LOSS & DAMAGE AND ADAPTATION AT COP27
Agreement on an Agenda item on funding arrangements for loss & damage

Decision on key elements to enable operationalization of Santiago Network on loss and damage (SNLD) to provide technical assistance

Funding arrangements for addressing loss and damage
**AGENDA ITEM AND THE SNLD**

<table>
<thead>
<tr>
<th>Agenda Item</th>
<th>SNLD</th>
</tr>
</thead>
<tbody>
<tr>
<td>• First time ever a loss and damage finance agenda item was agreed</td>
<td>• Established in 2019 at COP25 to provide L&amp;D technical assistance</td>
</tr>
<tr>
<td>• “Matters relating to funding arrangements responding to loss and damage associated with the adverse effects of climate change, including a focus on addressing loss and damage.”</td>
<td>• Elements crucial for its operationalization agreed at COP27</td>
</tr>
<tr>
<td>○ With an understanding that it is in the context of cooperation and facilitation and not compensation and liability</td>
<td>• Ahead of COP28, will need to finalize set up of organizational arrangements for SNLD in line with what was decided at COP27</td>
</tr>
</tbody>
</table>
FUNDING ARRANGEMENTS FOR L&D

• Groundbreaking decision to establish a fund for addressing loss and damage after 30 years of efforts from developing countries
• Decision establishes funding arrangements for responding to loss and damage, including a dedicated fund – “mosaic”
• Decision sets up process for full operationalization of dedicated fund
• US required peer pressure, especially from EU, to move on this
• Glasgow Dialogue established at COP 26 will continue and decision also encourages other international finance institutions to identify ways to respond to L&D
• Next step:
  – COP28: Transitional Committee (to be launched in spring 2023) will propose recommendations for institutional arrangements to be adopted
ADAPTATION

• Continues to be of importance to vulnerable countries – but underappreciated at this COP

• 2 major items at COP27:
  – Doubling adaptation finance
  – Global Goal on Adaptation
ADAPTATION FINANCE

• COP26: Commitment to double annual adaptation finance from 2019 levels by 2025 (from ~$20 billion to $40 billion).
  – UNEP Adaptation Gap: Needs are between $160-$340 billion per year by 2030
  – Update to the Finance Delivery Roadmap provided descriptions on how developed countries are hoping to meet this goal, but no specific accounting of progress
  – Push to discuss progress towards commitment did not make it to official COP agenda – a disappointment to vulnerable countries

• $230m to the Adaptation Fund
  – Includes some fulfillment of multi-year pledges made last year
  – an additional $50m from US, on top of $50m from COP26

• $105 million to trust funds hosted by Global Environment Facility (incl. LDCF, SCCF)
ADAPTATION: GLOBAL GOAL

- Represents the adaptation “Target” for the Paris Agreement; akin to the 1.5C target for mitigation
  - Also feeds into the Global Stocktake

- Slow progress in defining this goal and framework:
  - Sore point for vulnerable countries

- Finally, intense – but welcome - discussions on how best to approach GGA definition:
  - Will develop framework through the next 4 workshops over 2023
  - Recommendations for framework to be presented at COP28 for adoption
LOOKING AHEAD TO AND BEYOND COP28

- Global Stocktake
- Global Goal on Adaptation
- L&D Fund Operationalization
- Reaching $100B/yr
- Doubling adaptation finance
- Final elements of SNLD
- COP29: New finance goal
THANK YOU!