

Loss and Damage: Funding arrangements

1. We thank you Chair for allowing constructive discussions on the extremely important Agenda item on this long-pending issue- of LD financing. At the onset, India supports and aligns with the submissions made by all the Sub-groups of Developing countries especially those made on behalf of G77 & China.
2. Cooperation and facilitation by all parties in constructive discussions on LD, as is currently evident at COP27, restores a semblance of trust and real hope amongst all the severely affected developing countries.
3. Today this Saturday after thirty years of first inception of the seed of the demand for LD funding and after about a decade of Doha and Warsaw mechanism and after seven years of Paris Agreement, carefully listening to all my colleagues from the Developed countries in past three sessions and the interventions made by them reveal few **pleasant common threads**.

To quote them:-

- a. Welcoming the Agenda item and Pledging of full support to the cause at hand and the item under discussion
 - b. Resolve for a concrete outcome at COP27 itself and if not certainly by COP 28 & 29
 - c. Realization and acceptance of huge gaps in funding for addressing LD
 - d. Urgency to scale up LD addressing actions and activities on the ground zero
 - e. Capturing critical differences between Extreme weather events & Slow onset events and the different approached required thereof
 - f. Importance of Non-Economic losses alongwith Economic losses
4. We also at the same time simultaneously captured some **other common threads** while suggesting the solutions, some which are as under :-
 - a. Whole of financing approach and Diverting attention to MDBs, Insurance schemes, IMF, Pre-arranged finances, Concessional finances and plethora of innovative Global initiatives and above all suggestions to revert again to GCF & GEF framework by reforming the processes.

- b. Requirement of mapping the existing structures, Quantification of the gaps in funding and the Demand for accurate information on Climate events and disasters and the attribution science thereof.
- c. Differentiation of Ex-post facto and Ex-ante measures and the possibilities thereof?
- d. Importance of Preparedness and capacity building and its role in Ex-ante actions now, especially for slow onset events
- e. Values of adaptation as ex-ante measure to negate requirements of addressing LD, when soft options of Adaptation have already been crossed in most ecosystems and hard options of Adaptation are rapidly being broken
- f. Importance of Humanitarian assistance, Regional forums, Bilaterals, Response & Relief measures which are already existing

Having captured the above common threads, our responses on the way forward and elements of the processes to be launched are suggested as under:-

- I. Our collective understanding has been enhanced with **Glasgow dialogue** and the same should feed into the constructive discussions in this agenda item as a **single process in future**. Hopefully it could have fed more formally into the whole discourse and the UNFCCC processes at Bonn too as requested by Developing countries then.
- II. Clear **funding gaps** exist and such financing is not yet available through any of the existing funding arrangements under the Convention and Paris Agreement's Financial Mechanism, whether Mitigation or Adaptation. GCF/GEF funds at current quantum and long bureaucratic processes are miniscule compared to the problem at hand. It has to be a **new and additional funding** for addressing (not only averting or mitigating) Loss & Damage.
- III. **Grant based funds** from multiple sources would be required with timely dispersal. Loans of any kind even if soft loans would increase both the misery and debt of affected communities and vulnerable member nations. Insurance, if found as an additional viable solution should be subject to the LD funding arrangement, taking the premium load. Debt cancellation can also be an option which has not been discussed till now.
- IV. **Historical cumulative emissions** to be the guiding principles and benchmark of further discussions/negotiations and not the current emissions levels.

Polluter pays principle is an established global norm within Climate justice. Common but differentiated responsibility and respective capabilities should be the cornerstone for the way forward.

- V. A **mosaic of solutions** of Quick fund immediately after disaster and long duration fund for reconstruction is proposed within the funding arrangement. **Easy and fast disbursement** during/after climate change induced disasters should be the essence.
- VI. **Addressing LD is about Recovery & Reconstruction after a disaster by building back better in a resilient manner.** Capturing all losses by **Post-Disaster Needs Assessment (PDNA)** is the need of the hour. Scaling up action and support on Loss & Damage especially addressing the same is critical, including the skills and technical assistance for conducting PDNA and LDNA.
- VII. We also look forward to **Multilateral, consensus-based legitimacy of the funding arrangement** as an operating entity. A separate techno-economic body for approving attribution and the funds and a structure like the Adaptation fund with majority of developing nations on its board is proposed.
- VIII. **Event specific funding depending** on the sad impacts like magnitude, impacts, extent, loss of lives and property as contained in the Post Disaster Needs Assessment (PDNA) exercise to be the basis of disbursement.

On the processes elaborated in the interventions yesterday by my colleagues from the developed world, we would like to differ as there is no more time for more Dialogues, Declarations, Regional Workshops, Mechanisms, Concept Notes, Discussion papers, Networks. The urgent requirement is for a Funding arrangement within the UNFCCC processes. We are open to further discussions on the mechanisms and elements of the funding arrangement as the process evolves and certainly culminates at COP29.

Delay in creation of a suitable financial arrangement to address this grim reality, delaying the outcomes of this agenda item or diverting attention to non-existent financial possibilities and ignoring this issue is not an option anymore as the costs are being borne by populations which are least responsible for the cause.

We thank you, Chair for giving us the opportunity for the submission and would submit and elaborate further, whenever required.

We also totally agree that all member countries are in it together as is regularly stated by few of my colleagues. Climate change impacts are certainly being felt in all the continents, irrespective of Location or Development Index but we highlight the following **seven** differences in the impacts that happen in developing countries vis a vis developed countries:-

- a) Much higher impacts vis a vis number of lives lost, agricultural losses and debt burden
- b) Increased intensity, frequency and ferocity of disasters (500% variations)
- c) Higher Vulnerability and Exposure of communities
- d) Lower resilience of infrastructure i.e. roads, bridges etc to the disasters
- e) Non-existent safety nets, Social protection, Displacement & migration
- f) Lesser technological capacity
- g) Financial limitations & lower insurance cover, if any