



Loss and Damage: Politics and COP 27

Deny, distract, delay

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Past:

Discussions since 1991 to the present

Present:

G77 Demand at COP26

Glasgow Dialogue

Future:

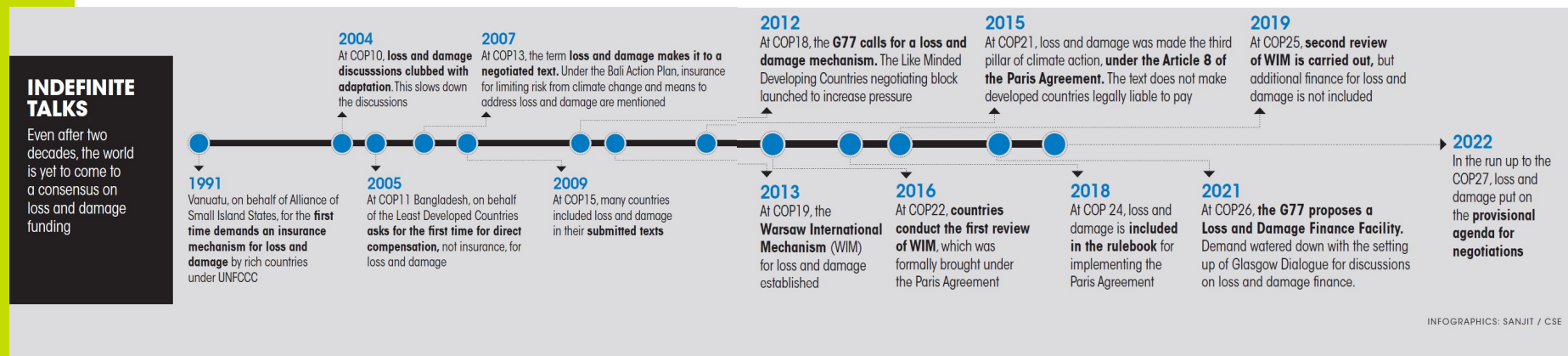
Will COP 27 will be a success, a compromise, or a breakdown of trust?



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BOB LOUGHMAN WEIBUR
PRIME MINISTER,
REPUBLIC OF VANUATU

Past: Loss and damage was first discussed in 1991...



In the intergovernmental climate negotiations, facilitated by UNFCCC, the island nation of Vanuatu first demanded funds to deal with sea level rise in 1991

First official mention was in the Bali Action Plan text, which was released after the 13th Conference of Parties (CoP13) in 2007

Since then, two bodies have been established – the Warsaw International Mechanism and the Santiago Network

Loss and damage also made it into the Paris Agreement of 2015, albeit watered down to exclude “liability and compensation”

The chorus has risen as of last year with demands for a formal loss and damage finance facility, pitched by the biggest negotiating bloc – G77 and China

Present: G77 demand at COP 26, and the Glasgow Dialogue

G77+China – representing 80% of the world's population - **united in their demand** for a loss and damage (L&D) finance facility at COP 26 in Glasgow (2021)

Demand pushed back by developed countries such as USA and Switzerland

Watered down to a compromise: to have a “Glasgow Dialogue”, i.e., a discussion on future possible institutional arrangements to address L&D

Glasgow Dialogue started in Bonn in June 2022 and will end in June 2024. In Bonn, it was a discussion of the landscape of issues and no more

- Developed countries highlighted humanitarian aid that is already provided, and insurance-based mechanisms such as the Global Climate Shield, which are outside the UNFCCC; wished to define who is the “most vulnerable”
- Developing countries highlighted the difficulty of rapidly accessing aid after a disaster, high premiums in insurance-based schemes, and lack of funds for slow onset events

What are developing countries demanding for loss and damage finance?

- ❖ Linked to ‘polluter pays principle’
- ❖ Predictability
- ❖ Ease of access of funds
- ❖ Rapid fund disbursement
- ❖ Should be over and above mitigation and adaptation financing
- ❖ Accountability offered by the UNFCCC

COP 27 – A success, a compromise, or a breakdown of trust?

Where are we at now?

- ❖ Denmark committed 100m krone (\$13.2m) in September
- ❖ US and EU support a general discussion on averting, minimizing and addressing loss and damage, but **not a new fund**
- ❖ Loss and damage is on the **provisional agenda of COP 27**, and a Heads of Delegation meeting in September ended with consensus that it would be on the formal agenda

What compromise may be acceptable, if developed countries do not budge?

- ❖ A political commitment at COP 27 for a finance facility
- ❖ Linking of the Glasgow Dialogue to the COP decision-making process, more than a 'talk shop'
- ❖ More climate finance

Other proposals

- ❖ Calls for debt relief - 58% of the world's poorest countries are in debt distress or at high risk of it (World Bank), lower income countries are spending over 5x more on external debt payments than projects to protect people from the impacts of climate change (Jubilee Debt Campaign)
- ❖ Debt for climate swaps
- ❖ Bridgetown Agenda



Thank you

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