

## **Submission of Bangladesh on Funding Arrangements for Responding to L&D Associated with the Adverse Effects of Climate Change**

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### **Background**

At the 27<sup>th</sup> session of the UN Climate Change Conference (COP27) in Sharm el-Sheikh, Egypt, in 2022, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA4) decided to establish new funding arrangements for assisting developing countries that are particularly vulnerable to the adverse effects of climate change, in responding to loss and damage, including with a focus on addressing loss and damage by providing and assisting in mobilizing new and additional resources, and that these new arrangements complement and include sources, funds, processes and initiatives under and outside the Convention and the Paris Agreement.

Also, decide, in the context of establishing the new funding arrangements referred to in paragraph 2, to establish a fund for responding to loss and damage whose mandate includes a focus on addressing loss and damage (FCCC/CP/2022/L.18-FCCC/PA/CMA/2022/L.20).

Bangladesh recalls the following decisions of the CP27 and CMA4-

- Invite Parties and relevant organizations to submit via the submission portal by 15 February 2023 views on topics for and the structure of the 2nd Glasgow Dialogue and the workshops referred to in paragraph 7(a) of FCCC/CP/2022/L.18-FCCC/PA/CMA/2022/L.20.
- Emphasizes that the 2nd and 3rd Glasgow Dialogues will build on the 1st Glasgow Dialogue, held at the fifty-sixth session of the Subsidiary Body for Implementation, and that the 2nd Dialogue shall focus on the operationalization of the new funding arrangements established in paragraph 2 and the fund established in paragraph 3 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 (paragraph 7(a) of FCCC/CP/2022/L.18-FCCC/PA/CMA/2022/L.20).



- Acknowledges the urgent and forthwith demand for new, additional, and adequate financial resources to assist the climate-vulnerable developing countries in responding to economic and non-economic loss and damages associated with the adverse impacts of climate change (paragraph 1 of FCCC/CP/2022/L.18–FCCC/PA/CMA/2022/L.20);
  - Recalling the establishment of institutional arrangements and modalities, defining the elements of new funding arrangements, exploring and expanding funding sources (from a wide variety of sources), and ensuring coordination with the existing funding mechanisms;
  - In accordance with Paragraph 2 of FCCC/CP/2022/L.18–FCCC/PA/CMA/2022/L.20, new arrangements complement and include sources, funds, processes, and initiatives under and outside the Convention and the Paris Agreement. The major portion of the sources of new funding arrangements should be covered within the convention and the Paris Agreement.
- Bangladesh shares the following views on funding arrangements, topics for and the structure of the 2<sup>nd</sup> Glasgow Dialogue and the workshops:

## **Possible Topics & Structure of 2<sup>nd</sup> Glasgow Dialogue and Workshops**

The 2<sup>nd</sup> Glasgow Dialogue, to take place at the fifty-eight session (June 2023) of the SBI to focus on the operationalization of the new funding arrangements as per paragraph 9 of FCCC/CP/2022/L.18–FCCC/PA/CMA/2022/L.20.

The Dialogue and workshops could focus on the following topics:

### **1. Structure of New Funding Arrangement**

- **Discussion about the institutional structure of the new fund**

Parties may evaluate the following options while considering the institutional structure of the new fund:

- Similar to that of LDCF/SCCF – supported by GEF or
- Similar to that of Adaptation Fund – governed by Adaptation Fund Board
- Similar to that of GCF – governed by the GCF Board
- Other innovative funding arrangements



Bangladesh is of the opinion that L&D could be assigned a separate window under Green Climate Fund or similar to Adaptation Fund; the governing Board should have a higher representation of vulnerable developing countries.

- **Discussion about the Principles of Delivery of L&D Fund**

- Quick release of funds immediately after disaster
  - Discussion on quick release of funds for rapid onset disasters; Which kinds of disasters (examples: cyclone/tornado/hurricane, flood, flash flood, GLOF, river bank erosion, landslides etc.)
- Delivery of funds for long term actions to address L&D
  - Discussion on release of funds for slow onset events (temperature increase, sea level rise, ocean acidification, salinity increase, drought, loss of biodiversity, land degradation, glacial retreat etc.)

- **Discussion about the Operationalization of the new funding arrangements**

Specific timeframe for operationalization of the new fund, taking into consideration the following issues:

- Completion of the work of the Transitional committee;
- Agreements on the Governance structure of the New Fund for L&D;
- Pledges by Developed countries to the new fund;
- Institutional arrangements for preparatory activities for receiving, evaluating, and establishing of decision-making processes for approval of the proposal by the Secretariat/Financial Entity;
- Evaluation and approval for L&D from vulnerable developing countries might be under two windows, one for rapid onset events and one for long term L&D;
- Operationalization similar to that of GCF or Adaptation Fund, having more representation from vulnerable developing countries.

## **2. Possible Sources of Funding**

- Assess the
  - Contribution by developed countries; this is to be complemented by developing countries, which are in a position to do so;
  - Other sources, including outside the Convention and Paris Agreement in accordance with Paragraph 2 of the CMA4 decision;



- Bangladesh is of the opinion that the sources of the new fund for loss and damage should be 'new' and 'additional,' including from innovative sources and should not divert resources from adaptation.
- The new funding arrangements should have adequate funding, especially for addressing rehabilitation, reconstruction, recovery, and restoration of loss and damages due to adverse impacts of climate change in line with National Action Plans and National Strategy and Action Plan for climate displaced population;
- The deliberations on L&D Funding should complement the ongoing discussion under the New Collective Quantified Goal (NCQG).

### **3. Complementary Global and National Level actions to be carried out while establishing the New Funding arrangements**

Bangladesh considers that for early operationalization of the new fund, some parallel initiatives need to be carried out at the Global and National Levels

- Discuss about the development of a National Framework including preparation of;
  - National Action Plan for Loss and Damage and
  - National Strategy and Action Plan for climate displaced population
- Discuss about the International funding support from LDCF or GCF for the preparation of the National Action Plan on Loss and Damage and National Strategy and Action Plan for climate displaced population as mentioned above, so that agreement can be reached.

### **4. Possible Structure of the 2<sup>nd</sup> Glasgow Dialogue and the 2 (two) workshops:**

- Bangladesh considers that as the 2<sup>nd</sup> Glasgow Dialogue will be held during the 58th session of the SBs, presumably it would be organized physically.
- Considering the effectiveness of the physical interaction over the virtual mode, Bangladesh would also like to suggest organization of two in-person workshops; however, provision could be kept for virtual participation.

