

## Developing countries submit formal proposal on Loss and Damage Mechanism

Madrid, 9 Dec (Evelyn Teh) – Developing countries under the **Group of 77 and China** made a formal submission for a proposed decision on the ‘Review of the Warsaw International Mechanism (WIM) for Loss and Damage and the report of the WIM Executive Committee (ExCom) on 7 Dec 2019, at the UNFCCC COP25 in Madrid, Spain.

**Palestine** made the submission on behalf of the **G77 and China** in relation to the review of the WIM which is on the agendas of COP25 as well as the 2nd session of the Conference of Parties to the Paris Agreement (CMA 2).

Informal consultations on the ‘2019 review of the WIM and the report of the ExCom of the WIM’ have been going on under the Subsidiary Bodies, and are being co-facilitated by Kishan Kumarsingh (Trinidad and Tobago) and Marianne Karlsen (Norway). The G77 tabled its submission on 7 Dec for the consideration of Parties at the informal consultations.

The **G77 and China** submission contained a “proposed draft decision text in relation to the issues of financing to address loss and damage and enhancing action and support in relation to loss and damage, including the establishment of an expert group on enhanced action and support under the WIM Executive Committee and the establishment of the Santiago Network on Addressing Loss and Damage”.

The G77 also said that the “submission is being submitted as a Conference Room Paper” or CRP. (A CRP refers to an in-session document that contains new proposals or outcomes of the in-session work and is for use only during the session concerned). (See

<https://unfccc.int/documents/203800>)

The G77 proposal entitled ‘Proposed decision text’ reads as follows:

“The Conference of the Parties / Conference of the Parties Meeting as the Parties to the Paris Agreement,

### Finance

1. Requests developed country Parties to respond to the urgent call of developing country Parties for adequate, easily accessible, scaled up, new and additional, predictable finance, technology and capacity building to assist in averting, minimizing, and addressing loss and damage associated with the adverse effects of climate change, including extreme weather events and slow onset events;

2. Requests the WIM Executive Committee to facilitate increased collaboration with bodies, institutions and organizations under the UNFCCC on finance;

3. Requests the operating entities of the Financial Mechanism under the Convention to expand their focus areas to cover thematic areas such as slow onset events, comprehensive risk management, human mobility and non-economic losses;

4. Decides that the Standing Committee on Finance shall collaborate with the WIM Executive Committee, *inter alia*, when preparing draft guidance to the operating entities of the Financial Mechanism under the Convention to ensure that guidance on funding approaches to avert minimize and address loss and damage associated with climate change impacts in developing countries is included;

5. Requests the Board of the Green Climate Fund to provide, through the appropriate modalities, expedited access to adequate, scaled up, new and additional funding for developing country Parties to assist them to address climate change impacts in the areas of slow onset events, non-economic losses, human mobility, and comprehensive risk management;

6. Decides to increase support in the next biennium budget and future budgets to ensure that the work of the WIM and its Executive Committee including its subgroups is sufficiently and reliably funded;

### Expert group on Action and Support

7. Requests the WIM Executive Committee to initiate its work at its next meeting in order to establish by the end of 2020, in accordance with its procedures and mandate, an expert group to address enhanced action and support for addressing loss and damage in order to:

(a) Explore modalities for supporting existing risk transfer facilities and fostering the development and/or expansion of risk transfer facilities and national and regional solidarity funds, as appropriate, for addressing loss and damage associated with climate change impacts;

(b) Establish a capacity-building programme to address the capacity constraints of developing country Parties in their efforts to avert and minimize loss and damage;

(c) Conduct a gap analysis, at the national and international level, in relation to finance, technology and capacity-building, and explore modalities and provide recommendations on how to address the gaps identified

(d) Collaborate with the Technology Executive Committee and the Climate Technology Center and Network of the Technology Mechanism in the provision of technical support, inter alia, to developing countries during or following the onset of hazards that result in loss and damage;

(e) Develop draft guidance, to be recommended by the WIM Executive Committee to the Standing Committee on Finance, to the operating entities of the Financial Mechanism under the Convention to expand their focus areas to cover thematic areas such as slow onset events, comprehensive risk management, human mobility and non-economic losses;

(f) Develop the operational modalities for the Santiago Network on Addressing Loss and Damage no later than the end of 2021;

### Implementation Network

8. Establishes the Santiago Network on Addressing Loss and Damage to facilitate a technical network of organizations, entities, partners and other relevant stakeholders involved in addressing loss and damage, in order to:

(a) Broaden the access by developing countries to resources by matching technical and other expertise and resources to developing country needs to assist in averting, minimizing, and addressing loss and damage; and

(b) Support the implementation by developing countries of actions to avert, minimize, and address loss and damage.”

While other developing countries aligned themselves with the draft text proposal presented by the G77 and China, developed countries had several questions and reservations, mainly around the issue of finance for loss damage, the formation of the expert group, and the establishment of the ‘Santiago Network on Addressing Loss and Damage’, in the informal consultations

Some of the main interventions by Parties are set out below.

The **United States (US)** stated that there were many sources of finance which were broader than the resources inside the Convention, adding that we need to get it both from inside and outside the Convention. It also wanted Parties to look into risk transfers extensively to implement them appropriately and called for a comprehensive discussion in this regard. It wanted the ExCom to explore risk transfer facilities to capture lessons learned and best practices from countries to draw experience from.

**Australia** stated that finance should not be limited to those coming from developed countries, as we need to mobilize all sorts of funding in addressing, minimizing and averting loss and damage; insisting that there is already an entire ecosystem available outside such as humanitarian, disaster risk reduction which would include the link to the Sendai Framework and the Sustainable Development Goals (SDGs) more broadly. While recognizing that finance and support is needed, it was of the opinion that it should come in “as a strong thought-through national plans and policies

that will make sure that the money available is targeting the right people at the right time.”

**Colombia on behalf of Independent Alliance of Latin America and the Caribbean (AILAC)**

intervened to say that it was unclear how they are going to address the financial support required for loss and damage, as Parties were told that finance issue was being discussed by negotiators dealing with finance, but when this was brought to the finance negotiators, they were told to discuss this under the WIM review.

The **European Union** supported the idea of the ‘Santiago Network’ as they shared the view to strengthening the role of the WIM by bringing in actors currently operating in areas of addressing, minimizing and averting loss and damage. However, it was not convinced if the proposal to form an expert group for action and support was the best way forward, and proposed instead a focus on a strategic partnership approach based on tasks and identify problems that are more important to practitioners.

**New Zealand** agreed with G77 and China’s proposal on providing guidance to the ExCom and increase its collaboration with the Standing Committee on Finance. It also stated it would be more efficient to enhance the ExCom rather than starting something new (i.e. expert group) this requires more resources. It also wanted to broaden the sources of finance as it is now almost limited to public finance.

**Guinea** in response to the interventions said that there is no guidance for the Standing Committee on Finance to address loss and damage. Hence, this has to be formalized and reminded Parties that loss and damage needs to be first addressed under the Convention, as anything outside it is based on voluntary support. It also stressed that the expert group is needed as an action/implementing group for action and support to address the inadequacies being faced currently.

A new draft text on the matter is expected on 9 Dec by the co-facilitators, but there was no clarification on the modalities by which it would be discussed further.