

**Seventh meeting of the Executive Committee of the Warsaw International Mechanism for  
Loss and Damage associated with Climate Change Impacts  
Bonn, Germany, 13–16 March 2018**

**Synthesis paper part II**

**Views on the Suva expert dialogue, the technical paper and ways to mobilize additional resources**

Eighteen submissions were received as of Friday 9 March 2018, in response to a call for submissions on *the type and nature of actions to address loss and damage for which finance may be required*. Submissions comprise 8 submissions from Parties or groups of Parties, and 10 submissions from non-Party stakeholders.<sup>1</sup>

This document contains the following information from the submissions:<sup>2</sup>

- 1) **Views on the organization** of the Suva expert dialogue, to take place in the 48<sup>th</sup> session of the Subsidiary Body for Implementation (April–May 2018);
- 2) **Views on the technical paper** referred to in decision 4/CP.22, paragraph 2 (f) and (g);
- 3) **Views on ways to mobilize additional resources** to support actions, and on sources of innovative finance.

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<sup>1</sup> Submissions are available at: [http://unfccc.int/adaptation/workstreams/loss\\_and\\_damage/items/10560.php](http://unfccc.int/adaptation/workstreams/loss_and_damage/items/10560.php).

<sup>2</sup> Efforts have been made to synthesize diverse concepts and ideas of similar nature to the extent possible. Where appropriate, original wording has been kept.

## Views regarding the Suva expert dialogue

- 1. Views on expected outcomes:**
  - a. Clarify support and establish concrete steps towards ensuring that Article 8 of the Paris Agreement is fully implemented;
  - b. Move the issue of loss and damage finance forward;
  - c. Bring about real and effective solutions.
  
- 2. Views on topics to be addressed:**
  - a. Actions and measures required to address loss and damage;
  - b. Financial support available for the sectorial actions for which finance may be required;
  - c. Identified gaps, such as the lack of additional finance available, instead of focusing on elements that transfer risks, such as insurance;
  - d. Resolution of challenges/bridging gaps to secure and mobilize the required financial resources and to explore new/innovative, additional and predictable/sustainable resources;
  - e. Scale of finance needs in developing countries;
  - f. Costing of actions required for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change, including extreme weather events and slow onset events;
  - g. Sustainable sources of finance;
  - h. Working definitions of loss and damage finance;
  - i. UNFCCC institutional considerations of loss and damage finance;
  - j. Current financial support available through the Financial Mechanism and available outside the Financial Mechanism that would enable Parties to finance actions addressing loss and damage, as well as the difficulties and barriers that currently prevent Parties from accessing adequate support for these actions/how to enhance direct access.
  
- 3. Views on general considerations:**
  - a. Taking into account integral ecology (recognizing the interdependence of all living things, including humans as an integral part of nature);
  - b. Ensuring policy consistency between climate change policy, the Sustainable Development Goals, Global Compact on Migration and the Sendai and Cancun platforms on Disaster Risk Reduction;
  - c. Giving adequate background information as well as time for discussions;
  - d. Organizing an inclusive and interactive dialogue, involving various stakeholders and building on good participatory practice (e.g. TEMs);
  - e. Putting all viable options on the table.
  
- 4. Views on participation:**
  - a. Open and balanced participation of civil society, private sector and academic stakeholders;
  - b. Vulnerable developing countries, as well as communities and organizations currently facing loss and damage impacts, to participate and share their experience and views;
  - c. Strong presence and participation of small island developing states and developing country Parties.
  
- 5. Views on logistics/process-related issues:**
  - a. Immediate mobilization and offer of financial assistance for developing country Parties to attend this dialogue;
  - b. Coordinating with relevant negotiation sessions to enable members of small delegations to participate and engage effectively in the dialogue as well as in the negotiations;
  - c. Follow up by other meetings and events, such as dialogues or workshops over the course of 2018-2019 which should be organized in collaboration with the SCF.

## Views and inputs of elements to be considered in the technical paper

### 1. Views on the overarching set of principles for loss and damage finance:

- a. Separate finance for loss and damage from finance for adaptation, development or humanitarian and disaster response needs that are considered “normal” and not exacerbated by climate change;
- b. Include issues such as predictability, additionality, polluter pays, precaution, country/ local ownership and subsidiarity, equitable/direct access, appropriateness and strong focus on gender equality and human rights;
- c. Include the principle of common but differentiated responsibilities and respective capabilities, to help ensure that the “solution” to loss and damage finance does not fall upon the poor;
- d. Have funding come from public funds from developed countries;
- e. Have the rich countries “bottom line” the provision of finance for loss and damage.

### 2. Views on a comprehensive list of instruments to address loss and damage:

- a. Focus on financial measures that can be provided to support developing countries in their efforts to address loss and damage;
- b. Focus on instruments that do not divert critical resources away from development efforts and should start first with potential sources of public support;
- c. Cover a full range of instruments that will need to be employed to address loss and damage;
- d. Address social protection measures;
- e. Provide guidance on how to develop and implement instruments and connect with on-going programs and initiatives.

### 3. Views on innovative sources for loss and damage finance:

- a. Cover a suite of innovative sources of finance;
- b. Have the new mechanisms generate additional and complementary public finance;
- c. Identify and agree to put in place key innovative sources of finance such as a Fossil Fuel Extraction Levy (Climate Damages Tax), levy on carbon pricing, financial transaction tax (FTT), and carbon pricing for international aviation and maritime.

### 4. Views on modalities for channeling and accessing loss and damage finance:

- a. Include a comprehensive set of agreed modalities for channeling loss and damage finance, including direct access;
- b. Agree on modalities for channeling and accessing loss and damage support at the 2019 review of the WIM;
- c. Include a clear menu of options developed by the WIM and the SCF on the table so that the Parties can immediately make decisions;
- d. Provide explanations on how to access support and potential sources of support in order to prepare proposals and build the capacity of developing countries to do so themselves;
- e. Provide recommendations for how developing countries can be supported to access the sources of finance.

### 5. Views on the definition of loss and damage finance:

- a. Provide a clear definition of “loss and damage finance”;
- a. Put in place a more specific working definition of “loss and damage finance”.

### 6. Views on the estimation of loss and damage costs and associated finance needs to establish an international target:

- a. Provide estimates of loss and damage costs, and associated finance needs;

- b. Make available an evaluation of the amount of finance that will be required to address loss and damage given the realized emission scenarios;
- c. Account for an evaluation of the potential losses and damages that commensurate with 1.5°, 2°, 3° and 4°C warming and the level of finance which would be needed to avert, minimize and address loss and damage;
- d. Clarify estimates of loss and damage costs and the finance needed to address these costs in developing countries, with a view of agreeing on a finance target for loss and damage;
- e. Agree on a minimum target for loss and damage financial flows (per year by 2020 and 2030).

**7. Views on linking loss and damage finance with the UNFCCC architecture:**

- a. Include a firm proposal of how to anchor loss and damage within overarching framework of the UNFCCC financial mechanism, including formal links to the Green Climate Fund and the Adaptation Fund;
- b. Anchor the institutional structure or mechanism for loss and damage finance in the overarching framework of the UNFCCC financial mechanism;
- c. Include details of how the mechanism could be operationalized, including the role of the Convention in these processes;
- d. Stipulate that multilateral funding for loss and damage should flow predominantly through the finance arm of the WIM, especially for funding generated through innovative or alternative sources;
- e. Incorporate loss and damage finance into the negotiations about accounting under Subsidiary Body for Scientific and Technological Advice (SBSTA) and the negotiations on transparency.

## Views on ways to mobilize additional resources to support actions, and on sources of innovative finance

In addition to views and inputs on the types and nature of actions to address loss and damage for which finance is required, some submissions included views on 1) ways in which existing institutions under the UNFCCC could mobilize additional resources to support actions; and 2) sources of innovative finance. This note provides an outline of these suggestions.

Some submissions included proposals around the enhancing of UNFCCC institutions to generate more support:

- Creation of a stand-alone finance arm of the WIM, to have oversight over the multilateral funding for loss and damage, especially for funding generated through innovative or alternative sources;
- The Excom dedicates further efforts on enhancing support and sets up an expert group on means of implementation; as well as explore opportunities for joint work with other bodies of the Convention such as the SCF, and coordinating with GCF;
- Further actions to be undertaken by other bodies under the Convention, in relation to technology (CTCN), capacity building (PCCB) and finance (SCF), and the SBSTA (negotiations on accounting & transparency);
- Agreeing on a basis for loss and damage finance, such as counter-ownership, precautionary approaches, predictability, additionally to adaptation finance, subsidiarity, equitable/direct access, gender equality and human rights, CBDR and respective capabilities, polluter-pay-principle.
- Ways to channel loss and damage finance:
  - A global fund to address loss and damage;
  - A global revolving solidarity (relief) fund/risk transfer scheme, which would be a non-profit equivalent of global insurance, and would complement the shortfall of risk-insurances;
  - A Catastrophe Climate Bond at 0% interest rate for vulnerable and poor countries to rebuild more resilient infrastructure or as part of a relocation plan;
  - Relocation funds.

Sources of finance as identified in the submissions include:

- Fossil Fuel Extraction Levy (Climate Damages Tax);
- Levy on carbon pricing;
- Financial transaction tax;
- Carbon pricing for international aviation and maritime.