

First Meeting of the Transitional Committee

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Date: 27th of March 2023

Session: The operationalization of the new funding arrangements for responding to loss and damage and the fund established in paragraph 3 of decisions 2/CP.27 and 2/CMA.4

Location: Sonesta St. George, Luxor

Room: Nefertari, 9th floor

Date and Time: 27/3/2023 9:00 am – 17:30 pm

Participants (Name and Organization): Representative of Secretary, UNFCCC; Ambassador Mohamed Nasr, Representative of Egypt presidency; Ms. Hana Al-Hashimi, Representative of UAE presidency; Mr. Richard Sherman, South Africa, Chair of TC1; Ms. Outi Honkatukia, Finland, Chair of TC1; <https://unfccc.int/tc-membership> ; Collaborative Funding Organization; Co-author of Report (Egypt); Samir Sabarallah, UNDP Climate; Mohamed Assiuty, Adaptation Fund; Steven Hammer, World Bank; Rawlestone Moore, UNFCCC, GEF; Rossana, Multilateral Fund for Implementation of Montreal Protocol; Raj, Senior Council, GCF; Greg Puley, UN Humanitarian Affairs (OCHA), NY; Christiana, Climate and Disaster Reduction; IOM, Special Envoy on Migration and Climate; Alisher Mamadzhanoc (Online), GCF.

Notes/Summary:

Time	Schedule	Notes
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09:00-11:00	<i>Item 1. Opening and welcome</i> <i>Item 2. Adoption of the agenda</i> <i>Item 3. Election of officers</i> <i>Item 4. Working arrangements and workplan for the Transnational Committee</i>	Goals: 1. Sameh Shoukry, President of COP 27 (Online) • Coherent solutions and effective arrangements are needed. • Workplan throughout the year. • Setting questions on organization. • Identification of gaps that exist; gaps exist and continue to grow for adaptation. • Operationalization of relevant fund, discharging mandate driven by concepts of climate justice and equity • Dealing with new and innovative concepts in the areas of finance. 2. Simon Stiell, Executive Secretary, UNFCCC (Online) • Technical support from Secretariats of UNFCCC. • Questions regarding funding sources, how they're connected, what new mechanisms need to be created. • Robust set of recommendations by transnational committee. Additional agenda items and requests: • Call for exchange of news with non-party observers and transparency. • Budget for TC; expertise to help with correct decisions, and resources for right advisors. • Request for Secretariat list of observers who are attending this meeting. • Understanding of membership of workplan. • Request of feedback of arrangements/ Report on arrangements under agenda item 6. Two sub-agenda items to be adopted under article no. 6: • Exchange of news with non-party observers. • Budget and financial resources item for the TC. • Agenda items on selection of officers:
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- Chaired by two; one from a developing country and one from a developed country.
- Two nominations: Finland and South Africa to chair the meeting.

Words by officers:

- Workplan and sequencing of meetings, Mandate and workshops, work structure, transparency

Transnational Committee Mandate (COP27 Outcomes)

- Decisions 2/CP27 and 2/CMA.4:
 - Increasing urgency of efforts
 - Recall previous work under the UNFCCC.
 - Acknowledge the many institutions and stakeholders involved.
 - Welcome related initiatives (Global Shield, UNSG EARLY Warnings for All).
 - Make recommendations and consideration and adoption by COP27 and CMA 5 (institutional arrangements, modalities, structure, governance and TORS, elements of new funding arrangements.
- Activities: Two workshops, synthesis reports (existing funding arrangements, outcomes of mandated activities)
- Submissions: Parties and relevant parties on 2nd Glasgow Dialogue + UN agencies, IGOs, bilateral and multilateral organization on how to increase scale
- Initial version of synthesis report is available (unfccc.int/event/TC1)
 - Categories (spectrum of actions, types of financing instruments and other relevant attributes)
- Technical Support Unit (TSU) by UNFCCC and will provide substantive technical backstopping.

Agenda item 4 (Working arrangements and workplan)

- [TC1/2023/3](#): Document with dates of two other TC meetings, and possible TC4, two workshops under TC, Concessional meetings in June, two external meetings and gatherings (World Bank in April), UN meetings.
- Dates and sequencing: TC2 before Glasgow Dialogue, TC3 after.
- Content of workplan: Monthly call to set expectations, and fine line to what happens where.

Ireland and German suggestions:

- Workshop 1: Mapping and landscaping of priority gaps, gap analysis (Paragraph 1) and continues with Glasgow dialogue. Might continue to Workshop 2 (Mobilization of resources). Operationalization should come before mobilization of resources.

United States suggestions:

- Mandates on four elements in Paragraph 5, bring in draft text to COP and CMA, consensus text. Working backwards; clear scope and key milestones (Paragraph 6).
- What and Scope of loss and damage: Reconstruction, migration (mobility), slow on-set events and economic losses.
- Who, what, from who, where as guidance. Call for an additional meeting. Tie workshops to TC meetings.
- Speed, access, eligibility is related to how tied TC meetings are to workshops and Glasgow dialogues.
- Add lessons learnt and success stories to gap mapping and landscaping.

China suggestions:

- Working format for effectiveness of workstream/work modality.
- General approach of effectiveness, inclusiveness and consensus.

- One or two advisors to be included in the meeting room.

Antigua and Barbuda suggestions:

- Loss and damage addressing what we want but what does it look like (negotiation needed, managing expectations).
- Gaps: 1. Gaps in terms of convention and what is there already 2. Adequacy of what is already being implemented (systematic problem, setting up fund, donor countries, lessons learnt).
- Rejecting categorization; the concept of recipient countries, as these countries are already paying (socially, institutionally).

India suggestions (+G20):

- The structure and organization, then scope.
- Stick to Paragraph 5, then continue to Paragraph 6.

Timor-Leste suggestions:

- Sequence and timeline, and substantive workshops, and underline the criticality of Glasgow dialogue.
- Supports Mapping. Mapping should include public funding, and fulfillment of NDCs + Delivery of grants.
- Workshops should include solutions and modalities to constructing funds.
- Workshop 1: Design fund for extreme events in most vulnerable countries + Modalities in helping fund in delivering quickly.
- Consideration of accessibility to ensure work in inclusive, and consideration of technology constraints.
 - South Africa Chair: Hybrid meetings should not be a decision-making forum.

COP28 Presidency Representative suggestions:

- Realism, ambition and collaboration for delivery.

- Modalities: At least draft modalities and workplan at the end of meeting.
- Clear recommendations on funding arrangements.
- Procedural rule-overs for urgent matters.
- Logistical challenges to be discussed.
- Consultations of UNFCCC will need to work in close collaboration with TC members.

Egypt suggestions:

- Clarity as early as possible.
- Working in parallel (gaps, options and operationalization) and not in sequence for time constraint reasons + get direct input from TSU
 - Finland Chair: All aspects of the mandate will be covered during each meeting, collectively not in working groups.

Decision taken: NGO observer constituencies will be given the opportunity to intervene in TC1.

11:30-13:00	<i>Item 4. Working arrangements and workplan for the Transnational Committee</i>	Norway suggestions: • Institutional arrangements Sudan suggestions: • Enhancement of understanding through sequencing • Complementarity in decision-making • Mandates for complementarity, inclusion, and making sure the institution that is being created is included. Bhutan suggestions: • Workshops invest in unknowns in terms of modalities, and in structuring solutions with the support of TSU. • TSU should be involved in every corner possible. • Consensus draft by COP28 France suggestions: • Make good use of TSU: Provide information to TSU at the end of the workshop, as to finalize the report, as it is instrumental. • Associate MLN summit in June on innovative financing and TC. Canada suggestions: • We need a functional fund that will support the most vulnerable countries to recover from loss and damage. • Paragraph 6, 7 and 15 to inform decision-making and recommendations. • Include indigenous peoples in decision-making and processes. Maldives suggestions
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- Overarching goal is to save lives, and provide a life of dignity to those affected by loss and damage.
- Consider innovative funding solutions, and larger funding flows to be connected to loss and damage fund
- Capitalized by grants and innovative sources with relevant institutions that can provide financial stability.

Australia suggestions:

United Kingdom suggestions:

- Funding arrangements available for everyone and simplify burden and accessibility of funding arrangements in the context of funding volumes.
- Paragraph 5, 6, 15 to track responsibilities and issues.
- Actionable recommendations by COP28. Will need to define workshops and lean on TSU which needs to be properly resourced.

Chile suggestions:

- Each activity needs a concrete deliverable to have a clear path (work plan and working arrangements but also go into substantive aspects.)
- Discussions properly formed and that are based on an awareness of arrangements being made outside of the committee and convention.

Japan suggestions:

- Reviewing existing arrangements, and how various parts may fill into each other.

[TC/2023/2](#) and Working arrangements:

- Rotation of seats of Latin American and Asia-Pacific, and effective transition and communication.

		• Decisions of committee will be made available: Paragraph 17 and 20 represent package outcome. • Update document and annexes based on previous points. • Disagreement on nominated advisors (in case a representative is unable to attend) to participate in decision-making (and formal meetings vs informal meetings) as not to put disadvantages in discussions, especially for developing countries.
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14:00-15:30	<i>Item 5. Exchange of views on purpose and scope of the funding arrangements for responding to loss and damage established in paragraph 3 decisions 2/CP.27 and 2/CMA.4 (OCHA, World bank, GCF, AF, GEF)</i>	World Bank • Supporting landscape, institutional readiness initiatives • 13.5 USD billion in adaptation and USD 8 billion targeting IDA countries • IDA has existing crisis response windows and a slow onset window. • Emergency response instruments (DPLs, Cat-DDOs) • Treatment of future climate impacts 1. WB to Paris Align by July 1st 2. CCDR focus on climate needs. • Environment and social framework protocols informing discussion on non-economic losses (loss of cultural heritage, relocation of populations). • Not on loss and damage but parallel to work. Government and civil society to determine what is loss and damage through discussion and briefing mechanisms. • Taxonomy of WBG disaster risk management engagement (mitigation, preparedness, recovery, response). • Focus of GDFRR grants support (River flooding, urban flooding, coastal flooding > 68%) • Market-based instruments (risk transfer), Contingent financing (contingent credit), budgetary instruments (budget reserves/reallocations). United States intervention: • Paragraph 5A, 5B - Adjustments to existing funds and their architecture Egypt intervention: • Identifying triggers and criteria for funding in countries Bhutan intervention:
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- Window for slow onset events and addressing them.
- Insurance issues regarding economic and non-economic losses.
- Funding allocated to grassroots levels vs. administrative levels.

France intervention:

- Cost before and after event and relation to tools: would need reporting.

Sudan intervention:

- Geographical coverage of World Bank funding.
- International guidance to align to the Paris Agreement (and its need for new and additional resources).
- Resilience construction and how is it addressed by the different types of instruments.

Australia intervention:

- Risk learning model

Remark of Finland Chair: Changing topic of first workshop. World Bank representative: Would love to have a workshop on the matters.

World Bank responses:

- Resilience construction: climate and emergency hazards. Working with government authorities.
- Paris Agreement and DPLs (loans)
- Economic losses are done through modeling (CCDRs). Non-economic losses are addressed through institutional arrangements.
- Slow onset is related to health outbreaks, but not climate change.
- CCDRs should shape conversation with the government.

Climate Change Team for UN Humanitarian Affairs (OCHA)

- Requirements have increased since 2012 by 461%, and funding is at record high, but the gap is increasing.
- MENA region has the highest number of people in need.
- Central Emergency Response Fund - pooling directly to UN entities: 500M dollars/per year and focus is on life saving and rapid-response modalities. + Focus on underfunded modalities.
- CERF climate-related allocations (representing 26% of global spend, related to climate change shocks)
- Focus areas (Food security, followed by WASH, Health, Shelter and Protection).
- Country-based Pooled Funds (1 billion USD/year to 118 million targeted people) based on sectoral-based systems. Food security is also the top sector.
- Annual spend on climate hazards (Top are Drought (USD 361 million since 2015), Floods, Storms...)
- Projects Responding to Climate by Country (Top Afghanistan, Somalia, Nigeria...)
- Anticipatory action: Mode of preparing for and responding to which prioritize upstream or early planning by identifying triggers and pre-agreed financing mechanisms. Activated OCHA-facilitated anticipatory action portfolios are in Somalia (Drought) and Ethiopia (Drought) and Bangladesh (Floods).

Bhutan intervention:

- Extrapolation of extreme heat waves (slow onset events)
- Sharing knowledge on trigger points, to facilitate work, to detect scale and magnitude

United States intervention:

- Work with IFIs, MDBs, and building government capacities.

- Pre-agreed country plans and their role in humanitarian crisis response.

Egypt intervention:

- Question on focus on specific countries (limited to conflict-related countries)
- Question on mobilization of resources (pledging per request of country or organization)
- Question on relation of conflict and adaptation

Maldives intervention

India intervention:

- Structural intervention

Antigua and Barbuda intervention:

- Decision times and gaps in speed, transparency and access
- World Bank funding takes time, usually 300+ days over.

OCHA responses:

- Speed and dispersing: Part of the rationale of pool funds/country based.
- Mobilization of funds: Multiple channels to which donors respond to appeal, at different timeframes based on bilateral arrangements.
- Frameworks that determine pre-commitment, and hazards are pre-agreed by humanitarian agencies.
- Local capacities are assisted by humanitarian organizations when they are overwhelmed.
- Accountability is done through localization, and direct dispersion of funds to local action + efforts to increase representation of first responders in decision-making processes.

United States intervention:

- Time question: funding anticipatory action and triggers: when and how?

OCHA response:

- Pre-agreement through collaboration between humanitarian entities and local government
- Issuance of forecast in terms of severity, and impact-based forecast

Adaptation Fund:

- Pioneered innovative 'direct access' climate finance modality'
- 55 internal entities (more than 50% are national entities)
- Impact indicators (reduction of vulnerability, strengthened policies and increase ecosystem resilience)
- 25% portfolio dedicated to DRR (disaster reduction) and EWS (early warning system)
- Windows; single, regional, EDA and Innovation
- No prescribed sector or approach; process that accommodates countries
- Top countries (Indonesia, Haiti, Regional (Madagascar, Malawi, Mozambique and Union of Comoros).

GCF, Multilateral Governance Manager, reporting to UNFCCC (Alisher Mamadzhanoc - Online)

- 50-50% for Adaptation and Mitigation
- REadiness Support (Submitted by NDA), Project Preparation Facility (Submitted by AEs), Projects (Submitted by AEs)
- Guidance from COP25 and COP26 for Loss and Damage
- GCF providing financing support to LnD through CIEWS sector (Climate Information Services, Impact-Based Multilateral EWS and Early Action and CIEWS for infrastructure design and resilience finance)
- Readiness and Preparatory Support Programs → Health and sustainable development
- Project Preparation Facility → Feasibility reports/studies for EbA planning and forecasting

- GCF Funded projects and programs → safeguarding from climate disasters and strengthening climate resilience

GEF - UNFCCC

- Thematic areas; Slow onset events (e.g. glacial lake outburst, degradation and biodiversity projects, sea level rise projects), non-economic losses (ecosystem services, ecosystem based adaptation), Comprehensive Risk Management (disaster risk reduction, risk management, insurance), Human Mobility/Migration (community level engagements, income generation initiatives), Action and Support (capacity building, finance throughout GED Trust Fund and LDCF/SCCF portfolio).
- Effective leveraging is a goal. Global Biodiversity Fund to be overviewed by GEF
- Haiti Emergency project (Approved in 1 day)
- Triggers for GEF Support (Country-driven process for access, upstream consultations and planning, predictability, leave no LDCs behind).

Norway intervention

- Reform and change of policy, and arrangements. Informed discussion on scope and TOR for funds.

Ireland intervention

- Disagrees to Egypt intervention; must strengthen what already exists then work in gaps, instead of in parallel. Coordination and coherence are key mandates, on an international level.

Timor-Leste intervention

- Haiti 1 day response needs to be studied, and the planning involved.

16:00-17:30	<i>Item 4. Exchange of views on purpose and scope of the funding arrangements for responding to loss and the fund (cont'd)</i>	Civil society intervention Representative of Women and Gender constituency • Sidelined in event, and calls for inclusion in TC for direct intervention, and for effective implementation • Loss and damage need to make sure that it does not force extra difficulties for recipients in terms indebtedness • Main operational modality, and governance that is equitable, and sensibility • Definitional role of loss and damage, must challenge to reach equitability and easy direct access (to women and vulnerable groups). • Make sure it does good, not just no harm. Representative of Environment NGO (Global Campaign to Demand Climate Justice) • Can progress fast in this fund, given experience in GCF and AF. • Engage voices, instead of shutting out (inclusion, transparent and includes participation of observers). Climate Action Network (CAN) International • Huge trust deficit (speed and adequacy), countries have blocked loss and damage funds can now be constructive. • LnD should be for recovery (adaptation and resilience aren't addressing such, but work on pre-disaster actions). • Two workstreams: 1. Fund (TC) 2. Funding arrangements (Glasgow). • Need for creativity, to be relevant to affected communities and civil society should be present. → Knowledge and information dissemination need to be present. YOUNGO • Global climate solidarity, and building trust
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- Expanding of TC work by including local climate weeks
- Quick community centric approaches (research and case studies)
- Engage youth in decision-making
- Grants-based approach, finance mechanism that is based on equity
- Qualitatively and quantitatively, and separated from AF and GCF

Trade Union NGOs

- Overflow room, does not include frontline communities and important opinions
- Should focus on getting the fund up and running with clear governance structure, objectives
- Effective remedies for frontline families, workers.
- Rights-based and needs-based funding that is directly accessible.
- Effective social, environmental safeguards and accountability.
- ILO work should be integrated into work.
- Structural resourcing and rights-based funding mechanisms should be integrated.

United Kingdom response

- Including society should be included in all constituencies, as to get people's rights and voices heard

United States response

- Paragraph 5.a., and interest in its four areas.
- Moving forward and trust.
- Exchange beyond highlight points, and intervention on funds.
- Expectations from constituencies, and focus of components of 'reconstruction' in funds (e.g. technical assistance).
- Separating from guidance from operationalization.

		UAE response • Definition of needs, and addressing those needs (part of gap identification and addressing existing funds). Egypt response • Observers have outlined of expectations, next meetings will be based on workplan. • Format of engaging civil society will not be easy but should be present. Observers should have submissions in the next meetings, as to respond during TCs. • Fund needs to be additional, instead of repackaging existing finance. • Civil society was instrumental to the formation of loss and damage (moving from agenda item to deliverable). South Africa Chair • Submissions-based process is considered Timor-Leste response • Move away from project-based approach to more sustained. Ireland response • Formal item going forward (German, Ireland) • Relying on civil society to remind of community-level • UNFCCC is a governmental body... Funds will need to grapple with communities beyond addressing them with government-systems. There is a challenge of addressing vulnerability. • Development sector tends to think that initiatives will solve everything. We are in agreement on principles, and will need to move forward with the engagement of civil society (on the how and squaring circles).
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Bhutan response

- Engagement of civil society is very important, and agrees that submissions from civil society should be essential, including the TSU.
- Expected the engagement of RedCross.

Finland Chair

- Encourages expertise sharing from civil society.

Representative of Women and Gender constituency

- Bringing civil society expertise to technical assistance or workshops, as there are specific recommendations present.
- To be discussed:
 - Mosaic/centrality of LnD: Scope and innovation of fund OR looking at LnD as one spec of universe of fund.
 - Compliance with CBDR and accountability, and compliance with UNFCCC (eligibility as part of funding mechanisms)
 - Representational issues in MDBs (shareholder representation and not equitable representation)
- Community-funding is possible (GEF Small Grants Programme) → UNFCCC framework has made smaller funding and decision-making mechanisms.

Representative of CAN

- Paper on Loss and Damage facility has a lot of suggestions for operationalization.
- Funding has been inadequate and focused on conventional disasters.
- OXFAM study: Funds have only met 50% of needs, and Humanitarian aid does not translate real cost. There's also an issue of oversight.
- There needs to be an understanding of where the real gap is (mitigation, or adaptation). Not short-term solutions (e.g. Pakistan), and help in

		rebuilding (cannot be done through current funding arrangements). - Funds are based on geopolitics and are not rights or need-based. Representative of Environment NGO (Global Campaign to Demand Climate Justice) - Accountability, livelihoods need to be emphasized. Moral consciousness should override. - The Asian Pacific Movement on Debt and Justice has delivered a letter to point out what happens on the ground. Representative of Trade Unions NGO - Involvement of civil society needs assessments, as remedies to the same harms will be different. - Make sure that approach does not exclude certain people (e.g. those working in the informal sector). - The UN on Adequate Housing just published a report on the climate crisis.
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Follow-up: Nominations systems and decision-making, Workshop content change, Answers from existing funding arrangement entities.

Takeaway: Workplan and working arrangements are the focus of the meeting, rights-based and needs-based funding arrangements, gap mapping and landscaping, parallel work instead of sequencing, participation of civil society possibly through submissions and integration of expertise in TSU/Workshops.