Summary report on the third Glasgow Dialogue

Report by the SBI Chair

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I. Introduction and background

A. Mandate

1. The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), in a decision¹ endorsed by the Conference of the Parties (COP),² established the Glasgow Dialogue between Parties, relevant organizations and stakeholders to discuss the arrangements for the funding of activities to avert, minimize and address loss and damage associated with the adverse impacts of climate change. In the same decision, CMA 3 requested the Subsidiary Body for Implementation (SBI) to organize the Glasgow Dialogue in cooperation with the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts (WIM ExCom).³ The Glasgow Dialogue was mandated to take place each year at the first session of the SBI, starting at SBI 56 and concluding at SBI 60. The Chair of the SBI was requested to provide a summary report on each Glasgow Dialogue no later than four weeks thereafter.⁴

B. Previous Glasgow Dialogues

2. The 1st Glasgow Dialogue (GD1)⁵ took place at SBI 56 (June 2022) and focused on the implementation of approaches for averting, minimizing and addressing loss and damage associated with climate change impacts. During GD1, participants shared experience, challenges and lessons learned from existing finance arrangements to enhance understanding on how support can be responsive to the implementation of approaches to anticipate and respond to loss and damage in developing countries. They also highlighted gaps, barriers and challenges in the loss and damage support landscape. Following the Dialogue, COP 27 and CMA 4 decided to establish new funding arrangements, including a fund for responding to loss and damage, to assist developing countries that are particularly vulnerable to the adverse effects of climate change.⁶

3. The 2nd Glasgow Dialogue (GD2)⁷ took place at SBI 58 (June 2023) and focused on the operationalization of the new funding arrangements and the fund established by decisions 2/CP.27 and 2/CMA.4, as well as on maximizing support from existing funding arrangements relevant for, inter alia, responding to economic and non-economic losses, slow onset events and extreme weather events.⁸ COP 27 and CMA 4 also decided that GD2 inform the work of

¹ Decision 1/CMA.3, para. 73.

² Decision 1/CP.26, para. 43.

³ Decision 1/CMA.3, para. 74.

⁴ Decisions <u>2/CP.27</u>, para. 10, and <u>2/CMA.4</u>, para. 10.

⁵ Further information on GD1, including links to the webcasts of all sessions, is available at <u>https://unfccc.int/event/first-glasgow-dialogue-gd1</u>.

⁶ Decisions <u>2/CP.27</u>, paras. 2–3, and <u>2/CMA.4</u>, paras. 2–3.

⁷ Further information on GD2, including links to the webcasts of all sessions, is available at <u>https://unfccc.int/event/gd2</u>.

⁸ Decisions 2/CP.27, para. 9, and 2/CMA.4, para. 9.

the Transitional Committee.⁹ The discussions at GD2 contributed to decisions of COP 28 and CMA 5 on operationalization of the new funding arrangements, including a fund, for responding to loss and damage.¹⁰

4. COP 28 adopted a decision on the host arrangements for the secretariat of the Santiago network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change to catalyse the technical assistance of relevant organizations, bodies, networks and experts for the implementation of approaches relevant to loss and damage at the local, national and regional level in vulnerable developing countries.¹¹

II. Proceedings

5. The 3rd Glasgow Dialogue (GD3)¹² took place on 6 and 7 June during SBI 60. It focused on enhancing coherence and coordination across the loss and damage support architecture and determining the role of the funding arrangements in this context. It also provided an opportunity for participants to discuss progress in and further recommendations for scaling up or enhancing existing and initiating new funding arrangements for responding to loss and damage.

6. The dialogue was open to all registered participants of the 60th sessions of the subsidiary bodies. More than 250 representatives of Parties, accredited intergovernmental and non-governmental organizations, and other stakeholders participated actively during the two-day, in-person dialogue, which was organized with both plenary and breakout group sessions to maximize opportunities for engagement.

7. The discussions were structured around the guiding questions prepared by the Chair of the SBI with input from the WIM ExCom (see annex I). Chapter III below summarizes the discussions from GD3 under these guiding questions.

8. GD3 was opened and presided over by the Chair of the SBI, Nabeel Munir. His opening remarks noted the role of the Glasgow Dialogue in helping to shape the evolving loss and damage support landscape by fostering a common understanding of the challenges, gaps and possible ways to enhance support for developing countries to avert, minimize and address loss and damage from the impacts of climate change.

9. Following the Chair's opening remarks, the Co-Chair of the Board of the Fund referred to in decisions 1/CP.28 and 5/CMA.5 (hereinafter referred to as the Fund for responding to loss and damage), Jean-Christophe Donnellier (France), the Co-Chair of the Santiago network Advisory Board, Alpha Kaloga (Guinea), and the Co-Chair of the WIM ExCom, Camila Minerva Rodríguez (Dominican Republic), provided an overview of the mandates and recent developments of those respective entities (see annex II). This overview comprised session 1 of GD3.

10. Session 2 was held as three parallel breakout group sessions, creating an opportunity for focused, interactive and inclusive discussion on enhancing coherence and coordination across the loss and damage finance architecture. Breakout group 1 was facilitated by Camilla Minerva Rodríguez and Sierra Woodruff (United States of America); breakout group 2 was facilitated by Alpha Kaloga; and breakout group 3 was facilitated by Jean-Christophe Donnellier. Each breakout group discussed the same guiding questions.

⁹ Decisions 2/CP.27, para. 9, and 2/CMA.4, para. 9. The transitional committee on the operationalization of the new funding arrangements for responding to loss and damage and the fund was established in paragraph 3 of the same decisions.

¹⁰ Decisions <u>1/CP.28</u>, paras. 1–4, and <u>5/CMA.5</u>, paras. 1–4.

¹¹ Decision <u>6/CMA.5</u> para.11 and endorsed by decision <u>2/CP.28</u> para.11

¹² Further information on GD3 is available at <u>https://unfccc.int/event/gd3</u>.

11. Session 3 was moderated by the SBI Rapporteur, Aysin Turpanci, and began with a report back from the breakout group discussions by the respective facilitators. A plenary discussion followed, focusing on progress since COP 28 and further recommendations with regard to the funding arrangements to assist developing countries that are particularly vulnerable to the adverse effects of climate change in responding to loss and damage. Participants were invited to share their key takeaways from GD3 and views on topics and questions that could be addressed at the high-level dialogue to be co-convened by the United Nations Secretary-General and the Fund for responding to loss and damage.¹³ GD3 was closed with remarks by Aysin Turpanci.

III. Summary of the discussions

A. Ensuring complementarity, coherence and coordination within and outside the Convention and the Paris Agreement

12. Many Participants highlighted the importance of complementarity, coherence and coordination in the work of the loss and damage entities under the Convention and the Paris Agreement to ensuring the provision of support to developing countries for anticipating and responding to loss and damage from the impacts of climate change. The importance of coordination and synergy between the work under the Santiago network and the WIM ExCom was stressed, particularly with regard to implementing capacity-building activities and enabling the technical guides being developed by the WIM ExCom to support developing countries in responding to loss and damage.

13. Some Parties proposed holding regular meetings between the Co-Chairs of the three loss and damage entities to strengthen coherence and coordination. Ongoing efforts in this regard that were highlighted include:

(a) The appointment of two members from the WIM ExCom to the Santiago network Advisory Board, creating direct communication and coordination channels;

(b) The shared plans of the WIM ExCom and the Santiago network Advisory Board to hold their next regular meetings back to back in September 2024 and to coordinate future meetings, where possible;

(c) The intention of the WIM ExCom and the Santiago network Advisory Board to hold outreach events together and collaborate on communications to enhance the dissemination of knowledge products and promote synergies in liaising with country focal points, such as national focal points to the UNFCCC and loss and damage contact points, capitalizing on the convening power of the WIM ExCom;

(d) Joint reporting by the WIM ExCom and the Santiago network Advisory Board, starting in 2024.

14. Discussions around the role of the WIM ExCom, work under the Santiago network and Fund for responding to loss and damage in promoting coordination, complementarity and coherence across the loss and damage support landscape within and outside the UNFCCC process included the observations that:

(a) The Fund for responding to loss and damage could serve as a coordinating mechanism within the loss and damage finance landscape. It was suggested that it leverage existing mechanisms such as the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts (WIM) and the Santiago network to promote the exchange of information and good practices. It was stated by some participants that, as the

¹³ Decisions 1/CP.28, annex II, paras. 11–16 and 5/CMA.5, annex II, paras. 11–16

Fund matures, it could develop the capacity to identify the competitive advantages of organizations under the funding arrangements to fill specific needs related to loss and damage;

(b) Under the Santiago network, the development of programmatic approaches and capacity-building at the national level will be facilitated. It was suggested by some participants that it could further enhance coordination and coherence at the national level by promoting the sharing of best practices and lessons learned through catalysing technical assistance. Through its function of matchmaking technical assistance with organizations, bodies, networks and experts, it can strengthen existing initiatives and avoid duplication;

(c) The WIM ExCom and its thematic expert groups can help to build capacity to help developing countries respond to loss and damage from the impacts of climate change and support decision makers and practitioners in activities relating to loss and damage, for example through the production of technical guides. The 2024 WIM review¹⁴ was viewed by some participants as an opportunity to further deliberate on implementation of the functions of the WIM in the context of the evolving loss and damage support landscape. At the same time, some participants noted the inadequacy of the five-year review of the WIM and called for an additional platform to allow annual discussions on its performance.

15. Many participants highlighted the cross-sectoral nature of loss and damage, and its involvement of a large range of stakeholders. While noting the progress in the loss and damage support landscape, some participants referred to the funding arrangements being fragmented and uncoordinated. The importance of effective coordination at the international, regional, national and local level to ensure the delivery of support to developing countries was highlighted. The discussions also focused on the need for inclusive participation of the most vulnerable communities and marginalized groups, including women, children, youth, older people, people with disabilities, Indigenous Peoples, refugees and displaced populations.

16. The discussions also emphasized the need to ensure coordination during the early stages of operationalizing the funding arrangements in order to build partnerships with organizations and engage with initiatives outside the UNFCCC process and avoid the fragmentation and duplication of efforts for loss and damage. Such organizations and initiatives that could form part of the funding arrangements are presented in table 1.

17. Many participants discussed how coordination across the loss and damage support landscape could be promoted by the high-level dialogue to be co-convened by the United Nations Secretary-General and the Board of the Fund for responding to loss and damage. The Santiago network Advisory Board plans to nominate two representatives to engage in the dialogue. Further discussions and recommendations relating to the high-level dialogue can be found in chapter III.G below.

¹⁴ Decisions <u>4/CP.22</u> para.2 and <u>2/CMA.</u>2 para. 46

 Table 1

 Examples of organizations and initiatives identified as potentially being included under the funding arrangements

Organization/initiative	Description shared by participants during the 3 rd Glasgow Dialogue
Caribbean Catastrophe Risk Insurance Facility	A regional fund providing parametric insurance against catastrophes.
Climate Action Account of the United Nations Central Emergency Response Fund	The Climate Action Account was introduced to enable the United Nations Central Emergency Response Fund to respond more effectively to increasingly severe and frequent climate disasters. It will scale anticipatory action and support life-saving actions that build resilience against future climate shocks.
Climate Risk and Early Warning Systems initiative	A financial mechanism that funds projects to establish risk-informed early warning services.
Early Warnings for All initiative	An initiative aimed at ensuring that everyone is protected from climate events through life-saving early warning systems.
Financial Mechanism and other climate change funds	Adaptation Fund, Green Climate Fund, Global Environment Facility, etc.
Global Shield against Climate Risks	The Global Shield process promotes national ownership, as countries determine gaps, needs and appropriate responses. It also aims to increase global coordination in delivering climate and disaster risk financing and insurance solutions.
International Federation of Red Cross and Red Crescent Societies	Some national societies have been working with respective Governments on responding to loss and damage, as part of their auxiliary role for the provision of humanitarian services.
International Organization for Migration (IOM)	Since the 1990s, IOM has been addressing the links between migration and climate change on multiple fronts, including operational response, research, capacity-building and policy development at the global, regional and national level.
Multilateral development banks	Regional multilateral development banks, the World Bank, etc.
National Oceanic and Atmospheric Administration (NOAA)	NOAA has done work on early warning systems and its data and climate information services are used around the world in preparing for disasters.
Pacific Resilience Facility	A Pacific-led, -owned and -managed financing facility that will fund projects which respond to loss and damage. The Facility has made progress towards operationalizing its procedures and has secured pledges for finance from various countries.
Southeast Asia Disaster Risk Insurance Facility (SEADRIF)	The first regional catastrophe risk insurance facility, SEADRIF, was established to provide support to ASEAN+3 countries (the member States of the Association of Southeast Asian Nations plus China, Japan and Republic of Korea). The Facility provides disaster and climate resilience solutions.
Systematic Observations Financing Facility	The Facility supports programming in 60 countries to close existing observation gaps.
United Nations Office for Disaster Risk Reduction and World Meteorological Organization	These organizations support the development of national loss and damage databases to help provide insights that can guide programmatic and technical inputs to affected populations at the national and subnational level.

B. Country experience in enhancing coherence and coordination of activities relevant to loss and damage

18. Throughout GD3, participants provided insights on the climate hazards and risks faced by their respective countries and shared experience of climate-related events that have resulted in economic and non-economic loss and damage. The extreme events and slow onset processes referred to in this regard included rising temperatures, heatwaves, wildfires, glacial retreat, sea level rise, salinization, coastal erosion, ocean acidification, extreme precipitation, storm surges, tropical cyclones, hurricanes, flooding, landslides, desertification and drought. Some participants highlighted the disproportionate impacts of these hazards on vulnerable communities and marginalized groups, including women, children, youth, older people, people with disabilities, Indigenous Peoples, refugees and displaced populations.

19. Country experience was also shared with regard to coherence and coordination of activities relevant to loss and damage, including how international support relevant to loss and damage is channelled to developing countries and how national and local stakeholders are coordinated. The need to change current practices where multiple stakeholders provide support in a disjointed manner, which results in duplication and inefficient use of scarce resources, was mentioned.

20. Some participants highlighted that coordination at the regional level was hampered by the diversity of hazards and risks faced and the multitude of international organizations providing short sighted support based on their own limited mandates and areas of focus. Some Parties shared their progress in implementing institutional reforms and initiatives designed to strengthen their national and local response to loss and damage from the impacts of climate change, which included the establishment of:

(a) Institutional, policy and regulatory frameworks for guiding the national and/or regional response to climate change;

(b) Institutional coordination mechanisms that take into consideration the crosssectoral nature of climate change impacts, facilitating interministerial coordination, with some coordination mechanisms including non-governmental stakeholders;

(c) Programmatic approaches that provide support to the most vulnerable groups in society;

(d) Integrated approaches to climate change, disaster risk management and humanitarian assistance;

(e) National systems that can respond to the needs of displaced populations or support planned relocation from the impacts of climate change;

 (f) Human rights based and gender-responsive approaches that include vulnerable communities;

(g) National funds dedicated to addressing the needs of vulnerable communities to the impacts of climate change.

21. An illustrative list of national initiatives shared during GD3 is provided in table 2. Some participants emphasized that support from the loss and damage entities under the Convention and the Paris Agreement should make use of and build on national institutional structures and systems for responding to loss and damage already in place in developing countries. Some Parties plan to prevent fragmentation across different processes at the national level by avoiding the establishment of dedicated institutional arrangements for loss and damage, opting instead to integrate loss and damage into existing disaster risk management and/or adaptation planning processes. Some Parties shared how loss and damage has been integrated into their policies and plans, such as nationally determined

contributions and national adaptation plans, as well as into investment-ready proposals. The main constraint identified at the national level in responding to loss and damage is the lack of financial resources to support implementation of policies and plans relevant to loss and damage.

22. Several participants expressed their commitment to inclusive decision-making and the consideration of local knowledge in anticipating and responding to loss and damage from the impacts of climate change. Some participants shared how activities relating to loss and damage were coordinated between the national and local level and some shared success stories of collaborations with women-led organizations, while also stressing the challenges with engaging and coordinating the response to loss and damage at the community level due to the lack of financial support to help manage loss and damage. One participant referred to "fatigue" from community consultations and the changing language around loss and damage.

23. Several Parties, in particular the least developed countries (LDCs) and small island developing States (SIDS), were of the view that national development objectives are being compromised by frequent events leading to loss and damage as respective countries have limited capacity to respond given financial and technical constraints. By necessity, some of them are forced to prioritize disaster response over investment in building longer-term resilience. Some participants noted the lack of finance for recovery, reconstruction and planned relocation of vulnerable communities. Many LDCs emphasized that high debt levels make it difficult for them to borrow money to finance additional initiatives.

24. Insights were also shared on the impacts of climate change on mountain communities. Climate change is negatively affecting mountain ecosystems and the water and food security, health, sanitation, agriculture and livelihoods of mountain communities. Among the challenges mentioned in association with reaching remote mountain communities to provide disaster relief were poor coordination among the intergovernmental agencies responsible for the delivery of relief packages. Some Parties called for joint international action for assisting mountain communities respond to loss and damage, given that the rate and depth of adaptation in mountain regions is insufficient to respond to the magnitude of the impacts faced.

Table 2Examples of country experience in enhancing coherence and coordination of activities relevant to loss and damage shared at the thirdGlasgow Dialogue

Country/region	Climate hazard	Type of response	Reform/initiative and related lessons learned
Cook Islands	Multi- hazard	Programmatic approach	Cook Islands is working with other Pacific Island countries to develop a vulnerability assessment that integrates a loss and damage needs assessment and covers economic and non-economic losses. The information from the vulnerability assessment will be used to build a national loss and damage database that will hold relevant data and information and help identify information gaps and research and primary data-collection needs. The database will facilitate the identification of investment projects for loss and damage and the development of a programmatic approach to addressing loss and damage across the 15 islands in the country.
El Salvador	Multi- hazard	Data	A recent study on quantifying loss and damage caused by extreme and slow onset events was conducted in the country, with a focus on the housing, transportation and agriculture sectors.
European Wildfires Union (EU)	Wildfires	ires Policy / coordination mechanism	The response to wildfires is a cross-sectoral challenge reflected in the EU policy for adaptation to climate change and the EU forest strategy both adopted in 2021. At the operational level, the EU Civil Protection Mechanism was created to protect EU citizens from disaster risks and provide an interface for enhanced fire prevention and climate resilience of forests.
		Lessons learned include the need for (1) developing a comprehensive and coordinated approach to mitigating wildfires; (2) making use of science-based findings and innovation to improve the transfer of knowledge and information exchange between practitioners and decision makers; (3) stepping up prevention measures, raising awareness and engaging key stakeholders; and (4) information from early warning systems are communicated in a timely manner.	
Fiji	Multi- hazard		The Government is supporting the planned relocation of vulnerable communities due to the impacts of climate change. More than 50 communities have requested to be relocated. Rising sea level, the intensification of tropical cyclones and coastal flooding has forced communities to retreat inland.
			Fiji is developing a comprehensive risk and vulnerability assessment methodology specifically for assisting communities identified for planned relocation. It includes assessing non-economic losses and damage, for example, the mitigation of irreversible losses to culture and traditions resulting from displacement and relocation.
			Fiji has established a task force that brings together relevant government institutions to consider issues related to planned relocation such as education, health, energy, water systems, land surveys, livelihoods and income-generating opportunities. Interministerial cooperation was stated as important for targeted responses to planned relocation.
			Fiji introduced a trust fund to support planned community relocations (through bilateral cooperation with New Zealand).
Fiji	Multi- hazard	Coordination mechanism	The Climate Change Act established the National Climate Change Coordination Committee, which brings together all permanent secretaries across different sectors.

Country/region	Climate hazard	Type of response	Reform/initiative and related lessons learned
Gambia	Multi- hazard	Coordination mechanism	The Gambia is working to improve communication and cooperation among government ministries and bodies across different sectors, for example environment, agriculture, water resources, health, energy, finance, disaster risk management and tourism. Technical, financial and data constraints are the main challenges to such efforts. To support these efforts, the Gambia has established an interministerial committee, the National Climate Change Council, a cross-sectoral task force and climate change desks within government agencies.
Indonesia	Multi- hazard	Coordination mechanism / national fund	Indonesia established a national board for disaster management and created the Disaster Pooling Fund to provide better flexibility for disaster management. It is also strengthening interministerial coordination to address loss and damage.
1	Multi- hazard	Coordination mechanism	Japan's disaster response is coordinated across several ministries, such as those responsible for infrastructure, transport, tourism and the environment, as well as the Cabinet Office.
			Lessons learned include the need for (1) preparing for disasters in advance; (2) providing information in a timely manner to support evacuation; (3) coordinating the work of the Government, private sector and civil society in disseminating information; and (4) recognizing the importance of monitoring and learning (e.g. post-disaster checks on the response, including identifying any shortcomings that should inform preparation for the next event).
Kiribati	Multi- hazard	Integrated approach	Kiribati has introduced coordination mechanisms that integrate climate change and disaster risk management. It has also developed an integrated vulnerability assessment methodology, which was identified as the starting point for improved coherence and coordination on loss and damage.
Malawi	Multi- hazard	Coordination mechanism	To address issues related to loss and damage and respond to different disasters, Malawi applies a cluster system approach. This involves all stakeholders and humanitarian organizations in all phases of the disaster risk management cycle (i.e. assessment, preparedness, response and recovery). In addition, Malawi has set up a disaster risk management coordination structure as the national coordination mechanism, which involves State and non-governmental stakeholders at the national, subnational and local level; a joint disaster risk reduction and climate change technical committee; and thematic working groups on anticipatory action and early warning.
Marshall Islands	Multi- hazard	Data	A pilot project on non-economic loss and damage is being scaled up in the Marshall Islands. The project includes the development of a curriculum and booklets on preserving cultural heritage across its atolls and islands, so that each captures its own culture, biodiversity and other unique characteristics.
Morocco	Multi- hazard	Programmatic approach	Morocco is strengthening its programmatic approaches for (1) disaster risk management governance; (2) knowledge management and assessment; (3) natural hazard prevention; (4) disaster preparedness for early recovery and better reconstruction; and (5) incorporation of scientific research, international cooperation and capacity-building in natural hazard management and loss and damage management. Prevention has been adopted as a cultural practice.

Country/region	Climate hazard	Type of response	Reform/initiative and related lessons learned
Pacific region	Multi- hazard	Policy	The endorsement by Pacific Island countries of the Pacific Regional Framework on Climate Mobility signified a significant collective commitment to address climate-induced displacement and highlighted the importance of collaboration, migration pathways and protection of internal displacement people.
Pacific region	Multi- hazard	Policy	The South Pacific Islands Crisis Response Plan illustrates the need for technical support to manage displacement and enhance resilience to climate change.
Pakistan	Floods	Data	Following the floods in 2022, Pakistan developed a post-disaster needs assessment, which is a framework providing a standardized methodology to estimate recovery needs.
Palau	Multi- hazard	Coordination mechanism	The Palau National Climate Change Coordination Committee is made up of governmental and non-governmental organizations and women's groups. The Committee meets at least twice a year to address matters relating to climate change and solutions to loss and damage.
Peru	Multi- hazard	Sectoral / thematic approach	In Peru, loss and damage is addressed according to the thematic area it falls under, for example, the health sector or minister is in charge of managing loss and damage related to health. In this management system, each sector acts separately, creating a gap that needs to be covered. Disaster risk management is coordinated under the Presidency of the Council of Ministers, with the participation of sectoral entities, and with a focus on pre- and post-disaster response.
Puerto Rico	Multi- hazard	Community Land Trust	The Community Land Trust was established to improve the living conditions of informal settlements. Experience related to the Trust exemplifies how local participation can counteract the risk of environmental and social upheaval.
Red Sea and Gulf of Aden		Programmatic approach	A multi-country project being implemented in countries that share the Red Sea and Gulf of Aden provides an example of a programmatic approach. It covers, inter alia, slow onset events and sea ecosystems.
Singapore	Multi- hazard	Capacity- building	Singapore holds annual joint training programmes with the United Nations Office for Disaster Risk Reduction on conducting vulnerability assessments and setting up early warning systems.
Uganda	Multi- hazard	Coordination mechanism	Uganda has established a Government-led advisory group on loss and damage, which includes representatives of the Climate Change Department, Ministry of Water and Environment, non-governmental stakeholders (e.g. Uganda Red Cross Society), policy committees and the National Climate Change Advisory Committee.
Vanuatu	Multi- hazard	Policy / investment-ready proposal	Vanuatu's nationally determined contribution includes costed targets relating to loss and damage, which enhances coordination and policy coherence. A list has been compiled of investment-ready proposals from the Vanuatu micro-business sector – small businesses that have already identified how they plan to address loss and damage. However, they are not receiving adequate finance from the private sector and lack the means of implementation for related loss and damage work coordinated at the local level.

C. Technical assistance needs

25. This subchapter summarizes the views shared during GD3 on the technical assistance needs of developing countries, including on the types of technical support and capacity-building required for building coherence and coordination in responding to loss and damage at the national level and on support for developing programmatic approaches to facilitate access to the Fund for responding to loss and damage. The role of the work under the Santiago network, and to some extent that of the WIM ExCom, in providing related support was recognized.

26. Many participants stressed that technical assistance should be accompanied by financial assistance in order to help developing countries manage their response to loss and damage. The needs and emerging areas for technical assistance and capacity-building support identified by participants include:

(a) Slow onset events. This need relates to building national systems to manage slow onset events, noting that addressing the impacts from slow onset processes involve gaining a better understanding of the nexus of disaster risk reduction, climate change and sustainable development. There is also a need for methodologies for estimating and documenting loss and damage from slow onset events;

(b) **Measuring loss and damage.** There is a need to understand the interlinkages among and to measure the different types of loss and damage, such as the linkages between impacts on key productive sectors and on human mobility. With regard to building capacity relating to non-economic loss and damage, the following needs were highlighted: (1) to consider traditional knowledge, traditional medicine, folklore, history, mental and physical health, gender-based violence, and other non-economic needs that particularly affect women and girls; and (2) to measure the health impacts of climate change in view of the increasing frequency of events such as heatwaves, which are having an impact on vaccine cold chains and quality, and the increasing outbreaks of cholera in new geographical areas;

(c) **Data and information.** Some LDCs highlighted the need for technical assistance to develop capacity to process and analyse relevant data and information to inform policy, planning and national response systems, including assistance for (1) implementing systematic data collection with quality control mechanisms; (2) using technologies that generate, disseminate and analyse loss and damage data; (3) developing national loss and damage databases; (4) disaggregating data to assess the needs of vulnerable groups; and (5) preparing loss and damage predictions and projections to support needs identification;

(d) **Risk assessment, risk mapping and costing of response plans.** The ability to identify vulnerable areas or "risk hotspots" was identified by some participants as essential for planning and putting in place contingency measures. Some suggested risk assessments be used to inform policy options, which can then be costed and reflected in medium-term development plans, and some noted the need for support to help identify and cost priority response actions, including planned relocation;

(e) **Early warning systems and anticipatory action.** The lack of early warning systems in some vulnerable regions such as Africa was raised. Support for developing and improving early warning and monitoring systems was viewed by many as being essential to helping identify threats and facilitate anticipatory and early action;

(f) **Strengthening and building on national systems.** Some participants strongly emphasized the need for efforts towards strengthening national and local systems to manage climate change and disaster risk management (see chapter III.B above). Some requested that

technical assistance be provided in a way that strengthens institutional arrangements and coordination mechanisms for managing loss and damage;

(g) **Participation of local communities and vulnerable groups in decision making.** Some participants called for support under the Santiago network for organizing inclusive regional and national dialogues that bring together all the relevant loss and damage stakeholders at the national and local level to enable the development of tailored capacitybuilding assistance that empowers local communities to better prepare for and respond to loss and damage situations. Inclusive dialogues and capacity building would also facilitate the inclusion in decision making of vulnerable communities and marginalized groups such as women, children, youth, older people, people with disabilities, Indigenous Peoples, refugees and displaced populations;

(h) **Integration of traditional knowledge and Indigenous Peoples' knowledge in approaches relevant to loss and damage.** Representatives of Indigenous Peoples and of local communities identified the need for technical assistance that would help them respond to loss and damage, including for (1) strengthening their organizational capacities for responding to loss and damage; (2) monitoring climate change and adaptation actions; and (3) fostering greater integration of Indigenous Peoples' knowledge with climate science and policymaking. Integration of traditional knowledge and practices into climate response strategies was viewed as vital in this regard and it was noted that Indigenous Peoples' knowledge offers valuable insights into sustainable practices and resilience, which should be incorporated into broad climate action frameworks;

(i) **Development of inclusive programmatic approaches.** Reference was made to the benefit of human rights based approaches being part of programmatic approaches as they allow for inclusive planning that considers marginalized communities, local knowledge and diverse socioeconomic factors. Also mentioned was the need for programmatic approaches to account for fragile and conflict-affected areas by integrating humanitarian, development and peace efforts and the need to look beyond the national level and consider transboundary impacts in relation to refugees and other vulnerable migrants. Several participants highlighted that work under the Santiago network has a role in providing support to developing countries for developing programmatic approaches and suggested that such support be time bound to discourage the development of dependency on external technical assistance.

D. Targeting funding for loss and damage to those at the frontline of climate change

27. This subchapter outlines the views of participants on how funding for loss and damage could be made available in a way that targets those who are at the frontline of climate change.

28. Many participants raised the need for reliable, predictable and sustained financial support. Some participants called for regular replenishments of the Fund for responding to loss and damage to meet the scale of the growing costs of loss and damage and the long-term needs of affected communities. A suggestion was made that funding be provided by developed countries owing to their historical responsibility for greenhouse gas emissions and in line with their commitments under the Convention.

29. There were several calls for human rights based approaches to funding for loss and damage to ensure that interventions are fair, inclusive and respect the rights of all affected individuals and communities, including women, children, youth, older people, people with disabilities, Indigenous Peoples, refugees and displaced populations. Some participants suggested developing the operational policies for the Fund for responding to loss and damage taking into consideration human rights, gender-responsiveness and Indigenous Peoples. Participants also noted:

(a) The lack of a reference to human rights in the governing instrument of the Fund for responding to loss and damage;

(b) The need for environmental and social safeguards to ensure that responses to loss and damage promote equality and do not result in human rights violations;

(c) The need for the Board of the Fund for responding to loss and damage to meaningfully engage with vulnerable communities and marginalized groups, including women, youth, Indigenous Peoples and displaced populations.

30. Simplified access to funding was viewed by many as crucial to ensuring that resources reach the most vulnerable in a timely manner and it was noted that a simplified accreditation process that takes into consideration capacity constraints, particularly those of the LDCs and SIDS, can be helpful in this regard. Several participants mentioned the need to learn from past experience and do things differently given the challenges vulnerable developing countries and local communities face in accessing climate finance from other climate change funds under the Convention and the Paris Agreement.

31. Given the need for quick disbursement following an extreme climate-related event, some participants expressed the view that the Fund for responding to loss and damage should have pre-arranged and trigger-based financing mechanisms.

32. Many participants identified the need for grant-based finance to avoid placing additional debt burdens on vulnerable developing countries and the need for direct access modalities for governments, non-governmental stakeholders, women, youth, local communities, Indigenous Peoples, displaced populations and other affected communities. Discussions around direct access included budget support and a small grants window. The importance of channelling adequate resources to vulnerable countries such as the LDCs and SIDS through an allocation quota was also raised. In this regard, reference was made to the governing instrument for the Fund for responding to loss and damage adopted at COP 28¹⁵ which contains vulnerability criteria and a minimum allocation floor for the LDCs and SIDS.

33. Programmatic approaches that are multisectoral and inclusive of the most vulnerable groups were identified by many participants as essential for addressing the multifaceted nature of loss and damage from the impacts of climate change. It was noted that developing effective programmatic approaches will take several years and require significant technical expertise. Relevant approaches therefore need to be combined with simplicity and flexibility. Caution was noted against making programmatic approaches the main or only means of accessing the Fund for responding to loss and damage, as this could limit accessibility for the LDCs, which do not have the capacity to easily adopt relevant approaches.

34. Some participants highlighted the need for shock-responsive social protection, which enables the delivery of loss and damage finance directly to affected households. Social protection can play an important role in anticipatory action based on forecasted impacts, allowing for cash transfers and support to be provided to affected people.

35. Some participants strongly emphasized the need for flexible and innovative funding solutions that can quickly adapt to changing circumstances and provide timely support to those in need. Some called for the Fund for responding to loss and damage to be the most flexible fund under the Convention and the Paris Agreement. Innovative financing mechanisms that combine domestic and international finance were identified by some participants as suitable for addressing climate-induced relocation needs.

¹⁵ Decision <u>1/CP28</u> and decision <u>5/CMA.5</u>

E. Progress made since COP 28 on the funding arrangements to assist developing countries that are particularly vulnerable to the adverse effects of climate change in responding to loss and damage

36. The discussions at GD3 covered the progress since COP 28 at the international level in operationalizing the Fund for responding to loss and damage and Santiago network, as detailed in chapter III.A above. However, many participants highlighted that the Fund for responding to loss and damage, the Santiago network and the WIM ExCom have not yet started to deliver support to developing countries and that it would take further time, in particular for the Fund for responding to loss and damage as its operational policies and procedures are not yet in place. Several participants pointed out that no progress has been made at the national level since COP 28 owing to the lack of funding and technical assistance.

37. Non-Party stakeholders who are considered part of the wider funding arrangements shared the relevant actions they are taking to support the national and local response to climate change. For example, the International Federation of Red Cross and Red Crescent Societies shared the information that a number of national societies have been working with their respective Governments on managing loss and damage, as part of their auxiliary role supporting humanitarian services.

F. Additional views on enhancing implementation of the new funding arrangements and achieving their objectives

38. Additional views were shared by participants of GD3 on enhancing implementation of the new funding arrangements to assist developing countries with managing the response to climate change. Participants suggested that:

(a) There is an urgent and critical need for mitigation action to limit the impacts of climate change;

(b) Loss and damage be part of the new collective quantified goal on climate finance, possibly as a sub-goal;

(c) Mountain communities be recognized and included in the global goal on adaptation, which would highlight their unique vulnerability to climate change impacts;

(d) Ideas on how to scale up technical support and enhance best practices be shared by direct submission to the Board of the Fund for responding to loss and damage and the UNFCCC secretariat;

(e) Increased focus be placed on implementing local action, embedding locally led initiatives in the funding arrangements, and enhancing community-level data to address climate-related displacement and build resilience across different timescales – the amount of finance flowing to the local level is a possible measure of progress in this regard;

(f) Coherence be promoted in climate action, noting the inconsistency in current climate investments (more resources are directed towards creating loss and damage frameworks rather than to efforts to avert and minimize climate change impacts), possibly with the use of a small tax on the extraction of fossil fuels by member countries of the Organisation for Economic Co-operation and Development as a way of raising finance for loss and damage from the impacts of climate change.

G. Views on topics that could be addressed at the high-level dialogue

39. A high-level dialogue on coordination and complementarity with representatives of the main entities of the funding arrangements for loss and damage will be co-convened by the United Nations Secretary-General and the Board of the Fund for responding to loss and

damage (see para. 11 above). Several participants at GD3 emphasized the importance of the high-level dialogue in coordinating various funding arrangements and improving the response to loss and damage from the impacts of climate change.

40. With regard to the organization of and preparations for the high-level dialogue, participants shared the following views:

(a) The formalization of the dialogue as an ongoing process would ensure continuous communication among the funding arrangement entities and stakeholders. Some participants noted the need for a clear follow-up process on the agreed outcomes from the dialogue;

(b) The dialogue should build on the practices established by the Glasgow Dialogue, which allow for structured and timely exchange between Parties and non-Party stakeholders. Some participants suggested that the WIM ExCom support the preparations for the dialogue, given its experience with the SBI Chair in organizing the Glasgow Dialogue;

(c) The dialogue should cover:

(i) Fields relevant to loss and damage, which include disaster risk reduction, adaptation, migration, displacement and humanitarian affairs;

(ii) Regional risk pools, multilateral development banks, humanitarian organizations and IOM, all of which are part of the funding arrangements and thus their inclusion in the dialogue could maximize their support;

(iii) Relevant aspects such as strengthening capacity and synergies across other relevant multilateral climate funds (e.g. Adaptation Fund, Green Climate Fund and Global Environment Facility);

(iv) The participation in the dialogue of diverse stakeholders, including nontraditional stakeholders outside the UNFCCC process and representatives of civil society, Indigenous Peoples, women, youth and vulnerable communities, would ensure diverse perspectives and comprehensive solutions and would be in alignment with the governing instrument of the Fund adopted at COP 28.

41. The suggestions shared by participants for topics and themes that could be discussed at the high-level dialogue include:

(a) Determining the best way to make use of existing mechanisms within and outside the UNFCCC process and how enhanced coordination at the international level can strengthen national systems and drive best practices, for example by establishing coordination mechanisms;

(b) Encouraging improvements to address gaps in the timeliness of, eligibility for and adequacy of access to finance from the various institutions that make up the funding arrangements for loss and damage;

(c) Developing programmatic approaches at the national level to respond to loss and damage;

(d) Building long-term resilience through the use of comprehensive approaches that consider the short-, medium- and long-term needs of developing countries;

(e) Strengthening data and information on climate change impacts and risk assessment to inform the response to loss and damage;

(f) Addressing gaps in relation to non-economic losses, slow onset events and human mobility;

(g) Undertaking global effort to mobilize public finance at scale through the Fund for responding to loss and damage in the spirit of solidarity, recognizing the limited role of

the private sector in providing finance for loss and damage to developing countries vulnerable to the impacts of climate change.

Annex I

Guiding questions for the third Glasgow Dialogue

42. The following questions guided discussions at the 3rd Glasgow Dialogue (GD3):

(a) Session 1:

(i) How can the different loss and damage entities under the Convention and the Paris Agreement effectively work together to ensure complementarity?

(b) Session 2 (breakout groups):

(i) What experience have countries had in relation to enhancing coherence and coordination of activities relevant to loss and damage?

(ii) What are the lessons learned from this experience?

(iii) What type of technical support and capacity-building would help build coherence and coordination at the national level?

(iv) What technical assistance is needed to support the development of programmatic approaches to responding to loss and damage and accessing the Fund referred to in decisions 1/CP.28 and 5/CMA.5?

(v) How can funding for loss and damage be made available in a way that targets those who are at the frontline of climate change impacts?

(c) Session 3:

(i) What progress has been made since the United Nations Climate Change Conference in the United Arab Emirates on the funding arrangements to assist developing countries that are particularly vulnerable to the adverse effects of climate change in responding to loss and damage?

(ii) What further recommendations could enhance implementation of the new funding arrangements and help achieve their objectives?

(iii) What are the key takeaways from GD3 and views on topics and themes that could be addressed at the high-level dialogue?

Annex II

Work of the loss and damage entities under the Convention and the Paris Agreement

43. The Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts (WIM) was the first institutional arrangement on loss and damage established under the UNFCCC process. Its overarching aim is to promote implementation of approaches for averting, minimizing and addressing loss and damage associated with climate change impacts. The functions of the WIM are (1) enhancing knowledge; (2) strengthening dialogue, coordination, coherence and synergies among stakeholders; and (3) enhancing action and support to address loss and damage.

44. The WIM Executive Committee (WIM ExCom) guides implementation of the three functions of the WIM, leveraging a range of technical expertise from within and beyond the climate change domain through three thematic expert groups¹ that focus on slow onset events, non-economic losses, and action and support; a technical expert group on comprehensive risk management; and a task force on displacement. Over the last decade, the work of the WIM ExCom has catalysed approaches, scalable solutions and good practices related to managing loss and damage associated with the adverse impacts of climate change. The WIM ExCom has facilitated the development of new tools and created spaces to share lessons learned and build understanding of climate risks and policy options, providing critical impetus for furthering international cooperation on loss and damage.

45. The Santiago network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change was established under the WIM following the 2019 review of the WIM to catalyse the technical assistance of relevant organizations, bodies, networks and experts for implementing relevant approaches for averting, minimizing and addressing loss and damage at the local, national and regional level in developing countries that are particularly vulnerable to the adverse effects of climate change. Following the selection of the host secretariat for the Santiago network at COP 28, the 1st meeting of the Advisory Board, which took place on 18 to 20 March 2024, adopted an interim work programme. The work programme is informed by the five-year rolling workplan of the WIM ExCom² and the plans of action of its expert groups, technical expert group and task force.³ Furthermore, the Santiago network secretariat plans to coordinate with the secretariat of the Fund for responding to loss and damage in supporting developing countries to access the Fund and aligning the technical assistance to be catalyzed by the Santiago network to build capacity and support programmatic approaches.⁴

46. New funding arrangements for loss and damage, including a fund, were established at COP 27 and operationalized at COP 28. Since then, members of the Board of the Fund referred to in decisions 1/CP.28 and 5/CMA.5 (the Fund for responding to loss and damage) have been elected and the Board held its 1st meeting from 30 April to 2 May 2024. The Board is working to further operationalize the Fund and has constructively engaged with relevant stakeholders on key issues related to the establishment of institutional arrangements with the World Bank,⁵ the selection process for the host country, the selection process for the

¹ Decision <u>2/CP.20</u> para. 8, empowers the WIM ExCom to establish expert groups.

 $^{^2\,}$ Link to the second five-year rolling workplan of the WIM ExCom, is available at

https://unfccc.int/sites/default/files/resource/Second_five-year%20rolling%20workplan_ExCom.pdf ³ More information on the thematic expert groups of the WIM ExCom, including the plans of action, is available at https://unfccc.int/wim-excom#Expert-Groups

⁴ Decision <u>6/CMA.5</u>, para. 36, and <u>2/CP.28</u>, para. 36.

⁵ The World Bank is the interim trustee and host of the Fund's secretariat, per decisions1/CP.28 and 5/CMA.5, para 15.

Executive Director of the secretariat of the Fund and the development of additional rules of procedure necessary for the Fund to function and fulfil its mandate. The latter includes how the Board of the Fund works with Parties, observers and other organizations. The Co-Chair of the Board of the Fund expressed the sense of urgency shared by Board members and other stakeholders at the 1st meeting of the Board of the Fund, to fully operationalize the Fund to support developing countries to respond to loss and damage from the impacts of climate change.