



Second meeting of the Transitional Committee

Item 5b

Outcomes of the first workshop on addressing loss and damage in the context of decisions 2/CP.27 and 2/CMA.4

25 May 2023

First workshop in numbers

29th-30th April in Bonn, Germany (hybrid)



2 Days



5 thematic sessions



35 presentations



Over 250 registered participants, over 1000 livestream views

First workshop in numbers

Case studies



- **13 case studies were presented**, providing insights on:
 - How countries are coping with, and funding activities to address, slow onset events like glacier melt and extreme weather events like tropical cyclones
 - Existing national systems in place for funding related activities, including both longstanding insurance systems and innovative, more recent financing tools put in place
 - The challenges associated, including in relation to debt, delivering funding in the context of human mobility or in conflict affected States

Insights from the workshop: III. Summary of Discussions

III.A Roles of different stakeholders and of institutions funding activities related to addressing loss and damage, at different levels

- There is a **wide range of institutions and stakeholders involved** in funding activities to address loss and damage, including at the international, regional, national, and subnational levels
- There are **existing coordination mechanisms in place among some subsets of these actors** at the international level, including among multilateral development banks and among humanitarian actors.
 - However, such coordination is often designed to promote synergy and collaboration, rather than to actively manage co-funding.

Insights from the workshop: III. Summary of Discussions

III.A Roles of different stakeholders and of institutions funding activities related to addressing loss and damage, at different levels

- Insights from existing institutions under the UNFCCC (five constituted bodies and the Santiago network) shed light on ongoing and upcoming work, as well as **opportunities to enhance coordination**.
 - E.g. engaging indigenous peoples and local communities to address loss and damage through the LCIPP; leveraging WIM Excom thematic expert groups to promote synergy

Insights from the workshop: III. Summary of Discussions

III.A Roles of different stakeholders and of institutions funding activities related to addressing loss and damage, at different levels

- **Developing countries regularly spend significant amounts of their domestic resources on** activities related to addressing loss and damage.
 - In some cases where its allowable in the contracts with funders such as with the WB, they are redirecting financing, including debt financing, intended for sustainable development to deal with the impacts of climate change.
- There is **a wealth of existing initiatives, programmes and instruments to address loss and damage and fund related activities within countries that have been tailored to national circumstances and priorities;** however, they frequently face significant shortfalls in funding, preventing them from operating at an adequate scale.

Insights from the workshop: III. Summary of Discussions

III.B Sources, instruments, and modalities of funding

- There is a **wide range of sources, instruments, and modalities of funding relevant** to addressing loss and damage that were referenced in the workshop.
- These range from **national budgets** and **contingency funds**, to various types of **insurance instruments** and **debt instruments**, to **multilateral funds**, and many more.
- There are also **innovative sources and modalities** that can contribute to funding activities relevant to addressing loss and damage

Insights from the workshop: III.C Gaps and challenges

Several gaps and challenges relate to the nature of existing funding



Speed of funding

e.g. lengthy project approval processes for climate funds or delays in insurance payouts



Adequacy of funding

e.g. limited grants, concessional finance, insufficiency of insurance, and gaps in funding for low severity, high frequency events



Delivery of funding

e.g. challenges in funding in volatile contexts; reaching vulnerable communities



Access to funding

e.g. complex access procedures, insurance gaps due in part to cost of products and gaps in reaching specific populations (such as displaced people or those in fragile and conflict-affected States)



Thematic coverage of funding

e.g. non-economic losses, migration and resettlement, insurance gaps

Insights from the workshop: III.C Gaps and Challenges

Other gaps and challenges relate to factors that may affect the ability to efficiently and effectively estimate, access, or otherwise take advantage of funding



Existing methodologies e.g. post-disaster needs assessments are limited in their ability to capture non-economic losses, some economic losses such as knock-on production losses, and the compounding impacts of slow onset events and extreme weather events



Data e.g. limited historical data is constraining the ability to develop new models and financial products



Coordination and coherence e.g. temporal, sectoral, and spatial silos undermine integrated approaches to address loss and damage



Capacity and knowledge e.g. translating early warning to early action; lack of capacity to develop project proposal requirements; lack of recognition of indigenous and local knowledge in early warning



Other e.g. limited fiscal space for nationally-led responses to disasters

Insights from the workshop: III. Summary of Discussions

III.D Entry points to address gaps and challenges

- Through the workshop, several **entry points to address these gaps and challenges** were also identified.
- These related to areas including adequacy of funding; insurance; funding modalities, mechanisms, and instruments; innovative sources of funding; capacity and knowledge; preparation and anticipatory action; tools and methodologies; data; risk and hazard types; local-level funding and action; actions to address loss and damage; and vulnerable populations and contexts

Insights from the workshop: III. Summary of Discussions

III.D Takeaways from workshop participants for consideration by the Transitional Committee

- Workshop participants shared their **takeaways for consideration by the Transitional Committee**.
- These related to areas including sources of funding; financial instruments; operational modalities of the fund; operational principles of the new funding arrangements and fund; complementarity and coherence; and recommendations of the TC



United Nations
Framework Convention on
Climate Change

Thank you!

https://unfccc.int/event/LD_wksp1