

No consensus on host agency for Santiago Network secretariat

Penang, 20 June (TWN) – While significant steps were taken at the Bonn climate talks to ensure that the Santiago Network on Loss and Damage (SNLD) will become operational by 2024, there was no agreement on the selection of the host agency for the Network's secretariat.

There has been progress following on from decisions of the COP and CMA in establishing the Network in Madrid in 2019, defining the SNLD's functions in Glasgow in 2021, and designing its institutional architecture at Sharm El Sheikh in 2022.

The focus of the talks on the SNLD in Bonn during the 58th session of the UNFCCC's Subsidiary Bodies (SB58) was on the selection of the host agency for the secretariat of the Network.

Following a call for proposals to serve as host agency issued by the UNFCCC secretariat on 31 December 2022, two proponents submitted proposals as of 31 March 2023 – the Caribbean Development Bank (CDB) and a United Nations consortium composed of the UN Office for Disaster Risk Reduction (UNDRR) and the UN Office for Project Services (UNOPS). An evaluation panel was established to assess the proposals based on the evaluation criteria established under Decision 12/CMA.4, with its report being circulated just before the start of SB58.

The evaluation panel's report contained information on how it conducted the assessment of the proposals received against the criteria and concluded with a shortlist consisting of the two proponents for hosting the Network secretariat. The panel report noted that both proponents met the criteria.

Prior to the start of informal consultations among Parties at SB58 on the matter, the proposals of the proponents included in the shortlist were discussed by the proponents and the Parties through an informal event organized by the Chairs of the Subsidiary Body on Implementation (SBI) and the Subsidiary Body for Scientific and Technical Advice (SBSTA) on 7 June 2023. The proponents also subsequently provided additional written responses to the questions raised by Parties during the informal event. In addition, the proponents and various groups of Parties also engaged in informal discussions over the course of SB58 in which Parties sought further clarification from the proponents regarding their proposals for hosting the SNLD secretariat.

The SBs were mandated to prepare a draft decision for the consideration of the COP and CMA at COP28 in Dubai to approve the selection of the host agency secretariat. The UNFCCC secretariat was also mandated, once the SBSTA

and SBI had selected the winning proposal, to start discussing and preparing with the selected host, the draft memorandum of understanding that would contain the terms under which the host agency would be hosting the Network secretariat.

As the informal consultations started for the preparation of the conclusions of the SNLD, the **Group of 77 and China** noted that selecting a host agency for the secretariat is neither a simple nor easy decision to make. It indicated that selecting the host agency for the secretariat will determine whether the Group's vision of the Network as catalyzing and facilitating the provision of the needed technical assistance and other support to developing countries will become an operational reality. The Group's various sub-constituency groups and the developed country Parties also all stressed the need to select the host agency as a key outcome of SB58.

Given that many of the Parties' groups, especially those within the Group of 77 and China, had not yet made their decision on selecting the host agency pending the receipt of the evaluation panel's report and additional information from the proponents, the G77 and China proposed that the informal consultations focus on developing the draft SB conclusions and an outline of the draft decision text, and leave the issue of selecting the host agency towards the end of the SB58 session to give Parties more time to finalize their internal constituency group deliberations. The G77 and China also called for conclusions from this session that clearly indicates: (i) the decision being recommended to the COP/CMA with respect to the host agency; (ii) the substantive considerations that need to be reflected in the memorandum of understanding between the host agency and the COP/CMA to be drafted by the UNFCCC secretariat; and (iii) substantive considerations that could be requested by the COP/CMA for the SNLD's Advisory Board to consider as it starts to exercise its roles and responsibilities vis-à-vis the Network secretariat.

With constructive negotiations among the Parties at the start of informal consultations, the following considerations were agreed ad referendum among the Parties for inclusion in the conclusions, based on which the UNFCCC secretariat would have been requested to take such considerations into account when drafting the memorandum of understanding

with the selected host agency:

- a) The roles and responsibilities of the SNLD secretariat, including that it shall be accountable to and operate under the guidance of an Advisory Board, recognizing the different mandates of the host and the Network, and that the Advisory Board will provide guidance and oversight to the Network secretariat on the effective implementation of the functions of the network;
- b) The broad regional presence of the host, and how it can enable access to the SNLD in all United Nations geographic regions with developing countries particularly vulnerable to the adverse effects of climate change, with no region left behind;
- c) The mandate of the SNLD and its functions, including on facilitating the consideration of a wide range of topics relevant to averting, minimizing and addressing loss and damage approaches, including but not limited to current and future impacts, priorities and actions related to averting, minimizing and addressing loss and damage, pursuant to decisions 3/CP.18 and 2/CP.19, the areas referred to in Article 8.4 of the Paris Agreement and the strategic workstreams of the five-year rolling workplan of the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts;
- d) Assurances that the host will enable the SNLD and its secretariat to receive the required financial and other support from a wide variety of sources and through all parts of the consortium to carry out its terms of reference;
- e) Information on the commitment from the host to provide financial, in-kind and other support for the SNLD secretariat for the term of the memorandum of understanding to contribute to the ability of the secretariat to carry out its roles and responsibilities as set out in the terms of reference;

- f) For the SNLD secretariat to have a lean, cost-efficient organizational structure consistent with decision 1/CMA.4, annex I, paragraph 13; and
- g) Provisions for discussions on further arrangements for the implementation of the memorandum of understanding in line with future decisions by the governing body or bodies.

Additionally, Parties agreed that SB58 conclusions would include a request to the UNFCCC secretariat to develop draft guidelines to prevent actual, potential and perceived conflicts of interest in the operation of the SNLD, including whether organizations, bodies, networks and experts should be engaged in providing technical support services to the Network secretariat while responding to technical assistance requests, and whether the host of the SNLD should be responding as an organization, body, network or expert to technical assistance requests. These guidelines would be reviewed and approved by the Advisory Board at its first meeting.

Parties also agreed that the current total amount of funds pledged for the SNLD would be indicated in the draft conclusions, and that there would be a call for Parties to nominate their representatives to the Network's Advisory Board by 15 November 2023.

Finally, the draft conclusions developed by the Parties at SB58 included a draft decision on the selection of the host agency, and elements of another draft decision on the Network that would be negotiated by Parties at COP28.

Once the draft conclusions were finalized by the Parties on 13 June 2023, the attention shifted towards selecting the host agency from among the proponents. Parties were not able to agree on a host agency, with some groups of Parties (from both developed and developing countries) preferring the CDB and most other groups of Parties (from both developed and developing countries) preferring the UNDRR/UNOPS consortium.

Despite efforts to achieve compromise, divergent views among Parties on the host agency selection continued and could not be satisfactorily resolved at SB58, to the great disappointment of virtually all Parties.

Due to the failure to select a host agency, the SBSTA and SBI could not adopt the draft substantive conclusions that had already been agreed to by Parties. Instead, the SBSTA and SBI came out with procedural conclusions simply noting that Parties considered the issue and agreed to continue discussing the issue at SB59, with the work already done at SB58 on the draft substantive conclusions then being footnoted and carried forward for further discussion at next session of the SBs viz. SB59 later this year. The decision to select such host agency will now have to be taken at SB59 to then be endorsed by COP28/CMA5 in Dubai.

The failure to select a host agency at SB58 means further delay of at least one and half years from SB58 in the operationalization of the SNLD.

Instead of having the UNFCCC secretariat and the selected host agency prepare the memorandum of understanding after SB58 so that it will be ready for endorsement by the COP/CMA at COP28 in December 2023, such work will now have to commence only after COP28 – presumably such work will have to be undertaken in the first half of 2024 to then be submitted to the SBSTA and SBI at their SB60 session for consideration and endorsement to COP29/CMA6 in November/December 2024 for adoption.

Additional start-up activities such as the holding of the first meeting of the Network's Advisory Board, the hiring of the first director of the secretariat, and other activities will also have to be held in abeyance pending the finalization of the memorandum of understanding and its adoption by COP29/CMA6 in late 2024.

In effect, it means that the SNLD secretariat can commence operations only in early 2025 at the earliest.