-levels of exposure and vulnerability to climate-related hazards. Marginalised populations and communities, within and across countries, are particularly vulnerable.

There is high confidence on the aspects of climate change directly related to warming of the climate system and the severity of the associated impacts. There are, however, uncertainties in relation to where, when and how climate-related hazards will occur and how they will interact with future socio-economic developments that determine levels of exposure and vulnerability. Using a medical analogy, scientists have now diagnosed the nature and cause of the “warming disease” and have a good understanding of the prognosis, even if they cannot precisely predict the timing and severity of its effects or how exactly it might interact with other pre-existing conditions, such as extreme poverty or biodiversity loss.

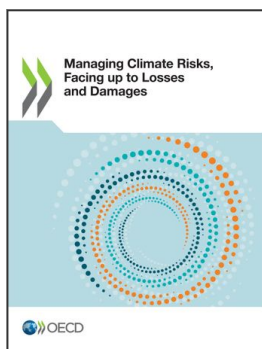
These uncertainties are not a reason to delay action. Quite the opposite. Yet the nature of the uncertainties has important implications for how to approach the challenge of reducing and managing the risks. The context for action is also complex and challenging. This report argues that responsibilities for reducing and managing the risks are shared across different stakeholder groups, nationally and internationally. Large emitting countries have a responsibility to lead the net zero transition. Developed countries must scale up both financial and technical support to developing countries and make such support more accessible and predictable. Ambitious and bold climate action today will reduce future losses and damages; a failure to act means transferring the burden and risks to future generations.

In different ways and with different resources and levels of ambition, governments, the private sector, researchers, civil society organisations and individual citizens – often in partnerships – are taking action. These different stakeholders have complementary roles that offer areas for further action and collaboration. Recommended actions put forward in the report to reduce and manage both economic and non-economic losses and damages are summarised below, with a focus on the role of governments:

1. **Take a precautionary approach by aiming to limit the temperature increase to 1.5°C:** Accelerate strategies to achieve net zero globally by mid-century, supported by shorter-term targets and plans, while rapidly scaling up finance, technology and capacity development.
2. **Create a more effective international development finance landscape supporting efforts to reduce and manage current impacts and projected risks of losses and damages:** Scale-up

finance, improve access to finance and reduce transaction costs to decrease future risks, while fostering country ownership and better aligning international development finance with national priorities, circumstances and needs.

3. **Strengthen the global architecture for climate and disaster risk finance:** Enhance availability and access to financial protection, particularly for the most vulnerable and increase the coherence of international support for climate and disaster risk finance.
4. **Enhance fiscal resilience to deal with increasingly adverse impacts:** Implement a comprehensive approach to risk management to reduce, retain and transfer risks of losses and damages, limit contingent liabilities and review the implications of climate risks for fiscal sustainability.
5. **Protect livelihoods, reduce precarity through insurance, social protection and humanitarian assistance:** Develop insurance markets to make available coverage for climate risks, ensure protection of the most vulnerable segments of society through enhanced social protection, and reduce losses and damages through anticipatory and predictable humanitarian action.
6. **Adopt approaches to decision making that account for uncertainties in climate risks:** Manage risks across different time and spatial scales, enhance capacities within the decision-making process to plan under uncertainty, adopt iterative and adaptive decision-making processes, and identify and manage risks that may overwhelm local capacities.
7. **Integrate climate and sustainable development objectives and improve policy coherence:** Approach decisions on climate risks as an integral component of sustainable development and increase coherence across national and international policy communities.
8. **Improve data, capabilities and processes for climate risk governance:** Enhance international support for observational and forecasting capabilities, particularly in developing countries and including for collection and interpretation of data on extreme events and impacts; further strengthen weather and climate information services and establish an international mechanism to monitor tipping elements in the climate system to provide early warning for strategies and actions.
9. **Facilitate inclusive stakeholder engagement that builds on the knowledge, expertise and values of different actors and gives due recognition to intangible losses and damages.** Develop partnerships to enhance coordination and collaboration across communities of policy and practice, nationally and internationally, improve awareness and understanding on the risk and strengthen approaches to reduce and manage the risks of losses and damages, and leverage private sector expertise.



From:

## Managing Climate Risks, Facing up to Losses and Damages

Access the complete publication at:

<https://doi.org/10.1787/55ea1cc9-en>

### Please cite this chapter as:

OECD (2021), "Executive summary", in *Managing Climate Risks, Facing up to Losses and Damages*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/eac256d3-en>

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