



**Fourth meeting of the Transitional Committee
on the operationalization of the new funding arrangements for responding to
loss and damage and the fund established in paragraph 3 of decisions 2/CP.27 and 2/CMA.4**

Co-chairs' Summary

1. Opening of the meeting

1. The fourth meeting of the Transitional Committee (TC) was held at the Mövenpick Resort in Aswan, Egypt from 17 to 20 October 2023. The meeting was opened by Ms. Outi Honkatukia, Co-chair of the TC, at 9:00 am on 17 October 2023.
2. Mr. Daniele Violetti, Senior Director of Programmes Coordination at the UNFCCC, delivered opening remarks. He thanked the Government of Egypt for their continued hospitality and support to this workstream, and emphasized that the secretariat remains committed to supporting the Committee towards the timely conclusion of its work. Additionally, he thanked the technical support unit for their substantive support and important contributions to the work of the TC.
3. On behalf of the host government and COP 27 President Sameh Shoukry, Mr. Mohamed Nasr, welcomed all participants to Egypt. He highlighted the expectations of the COP 27 President that TC4 will deliver an outcome as expected by both the Parties of the UNFCCC and the communities around the world who stand to benefit from support for addressing loss and damage.
4. Mr. Ashraf Attia Abdel Bary, the Governor of Aswan, also provided welcoming remarks. The Governor extended a warm welcome to the city of Aswan, and noted that it is an honour to host TC4. He further stated that this meeting reflects Egypt's commitment to implementing the outcomes of COP 27, and contributing to the success of COP 28. Additionally, the Governor shared that Aswan is among the Egyptian governorates most affected by climate change, and that the Governor therefore recognizes the critical importance of the work of the TC in operationalizing the fund and funding arrangements to assist affected countries and communities.
5. In their opening remarks, the Co-chairs of the TC reflected on the progress made at the previous meeting, and noted that several mandated milestones have taken place in the weeks since then. These milestones included the Secretary-General's convening of international financial institutions; the ministerial consultations convened by the COP 27 President and the COP 28 President-Designate; and the publication of the synthesis report mandated in paragraph 15 of decisions 2/CP.27 and 2/CMA.4. They underscored their expectation that the TC concludes its work at the fourth meeting.

2. Adoption of the agenda and organizational matters

6. Members of the TC were referred to documents TC4/2023/1¹ and TC4/2023/2,² which contained the provisional agenda and annotations of the fourth meeting of the TC.
7. The agenda and its annotations were adopted as presented in those documents.

¹ Available at <https://unfccc.int/documents/632449>

² Available at <https://unfccc.int/documents/632528>

3. Report of the Transitional Committee to the Conference of the Parties and to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement

8. The discussions on this item were informed by a series of documents prepared by the Co-chairs both prior to and during TC4, namely:
 - (a) Scenario Note by the Co-chairs of the Transitional Committee (TC4/2023/3³)
 - (b) Informal note by the Co-Chairs of the Transitional Committee on the Fund (TC4/2023/4⁴)
 - (c) Informal note by the Co-chairs of the Transitional Committee on the proposals by Transitional Committee members in relation to the identified outstanding issues (TC4/2023/5⁵)
 - (d) Co-chairs summary of core issues to be addressed and agreed at the Fourth meeting of the Transitional Committee (TC4/2023/6⁶)
 - (e) Informal note by the Co-chairs of the Transitional Committee on the New Funding Arrangements (TC4/2023/7⁷)
 - (f) Proposal by the Co-chairs of the Transitional Committee on the Fund and the Funding Arrangements (TC4/2023/9⁸ and TC4/2023/9/Rev.1⁹)
9. Discussions during the first day of the meeting took place in a plenary setting. These discussions focused on the list of outstanding core issues outlined in document TC4/2023/6. These issues included: the location of the new, dedicated, independent secretariat; operating entity designation; governing bodies/body; Board composition; scope and structure/access mechanisms; sources of finance, financial inputs, and scale of funding; eligibility and vulnerability; allocation; coordination and coherence; funding arrangements; and the name of the fund.
10. Members were asked to identify areas where they can be flexible, have new ideas, or can propose compromises or bridging proposals. Members therefore outlined their principal positions, the assurances they would need in order to deviate from those positions, the proposals that they cannot accept, and areas where they were eager to work with colleagues to propose text.
11. The second day of discussions began with an information session for TC members and advisors with representatives of the World Bank. These representatives addressed comments and concerns that arose during the first day of the meeting, and answered additional questions put forward by TC members during the session. The discussion touched on topics such as the role of the World Bank in Financial Intermediary Funds (FIFs); eligibility criteria; receiving guidance from the COP/CMA; whether direct access is possible through a FIF; options for delivering funding rapidly following extreme weather events; the scale of funds managed by the World Bank in different capacities; associated fees; the procedures and timelines for operationalizing a fund if it were to be hosted in the World Bank, including for approving access for countries that are not members of the World Bank; legal personality of the FIF and privileges and immunities; and more.
12. Following this information session, constituency meetings took place to consider the information provided by the World Bank.

³ Available at <https://unfccc.int/documents/632450>

⁴ Available at <https://unfccc.int/documents/632533>

⁵ Available at <https://unfccc.int/documents/632534>

⁶ Available at <https://unfccc.int/documents/632535>

⁷ Available at <https://unfccc.int/documents/632565>

⁸ Available at <https://unfccc.int/documents/632645>

⁹ Available at <https://unfccc.int/documents/632655>

13. The third day of the meeting included a plenary discussion focused on the options presented in document TC4/2023/5, where TC members were asked to signal their preferences in relation to the options presented in the text, as well as identify areas where they may have a bridging proposal or may be able to develop one. Following a discussion on these outstanding issues and proposals, the meeting was suspended with a mandate for the Co-chairs to put forward a draft text considering the discussions that took place thus far throughout the meeting.
14. Following additional constituency meetings, the fourth and final day of the meeting began with a live virtual intervention by COP 28 President-Designate Sultan Al Jaber, who stated that his clear expectation is for the TC to fulfil its mandate and deliver recommendations to COP 28. He stressed that all issues at hand are solvable, and that he stands ready to assist with this work towards COP 28 in Dubai. He also noted that he has been vocal, clear, and focused in calling on early pledges to capitalize the Fund.
15. Subsequently, the meeting continued with plenary discussion focused on reactions to the *Proposal by the Co-chairs of the Transitional Committee on the Fund and the Funding Arrangements*, which was circulated to the members on the morning of 20 October 2023. Members shared their key concerns and priorities with respect to this text, highlighting the core changes they would need to see reflected to move towards an agreed outcome.
16. The TC then continued its work in two breakout groups, facilitated by members, one of which focused on sources of funding and while the other focused on allocation of resources through the Fund.
17. Another plenary session was then convened, which shifted focus to the text in relation to the funding arrangements. TC members again put forward their concerns, preferences, and related proposals associated with this text.
18. The breakout group discussions then resumed work on textual proposals and options ahead of the closure of the meeting, but did not result in agreed text.

4. Other matters

19. No other matters were raised.

5. Closure of the meeting

20. The Co-chairs convened the closing plenary of TC4 in the early hours of 21 October 2023. The Co-chairs informed the TC that, despite the hard work throughout the week, and in the light of the fact that the meeting had already been extended several hours beyond the intended closure time, they did not see a path towards concluding the work of the TC at the meeting.
21. The Co-chairs therefore proposed forwarding a procedural outcome to the COP and CMA without recommendations. TC members were not satisfied with this approach, and requested that, at the very least, the substantive progress made thus far on the basis of the Co-chairs' proposed text should be captured and forwarded.
22. One member asked whether it would be possible to convene a fifth meeting of the TC in order to conclude the work and forward substantive recommendations to COP. In response, the TC member representing the incoming President of COP 28 offered to host a fifth meeting of the TC (TC5) following the pre-COP in Abu Dhabi, United Arab Emirates. Despite difficulties arising from the short notice, the TC agreed to this proposal and members reaffirmed their commitment to working towards consensus recommendations.
23. To facilitate a conclusion of the work at TC5, the Co-chairs committed to prepare another note ahead of this meeting that reflects the discussions and progress made at TC4. This note will be shared with the TC well in advance of the meeting, and will serve as the basis for discussions at TC5.

24. The fourth meeting of the TC was closed around 2:30 am on the morning of 21 October 2023.

Annex I. Members of the Transitional Committee as at 17 October 2023

Member	Country	Constituency
Mr. Mohamed Nasr	Egypt	Developing country Parties Africa, representative of the President of COP 27
Mr. Richard Sherman	South Africa	Developing country Parties Africa
Ms. Sumaya Zakieldeem	Sudan	Developing country Parties Africa
Ms. Hana AlHashimi	United Arab Emirates	Developing country Parties Asia and the Pacific, representative of the incoming President of COP 28
Mr. Albara Tawfiq	Saudi Arabia	Developing country Parties Asia and the Pacific
Mr. Ali Waqas Malik	Pakistan	Developing country Parties Asia and the Pacific
Ms. Angela Rivera Galvis	Colombia	Developing country Parties Latin America and the Caribbean
Mr. Matheus Bastos	Brazil	Developing country Parties Latin America and the Caribbean
Mr. Avinash Persaud	Barbados	Developing country Parties Latin America and the Caribbean
Ms. Diann Black-Layne	Antigua and Barbuda	Developing country Parties Small island developing States
Ms. Khadeeja Naseem	Maldives	Developing country Parties Small island developing States
Mr. Adao Soares Barbosa	Timor-Leste	Developing country Parties Least developed countries
Mr. Hafijul Islam Khan (first two days and evening of final day of fourth meeting)	Bangladesh	Developing country Parties Least developed countries
Mr. Manjeet Dhakal (second two days of fourth meeting)	Nepal	
Ms. Gayane Gabrielyan	Armenia	Developing country Parties Developing country Party not included in the categories listed above
Mr. Georg Børsting	Norway	Developed country Parties
Ms. Christina Chan	United States of America	Developed country Parties
Mr. Jean-Christophe Donnellier	France	Developed country Parties
Mr. David Higgins	Australia	Developed country Parties
Ms. Outi Honkatukia	Finland	Developed country Parties
Ms. Laurence Ahoussou	Canada	Developed country Parties
Mr. Jaime de Bourbon de Parme	Netherlands	Developed country Parties
Ms. Debbie Palmer	United Kingdom of Great Britain and Northern Ireland	Developed country Parties
Ms. Heike Henn	Germany	Developed country Parties
Mr. Jun Yamazaki	Japan	Developed country Parties