

Policy pointers

COP27 must provide avenues for and assurance of new and additional financial support for addressing loss and damage caused by climate change in developing countries.

With climate change impacts locked in due to inadequate mitigation efforts, COP27 must refocus efforts on adapting to climate change, including through advancing the Global Goal on Adaptation.

Developed countries must cover the shortfall in delivering the promised US\$100 billion per year to developing countries for addressing climate change and ensure the next goal is needs-based.

To assess progress towards achieving the goals of the Paris Agreement, the global stocktake must consider and capture the extent of loss and damage and efforts to address it.

Responding to a growing crisis: LDC expectations for COP27

This briefing sets out the priorities of the Least Developed Countries (LDCs) for COP27. At a time of political and economic upheaval, COP27 must focus global attention on the escalating climate crisis. The LDC Group expects substantive progress: new and additional finance for addressing loss and damage and clarity on how the Santiago Network on Loss and Damage will operate and on the governance of the Warsaw International Mechanism. Adaptation must also be at the centre of COP27 negotiations. The LDCs expect actionable outcomes on the Global Goal for Adaptation and a plan for delivery of the COP26 commitment to at least double adaptation finance. They will demand that developed countries deliver on their promises on climate finance and call on Parties to ensure that the global stocktake provides an honest assessment of progress — one that will compel governments to ramp up their plans for climate action.

Three years into the COVID-19 pandemic and its consequences, the world faces an energy crisis exacerbated by Russia's war on Ukraine, and through it all, the climate crisis worsens. Projected CO₂ emissions from existing and planned fossil fuel infrastructure will take us over 1.5°C of warming, yet new developments continue being explored.¹ While the Glasgow Climate Pact requested parties to strengthen their 2030 targets through updated Nationally Determined Contributions (NDCs) this year, only 18 countries resubmitted, and not necessarily with any more ambitious targets.² The world remains well off track from meeting the goals set in Paris, a death sentence for vulnerable communities.

In the 30 years since the UNFCCC was established, climate action has been devastatingly slow, resulting in a steady rise in global greenhouse gas emissions that has significantly increased adaptation needs and costs and has already led to irreversible loss and damage.³ The global response to the now inevitable impacts of climate change must take centre stage at COP27.

Ministers from the LDCs set out their shared priorities for COP27 in the 'Dakar Least Developed Countries Ministerial Declaration on Climate Change'.⁴ This briefing explores some of their key asks.

At COP27, the focus must shift to dealing with the inevitable impacts of the climate crisis that are now locked in

Addressing loss and damage

Human-induced climate change is causing loss and damage, some of which is irreversible. Near-term actions to limit warming to 1.5°C would substantially reduce

loss and damage but cannot eliminate it all. There are limits to the extent that adaptation activities can avert loss and damage; indeed, some limits to adaptation are already being reached.³ While mitigating climate change

and adapting to its impacts remain critical, they are no longer enough, and there is an additional need to address loss and damage.

There are three key outcomes the LDC Group expects to see at COP27 on loss and damage:

- **New and additional finance for addressing loss and damage.** Securing financial support for addressing loss and damage continues to be a highly contentious issue. At COP26, the Group of 77 and China (G77+China) called for the establishment of a finance facility for loss and damage. Due to pushback by developed countries, the decision landed at COP26 was to initiate a three-year 'Glasgow Dialogue', which began in Bonn in June this year. With no clarity on where this 'Dialogue' might lead, the G77+China proposed an agenda item to negotiate 'matters relating to funding arrangements for addressing loss and damage', and this has been added to the COP27 draft agenda.⁵

Having a dedicated space for discussions on loss and damage finance is vitally important to the LDCs and other developing countries. While it remains a contentious topic, the expectation is that COP27 will establish a finance facility for loss and damage.

- **Operationalisation of the Santiago Network on Loss and Damage.** The Santiago Network was established at COP25 to catalyse technical assistance for developing countries for averting, minimising and addressing loss and damage. While the six functions of the network were decided in Glasgow,⁶ the institutional arrangements to deliver on those functions remain undecided.

At COP27, Parties must agree on how the network will deliver its functions. They will need to decide how it is structured, where it is hosted, who oversees its activities, how it is funded and how requests can be made for

support from the network. Given the importance of catalysing support for addressing loss and damage, the LDC Group wants to see a robust structure for the network, with the finances and human resources to effectively deliver on its mandate, including, for example, helping to identify and communicate technical assistance needs and priorities, and actively connecting those seeking technical assistance with appropriate providers.

As the network's secretariat is likely to be largely external to the UNFCCC, it will be necessary to ensure proper oversight from a governing body with the expertise and capacities to provide direction and ensure the secretariat effectively delivers its functions.

- **Dual governance of the Warsaw International Mechanism for Loss and Damage (WIM).** Ongoing disagreement over the governance of the WIM is likely to be an issue at COP27. For the LDC Group, it will be critical to ensure that the WIM remains under dual governance of both the UNFCCC and the Paris Agreement, because the Paris Agreement is limiting in terms of loss and damage, especially given its accompanying decision text potentially excluding the possibility of finance for loss and damage.⁷

The WIM was established in 2013 under the COP⁸ and is therefore governed by the COP. The 2015 Paris Agreement, within its Article 8 dedicated to loss and damage, provides that 'the [WIM] shall be subject to the authority and guidance of the [Paris Agreement]'.⁹ While this extended the governance of the WIM to the Paris Agreement, it did not exclude or override the pre-existing arrangement of governance by the COP. The LDC Group's expectation is that at COP27, decisions related to loss and damage will be taken by the COP and the Paris Agreement, reaffirming the dual governance of the WIM.

Global Goal on Adaptation

Adaptation has consistently received less attention and less finance than mitigation. After years of urging by developing countries, the Paris Agreement established the Global Goal on Adaptation (GGA) to enhance adaptive capacity, strengthen resilience and reduce vulnerability associated with climate change. The GGA was established to ensure adequate adaptation response and to promote sustainable development, particularly in vulnerable developing countries.

However, over the following six years, there was no common understanding of the GGA and its operationalisation. The first major milestone was the launch of the Glasgow–Sharm El-Sheikh work programme (GlaSS) on the GGA at COP26.¹⁰ The GlaSS is meant to be a learning and iterative process that provides a two-year window for countries to outline an objective and have structured discussions on the GGA.

At COP27, the LDC Group's priorities on adaptation include:

- **Advancing the adaptation agenda.** For COP27 to deliver an acceptable outcome on the GGA, the GlaSS needs to utilise the available mandated workshops effectively. At COP27, the LDC Group will demand more political will and action, particularly from developed countries, to support LDCs' formulation and implementation of their National Adaptation Plans. For the LDCs, it is also crucial that there is substantive progress on the GGA that reflects the realities on the ground, is nationally determined and is locally appropriate.
- **Ensuring that the GGA is not a burden on developing countries.** At COP27 — and beyond — the LDCs will continue to point out that Adaptation Communications¹¹ play an important role in providing the necessary information for the GGA and global stocktake (GST). No additional systems and reporting requirements should be developed as these would impose extra burdens on already limited resources.
- **Ensuring that outcomes inform the GGA at COP28.** COP27 must result in concrete milestone outcomes on the GGA as this will be an essential input to the GST.

Climate finance

Scaled-up climate finance is critical to realising the goals of the Paris Agreement. At COP26, it was confirmed that the 12-year-old promise to mobilise US\$100 billion per year by 2020 had not been delivered.¹² This was a major disappointment for developing countries, given that the actual costs for them to address the climate crisis are much higher (the cost for LDCs alone to implement their NDCs has been estimated to be US\$93.7 billion per year, which is likely an underestimate, and doesn't account for the escalating costs of adaptation and addressing loss and damage).¹³

In 2015, Parties agreed to set a new collective quantified goal (NCQG) for climate finance

considering the needs and priorities of developing countries.¹⁴ Deliberations on the new goal are underway — representing the first time a climate finance target is being set multilaterally through open, inclusive and transparent dialogues — due to conclude by 2024.

At COP27, the LDC Group will demand:

- **Delivery of historical commitments and pledges.** This includes delivery of US\$100 billion per year and making up the shortfall from the past three years. To avoid repeating the disappointment of the \$100 billion goal, developed countries must also share transparent plans for delivering the COP26 promise of doubling adaptation finance by 2025, especially considering how far off track they seem to be from fulfilling that commitment.¹⁵
- **That the NCQG reflects the real needs of developing countries.** Unlike the purely political nature of the \$100 billion goal, the NCQG must be guided by the science and data that identify the needs of developing countries to mitigate climate change by leapfrogging to low-carbon development pathways, to adapt to the inevitable impacts of climate change and to address loss and damage. The NCQG must also be scaleable so it can respond to the worsening climate crisis.

The global stocktake

The global stocktake of the Paris Agreement is a process for assessing collective progress towards achieving the purpose of the Paris Agreement and its long-term goals. The GST, which takes place every five years, is designed to ratchet up global ambition by informing countries' subsequent NDCs. The first technical dialogue, held at the 56th session of the UNFCCC Subsidiary Bodies, generated constructive inputs to inform the first GST. But not all elements of the Paris Agreement for which progress of implementation must be assessed received equal emphasis.

At the second technical dialogue during COP27, it will be crucial that all elements of the Paris Agreement be included so that the GST can take stock of progress on mitigation, adaptation, addressing loss and damage and the delivery of finance and other support, as well as considerations of equity. Space must be provided for the collection of all relevant inputs to inform this assessment, especially relating to items for which numerical data is less readily available.

Alongside the technical dialogue, Parties must work towards preparing a strong outcome for the conclusion of the first GST. This must be an honest and clear assessment of global progress towards the goals of the Paris Agreement and compel governments to ratchet up ambition across all areas of climate action and support, to ensure the next round of NDCs closes existing gaps.

Realising the goals of the Paris Agreement and the Convention

It has been 30 years since the UNFCCC was signed. Yet, emissions continue to rise, and the worsening impacts of the climate crisis continue to devastate the lives of hundreds of millions of people, especially in the most vulnerable countries. This global crisis demands a global response that leaves no one behind.

At COP27, the focus must shift to dealing with the inevitable impacts of the climate crisis that

are now locked in. Protecting the lives and livelihoods of vulnerable populations will require significantly scaled-up adaptation efforts and addressing unavoidable loss and damage. This won't be possible without significantly more climate finance than has so far been delivered. Levels of progress must be clearly and accurately reflected in the first global stocktake, which must lead to countries addressing those gaps in their next NDCs. COP27 will not be a success unless it fully addresses the needs of the Least Developed Countries.

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Knowledge Products

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Notes

¹ IPCC (2022) Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. www.ipcc.ch/report/sixth-assessment-report-working-group-3 / ² UNFCCC, NDC Registry. <https://unfccc.int/NDCREG> / ³ IPCC (2022) Climate Change 2022: Impacts, Adaptation, and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. www.ipcc.ch/report/sixth-assessment-report-working-group-ii / ⁴ LDC Climate Change, Dakar Least Developed Countries Group Ministerial Declaration on Climate Change 2022. www ldc-climate.org/press_release/dakar-least-developed-countries-group-ministerial-declaration-on-climate-change-2022 / ⁵ UNFCCC, COP 27. <https://unfccc.int/event/cop-27#eq-20> / ⁶ UNFCCC (2021) Decisions 17/CP.26, 1/CMA.3 and 19/CMA.3. / ⁷ UNFCCC (2015) Decision 1/CP.21 [51]. / ⁸ UNFCCC (2013) Decision 2/CP.19. / ⁹ UNFCCC (2015) Paris Agreement, Article 8.2. / ¹⁰ UNFCCC (2021) Decision 7/CMA.3. / ¹¹ Adaptation Communications were established by: UNFCCC (2015) Article 7, Paragraph 10,11 of the Paris Agreement. https://unfccc.int/sites/default/files/english_paris_agreement.pdf / ¹² UK COP26 Presidency (2021) Climate Finance Delivery Plan: Meeting the US\$100 billion goal. <https://ukcop26.org/wp-content/uploads/2021/10/Climate-Finance-Delivery-Plan-1.pdf> / ¹³ Rai, N, Soanes, M, Norton, A, Anderson, S, Steele, P, Tenzing, J and MacGregor, J (2015) A fair climate deal in Paris means adequate finance to deliver INDCs in LDCs. IIED, London. pubs.iied.org/17333iied / ¹⁴ UNFCCC (2015) Decision 1/CP.21 [53]. / ¹⁵ Shakyia, C and Barnes, J (2022) Fair share of adaptation finance in 2025. IIED, London. pubs.iied.org/20976iied

