

**Terms of Reference  
for the  
technical paper elaborating the sources of financial support, as provided  
through the Financial Mechanism for addressing loss and damage, finance  
available for addressing loss and damage outside the Financial Mechanism, as  
well as modalities for accessing such support and finance**

**I. Mandate**

*Mandate*

- As set out in decision 4/CP.22, paragraphs 2(f) and (g), as an input to the review of the Warsaw International Mechanism in 2019, a technical paper is to be prepared by the secretariat elaborating the sources of financial support, as provided through the Financial Mechanism, for addressing loss and damage as described in relevant decisions, as well as modalities for accessing such support. The technical paper should also include an elaboration of finance available for addressing loss and damage as described in relevant decisions, outside the Financial Mechanism, as well as the modalities for accessing it.
- As set out in decision 4/CP.22, paragraph 2(h), the Executive Committee of the Warsaw International Mechanism (Excom) is to assist the secretariat in determining the scope of the technical paper, with a view to making the paper available to Parties by the fiftieth sessions of the subsidiary bodies (June 2019) for consideration in the review of the Warsaw International Mechanism;
- In addition, decision 5/CP.23, paragraph 9 provides that the technical paper is to be informed by the outcomes of the Suva Expert Dialogue held in May 2018 and decision 5/CP.23, paragraph 10 invited submissions from Parties, observers, and other stakeholders in the context of workstream (e), activity 1(a) of the rolling five year workplan of the Excom, on the type and nature of actions to address loss and damage for which finance may be required. The Excom considered these submissions<sup>1</sup> in this guidance on the scope of the technical paper.

**II. Scope of the work**

- The attached outline of the technical paper provides the scope of the work, including sections on:
  - Type and nature of actions to address loss and damage for which finance may be required;
  - Sources of financial support as provided through the Financial Mechanism for addressing loss and damage as well as modalities for accessing such support; and

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<sup>1</sup> See: <https://unfccc.int/node/63296>

- Finance available for addressing loss and damage outside the Financial Mechanism as well as modalities for accessing such support.

### III. Roles, responsibilities and methodologies

#### *Roles and responsibilities*

- Excom through this guidance, assists the secretariat in determining the scope of the technical paper. The Excom, or its designated members, may further clarify their input on the scope of the technical paper as outlined in this TOR or the attached outline, as requested by the secretariat.
- Secretariat prepares the technical paper, reporting back on progress to the Excom at its 9<sup>th</sup> meeting and virtually, as appropriate. The secretariat is encouraged to organize the paper in a manner that will seek to ensure that the information it contains is streamlined, non-duplicative and easily accessible for readers. An indicative page range for the technical paper is between 30 and 50. The Secretariat may request further clarifications on the scope of the technical paper as suggested by this guidance from the Excom.

#### *Methodologies*

- Desktop review with support by relevant experts, where necessary and appropriate
- Progress reports by the secretariat to the Excom, where appropriate.

### IV. Indicative milestones

<b>Timeframe</b>	<b>Action</b>	<b>Lead(s)</b>
September – May 2018	Secretariat may seek clarification from the Excom, virtually, if needed, on the scope of the technical paper as suggested by this guidance.	If needed, Secretariat may request clarifications on scope Excom to provide to provide feedback and clarify guidance
15 January 2019	Submissions from Parties and observers on support provided for displacement (TBC)	Parties and observers submit information. Secretariat takes account of submissions in the technical paper
Excom 9	Progress report from the secretariat is encouraged	Secretariat to report on progress to the Excom
Early May 2019	Technical Paper made available to Parties to inform deliberations on preparation of TORs for 2019 review of the WIM	Secretariat makes technical paper available. SBs use the paper to inform its work



# **Technical paper elaborating the sources of financial support for addressing loss and damage**

## **I. Introduction**

### ***A. Background and mandate***

### ***B. Purpose of the technical paper***

The purpose of the technical paper elaborating sources of financial support, and modalities for accessing such support, for addressing loss and damage provided through the Financial Mechanism, as well as finance available for addressing loss and damage outside the Financial Mechanism, and modalities for accessing such support, is to inform the 2019 review of the Warsaw International Mechanism (WIM) and its function of enhancing action and support, including finance, technology and capacity-building, to address loss and damage associated with the adverse effects of climate change,

In providing guidance to the secretariat for the preparation of this technical paper, the Excom of the WIM recognizes that loss and damage associated with the adverse effects of climate change includes, and in some cases involves more than, that which can be reduced by adaptation. In this regard, the Secretariat is encouraged to identify sources related to a broad spectrum of action including, but not limited to, the elements listed in Annex 1, as appropriate.

### ***C. Scope, approach and structure***

- Role of the secretariat
- Role of the Executive Committee

## **II. Type and nature of actions to address loss and damage for which finance may be required – with sources of financial support provided and finance available**

To include an elaboration of sources of financial support provided and finance available related to the actions set out below drawn from the Synthesis Report, Part 1 prepared by the secretariat. The Secretariat should aim to include information associated with relevant topics to the strategic workstreams of the Excom (i.e. slow onset events, economic and non-economic losses, comprehensive risk management, human mobility, and cross-cutting elements) and elements listed in Article 8.4.

- I. Cross-cutting and generic actions to address loss and damage for which finance may be required
  1. Understanding- and knowledge-related actions
  2. Awareness and capacity-building
  3. Technology
- II. Actions to manage risks comprehensively
  1. Risk assessment
  2. Risk prevention
  3. Risk reduction
  4. Risk transfer
  5. Social protection
  6. Risk retention
  7. Transformational approaches

### III. Sources of financial support as provided through the Financial Mechanism for addressing loss and damage as considered within the framework of Section II

- Information to be provided to understand how each source may be applied to address loss and damage, where available
  - Projects, or examples of, as appropriate
  - Financial support provided and pledged to date
  - Modalities for access, including channels to access (i.e. direct, international, regional etc.) as well as streamlined, efficient and simplified access procedures
  - Impacts / risks most amenable to this type of financing (links to section II)
  - Data sources used, including where data was not found and where it is not available and where it was
- To be informed by, *inter alia*, 2016 SCF Forum; outcomes of the SED; UNFCCC technical papers (e.g. 2008 paper on mechanisms to manage financial risks, etc)
- Consider at which level resources are provided (e.g. at local, national, regional) and the type of financing provided (e.g. grants, loans, etc.)

### IV. Finance available for addressing loss and damage outside the Financial Mechanism as considered within the framework of section II

- Information to be provided to understand how each source may be applied to address loss and damage, where available
  - Finance available
  - Modalities for access, including channels to access (i.e. multilateral, bilateral, institutional support, etc.)
  - Grant- or loan-based, including associated costs
  - Impacts / risks most amenable to this type of financing (links to section II)
  - Data sources used, including where data was not found and where it is not available
- To be informed by, *inter alia*, 2016 SCF Forum; outcomes of the SED; UNFCCC technical papers (e.g. 2008 paper on mechanisms to manage financial risks, etc)
- Consider at which level finance is available (e.g. at local, national, regional)

### **BOXES:** Case Studies: Accessing sources for addressing loss and damage

- Examples of countries affected by a climate-related extreme event, considering regional balance
  - What are the approaches such a country could take/took?
  - What is already in place for quick response, such as in the immediate aftermath of a tropical cyclone?
  - Where could such a country get resources under existing modalities inside and outside the Financial Mechanism?
  - How could such a country access these resources? What barriers exist and what enabling conditions can ease access to these resources?

- Examples of countries affected by slow-onset climate-related changes, considering regional balance
  - What are the approaches such a country could take/took?
  - Where could such a country get resources under existing modalities inside and outside the Financial Mechanism?
  - How could such a country access these resources? What barriers exist and what enabling conditions can ease access to these resources?

## **VI. Key Findings (or other title, as appropriate)**

### **Annex 1 - Indicative list of sources of finance, inside and outside the Financial Mechanism, related to a broad spectrum of action to drive the analysis under II**

#### ***Sources inside the Financial Mechanism***

- A. Green Climate Fund
- B. Global Environment Facility

#### ***Sources outside the Financial Mechanism***

- A. Funds, including those entrusted to operating entities of the financial mechanism
  - a. Adaptation Fund
  - b. Least Developed Countries Fund
  - c. Special Climate Change Fund
- B. Regional and national risk transfer mechanisms
  - a. CCRIF
  - b. ARC
  - c. PCRAFI
  - d. Other
- C. Sovereign Wealth Funds / Domestic budgetary expenditures
- D. Overseas development assistance
- E. Multilateral and regional development banks
- F. Humanitarian Assistance
- G. Disaster risk reduction assistance
- H. Private sector, NGOs, philanthropy and charitable organizations
- I. Other available sources of finance
  - Finance, including programmatic finance, provided by other intergovernmental actors, e.g., World Food Program, IFAD, FAO, which may not be exclusively in the form of grants or loans
  - Research / Science funding
  - Rapid financing instruments, which may be a mix of grant- and loan-based finance (e.g., World Bank Crisis Response Window or Immediate Response Mechanism; IMF Rapid Credit Facility, Rapid Financing Instrument, Catastrophe Containment and Relief Trust)
  - External and domestic support for social protection programs