



**Fifth 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**

**I. Opening of the meeting**

1. The fifth meeting of the Transitional Committee (TC) was held at the Grand Hyatt Abu Dhabi Hotel & Residences Emirates Pearl in Abu Dhabi, United Arab Emirates from 3 to 4 November 2023.
2. Prior to the official start of the meeting, scene-setting remarks were delivered by Mr. Selwin Hart, Special Adviser to the United Nations Secretary-General on Climate Action and Just Transition and Assistant Secretary-General for the Climate Action Team. Mr. Hart noted that the work of the TC is reflective of the continued importance of multilateralism and cooperation to truly address the climate crisis. He recognized the hard work of the TC over the year, and emphasized that TC5 must deliver a closed text without brackets that signals agreement on an agile and adequately resourced fund that can truly respond to the needs of all vulnerable developing countries.
3. The meeting was officially opened by Ms. Outi Honkatukia, Co-chair of the TC, at 9:00 am on 3 November 2023.
4. Ms. Honkatukia welcomed TC members to the fifth meeting and acknowledged those who had changed since the previous meeting of the TC.
5. Subsequently, the Co-chair took a moment to honour Professor Saleemul Huq, Director of the International Centre for Climate Change and Development, who tragically passed away shortly before TC5. A moment of silence was observed in his honour.
6. Additionally, Ms. Honkatukia acknowledged with gratitude the presence of H.E. Dr. Sultan Al Jaber, the COP 28 President-Designate, who joined the opening of TC5. Ms. Honkatukia thanked the President-Designate for joining and thanked the government of the UAE for hosting this additional meeting at very short notice.

**II. Adoption of the agenda and organizational matters**

7. Members of the TC were referred to documents TC5/2023/1<sup>1</sup> and TC5/2023/2,<sup>2</sup> which contained the provisional agenda and annotations of the fifth meeting of the TC.
8. The agenda and its annotations were adopted as presented in those documents.

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<sup>1</sup> Available at [https://unfccc.int/sites/default/files/resource/TC5\\_ProvAgenda.pdf](https://unfccc.int/sites/default/files/resource/TC5_ProvAgenda.pdf).

<sup>2</sup> Available at [https://unfccc.int/sites/default/files/resource/TC5\\_AnnotatedAgenda.pdf](https://unfccc.int/sites/default/files/resource/TC5_AnnotatedAgenda.pdf).

### **III. 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**

9. When taking up this agenda item, the Co-chairs highlighted that this agenda item would be the primary focus of the meeting, and that discussions would build on those that took place at TC4.
10. The discussions on this item were informed by documents prepared by the Co-chairs both prior to and during TC4, namely:
  - (a) Scenario Note by the Co-chairs of the Transitional Committee (TC5/2023/3<sup>3</sup>);
  - (b) Proposal by the Co-chairs of the Transitional Committee on the Operationalization of the new funding arrangements, including a Fund, for responding to loss and damage referred to in paragraph 2 and paragraph 3 of decisions 2/CP.27 and 2/CMA.4 (TC5/2023/4;<sup>4</sup> TC5/2023/4/Rev.1;<sup>5</sup> and TC5/2023/4/Rev.2<sup>6</sup>).
11. The Co-chairs initiated the discussion by inviting reflections on the Co-chairs proposal shared prior to the meeting. At the outset, the TC member from Bhutan, on behalf of the developing country constituency within the TC, stated that the constituency is prepared to compromise and accept the World Bank as the host for an interim period, with clear conditions and an exit strategy. Other members expressed interest in hearing more about and further engaging on this based on the Co-chairs proposal. Members overall expressed that the Co-chairs' proposal provided a good basis for work at the meeting. They further highlighted various areas where they wished to see amendments or improvements made to the proposed text. Such areas included the sections on allocation; sources of funding; recommendations to the funding arrangements; human rights; scale of funding; the scope of the fund; legal status of the fund; composition of the board; structure and access mechanisms; and the designation of the fund as an operating entity of the financial mechanism. Additionally, members reflected on the options with respect to the location of the new, dedicated and independent secretariat of the Fund as presented in the Co-chairs' proposal.
12. Following this exchange of views, the plenary was suspended and TC members were asked to have a closed-door discussion, facilitated by two TC members, on sources of funding.
13. Members were later asked to return to the plenary room to discuss a revised text on location of the secretariat, which reflected the discussions that took place in the morning plenary. Members appreciated the revised text, and offered feedback on opportunities to improve it, including with respect to the clarity of the conditions and steps presented. Members were then invited to continue their discussions on sources of funding.
14. A plenary was reconvened around 9:30 pm. The TC members who facilitated the discussion on sources of funding reported back that, despite constructive discussions, there was no agreement reached on the text with respect to this topic. The Co-chairs then informed the TC that they would proceed with a streamlined version of the text on sources of funding, and also update the entirety of the Co-chairs' proposal by the morning, reflecting the discussions and developments of the first day of TC5.
15. The revised text was circulated to the TC ahead of the second day of TC5. A brief plenary in the morning offered members the opportunity to reflect on this revision.

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<sup>3</sup> Available at [https://unfccc.int/sites/default/files/resource/TC5\\_ScenarioNote.pdf](https://unfccc.int/sites/default/files/resource/TC5_ScenarioNote.pdf).

<sup>4</sup> Available at [https://unfccc.int/sites/default/files/resource/TC5\\_4\\_Cochairs%20draft%20text.pdf](https://unfccc.int/sites/default/files/resource/TC5_4_Cochairs%20draft%20text.pdf).

<sup>5</sup> Available at [https://unfccc.int/sites/default/files/resource/TC5\\_4\\_Cochairs%20draft%20text\\_Rev1.pdf](https://unfccc.int/sites/default/files/resource/TC5_4_Cochairs%20draft%20text_Rev1.pdf).

<sup>6</sup> Available at [https://unfccc.int/sites/default/files/resource/TC5\\_4\\_Cochairs%20draft%20text\\_Rev2.pdf](https://unfccc.int/sites/default/files/resource/TC5_4_Cochairs%20draft%20text_Rev2.pdf).

One member each from the developing and developed countries constituencies took the floor to highlight reactions and outstanding issues. The Co-chairs then informed the TC that they would continue revising the text, and would engage with members bilaterally as needed to test potential solutions to the remaining concerns. At the same time, members and advisors were welcomed to lead self-organized, representative discussions on the funding arrangements text. Such self-organized discussions took place, but did not yield clean, revised text on the funding arrangements section of the Co-chairs proposal.

16. The Co-chairs reconvened the TC in a plenary setting around 8:00 pm, and shared that a new version of the text was produced and would now be circulated to the TC members. The plenary was then suspended in order to allow TC members to read and reflect on the revised text. TC members used this time to familiarize themselves with the new text and discuss the updated draft with their fellow members.
17. Subsequently, the Co-chairs resumed the plenary and noted that there was a punctuation error in paragraph 12 of the latest draft, and read out the correct formulation.<sup>7</sup> With the corrections to paragraph 12 read into the record, the Co-chairs then asked whether the TC had reached agreement to forward recommendations to the COP and the CMA in line with their mandate. TC members from the United States of America and Australia took the floor to request amendments to the draft decision text in relation to sources of funding. While some members were supportive of the proposed changes, other members noted the lack of time to engage and the fact that they also had outstanding concerns and amendments that they would like to see reflected in the text if it is reopened, and therefore urged the TC to move forward without reopening the text.
18. The Co-chairs were then asked what the alternative scenarios are if the TC cannot agree to forward the full package represented in document TC5/2023/4/Rev.2 as recommendations to the COP and the CMA. In response, the Co-chairs explained that the TC may then wish to agree to forward only Annex I (the Governing Instrument for the Fund) and Annex II (Draft recommendations of the Transitional Committee in relation to the new funding arrangements) as their recommendations to the COP and CMA. Failing that, the Co-chairs informed the TC that only a procedural report would be forwarded to the COP and the CMA for their consideration.
19. In the light of concerns expressed by one member of the TC, the option of adopting only the annexes of the document was put forward to the TC. Two TC members expressed their dissatisfaction with this approach.
20. The Co-chairs again proposed that the TC adopt the recommendations as contained in document TC5/2023/4/Rev.2, as corrected, for forwarding to the COP at its 28<sup>th</sup> session and the CMA at its 5<sup>th</sup> session in line with the mandate of the TC. It was noted that the version proposed for adoption was an advance unedited version of the text that would be edited in line with UNFCCC standards. The document would then be appended to the procedural report of the TC to the COP and CMA, which would be updated to reflect the outcomes of TC5 and then circulated for approval on a no-objection basis. No objections were made, and the document was adopted accordingly.
21. Subsequently, the TC member from Egypt expressed that, while the document has been adopted by the TC, in his view, it falls short in several key areas and that he would need to present the outcome to his constituency following the meeting. He further outlined his expectation that there will be further discussions around the document at COP 28.
22. The TC member from the United States of America took the floor to note that she had stated her disagreement with the text a couple of times, and enquired why the Co-chairs nonetheless decided to send forward the package as agreed.

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<sup>7</sup> Available at [https://unfccc.int/sites/default/files/resource/TC5\\_4\\_Cochairs%20draft%20text\\_Rev2\\_4Nov2100.pdf](https://unfccc.int/sites/default/files/resource/TC5_4_Cochairs%20draft%20text_Rev2_4Nov2100.pdf)

23. The Co-chairs clarified that the proposal to adopt the recommendations was put forward to the TC for a third time while quorum was maintained, and there was no objection. The recommendations were adopted and gavelled accordingly.

#### **IV. Other matters**

24. No other matters were raised.

#### **V. Closure of the meeting**

25. The Co-chairs thanked TC members for their hard work at the meeting and throughout the year. They also thanked the Government of the United Arab Emirates for their hospitality in hosting the fifth meeting.
26. The fifth and final meeting of the TC was closed around 10:30 pm on 4 November 2023.
27. Following the closure of the meeting, Mr. Adnan Amin, CEO of COP 28, took the floor. He reflected on the intensity of the process that took place and shared that, in his view, the work concluded by the TC represents a historical achievement. He acknowledged the difficulty faced by some to go along with the consensus reached, but noted that the ability to overcome the objections and join in the consensus was inspiring.
28. Additionally, Mr. Amin read a statement on behalf of the COP 28 President-Designate. In his statement, the President-Designate expressed his thanks to the TC Co-chairs and members for all of their dedication and hard work. He further expressed that he was overjoyed that the outcome paves the way towards fulfilling the promises made at Sharm el-Sheikh. He stated that the TC demonstrated that, by working closely together, it is possible to reach consensus and he expressed his wish that the same negotiation spirit is carried forward to COP 28.
29. The TC member from the United States then took the floor to express that the outcome adopted by the TC did not, in her view, reflect a consensus outcome owing to it not being sufficiently clear what the Committee members were being asked to decide on the issue of sources of funding. The Co-chair responded that the meeting was closed and that they would find a way to note the views expressed. The United States subsequently withdrew this view through a written communication to the Co-Chairs of the Transitional Committee and the secretariat.

## Annex I. Members of the Transitional Committee as at 3 November 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. Tulio Andrade	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
Mr. Michai Robertson (final hours of fifth meeting)		
Ms. Khadeeja Naseem	Maldives	Developing country Parties Small island developing States
Mr. Adao Soares Barbosa	Timor-Leste	Developing country Parties Least developed countries
Mr. Sonam Phuntsho Wangdi	Bhutan	Developing country Parties Least developed countries
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
Ms. Sally Box	Australia	Developed country Parties
Ms. Outi Honkatukia	Finland	Developed country Parties
Ms. Laurence Ahoussou	Canada	Developed country Parties
Mr. Jens Fugl	Denmark	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. Atsushi Kato	Japan	Developed country Parties