

Informal Consultation on COP 8(f) / CMA 8(f) - November 10th

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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 1

Date and Time: 11/10/2022 17:00

Participants(name and organization):

Notes/Summary :

(arrived 15 mins late due to room change)

UK

- Need Predictability
- Need substantive detail on elements for outcome in 2024
- Want to discuss modalities
- Key areas: non-economic losses, range of funding options
- How to mainstream l&d support
- Critical to learn lessons from actors outside UNFCCC
- We all need to listen to indigenous people
- Need to work together
- Will play an active part

Columbia:

- 1.7 premiums by 2050??
- COVID recovery packages were large and quick - we are capable
- Moral and climate justice imperative
- A Fund should be provided at COP 27
- Must be grant based and for all developing countries

Australia

- Recognize the funding gaps
 - Would like to explore addressing them
- Need to align funding to address l&d in a coherent way
- Want to agree on process concluding in 2024
 - Formal recognition of gaps including l&d, slow onset
 - Submission schedule to share all views
 - Space and process to map current landscape (gaps)
 - Clear pathway to have Glasgow Dialogues into this process

US

- L&D has been raised for 30 years
- Feel pressure from all corners of the world
- Know the importance of strengthening response to l&d
- Displacement, relocation, migration
- Climate resilient reconstruction
- No silver bullet solution
- Recognize important of WIM
- There will be an outcome on l&d agreements in 2024 (financial arrangement)
- What is needed to achieve that outcome
 - Clear about what we are talking about (ex ante and ex post - post seen as more important)
 - Difference between ante and post could help explain why l&d is different
 - Preparedness = capacity to deal with emergencies
 - Slow onset events allow for more time for ex-ante action
 - Minimize losses during economic transition
 - Concessional finance for reconstruction and recovery
 - Loss of land and territory from sea level rise
 - Participation(???)
 - SPECIFIC financing for l&d is different for a single new global fund
 - Must take a holistic approach to l&d
 - Whole of agency, financial institutions approach
 - MDBs, bilateral, finance mechanism can play a role
 - IMF's Resilience and Sustainability Trust
 - What can humanitarian agencies do
 - Need to first ask if MDBs could enhance financing
 - Along with humanitarian aid, IMF, regional funds,

- Instead of new multilateral funding proposal, explore other ideas including GCF, GEF, adaptation fund
- Adaptation Fund (crowd fund) could be better than GCF because there could be more private funding available
- Need to find key institutions to see where they should/could be involved
 - Want to consider all options for finance
 - Glasgow Dialogues should focus on asking and answering these questions
- Structure, precision
- Identify gaps and challenges
- All sources of finance
- May need additional modalities
- Act with urgency, while being thoughtful

EU

- Quick agile funds that can disbursed for L&D
- Sees urgency
- Mosaic of solutions needed
- Agenda item: to launch a process
- Spectrum

Avert	Minimize	Address
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- Current financial mechanisms cannot fill all actions needed
- Multiple solutions to address both:
 - Long term finance for resilience and recovery
 - Urgent needs and aid
- Want to launch process
 - Could support much of AOSIS and AGN
 - Mapping funding in and out UNFCCC
 - Gap analysis
 - Analysis funding at regional levels
 - Slow-onset events
 - Funding responsive to contexts
 - This doesn't mean waiting to act
- Innovative sources of finance
- Dialogue doesn't mean delay
- Prearranged financial solutions
- Recognize gaps at the response end
- Setting up triggers to release finance for anticipatory action
- Global Shield on Climate risk = important contributions (along with IMF resilience fund, operationalization of Santiago network)

- Universal access to early warning systems

Bolivia

- Expectation to agree on solutions to address gaps
- There is frustration for the countries united in demanding funding
- l&d finance is part of climate finance under the UNFCCC
- Based on CBDR
- Must be consistent with previous COP/CMP
- Must not divert to private sector or experimental solutions (named the Shield as example)
- This is framed under responsibilities of UNFCCC parties
 - Developed countries must pay

Canada

- Committed to recognizing and addressing the gaps
- Already made significant progress:
 - It is an agenda item
 - Sense of urgency
- Keep 1.5 in reach
- Expectations
 - Decision to reset Glasgow Dialogue onto stronger footing
 - Have ideas that they will save for Technical dialogue
 - Look at role of relevant institutions
 - Financial institutions, MDB
 - Broader (??) reflection of role of Paris and UNFCCC to aid process
- Look at role of international finance and include L&D into their programs
- Want it put clearly on record they recognize the gap in financing and know that it is urgent
- Deliberate approach, practical

Switzerland

- See this space as structure for conversation to find most effective solutions
- Prevention dimension - for disasters
- Delve into specific challenges of l&d
 - Key to look into existing UNFCCC architecture for support
 - The gaps
 - The best solutions
- Reach the most vulnerable communities
- Look for innovative financing options

New Zealand

- Need meaningful contribution outside of this process
- What are the timeline needs - need to discuss here
- Will pledge \$20 million for l&d
- Bilateral finance, regional platforms, direct facilities all have limitations
- Looking for work plan on modalities
 - Ensuring finance is always available
- Want clear direction from Glasgow Dialogues
- Recognizes work already done in WIM and outside UNFCCC
 - Need to build on this work

Guinea

- Support g77 and south africa statements
- Emphasized the costs and destruction of l&d
 - Displacement
- Specific and additional fund
- Sees a Lack of ambition and support
- Africa is particularly vulnerable

(lost wifi connection)

Norway

- Does not agree that there has been no loss and damage finance till now
- Current finance is not enough
- It will take yrs to set up new finance facility under the UNFCCC
- More efficient to assess gaps and assign existing institutions that are best suited
- How can we draw on resources outside UNFCCC
- 1st step: Concrete work plan with milestones to measure progress

Brazil

- On behalf of Argentina, Brazil and Uruguay (ABU)
- Without prejudice to future adaptation and mitigation funding
- Want Establishment of specific facility to specific to l&d
 - Eligibility To all Developing Countries
 - Additional funds for disaster risk reduction and humanitarian aid
- 2030: \$400b
- 2050: \$2t (expected L&D)

Gambia

- On behalf of LDC
- Align with G77 and africa delegates
- Took so many floods, droughts to get here
- Standalone operating entity
- Clear roadmap
- Need to take first step here with arrangement by COP24

Russia

- Worth the time to identify where the gaps and needs are most substantial
- Finance these issues with urgency

Philippines

- A member of G77
- Need immediate, adequate, predictable and efficient financing facility
- Grants and subsidies are needed
- Strengthen adapted capacity of developed countries
- They are the most affected by climate change
- In 50 years, 40% chance of L&D >\$30 billion
- Typhoons - 20 per year
- Rising sea level
- Situation is dire in spite of menial contributions to problem
- L&D finance- upholding basic human rights
- Addressing this is a matter of climate justice (past accountability)
- Commemorate Yolanda even 9 years later

(received headphones and could hear better)

Pakistan

- Economic gains over decades lost in the blink of an eye
- \$33 billion in damage from floods this year alone
- Fully associate with g77 statement
- Increasing scale and magnitude of l&d in their country
- No current facility to address climate-induced floods
- No finance entity supports l&d, we would not be discussing this here if there was one already
- Need a dedicated finance facility
 - Speed and scale

- All post-disaster stages (relief and recovery)
- Respond to anonymous needs of countries
- Coordinate with other financial institutions
- Work on common functions of the facility
- COP27 should decide on a facility
- Establish mechanism to design that facility
- Operationalize facility at next COP
 - Sources of finance
 - Ambitious 1-year timeframe
- Outcome of this COP should not be a process
- Concrete actions
- Debt was previously not in discussions
 - But creates immense stress

China

- Associate with g77 statement
- China is also developing country
- South-south cooperation
- First identify gaps in existing financial arrangements
- Should apply fundamental UNFCCC agreements
 - Equity
 - CBDR
- Public grant-based funds are the only option

Co-Facilitator

- Acknowledgement of urgency and needs and gaps
- Recognition of relevant sources of funding (outside UNFCCC too)
- Type, nature, and scope proposals
- Elements of process to launch
 - Timeline of decisions (COP 27, 28, 29)
 - Role of Glasgow Dialogues & complimentary work (possibly SBs)
 - Outcome of the process

Follow-up :

Tomorrow (Friday 11th) at 3pm - move forward on the agenda item and focus on the elements of the process to be launched (bring proposals and address other's ideas from previous sessions)

Take Away:

The developing and developed countries hold fundamentally opposing positions. There is lots of mention of CBDR from developing countries while developed countries continue to urge the use of existing finance mechanisms and non-UNFCCC sources.
