ADDRESSING LOSS AND DAMAGE: Critical Steps to a UNFCCC Response
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Introduction

Loss and damage is not a new concept. Conversations on governance mechanisms to address loss and damage started as far back as 1991. However, there has been strong and consistent pushback, mainly from developed countries, to create space for these discussions and open pathways for concrete actions. Many proposals have been presented to the United Nations Framework Convention on Climate Change (UNFCCC) since 1991, beginning with a proposal from Vanuatu on behalf of the Alliance for the Small Island States to set up a compensation fund for developing states directly impacted by climate change. Other proposals have since been made, but it wasn’t until 2013 that a mechanism to address loss and damage was considered suitable by Party States. In these ongoing conversations, the international community has been slow to establish mechanisms to address loss and damage and details of its governance are still being sorted out in 2022.

Now considered the third pillar of climate action, loss and damage has gained traction within the international community in recent years, especially as evidence of climate impacts continues to grow, but concrete action continues to remain inadequate for those most impacted. The cognitive dissonance regarding the current state of governance for Loss and Damage is deafening. Developing and vulnerable countries, communities, and people have borne the burden of the impacts of climate change (and addressing these impacts) for years, while at the same time contributing the least to it; yet those countries and companies most responsible for contributing to climate change continue to turn a blind eye. International governance has thus far been steered by the priorities of developed countries who refuse to “acknowledge their historical climate and development debts” and who consistently fail to provide sufficiently ambitious climate commitments to reduce their greenhouse gas emissions, as well as to provide the promised funding to achieve the minimum $100 bn goals towards mitigation and adaptation efforts.

As Abimbola, et al., claim, the actions previously described evidence patterns of “colonial continuities and racial hierarchies” that are replicated within the climate governance space and that continuously halt any progress needed to appropriately address loss and damage in significant and concrete ways. To truly bring about climate action that is just and equitable, loss and damage must be addressed and provided with the necessary technical, financial, and human resources needed to reduce climate change impacts on all people, but especially those who are most vulnerable and least able to deal with these impacts.

The following text outlines the primary governance mechanisms to address loss and damage associated with climate change impacts within the UNFCCC, providing brief descriptions of each mechanism as well as a brief analysis of their current state of affairs.

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4 Abimbola and others (n 3).
Loss and Damage Governance

Warsaw International Mechanism for Loss and Damage

Loss and damage governance mechanisms were formalized within the UNFCCC at the Conference of the Parties (COP) 19, in 2013. Decision 2 / CP19 establishes the creation of the Warsaw International Mechanism for Loss and Damage Associated with Climate Change Impacts (WIM) to address “loss and damage associated with impacts of climate change, including extreme events and slow onset events, in developing countries that are particularly vulnerable to the adverse effects of climate change”. This decision also defines three functions for the WIM aimed at creating facilitating knowledge exchanges about loss and damage, fostering dialogue and cooperation between stakeholders, and strengthening support and actions to address loss and damage.

However, the work done under the WIM has focused primarily on building a knowledge base on how loss and damage is taking place, awareness-raising about loss and damage, and facilitating cooperation between stakeholders, whereas work to address loss and damage (through concrete actions and support), lags behind. This last point has been greatly criticized by many because of the urgency of the issue, yet political discussions around liability, responsibility, compensation and reparation have made it difficult to advance on the WIM’s third function to strengthen support and actions to address loss and damage from climate change. Even though the WIM was created with the provision to facilitate financial support to address loss and damage when deemed necessary, questions remain unanswered about where funding streams will come from, as well as, when and how they will be mobilized, stalling any progress that might have been achieved.

The question of finance is fraught with tension. The countries with the highest emissions worry that any discussion around finance for loss and damage will open doors for those seeking compensation for climate impacts through litigation on a massive scale. This fear has undermined requests made by developing and vulnerable countries for the WIM to scale up action and support aimed at addressing loss and damage in more concrete ways. This friction between Global North and Global South countries is indicative of a larger picture of injustice about the disproportionate burden that developing countries face in the climate crisis. Those countries, and especially communities, that least contribute to global greenhouse gas emissions are also those who are most vulnerable to the impacts of climate change. The most recent Intergovernmental Panel on Climate Change (IPCC) report has made it clear that the countries that face the greatest risk of climate impacts are already surpassing the limits of adaptation, meaning that losses and damages are already occurring and that financial constraints are a determining factor of this. Thus, financial assistance needs to be a key point of support and action taken to address loss and damage and,

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9 Thomas Hirsch, ‘Climate Finance for Addressing Loss and Damage: How to Mobilize Support for Developing Countries to Tackle Loss and Damage’ (2019).
10 Hirsch (n 9).
Santiago Network

In response to demands from developing countries to strengthen the implementation arm of the WIM during its review in 2019 during COP 25, the Santiago network for averting, minimizing, and addressing loss and damage associated with the adverse effects of climate change was created (SNLD). The SNLD was created with the mandate to "catalyze the technical assistance of relevant organizations, bodies, networks, and experts 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". The creation of the SNLD was supported as a way to strengthen the third function of the WIM and catalyze action and support in more concrete ways for vulnerable countries. However, details on the modalities of operationalization of this Network are still under discussion as of May 2022.

Expectations for COP26 were high, especially regarding the consolidation and operationalization of the SNLD. Developing and vulnerable countries, as well as civil society, articulated their need and demand for the SNLD to move beyond providing technical knowledge and exchange and warned against the Network falling short of its mandate by simply becoming another virtual platform. This last point was a key driver of developing and vulnerable countries’ positions during negotiations: 1) that the SNLD provide additional technical assistance to existing efforts, and 2) that the SNLD provide the necessary aid to developing and vulnerable countries, including financial, technical, and human resources. Ultimately, the demands of developing and vulnerable countries to define the modalities and functions to operationalize the SNLD within the confines of COP26 were not completely met. The Glasgow Climate Pact defines the functions of the Network in Paragraph 9 of Decision 19 within the text of the CMA; however, the Pact also favored calls made by developed countries for more time to deliberate over the modalities of operationalization in Paragraph 10 of the same decision text.

Paragraph 10 of Decision 19 within the CMA opened a call for submissions from Parties and relevant organizations to provide their input on the modalities of operationalization, including:

- (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;
- (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."

Thirty-two inputs were submitted by the deadline (March 15th, 2022) by Parties and organizations from the United Nations system, admitted Intergovernmental Organizations, admitted Non-Governmental Organizations, and non-admitted entities. Of the submissions provided, the following recommendations stand out:

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12 UNFCCC, ‘Report of the Conference of the Parties Serving as the Meeting of the Parties to the Paris Agreement on Its Second Session, Held in Madrid from 2 to 15 December 2019’, Addendum Part two: Action taken by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its second session (2019).
13 UNFCCC, ‘Report of the Conference of the Parties Serving as the Meeting of the Parties to the Paris Agreement on Its Second Session, Held in Madrid from 2 to 15 December 2019’ (n 12).
14 Shalatek and Roberts (n 2).
15 Shalatek and Roberts (n 2).
16 Shalatek and Roberts (n 2).
1. Guiding Principles to drive the work of the SNLD as stated in the submission from the Loss and Damage Collaboration\textsuperscript{18} Operational modalities as suggested by the Loss and Damage Collaboration:

- Divide the roles and responsibilities of the SNLD into the advisory board, coordinating body, and the members.
- Managing requests from loss and damage contact points and other stakeholders and delivering responses.
- Facilitating access to action and support including finance, technology and capacity building.
- Facilitating the consideration of a wide range of approaches relevant to averting, minimising and addressing loss and damage including but not limited to current and future impacts, priorities and actions.
- Facilitating and catalysing collaboration, coordination, coherence and synergies to accelerate action.
- Facilitating the development, provision and dissemination of, and access to, knowledge and information on loss and damage.
- Establish financial arrangements for the SNLD.
- Reporting and review of its activities.
- Linkages with the WIM.

2. All operations of the SNLD must ensure meaningful youth engagement “which can be achieved by supporting young people around the globe with non-tokenistic support (political support, funds, and resources) so that their contribution is maintained.”\textsuperscript{19}

3. Integration of a human rights-based approach to the operationalization of the SNLD.

4. The provision of “assistance in identifying needs, communicating those needs, and accessing the action and technical, financial, and capacity-building support needed to address those needs.”\textsuperscript{20}

Given that finance is an essential component to moving forward in addressing loss and damage, it is important to note the following text included in the Glasgow Climate Pact (emphasis on text given by authors) regarding the operationalization of the SNLD:

- “67. Decides that the Santiago network will be provided with funds to support technical assistance for the implementation of relevant approaches to avert, minimize and address loss and damage associated with the adverse effects of climate change in developing countries in support of the functions set out in paragraph 9 of decision 19/CMA.3;
- 68. Also decides that the modalities for the management of funds provided for technical assistance under the Santiago network and the terms for their disbursement shall be determined by the process set out in paragraph 10 of decision 19/CMA.3;
- 69. Further decides that the body providing secretarial services to facilitate work under the Santiago network to be determined in accordance with paragraph 10 of decision 19/CMA.3 will administer the funds referred to in paragraph 67 above;’ (our italics)\textsuperscript{21}

\textsuperscript{18} The Loss and Damage Collaboration, ‘SUBMISSION: TO INFORM THE EFFECTIVE OPERATIONALISATION OF A FIT FOR PURPOSE SANTIAGO NETWORK FOR LOSS AND DAMAGE’ (2022) \texttt{https://www4.unfccc.int/sites/SubmissionsStaging/Documents/202203141751---The Loss and Damage Collaboration (LDC) SNLD.pdf}.

\textsuperscript{19} The Loss and Damage Youth Coalition, ‘Youth Submission to Inform the Effective Set up of the Santiago Network on Loss and Damage (SNLD)’ (2022) \texttt{https://www4.unfccc.int/sites/SubmissionsStaging/Documents/202204221444---LDYC-SNLD submission_March 2022.pdf}.

\textsuperscript{20} The Least Developed Countries Group (LDC Group), ‘SUBMISSION BY THE SENEGAL ON BEHALF OF THE LEAST DEVELOPED COUNTRIES ( LDCS ) GROUP ON THE SANTIAGO NETWORK FOR AVERTING, MINIMIZING AND ADDRESSING LOSS AND DAMAGE’ \texttt{https://www4.unfccc.int/sites/SubmissionsStaging/Documents/202204220928---LDC Submission-SNLD.pdf}.

\textsuperscript{21} UNFCCC, COP 26 Glasgow Climate Pact Advance Unedited Version Decision (2021) Cop26 1 \texttt{https://unfccc.int/sites/default/files/resource/cop26_auv_zf_cover_decision.pdf}. 
However, following the submission of the inputs by Parties and Organizations regarding the operationalization of the SNLD, the Loss and Damage Collaboration has expressed concern that finance for the SNLD may not be guaranteed, despite the provisions included in the Glasgow Climate Pact; this is especially worrisome, given previous obstructions from developed countries to provide financial assistance and compensation to address loss and damage.

Glasgow Dialogue

Climate change is estimated to generate hundreds, if not thousands, of billions of dollars in losses and damages, with these concentrating in the Global South. The importance of loss and damage was highlighted at the end of COP26 when despite not having an agenda item, the discussion of a financial facility for loss and damage was at the core of the last hours of negotiations. The facility was the red line for developing countries and pledges by leading philanthropic groups encouraged this push. However, on the last day of COP26, the UK Presidency issued a text with a weak compromise establishing the Glasgow Dialogue, “a platform for discussing the arrangements for funding to avert, minimize and address loss and damage amongst both Parties and relevant organizations and stakeholder.”

The Glasgow Climate Pact was agreed upon and tasked the Subsidiary Body for Implementation (SBI) in cooperation with the WIM, with the organization of the Glasgow Dialogue. This dialogue would take place in the first sessional period of each year and concludes in SB60 in 2024. The Glasgow Dialogue was a face-saving compromise by the UK, as the financial facility was requested by a vast majority of UNFCCC parties but blocked by the global north. It is important to note that the Glasgow Climate Pact acknowledges the need for additional finance for developing countries that goes beyond the $100 bn per year; this could be a key point to advance discussions around finance for loss and damage.

To avoid the Glasgow Dialogue resulting in a prolonged discussion with no financial mechanism, it is critical for Non-Governmental Organization observers to make financing the address of loss and damage, the core political demand since the start. It is essential to focus discussion on funding sources, securing commitments, and holding big emitters accountable for mobilizing finance. The focus of the discussion must be on providing resources to address loss and damages as a priority.

Global Stocktake

The Global Stocktake of the Paris Agreement (GST) is an analysis of the Paris Agreement (PA) implementation to “assess the world’s collective progress towards achieving the purpose of the agreement and its long-term goals.” The GST unfolds in a critical moment for climate action and two years before the next NDC rounds, enabling parties to modify their commitments to achieve the elusive PA goals.
This year’s 3 Technical Dialogues (TD) between parties, expert and non-party Stakeholders are aimed at filling that gap of implementation to create a report that enables parties to adjust accordingly their new Nationally determined contributions (NDCs). On loss and damage, the TDs will address how efforts made to enhance understanding, action, and support towards averting, minimizing, and addressing loss and damage have been implemented. Also, the TDs will look into a way to strengthen these efforts.\textsuperscript{32}

The GST as a holistic process is relevant to identifying gaps that can be supported with financial resources to address loss and damage. This process should be linked with the work of existing bodies such as the SNLD and ensure coordination between UNFCCC, United Nations Office for Disaster Risk Reduction (UNDRR), and the Sustainable Development Goals (SDGs).\textsuperscript{34}

Way to strengthen the implementation of averting, minimizing, and addressing loss and damage:\textsuperscript{35}

- Country-driven data collection based on common standards for monitoring, assessment, and reporting on loss and damage which considers the effective participation of non-party stakeholders.

\textsuperscript{30} UNFCCC, ‘Global Stocktake’ (n 30).
\textsuperscript{31} UNFCCC, ‘Global Stocktake’ (n 30).
\textsuperscript{32} Climate Action Network (n 8).
\textsuperscript{33} Martínez Blanco (n 1); Adrian Alberto Martínez Blanco and Helen Gutierrez, Movilidad Humana: Derechos Humanos y Justicia Climática (EDICIONES BÖLL ed, 1st edn, Fundación Heinrich Böll – Oficina San Salvador & La Ruta del Clima 2021); Climate Action Network (n 8); Shamielah Reid, Shreya K.C. and Birendra Rai, ‘Submission for the First Global Stocktake’ (2022); India Water Foundation, ‘Input for the First Global Stocktake of UNFCCC’ (2022); ICRC, ‘Reinforcing the Implementation of the Paris Agreement in Countries Enduring Armed Conflict and Other Violence’ (2022).
- Develop standardized criteria to monitor, assess and report non-economic loss and damage.
- Community-based assessments on economic and non-economic loss and damages.
- Assessment of countries’ need for loss and damage finance.
- Create a financial mechanism tailored to address loss and damage.
- Develop approaches adapted support to avert, minimize and address loss and damage that are context-oriented, including considering conflict zone, multi-hazard scenarios, and deep social-economic crises, to reduce short and longer-term risks and to scale-up responses.
- The use of existing global risk databases could be used as an indicator of the success of the implementation of the Paris Agreement regarding loss and damage.
- Take measures to guarantee access to climate refugees and the exercise of the right of human mobility in the context of the climate crisis, including the monitoring and reporting of desegregated data.
- Provide financial and technical support to responses to extreme weather events and slow-onset climate impacts.
- Implement measures to address non-economic loss and damage.

Redress and Reparations

The Global South negotiation process of the UNFCCC has called for a responsible and just systemic response to loss and damage. A fund to compensate developing countries is a consolidated demand which has been put forward many times and, has been systematically opposed by the global north. Currently, the estimates of global annual economic residual damages for non-Annex I countries reach sky-high figures, in the range of “116–435 billion USD in 2020, rising to 290–580 billion USD in 2030, 551–1,016 billion USD in 2040 and 1,132–1,741 billion USD in 2050”.

Even though, cooperating to develop liability and compensation for adverse effects of environmental damage is a state responsibility, such as it is in the case of climate change. The UNFCCC parties have taken steps to block any discussion on this matter by taking actions such that of Paragraph 51 on Decision 1/CP21. This decision “tries to ensure that developed countries cannot be held accountable at the Climate Regime for the climate losses and damages that frontline vulnerable communities around the world have, are, and will experience, either by way of compensation or by legal means”.

The systemic opposition of global north countries to redress and liability has human rights implications, as those affected usually are communities living under vulnerable conditions that are the least responsible for the causes of climate change. Furthermore, the Independent Expert on Human Rights and International Solidarity noted that the rectification of loss and damage “is a legal and moral approach to addressing the fact that climate change is caused and experienced unequally, it still faces resistance from certain States, contrary to human rights-based
international solidarity.” It mentions that the states should cooperate at the UNFCCC to guarantee access to justice in the context of climate change, rectify loss and damage suffered, and provide meaningful financial support. Even though, redress or any of the other terms associated with this right for justice due to climate harm is not on the UNFCCC agenda, it is a political and human right demand with long and strong roots. The call for climate reparation has made an echo in the halls of COP26 and will remain in the voices of civil society until climate justice prevails.

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42 Independent Expert on human rights and international solidarity (n 41).
Conclusions

Loss and damage is at the core of climate justice. A topic that is systematically and unapologetically blocked by the Global North for decades. Addressing loss and damage is now more than ever the core political demand of many NGOs from the Global South. As the climate justice movement pushes for accountability, responsibility and justice, Global North countries try to deflect by creating more governance processes. While the WIM, SNLD and the Glasgow Dialogue will be grounds for advocacy, all three represent the continuous delay of a systemic funded rights-based response from the UNFCCC to address loss and damage. Twenty-nine years have passed since loss and damage was placed on the negotiating table and vulnerable communities are yet to have their rights upheld. In COP26, we were a couple of sentences away from a financial mechanism and now the global north set us in a dialogue until 2024. We cannot allow our efforts to be rechanneled into the discussion that serve irresponsibility of big emitters. Therefore, in COP27, we must demand climate reparations. That is our red line, a goal aligned with human rights and climate justice.
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