Rich nations at UN climate talks are said to be edging towards a compromise on the thorny issue of loss and damage.

Poorer countries want compensation for extreme weather events that they link to large scale carbon emissions.

But the US and EU have long resisted this idea, fearing an endless liability running into billions of dollars.

However a clarified proposal from the US, to be made on Friday, is being seen as a "step forward" by some delegates.

Loss and damage has increasingly become a totemic issue for developing nations, who point to events like Typhoon Haiyan as an example of the tremendous damage that extreme weather events can wreak on the most vulnerable.

They argue that the world is seeing a greater frequency of these events and they are caused, in the main, by emissions of carbon dioxide that are mainly the responsibility of the rich.
At least people are feeling and recognising the elephant in the room, they’re not hiding it under the carpet anymore

Harjeet Singh, Action Aid

The issue has gained considerable traction at these talks in recent years. The question almost derailed the UN process in Poland in 2013. The parties eventually agreed to set up the so-called Warsaw Mechanism, which was given two years to develop a plan of how the issue should be tackled. Many poorer nations felt they had been fobbed off on something they regard as critical to their very survival.

They point to reports from insurers which say that losses linked to weather events have risen from around $50bn a year in the 1980s to around $200bn now.

In Bonn, the developing countries have proposed that loss and damage should be at the heart of a new global deal. They also want a facility to deal with the displacement of people by extreme weather.

According to observers, in contrast to their previous hard line attitude, the US has engaged in discussion on these ideas in a constructive and positive spirit.

"At this meeting we’ve seen positive moves that I think give us hope that loss and damage can be successfully concluded and we can agree a successful climate agreement in Paris," said Julie-Anne Richards from the campaign group, Climate Justice.

Welcome response

A proposal from the US was said to concede that the Warsaw Mechanism should be extended and made permanent. They would also "respond to the concerns of developing countries".

There was likely to be support for other approaches on loss and damage including early warning systems. But an official with knowledge of the proposal stressed that the Warsaw Mechanism was definitely not about liability or compensation.

Despite this, the clarified proposal was welcomed by many observers.

"It is a big step forward," said Harjeet Singh from Action Aid. He said that developing countries had been told that loss and damage would now feature in the outcomes that will be agreed in Paris, something he regarded as progress.

"At least people are feeling and recognising the elephant in the room, they’re not hiding it under the carpet anymore," Mr Singh explained.

Some negotiators acknowledged the shift but were reluctant to go on the record. Others suggested that the issue was being broached here in Bonn in order to try and make progress on the issue before Paris, where many believe it has the potential to become a huge roadblock.

The developing nations want to see more than money thrown at the problem. They are arguing for the setting up of a "climate change displacement coordination facility", to deal with those who lose their homes as a result of extreme weather.

According to Julie-Anne Richards, the current situation being experienced with migrants in the Mediterranean was stiffening the resolve of poorer countries to
make sure that an agreement on people displaced by climate change was part of any new deal.
"Right now if you are a low lying country you'd be looking at the Mediterranean and not having a lot of confidence that your future was guaranteed unless you could get something locked into the Paris agreement that acknowledged that vulnerable countries are going to face the worst impacts," she told BBC News.
"We need to plan in a well organised manner for that - that's what the climate displacement facility would do."