

Windows and access modalities for the Loss and Damage Fund – a discussion draft

LDCs propose three windows for the Loss and Damage Fund (LDF):

- (1) A rapid disbursement window for immediate responses to extreme events, including early recovery
- (2) An intermediate window for supporting rehabilitation and reconstruction (including building back better) from a specific extreme event
- (3) A chronic needs window for programmatic grants for rehabilitation and other relevant activities to address the effects from slow onset events and ongoing impacts.

We note that the proposed windows correspond to the “spectrum of needs” post event, as identified in the TSU Synthesis Report (see Annex).

Here we are proposing two distinct access modalities: Event-based and programme-based direct access. It is our view that the event-trigger should apply to both immediate responses and early recovery as well as rehabilitation and reconstruction after an extreme event, where countries have not been in a position to develop holistic planning. Programme-based access should be applicable to slow onset events. However, to the extent that rehabilitation and reconstruction will eventually feature in countries’ national programmes, these activities should also be eligible under a programme-based access.

All windows under the LDF would provide direct budget support to designated national ministries in the form of grants.

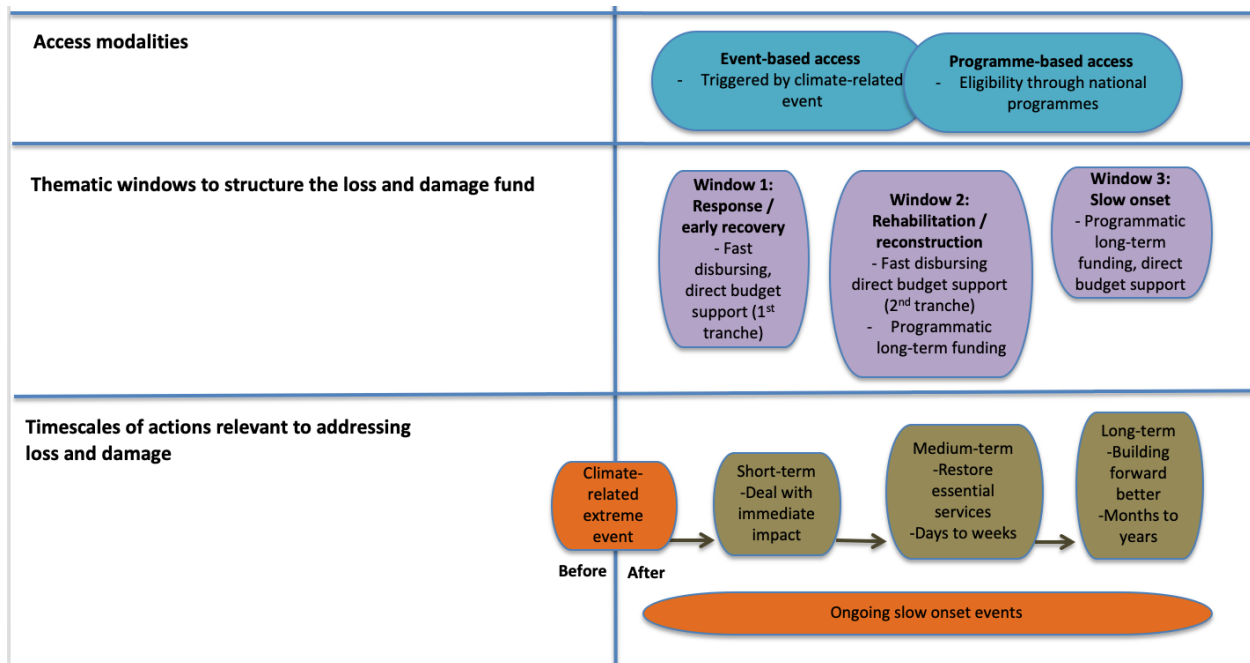


Figure 1: The access modalities, thematic windows and timescales of action of the Loss and Damage Fund

1. Windows 1 and 2: Event-based direct access to support immediate actions and unplanned mid-term actions after extreme weather events

According to event-triggered direct access, vulnerable developing countries would receive grant-based support upon experiencing climate-related disaster. Countries would turn directly to the LDF for support and fast-tracked funding decisions would be made by a resident board or director.

The event-based disbursement we suggest here is modelled on the EU Solidarity Fund (EUSF)¹, which supports EU member states hit by natural disasters exceeding losses of 0,6% gross national income or EUR 3 billion in 2002 prices. The EUSF disburses up to 25% of the anticipated financial contribution rapidly. This tranche 1 we see operate under window 1, whereas the remainder constitutes tranche 2 under window 2, as informed by more detailed needs assessments.

Designated national ministries would apply for direct budget support to the LDF, hence **no accreditation of specific entities would be required**. Countries would oversee the implementation of activities in a country-driven manner and equally undertake the reporting.

We note that the European Union provides this for its member States through the EU Solidarity Fund. In line with the provisions of the Convention and the Paris Agreement, we call for the same solidarity at global scale.

2. Windows 2 and 3: Programme-based direct access to support recovery and rehabilitation from extreme events and responses to slow onset events

Under the programme-based access modality, countries would draw up national-level programmes for grant-based funding to address loss and damage. This access modality applies to responses to address impacts from slow onset events, and to the extent that countries include discrete reconstruction and rehabilitation activities in their national programmes – to address impacts from climate-related extreme events as well. Designated national ministries would apply for direct budget support, hence **no accreditation of specific entities would be required**.

Through the programme-based access modality, countries would make requests for support for elements of their national loss and damage programme directly to the LDF. Programme implementation would be carried out in a country-driven manner including reporting. The Santiago Network, the primary functions of which includes assisting countries in identifying technical assistance needs and priorities, could be called upon to source technical support for countries in need of assistance in developing plans, specifically to address loss and damage.

¹ https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/programme-performance-statements/european-union-solidarity-fund-performance_en

Annex

Figure 3 from TSU Synthesis Report, version 23 May, available at https://unfccc.int/sites/default/files/resource/TC2_SynthesisReport23May23.pdf#page=13

Figure 3. Existing funding arrangements for needs and actions in context of sudden-onset events and impacts as per mapping exercise²⁰

| <i>Need Spectrum</i> | <i>Actions</i> | <i>Entries</i> |
|--|---|----------------|
| Preparedness | <ul style="list-style-type: none"> ▪ disaster risk reduction ▪ disaster preparedness planning ▪ early warning systems ▪ personnel training | 42 |
| Response | <ul style="list-style-type: none"> ▪ search and rescue ▪ emergency relief (food, emergency shelter, medical care) ▪ access control & damage assessment | 13 |
| Recovery | <ul style="list-style-type: none"> ▪ temporary shelter ▪ debris removal and clean-up ▪ restoration of vital infrastructure services ▪ social protection/ livelihoods | |
| Rehabilitation | <ul style="list-style-type: none"> ▪ management of injury/ trauma ▪ prevention/ management of disability ▪ restoration of functional capabilities ▪ re-integration of survivors | |
| Reconstruction (Build Back Better, Forward/ Resilient) | <ul style="list-style-type: none"> ▪ health care/ mental health support ▪ resettlement ▪ physical and social infrastructure ▪ employment opportunities | 9 |