Loss and Damage at COP28: Institutional Context

UNCTAD G77 TWN Workshop on LDF

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Formal negotiations

- Sharm el-Sheikh implementation plan
- Loss and damage
  - Loss-and-damage funding
  - Santiago Network
- Mitigation work programme
- Adaptation
- Finance
- Koronivia joint work on agriculture
- Article 6
- Global stocktake and periodic review
- Response measures
- Other matters
  - Long-term global goal
  - Common metrics
  - Action for climate empowerment
  - Gender and climate

What it means

- Agreement on principle of LD funding to be channeled through an LD fund and other funding arrangements
- LD funding is empty for now, except for start up funding for LD technical assistance to set up the Santiago network (in 2023-2024), bilateral/plurilateral LD initiatives like Global Shield insurance
- 2023 to COP28 – work on funding arrangements and governing instrument for LD fund through LD transitional committee; Santiago network host selection and AB set up
A Historical turning point FOR ADDRESSING LOSS AND DAMAGE DUE TO CLIMATE CHANGE

• Loss and damage to lives and property in developing countries in Africa, Asia-Pacific, and Latin America and the Caribbean due to climate change impacts are significantly increasing in quantity and intensity year on year (including extreme weather events such as superstorms and slow onset events such as sea level rise and desertification) – IPCC 2022

• Covid-19 impacts are exacerbating climate change impacts, undermining development gains and achievement of the SDGs

• Much is at stake, business as usual or backsliding on commitments is not an option
Figure 1: Chronology of Loss and Damage Arrangements in the Multilateral Climate Change Regime

Source: UNFCCC
Loss and Damage in the UNFCCC

Now an integral part of the multilateral climate regime under the United Framework Convention on Climate Change (UNFCCC) and the Paris Agreement.

It has an institutional architecture composed of:

a) policy-setting and policy discussion body in the Warsaw International Mechanism ExCom (WIM ExCom)

b) technical assistance and support network in the Santiago Network on Loss and Damage (SNLD)

c) financing arm in the loss and damage funding arrangements, including the Loss and Damage Fund (LDF)
Loss and Damage within the Broader UNFCCC/Paris Agreement Architecture

Enhancing Multilateral Climate Change Action: Strengthening International Cooperation on Loss and Damage

Mitigation
- Nationally Determined Contributions

Adaptation
- Nationally Determined Contributions
- National Adaptation Plans

Transparency
- National Communications (UNFCCC)
- Biennial Transparency Reports (Paris Agreement)

Loss and Damage
- Reviews
  - Periodic Review every 7 years (UNFCCC)
  - Global Stocktake every 5 years (Paris Agreement)

Means of Implementation (Finance, Technology Transfer, Capacity Building)
(UNFCCC Art 4.3-4.5; PA Art. 9-11)

Mandatory commitments and reporting by developed countries as providers
Voluntary reporting by developing countries on support needed and received
Loss and Damage Institutions in the UNFCCC/Paris Agreement Regime

The white dashed-line box for the LDF indicates that this element is not yet finished.
**Loss and Damage Fund**

<table>
<thead>
<tr>
<th><strong>UNFCCC/PA Financial Mechanism</strong></th>
<th><strong>(to deliver climate finance under Art 4.3-4.5 UNFCCC and Art. 9 PA)</strong></th>
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</thead>
<tbody>
<tr>
<td><strong>Mitigation</strong></td>
<td><strong>Adaptation</strong></td>
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<tr>
<td>(currently 60-65% of flows, inadequate)</td>
<td>(currently 35-40% of flows, inadequate)</td>
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<td><strong>GCF</strong></td>
<td><strong>AF</strong></td>
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<td><strong>GEF</strong></td>
<td><strong>GEF (LDCF, SCCF)</strong></td>
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<td><strong>Reporting of national climate change actions</strong></td>
<td><strong>GEF</strong></td>
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<td>(NCs and BTRs)</td>
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<td><strong>Addressing Loss and Damage</strong></td>
<td><strong>LDF</strong></td>
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<tr>
<td>(voluntary, ad hoc, disaster-driven)</td>
<td><strong>New LD funding arrangements</strong></td>
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</tbody>
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Transitional Committee established at COP27 to provide recommendations to COP28 on design and other issues relating to new LD funding arrangements, including the LDF.
THE LD Fund or An LD fund?

Who governs it?

Who contributes?

Who benefits?

For what?

How much?

How to access?

By when?
Transitional Committee: Work areas to shape the LDF

1. Institutional arrangements
   - LDF governing principles
   - LDF institutional & admin structure

2. Funding elements
   - Funding principles
   - Additional support

3. Funding sources
   - Current financing instruments
   - Principles for new sources of funding

4. Coordination & complementarity
   - Coordination with existing funds
   - Identifying and filling the gaps

*Outside the LDF
Loss and Damage @ COP28

• Agreement on operationalization of new LD funding arrangements, including LDF institutional design and arrangements

• Agreement on the institutional arrangements for the Santiago Network
  • Advisory body – to be elected at COP28 Dec 2023
  • Host agency – to be selected at SB58 in Jun 2023 and COP28 endorsement Dec 2023
  • Secretariat – to start operating in 2024 pursuant to MOA agreed between COP and Host agency

• Reaffirmation of the joint governance of the WIM by COP/CMA
Equity is the key to addressing LD under UNFCCC and Paris Agreement

• Climate justice, equity, and the principle of common but differentiated responsibilities and respective capabilities

• Equity-oriented international cooperation to provide the means of implementation (finance, technology transfer, policy space) to developing countries to support their climate, environment and sustainable development actions

• Equity and fairness in the face of climate impacts as the ethical reasons underlying enhanced LD institutional arrangements and LD finance

Making the system future-ready for climate-related LD
**Strategy**

- Maintain and strengthen Group of 77 solidarity and unity on LD issues - solidarity and unity of developing countries has been fundamental and key to success in the TC and at COP28 in getting agreement on the LD Fund → successful strategy in 2013, 2019, 2021, 2022 in establishing and building up the LD institutional architecture in the UNFCCC

- Build on possible areas of convergence with Annex I partners on the basis of G77 solidarity and unity

- Network with civil society campaigning and advocacy vis-à-vis global North countries on LD issues, especially on operationalizing the LD Fund and ensuring that it has a central role in coordinating broader LD funding arrangements

- Build public narrative, including in media, going into COP28 that LD Fund operationalization as a matter of fairness and climate justice, core issue for G77 unity and solidarity as a whole regardless of whether SIDS, LDCs, LLDCs, MICs, Africa, Middle East, Asia and Pacific, Latin America and Caribbean → it is not a matter that can be traded off
Thank You