



Co-chairs' summary of the informal multilateral consultations with Group Chairs and HODs by the COP 26 Presidency and the COP 27 incoming Presidency on loss and damage

14 July 2022

As part of our joint efforts to facilitate progress towards COP 27 in a transparent and inclusive manner, we, the Presidency of COP 26 and the incoming Presidency of COP 27, convened informal multilateral consultations on loss and damage with Group Chairs and Heads of Delegations. To accommodate different time zones, two sessions were held on 14 July 2022.

We held these consultations in response to the growing urgency and the recognition that the international community must remain united and dedicated to making progress on this issue, particularly to address the needs of the most vulnerable.

We were delighted about the active engagement and substantive contributions made by Parties and negotiating groups. At the outset of their interventions, many expressed their appreciation for the timely opportunity to engage on this important matter that has been receiving growing attention also by the civil society and the larger public.

Groups and Parties, as well as the Chairs of the Subsidiary Bodies, made reference to the importance of the recent IPCC reports, notably the findings of Working Group II of the 6th Assessment Report of the IPCC, and the call for urgent climate action, complementing the earlier call made by the special report, 'Global Warming of 1.5 °C'.

Many recognized that efforts to avert, minimize and address loss and damage are strongly interlinked with the level of progress in mitigation, as well as the efforts of putting in place a transformative adaptation agenda to advance on the agreed pathway towards a low-carbon development.

We were pleased to have had remarks by the Chairs of the Subsidiary Bodies, who referred to the latest science as synthesized in the IPCC AR 6 that acknowledges that losses and damages are already occurring and that adaptation efforts cannot prevent all losses and damages, as soft and hard limits are being reached. They also reflected on the deliberations thus far on the further development of the institutional arrangements of the Santiago Network, during the technical workshop and SB 56, and noted that much work remains to be done this year.

Prior to the consultations, we had issued the following three guiding questions to structure the discussions, which serve as a structure for this note:

1. Based on the in-depth understanding of the variety of options on institutional arrangements of the Santiago Network for Loss and Damage discussed at SB56:
 - a. What would be needed to ensure that Parties have this agreed to operationalize the Santiago Network pursuant to decision 19/CMA.3 and decision 17/CP.26?
 - b. What can be done in the lead-up to and in Sharm El-Sheikh to support this objective?

2. What is needed to address the 'loss and damage' finance gap, and what can the COP/CMA do to support this?
3. What would you consider to be a successful outcome at COP 27 in relation to all elements relevant to further supporting activities to avert, minimise and address loss and damage?

(1) Towards the full operationalization of the Santiago Network

Overall, all Parties viewed it as essential to operationalize the Santiago Network at COP 27 to effectively fulfil its purpose of catalysing relevant technical assistance to developing countries.

Many highlighted the need for finding a common ground regarding the structure, including the different proposed elements of the Network, such as advisory functions, and the modalities and criteria for the selection of a host agency for the convening body as well as the secretarial services to be provided to the Santiago Network. Several Parties emphasized that, while recognizing the urgency of the operationalization of the Santiago Network, decisions should balance between the urgency of the need and the adequacy of the operationalization process.

Many Parties recalled the importance of a country-led process, which, in their view, could be enhanced through a strong role of loss and damage contact points, for which some Parties proposed to renew the nomination process.

Along these lines of strengthening the country-led nature of the Network, some delegations addressed the importance of including an advisory board in the Network's structure to provide strategic guidance. Meanwhile, other delegations expressed doubts about the need for an advisory board and the possible duplications and overlaps that might result from this. Several Parties emphasized to rather make use of existing arrangements, and one Party specifically urged for the structure to be as lean and efficient as possible.

Noting the level of attention for the deliberations on a possible advisory body thus far, some Parties requested that a similar amount of time be devoted to other proposed elements of the Santiago Network. Furthermore, many Parties emphasized that the adoption of criteria for a host organization and the launch of this selection process would be critical at COP 27. Some Parties referred to the adoption of Terms of Reference for the whole Santiago Network, in addition to those of the secretariat (at COP 27).

Many Parties also stressed that it would be important to establish predictable, adequate funding for the Santiago Network.

One Party added that progress is expected on all five aspects of the institutional arrangements of the Network in a balanced manner: operational modalities, structure, the role of the WIM ExCom and its expert groups, the role of the loss and damage contact points and the possible elements for terms of reference for the convening or coordinating body.

Parties unanimously expressed usefulness of intersessional meetings to advance the work towards the full operationalization of the Santiago Network, notably the elements of its structure and the roles of each element as well as its operational modalities. As one Party specified, these consultations should allow for dynamic conversations, avoiding statements and reiteration of well-known positions, but rather facilitating convergence. In this context, one Party viewed the mandated technical workshop held in Copenhagen, Denmark, prior to SB 56, as a useful opportunity to provide input to the deliberations.

Some Parties furthermore stressed that the intersessional period should be used to forge a common understanding of the purpose of the Santiago Network, highlighting its potentially

transformative role in responding to the technical needs of developing countries and addressing the identified gaps and shortcomings of the existing arrangements, and international systems with regard to loss and damage.

Several Parties stressed the importance of paying attention to slow onset events, non-economic losses, and addressing existing losses and damages.

Some Parties indicated that the UNFCCC secretariat should continue to provide interim support, including by establishing a process for countries to submit requests and for providers of technical assistance to register in the Network.

In addition, one Party suggested that we could, jointly with the Chairs of the Subsidiary Bodies, prepare an informal note, which would analyse structures of similar networks, including examples from outside the UNFCCC process.

(2) Addressing the loss and damage finance gap

Overall, Parties recognized the need for enhanced funding arrangements for loss and damage.

Some parties highlighted the first Glasgow Dialogue, held during SBI 56 for Implementation in June, drawing on the rich exchanges of experiences of both countries and agencies. They appreciated that the Dialogue made gaps and shortcomings evident in the existing systems, especially addressing the post-impacts needs, as well as averting, minimizing and addressing losses and damages associated with slow onset events, and non-economic losses and damages, such as human mobility.

While appreciation was noted for the exchanges at the first Dialogue as it showcased the urgent need to address these gaps and to put in place more effective responses, several Parties noted disappointment that the rich exchanges had, however, not been captured in any formal outcome document nor outlined the way forward towards a funding facility or funding arrangements at large. These Parties stressed the need to have an institutional link between the Glasgow Dialogue and the SBI's agenda to enable tracking of progress and adequate follow up.

Several Parties drew attention to a call for an agenda item on loss and damage finance under the COP and CMA to provide a formal space for Parties including to ensure that the work under the Dialogue is relevant, appropriate, and will yield an outcome for finance for loss and damage that addresses the needs of those on the frontlines of the climate crisis. Many Parties recalled and underscored their support to the request to include a sub-agenda item on matters relating to funding arrangements for addressing loss and damage.

Some Parties suggested that intersessional discussions could help advance the support towards smooth adoption of the agendas of the COP and CMA with an additional item to discuss finance for loss and damage.

Some Parties viewed loss and damage as the third pillar of climate action which warrants specific support set aside in climate finance, and some of these parties described loss and damage as matter that can define the success of COP 27. Some also considered that loss and damage should be a key element of the new collective quantified goal on climate finance.

Many Parties reiterated their call for new or additional finance for loss and damage, which could include the establishment of a new finance facility for loss and damage, or a dedicated window in the financial mechanism.

Some Parties, however, were of the view that a separate fund would lead to further fragmentation, and preferred to enhance the coherence and complementarity within the existing financial landscape to increase overall funding in climate finance, including by broadening the contributors' base, and by lowering barriers for countries to access funding of existing finance mechanism. The same Parties underscored that the Glasgow Dialogue and its timeline should not be pre-empted.

Several Parties underscored the opportunity the Glasgow Dialogue provides to continue convening the stakeholders from disaster risk reduction, humanitarian, and development, strengthening the coordination and alignment among them, and connecting them with the climate change community to jointly identify effective solutions. Yet, other Parties stressed the insufficiency, inadequacy, gaps, and shortcomings of these existing arrangements.

(3) Successful COP 27 outcomes from loss and damage perspectives

Overall, Parties viewed that loss and damage would be one of the defining characteristics of success of COP 27. Many Parties made it clear that a successful outcome would mean a concrete outcome on the Glasgow Dialogue, which would mean the establishment of funding arrangements or a funding facility under the COP and the CMA to address loss and damage with transparent, predictable resources, which would be separate from adaptation finance, and an agreement for it to become a standing COP and CMA agenda item.

Other Parties argued that, rather than starting the deliberations with the agenda item issue of the Glasgow Dialogue, they would rather delve into substantive questions from the outset.

Success at COP 27 would include an agreement on the Santiago Network, which would facilitate its operationalization.

Several Parties additionally stressed that the success of COP 27, in their view, would include on having an agreement on the dual governance on loss and damage by the COP and CMA.

In addition, some Parties also referred to a successfully updated five-year rolling workplan of the WIM ExCom as an element of success for COP 27.