

## SUBMISSION BY GUATEMALA ON BEHALF OF THE AILAC GROUP OF COUNTRIES COMPOSED BY CHILE, COLOMBIA, COSTA RICA, HONDURAS, GUATEMALA, PANAMA, PARAGUAY AND PERU

Views on the review of the Warsaw International Mechanism on the basis of the terms of reference

### Reference: FCCC/SB/2019/L.3

1. Following the invitation by the SBI and the SBSTA, the AILAC group of countries welcomes the opportunity to provide views on the review of the Warsaw International Mechanism on the basis of the terms of reference adopted at the SBs 50<sup>1</sup>.
2. We also want to highlight the great opportunity we have ahead to conduct a substantive review of the WIM that strengthens it and as such enables enhanced action on loss and damage in light of the Paris Agreement's long – term goals, through a decision that implements the recommendations resulting in the outcome of the review, and informed by the best available science of the dimension and dynamics of the challenge, enables the better integration of action related to addressing, minimizing and averting of loss and damage in all climate policies and instruments, according to the premise that both the Convention and the Paris Agreement have given us.
3. According to the objective, scope, inputs, and sources of information agreed at the Terms of Reference (ToRs) for the review of the WIM adopted at the SBs 50, AILACs main views are outlined as follows:

### *Performance of the Warsaw International Mechanism and its functions as set out in decision 2/CP.19*

4. AILAC recognizes that the work undertaken by the WIM from its establishment has addressed its three functions in order to address loss and damage associated with the adverse effects of climate change. Nevertheless, and based on the progress of the working plan, the main products of the WIM and its substructures, and relevant decisions, it can be concluded that in the overall picture of the WIM's implementation, greater advance has been achieved on establishing a more comprehensive knowledge basis on loss and damage-LnD, enhancing the coordination of action, and identifying key stakeholders.
5. Progress remains to be achieved in providing technical guidance on approaches to address LnD, and facilitating mobilization of action and support including finance, technology and capacity building for the implementation approaches to address LnD related to climate change impacts. It is a complex challenge that needs *timely* responses from the WIM and there is an urgent call from Parties, accentuated in light of the implementation of the Paris Agreement and its long term goals, to take the necessary steps to move from better understanding to action.
6. We consider it is valuable sharing further views on key achievements, challenges, barriers, gaps opportunities and lessons learned on the performance of each of the WIM's functions as follows:
7. As per the **first function** of the WIM on enhancing knowledge and understanding of comprehensive risk management approaches to address LnD, we want to highlight the well orientated and concrete

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<sup>1</sup> Contained in the Annex of FCCC/SB/2019/L.3

identification of gaps in the understanding of approaches to address LnD for the different strategic areas of the ExCom's five-year annual work plan. Also, regarding the collection and use of relevant data and information, we acknowledge that a significant effort in gathering information through compendiums, questionnaires, and other modalities have allowed to advance the LnD knowledge basis and to identify where the more relevant challenges remain.

8. Likewise, as reflected at the latest ExCom annual report, there's been significant efforts on raising visibility on the gender dimension of the LnD agenda. Nevertheless, and despite key achievements in the context of this function, we deem **necessary to strengthen the integration of the fundamental role of the best available science in the work of the WIM. It is of our view that WIM's operation has to be responsive to the warnings from science as work progresses, and that it is of utmost importance to keep up-to-date with the latest scientific information.**
9. Integrating the best available science as per recommendations of the first review of the WIM and other relevant decisions implies improving access to and interaction with relevant technical panels, bodies and expertise. To this end, some efforts have been made but the improvement of the engagement with science must go beyond participation in strategic meetings and establishment of focal points. Thus, AILAC deems necessary that the WIM takes a more active role at integrating the best available science in a *timely* manner in its work, for instance by incorporating the main findings of the latest IPCC reports at the ExCom's five-year annual work plan and by undertaking specific collaborations with scientific bodies at the working plans of its substructures.
10. With regards to the **Second function** of strengthening dialogue, coherence, and synergies among relevant stakeholders also shows significant progress evidenced in the integration of LnD under the Convention through engagement with relevant constituted bodies, the preparation of strategic joint products, the incorporation of LnD at their working plan and the nomination of several ExCom focal points to accompany the work under the Convention. Additionally, we recognize the work done outside the UNFCCC, the WIM through its ExCom and substructures, has widened the network and raise visibility on LnD despite being challenging to gather a diversity of actors accountable for the complexity of subjects that LnD entails. Nevertheless, concrete collaborations must be made more effective by making the interaction of key stakeholders already identified with countries' needs.
11. The **third function** of the WIM of **enhancing action and support**, is according to what can be assessed from the relevant decisions, the **function that has a persistent need to be strengthened**, through emphasis on the implementation on strategic line (e) of the five-year working plan and also by improving international cooperation, mobilization of support and expertise in addressing LnD, according to the urgency to address irreversible impacts of climate change for people and ecosystems. It is also, based on previous submissions and synthesis reports<sup>2</sup>, **the function on which there is a higher expectation from Parties for the WIM to deliver on**. In exercising this specific function, AILAC recognizes that important steps have been taken by the WIM, such as the involvement of the SCF and the constant efforts on

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<sup>2</sup> FCCC/SBI/2011/INF.13

[https://unfccc.int/sites/default/files/resource/Item\\_9\\_Summary\\_views\\_on\\_actions\\_12\\_Mar.pdf](https://unfccc.int/sites/default/files/resource/Item_9_Summary_views_on_actions_12_Mar.pdf)

refining the conceptualization of loss and damage, to facilitate the mobilization of relevant and most appropriate information, data, technology, expertise, capacity building, and finance.

12. Also, this function is in our view highly related to **how the WIM continues to promote the implementation of approaches to address loss and damage associated with the adverse effects of climate**. Nevertheless, and despite key achievements with regards to this function, as a result of the review, there is still the need to leverage efforts towards support for the implementation of LnD approaches. To this end, it is worth considering to provide relevant technical support, decision making tools and guidance, especially regarding the rationale and the local capacities for LnD project formulation, the traceability of LnD domestic expenditures, the prioritization of budgets allocation according to current and projected impacts, and the design of frameworks to refine the identification and tracking of LnD related actions in order to strengthen climate finance to overcome remaining challenges for the mobilization of resources for LnD . Additionally, it is also identified the need to contribute to escalating existing finance beyond pilot initiatives accordingly to the diversity of actions and approaches that LnD entails. Furthermore, we remain concerned that most of the instruments identified, besides grants, could keep placing a payment burden on already indebted and vulnerable countries such as AILAC countries.
13. To conclude, and in light of the preliminary findings of the technical paper recently presented by the Secretariat<sup>3</sup> on the sources and modalities for accessing financial support for addressing loss and damage, we can say that there is a better context about how a broad range of actions could be financed. Thus, we consider that the identification of general typologies to address loss and damage, in the context of the paper, is a positive step towards best providing guidance as to what could be considered loss and damage, and also helps highlighting the importance to address comprehensive risk management that is for AILAC essential in the operationalization of loss and damage at the local scale. Additionally, thanks to the results of the Suva expert dialogue there is a basis to discuss and contribute to the design of innovative financial instruments. Nevertheless, **there are several remaining barriers and challenges in the financial landscape for loss and damage. Among those, it is worth highlighting the need for supporting transformational approaches and strengthening the capacity to access existing resources**. To this end, we find it relevant to keep fostering engagement, guidance, and expertise from the financial mechanism of the Convention on supporting developing country Parties at the implementation of LnD approaches. This engagement should translate into concrete collaborations, so to strengthen the mobilization of finance for addressing LnD including a combination of existing financial sources and instruments and further research and development of innovative finance solutions to bridge already identified gaps and barriers in mobilizing resources for LnD. To this end, as a result of the review, further elaboration upon this collaboration should arise.

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<sup>3</sup> [FCCC/TP/2019/1](#)

### **Long Term Vision for the WIM**

14. Above, we have described our main views on the WIM's performance against its functions, also according to the objective of the review, this progress is to be assessed in light of the long-term vision of the WIM. **We have found it challenging to conduct an assessment of the WIM in light of its long-term vision, partly due to the WIM's diffuse logic of implementation.** Thus, we consider that this long-term vision should be further refined, so as to explicitly guide priority activities of the WIM, timeframe of conducting them and resources. Therefore, in our view, to explicitly incorporate such vision for strategic and operational matters, and also as a horizon to be constantly considered should arise as a recommendation of this review.
15. As inputs for the refinement of the long-term vision of the WIM, we understand the long-term vision of the WIM as pivotal for its constant improvement and that it has been built collectively through relevant decisions. In our view, essential elements of the long-term vision are related to the objective of the Convention of stabilizing GHG concentrations in a sufficient timeframe to allow adaptation to occur, and to avoid social, environmental and economic threats, and also to the concrete long term goals of the Paris Agreement striving to significantly reduce the risk and impacts of climate change by also recognizing that LnD, is happening today and that, in some cases, involves more than which can be reduced by adaptation. Also, the best available science is in our view essential to this vision so to allow the WIM's to be responsive to the warning from science.
16. AILAC considers that the work undertaken by the WIM is of high relevance in the context defined by the Convention, and the Paris Agreement, and also that collaboration and valuable technical work have been developed according to available resources. Nevertheless, there is the need to acknowledge that the strong call made by the Paris Agreement for the enhancement of understanding, action, and support with respect to LnD, significantly increases the tasks of the WIM, for instance with the guidance needed for Parties in order to provide information related to LnD in the context of the enhanced transparency framework and the consideration of LnD in the context of the GST. These additional activities show that the demands on the WIM constantly increase, which is challenging for what the WIM is able to do and fund with current capacities and *resourcing*.

### **Structure of the Warsaw International Mechanism**

17. On the issue of **structure of the Warsaw International Mechanism**, in our understanding, and based on relevant decisions the WIM's structure consists, to date, of the ExCom and the advisory groups it establishes to help execute its work in guiding the implementation of the WIM, along with strategic collaborations with existing bodies expert groups and relevant organizations under and outside the Convention and the PA. Nevertheless, a more systematic approach to this structure is suggested since subgroups and substructures are used irrespectively at the workplan, relevant decisions, and the website when referring to these advisory groups making it difficult to clearly follow what the structure of the WIM is beyond the ExCom.

18. The configuration of the ExCom's, advisory groups, have added value in terms of its performance in guiding the implementation of the WIM's functions, especially by expanding the expert support base. Nevertheless, further clarification on how these advisory groups contribute to the progress of the working plan is needed and it will also be beneficial if it's clearly traceable at the webpage.
19. With regards to the establishment of advisory groups, we will like to highlight the ExCom's diligence with the operationalization of the taskforce of displacement and the clearinghouse for risk transfer, both mandates ensuing from decision 1/CP.21. Nevertheless, we show concern on delays on the conformation of other advisory groups that were planned since the first two-year working plan and were just recently established reflecting operational delays in key procedures that limits the timely response of the ExCom.
20. We recognize that the expert groups clearly enhance the expert support base on loss and damage. Nevertheless, it is also our view that compared to other mechanisms under the Convention, such as the Technology Framework or the Financial Mechanism, the WIM does not have an operational substructures/ entity. Thus, in the context of exercising its three functions, the consideration of whether additional working groups to this end needs to be established is worth to be considered in the context of the review.

### **Outputs of the WIM**

21. On the subject of **usefulness and use of the outputs of the Warsaw International Mechanism**- AILAC considers that the existing outputs generated by the WIM and its substructures are highly *relevant*, in particular, the knowledge products, expert data basis, lists of key stakeholders and experts working in LnD and compilations /compendiums with relevant information on lessons learned and results of implementation of a variety of LnD approaches. Nevertheless, in our view at the moment, the inputs generated by the WIM are mostly conceptual and there is still the need to generate methodological orientation for the implementation of the different LnD approaches for instance through efforts to generate adequate capacities required to facilitate access to LnD finance and to improve financial literacy with regards to the complex financial landscape of LnD, risks and impacts assessments related to LnD, assessment of avoided losses related to interventions and approaches to LnD and estimation of non-economic losses amongst others.
22. Furthermore, and in spite of the usefulness of the WIM's outcomes, **AILAC countries consider that the majority of the WIM's products are unknown and attribute this fact to the lack of widespread and communication strategies. Thus, AILAC countries consider that general awareness among LnD stakeholders can be improved, we also consider that to reinforce the main messages of existing and future products, for instance through a series of webinars, is needed.** Additionally, we have identified that conveying regional meetings will potentially also contribute to promoting the participation of our Countries.
23. We have also found it difficult to assess the uptake of WIM's knowledge products and services. Thus, we consider that improvements such as statistics on the use of the products, webinars and perception queries could improve the estimations over the use of the WIM products.  
Furthermore, it is also reiteratively recommended that Parties participate in the ExCom meetings, nevertheless AILAC countries have a limitation of resources for such participation, consequently, we

extend the invitation to the ExCom to consider virtual participation in such meetings so to enhance engagement of the Parties with the WIM.

### ***Collaboration, coherence and partnerships with other bodies and stakeholders***

24. Regarding **collaboration, coherence and partnerships with bodies, entities, work programmes, and with relevant stakeholders within and outside the Convention** it is our view that modalities such as the convening of meeting of relevant experts and stakeholders and make recommendations on how to enhance engagement, actions, and coherence under and outside the Convention have been widely exercised by the ExCom contributing to improve coordination of relevant stakeholders, raise visibility, and create awareness on the subject. Also, *good practices* such as requesting constituted bodies to work on relevant LnD issues, and the liaisons with other relevant bodies are to be highlighted.
25. Nevertheless, and building upon existing efforts of the ExCom, there is still the need to materialize concrete collaborations with already identified partners and networks so to bridge knowledge and action gaps and to catalyze the implementation of approaches on LnD according to country's needs.

### ***Progress on the implementation of the work plan of the Executive Committee***

26. With regard to the **progress on the implementation of the work plan of the Executive Committee**, AILAC considers that progress is according to plan but that strength in the planning exercise is needed. The five-year rolling work plan of the ExCom shows improvements from the interim working plan such as including modalities to undertake the activities, inputs needed and a timeline framed in the ExCom meetings. Nevertheless, expected results are still broad and indicators to facilitate progress and performance follow up are still missing. The expected results of the expert working groups are not clearly indicated. Additionally, we found that there is not enough visibility regarding, challenges, best practices, experiences and lessons learned and they are worth to be outlined thoroughly, in the context of ExCom's annual report.
27. AILAC also deems necessary that work plans are guided by the long-term vision of the WIM and that it delivers on long-term outcomes that are not present at the current working plan. Furthermore, work plans should also be flexible to include an adaptive management approach that considers improvements based on the best available science.
28. As per decision 5/ CP.23, paragraph 5, the ExCom will evaluate progress made towards implementing its five- year rolling work plan in 2020 and at regular intervals at subsequent meetings of the ExCom, in this context, AILAC believes that improvements in the way that progress in the work plan is presented is to be part of the recommendations of this review since the content and structure of reports of the ExCom on progress made in implementation varies widely from report to report making difficult the assessment of progress. Thus, for follow-up purposes, it is recommended that the ExCom adopts a single structure, comprehensive of the work plan flexibility.



29. Furthermore, recommendations of the review should include the update of the five- year working plan and it's priority activities according to relevant mandates including the activities derived from the implementation of the Paris Agreement such as the provisions regarding the ETF and the GST.

***Response of the Warsaw International Mechanism to relevant decisions and the Paris Agreement***

30. On the subject of the **response of the Warsaw International Mechanism to relevant decisions and the Paris Agreement**, it is worth highlighting the WIM's *timely responsiveness* to the operationalization of mandates ensuing from decision 1/ CP. 21 which is a good signal for coming tasks commissioned to WIM such as the ones related to the ETF and the GST.
31. In the overall picture, AILAC considers that the WIM has responded effectively to relevant decisions. Nevertheless, we would like to highlight some recommendations, including the ones made in the first review of the WIM, that in our view needs further strengthening and consideration. The first review, at COP 22, recommended in order to advance with to consider the establishment of, as appropriate, additional advisory groups to assist the ExCom in conducting its work and supporting its efforts to enhance action and support for loss and damage, and to date, a group that explicitly considers the strengthening of strategic line (e) of the five-year working plan is not created, such group could potentiate the work of already constituted substructures of the WIM and be commissioned to design and implement a realistic resource mobilization strategy with clear roles and responsibilities, targets and funding partners, for each strategic line of the working plan so to serve as a platform of dialogue and implementation.
32. Also, COP 22 recommended that periodicity on future reviews is decided in 2019 that take place no more than 5 years apart, thus AILAC considers that a five-year cycle will facilitate that LnD info will be taken in to account in the GST and also allow to have a sequential process for strengthening the WIM, this way next review will take place in 2024 allowing to incorporate recommendations of the first GST (2023).
33. Additionally, with regard to pursuit the necessary actions to progress according to the provisions by relevant decisions to Parties, AILAC countries have incorporated in planning instruments the consideration of extreme events and slow onset events, non-economic losses, displacement, migration, human mobility, and comprehensive risk management and will continue to do so as the work of the WIM progress facilitation a better integration of LnD in local climate action. Nevertheless, it is worth taking in to account the challenging context that developing countries face where, planning, preparedness, and contingency actions are expensive, long-term and risky for conventional sources of financing.

### *Governance of the WIM*

34. Finally, on **the governance issue**, and aware that this discussion is not of the scope of the review, we will also want to share our views to be considered, where relevant. Considering that the WIM was established under the COP, and in light of the PA provision that the WIM shall be subject to the authority and guidance of the CMA and that it may be strengthened as determined by the CMA, it is important to address the governance discussion in light of enhancing the effectiveness of the WIM based on a common understanding and vision with regards to Loss and Damage to be taken forward, and on this basis, defining the most appropriate governance structure. A joint COP/CMA working group could be considered so to effectively cover and harmonize the requirements under the COP and the CMA agendas and to be performed accordingly to the demands of the implementation of the Convention, the Paris agreement and its long-term goals.