

Funding arrangements for responding to loss and damage associated with the adverse impacts of climate change

Switzerland's views on topics for and the structure of the 2nd Glasgow Dialogue and the two workshops

Switzerland is pleased to submit its views following the call for submissions arising from Decisions FCCC/CP/2022/L.18–FCCC/PA/CMA/2022/L.20, para. 7 c, inviting Parties and relevant organisations to share views on **topics for and the structure of the 2nd Glasgow Dialogue and the two workshops** referred to in para. 7a of the same decisions.

Workshops

Decisions FCCC/CP/2022/L.18–FCCC/PA/CMA/2022/L.20 (paragraph 7a) requested the secretariat to conduct two workshops in 2023, with the participation of a diversity of institutions, relevant to addressing loss and damage associated with climate change impacts.

Given the breadth of the topics covered by loss and damage, with each having a different support landscape, presenting distinct challenges and involving different actors, we propose that the first workshop conducts deep dives into key loss and damage topics in order to enable focused and solution-oriented discussions. The workshops could include dedicated sessions on post-disaster relief (incl. early recovery), rehabilitation and reconstruction (including building back better), and the areas of cooperation and facilitation identified in Article 8.4 of the Paris Agreement, namely:

- (a) Early warning systems;
- (b) Emergency preparedness;
- (c) Slow onset events;
- (d) Events that may involve irreversible and permanent loss and damage;
- (e) Comprehensive risk assessment and management;
- (f) Risk insurance facilities, climate risk pooling and other insurance solutions;
- (g) Non-economic losses;
- (h) Resilience of communities, livelihoods and ecosystems.

To enable a more granular discussion, specific sessions on different types of non-economic losses could be held, such as on loss of culture and identity, loss of ecosystems, and on displacement related to the adverse impacts of climate change.

For each of these areas, the sessions should identify:

- (i) The current sources of support under and outside UNFCCC and potential new sources of funding, including innovative sources of funding;
- (ii) The impact and effectiveness of the existing support architecture;
- (iii) Innovative models and good practices;
- (iv) Opportunities for increasing complementarity, coherence and coordination among different sources;
- (v) Strengths, gaps and challenges related to the current support architecture, including with regards to access, in particular for the most vulnerable countries and communities, and the most effective ways to address these.

The deliberations should help to inform the strengthening of existing funding arrangements and the development of new funding arrangements, including with regards to defining the thematic scope of engagement of the new loss and damage fund.

The workshop should be inclusive, bringing a diversity of voices and viewpoints. The secretariat should invite the relevant actors involved in each of these areas to participate, including from international financial institutions, the UN system, civil society, the private sector and academia, as well the Executive Committee of the Warsaw International Mechanism and its taskforce and expert groups, to participate and give introductory presentations for each area. It should reach out to these actors ahead of the workshop to encourage them to submit their views in advance,

The second workshop should address specific issues emerging from the first workshop as well as the Glasgow Dialogue that require further discussion, with a view to framing the new funding arrangements and in particular the new fund.

Second Glasgow Dialogue, June 2023

The Glasgow Pact established the Glasgow Dialogue between Parties, relevant organizations and stakeholders to discuss the arrangements for the funding of activities to avert, minimize and address loss and damage associated with the adverse impacts of climate change, to take place in the first sessional period of each year of the Subsidiary Body for Implementation, concluding at its sixtieth session (June 2024)¹.

At CMA4/COP27, it was decided that the second session of the Glasgow Dialogue shall focus on the operationalization of the new funding arrangements and the fund as well as on maximizing support from existing funding arrangements relevant for, inter alia, responding to economic and non-economic losses, slow onset events and extreme weather events, and that they will inform the work of the Transitional Committee.²

In this context, we are of the view that the Glasgow Dialogue should include dedicated sessions on the following topics:

- **Opportunities for strengthening existing funding arrangements relevant for averting, minimizing and addressing L&D under and outside the UNFCCC and ways of ensuring coherence, coordination and complementarity with the new funding arrangements**

After an overview of the existing funding arrangements under and outside UNFCCC, synthesizing the deliberations of the first workshop, discussions should be solution-oriented, with a view to informing recommendations for strengthening these arrangements and their impact, and ensuring greater coherence, coordination and complementarity among existing and new arrangements.

In this context, we would also welcome presentations from United Nations agencies, intergovernmental organizations, and bilateral, multilateral and international financial institutions on their current L&D activities, and how they might enhance access to and/or the speed, scope and scale of availability of finance for activities relevant to averting, minimizing and addressing loss and damage, including potential limitations and barriers and options for addressing them.³

- **Addressing access challenges for the most vulnerable countries and communities in existing funding arrangements with a specific focus on averting, minimizing and addressing loss and damage, and identifying the most promising solutions to address these challenges in existing as well as new funding arrangements**

The second session of the Glasgow Dialogue should help identify challenges that the most vulnerable countries and communities, including those living in fragile and conflict-affected contexts, face with regards to accessing existing funding arrangements and find the most promising solutions to address

¹ Para 73, Decision 1/CMA.3

² As per paragraph 9 of Decisions FCCC/CP/2022/L.18–FCCC/PA/CMA/2022/L.20

³ In line with paragraphs 7d, 11 and 12 of Decisions FCCC/CP/2022/L.18–FCCC/PA/CMA/2022/L.20

these, both in existing arrangements as well as to guide the focus the new funding arrangements, including the new fund. A central element in these discussions should be on ensuring that funding arrangements, both existing and new, are responsive to the needs of vulnerable people, indigenous peoples and local communities, as well as to those of women and children.

- **Identifying and expanding sources of funding for the new funding arrangements on loss and damage, including the new fund⁴**

In order to mobilise resources at scale for responding to loss and damage, in addition to public resources from a more dynamic and broadened range of contributors (considering the polluter-pays principle and the capacity-to-pay of all potential contributors), new innovative sources of finance will also be required. The Glasgow Dialogue should enable discussions on the sources of funding for the new funding arrangements, in particular with regards to innovative sources of finance for loss and damage, including contributions from the private sector, especially high-emitting industries, and instruments based on the polluter-pays principle.

The discussions should be informed by presentations from experts laying out options, the scale of finance that can be mobilised, feasibility and steps required for implementation.

Further considerations

Sequencing

We propose for the first workshop to take place before SB58 in June 2023, and the second workshop to take place before COP28, while ensuring that the timing of the workshops is conducive to informing the work of the Transitional Committee.

Link to the Transitional Committee on the operationalization of the new funding arrangements for responding to loss and damage and the associated fund

The workshops and the second session of the Glasgow Dialogue should include briefings from the Transitional Committee on the status of progress of its work. The deliberations from the workshops and the Dialogue should inform the work of the Transitional Committee and its recommendations⁵ and be captured in the synthesis report to be prepared by the secretariat, reflecting the diversity of views expressed in a balanced manner.⁶

⁴ As per para 5c, Decisions FCCC/CP/2022/L.18–FCCC/PA/CMA/2022/L.20

⁵ As per paragraph 7 of Decisions FCCC/CP/2022/L.18–FCCC/PA/CMA/2022/L.20

⁶ As per paragraph 15 of Decisions FCCC/CP/2022/L.18–FCCC/PA/CMA/2022/L.20