

Reflections and proposals to deliver on all elements of the TC LnD mandate for a resilient future.

After five months of meetings, workshops, Glasgow Dialogue, submissions, TSU and non-papers as well as many constructive discussions, **the challenges and gaps that exist in the multi-layered existing landscape to respond to losses and damages are evident.** We are thankful for the sharing of important perspectives of vulnerable countries and communities by TC members and civil society which has deepened our understanding.

Many asked us to act with speed, efficiently and effectively to respond to loss and damage with a perspective to secure livelihoods and build back better in order to avoid loss of lives and health, cultural heritage, ecosystems and national assets. An inclusive and transparent approach, which addresses local needs, respects indigenous, local knowledge and secures accountability was asked for. Many areas for emerging consensus along these lines were explored.

Key elements for TC LnD recommendations to Cop28 emerged from our perspective to build these resilient futures with a comprehensive response to losses and damages:

- **We envisage a strengthened architecture** inside and outside UNFCCC to respond to loss and damage for particularly vulnerable developing countries, which is built on strong country ownership for inclusive national resilience strategies and programs, and provides fast, efficient and effective access to the best placed funding arrangements, including the new fund.
- **The fund will cover priority gaps with a strong programmatic approach** that strengthens national systems, institutions and policies. One priority gap to be addressed by the fund, for example, is the topping up for recovery and reconstruction costs to build back better. A duplication of existing instruments will be avoided. Existing FA that fit in substance and structure to the fund could be additionally integrated for coherence and efficiency.
- **The fund will work under the guidance of CMA. It will be fully operationalized as soon as possible.**
- **The fund will be governed by a board with a regionally balanced and inclusive participation** of parties. This will include relevant representation from particularly vulnerable countries such as SIDS and LDCs and **will ensure meaningful participation of civil society, local groups and indigenous people.**
- **The Governing Instrument should have a role in ensuring that the fund will target its action towards particularly vulnerable countries.**
- **The funding for the fund will come from diverse public and private sources.** All countries with responsibilities for loss and damage and in a position to do so should contribute to the fund. A necessary increase of funding has also to come from innovative sources and the fund will be designed with the necessary provisions to receive distinct funding sources.
- **The whole LnD architecture, including the fund will be tasked to facilitate vertical coordination and collaboration for access,** including direct access mechanisms for national, subnational and local actors, including actors at civil society and affected community level. **Incentives for adaptation and resilience measures** need to be systematically integrated.
- **The fund will cooperate closely with enhanced and new funding arrangements for streamlined procedures and it can channel funds to funding arrangements.** The funding arrangements will increase the transparency and reporting to CMA.
- **Funding arrangements** in the areas including pre-arranged financing, fiscal space or humanitarian aid **need to be enhanced quickly** to be fit for purpose. All parties, institutions and shareholders will work actively towards relevant change and scale. **E.g. the Global Shield against Climate Risks will maximise its impact** and scale its function as a platform to advance the agenda of pre-arranged finance.
- **New and enhanced funding arrangements will work in coherence and complementarity to the fund.** This will be enabled through a sensible division of labour that avoids duplication, transparent planning processes and best use of existing (and upcoming) mechanisms like WIM and Santiago Network.
- **A high-level dialogue** between all relevant institutions and initiatives will be organised regularly.