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**Conference of the Parties****Twenty-seventh session**

Sharm el-Sheikh, 6–18 November 2022

Agenda item 7

**Warsaw International Mechanism for Loss and Damage  
associated with Climate Change Impacts****Warsaw International Mechanism for Loss and Damage  
associated with Climate Change Impacts****Revised proposal by the President****Draft decision -/CP.27****Santiago network for averting, minimizing and addressing  
loss and damage under the Warsaw International Mechanism  
for Loss and Damage associated with Climate Change  
Impacts***The Conference of the Parties*

1. *Endorses* decision -/CMA.4,<sup>1</sup> on the Santiago network for averting, minimizing and addressing loss and damage under the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts, which provides as follows:

“1. *Recalls* that the Santiago network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change was established to catalyse the technical assistance of relevant organizations, bodies, networks and experts for the implementation of relevant approaches for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change at the local, national and regional level in developing countries that are particularly vulnerable to the adverse effects of climate change;<sup>2</sup>

“2. *Expresses its appreciation* to the Government of Denmark for hosting the technical workshop on institutional arrangements of the Santiago network from 4 to 6 May 2022, including for making the necessary logistical and financial arrangements therefor;

“3. *Decides* that the Santiago network will have the following structure:

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<sup>1</sup> Draft decision entitled “Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts” proposed under agenda item 7 of the Conference of the Parties serving as meeting of the Parties to the Paris Agreement at its fourth session.

<sup>2</sup> Decision 2/CMA.2, para. 43.

(a) A hosted secretariat that will facilitate its work, to be known as the Santiago network secretariat;

(b) An Advisory Board to provide guidance and oversight to the Santiago network secretariat on the effective implementation of the functions of the network;

(c) A network of member organizations, bodies, networks and experts covering a wide range of topics relevant to averting, minimizing and addressing loss and damage;

“4. *Recalls* decision 1/CMA.3, paragraph 67, in which it was decided that the Santiago network will be provided with funds<sup>3</sup> to support technical assistance for the implementation of relevant approaches to averting, minimizing and addressing loss and damage associated with the adverse effects of climate change in developing countries in support of the functions set out in paragraph 9 of decision 19/CMA.3;

“5. *Also recalls* decision 1/CMA.3, paragraph 70, which urges developed country Parties to provide funds for the operation of the Santiago network and for the provision of technical assistance as set out in paragraph 67 of the same decision;

“6. *Encourages* others to provide support for the operation of the Santiago network and technical assistance;

“7. *Welcomes* the pledges that have already been made to the Santiago network;

“8. *Adopts* the terms of reference of the Santiago network contained in annex I;

“9. *Decides* to establish the Advisory Board of the Santiago network as part of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts, which will be under the authority and guidance of and accountable to the appropriate governing body or bodies<sup>4</sup> and have the roles and responsibilities outlined in annex I;

“10. *Also decides* that the members of the Advisory Board will be elected at the next session of the governing body or bodies (November 2023) and encourages Parties to nominate experts with a diversity of technical experience and knowledge relevant to, inter alia, averting, minimizing and addressing loss and damage associated with the adverse effects of climate change, as well as the roles and responsibilities of the Advisory Board referred to in annex I, taking into account the need for gender balance, in accordance with decisions 36/CP.7, 23/CP.18, and 3/CP.25, and the composition of the Advisory Board outlined in annex I;

“11. *Further decides* that the members elected to the Advisory Board shall serve a term of two years and shall be eligible to serve a maximum of two consecutive terms of office;

“12. *Decides* that half of the members elected in 2023 shall serve a term of three years and half of the members shall serve a term of two years, after which time the governing body or bodies shall elect half of the members every year for a term of two years;

“13. *Also decides* that the members of the Advisory Board shall remain in office until their successors are elected;

“14. *Requests* the Advisory Board to develop draft rules of procedure<sup>5</sup> with a view to recommending them to the governing body or bodies through the subsidiary bodies for consideration and adoption at the sixty-first sessions of the subsidiary bodies (November 2024);

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<sup>3</sup> See also decision 1/CMA.3, paras. 68 and 70.

<sup>4</sup> Nothing in this document prejudices Parties' views or prejudices outcomes on matters related to the governance of the Warsaw International Mechanism.

<sup>5</sup> The Board will specify in its procedures how to adopt decisions in the event that all efforts at reaching consensus have been exhausted.

“15. *Also requests* the secretariat to continue providing support for developing countries that are particularly vulnerable to the adverse effects of climate change that may seek or wish to benefit from the technical assistance available from organizations, bodies, networks and experts under the Santiago network, until the Santiago network secretariat is operational;

“16. *Decides* that the Santiago network secretariat will be accountable to and operate under the guidance of the governing body or bodies through the Advisory Board and hosted by an organization or a consortium of organizations able to provide the necessary administrative and infrastructural support for its effective functioning;

“17. *Also decides* that the Santiago network secretariat shall, once it is operational, elaborate modalities and procedures for the Santiago network under the guidance of and by approval of the Advisory Board on the basis of the terms of reference contained in annex I, and taking into account decision 19/CMA.3, paragraph 9, endorsed in decision 17/CP.26, and decision 1/CMA.3, paragraph 67, including:

(a) Developing guidelines for the designation of organizations, bodies, networks and experts as members of the Santiago network;

(b) Developing guidelines and procedures for responding to requests for technical assistance, including considering the development of procedures for those that require an urgent response;

(c) Developing guidelines for managing funding provided for technical assistance, including to ensure that technical assistance funded directly by the Santiago network is made available to communities particularly vulnerable to the adverse effects of climate change, including through levels of minimum percentage of technical assistance funded directly by the Santiago network directed to communities particularly vulnerable to the adverse effects of climate change;

“18. *Further decides* that the selection process for the host of the Santiago network secretariat shall be launched upon the conclusion of the twenty-seventh session of the Conference of the Parties and the fourth session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement in order to select the host by 2023 and be conducted in an open, transparent, fair and neutral manner in accordance with the process outlined in paragraphs 19–23 below, informed by United Nations practices and standards;

“19. *Requests* the secretariat, under the guidance of the Chairs of the subsidiary bodies, to:

(a) Prepare and issue a call for proposals to host the Santiago network secretariat by 31 December 2022, making it widely and publicly available, including preparing a proposal template, and invite interested organizations, including consortiums of organizations, to submit their proposals in response to the call by 31 March 2023;

(b) Provide responses to enquiries from interested organizations, as appropriate;

(c) Compile the executive summaries contained in the submitted proposals and make them available on the UNFCCC website by 7 April 2023;

(d) Convene an evaluation panel by 7 April 2023 and support the panel in the preparation of an evaluation report, as referred to in paragraph 22 below;

(e) Ensure that it does not have a potential conflict of interest in the selection process, including by applying appropriate safeguards and procedures;

“20. *Invites* the Executive Committee to designate four of its members, the Climate Technology Centre and Network Advisory Board and the Paris Committee on Capacity-building to designate two members each to serve as members on the evaluation panel referred to in paragraph 19(d) above, to consider the proposals, ensuring that there is a balanced representation of developed and developing country Parties;

“21. *Also invites* the panel to consult, as appropriate, with other constituted bodies with relevant expertise, including in particular the Adaptation Committee and the Facilitative Working Group of the Local Communities and Indigenous Peoples Platform;

“22. *Requests* the evaluation panel to prepare an evaluation report with a shortlist of up to three proposals that meet the criteria referred to in annex II, including information on how the evaluation criteria have been applied to these proposals, and make the evaluation report available for consideration by the subsidiary bodies at their fifty-eighth sessions (June 2023);

“23. *Also requests* the subsidiary bodies to recommend at their fifty-eighth sessions a draft decision with one proposal to host the Santiago network secretariat that best meets the criteria set out in annex II for consideration and adoption by the governing body or bodies at their session(s) to be held in November–December 2023;

“24. *Further requests* the secretariat, under the guidance of the Chairs of the subsidiary bodies, to develop a draft host agreement (memorandum of understanding) with the proposer recommended by the subsidiary bodies at their fifty-eighth sessions, with a view to recommending it for consideration and approval by the governing body or bodies at their session(s) to be held in November–December 2023;

“25. *Invites Parties* to inform the Santiago network secretariat of their liaison to the Santiago network secretariat, as appropriate for their national circumstances, to support alignment of technical assistance through the Santiago network with national priorities;

“26. *Affirms* that technical assistance provided through the Santiago network in a demand-driven manner will be developed through an inclusive and country-driven process, taking into account the needs of vulnerable people, indigenous peoples and local communities;

“27. *Also affirms* that, when technical assistance is provided by the Santiago network, it should take into consideration the cross-cutting issues from the eleventh preambular paragraph of the Paris Agreement;

“28. *Notes* that considerations related to the governance of the Warsaw International Mechanism will continue at its fifth session (November–December 2023);<sup>6</sup>

“29. *Takes note* of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in this decision;

“30. *Requests* that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.”

2. *Notes* that considerations related to the governance of the Warsaw International Mechanism will continue at its twenty-eighth session (November–December 2023).<sup>7</sup>

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<sup>6</sup> It is noted that discussions on the governance of the Warsaw International Mechanism did not produce an outcome; this is without prejudice to further consideration of this matter.

<sup>7</sup> As footnote 6 above.

## Annex I\*

### **Terms of reference of the Santiago network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change**

#### **I. Objective**

1. The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), at its second session, established, as part of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts, the Santiago network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change to catalyse the technical assistance of relevant organizations, bodies, networks and experts for the implementation of relevant approaches at the local, national and regional level in developing countries that are particularly vulnerable to the adverse effects of climate change.<sup>1</sup>

#### **II. Functions**

2. CMA 3 decided that the Santiago network is to have the following functions:<sup>2</sup>

(a) Contributing to the effective implementation of the functions<sup>3</sup> of the Warsaw International Mechanism, in line with the provisions in paragraph 7 of decision 2/CP.19 and Article 8 of the Paris Agreement, by catalysing the technical assistance of organizations, bodies, networks and experts;

(b) Catalysing demand-driven technical assistance, including of relevant organizations, bodies, networks and experts, for the implementation of relevant approaches to averting, minimizing and addressing loss and damage in developing countries that are particularly vulnerable to the adverse effects of climate change by assisting in:

(i) Identifying, prioritizing and communicating technical assistance needs and priorities;

(ii) Identifying types of relevant technical assistance;

(iii) Actively connecting those seeking technical assistance with best suited organizations, bodies, networks and experts;

(iv) Accessing technical assistance available, including from such organizations, bodies, networks and experts;

(c) Facilitating the consideration of a wide range of topics relevant to averting, minimizing and addressing loss and damage approaches, including but not limited to current and future impacts, priorities, and actions related to averting, minimizing and addressing loss and damage pursuant to decisions 3/CP.18 and 2/CP.19, the areas referred to in Article 8, paragraph 4, of the Paris Agreement and the strategic workstreams of the five-year rolling workplan of the Executive Committee of the Warsaw International Mechanism;

(d) Facilitating and catalysing collaboration, coordination, coherence and synergies to accelerate action by organizations, bodies, networks and experts, across communities of practices, and for them to deliver effective and efficient technical assistance

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\* Annex I to decision -/CMA.4 (see footnote 2 to this decision), endorsed by the Conference of the Parties in this decision.

<sup>1</sup> Decision 2/CMA.2, para. 43.

<sup>2</sup> Decision 19/CMA.3, para. 9.

<sup>3</sup> Decision 2/CP.19, para. 5.

to developing countries;

(e) Facilitating the development, provision and dissemination of, and access to, knowledge and information on averting, minimizing and addressing loss and damage, including comprehensive risk management approaches, at the regional, national and local level;

(f) Facilitating, through catalysing technical assistance of organizations, bodies, networks and experts, access to action and support (finance, technology and capacity-building), under and outside the Convention and the Paris Agreement, relevant to averting, minimizing and addressing loss and damage associated with the adverse effects of climate change, including urgent and timely responses to the impacts of climate change.

### **III. Structure**

3. The Santiago network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change will have the following structure:

(a) A hosted secretariat that will facilitate its work, to be known as the Santiago network secretariat;

(b) An Advisory Board to provide guidance and oversight to the Santiago network secretariat on the effective implementation of the functions of the network;

(c) A network of member organizations, bodies, networks and experts covering a wide range of topics relevant to averting, minimizing and addressing loss and damage.

### **IV. Roles and responsibilities**

#### **A. Santiago network secretariat**

4. The Santiago network secretariat shall be accountable to and operate under the guidance of the Advisory Board.

5. The Santiago network secretariat shall facilitate the implementation of the functions of the Santiago network.<sup>4</sup>

6. The Santiago network secretariat shall manage day-to-day operations of the Santiago network, including:

(a) Building and managing the network of member organizations, bodies, networks and experts, covering a wide range of topics relevant to averting, minimizing and addressing loss and damage approaches;<sup>5</sup>

(b) Ensuring the coordination and collaboration of the work of the Santiago network with relevant UNFCCC constituted bodies, in particular the Executive Committee, as well as exploring synergies with other initiatives and networks;

(c) Receiving, assessing and managing the process of responding to requests from developing countries that are particularly vulnerable to the adverse effects of climate change for technical assistance to avert, minimize and address loss and damage, in coordination with network members;

(d) Developing and executing the work programme approved by the Advisory Board, building on synergies with the five-year rolling workplan of the Executive Committee;

(e) Promoting and disseminating information on the Santiago network in a manner that is comprehensible and accessible to communities particularly vulnerable to the adverse effects of climate change;

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<sup>4</sup> As per decision 19/CMA.3, para. 9, endorsed in decision 17/CP.26.

<sup>5</sup> FCCC/SB/2022/2/Add.2, annex I.

- (f) Managing and directing the disbursement of funds provided for the Santiago network consistently with the fiduciary standards, legal and ethical integrity policies, financial rules and regulations of the host of the secretariat;
- (g) Administering the funds provided for technical assistance under the Santiago network in a cost-effective and transparent manner;
- (h) Maintaining a monitoring and evaluation system to assess the timeliness, appropriateness and outcomes of assistance provided;
- (i) Supporting and facilitating the work of the Advisory Board.

## **B. Advisory Board**

7. The Advisory Board will:
- (a) Approve policies, procedures and guidelines developed by the Santiago network secretariat;
  - (b) Provide guidance on the effective implementation of the functions of the Santiago network;
  - (c) Provide guidance on the preparation of the annual report of the Santiago network;
  - (d) Approve modalities for the designation of organizations, bodies, networks and experts as members of the Santiago network;
  - (e) Approve the work programme of the Santiago network, ensuring, as much as possible, coherence and synergies with the five-year rolling workplan of the Executive Committee and the plans of action of the expert groups, task force and technical expert group of the Warsaw International Mechanism;
  - (f) Approve the annual budget of the Santiago network;
  - (g) Endorse the appointment of the director of the Santiago network secretariat;
  - (h) Endorse the financial statement of the Santiago network;
  - (i) Review the timeliness and quality of the responses of the Santiago network to requests for technical assistance;
  - (j) Provide guidance on and approve the criteria used to assure the relevance and quality of expertise and services delivered by organizations, bodies, networks and experts.

## **V. Composition of the Advisory Board**

8. The Advisory Board, with the aim of achieving fair and balanced representation, shall be composed of the following:
- (a) Two members from each of the five recognized United Nations regional groups;
  - (b) One member each from the least developed countries and small island developing States;
  - (c) Two members of the Executive Committee, nominated by the Executive Committee from among its members.
9. The Advisory Board will also have three other representatives, one from the women and gender constituency, one from indigenous peoples organizations, and one from the children and youth non-governmental organizations, who may actively participate in the deliberations of the Advisory Board.

## **VI. Matters related to meetings of the Advisory Board**

10. The Advisory Board meetings will be open to observers, unless otherwise decided by the Advisory Board, and the Advisory Board will invite observers from relevant constituted bodies, civil society organizations and other organizations, bodies, networks and experts to attend its meetings in order to provide technical expertise and inputs, as appropriate, to the Advisory Board for its deliberations.

11. Decisions of the Advisory Board will be taken by consensus by the members listed in paragraph 8 above.

12. The Advisory Board shall meet at least twice a year, where possible in connection with meetings of the Executive Committee, while retaining its flexibility to adjust the number of meetings to suit its needs.

## **VII. Organizational structure of the secretariat**

13. The Santiago network secretariat will have a lean, cost-efficient organizational structure, led by a director who will manage a small core team of professional and administrative staff, in order to meet its responsibilities and perform its functions efficiently and effectively.

14. The Santiago network secretariat is to be hosted by an organization or a consortium of several organizations capable of supporting the functions of the Santiago network secretariat.

15. Subject to the endorsement of the Advisory Board, the director of the Santiago network secretariat will be appointed by the host. The director will be accountable to the host for administrative issues relating to the administrative effectiveness and efficiency of the Santiago network secretariat and to the Advisory Board for the effective implementation of the functions of the Santiago network.

16. The director will have a fixed term of office no longer than the term of the host agreement, which may be renewed subject to endorsement by the Advisory Board, and should have broad responsibility to provide strategic leadership to the Santiago network and to manage its secretariat.

17. The director of the Santiago network secretariat shall serve as secretary to the Advisory Board.

## **VIII. Reporting**

18. In line with guidance provided by the Advisory Board, the Santiago network secretariat will prepare an annual report on activities of the Santiago network secretariat and network and on the performance of their respective functions, including information on:

- (a) Requests received and activities carried out by the Santiago network and their outcomes;
- (b) Responses to requests;
- (c) Ongoing work as well as lessons learned and best practices derived from that work;
- (d) Support delivered in regions, finance disbursed and administrative costs;
- (e) Inclusion of new members in the Santiago network and their engagement therein;
- (f) Assistance to developing country Parties in identifying, prioritizing and communicating their needs for technical assistance;
- (g) Efforts to reach communities that are particularly vulnerable to the adverse effects of climate change;



(h) Gender considerations, including through the use of gender-disaggregated data, consistently with decision 3/CP.25.

19. The Santiago network secretariat will prepare an annual report and submit it to the Advisory Board for its consideration and approval. The approved report will be forwarded to the secretariat to be included in a joint annual report of the Santiago network and the Executive Committee submitted to the governing body or bodies through their subsidiary bodies.

## **IX. Review**

20. The Santiago network secretariat will commission one independent review of the performance of the Santiago network, including, inter alia, sustainability and sources of funding, adequacy of funding levels relative to technical assistance requests, timeliness, effectiveness, engagement, gender-responsiveness and delivery of technical assistance to communities particularly vulnerable to the adverse effects of climate change, in a timely manner so that the findings of this review can feed into the subsequent review of the Warsaw International Mechanism,<sup>6</sup> for determining the need for further independent reviews of the performance of the Santiago network.

## **X. Term of host agreement**

21. The initial term of the agreement to host the secretariat of the Santiago network will be five years, with five-year renewal periods, if so decided by the appropriate governing body or bodies.

22. The renewal of the agreement to host the Santiago network secretariat will be subject to the host organization satisfactorily fulfilling its functions.

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<sup>6</sup> As per decision 2/CMA.2, para. 46.

## **Annex II\***

### **Criteria to be used to evaluate proposals and select the host of the Santiago network secretariat for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change**

1. The proposals submitted pursuant to paragraph 19(a) of this decision will be evaluated against the criteria below.

#### **I. Technical capability**

2. The technical capability criteria are as follows:

(a) Be a single organization or a consortium of partner organizations capable of providing a lean, efficient and agile service to the Santiago network secretariat;

(b) Have strong networks across communities of practice, including development and humanitarian actors, relevant to averting, minimizing and addressing loss and damage, climate change adaptation, and disaster risk reduction, response and recovery;

(c) Have a broad regional presence and have demonstrated experience and expertise in understanding the dynamics of various countries;

(d) Have a track record of facilitating technical assistance and building capacity in developing countries and communities that are particularly vulnerable to the adverse effects of climate change;

(e) Have demonstrated experience in managing global networks or initiatives and capability to engage with multiple stakeholders for effective operations;

(f) Have demonstrated the capacity to engage in partnerships with a wide range of organizations, bodies, networks and experts across different communities working in domains relevant to averting, minimizing and addressing loss and damage, including climate change adaptation, disaster risk management, humanitarian aid and development cooperation, as well as with finance providers and other partners.

#### **II. Management and governance**

3. The management and governance criteria are as follows:

(a) Have an effective governance and management structure to support high-quality administration, ensuring compliance with ethical standards;

(b) Have the necessary staff recruitment and management capability;

(c) Have demonstrated an ability to simultaneously administer and manage multiple and complex projects in developing countries;

(d) Be able to manage and maintain information systems to enable sharing of best practices and lessons learned;

(e) Be able to guarantee the appropriate monitoring and tracking of the actions undertaken.

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\* Annex II to decision -/CMA.4 (see footnote 2 to this decision), endorsed by the Conference of the Parties in this decision.

### **III. Financial management**

4. The financial management criteria are as follows:
  - (a) Have a financial management, auditing and reporting functions; a robust accountability system; sound financial systems of international standard; and a fiduciary record that ensures the correct and impartial administering and disbursement of funds;
  - (b) Have a track record in financial stability and sustainability.

### **IV. Vision and management plan**

5. The vision and management plan criteria are as follows:
    - (a) Have an overall vision, structure and approach in terms of how the host will support the effective functioning of the Santiago network;
    - (b) Have a proposal for providing the Santiago network secretariat with in-kind and financial support;
    - (c) Identify the ways in which partners and networks could be engaged to facilitate and catalyse technical assistance.
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