Third meeting of the Transitional Committee 17 August 2023

Report of the second workshop on addressing loss and damage in the context of decisions 2/CP.27 and 2/CMA.4

I. Introduction and background

A. Mandate

1. Decisions 2/CP.27 and 2/CMA.4 requested the secretariat to conduct two workshops in 2023, with the participation of a diversity of institutions, relevant to addressing loss and damage associated with climate change impacts.[1] This request was made in the context of establishing:

(a) New funding arrangements for assisting developing countries that are particularly vulnerable to the adverse effects of climate change, in responding to loss and damage, including with a focus on addressing loss and damage by providing and assisting in mobilizing new and additional resources, and deciding that these new arrangements complement and include sources, funds, processes and initiatives under and outside the Convention and the Paris Agreement;[2]

(b) A fund for responding to loss and damage whose mandate includes a focus on addressing loss and damage;[3]

(c) A Transitional Committee (TC) on the operationalization of the new funding arrangements for responding to loss and damage and the fund.

2. The terms of reference[4] for the TC stipulated that the TC will serve as a coordination mechanism that guides and oversees, as appropriate, the activities referred to in paragraph 7 of the decisions, which include the mandated workshops.

3. In its workplan, the TC agreed on provisional dates for its meetings as well as the mandated workshops.[5] In the workplan, it was further decided that workshops would take place in a hybrid format. At its second meeting, the TC decided to amend the dates for the workshop, from 22 to 23 July 2023 to 15 to 16 July 2023.

II. Proceedings

4. The second workshop took place in a hybrid format from 15 to 16 July 2023, with the in-person component taking place in Bangkok, Thailand.[6] More than 250 participants attended the workshop, including Parties, accredited intergovernmental and non-

[1] Decisions 2/CP.27 and 2/CMA.4, para. 7.
[2] Decisions 2/CP.27 and 2/CMA.4, para. 2.
[3] Decisions 2/CP.27 and 2/CMA.4, para. 3.
[4] As contained in the annex to decisions 2/CP.27 and 2/CMA.4.
[5] Available at https://unfccc.int/sites/default/files/resource/TC1%20Paper%203%20Workplan_Final.pdf.
[6] Further details on the workshop, including a detailed programme and related documents and presentations, are available at https://unfccc.int/event/LD_wksp1.

governmental organizations, and other stakeholders. Additionally, the workshop was broadcast live via YouTube.[7]

5. The workshop was moderated by the Co-Chairs of the TC, Outi Honkatukia (Finland) and Richard Sherman (South Africa). It began with opening remarks by Ureerat Chareontoh (Director-General of Thailand International Cooperation Agency), Daniele Violetti (Senior Director or Programmes Coordination, UNFCCC secretariat), and Sangmin Nam (Director, Environment and Development Division, UN Economic and Social Commission for Asia and the Pacific).

6. The first day of the workshop focused on operationalizing the new fund. The introductory session included a presentation by the Co-Chairs of the TC, which provided an update on the work of the Committee and highlighted matters currently under discussion. This session also included five brief presentations by the Climate Justice Resilience Fund, the Green Climate Fund (GCF) Independent Evaluation Unit (IEU), the Climate Investment Funds (CIF), the Global Environment Facility (GEF), and UNICEF. These presentations highlighted current practice and relevant findings from existing institutions on various dimensions relevant to the work of the TC, including mechanisms for delivering support, governance arrangements for existing funds, options for facilitating programmatic approaches to funding, innovative sources of funding, and more.

7. Participants then took part in two breakout group sessions, which were conducted in a hybrid format. During the first breakout group session, participants were invited to discuss the governance arrangements and programme priorities of the fund. The second breakout group session then shifted focus to complementarity, coherence, and coordination in relation to the fund, as well as sources of funding for the fund. Following these two sessions, the moderators were invited to report back on their discussions to the plenary, and the floor was opened for any additional interventions participants wished to make.

8. Day two focused on operationalizing the new funding arrangements. During the introductory session, brief presentations were delivered by representatives of the International Monetary Fund (IMF), the UN Educational, Scientific, and Cultural Organization (UNESCO), the Government of France, and the UN Development Programme (UNDP). These presentations highlighted various ongoing initiatives This was followed by a panel discussion with a subset of the “mosaic” of existing funding arrangements, which featured representatives from the GEF, the Adaptation Fund, the GCF, the World Bank, and the UN Office for the Coordination of Humanitarian Affairs (OCHA).

9. Similar to day one, two breakout group sessions took place. The first focused on governance arrangements that may be applicable to funding arrangements for addressing loss and damage, whereas the second invited participants to discuss complementarity, coherence, and coordination and sources of funding in relation to the new funding arrangements. In the final session, breakout group moderators summarized their discussions in the plenary, and participants were invited to share any final reflections.

III. Summary of discussions

A. Operationalizing the new fund

10. On the topic of operationalizing the new fund, participants at the workshop discussed various dimensions including governance arrangements and the associated advantages and disadvantages of different options; good practices, models, and lessons learned from existing funds that may inform the development of institutional arrangements, modalities, structure, and governance of the fund; and potential models for implementing a programmatic approach

[7] The webcast of day one is available on demand at https://www.youtube.com/watch?v=CglLI2apJ6c&list=PLBcZ22cUY9RIqa5bMa6hOXgTQgdjwOPTq&index=2; the webcast of day two is available on demand at https://www.youtube.com/watch?v=jJR_oGw4mG0&list=PLBcZ22cUY9RIqa5bMa6hOXgTQgdjwOPTq&index=4.

to funding actions to respond to and address loss and damage, and priorities that could guide such an approach.

1. Governance arrangements

11. On the placement and associated governance arrangements of the new fund, participants reflected on various potential advantages, disadvantages, and other key considerations. These are summarized in Table 1 below.

Table 1
Potential advantages, disadvantages, and other considerations in relation to the placement of the fund

Option	*Potential advantages*	*Potential disadvantages*	*Other considerations*
Standalone fund	• Can focus exclusively on comprehensively addressing loss and damage • Can clearly showcase additionality of funding for loss and damage • Guided by the principles of the Convention and Paris Agreement • Opportunity to learn from other funds, taking up best practices and leaving out others • Opportunity to pilot new governance model that reflects participatory engagement • Opportunity to build the fund to the scale needed to address loss and damage • Clear and focused mandate specific to addressing loss and damage	• May take significantly longer to operationalize and begin disbursing • Comparatively labour and resource intensive • May result in new access or application procedures to navigate • May face difficulties coordinating with existing institutions	• A new standalone fund does not necessarily mean it cannot be affiliated with an existing institution
New fund housed in an existing institution under the UNFCCC	• Likely faster to operationalize and begin disbursing • Potential cost savings and efficiency gains • Guided by principles of Convention and Paris Agreement	• May be limited by operational modalities, procedures and cultures of host institution • Less control over the design of the fund and its mechanisms • Visibility and signalling functions may be reduced • Current UNFCCC institutions not equipped to provide rapid	• Must consider the institution's culture and values, and what would be "inherited" by the new fund and feasibility of creating new modalities that are fit for the new purposes

		disbursements of funding • Secretariat’s not equipped to do hands-on planning to facilitate programmatic approaches, lack on-the-ground presence • Scale of funding for loss and damage limited by overall funding available in the institution • Loss and damage funding may draw resources away from already limited funding for adaptation and mitigation	
New fund housed in an existing institution outside the UNFCCC	• Likely faster to operationalize and begin disbursing • Potential cost savings and efficiency gains • May offer on-the ground presence and existing expertise that can support operations of the fund • As compared with entities under UNFCCC, may facilitate access to countries without accredited entities • Some entities, like MDBs, may be better able to scale investments and exercise more flexibility with sources of finance and financial tools	• Limited in extent to which it will be guided by the principles of the Convention and the Paris Agreement, and limited accountability to/guidance from the COP/CMA • Less control over the design of the fund and its mechanisms • May be limited by operational modalities, procedures and cultures of host institution • Visibility and signalling functions may be reduced • Access and eligibility may be less inclusive depending on policies of host institution • Scale of funding for loss and damage limited by overall funding available in the institution • May create further fragmentation in the climate finance landscape	• There may be options to ensure that the fund nonetheless receives guidance from the COP/CMA • Uncommon to establish something under UNFCCC and have it operate outside this process • Must consider the institution’s culture and values, and what would be “inherited” by the new fund and feasibility of creating new modalities that are fit for the new purposes

12. Throughout the discussions, a few participants reflected on the three categories, what these refer to in practice, and whether there are options that sit in between these categories. A few participants questioned what precisely the term "standalone" refers to in this context, and one suggested that this includes a fund that sits within an existing institution but with its own governance and guidance and other aspects that give it a degree of independence from its host institution, such as the CIF. A representative of the CIF elaborated on its governance arrangements, explaining that it is a fund operating under the Financial Intermediary Fund (FIF) structure of the World Bank, with the World Bank playing three key roles: first, as its host; second, as its trustee; and third, as an implementing agency alongside other MDBs.[8] At the same time, the CIF has its own decision-making or governance bodies called trust fund committees.

13. Others, however, clarified that, in their view, a standalone fund entails building an entirely new host institution, with its own legal personality, from the ground up. The option of establishing a standalone fund, and simultaneously putting in place a transitional arrangement wherein an existing entity is able to begin disbursing funds, was also put forward.

14. In addition to the CIF, potential models that participants raised for consideration were a UN specialized agency like the International Fund for Agricultural Development, a UN Multi-Partner Trust Fund such as the Systematic Observation Financing Facility, the Global Partnership for Education, or the Pandemic Fund. A few participants elaborated in detail the particular practices within some of these institutions that are worth considering. For example, in the case of the Global Partnership for Education, the way in which it works with national plans, its board structure (including a wide range of stakeholders and organizations), its wide range of contributors, and its development of modalities and procedures specific to fragile and conflict-affected states were mentioned. It was also noted, however, that it is important to exercise caution when drawing lessons from these other funds given the ways in which addressing loss and damage differs from the focus areas of these funds; for example, the pandemic response is a comparatively narrow focus, and education tends to be fairly centralized in government systems, whereas addressing loss and damage will necessitate a more cross-sectoral response.

15. Some participants also shared overarching considerations that are guiding their preferences for the placement of the fund. This included that the fund should: have sufficient financial resources to operate at the scale needed to address loss and damage; have an on-the-ground presence in all regions across particularly vulnerable countries; work with the full range of financial tools and full range of partners; have all of the relevant privileges and immunities it needs to operate effectively; have the necessary expertise to work on the envisioned projects and programmes; be able to maximize the types of sources of finance, including potential innovative sources, it can receive and scale its investments; be flexible enough to evolve over time in response to changing needs, the latest data and research, and other key factors such as displacement stocks; ensure transparency and accountability; and serve particularly vulnerable countries. Some participants emphasized that the fund should be designated as an operating entity of the financial mechanism of the UNFCCC.

2. Implementing a programmatic approach to funding

16. To provide an example of a programmatic approach to funding climate action, a representative from the CIF presented on the business model of the CIF, including the country-led programmatic approach through which the CIF delivers its funding. This approach centres on medium-term investment plans within countries. The country-based investment planning process involves multiple stakeholders, including MDBs, bilateral development institutions, non-governmental organizations, civil society, local communities, and private investors. Countries submit applications to be considered for this investment plan process, and selection is based on criteria such as how the government plans to work effectively with MDBs (who will work with countries to implement the investment plan), how it is consistent with government's strategies such as NDCs, and more. Once the plan is approved by the trust fund committee, countries work together with MDBs to develop the

[8] Presentation is available at https://unfccc.int/sites/default/files/resource/WS2_15July_CIF.pdf.

associated projects, which are then approved by the respective governance body (i.e. the board of the MDB). This approach helps bring predictability in the medium-term, both to countries themselves and to private investors.

17. Another example of a programmatic approach presented was the Great Green Wall Initiative, which aims to support resilient livelihoods and landscapes across several countries in the Sahel. The Initiative began with the GEF, which has been supporting it since 2007, but now includes multiple funders, including the GCF and others. Support to the initiative includes multiple components, each of which includes financing from the GEF family of funds, along with additional co-financing, and multiple implementing entities. For example, this includes the Sahel and West Africa Programme in support of the Great Green Wall, a programmatic approach funded with USD 108 million from the GEF family of funds that then leveraged USD 2 billion in additional funding. These funds support a holistic and integrated approach that facilitates the implementation of wide range of activities related to climate change, land degradation, biodiversity and more.

18. In addition to featuring in some of the plenary presentations, options for implementing a programmatic approach to funding were also discussed in the breakout groups focused on operationalizing the new fund. Participants generally spoke in favour of embedding a programmatic approach to funding in the new fund. In particular, participants emphasized that such programmatic approaches can offer benefits including fostering policy coherence, comprehensiveness, long-term predictability of resources, and helping to build country capacity and strengthen national institutions. At the same time, some cases where a programmatic approach may not work were also highlighted. Examples include cases where funding is too limited to support the implementation of the programme in question and conflict-affected states where there may not be sufficient government capacity to develop a programme or strategy.

19. Some participants reflected on the existing examples of programmatic approaches, and good practices and lessons learned that may be worth considering. For example, the CIF Pilot Programme for Climate Resilience was highlighted as enabling two important steps: first, collecting priorities articulated in a wide set of national planning processes and documents, and second, translating those priorities into investments, projects, initiatives, and programs to facilitate their implementation.

20. It was noted that the basis or starting point for a programmatic approach to funding is often a national framework, policy, strategy, or related instrument that outlines key challenges and priorities from a national perspective. In this sense, it was noted that the fund could play a role in supporting the development of such instruments, building on and complementing other relevant instruments or processes that already exist at the national level, including national adaptation plans (NAPs), national level disaster risk reduction or recovery and reconstruction plans, and national drought plans. While some participants felt that NAPs themselves may offer the opportunity to integrate loss and damage-related plans and priorities, others felt that these should focus on adaptation only, and still others stressed that these types of preparedness activities should not be the focus of the new fund.

21. National-level programmes can also facilitate a comprehensive and coherent approach to funding actions to address loss and damage within a country, wherein a national government can decide which set of actions will be funded through support from the fund versus which set of actions will be supported by other funding arrangements. The assessment of loss and damage related needs and development of associated strategies were mentioned as areas where technical support from the Santiago network is expected to be instrumental. In addition to this country-based model of a programmatic approach, other potential options included regional-level or sectoral-focused models.

22. Regardless of the level at which a programmatic approach is pursued, the importance of ensuring that such programmes are inclusive, and do not further marginalize vulnerable populations, was highlighted. This includes, for example, indigenous peoples, migrants, and displaced populations. Cities and local governments – which are often on the frontlines of disaster response – were also highlighted as important considerations within programmatic responses.

23. Some participants noted that programmatic approaches to funding may be more suited to addressing slow-onset events because these events lend themselves to long-term planning and action. In this context, it was proposed that countries can develop a programme for responding to loss and damage arising from slow-onset events and submit this to the board of the fund for consideration. Once approved, the country could then select implementers for different components of the programme and, provided that there are no significant environmental or social risks, the country could then move forward with implementation without further consideration by the board of the fund. This model would allow for the departure from the project-based approach that is typical in many climate funds. In this scenario, the secretariat of the fund would play an active role in supporting the development of these national programmes and working with the implementers to bring it to life. The precise role of the fund in financing the implementation of such potential strategies remained unclear to some participants, however; for example, whether it would primarily supplement existing funding resources to implement the plan or serve as the primary source of funding. Some specific thematic priorities linked to slow-onset events were raised, such as community infrastructure, private or public assets, and ecosystem restoration.

24. Others, however, noted that pre-arranged or results-based funding in the context of extreme weather events may also be well-suited to programmatic approaches to funding. In this case, a country can put forward a plan for responding to extreme weather events, and access funding quickly to cope with an extreme weather event after implementing and/or to implement pre-agreed actions. In the experience of one MDB, such programmatic approaches in preparation of extreme weather events have enabled the rapid mobilization and response to climate shocks. Still other participants proposed that programmatic approaches may be appropriate for medium- and long-term rehabilitation and reconstruction following extreme weather events. The potential for having separate programmes for extreme weather and slow-onset events was also raised.

25. Considering that many communities and countries are now facing repeated, and often overlapping, climate change-related impacts and events, it was suggested that programmatic approaches should reflect this reality. This may be done, for example, by ensuring that programmes not only promote short-term recovery but help foster preparation for and long-term resilience to future events. Alternatively, it was suggested that the fund can include a mechanism or window through which communities that may not be well reflected in national plans and programmes can directly access support. Some participants stated that agreeing upon overarching principles can help foster flexibility in the pursuit of programmatic approaches. In addition to being inclusive of vulnerable communities, other potential principles were put forward that may be helpful to guide such programmatic approaches, including being complementary to and non-duplicative of other plans and initiatives; flexible enough to accommodate adjustments over time; locally-driven; people-centred; human rights-based; and gender-responsive.

26. One participant provided an example of the set of activities they would pursue through a programmatic approach in their national context, stating that they would devote some funding to paying insurance premiums for regional risk pools; develop a small grants programme for communities and businesses for memorialization and language preservation, rehabilitation of their environment, or undertaking other efforts to address loss and damage; distribute cash transfers through NGOs that are equipped to reach the most vulnerable people; pursue regional projects to address loss and damage, for example related to regional species loss; and develop pre-arranged financing mechanisms to respond to extreme weather events once a pre-defined trigger is reached.

27. While the programmatic approach was discussed in the context of operationalizing the new fund, some participants noted that this also relates to the funding arrangements given that various institutions are already implementing such programmatic approaches. Examples included policy-based lending by MDBs.

3. Other lessons learned from existing funds

28. Throughout the workshop, some lessons learned from the operationalization and operation of existing funds, which may inform the operationalization of the new fund, were highlighted by various speakers and participants. Reflecting on lessons learned from the

operationalization and performance to date of the GCF, a presentation by the GCF's IEU included various recommendations that may be helpful to consider in the design of the new fund.[9] These include:

(a) A strategic plan should clarify the fund's strategic positioning, articulate programming and operational priorities, and address long-term and short-term trade-offs. The ambition and strategic direction should align with available resources.

(b) At the country level, the fund should clarify its intended approach and possible roles, aligning with the available resources.

(c) Know your partners and future partners: Review and adjust accreditation priorities. Continuously enhance accreditation process' efficiency and transparency. Support and explore other access mechanisms beyond accreditation. Build capacities for better access and country-owned processes.

(d) Operationally, continually improve the efficiency, predictability and relevance of operational systems, ensuring they reflect policy priorities, strategic objectives and climate urgency, especially targeting the delays within the GCF's control.

(e) Pivot from an approval orientation towards one that emphasizes results and learning, with a coherent results architecture.

(f) Establish the fund's approach to managing entity and project risks.

(g) Strengthen governance processes, providing clear lines of roles & responsibilities and efficient leadership for the fund.

29. Regarding sources of funding, it was noted by participants that some existing funds cannot easily accept a wide range of sources of funding, and that the new fund, by contrast, should be built to accept these. The Adaptation Fund, which was structured to receive funds from the Clean Development Mechanism as well as a donation button on its website, was highlighted as an example to consider (for more on sources of funding, see chapter C below).

30. In relation to the composition of the board, the approach taken by The Pandemic Fund, which includes seats for philanthropists and civil society, was cited as a good example. The practice within funds such as the Adaptation Fund and the GCF to have both donor and recipient country representatives on their Boards was also referenced as a good practice. Other practices cited with respect to inclusivity were the Indigenous Peoples Advisory Group under the GCF, and the support to indigenous peoples through the GEF Small Grants Programme.

31. More broadly in relation to the board, some participants advocated for the establishment of a resident board in order to enable rapid decision-making in response to extreme weather events. Others, however, proposed that a secretariat mandated to take a hands-on role in the fund offers a potential alternative to a resident board.

32. Moreover, with respect to the equitable sharing and distribution of resources, the Least Developed Countries Fund was noted as a good example of ensuring that countries with the least capacity are also provided with an opportunity to access dedicated funding. Related to this, the allocation systems in place in some funds were highlighted by a few participants as a practice that may be worth considering or replicating.

33. From the humanitarian arena, the mobilization of funding in response to "soft" triggers – e.g., the declaration by a government of an emergency – was also raised as a good example that may offer lessons learned for the fund.

34. Lessons learned from funding specifically for actions to address loss and damage were also shared by the Climate Justice Resilience Fund.[10] These included:

(a) Supporting loss and damage entails funding a wide array of activities, ranging from reconstruction to re-establishing livelihoods to supporting migration and post-relocation needs.

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[9] Presentation available at https://unfccc.int/sites/default/files/resource/WS2_15July_GCF_IEU.pdf

[10] https://unfccc.int/sites/default/files/resource/WS2_15July_CJRF.pdf

(b) There are various processes through which loss and damage-related needs can be determined, including loss and damage needs assessments, participatory vulnerability and capacity assessments, collaborative regional approaches, and more.

(c) Affected communities are best placed to determine which activities are appropriate and tailored to the local context, which helps to avoid misallocation of funds.

(d) In many cases, individuals and communities continue to experience loss and damage even after actions have been taken to address it. As a result, priorities and interventions evolve over time.

35. In terms of departing from the practices of existing funds, some participants emphasized the importance of taking different approaches in areas such as access to funding and the timeliness of disbursing funding. This includes the accreditation processes that are put in place in order to access funding. In expressing these views, some participants shared experiences from their regions. For example, a participant from the Pacific noted that an institution from his region took more than 700 days to become a national implementing entity under the GCF, and stressed the need to strive for a better balance between high accountability and fiduciary standards on the one hand, and accessibility for countries in need on the other hand. In this context, it was suggested that one-size-fits all best practice standards may not be appropriate when applied to small countries with limited capacity, and “good enough” standards may function better and serve as stepping stones for countries to reach the best practice standards over time. Another suggestion was that a more hands-on secretariat can help fill the gaps in these cases, by finding and bringing on board partners that can exercise some of these functions when national capacity is limited.

36. Finally, it was suggested that lessons learned that are applied to the operationalization of the new fund should not be limited to those gained from other funds, but should also encompass good practices and models from other types of institutions. In this regard, the International Federation of Association Football was offered as a potential example of raising significant funds and supporting in-country infrastructure development.

4. Potential thematic priorities for the fund

37. Participants offered different suggestions on potential thematic priorities for the fund. For some, the fund could usefully focus on supporting actions to address slow-onset events, and take an additive approach to support to complement or supplement existing support available for extreme weather events. Others suggested that slow-onset events could constitute one thematic focus or window of the fund, and that other windows focused on extreme weather events can target particular phases of the post-event response (e.g. one week post-immediate response/humanitarian interventions and longer-term rehabilitation and reconstruction). Livelihood support and restoration was also highlighted as a key priority by some participants. A window dedicated to direct access by indigenous peoples and other vulnerable communities was also suggested, in light of their challenges in accessing finance.

38. Some participants emphasized that, in relation to recovery, rehabilitation, and reconstruction from extreme weather events, the fund should focus on supporting activities in a manner that is additive or complementary to existing institutions and arrangements. This could mean, for example, providing grant or highly concessional funding to supplement or blend with existing funding from MDBs or other actors.

39. While the potential to support the development of comprehensive plans or policies on loss and damage – which could guide a programmatic approach to funding – was discussed, some participants emphasized that the support of planning should not be a focus of the fund. A few participants suggested that such activities could be supported by technical assistance channelled through the Santiago network.

B. Operationalizing the new funding arrangements

1. Relevant support being provided through existing institutions and initiatives

40. During the workshop, a few institutions providing support relevant to addressing loss and damage presented examples of this support, highlighting key considerations, challenges, and constraints. See table 2 for a summary of related insights.

Table 2
Examples of support relevant to addressing loss and damage provided through existing institutions

Institution	*Support provided*	*Key challenges, constraints, and considerations*
IMF	Emergency Response Framework, consisting of specialized instruments to provide emergency financial support to members struck by natural disasters, including from climate change. This includes debt service relief grants and emergency financing without ex-post conditionality	• Catastrophe Containment and Relief Trust has very low current cash balance (under USD 100 million) which is insufficient to meet future shocks • Poverty Reduction and Growth Trust faces sizeable gap in loan (USD 1.3 billion) and subsidy (USD 1.2 billion) resources to meet stage 1 of the 2021 fundraising strategy
	Special Drawing Rights (SDR) Channelling: broad range of financial transactions in SDRs (pledging, lending, donating) permitted between IMF members and prescribed holders	• Challenges in SDR channelling associated with maintaining the reserve asset characteristic of the channelled SDR. Channelling SDRs can also entail recurrent budgetary cost to pay for the interest on the SDR allocation. Channelling to MDBs or between members has been very limited. • Central banks generally do not have the mandate to donate reserves or the income earned from them, so channelling SDRs to a loss and damage fund or funding arrangement would likely face related challenges.
	Resilience and Sustainability Trust (RST): provides financing and policy reforms to reduce risks associated with climate change and pandemic preparedness, build long-term resilience, and support longer-term prospective balance of payments stability.	• RST is not project financing nor does it address general balance of payments problems; funding is not earmarked • Nine arrangements approved as at June 2023, with a strong demand pipeline of more than 40 countries • Most countries interested thus far have significant adaptation needs and this is reflected in the focus of the arrangements • Requires a strong package of reforms developed in coordination with other international financial institutions • Adequate lending capacity in the short-term, but the funding target is still unmet: loan resources from current pledges are 78 per cent of the loan resource target
UNESCO	World Heritage Fund (USD 5.9 million (2022-2023)): Provides financial assistance to enable countries in need to protect cultural and natural treasures from impacts of climate change. Priority is the most threatened properties, especially those inscribed on the list of World Heritage in Danger. Rapid Response Facility (USD 1.2 million (since 2006)): Swift financial	• In addition to the direct impacts of climate change, cultural and natural heritage sites may also be impacted by large scale infrastructure impacts of projects intended to foster ecological transitions. • Culture is not a passive victim of the impacts of climate change, and living heritage in the form of local and indigenous knowledge, for example, is a vital resource for resilience.

	assistance to countries facing urgent and immediate threats to their cultural and natural heritage due to climate change, both sudden disasters and long-term impacts of climate change. Support provided for natural sites listed as World Heritage or an internationally recognized site of high biodiversity value. Intangible Cultural Heritage Fund (USD 8.7 million (2022-2023)): Support for countries experiencing urgent situations threatening their intangible cultural heritage. Not explicitly dedicated to climate change related issues, but can support safeguarding efforts in cases where climate change impacts directly affect communities. Heritage Emergency Fund (Support to 27 activities in 18 countries in 2022): A multi-donor and non-earmarked funding mechanism, addressing urgent and diverse challenges from armed conflicts and natural disasters.	• The preservation and restoration of cultural heritage necessitates a skilled workforce. There are challenges in finding such skilled individuals due to factors like rural to urban migration, limited learning opportunities, and interruption of intergenerational transmission of knowledge.
UNDP	Support for assessing needs and planning recovery: Government-led post-disaster needs assessments (PDNAs) have been undertaken in 70+ countries since 2014, supported by an institutional mechanism led by UNDP and the UN. Support for addressing loss and damage through UNDP's Recovery Strategy: • Immediate support including: nationally-owned loss and damage reporting and analysis through PDNAs, identifying gaps, fostering social cohesion and restoring livelihoods, strengthening stabilization and reducing vulnerability to future crises). • Medium- to long-term support including: strengthening risk governance, promoting viable economic measures and predictable financing, restoring ecosystems, enhancing human settlements, promoting safety nets and social services for the most vulnerable.	Barriers: • National and local stakeholders bear the majority of the costs of loss and damage • Funding is rarely provided over the long-term, and it is not always predictable and guaranteed. • Recovery funding has been limited, in many cases with only 20 to 50 per cent mobilized through donor conferences following large-scale disasters where PDNAs are undertaken Key takeaways: • Recovery is a space where the convergence of different programme and financing frameworks can be planned and implemented at multiple scales and across multidimensional risks • It is important to build on and strengthen existing data systems, build capacity for using data for evidence-based estimate of costs, improve data governance and digital inclusion to support human agency • Leveraging and building or enhancing mechanisms for assessment and recovery planning is needed for loss and damage. This includes strengthening the data architecture of PDNAs and adapting to address gaps such as for slow onset events and non-economic loss and damage

41. In addition, relevant outcomes of the Summit for a New Financial Pact, held in Paris, France from 22 to 23 June 2023, were presented by a representative of France.[11] These were

[11] Presentation available at https://unfccc.int/sites/default/files/resource/WS2_16July_NFPSummit.pdf

clustered in five areas that are related to the work on operationalizing the new funding arrangements:

(a) Debt deliverables and commitments: outcomes included, for example, a proposal to establish a Global Expert Review on Debt, Nature and Climate by COP28; a call to action to offer climate resilient debt clauses by the end of 2025; and encouragement of the IMF and World Bank to include climate vulnerability in their debt sustainability analyses.

(b) Vulnerability: outcomes included a call to launch a process to define vulnerability among MDBs and its possible impacts in determining eligibility to concessional resources; an announcement that EUR 270 million has been mobilized for the Global Shield, which is expected to leverage EUR 2.9 billion of additional concessional finance and mobilize around EUR 5.1 billion of private risk capacity; and an announcement by the World Bank of the publication of new Country Climate and Development Reports by COP28.

(c) Mobilizing new and additional resources: Various objectives have been achieved, including the mobilization of USD 100 billion of SDRs and reaching USD 35 billion of contributions to the IMF RST; a call to action for Paris-aligned Carbon markets supported by 31 countries; 23 countries adopted the principle of a levy on the greenhouse gas emissions of international maritime transportation; and a taskforce to examine possible new financial resources through taxation targeted at activities that contribute most to climate change was created.

(d) Mobilizing the MDBs: A "Vision Statement on MDBs" was endorsed by 50 countries. It calls on MDBs to evolve in ways that will be key to allow additional financing, including by reinforcing climate tools, drawing up additional cooperation schemes among peers, and harmonizing metrics for private capital mobilization. During the Summit, nine MDBs published a common methodology on alignment with the Paris Agreement.

(e) Mobilizing the private sector: the establishment of national strategies to support the development of the private sector in vulnerable countries was identified as an accelerator and facilitator of access to financing; simplified and accelerated financing approval processes by MDBs for small private sector projects in low-income countries were identified as a potential improvement to facilitate access to financing; and it was suggested that the OECD could organize, by the end of 2023, a task force to discuss progress, exchange information, and assess best practices used to mobilize private sector finance.

2. Potential new funding arrangements within existing institutions

42. Representatives of the Adaptation Fund, GCF, GEF World Bank, and UN OCHA reflected on the steps that would be required in order to establish new funding arrangements within their institutions to expand their support for addressing loss and damage, as well as key factors that may influence the feasibility and sustainability of these new funding arrangements. These details are summarized in table 3 below.

Table 3
Establishing new funding arrangements within existing institutions: examples and key considerations

Institution	*Examples of potential new funding arrangements and steps required*	*Factors that may influence feasibility and sustainability*
Adaptation Fund	• New funding window(s) within the existing Adaptation Fund mandate would require a CMA decision, followed by a Board decision. It would need to be aligned with the Adaptation Fund mandate and operational modalities and guidelines (including access modalities and the project implementation timeframe). Estimated to take one year or less.	• Sustainability requires significant resource mobilization • Funding to date only through grants

GCF	• Scaling up existing activities within existing GCF frameworks in areas already being supported that also contribute to addressing loss and damage. • New activities and/or instruments: This could involve loss and damage interventions on a standalone basis or enhancing actions in current programming. An example of the latter is supporting refugees and migrants in existing programming in a more integrated manner. Would require, e.g. a Board action to monitor this through the GCF Results Framework. Example of new instruments which could be considered are climate-resilient debt clauses; COP or CMA guidance can clarify circumstances in which these should be deployed. • New funding window: Specific COP guidance would be required to clarify relationship between new guidance on a funding window and the governing instrument, which mentions mitigation and adaptation but not loss and damage. Board would then need to consider which new policies will be required to operationalize the window, including changes to the GCF Investment Framework and the Results Management Framework. May also require examination of GCF partners to ensure right partners are there to deliver on loss and damage funding.	• COP/CMA decision required for new funding arrangements • Extent of Board consideration and related timelines vary depending on the type of new funding arrangement • GCF Board will need to consider how to align any COP/CMA guidance with the updated Strategic Plan 2024-2027 • Allocation parameters for GCF specify a 50:50 balance between mitigation and adaptation • New and additional resources will be required • Board currently has very heavy agenda, which may impact timelines for considering or implementing any new funding arrangements
GEF	• Additional activities undertaken by existing funds in GEF family of funds: required steps and time are minimal, but financial sources and feasibility need clarification. • New window established within an existing fund: decision needed by LDCF/SCCF Council.	• Requires clarity in COP/CMA decisions • Sources of funding and their stability and viability • Understanding how new funding arrangements can tap into and leverage other resources in GEF family of funds and options for integrated programming • Potential collaborations with other institutions for programmatic and integrated funding
World Bank	• Many existing structures and instruments within the World Bank are potentially relevant to loss and damage; each has its	• Any new funding arrangements cannot work against core mandate

	own unique structure, governance process, etc. • Decisions about any new arrangement require extensive internal consultations, and consultations with clients, the Board, and with contributors. • Both the International Development Association and the International Bank for Reconstruction and Development have Boards of Governors responsible for working with World Bank management to discuss how or if their core mandate might be changed in ways that reflect changing global conditions or policy priorities; this usually occurs as part of regular replenishment or recapitalization cycles.	• Must consider fiscal, reputational, and other types of risks • Need to ensure operational feasibility of implementing any new arrangement
UN OCHA	• Scope for OCHA-managed pooled funds to be positioned more clearly within the global climate finance arrangements, especially in context of loss and damage. One important component involves better leveraging existing humanitarian instruments and ensuring that they are compatible with and complementary to new architecture. • By capitalizing on CERF's comparative advantages (e.g. timely and global humanitarian response, catalyzing function for coordinated action and robust risk management system) the role of humanitarian action in responding to some aspects of loss and damage can be expanded. • OCHA is examining options to establish a dedicated climate account within the CERF, which would enable humanitarian actors to benefit from an additional stream of finance. As it will not involve a change in mandate or significant new area of focus, this will not require significant administrative changes or new management capacity.	• To maximize efficiency, effectiveness and sustainability of new funding arrangements, there are two important principles: (1) Strategic coherence: new funding arrangements should take full account of existing humanitarian architecture and be designed such that they are complementary rather than duplicative. (2) Additionality: resources for addressing loss and damage should be clearly and demonstrably additional to both development and humanitarian resources.

3. Ideas and considerations related to operationalizing the new funding arrangements

43. To contextualize the discussions on operationalizing the new funding arrangements, some participants shared their understandings of the definition of "funding arrangements."

Some participants noted that these arrangements relate to the existing landscape of institutions and how these may be strengthened or made more fit-for-purpose in relation to addressing loss and damage. Others noted that frameworks or agreements must be in place in order to concretize and structure the new funding arrangements and ensure that the relevant institutions make the contributions expected of them.

44. Some participants reflected in general terms on the broad categories of changes to existing funding arrangements that may help to address gaps within the current landscape of relevant institutions. For example, in relation to the speed of accessing financing, establishing fast-track financing mechanisms to provide expedited and simplified access to funding was suggested. In relation to the adequacy of finance, developing innovative financial instruments through the new funding arrangements was one proposal put forward. Establishing or strengthening regional funding mechanisms was offered as an avenue to target region-specific gaps and priorities.

45. Participants discussed overarching considerations related to the establishment of new funding arrangements. For example, some cautioned that the creation of a new window within an existing institution may lead to competition with existing windows and dilution of the same amount of resources overall. This, in turn, may lead these institutions to delay acting in the absence of additional resources. As such, it was proposed that a strong signal should be sent that resources to be used for the new funding arrangements and fund are additional, and not repackaged or rerouted from existing priorities.

46. Others noted that these potential resource constraints depend on the accompanying finance mobilization strategy, and that there is an opportunity to leverage the comparative advantage of existing institutions. These advantages stem from the expertise, partnerships, safeguards, setups, track records of existing institutions. A concrete example given was that an institution that is experienced in designing and administering small grants programmes could be well-placed to create such a programme specific to addressing loss and damage if that is deemed appropriate.

47. Another key consideration related to ensuring the uptake and implementation of recommendations made to establish new funding arrangements within institutions that sit outside the UNFCCC. Some participants expressed the view that clear, strong language in combination with voluntary action by governments to implement these recommendations in the appropriate fora – as shareholders and stakeholders in these fora – will likely lead to uptake. In this regard, it was emphasized that hearing directly from these institutions that are envisioned as part of the new funding arrangements on whether potential recommendations are feasible will be an important step in the process of crafting these recommendations. Additionally, it was suggested that the recommendations need to be put forward in a manner that is concrete and action-oriented; asking an institution to consider greater action to address loss and damage, for example, is insufficient.

48. Others, however, cautioned that governments may not have the same priorities across all fora. This may, in turn, lead to situations where a government agrees to something under the UNFCCC that relates to action in a different institution, but ultimately is unwilling to prioritize this or unable to move the action forward through their engagement with that institution. It was also observed that, in some cases, even institutions under the UNFCCC that receive guidance from the COP or CMA do not always implement this guidance in a timely or effective manner. This therefore should be considered in the recommendations to operationalize the new funding arrangements. One possible option to ensure implementation of the new funding arrangements in light of these concerns was through the conclusion of legal agreements, such as memoranda of understanding, that set out the terms of the new funding arrangements envisaged. Another option in relation to the new fund is accreditation of other institutions as part of the funding arrangements.

49. Additional considerations which related more broadly to defining the elements of the funding arrangements included that any such selection would not be exhaustive; that the relevant institutions to engage will vary by region and by climate impact (e.g. different institutions address hurricanes vs. droughts and so on); the importance of ensuring that the elements of the funding arrangements are indeed new and additional; and the value of putting in place results frameworks to track progress.

50. Participants made concrete suggestions with respect to the specific institutions which may play a role in the new funding arrangements to address different domains of gaps and challenges. Table 4 below provides examples.

Table 4
Categories and institutions considered in relation to the new funding arrangements

Category or domain	*Institutions that may play a role as part of new funding arrangements*
Pre-arranged finance	• World Bank (e.g. through expanding Catastrophe Deferred Drawdown options) • Global Shield (e.g. through its operationalization and potential expansion) • CERF (e.g. through a new climate window or other climate-specific mechanism)
Insurance	• MDBs (e.g. through pairing parametric insurance with loans to ensure debt payment relief in the aftermath of a crisis)
Emergency response	• World Bank (e.g. through broadening the contingency emergency response components so that a larger amount of funding can be disbursed as budget support in the aftermath of a crisis)
Recovery and reconstruction	• World Bank and UNDP (e.g. through measures to strengthen existing efforts)
Fiscal space	• MDBs (e.g. through expanding use of climate-resilient debt clauses) • Bilateral donors (e.g. through timely and sufficient debt treatment measures, possibly through the Common Framework)
Mobility and displacement	• Existing climate funds (e.g. through better incorporate human mobility concerns in projects and programming)
Cultural heritage	• UNESCO (e.g. through strengthening of relevant existing funds)
Non-economic losses to biodiversity	• GEF (e.g. through increasing activities within its current mandate)
Early warning systems	• GCF and Adaptation Fund (e.g. through increasing actions consistent with current mandates)
Preparedness and resilience	• IMF (e.g. by improving results-based operations through the Resilience and Sustainability Trust)

C. Sources of funding

51. Several participants emphasized the need to take advantage of the widest possible range of sources of funding and contributors to adequately address loss and damage. In relation to the fund, it was noted that this means ensuring that it is set up such that it can receive that wide variety of sources with minimal institutional burden. It was suggested to avoid delineating a precise set of sources of funding, given that these may change and evolve over time. Instead, flexibility to take advantage of new sources should be maintained. In relation to expanding sources of funding, the promotion of South-South cooperation on the part of countries that are in a position to do so was put forward as an opportunity. At the same time, some participants stressed the need to expand the donor base to a wider set of countries,

as it may be difficult for some countries to make contributions when others with higher GDPs or emissions are not willing or expected to contribute. As there is no existing donor base for loss and damage, a few participants suggested that the TC and wider international community now have an opportunity to lay a foundation for this support and determine the best and widest set of sources.

52. Some participants emphasized the importance of resources being provided in accordance with the principles of the Convention and the Paris Agreement. Others, meanwhile, noted that the Convention and Paris Agreement do not reference support for loss and damage, and this new area was not envisioned when the provisions were negotiated and agreed. Also in relation to the Paris Agreement, some participants noted that action under Article 2.1(c) of the Agreement represents an opportunity to increase the amount and variety of sources of funding that may flow to the funding arrangements.

53. On potential innovative sources of funding, various concrete opportunities were put forward. These include: a share of proceeds from national voluntary carbon markets; a share of proceeds from a maritime pricing mechanism, if agreed in the appropriate forum; taxes and levies; special drawing rights; crowdfunding; social impact bonds; redirecting fossil fuel subsidies; and callable capital. Others, however, questioned the innovativeness and appropriateness of some of these sources and mechanisms, such as levies and pricing mechanisms targeting specific sectors. While not a source per se, the use of climate resilient debt clauses and other measures to expand countries' fiscal space was also raised in the context of this discussion. See box 1 for examples of innovative and alternative sources of funding being pursued by UNICEF in service of supporting children.

Box 1
Innovative and alternative finance for children

UNICEF, through its Innovative and Alternative Finance for Children initiative (IF4C), is working towards five objectives:

(i) Aligning a greater share of global private capital markets towards the SDGs for children by creating new child-aligned global standards and/or influencing current standards. This includes, for example, aligning capital traditionally invested in "Environment, social, and governance" or ESG markets towards investments that are child-focused or child-centric. This, in turn, involves developing a child-lens investment framework, with key performance indicators and criteria against which to assess investments.

(ii) Amplifying the impact of proven approaches with a track record of successfully achieving progress under the SDGs for children, through the application of innovative financing instruments driven by UNICEF and its National Committees.

(iii) Accelerating the alignment and growth of global private capital that specifically prioritizes the SDGs for children by developing new impact investing opportunities.

(iv) Accessing global insurance and insurance-linked securities to protect the most vulnerable, especially children, from the negative impacts of unexpected events, including natural hazards and catastrophes. This includes, for example, the UNICEF Today and Tomorrow Initiative, which is the first parametric insurance with a central child-focus. The initiative invests in disaster risk reduction and climate change adaptation to prevent risk and also purchases protection through the market for climate-related events, primarily cyclones. Through a premium payment of USD 15 million, the programme has purchased up to USD 100 million of protection over 3 years. The insurance is triggered based on the wind speed, the number of children living in a given area, and the population distribution. The mechanism is now being piloted in eight countries, and, in its first year of existence, almost USD 4 million has been paid out to respond to the impacts of cyclones.

(v) Applying alternative innovative solutions by using fintech and cutting-edge technologies to leverage new resource channels for children.

Source: UNICEF presentation available at https://unfccc.int/sites/default/files/resource/WS2_15July_UNICEF.pdf.

54. The centrality of public finance – which should not be substituted by innovative sources – was also mentioned; in this context, the experience of the Adaptation Fund and the Clean Development Mechanism, was mentioned as a cautionary tale about reliance on such sources of funding. Particularly for innovative sources that stem from institutions and mechanisms outside the UNFCCC, it was stressed that these cannot be counted on as likely sources for the fund or funding arrangements. The centrality of public (and grant-based) funding was therefore emphasized by some participants. At the same time, others remarked that innovative sources can also be public sources, such as in the case of taxes and levies. Similar concerns were raised regarding counting on support from the private sector, with participants remarking that, while this support should certainly be welcomed, the private sector may not be attracted to some activities related to addressing loss and damage, and the privatization of public goods should not be encouraged.

55. It was noted that the overall scale of funding that is being sought remains unclear, and so does, therefore, the level of ambition and the adequacy of the sources of funding. While the importance of striving to leverage funds to increase the overall amount available to address loss and damage was mentioned, it was also acknowledged that this is often easier said than done. Nonetheless, it was suggested that the fund should be equipped to leverage resources and otherwise maximize the resources available to it, in addition to being able to mobilize a wide range of resources. One suggested way to maximize overall resources for addressing loss and damage, in a manner that goes beyond resources strictly donated to the fund, is to incentivize the use of innovative financing facilities at the national level – such as relocation trust funds – that can then be supported by the fund. Similarly, encouraging the development of domestic policies or regulations in relation to, for example, disaster resilient infrastructure can also help stimulate private capital flows.

56. The need to consider the sustainability of the sources of funding over time was also raised. In this respect, replenishment processes were identified as a realistic mechanism for securing resources, noting that these can be complemented by innovative sources of funding.

D. Complementarity, coherence and coordination

57. Throughout the workshop, some participants reflected on the overarching objectives and priorities of complementarity, coherence and coordination in relation to funding for addressing loss and damage. Some of these objectives raised by participants included reducing duplication of efforts; ensuring that the experience of vulnerable communities in accessing finance is as seamless as possible; optimizing resources and maximizing impact on the ground and minimizing transaction and other costs; identifying and bridging gaps in support for addressing loss and damage; disseminating and encouraging innovative practices; and facilitating accountability to Parties under the UNFCCC.

58. These objectives could be achieved by different types of complementarity, coherence, and coordination:

(a) information-sharing, to understand the ways in which the landscape of support is working or not working;

(b) strategic, to ensure policies and access procedures are aligned and complementarity to the extent possible;

(c) implementation and delivery of support, to ensure that different pieces of the landscape are functioning well together; and

(d) political, to ensure that a strong focus on the issues is maintained to ensure long-term follow through.

59. Participants also reflected on the topic of complementarity, coherence, and coordination in relation to the fund at various levels of governance:

(a) At the operational level, coordination should serve the purpose of ensuring alignment and harmonization between different institutions, and reducing the burden in accessing a comprehensive array of support from available providers. For example, different institutions can work together to undertake joint projects or programmes and facilitate co-financing of activities.

(b) At the national level, participants mentioned that complementarity, coherence, and coordination should strengthen existing institutions and ensure efficient and effective support, without creating any additional burdens. Connections between institutions working on different areas that may be relevant to addressing loss and damage – for example, those working on humanitarian response with those working on adaptation or disaster risk reduction – was suggested as a useful aspect of national-level coordination. National-level coordination can also help systematic multi-stakeholder engagement. It was noted that, while broad guidance on national coordination can be issued, this should be a nationally-led process. Countries should, it was suggested, be able to decide on what kind of institutions should be involved and the entities they wish to work with.

(c) At the global or international level, complementarity, coherence, and coordination can ensure that the overall landscape of support for addressing loss and damage is comprehensive and that institutions within this landscape are fulfilling their related mandates. In this context, complementarity, coherence and coordination with other international frameworks and agendas was also raised. Such coordination can also help set high-level strategic priorities and send clear signals of areas where further action is needed.

60. Other dimensions of complementarity, coherence, and coordination that may be useful were also mentioned. This includes, for example, coordinating among every actor engaged in the same phase of responding to a climate event (e.g. pre-disaster, immediate response) or coordinating to ensure a smooth transition between phases. Another dimension is optimizing the use of various financial instruments to best respond to country needs, including contingency funds, risk transfer instruments, and more. Ensuring coherence with human rights obligations, and complementarity and coordination with the institutions at the national and international level that serve to monitor and implement those obligations, was also suggested.

61. In terms of complementarity specifically, some participants proposed a layered approach to the landscape of action on addressing loss and damage, wherein the fund would take a prominent role in areas where there are significant substantive gaps, but more of an additive role where there are existing institutions and support in a given area, but that support is insufficient in one way or another. As this relates to the scope of the fund, however, some participants disagreed with this approach, preferring instead to give a broader mandate to the fund.

62. Some participants expressed the view that the new fund should assume a central role in fostering complementarity, coherence, and coordination among financial institutions and other relevant entities both under and outside the Convention and Paris Agreement. In this role, the fund could assume functions such as providing definitional and methodological leadership related to finance for addressing loss and damage, setting up registries and sharing good practices, providing guidance for areas where enhanced research may be needed (e.g. on non-economic loss and damage), setting the direction for enhanced action through the funding arrangements over time as needs and the funding landscape evolve, and tracking accountability and exercising an oversight function in relation to matters such as additionality of funding. If the fund facilitates a programmatic approach to funding, this approach could be an avenue to ensuring coordination, complementarity, and coherence at the national level. At the same time, it was cautioned that the programmatic approach may not work for all

countries, so this may not be appropriate as the primary coordination channel. One the one hand, it was also suggested that, by disbursing its own resources, the fund could facilitate or guarantee actions to be taken through the funding arrangements by channelling those resources to other institutions. On the other hand, this was viewed as an inefficient way to channel resources, as it would involve overhead and administrative costs associated with two institutions instead of just one.

63. Other participants, while acknowledging that there is merit in examining the ways in which the global ecosystem of support can be strengthened and institutionalizing this somehow, expressed doubts about whether the fund is best placed to take on the central role in this regard. It was noted that it may be difficult for one institution to take on these functions overall, given all the dimensions of complementarity, coherence, and coordination that were raised, and the heterogeneity across countries and institutions in terms of modalities and mechanisms of funding, focus areas, and more.

64. More broadly, some participants reflected on the various challenges that are often inherent in coordination. For example, MDBs may have budget cycles, project cycles, partnership frameworks with various countries and other key administrative processes that are out of sync with one another, which render coordination on the ground difficult. Even when they are working on similar projects within a country, they may be working with different ministries or otherwise facing challenges with in-country coordination. As such, it was noted that there will likely be significant barriers to an external entity facilitating seamless coordination among a multitude of institutions.

65. In view of these challenges, as well as the high administrative and bureaucratic costs often associated with coordination of a large number of institutions across various levels and geographies, some participants preferred to take advantage of and build upon existing coordination mechanisms where possible.

66. Some examples of existing coordination mechanisms and actors that could potentially serve as exemplars or key players were put forward during the workshop. At the national level, the example of Country Based Pooled Funds, established by the UN Emergency Relief Coordinator, was highlighted. The role of UN country teams, and the importance of them being informed and potentially involved in efforts to address loss and damage, was also raised.

67. Some participants put forward suggestions for specific mechanisms to ensure complementarity, coherence, and coordination between institutions including the fund and funding arrangements. It was suggested to establish a regular high-level event convening to take stock of progress and call out institutions who are not implementing the contributions expected of them. Some participants suggested that such a convening could happen on an annual basis, while others felt that a five-year cycle aligned with the GST would be more appropriate. More concretely, for example, a “loss and damage council” – perhaps led by the UN Secretary-General and the UNFCCC Executive Secretary – which could report its activities annually to the COP and the CMA, was proposed. For some participants, it was critical that this council would be empowered to take quick decisions when needed to address loss and damage. Others emphasized that these regular meetings could also serve as avenues to suggest further additions or amendments to the funding arrangements over time. To complement this, a more informal platform containing a wider range of stakeholders – such as indigenous peoples, NGOs, and other non-Party stakeholders – was also suggested.

68. In addition, the Santiago network was highlighted as playing a key role in catalyzing and coordinating technical support and capacity-building. This could also include capacity-building to coordinate funding at the national level. In this respect, it was suggested that it can play a part in any coordination mechanisms that may be used or established in the context of the new funding arrangements and fund. This includes by coordinating the agencies within the network that are providing technical assistance. The Executive Committee of the Warsaw International Mechanism for Loss and Damage was also highlighted as playing a convening role to facilitate complementarity, coordination, and coherence.