

Informal on COP/CMA Agenda Item 8f - November 8th

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Session/Agenda Item: COP/CMA 8f - Informal Consultation on COP 8(f) / CMA 8(f): Matters relating to funding arrangements responding to loss and damage associated with the adverse effects of climate change, including a focus on addressing loss and damage

Location: UNFCCC COP 27, Sharm el-Sheikh

Room Number: Meeting Room 16

Date and Time: 11/8/22 16:00

Participants(name and organization): Multiple Parties including (but not limited to): Antigua, Barbuda, South Africa, Dominican Republic, G77 & China, Maldives, India, Mexico, Tuvalu, Bolivia, New Zealand, US, Canada, EU, Guinea, Norway...

Notes/Summary :

Prime Minister of Antigua and Barbuda

- Important for AOSIS
- To include SIDS we need to close finance gap – a LD Response Fund should do this
- Stressed equity, will be an increase in l&d, this is climate justice, this shouldn't be divisive
- Need a new funding pathway to accelerate transition
- Shouldn't be for all climate problems but to build resilience
- Time is of the essence (need operationalization by 2024)
- We don't want a blank check but to fill a gap

GOAL FOR THE INFORMAL: ideas for outcomes in Sharm – plan for what we want to see as the product of COP

South Africa

- Asked about observers, African president stressed that observers are important, he wants to uphold this
 - Answer from facilitator: yes they are allowed, took a vote, approved

Dominican Republic

- Urgency of this agenda item
- Her city was flooded this past week
- Top priorities in Sharm
 - acknowledge a gap under UNFCCC, AND new additional adequate and predictable finance for l&d
 - Want new fit for purpose multilateral fund
 - Process will ensure operation by 2024

G77 & China

- Most important issue for the group as a whole
- Doesn't see WIM as a win
 - Should have fulfilled functions related to finance, but didn't
- Access to finance is taking too long and projects for adaptation cannot receive it fast enough to complete project
 - Lag time between proposal and funding reception
- 1st need: acknowledgment of gap
 - There is NO finance for l&d (and not enough for mitigation or adaptation)
- Recognition of need for new fin resources (reactionary too)
- MUST be public grant-based finance
 - Available for all countries!!

- Separate from mitigation and adaptation
- Funding entity: institution that provides funding
 - Need to agree at Sharm about an entity under the UNFCCC
 - Recognizes that time is needed to move to operationalism
- Funding sources: CBDR-RC, equity, historical responsibility
- L&d is a need of developing countries
 - Was not allowed to report l&d needs in biennial transparency report
 - Want to make needs evident – no current forum
- Operationalization asap (won't set date)
 - Wants a new kind of operation – needs to be faster addressing of needs

(lost wifi signal, unsure what was said)

Maldives

- Immediate needs are addressed by orgs after storms but nothing for displacement, social systems, loss of cultural heritage, sea level rise
- Additionally predictable finance – through a fund

Antigua and Barbuda

- On behalf of AOSIS, wants to align with G77
 - Acknowledgement of gaps (even though did this in Bonn)

§ Gap in existing finance

- Time is finite under this agenda item
- Discuss role of UNFCCC to address l&d
- Discussions must be about funding arrangements

- Question about joint CMA and COP discussions will work
- Clear of what a funding arrangement is
 - Institutions and entities
 - Corresponding modalities and procedures
- Need discussion of link between process (party submissions, agenda items, contact groups)
 - Need specific Thematic focus and timelines
- § Feasibility
- Funding outside UNFCCC
 - This is without guidance – but we need guidance for fit-for-purpose solutions
 - Potential reform from IMF and World Bank
- § Limited ability of reforms
- § Outside solutions are limited
- § They have their own governing bodies
- Innovative sources of funding arrangement
 - Need a “hook” to finalize solutions in this COP text
 - Need support to finance the process (biennial report?? Couldn’t hear)

(missed some bc of wifi)

India

- Support and align with G77
- Losses 5 billion USD in the next few years
- Need suitable mechanism

- All member countries are in this together
 - ALL countries feel it
 - In developing
 - § Higher
 - § Higher cost
 - § Velocity
 - § Lower resilience
 - § Non-existent safety nets
 - § Lesser tech possibility
 - § Financial limitations
- “ADDRESSING” loss and damage
- We need this for trust
- Immediate relief is not l&d, but resilience and building back
- Need post-disaster need analysis
- Slow-onset effects are growing
- Cumulative emissions should be the guide (not current levels)
- GCF funds are “miniscule”
- Easy and fast dispersal (not bureaucratic like GCF and AF)
- Loans??
- CBDR-RC should be “cornerstone of the way forward?”

South Africa

- On behalf of Africa Group
- Must abide by form follows function
 - We must make progress on form
- Article 11 offers option
 - COP Decision (for institutional arrangement)
 - Could designate an entity
 - Or est new entity
- Must follow the rules already set for financial agreements
 - Won't unpack 10 years of work
- FUNCTION: purpose of funding arrangements is to respond "quickly"
 - Decision making body (?? Lost wifi)
- All developing countries should be eligible
- Understand where the money comes from
 - This is significant need for finance (can't even meet the \$100 billion)
- Should discuss with humanitarian community (and others)
- Need progress on MDP (??)
 - IMF envelope
 - § Loan based not recovery
- Need debt reform in outside discussion as well
- Need work done around non-economic losses
 - Could be task for Glasgow dialogues

MEXICO

- Speaking on behalf of National capacity

Tuvalu

- Already making progress from Glasgow
- Position of AOSIS
- 2 outcomes
 - Est operating entity under FM
 - § Shares expressed views – l&d is distinct and different from mitigation and adaptation
 - § New, additional, predictable funding
 - § needs ex-post response and reactionary
 - § Include recovery, reconstruction and rehabilitation
 - § Supports south Africa in the speed
 - § Accessibility
 - Process:
 - § Take no more than 2 years
 - § Structure entity to target the gaps

(some of the remaining requests for the following meeting, not all)

Bolivia

New Zealand

US

Canada

EU

Guinea

Norway

Follow-up :

Other interventions will be heard at next sessions (no slot yet, try for tomorrow, probably thursday)

Take Away: Developing countries are stressing the importance of a L&D finance mechanism to fill the current gap in finance. The hope is for a “new additional adequate and predictable” fund to be established at this COP and for its operationalization to be finalized before 2024 or asap. For the most part, only developing countries spoke at this meeting.
