

Historic decision to operationalize Loss and Damage Fund adopted

Dubai, 1 Dec. (Radhika Chatterjee) - The first day of the Dubai climate talks kicked off on Nov. 30 with the adoption of a historic decision to operationalize new funding arrangements, including a Fund for responding to loss and damage.

The COP28 President, **Dr. Sultan Ahmed Al Jaber**, who is the UAE's Special Envoy for Climate Change and Minister of Industry and Advanced Technology, expressed his gratitude to the Parties, after the adoption of the decision, saying "We have delivered history today. The first time a decision has been adopted on day one of any COP. The speed in which we have done so is also unique, phenomenal, and historic. I thank you all. Getting this done demonstrates the hard work of so many, particularly Transitional Committee members, who worked so hard to get us to this point. This is evidence that we can deliver. COP28 can and will deliver." (The decision that was adopted is available [here](#)).

The adoption of the decision was made without naming the fund but Dr. Jaber recommended that the Board of the Fund would "take up the matter of a name for this Fund for climate impact response."

There was applause and jubilation in the plenary hall which was followed by several countries

pledging money to the Fund totaling about USD 300 million, with the UAE announcing USD 100 million (See further details below).

The jubilant moment however was preceded by a more somber mood when the 28th meeting of the UNFCCC's Conference of Parties (COP28) began with a moment's silence announced by the Egyptian Foreign Minister, **Sameh Shoukry**, as the COP27 President, for "all civilians who have perished during the current conflict in Gaza."

Shoukry, prior to handing over the baton to the COP 28 Presidency, recalled the achievements of COP27, saying "Building on previous COPs, COP27 succeeded in delivering a number of much needed and long-awaited elements to the global climate agenda. 'Together for Implementation' was not just a slogan at COP27, but a rather timely call to move from setting rules, frameworks and commitments, to a clear focus on the tangible implementation of these commitments on the ground.

Even as he highlighted the achievements of COP27, he called for the need for "a frank assessment of where we stand in relation to our collective ambition, to the stark realities of science, and to the echoing voices of impacted communities across the globe" adding that

“a quick reality check in this regard should be concerning to all of us, for a number of reasons: First, because most of what we bring forward as tangible solutions and actionable commitments is based on speculation, or well wishes at most:

- That we will all be able to deliver our nationally determined contributions (NDCs), conditional and unconditional;
- That developed countries will deliver the USD 100 billion goal;
- That the loss and damage Fund will be replenished in billions of dollars;
- That international financial institutions will be reformed to deliver all the support required and
- That the private sector, altogether with Article 2.1.c of the Paris Agreement are the silver bullet that will unlock the flows of appropriate finance to developing countries.”

“These are all mere assumptions with no evident proof in reality,” said the COP 27 President.

“Secondly,” said Shoukry further, “rather than increasing, climate finance from developed countries is actually decreasing in relation to the growing needs and the increased cost of finance in developing countries. The Green Climate Fund and the Adaptation Fund are but two examples of this worrying trend of decreased financial flows.”

“Thirdly, the expansion of fossil fuel exploration and production, in particular of coal, in countries that previously committed to substantially phase down or in some instances completely phase out coal.”

He further stated that some worrying signs like “the increased gap in renewable energy expansion and availability... and the temptation of resorting to unilateral measures, either through incentives or taxes, stifling fair competition and jeopardizing multilateralism and hard-earned gains in developing nations” need to be taken seriously “as they not only erode trust in the global climate regime, but also have deep impacts and severe

consequences on our ability to achieve the goals of the Paris Agreement.” These signs, he said, “need to be addressed immediately and effectively if we are to remain on the right side of history, and to ensure that our collective efforts are not in vain.”

Upon assuming his role as COP 28 President, **Dr. Jaber** expressed gratitude to Shoukry, saying “you have led this conference with vision, purpose, vigilance, and integrity. We are indebted to you for your service, your accomplishments and your commitment to climate progress.”

Stressing the need for urgent action, he said, “the road we have been on will not get us to our destination in time. The science has spoken. It has been loud and clear. It has confirmed that the moment is now to find a new road. A road wide enough free of the obstacles and the detours of the past. that new road starts with a decision on the global stock take. a decision that is ambitious, corrects course, and accelerates action to 2030. Through the global stock take, we have a chance to unite three core elements of climate agenda... we can finally bring, mitigation, adaptation, and means of implementation, which includes finance, under one umbrella... united around higher ambition, giving clear directions on nationally determined contributions. And connecting everything here we agree to practical action in the real world.”

Highlighting the need for collective action, Dr. Jaber said further, “we collectively have the power to do something unprecedented. In fact, we have no choice but to go the very unconventional way. I ask you all to work together, be flexible, find common ground, come forward with solutions and achieve consensus. And never lose sight of our north star of 1.5 degree Celsius because that is what I am going to stay laser focused on.”

On the issue of finance, Dr. **Jaber** said the “Presidency is committed to unlocking finance to ensure that the Global South does not have to choose between development and climate action. Let this be the year that climate finance meets the magnitude of the moment. Let this be the COP where we deliver on our promises of USD 100 billion.” He also called for bridging the finance gap on adaptation and the agreeing on a robust framework for the global goal on adaptation.

On the issue of mitigation, he encouraged countries to transition away from unabated coal and establish methane net zero emission targets as part of their next NDCs. He further expressed that the COP28 Presidency has made a bold choice to proactively engage with oil and gas companies, following which many national oil companies have adopted net zero 2050 targets. He stressed that the Presidency will work with other high emitting sectors like heavy transportation, aluminum, steel and cement to accelerate decarbonization at scale.

Simon Stiell, the **Executive Secretary of the UNFCCC**, calling for accelerating climate action, said Parties had the option in the Global Stock-Take to “decide to fund this transition properly, including the response to loss and damage, and we decide to commit to a new energy system. If we do not signal a terminal decline of the fossil fuel era as we know it, we welcome our own terminal decline. And we choose to pay with people’s lives. If this transition isn’t just, we won’t transition at all. That means justice within and between countries sharing benefits across society ensuring that everyone, women, indigenous peoples, youth, in all their diversity, have equal opportunities to benefit from these transitions.”

Following the opening plenary, **Dr. Jaber** presided over the COP28, the 18th meeting of the Kyoto Protocol Parties (CMP18), and the 5th meeting of the Parties to the Paris Agreement (CMA5). The meeting saw a smooth adoption of agendas, following various understandings reached by Parties and the Presidency on how the new agenda items will be accommodated.

The work of the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA) also commenced with the convening of the 59th sessions of the two Subsidiary Bodies (SBs) in the afternoon. This was followed by a joint plenary session to hear statements from Parties. (See separate article on the closing statements).

Following the adoption of the decision to operationalize the funding arrangements and the loss and damage Fund, several countries took the floor. Below are some highlights.

Highlights of interventions on the Loss and Damage Fund

John Kerry, the Special Envoy of Climate Change to the United States (US) congratulated the COP President for the early adoption of the fund in the conference. He said the US was committed to work their Congress to provide US\$17.5 million to the fund towards addressing ‘climate impact response’. Laying down his expectations from the Fund he said the US hopes that the fund would be set up quickly and help address priority gaps in the current landscape of finance and draw from a wide variety of sources. The US will be submitting a detailed statement on the recommendations of the Transitional Committee.” The US also offered USD 4.5 million to Pacific resilience facility, and another USD 2.5 million for the Santiago Network. Kerry said the US would like “both to be recognized as key elements of the broader mosaic of support to vulnerable countries and communities as they deal with the impact of climate crisis”. He ended his statement by stressing the importance of innovative sources of finance as the scale of finance required is too large for any government to do this alone.

Welcoming the establishment of the loss and damage Fund, **Germany’s** Federal Minister of Economic Cooperation and Development, **Svenja Schulze**, offered USD 100 million to kick start the Fund and urged everyone to deliver the same ambition on mitigation and adaptation.

Calling the moment a historic occasion, the **United Kingdom** offered 60 million British Pounds for the new Fund, with 40 million to the new fund and 20 million to the funding arrangements, including early warning assessments. The UK also said that to ensure that the fund delivers, it was important that it received support from a wide variety of sources.

The **European Union (EU)**, **Japan**, **Norway**, and the **Environmental Integrity Group (EIG)** too welcomed the decision to the fund. The EU announced a pledge of Euros 225 million to the fund, which included the USD 100 million pledged by Germany. Japan pledged USD 10 million for the fund.

Norway encouraged the early nomination of members to the board and expressed its disappointment that the Governing Instrument of the Fund could not agree on language on human rights and said it will make its announcement to the fund at the world climate action summit.

The **EIG** mentioned that difficult issues like the board, scope, and allocation were postponed (See this [TWN update](#) for details on the recommendations of the Transitional Committee on the establishment of the fund and funding arrangements).

Egypt acknowledged the hard work put in by delegations at Sharm-el Sheikh, members of the Transitional Committee and its Co-chairs, and the secretariat, in helping to finally set up the fund. Egypt further said the adoption of the decision to set up the fund brought good vibes and a good moment for COP28 and was a testament to the fact that multilateralism was still alive.

Zambia, speaking on behalf of the **African Group** said, “The African Group wishes to congratulate you on your strong leadership and delivering this milestone of operationalising the Fund. We are also elated that you have achieved this on your first day as COP President and this sends a positive message that COP-28 is destined to succeed. We urge developed countries to support this historical outcome by making substantial pledges to capitalise this fund, consistent with the scale of losses and damages that vulnerable developing countries are experiencing. You can count on the support of the African Group to ensure we deliver on the remaining agenda items at this COP.”

The adoption of the decision to establish the Fund was welcomed roundly by developing country Parties, including the **Group of 77 and China, BASIC (Brazil, South Africa, India, and China), Alliance of Small Island States (AOSIS), India, Least Developed Countries, Colombia, Vanuatu, Ghana, Peru, and Maldives.**