

# Operationalization of the Santiago Network on Loss and Damage: Road to COP 27

*Hafiz Khan, S M Saify Iqbal, Fahad Hossain and Saleemul Huq*

## Key Messages

- SNLD must be regulated both with COP/CMA decisions and it must report back in a transparent way to the COP/CMA in accordance with further decisions taken by the Parties.
- There must be a Terms of Reference (ToR) of the Convening or Coordinating Body aligned with the functions of the SNLD that must be signed with UNFCCC to deliver the functions of SNLD.
- A well-structured financial mechanism for SNLD in collaboration with the proposed financial facility under WIM and the financial entities of the Convention and the Paris Agreement can be developed and administered by the secretariat of the SNLD to implement the functions of the SNLD.

## 1. What is Santiago Network on Loss and Damage?

The Santiago Network on Loss and Damage (SNLD) was established at COP25/CMA2, “as part of the Warsaw International Mechanism,...for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change, to catalyse 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”<sup>1</sup>. At COP26/CMA3, Parties agreed to the six functions of SNLD. Furthermore, at COP26, Parties agreed to continue working to design effective institutional arrangements, operational modalities, and financial arrangements for SNLD to deliver its functions efficiently through subsequent SB negotiations, with a decision to be made at COP27/CMA4 in 2022.

Parties and other relevant organizations were invited to submit their views on operational modalities; structure; the role of the WIM Executive Committee and its expert groups, task force and technical expert group; the role of loss and damage contact points and other relevant stakeholders at

the subnational, national, and regional levels; and possible elements for the terms of reference of a potential convening or coordinating body that may provide secretarial services to facilitate under the SNLD.<sup>2</sup> Many Parties and other relevant organizations have already submitted their views on the governance aspects of SNLD in response to the call made by COP26/CMA3. As mandated by CMA3, the UNFCCC secretariat, under the guidance of the Chairs of the UNFCCC Subsidiary Body for Implementation and Subsidiary Body for Scientific and Technological Advice (SBs), with inputs from the WIM ExCom and the participation of Parties and relevant organizations, bodies, networks and experts, to elaborate on the submissions, organized a technical workshop in Copenhagen from 4 to 6 May 2022. Diverse ideas have been offered in these submissions and some of the innovative thoughts on the governance structure of SNLD predominantly influenced the discussions in the workshop. The workshop was structured based on the key elements laid down in the call made in Glasgow for

<sup>1</sup> Decision 2/CMA.1, para 43-45, Presidencies’ Amended Second Discussion paper on the Santiago Network

<sup>2</sup> Paragraph 10(b), Decisions 19/CMA.3 and 17/CP.26, Concept Note of Technical workshop on the institutional arrangements of the SNLD

the aforesaid submission. Parties will review the submissions and discussions during the technical workshop at the 56th sessions of the Subsidiary Bodies (SB 56) in Bonn from June 6 to 16, with the goal of providing proposals for consideration at COP 27, in Sharm el-Sheikh, Egypt, in November 2022. It's important to note that the outcome will be negotiated at CoP 27 by Parties. This article provides a brief overview of the five aspects of Santiago Network and some reflections on the aspects that have emerged out of the Copenhagen workshop.

## **2. Operational Modalities of SNLD**

The WIM ExCom established at COP20, works towards implementing the functions of the WIM. Due to its nature of work, it can be considered a policy arm of the WIM. Now, the SNLD can serve as a technical implementation arm to execute the functions of the WIM within the broader contexts of an international mechanism. Therefore, operational modalities of SNLD need to be designed carefully so that it can meet the challenges related to addressing loss and damage by providing technical assistance and associated support for finance and capacity building.

To deliver the functions of SNLD agreed upon at COP26/CMA3 effectively this is crucial to identify, prioritize and communicate the technical assistance needs and priorities of the vulnerable developing countries. To do so, the SNLD needs an effective institutional structure that links local, national, regional, and international levels to ensure that support gets to where it is needed the most.

The discussions at the Copenhagen workshop included the operational modalities of SNLD, the first element of the call for submission. The workshop participants highlighted the significant need for mobilizing demand-driven technical assistance in responding to the needs of the vulnerable communities. The discussions identified the immediate need for technical assistance to conduct comprehensive need assessments in vulnerable developing countries. It was also discussed that the need assessments can identify communities, areas and systems in which technical assistance and other support for addressing loss and damage is needed, and the vulnerable developing countries can communicate those needs to SNLD to access required assistance.

Some participants, considering SNLD as the technical implementation arm of WIM, suggested designing it carefully to meet the technical assistance needs and associated finance and capacity building needs. It was underlined in the workshop that an innovative financial mechanism for SNLD is required to access finance from existing funding entities of the UNFCCC and further innovative sources of finance. Even though funding for the SNLD was not on the agenda of this workshop, participants discussed the mandate for financing for SNLD agreed by Glasgow Climate Pact and highlighted how to design an innovative financial mechanism for SNLD to operationalize it effectively. The discussions also identified some lessons learned from existing similar networks including Climate Technology Center and Network (CTCN) and suggested ensuring simplified direct access to technical assistance and the associated finance and capacity support by vulnerable developing countries.

## **3. Institutional Structure of SNLD**

SNLD secretariat (See section 5 below) will have the vital role to coordinate all members of the network and to identify and engage the right members to facilitate support for assisting in identifying and communicating technical assistance needs and priorities of the vulnerable developing countries related to loss and damage. The secretariat can engage the right technical partners to develop a standard needs assessment tool and process to conduct Loss and Damage Needs Assessments (LDNAs) at the national levels. It can take further efforts for connecting countries with those seeking technical assistance with best-suited organizations, bodies, networks and experts and can provide them with necessary guidance and resources.

The discussions of the Copenhagen workshop recognized the need for establishing an advisory board, mandated by and accountable to the COP and the CMA, in order to oversee the SNLD. The advisory committee can act as an overarching body to provide policy guidance to the SNLD secretariat, and the national contact points to implement the functions of SNLD in accordance with the decisions of the COP and the CMA. The committee can be formed like other constituted bodies of the UNFCCC and the Paris Agreement considering balanced geographical representations from WIM ExCom, national contact points and the network members of SNLD. Members of the advisory committee must have the required skills and expertise related to loss and damage associated with climate change. The secretariat will report to the advisory committee periodically and the committee will report back to COP and CMA through the meetings of the UNFCCC Subsidiary Bodies.

The workshop also discussed the memberships of SNLD and noted the need for diverse memberships of local, national, regional, international, and sectoral organizations including academia, NGOs, public and private sectors, research entities and so on.

#### **4. Role of the Executive Committee and its expert groups, task force and technical expert group and Role of Loss and Damage Contact Points and other Relevant Stakeholders**

The WIM ExCom can represent in the aforesaid advisory committee of the SNLD. It can therefore provide policy guidance to the secretariat of SNLD through the committee based on their works. At the same time, the advisory committee of SNLD can request the WIM for developing further policy guidance for SNLD. The WIM ExCom members can develop synergies and linkages between the works of the WIM ExCom and its expert groups and the SNLD. The advisory committee and the WIM ExCom can report their collaborative work to COP and CMA through SBs.

In addition, there is a need to have defined roles of the national contact points at SNLD and a defined collaborative framework between the SNLD secretariat and the national contact points for loss and damage at national levels. The secretariat will work at national and sub-national levels through these contact points for, inter alia, conducting need assessment for technical assistance at national and sub-national levels; identifying the priorities; engaging the right members of SNLD to provide technical assistance to address loss and damage. Developing a reporting system for national contact points as an interface between the SNLD and the vulnerable developing countries is crucial. The reports of the national contact points can also be useful in the context of Enhanced Transparency Framework of the Paris Agreement.

Participants highlighted the role of WIM ExCom in providing policy guidance based on their works and ensuring synergies and coherence between SNLD and itself. Some of the participants suggested placing WIM ExCom members, particularly from LDCs on the proposed advisory board of SNLD. The discussions of the workshop also recognized the critical role of the national contact points and other relevant stakeholders from national and regional levels to ensure the country driven need-based approach to meet the needs of vulnerable developing countries.

#### **5. Possible Elements for the Terms of Reference of a Potential Convening or Coordinating Body**

The discussions on the convening or coordinating body, the fifth element of the call for submission, that may provide secretariat services for SNLD, identified the need for a dedicated and permanent secretariat for SNLD. This may be housed by a competent UN agency to play a coordinated and integrated role to deliver the functions of SNLD. If the secretariat is housed by any UN agency other than the UNFCCC, it must have experience and expertise on loss and damage and relevant regulatory capacities to work at national and regional levels in line

with the international legal and policy instruments such as the UNFCCC and the Paris Agreement. It must commit to serve as the coordination body and house the secretariat of the SNLD by providing necessary administrative support. There must be a Terms of Reference (ToRs) of the convening or coordinating body that aligns with the functions of the SNLD which must be signed with the UNFCCC to deliver the functions of SNLD in collaboration with WIM ExCom and the contact points appointed by the national governments under the guidance of the proposed advisory committee and relevant decisions of COP and CMA.

## Conclusion

The SNLD must be regulated both with COP and CMA decisions, and it must report back in a transparent way to COP and CMA in accordance with further decisions taken by the Parties. As a technical implementation arm of WIM ExCom, the SNLD needs to be structured in a manner so that it can meet the needs of the vulnerable communities, ecosystems and the states effectively. In addition, to deliver the functions of the SNLD in collaboration with WIM ExCom and the Contact Points appointed by national governments, a Terms of Reference (ToR) of the Convening or Coordinating Body must be signed with UNFCCC. The WIM ExCom can also recommend the SNLD through the Advisory Committee of SNLD to provide required technical assistance and associated finance and capacity building support to vulnerable developing countries. In terms of the financial mechanism, a well-structured financial mechanism for SNLD in collaboration with the proposed financial facility under WIM and the financial entities of the Convention and the Paris Agreement can be developed and administered by the secretariat of the SNLD to implement its functions. Moreover, a regulatory system needs to be developed by the secretariat for these financial mechanisms to access and disburse the funds for implementing the functions of SNLD in line with the standards of other UN agencies.

## Reference

- a) UNFCCC (2022). Presidencies' Amended Second Discussion paper on the Santiago Network. Retrieved from: [https://unfccc.int/sites/default/files/resource/presidencies%20\\_amended\\_second\\_discussion\\_paper.pdf](https://unfccc.int/sites/default/files/resource/presidencies%20_amended_second_discussion_paper.pdf)
- b) UNFCCC (2022). Technical workshop on the institutional arrangements of the Santiago Network of the Warsaw International Mechanism for Loss and Damage. Retrieved from: [https://unfccc.int/sites/default/files/resource/SN\\_technical\\_workshop\\_concept-note\\_20042022.pdf](https://unfccc.int/sites/default/files/resource/SN_technical_workshop_concept-note_20042022.pdf)

---

## Contributors

**Adv Hafij Khan** is the Co-coordinator of Loss and Damage Team, LDCs Climate Group at UNFCCC. Email: [khan\\_elaw@yahoo.com](mailto:khan_elaw@yahoo.com)

**S M Saify Iqbal** is working as a Research Officer at International Centre for Climate Change and Development (ICCCAD). Email: [saify.iqbal@icccad.org](mailto:saify.iqbal@icccad.org)

**Md Fahad Hossain** is the Co-coordinator of Loss & Damage Programme of International Centre for Climate Change and Development (ICCCAD). Email: [fahad.hossain@icccad.org](mailto:fahad.hossain@icccad.org)

**Prof Saleemul Huq** is the Director of the International Centre for Climate Change and Development (ICCCAD) at the Independent University, Bangladesh (IUB). Email: [saleemul.huq@icccad.org](mailto:saleemul.huq@icccad.org)