



**CAN International:  
Views and inputs on possible elements to be  
included in the terms of reference for the review  
of the Warsaw International Mechanism**

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*Climate Action Network (CAN) is the world's largest network of civil society organizations working together to promote government action to address the climate crisis, with more than 1300 members in over 120 countries.*

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The IPCC report on 1.5°C is a siren alerting humanity to the urgency of the climate crisis. The report shows that, already, some communities and ecosystems are being forced beyond the limits of adaptation.

Five years after the Warsaw International Mechanism (WIM) for Loss and Damage (L&D) was established at COP19 insufficient attention has been given so far to addressing the support needs of developing countries and raising additional support, including finance, to address L&D under WIM.

The review of the WIM must put strong emphasis on ensuring the WIM lives up to its promise to enhance action and support and have a full-fledged discussion on the availability of finance to address L&D beyond adaptation and similar finance provided, the needs of vulnerable countries, and potential sources to reduce the gap between the two.

The 2019 Review is the time to fully operationalize the WIM by putting in place a finance arm, agreeing on new sources of finance able to be scaled-up quickly, in line with a financial target of at least US\$50 billion per year by 2022, with the intention to increase finance to the order of at least US\$300 billion per year by 2030. COP24 decided the Global Stocktake will include loss and damage: The establishment and, by then, the operation of mechanisms capable of effectively enhancing loss and damage finance will be relevant to be reviewed as part of the 2023 Global Stocktake

## **Objective**

The Review should assess whether the WIM is ‘fit for purpose’, whether (i) it is meeting the challenge of loss and damage currently faced by vulnerable developing countries, and (ii) is capable of meeting future loss and damage needs. The Review should address any gaps in the implementation of its original mandate, and in the current and future needs of vulnerable developing countries. The clearest gap is the lack of finance for addressing loss and damage. The Review must put in place a finance arm of the WIM, with agreed new sources of finance, to address this gap.

## **Elements**

The review of the WIM should consider whether the WIM is meeting its original mandate, and meeting the current and expected needs of developing countries, including in light of the current warming trajectory and the findings of the IPCC 1.5oC report, by assessing each of the following elements:

- assess whether the WIM is still fit for purpose in light of current loss and damage needs and the projected level of warming giving current mitigation commitments;
- is the WIM meeting the third element of its original mandate to “enhance action and support, including finance” (2/CP19, para 5c) and to “facilitate support of actions to address loss and damage” (2/CP19, para 7a)? The Review should identify the gap between the need for finance for loss and damage and the finance being provided, and agree on new sources of finance to address that gap, along with an institutional architecture to deliver adequate finance;
- is the WIM adequately addressing, and providing support for both extreme weather events and slow onset events as agreed at 2/CP19, para 5c(iii)
- the original WIM mandate provided the option to agree additional approaches to facilitate the mobilization and enhancement of finance to address loss and damage, including making recommendations about the financial mechanism of the Convention(2/CP19, paras 5c(ii), 5c(iii), 7f). In light of this, and the clear unmet need of vulnerable countries for loss and damage finance, the Review should address the following questions, and conclude with concrete actions to address them, and not just further research which might delay actions for years:
  - what architectural options exist, how a financial arm of the WIM might be established, and how it could channel the needed finance to vulnerable countries, whilst maintaining the fire-wall established in the Paris Agreement between adaptation and loss and damage.
  - what new sources of finance could be established to facilitate finance to flow to loss and damage. These sources of finance should be new and additional to existing climate finance and ODA, based on a polluter pays principle and able to meet the scale of needs. Examples that should be examined include the Climate Damages Tax on the fossil fuel industry, and levies and taxes on

international aviation and maritime transport.

The Review should examine the amount of funding each could raise and should put in place a process to establish such new sources of funds.

- The WIM Review should assess the resources required to quickly implement the outcomes of the Review, including how to significantly scale up the resources available for the WIM to do its work.
- The WIM Review should also consider the implications of COP24 decisions and result in concrete actions with regard to, inter alia,
  - the recent decision on how information related to loss and damage should be better integrated, informed and provides recommendation into the, and from the global stocktake(GST) process that is due to take place in year 2023 onwards.
  - the mandate to include information on loss and damage under the transparency framework (TF) established at COP24 and for SBSTA to elaborate reporting formats by 2020 which should include loss and damage finance separate from adaptation (in line with the TF provisions), and technical and financial support needs of developing countries to pursue this mandate
  - preparation of input, and collaboration with the Standing Committee on Finance when it delivers on its COP24 mandate to “prepare, every four years, a report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement” (starting with COP26 in 2020)<sup>1</sup>
- Furthermore, the review should clarify the governance of the WIM in relation to the dual roles of the COP and the CMA. The fundamentals of the WIM, including its focus to “address” loss and damage were established through various COP decisions, most notably 2/CP19 at Warsaw. While Art. 8.2 of the Paris Agreement establishes that the WIM shall be subject to the authority and guidance of the CMA, this does not address, nor remove the existing reporting mandate. Furthermore, in Art. 8.1 of the Paris Agreement Parties recognise “the importance of averting, minimizing and addressing loss and damage associated with the adverse effects of climate change”, this text does not specifically refer to the WIM and therefore should not be used to override the COP-established WIM mandate which focuses on “addressing” loss and damage. The conversation in regards to governance needs to prioritise and be guided by the needs of vulnerable developing countries for whose benefits the WIM was established. However, it should not be used to evade obligations to provide loss and damage finance by leaving the Paris Agreement.

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<sup>1</sup> [https://unfccc.int/sites/default/files/resource/cp24\\_auv\\_10b.pdf](https://unfccc.int/sites/default/files/resource/cp24_auv_10b.pdf)

**Process:**

Given the importance of the WIM for vulnerable people and ecosystems around the world, the Review of the WIM must be an open process. Civil society and other observers, should participate as full stakeholders, with inputs solicited and workshops and other negotiations open.

The Review should be an iterative process. We suggest the following steps:

- submissions requested on need for finance, potential new sources of finance, and architecture options with a deadline in late August, and with a synthesis report to be prepared by the Secretariat in advance of COP25;
- organise a pre-session workshop ahead of COP25 bringing together governments and experts (including from civil society) to address the information on needs for finance, new sources of finance, and architecture options through the review to be concluded at COP25

The Climate Action Network, and its more than 1,300 member organisations in over 120 countries see 2019 as the year to make progress on finance for loss and damage. We stand ready and willing to fully participate in the Review of the WIM and will engage our many millions of supporters globally in the process and outcome.

## Annex: relevant previous decisions

The existing mandate for the review can be drawn from the following decisions:

- The WIM was established at [COP19](#) including an initial reference to the review:
  - **15. Decides to review the Warsaw international mechanism, including its structure, mandate and effectiveness**, at the twenty-second session of the Conference of the Parties, with a view to adopting an appropriate decision on the outcome of this review;
- This review was held at COP22 (Decision [4/CP22](#)), in closed sessions not open to observers, and concluded with few outcomes other than agreeing future reviews as follows:
  - (b) The next review be held in 2019, and that the periodicity of future reviews be decided at that time;
  - (c) Future reviews of the Warsaw International Mechanism should consider, inter alia, progress on the implementation of the workplan of the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts as well as its long-term vision that guides ways in which the Warsaw International Mechanism may be enhanced and strengthened, as appropriate;**
  - (d) The subsidiary bodies finalize terms of reference for each review of the Warsaw International Mechanism at least six months prior to the review being undertaken;
  - (e) The subsidiary bodies take into consideration inputs and submissions from Parties and relevant organizations, as appropriate, when developing the terms of reference referred to in paragraph 2(d) above;
  - (f) As an input to the review in 2019, a technical paper be prepared by the secretariat elaborating the sources of financial support, as provided through the Financial Mechanism, for addressing loss and damage as described in relevant decisions, as well as modalities for accessing such support;
  - (g) The technical paper referred to in paragraph 2(f) above include an elaboration of finance available for addressing loss and damage as described in relevant decisions, outside the Financial Mechanism, as well as the modalities for accessing it;
  - (h) The secretariat be assisted by the Executive Committee of the Warsaw International Mechanism in determining the scope of the technical paper referred to in paragraph 2(f) above, with a view to making the paper available to Parties by the fiftieth sessions of the subsidiary bodies (June 2019) for consideration in the review of the Warsaw International Mechanism;

Submissions into the review were requested at 5/CP23:

- **12. Invites Parties, relevant organizations and other stakeholders to submit, by 1 February 2019, their views and inputs on possible elements to be included in the terms of reference for the review** of the Warsaw International Mechanism referred to in decision 4/CP.22, paragraph 2(d), taking into account the outcomes of the implementation of the work of the Executive Committee, for consideration by the subsidiary bodies at their sessions to be held in June 2019;

## **Decision 2/CP.19**

### **Warsaw international mechanism for loss and damage associated with climate change impacts**

The Conference of the Parties,

Recalling the relevant provisions of the Convention,

Also recalling decisions 1/CP.16, 7/CP.17 and 3/CP.18,

Acknowledging the contribution of adaptation and risk management strategies towards addressing loss and damage associated with climate change impacts,

Also acknowledging that loss and damage associated with the adverse effects of climate change includes, and in some cases involves more than, that which can be reduced by adaptation,

Recalling its decision to establish, at its nineteenth session, institutional arrangements, such as an international mechanism, including functions and modalities, to address loss and damage associated with the impacts of climate change in developing countries that are particularly vulnerable to the adverse effects of climate change,<sup>1</sup>

1. **Establishes the Warsaw international mechanism for loss and damage**, under the Cancun Adaptation Framework, subject to review at the twenty-second session of the Conference of the Parties (November–December 2016) pursuant to paragraph 15 below, **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** (hereinafter referred to as the Warsaw international mechanism), and in line with the provisions contained in paragraphs 2–15 below;
2. Also **establishes an executive committee of the Warsaw international mechanism, which shall function under the guidance of, and be accountable to, the Conference of the Parties**, to guide the implementation of functions referred to under paragraph 5 below;
3. Requests the executive committee to report annually to the Conference of the Parties through the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation and make recommendations, as appropriate;
4. Decides that, as an interim measure, the executive committee shall consist of two representatives from each of the following bodies under the Convention, ensuring that there is a balanced representation between developed and developing country Parties: the Adaptation Committee, the Least Developed Countries Expert Group, the Standing Committee on Finance, the Technology Executive Committee and the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention;
5. Also decides that **the Warsaw international mechanism shall fulfil the role under the Convention of promoting the implementation of approaches to address loss and damage associated with the adverse effects of climate change, pursuant to decision 3/CP.18, in a comprehensive, integrated and coherent manner by undertaking, inter alia, the following functions:**

**(a) Enhancing knowledge and understanding of comprehensive risk management approaches to address loss and damage associated with the adverse effects of climate change, including slow onset impacts, by facilitating and promoting:**

- (i) Action to address gaps in the understanding of and expertise in approaches to address loss and damage associated with the adverse effects of climate change, including, inter alia, the areas outlined in decision 3/CP.18, paragraph 7(a);
- (ii) Collection, sharing, management and use of relevant data and information, including gender-disaggregated data;
- (iii) Provision of overviews of best practices, challenges, experiences and lessons learned in undertaking approaches to address loss and damage;

**(b) Strengthening dialogue, coordination, coherence and synergies among relevant stakeholders by:**

- (i) Providing leadership and coordination and, as and where appropriate, oversight under the Convention, on the assessment and implementation of approaches to address loss and damage associated with the impacts of climate change from extreme events and slow onset events associated with the adverse effects of climate change;
- (ii) Fostering dialogue, coordination, coherence and synergies among all relevant stakeholders, institutions, bodies, processes and initiatives outside the Convention, with a view to promoting cooperation and collaboration across relevant work and activities at all (national, regional, international) levels;

**(c) Enhancing action and support, including finance, technology and capacity- building, to address loss and damage associated with the adverse effects of climate change, so as to enable countries to undertake actions pursuant to decision 3/CP.18, paragraph 6, including by:**

- (i) Providing technical support and guidance on approaches to address loss and damage associated with climate change impacts, including extreme events and slow onset events;
- (ii) **Providing information and recommendations** for consideration by the Conference of the Parties when providing guidance relevant to reducing the risks of loss and damage and, where necessary, addressing loss and damage, **including to the operating entities of the financial mechanism of the Convention**, as appropriate;
- (iii) **Facilitating the mobilization and securing of expertise, and enhancement of support, including finance, technology and capacity-building, to strengthen existing approaches and, where necessary, facilitate the development and implementation of additional approaches to address loss and damage associated with climate change impacts, including extreme weather events and slow onset events;**

6. Further decides that the Warsaw international mechanism should complement, draw upon the work of and involve, as appropriate, existing bodies and expert groups under the

Convention, as well as on that of relevant organizations and expert bodies outside the Convention, at all levels;

7. **Decides that**, in exercising the functions outlined in paragraph 5 above, **the Warsaw international mechanism will**, inter alia:

**(a) Facilitate support of actions to address loss and damage;**

(b) Improve coordination of the relevant work of existing bodies under the Convention;

(c) Convene meetings of relevant experts and stakeholders;

(d) Promote the development of, and compile, analyse, synthesize and review information;

(e) Provide technical guidance and support;

**(f) Make recommendations, as appropriate, on how to enhance engagement, actions and coherence under and outside the Convention, including on how to mobilize resources** and expertise at different levels;

8. Invites the Executive Secretary, in consultation with the President of the Conference of the Parties, to convene the initial meeting of the executive committee by March 2014, the meetings of which will be open to observers, and invite representatives of relevant international and regional organizations having the necessary skills in approaches to addressing loss and damage associated with the adverse effects of climate change, including extreme weather events and slow onset events;

9. Requests the executive committee to develop its initial two-year workplan for the implementation of the functions outlined in paragraph 5 above, including the scheduling of meetings, taking into account the issues outlined in decision 3/CP.18, paragraphs 6 and 7, for consideration at the forty-first sessions of the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation (December 2014);

10. Also requests the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation to consider the composition of, and procedures for, the executive committee, and to make recommendations thereon for adoption by the Conference of the Parties at its twentieth session (December 2014), with a view to finalizing the organization and governance of the executive committee;

11. Invites relevant international and regional organizations, institutions and processes to integrate, where appropriate, measures to address the impacts of climate change and to explore and strengthen synergies in the context of addressing loss and damage associated with the adverse impacts of climate change, especially in particularly vulnerable developing countries;

12. Also invites Parties to work through the United Nations and other relevant institutions, specialized agencies and processes, as appropriate, to promote coherence at all levels in approaches relevant to addressing loss and damage associated with the adverse effects of climate change, including extreme events and slow onset events;

13. Further invites Parties to strengthen and, where appropriate, develop institutions and networks at the regional and national levels, especially in particularly vulnerable developing



countries, to enhance the implementation of relevant approaches to addressing loss and damage in a manner that is country-driven, encourages cooperation and coordination between relevant stakeholders and improves the flow of information;

**14. Requests developed country Parties to provide developing country Parties with finance, technology and capacity-building, in accordance with decision 1/CP.16 and other relevant decisions of the Conference of the Parties;**

15. Decides to review the Warsaw international mechanism, including its structure, mandate and effectiveness, at the twenty-second session of the Conference of the Parties, with a view to adopting an appropriate decision on the outcome of this review;

16. Takes note of the budgetary implications of the activities to be undertaken by the secretariat pursuant to the provisions contained in this decision;

17. Requests that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.