A L L I A N C E O F S M A L L I S L A N D S T A T E S

AOSIS SUBMISSION

Submission by Antigua and Barbuda on behalf of the Alliance of Small Island States on the Santiago Network for Loss and Damage

30 May 2022

1. Mandate/Background

Decision 2/CMA.2 established the Santiago Network (SN) for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change, as part of the WIM, "to catalyse the technical assistance of relevant organizations, bodies, networks and experts (OBNEs), 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." Parties agreed on a set of functions for the Network by decision 19/CMA.3, para. 9 and decided to further develop its institutional arrangements by para. 10.

With this submission, Antigua and Barbuda, on behalf of AOSIS, is responding to the request for views on institutional arrangements for the Network contained in decision 19/CMA.3, para. 10, specifically on: (i) Operational modalities; (ii) Structure; (iii) The role of the Executive Committee and its expert groups, task force and technical expert group; (iv) The role of loss and damage contact points and other relevant stakeholders at the subnational, national and regional level; and (v) Possible elements for the terms of reference of a potential convening or coordinating body that may provide secretarial services to facilitate work under the Santiago Network.

2. Context

The Working Group II contribution to the IPCC's Sixth Assessment Report acknowledges that soft limits to some human adaptation have been reached, and hard limits to adaptation have been reached in some ecosystems. Even effective adaptation cannot avert or minimize all loss and damage[1]. Current and future projected levels of global warming, currently lead to numerous negative impacts associated with climate change. For the 127 identified key risks in the WGII report that were assessed, mid- and long- term impacts are up to multiple times higher than currently observed. The magnitude and rate of climate change and associated risks depend strongly on near-term mitigation and adaptation actions, and projected adverse impacts and related losses and damages escalate with every increment of global warming. In addition, climate change impacts and risks are becoming increasingly complex and more difficult to manage.

Climate change poses an existential threat to small island developing states (SIDS), who look to the international community for the technical and financial support needed to address loss and damage, on the basis of Convention principles and in view of the objectives of the Convention and its Paris Agreement.

[1] The IPCC report refers to losses and damages.

Some areas of focus for such country-owned and -driven technical assistance include:

- **Scale:** the quantum of the projected and actual loss and damage under different temperature scenarios, including for historical loss and damage;
- **Timing:** the timeline, frequency and intensity within which these impacts are likely to be experienced;
- **Type**: extreme events and slow onset events, and economic and non-economic losses;
- **Selection of most appropriate action and support:** the types of actions and support mechanisms available and under development to address loss and damage, building on the work of the WIM-related initiatives;
- **Cost for actions:** the environmental, economic and social costs of the impacts;
- **Implementing these actions:** ways to raise awareness of these tools and enhance access to and shape them to fit national circumstances;
- **Resource mobilization:** the resources that can be accessed to implement identified actions; including by expanding upon innovative sources of financing. Innovative sources include: developing and/or expanding risk transfer and insurance facilities and solidarity funds; establishing distinct windows and instruments for loss and damage responses under multilateral funds like the GCF and GEF; and debt-for-climate swaps.

3. Role of the WIM under the Convention and the Paris Agreement for addressing loss and damage

The Warsaw International Mechanism (WIM) was established under the Convention to address loss and damage associated with climate change impacts, including extreme events and slow onset events, in developing countries that are particularly vulnerable to the adverse effects of climate change. The WIM is governed and overseen by both the COP and the CMA. An Executive Committee (ExCom) was established to guide the implementation of the functions of the WIM.

The Glasgow Climate Pact (decisions 1/CMA.3 and 1/CP.26) acknowledges that climate change has already caused and will increasingly cause loss and damage and that, as temperatures rise, impacts from climate and weather extremes, as well as slow onset events, will pose an ever-greater social, economic and environmental threat. The Pact reiterates the urgency of scaling up action and support, including finance, technology transfer and capacity-building for implementing approaches to address loss and damage in developing country Parties that are particularly vulnerable to these effects. It recognizes the importance of demand-driven technical assistance in building capacity and also acknowledges the importance of coherent action to respond to the scale of needs caused by the adverse impacts of climate change.

Given this context, the WIM has a clear role of '*promoting* the implementation of approaches to address loss and damage'.[2] This role is executed by undertaking following non-exhaustive three (3) main functions[3]:

1. enhancing knowledge and understanding of approaches to address loss and damage by facilitating and promoting:
    - actions to address understanding and expertise gaps,
    - data and information collection, sharing, management and use, and
    - provision of overviews of best practices, challenges, experiences and lessons learned in undertaking such approaches

[2] UNFCCC, 'Decision 2/CP.19; (2013), para 5
[3] UNFCCC, 'Decision 2/CP.19; (2013), para 5 (a-c)

2. strengthening dialogue, coordination, coherence, and synergies among relevant stakeholders by:
    - providing leadership, coordination, and oversight on the assessment and implementation of such approaches, and
    - fostering dialogue, coordination, coherence and synergies among all relevant stakeholders

3. enhancing action and support, including finance, technology and capacity building, to address loss and damage including by:
    - providing relevant technical support and guidance, as well as relevant information and recommendations for the COP and CMA consideration, and
    - facilitating the mobilization and securing of expertise and enhancement of support

This mechanism has two components: 1) ExCom[4], and 2) SN[5]. The Excom's main mandate is to '*guide* the implementation of the functions' of the WIM.[6] The SN is tasked with 'contributing to effective implementation' of the WIM's mandate and functions by '*catalysing' technical assistance*.[7]

While noting the functions of the WIM and its component parts, there is still a massive gap in the provision of actual financial resources for implementing approaches to address loss and damage. AOSIS is of the view that such financial resources must be provided in accordance with the relevant provisions of the Convention (i.e. Articles 4 and 11) and Paris Agreement (i.e. Articles 8 and 9). Moreover, the provision of these financial resources should be through the Financial Mechanism (FM) of the Convention and Paris Agreement. This provision shall be in accordance with their policies, programme priorities and eligibility criteria

Consequently, there is a distinction between the role of the WIM and FM as it relates to addressing loss and damage. While the WIM promotes the implementation of such approaches (through guiding [the Excom] and catalysing technical assistance [SN]), the FM provides the new and additional financial resources on a grant or concessional basis to implement these approaches. Nevertheless, there is a linkage between the two mechanisms as they both share the broader objective of addressing climate change, and specifically in this case, the loss and damage associated with its adverse effects.

The usefulness of the Santiago Network will depend on its design and implementation. The most comparable institutional arrangement under the UNFCCC regime is that of the Technology Mechanism (TM). The TM also has two component parts: 1) Technology Executive Committee and 2) Climate Technology Centre and Network (CTCN).[8] Similar to the SN, the CTCN is charged with facilitating a network that provides technical assistance for achieving '*enhanced action on technology development and transfer*'.[9] AOSIS is of the view that lessons learned from this process of operationalizing the CTCN should guide the operationalization of the SN. Crucially, the SN's usefulness will also depend upon the availability of new and additional financial resources that provide adequate support for the provision of demand-driven technical assistance by the organizations, bodies, networks and experts (OBNEs) catalyzed by the Network. In this regard, the Glasgow Climate Pact urges developed country Parties to provide funds for the operation of the SN and for the provision of technical assistance for the implementation of relevant approach to avert, minimize and address loss and damage in developing countries.

[4] UNFCCC, 'Decision 2/CP.19' (2013), para 2
[5] UNFCCC, 'Decision 2/CMA.3' (2019), para 43
[6] UNFCCC, 'Decision 2/CP.19' (2013), para 7
[7] UNFCCC, 'Decision 19/CMA.3' (2021), para 9(a)
[8] UNFCCC, 'Decision 1/CP.16' (2010), para 117
[9] UNFCCC, 'Decision 1/CP.16' (2010), paras 113 & 123

4. Santiago Network – Institutional Elements

4.1 Operational Modalities

Use of the SN will be based on the principles of enhanced country-ownership and country-drivenness providing support to developing countries, especially those that are particularly vulnerable to the adverse effects of climate change, such as the least developed countries and small island developing States. Modalities must be flexible to facilitate technical assistance across a broad spectrum of areas as outlined in the third function of the SN (Decision 19/CMA.3, para 9(c)). Furthermore, countries should have the ability to access technical assistance for a range of activities. These include, among others:

- National and/or sectoral loss and damage assessments and response plans
- Nationally determined methodologies
- Pilot programmes
- In-country capacity building[10] including, inter alia:
    - peer-to-peer learning and exchanges
    - medium and long-term in-country placements
- Ad hoc requests for any other types of technical assistance

Technical assistance requests should be actively matched to OBNEs offering specific types and scopes of expertise and services. Support, including financial support should be provided to **OBNEs, particularly those that are based in developing countries, that need support in order to provide technical assistance**, to build lasting knowledge and expertise in-country.

All developing countries shall be eligible for all support provided under the Santiago Network, including technical assistance. Support providers to the Network shall not apply any eligibility criteria to either technical or financial resources offered/provided.

It will be important for the SN not to duplicate the work of other constituted bodies (e.g. AC, NWP, TEC and CTCN).

The Annual Report on the operations of the SN shall provide the COP and CMA with information on, i*nter alia*:

- Technical assistance committed, including disaggregated information of recipient countries and corresponding OBNEs[11] and budgeted cost of the assistance
- Technical assistance provided, including disaggregated information of recipient countries and corresponding OBNEs[12] and actual cost of the assistance
- Financial resources committed to OBNEs and/or the Network's Trust Fund, including disaggregated information on corresponding support providers
- Financial resources provided to OBNEs and/or the Network's Trust Fund, including disaggregated information on corresponding support providers
- Average and maximum time it takes to approve technical assistance requests from first request by a developing country
- Average and maximum time it takes to deliver and complete technical assistance requests, once approved by the SN
- Other pertinent information

[10] For e.g., for data collection and management, hazard mapping, modelling, loss and damage reporting etc.
[11] This information should be submitted in a tabular format including in an accompanying electronic spreadsheet
[12] This information should be submitted in a tabular format including in an accompanying electronic spreadsheet

The annual report shall be prepared by the SN's coordinating body in advance of the COP and CMA.

4.2 SN Structure and Indicative Responsibilities

4.2.1 Coordinating Body [Secretariat]

The SN will be supported by a coordinating body, duly selected based on the TOR to be finalized (in keeping with Decision 19/CMA.3).

The SN's coordinating body should have the following responsibilities:

- Liaising with contact points and/or UNFCCC national focal points[13] to ascertain needs and provide information on technical assistance offerings,
- Managing engagement of OBNEs, including via a database that captures information on their expertise
- Designing a very simple and efficient application and approval process, and receiving and managing requests for technical assistance
- Facilitating the provision of technical assistance by OBNEs to developing countries, through contact points and/or UNFCCC national focal points or other designated country representative
- Developing and managing its own budget
- Managing, allocating and reporting on financial support provided for technical assistance, in accordance with guidance and/or decisions from the oversight body
- Soliciting further financial support for the provision of technical assistance
- Managing staff in the coordinating body to facilitate effective and efficient functioning
- Identifying any additional expertise needed to function effectively
- Facilitating the smooth delivery of technical assistance and a system to track it
- Facilitating capacity building efforts
- Facilitating peer to peer learning and exchanges
- Identifying gaps and challenges that may delay or prevent technical assistance from being provided in keeping with the functions of the SN (as per decision 19/CMA.3)
- Preparing an annual report of the SN and providing information annually to the COP and CMA

Further roles for the coordinating body may be modelled on those used for the CTCN Secretariat.

4.2.2 Organizations, Bodies, Networks and Experts (OBNEs)

A wide variety of OBNEs should be encouraged to participate in the SN, especially those in developing countries. This includes international, regional, national, sub-national entities, NGOs, academic institutions, and both private and public entities. These OBNEs are to advise the coordinating body of their interest in providing technical assistance through the SN and indicate the expertise available. Additionally, OBNEs should indicate the funding available or needed to provide technical assistance to countries.

OBNEs should be:

- Committed to the provision of technical assistance in specified areas and in keeping with their technical and scientific expertise
- Able to exercise flexibility with respect to requests made by Parties

[13] Where the UNFCCC focal point differs from the L&D contact point, the L&D contact point should be involved in the consultations.

- Able to support the development of datasets, models and other tools and make them freely available for use by Parties once provided through the SN
- Open and willing to integrate and use the best available science in providing technical assistance

4.2.3 Role of the ExCom and its sub-bodies

Parties, by way of Decision 2/CMA.2 and 2/CP.25, requested the ExCom "to include relevant information from the organizations, bodies, networks and experts that have reported on their progress." The ExCom should continue to perform this role.

The ExCom, in collaboration with the coordinating body of the SN, should continue to action the recommendation in its report that was endorsed by Parties[14] at COP 26 and CMA 2, with respect to facilitating the reporting by OBNEs on the technical assistance provided to developing countries, covering the following:

- The type of technical assistance provided;
- The developing countries to which the technical assistance has been provided and when it was provided;
- The ways that countries may access the technical assistance available.

The ExCom should also encourage members of its expert groups, task forces, etc., as appropriate, to engage with or support the coordinating body of the SN and the OBNEs providing technical assistance in keeping with their respective mandates, expertise and available funding. This may be reflected in the development of plans of action of the ExCom and its sub-bodies. This includes, but is not limited to, Decision 2/CMA.2, para 26 regarding the development of technical guides that could prove useful as Parties apply various tools, including through technical assistance provided through the SN, to facilitate national action in addressing loss and damage. Conversely, the ExCom could encourage expert groups and tasks forces etc. to utilize lessons learnt and gaps identified in the implementation of technical assistance in the conduct of its work.

Beyond the above, and any future direction from Parties, no further role is envisaged for the ExCom.

4.2.4 (iv) Role of loss and damage contact points and other relevant stakeholders at the subnational, national and regional level

In Decisions 4/CP.22, and in subsequent decisions, Parties were invited to nominate loss and damage contact points, to enhance implementation of approaches to address loss and damage at the national level.[15] Contact points can therefore be a logical avenue for facilitating the functions and operating modalities of the SN. Where loss and damage contact points have not been nominated, countries can request technical assistance from the SN through UNFCCC national focal points or other designated individuals. All such focal points should be copied on initial TA request exchanges, for information sharing and coordination purposes.

With respect to stakeholders at the subnational, national and regional levels, they can be: i) invited or encouraged to provide technical assistance through the SN; ii) assist loss and damage contact points and/or national focal points in identifying technical assistance needs; and iii) contribute to the implementation of technical assistance provided, as appropriate.

[14] FCCC/SB/2021/4/Add.2

[15] https://unfccc.int/topics/adaptation-and-resilience/workstreams/loss-and-damage-ld/collaboration-and-outreach/loss-and-damage-contact-points

4.2.5 Terms of reference (TOR) for the Coordinating Body [Secretariat]

The SN could be coordinated by a body or consortium according the criteria to be determined in the TOR, noting that a consortium would require more internal coordination and therefore likely increase the overhead operational costs of the SN. The following points reflect views on how the body can be selected:

- **International experience and expertise** – The body should have demonstrated experience and expertise that is sufficiently wide to understand the dynamics of various countries, inter alia
- **Diversity in technical capabilities** – Given the broad scope of potential technical assistance to provided, the body should be capable of understanding and identifying the types of technical assistance that might be required by developing countries for averting, minimizing and addressing loss and damage
- **Engagement with Stakeholders** – The SN will have Parties requiring technical assistance and OBNEs providing same. It will also have finance providers and other partners. The body selected for the SN should be capable of managing multiple stakeholders for effective operations. It must also be able to sufficiently match the needs of Parties to the expertise of OBNEs.
- **Sound financial systems and fiduciary record** – There are two main financial aspects of the SN – the technical and the operational. The selection process should identify track records of managing financial systems and provision of fiduciary duties to ensure that both aspects of the SN will be handled appropriately.
- **Existing Structure** – The SN will need to report to Parties and be sufficiently flexible to meet their needs. The structure of the coordinating body should facilitate this.
- **Proposed approach for operating the SN** – Any potential coordinating body should put forward a proposal on how they intend to action past and future decisions of the COP & CMA.

The CTCN TOR can be considered in the development of the TOR for the SN's coordinating body, building out the areas identified above. The CTCN TOR included the following headings:

- Technical capabilities
- Technical approach
- Existing governance and management structures
- Management plan
- Past performance
- Budget
- Methodology for scoring
- Info to be included in expressions of interest, etc.

5. Conclusion

AOSIS maintains that the SN is able to provide useful and necessary technical assistance specifically for loss and damage, and its full operationalization is necessary in the short term. The CTCN model remains a valid one for lessons to apply in the SN's effective operation. The coordinating body should be carefully selected for the best possible outcome. This requires a careful balance that does not diverted finance from technical assistance, while being able to serve Parties adequately, especially those with limited capacities.

6. ANNEX – Elements from previous AOSIS Submissions

1991 **AOSIS Proposal for an Insurance Mechanism**
AOSIS proposed the establishment of an international insurance pool. The proposal consisted of a collective loss-sharing scheme to compensate victims of sea-level rise. The scheme was to be funded by mandatory contributions from industrialised countries based on GNP and on relative greenhouse gas (GHG) emissions, with contributions to the fund based on ability to pay as well as responsibility for impacts.

2008 **AOSIS Proposal to the AWG-LCA for a Multi-Window Mechanism to Address Loss and Damage from Climate Change Impacts**[16]
Called for a Multi-Window Mechanism with three components: (1) insurance component; (2) Rehabilitation / Compensatory Component; and (3) a Risk Management Component.

The Multi-Window Mechanism would be situated under the umbrella of the Convention and housed within the UNFCCC Secretariat. A **Multi-Window Mechanism Board** would provide oversight and have a transparent governance structure. Institutional arrangements would include technical, financial and administrative functions to support each of the three components of the Mechanism. A **Technical Advisory Facility** and a **Financial Vehicle/Facility** would provide support to all three components, providing different services to different components.

2012 **Views and information on elements to be included in the recommendations on loss and damage in accordance with decision 1/CP.16** (28 September 2012)[17]

2014 **AOSIS Inputs for the Two-Year Workplan for the Implementation of the Functions of the Warsaw International Mechanism** [18]

2018 **AOSIS Submission on "type and nature of actions to address loss and damage for which finance may be required**" (26 February 2018)

2019 **AOSIS submission on the 2019 review of the WIM**

2019 **AOSIS Submission on Guidance to the GCF including a request to the Board to establish an Emergency Response Window to address loss and damage, and to incorporate addressing loss and damage as one of its strategic directions under its Strategic Plan 2020-2023**

[16] https://unfccc.int/files/kyoto_protocol/application/pdf/aosisinsurance061208.pdf
[17] https://unfccc.int/sites/default/files/aosis_submission_on_loss_and_damage_submission_2_october_2012.pdf
[18] https://unfccc.int/inputs-for-the-excom-s-draft-initial-two-year-workplan-for-the-implementation-of-the-functions-of