

DRAFT TEXTMATTERS RELATED TO FUNDING ARRANGEMENTS FOR RESPONDING TO
LOSS AND DAMAGE, INCLUDING A FOCUS ON ADDRESSING*Tuesday 15th November 2022**It should be noted that there will be other paragraphs in this decision on areas like acknowledging the gaps and urgent need for loss and damage response finance, the role of the Glasgow Dialogue, etc.*

FOCUS AREA	PROPOSED DECISION TEXT
1. Principles to Guide the Process and Outcome	<i>Recalling the objective of the Convention and the goals of its Paris Agreement, being guided by their principles, including the principle of equity and common but differentiated responsibilities and respective capabilities, in the light of different national circumstances, and taking into account historical responsibilities;</i>
2. Purpose of Loss and Damage Finance	<i>Acknowledges the urgent and immediate need for new, additional, predictable, and adequate financial resources to assist developing countries in meeting their costs of addressing non-economic and economic loss and damage associated with the adverse effects of climate change, including extreme weather events and slow onset events especially in the ongoing, and ex-post (including rehabilitation recovery, and reconstruction) context</i>
3. Establishment of the Fund and the Committee	<i>Decides to establish a fund for assisting developing countries in meeting their costs of addressing non-economic and economic loss and damage associated with the adverse effects of climate change, including slow onset events and extreme weather events especially in the ongoing, and ex-post (including rehabilitation recovery, and reconstruction) context, and</i> <i>Also decides that the Fund shall be designated as an operating entity of the financial mechanism of the Convention under Article 11, paragraphs 1 and 3 of the Convention, and that the Fund shall also serve the Paris Agreement;</i>
4. Board	<i>Further decides that the Fund shall be governed by a Board of [XX] members representing Parties to the Convention and the Paris Agreement, from developed and developing countries</i>
5. Membership of the Committee	<i>Decides to establish a Transitional Committee, in accordance with the terms of reference contained in appendix [X] to this decision, to develop the objectives, principles and operational modalities of the Fund for approval by the Conference of the Parties no later than its twenty-eighth session.</i>

	<p><i>Also decides</i> that the Transitional Committee shall conduct its work in accordance with the best available science and the terms of reference contained in appendix [X] to this decision;</p> <p><i>Further decides</i> that the Transitional Committee shall have 35 members, with 15 members from developed country Parties and 20 members from developing country Parties as follows:</p> <ul style="list-style-type: none"> a) 4 members from Africa; b) 4 members from Asia-Pacific; c) 4 members from Latin America and the Caribbean; d) 4 members from small island developing States; e) 4 members from the least developed countries;
6. Invitation for selection of members to the Committee	<i>Invites</i> the regional groups or constituencies to select their respective members of the Transitional Committee and communicate to the secretariat no later than 31 st December 2022
7. Number of meetings and participants for the meetings	<i>Decides</i> to have at least four meetings per year of the Transitional Committee; and <i>invites</i> the Executive Secretary of the secretariat, in consultation with the President of the Conference of the Parties, to convene the initial meeting of the Transitional Committee no later than March 2023, with members having the necessary experience, expertise, and seniority, notably in the area of finance, loss and damage, and climate change; the meetings of the ad-hoc committee will be open to observers and designated advisers of the members;
8. Glasgow Dialogue reports integrated into the work of the Committee	<i>Requests</i> the Chair of the Subsidiary Body for Implementation to provide a summary report of each session of the Glasgow Dialogue no later three weeks after the conclusion of each session, and <i>further requests</i> the Transitional Committee to take into account this summary report in the context of its work;
9. Focus of the Glasgow Dialogue	<i>Decides</i> the Glasgow Dialogue shall focus its discussions on relevant funding arrangements with a broad ranges of experts, with the aim to provide inputs into work of the Transitional Committee on programme priorities which includes non-economic loss, economic loss, slow onset events, extreme weather events
10. Financial Resources for the Process	<p><i>Decides</i> the participation of Transitional Committee members and one designated advisor per member from Parties eligible to be funded will be provided</p> <p><i>Requests</i> that adequate financial resources shall be made available for the work of the Transitional Committee;</p>
11. Secretariat Support for the Committee	<i>Requests</i> the secretariat, in consultation with the President of the Conference of the Parties, to make arrangements enabling relevant United Nations agencies, philanthropies, international financial institutions and multilateral development banks, along with the secretariat, the Green Climate Fund and the Global Environment

	Facility, to second staff to support the work of the Transitional Committee;
12. Appendix: Terms of Reference for Committee	<p><i>Terms of Reference</i></p> <p>The Transitional Committee shall develop and recommend the Fund’s governing documents to the Conference of the Parties for its approval at its twenty eighth session.</p> <p>In the conduct of its work, the Transitional Committee shall:</p> <ul style="list-style-type: none"> a) Convene its first meeting by March 2023; b) Encourage input from all Parties and from relevant international organizations and observers; c) Take into account the findings contained in relevant reports; d) Cluster the relevant topics and organize the work into the following workstream: <ul style="list-style-type: none"> i) Workstream I on scope and guiding principles ii) Workstream II on governance and institutional arrangements, including the Board, Trustee and Secretariat; iii) Workstream III on complementarity and coherence with funding arrangements outside of those under the Convention and Paris Agreement iv) Workstream IV on capitalization of the Fund and its sources of finance from developed countries Parties